REGULATORY TRIBUNAL (IPART)

Special Rate Variation Application

Wollongong City Council 2014-15

Attachment 12
Council Report Securing Our Future –
Financial Sustainability Review
9 December 2013 and 17 February 2014



REF: CM343/13 File: EM-030.45.009

ITEM 1

LATE BUSINESS - SECURING OUR FUTURE - FINANCIAL SUSTAINABILITY REVIEW

Residents use most of Council's services via its assets. These assets include roads, footpaths, drains, parks, playground equipment, libraries, community halls, sporting facilities, toilet blocks, swimming pools and cultural facilities such as the Art Gallery and the Illawarra Performing Arts Centre. Unless these are adequately maintained, refurbished and replaced, Council's core service to its community will slowly degrade. This will be seen in asset failures which will cause inconvenience and potential safety risks to users.

In recent years there have been a number of failures of this kind to Council's assets which required them to be removed from service for a period of time. These include Bellambi Rock Pool, Wollongong Town Hall, Harry Graham Drive and most recently Darkes Road Bridge and Mt Keira Road. The continued underfunding of assets means this will increase unless we take action.

Since 2008, Council has been able to make \$20 million in operational improvements and these funds have been made available for our capital program. A further \$21 million is required to ensure we are able to adequately maintain and renew our assets.

In August 2013 Council launched 'Securing our Future', a review to address the funding gap, as required under Council's Delivery Program 2012-17 and Annual Plan 2013-14. The review has involved engagement with internal staff, Councillors and the community, including a Citizen's Panel process, to determine options to ensure Council can continue to provide high quality assets and services into the future.

This report considers the options informed by the community engagement process in the form of three financial model scenarios alternate to our baseline. These three scenarios/ options are recommended to be exhibited as part of the Draft Resourcing Strategy 2012-17 (Revised 1 December 2013) and Draft Delivery Program 2012-17 (Revised 1 December 2013).

Recommendation

- 1 This report be received and noted.
- The approach that a combination of operational efficiencies, service adjustments and increased revenue must be part of the solution toward achieving financial sustainability, and therefore is an essential component to the Securing our Future Review be endorsed.
- The Draft Resourcing Strategy 2012-22 (revised 1 December 2013) and Draft Delivery Program 2012-17 (revised 1 December 2013) be placed on public exhibition from 11 December 2013 to 5 February 2014, and Council undertake community engagement during this period on the proposed efficiency targets,



service changes and special rate variation options contained within the report.

- 4 Council endorse notification to the Independent Pricing and Regulatory Tribunal of its intent to apply for a Special Rate Variation by the 13 December 2013.
- Attachment 3 Citizen's Panel Report and Attachment 4 Securing our Future Community Engagement Report be received and noted, and the input provided by the community into this phase of the financial sustainability review be acknowledged.

Attachments

- 1 Draft Delivery Program 2012-17 (Revised 1 December 2013)
- 2 Draft Resourcing Strategy 2012-22 (Revised 1 December 2013)
- 3 Citizen's Panel Report
- 4 Securing our Future Community Engagement Report
- 5 Draft Financial Strategy (amendment December 2013)
- 6 Indicative Rating Scenarios, 2014-15, 2015-16, 2016-17

Report Authorisations

Report of: David Farmer, General Manager

Background

Local Government as a business provides a diverse range of services (most of which are not directly charged) with almost unlimited demand from its customers. Financially we have a low annual turnover, but high asset values. Wollongong City Council's current asset portfolio has a replacement value of \$4 billion - more than twelve times its annual turnover.

The New South Wales (NSW) Government has restricted the level of rates revenue for councils for many years via rate pegging. This means Local Government in NSW has slipped behind other states in both revenue raising and financial performance in recent decades.

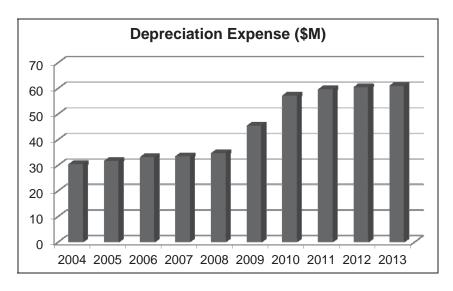
NSW councils have been discussing their financial future for a number of years now, including the age of their infrastructure and the condition of their assets. This is partly due to changes in local government accounting methods and locally - the assets constructed during the city's post-World War II boom beginning to reach their use by date and starting to fail.

Until 1993, councils in NSW used fund accounting where roads, bridges and stormwater were not recognised as assets. Construction and replacement of these assets was treated as part of the annual expenditure and their future replacement was not considered in long term financial planning. Changes in accounting standards meant that



between 1993 and 1997 these assets were brought to account and depreciated based on historical cost.

In more recent times 'fair value accounting' was introduced which ensures the value of assets is based on current replacement costs and depreciation reflects the current value of consumption of the asset. This change in accounting method showed clearly the increasing dilemma councils faced with asset renewal. The graph below shows the increase in depreciation expense at this Council from 2008 to 2011 as fair value accounting was phased in.



Off the back of the Independent Inquiry into the Financial Sustainability of Local Government (2006), Council in 2007 commissioned a Financial Sustainability Review by Professor Percy Allan that concluded Council had a substantial infrastructure renewal backlog and that this would continue to deteriorate if nothing changed.

The review recommended that Council should address its backlog by generating additional funding through increasing rates and fees and charges, reducing expenditure, increasing developer charges and introducing loan borrowings.

Soon after the report was received the Council was placed in Administration. The incoming Administration took an approach that before going to the community to discuss service changes and increases in rates it should look to tackle the problem internally by:

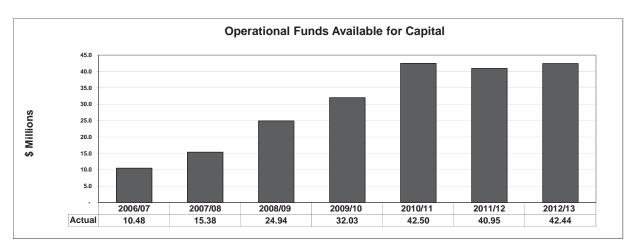
- reducing internal costs through operational efficiencies
- allocating a greater portion of its internal capital funding to asset renewals rather than new assets and
- seeking additional external funding for new assets.

Over the last five years, the organisation has developed and implemented a number of initiatives to harvest operational improvements and make the savings available for capital expenditure on asset renewal. Approximately \$20 million per annum in operational budget improvements has been achieved. This has been essentially delivered via internal efficiency strategies including reductions in costs to deliver



services. During this time additional and increased services have also been delivered including Thirroul District Library and Community Centre, Southern Gateway, regulatory and ranger services, development assessment services and pool and library opening hours.

The improvements are reflected in the funds available for capital graph shown below. Funds available for capital is a key measure of a council's ability to generate funds to replace and renew assets.



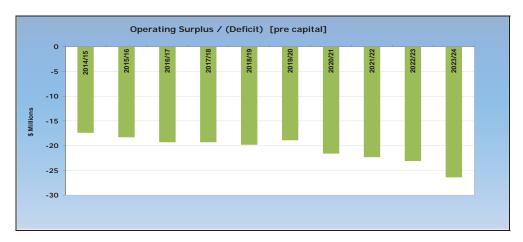
This increase in funding has led to a steep increase in the amount of capital works Council has been undertaking. The last five years of capital expenditure ie 2008-09 to 2012-13 totaling \$390 million, is 110% higher than the previous five years, 2003-04 to 2006-07 (totaling \$186 million).

In June 2009 Council adopted a financial strategy to provide direction and context for decision making in the allocation, management and use of Council's financial resources. The strategy set the parameters within which Council would operate to ensure it remained financially stable. It did not directly set targets to achieve financial sustainability. The strategy acknowledged that the operating result [pre capital] is one of the main indicators of the long term financial viability. In broad terms, a deficit from operations indicated that Council was not earning sufficient revenue to fund its ongoing operations (services) and continue to renew its assets that are an integral part of that service. The strategy aimed to ensure in the short term that the annual deficit was not increased, while stating the need to develop actions in consultation with its community to move towards surplus budgets.

The continuation of a savings program was built into Council's ten year Resourcing Wollongong 2022 Strategy. At the time of adoption (2012), the Resourcing Strategy required an operational improvement of \$3.3 million in 2012-13 and an annual savings totalling \$12.4 million by 2022. As at June 2013, the target was \$10.5 million in savings. Achievement of the savings target stabilises Council's operating deficit, though does not achieve an operating surplus.



The operating result [pre capital] shown below represents the baseline long term financial model that is built on existing forecasts, and without adjustments, shows how it would not provide surplus budgets at any point in the future.



In 2012, the NSW Government commissioned the NSW Treasury Corporation (TCorp) to undertake an analysis of the financial sustainability of each of the 152 Councils in NSW. It found 'the majority of Councils are reporting operating deficits and a continuation of this trend is unsustainable' (TCorp, April 2013).

In terms of the individual assessment of Wollongong City Council, TCorp found the short to medium term financial capacity of Council as being sound, however the longer term outlook was not considered positive. TCorp identified that Council's deteriorating operating results are 'primarily due to increasing depreciation and amortisation expenses', and that 'this is a significant issue that could impact the long term financial sustainability of the Council' (TCorp, October 2012).

Further ongoing cost controls or securing new or additional revenue in future years was recommended by TCorp to address the longer term negative operating position of the Council.

The Division of Local Government (DLG), which has an oversight and monitoring responsibility for local government performance in NSW, has also indicated that Council needs to 'demonstrate how it intends to achieve financial sustainability over the longer term through its Long Term Financial Plan' (DLG, February 2013). Council's existing Resourcing Strategy recognises the asset dilemma faced and that the challenge will require us to either increase our revenue, or make concessions on our services or levels of service. The current Long Term Financial Plan included a baseline plan that reflects existing policy and service levels. The plan identified that:

'Council will move forward with the baseline scenario, then will engage the community to explore the dilemma faced by the organisation with regard to its assets and review the options available into the future' (pg.13).

In April 2013, the Independent Local Government Review Panel released its report Future Directions for NSW Local Government: Twenty Essential Steps. The panel



identified the financial base of the local government sector is 'in urgent need of repair' and that 'many councils face serious problems that threaten their sustainability" (ILGRP, 2013).

It commented:

'addressing the issues will be uncomfortable for all concerned: politicians, senior managers, staff and ratepayers... The Panel believes that this will need to combine fiscal discipline with improved financial and asset planning, accelerated increases in rates and charges where required... and improved efficiency and productivity" (ibid).

On 24 June 2013 Council adopted its Annual Plan 2013-2014 and called for a report on the options for a citizen's panel to discuss components of the budget. In August 2013 a report was put to Council that highlighted the need to address financial sustainability, in particular the need to address Council's funds available for asset renewal.

Council then endorsed the commencement of a comprehensive Financial Sustainability Review, now known as 'Securing our Future', and that it consider service levels, efficiency opportunities and revenue increases. It was a priority for Council to have the community involved in the review.

Since August 2013, a number of events have occurred as part of the Securing our Future - Financial Sustainability Review:

- Detailed information was prepared for each of Council's 117 service delivery streams, including financial information (revenue and expense information), service output, benchmarking and performance information.
- A Citizen's Panel was formed, and met four times to deliberate over the issue, and to prepare a set of recommendations for improving Council's financial position. Community submissions were invited prior to the Citizen's Panel being formed.
- The Citizen' Panel report was exhibited for public comment and feedback for a period of 15 days.
- Internal consultation was undertaken to determine operational efficiencies, including staff workshops and management sessions.

Proposal

Council's operating deficit requires approximately \$21 million per annum improvement over a three to five year period to break even. An additional \$21 million per annum allows us to be able to maintain the serviceability of our existing stock of assets. These additional resources will be directly applied to increased renewal and replacement of assets.

Options for reducing this gap are considered to include three areas: revenue increases, service adjustments, and operational efficiency measures. As the report of 12 August 2013 identified, the 'elasticity' in the levels of change pertaining to each of the three change areas depends on reasonableness, as well as community and Council preferences for where change should occur. The community engagement so far has



enabled robust discussion on where the solutions could lie, and has resulted in three alternative funding scenarios to achieve long term financial sustainability.

These scenarios are proposed to form the basis for further discussion as to how the \$21 million annual gap can be met. They are as follows:

BASELINE

This is the continued operating position of the Council. This would not include any further efficiency savings (on top of the \$20 million achieved since 2008). Continuation of the baseline scenario would mean Council would continue to operate with a \$21 million average annual deficit. Council would not have the funds available for all assets requiring renewal, compounding Council's inability to maintain and renew its assets into the future. There would be increasing unplanned reduction in services due to asset failure over time. There would be minimal impacts on Council staffing.

SCENARIO 1

Scenario 1 is based upon the Citizen's Panel recommendations. It was the view of the Panel that this combination of recommendations reflects a balanced approach and is based on all the information and data made available to it by Council. The Panel made its recommendations in an effort to minimise the impact on the least number of people and to minimise the impact on rates. Scenario 1 therefore includes a maximum rates increase of 2.5% per annum over and above the rate peg for three years, together with operational efficiencies and service reductions. Impacts of this scenario are estimated to be a real increase of \$102.71 for the average household after the three years. There would also be a localised impact on the specific removal or reduction of services, although the risk of unplanned service reduction due to failure to renew assets is lower and a better quality of service is assured (because of renewed services) than the baseline.

The Panel includes several proposals that have been interpreted as follows:

Lakeside Leisure Centre – Disposal of land and facility. The Panel considered that future demand will be met by new facilities at West Dapto. This proposal suggests closing the asset and selling the land.

Pensioner interest – remove interest exemption for full payment by May from Pensioner Policy - Pensioners are currently exempted from paying interest on overdue rates. The proposal is to discontinue doing this, so they are charged interest in line with the remaining rate paying population.

Unanderra Library – Closure of Library Service. This proposal refers to the library service only. It does not recommend disposal of the building as it is attached to the Unanderra Community Centre. The Panel's decision took into account spatial, budgetary and utilisation information.

Urban Renewal and Civic Improvement - halve the current program \$300,000. This proposal recommends a reduction in the Urban Renewal and Civic Improvement Planning program, including the number of town and village centre plans undertaken each year.



Pensioner waste exemptions - remove exemption. Elimination of the fee waiver for waste disposal (general and green waste) at Whytes Gully for Pensioners (i.e. charge them the same as everyone else). Based on the free twice yearly household pick up, this additional service was identified as no longer as great a need as it previously was.

Crematorium - exit the cremation operations and potential demolition of this part of the facility. This proposal includes closure of the existing aging cremators. The surrounding Memorial Gardens (inclusive of infrastructure) is to continue to operate.

Tourist Parks - lease - outsource all. The tourist parks at Bulli, Corrimal and Windang are located on Crown Land and managed under Trust. This proposal suggests externally sourcing the management and operations of the three tourist parks currently directly managed by Council staff.

Like all of the scenarios, Scenario 1 includes an efficiency target, however unlike Scenarios 2 and 3 it has a higher degree of efficiency to be achieved via significant change to work practice, structure and service delivery models. These are referred to in the scenarios as high impact. Low impact refers primarily to a budget reduction without a major impact on staffing, industrial relations or service delivery.

Endorsement of the Panel's recommendations would result in significant changes to the workforce, however it should be noted under the current terms and conditions of Council's Enterprise Agreement, no forced redundancies means alternate methods of managing workforce change would need to be implemented and managed. This may include retraining, redeployment, management of vacancies across the organisation, transition to retirement for interested and eligible employees, or other strategies as deemed appropriate in negotiation with employees, employee representative bodies, and management. The Panel's proposals will impact on the workforce in terms of change to work practice, delivery models, management models and a continued focus on increased productivity and cost containment. This is a consistent theme across all three scenarios.

The Panel's recommendations could directly impact approximately 7% of the workforce and may result in reduced employment options. However, while there would be less employment directly provided by Council, there would be indirect local employment stimulation via contractors undertaking the bulk of the enhanced works program which will be funded by the savings.

SCENARIO 2

Using the Citizen's Panel recommendations as a starting point, Scenario 2 reflects community feedback and analysis from officers. It identifies where community feedback indicates strong opposition to key change points, particularly service reductions, but balances this with analysis of data and information that maintains some of the Panel's key recommendations. Scenario 2 therefore includes a rates increase of 4% per annum above the rate peg for three years. Impacts of this scenario are higher rates, with an average increase of \$166.72 after three years. There would be lower localised service level impacts compared to Scenario 1 and there would be lower risk of unplanned



service reduction due to failure to renew assets, and a better quality of service (because of renewed assets) compared to the baseline.

Providing a variation of the Citizen's Panel recommendations, Scenario 2 provides some variation to the interpretation above. For example, in addition to the closure and demolition of the cremators, Council may also choose to explore the feasibility of a joint venture or a lease to a private operator willing to invest in modern cremators. The tourist parks, if pursued, would need to be market tested as would any other outsourcing proposal. Market testing Lakeside may find a provider willing to operate the facility and maintain a similar service due to lower labour costs. Many of these options would need to be further explored.

Similar to Scenario 1, although to a lesser extent, endorsement of Scenario 2 would result in changes to the workforce. It should be noted, however, under the current terms and conditions of Council's Enterprise Agreement, no forced redundancies means alternate methods of managing workforce change would need to be implemented and managed. This may include retraining, redeployment, management of vacancies across the organisation, transition to retirement for interested and eligible employees, or other strategies as deemed appropriate in negotiation with employees, employee representative bodies, and management.

Scenario 2 could impact on the workforce at a similar level to Scenario 1. However, it also could result indirect employment stimulation via contractors undertaking the bulk of the enhanced works program which will be funded by the savings.

SCENARIO 3

This Scenario explores the option to focus primarily on revenue (rates) and internal efficiencies. This responds to the call by some members within the community to leave services as they are. This means a more significant increase in rates of 5% for three years above the rate peg, with the average increase of \$210.40 after three years. There would be internal efficiency gains delivered with minimal service reductions. There would also be minimal employment reductions (the reductions would be offset by indirect employment stimulation via local contractors), but more significant financial impacts for the ratepayer. There would be a lower risk of unplanned service reduction due to failure to renew assets and a better quality of service (because of renewed assets) compared to the baseline.

A fourth scenario was scoped that only included service adjustments and efficiencies as an option (with no rates increase above the annual rate peg) but it is not recommended. It included \$7 million efficiency measures and \$14 million in service adjustments. This would mean a significant reduction of non-mandated services, significant market testing to outsource delivery of Council's community, cultural, recreational and environmental services, an estimated six year delivery due to phase in of significant workforce and service change, a reduction of 20% in staffing establishment, and impact on the delivery of Wollongong 2022.

The community response during the Citizen's Panel exhibition period that indicated strong opposition to significant service reductions has resulted in this option being



excluded from the recommended scenarios. The following table is a summary of the scenarios contained within the attached Draft Resourcing Strategy.

	EFFICIENCY	SERVICE	REVENUE	
			Fees and Charges	Rates
Scenario 1	\$7M • \$3.5M low impact efficiency measure • \$3.5M higher impact – outsource management of tourist parks, review Russell Vale Golf Course, some operational activities, reduce back office resourcing, integrate management at key facilities, Employee Enterprise Agreement	Includes sale of some facilities (including Lakeside Leisure Centre, closure of the cremators' operations, 10% playgrounds, parks and community centres), closure of Unanderra Library and reduction in others (ocean rock pools, pool season, street sweeping, cadet and apprenticeship program, events funding, urban renewal program, discontinuation of the Crown Street Façade Program). \$1M extend lives of footpaths.	\$1.6M Increase in fees and charges for car parking, heated pools, fitness trainers, sportsfields, community pools (gold coin donation)	\$8.4M 2.5% for each year for 3 years over and above the assumed 2.7% rate cap
Scenario 2	\$5M • \$3.5M low impact efficiency measure • \$1.5M higher impact - outsource management of tourist parks, review Russell Vale Golf Course, some operational activities, reduce back office resourcing, integrate management at key facilities	\$2.3M Includes sale / outsourcing of Lakeside Leisure Centre, 10% playgrounds, parks and community centres, withdrawal (or lease or joint venture) of operation of the cremators, discontinuation of the Crown Street Façade Project. \$1M extend lives of footpaths.	\$370K Increase in fees and charges for leasing child care facilities, car parking, heated pools, fitness trainers	\$13.4M 4% for each year for 3 years over and above 2.3% rate cap
Scenario 3	*\$3.5M \$3.5M low impact efficiency measure	*\$1M \$1M extend lives of footpaths	* see note at top of next page	\$16.5M 5% for each year for three years over and above the 2.3% rate cap
Scenario 4 (not further considered)	 \$7M Outsource management of tourist parks and RVGC Significant reduction back office resourcing Integrate management at key facilities Reduction in staff Move towards a user pay model of delivery 	\$14M As scenario 1, plus: Rationalise 20% of playgrounds, parks and community facilities Further closure of services in aquatic services (pools such as Berkeley and Dapto, patrolled beach seasons, libraries such as Unanderra) Cessation of programs and activities such as community and cultural development, environmental awareness, education and promotion.		

- Note 1: Proposals for increases to fees and charges are over and above the annual increases associated with indices and statutory changes and will be reviewed as part of the annual planning process.
- Note 2: The rates increase quantum shown in each scenario in years 1,2 and 3 is inclusive of an assumed rate peg and additional rate adjustment over the next three years. These forecasts assumed a rate peg of 2.7%, 3.0% and 3.0%. Year 1 will be adjusted as this report progresses to reflect the announcement of IPART on 2 December 2013 of a 2.3% rate peg for 2014-15.



\$20 million of the \$21 million annual improvement will create additional funds, the other \$1 million is a proposed saving in depreciation from the extension of life on footpaths that will reduce the need for funds but would lower the service standard of Council footpaths. The additional \$20 million is proposed to be spent on increased asset renewal. The breakdown on how the funds may be spent is based on the projected renewal timeframes identified in the Asset Management Plan section of the Draft Resourcing Strategy (Revised 1 December 2013). The breakdown of expenditure for the additional funds over the ten year life of the Draft Resourcing Strategy is as follows:

RECOMMENDED CUMULATIVE ALLOCATION OF ADDITIONAL FUNDS FOR CAPITAL RENEWAL WORKS				
BUDGET AREA - Renewal/Replacement of	2014-15 to 2023-24 (\$)			
Public Transport Facilities (bus shelters, etc)	899,000			
Road works - road resurfacing	17,983,000			
Road works - road reconstruction	41,447,000			
Bridges, Boardwalks and Jetties	4,497,000			
Footpaths	40,461,000			
Cycle/Shared Paths	8,091,000			
Car parks	2,247,000			
Community Buildings including Cultural Centres*	51,251,000			
Public Facilities (shelters, toilets, etc)	2,878,000			
Crematorium/Cemetery Facilities	450,000			
Play Facilities	4,854,000			
Recreation Facilities	4,316,000			
Sporting Facilities	3,147,000			
Aquatic Facilities (pools, etc)	6,293,000			
Total	\$188,814,000			

^{*}Community Buildings includes community centres and halls, the Art Gallery, Town Hall and IPAC NOTE: Stormwater infrastructure is not included in the additional funds available as increased renewal works are not anticipated in the next ten years.

Examples of works that could be funded by the additional spend include Mount Keira Road and Harry Graham Drive stabilisation; Flinders Street footpath; Stanwell Park Beach and Mt Keira summit kiosks; accelerated dune management works; an integrated Warrawong Library and Community Centre; and play facilities at Nicholson Park, Woonona.

The three scenarios have been included in the Draft Resourcing Strategy (Revised 1 December 2013) and form the basis for the Draft Delivery Program (Revised 1 December 2013) and are proposed to go on public exhibition for eight weeks. The



Legislative requirement is a 28 day exhibition, and this extended date is to account for the Christmas/New Year break. (Attachments 1 and 2 include the Draft Delivery Program and Draft Resourcing Strategy).

Both the NSW Division of Local Government (DLG) and the Independent Pricing and Regulatory Tribunal (IPART) require funding possibilities and alternatives to be canvassed, and specifically require a minimum of three and two scenarios, respectively. Many councils across NSW have utilised a special variation to rates as the primary, and in some instances, only means to improve their council's operating result and funds available for asset renewal. This report proposes that all of the scenarios in the Draft Resourcing Strategy should include operational efficiency measures on top of the \$20 million per annum efficiency improvement since 2007-8.

The DLG and IPART also require notification of intention to apply for a special variation to rates for the 2014/15 rateable year to be submitted by 13 December 2013. Given a rating increase is evident in 3 of the 4 scenarios, there is a high likelihood that a rates increase of some sort will need to be part of Council's Resourcing Strategy and Delivery Program. As such it is recommended a notification of intention to apply be submitted by 13 December 2013. It should be noted that a special variation to rates application must be submitted by 24 February 2014. An adopted Resourcing Strategy and Delivery Program which includes the preferred scenario (and rating increase option) are required to be submitted as part of special variation to rates application.

It should be noted that this notice is not binding and does not commit Council to proceeding with a Special Rate Variation.

Should a rating increase be introduced, it is proposed that it be phased in over three years, in line with the Citizen's Panel recommendation. This would constitute a Section 508A variation under the NSW Division of Local Government's *Guidelines for the Preparation of an Application for a Special Variation to General Income for 2014-15* (September 2013), which allows for multiple annual percentage increases for rates income for up to seven years.

Specific proposals for the Draft Delivery Program 2012-17 (Revised 1 December 2013)

Council's commitment to the strategic programs in the existing Delivery Program 2012-17 remain in this draft revision. The need to focus on Council's long term financial sustainability and asset related challenges and respond to legislative and policy related changes has resulted in some proposed adjustments being made. Based on the Securing our Future project, actions have been added which demonstrate how additional funds are to be distributed. On the other hand, Council will be unable to deliver on some five year actions and in this instance these five year actions have been recommended for deletion. While it may appear that many of the five year actions in the draft Delivery Program 2012-17 (Revised 1 December 2013) are not changed as a result of the proposed efficiencies and service level changes, it should be noted the extent of delivery of some five year actions will be impacted. For instance, Council may deliver less of some programs, projects and ongoing activities related to a Delivery Program action.



Actions that may be impacted are addressed up front in the Delivery Program 2012-17 (Revised 1 December 2013) (Attachment 1 to this report).

It is likely that the impact for the Securing our Future review will be more evident at the Annual Plan action level, which is to be considered by Council in June 2014.

Consultation and Communication

The Financial Sustainability Program has undergone a number of phases, including community involvement and communications throughout. Since 2008 Council has worked to reduce our internal costs whilst working alongside our community to understand the community's priorities, ambitions and vision for the city via the community strategic planning process and the development of Wollongong 2022.

Specific engagement via the Financial Sustainability Review under the banner of 'Securing our Future' commenced September 2013. This engagement with the community has gone through three phases:

- Step 1 Call for submissions to inform the Citizen's Panel in making their recommendations including an online survey.
- Step 2 Convening a Citizen's Panel of randomly selected residents to review Council services, costs and revenue and inviting community submissions to the panel.
- Step 3 Exhibition of the Citizen's Panel's report on recommended changes.

Engagement will continue through December 2013 until February 2014 via an exhibition of draft changes to our Resourcing Strategy including the Strategic Asset Management Plan and Workforce Plan, and Councils revised draft Delivery Program.

The next step of the project will occur during April-May 2014, during the exhibition of draft Annual Plan, Budget and Capital Works program, Revenue Policy and Fees and Charges.

The engagement undertaken since September 2013 is detailed further below. It is anticipated that final decisions stemming from the engagement processes will not be made until June 2014, in accordance with Council's strategic management cycle.

Step 1 – Early Engagement

In the lead up to the Citizen's Panel deliberations, Council invited the community to make submissions to the panel via online surveys (167), open submissions (11) and an online discussion board (14). The majority of participants at this stage indicated a preference for existing service levels. There were mixed attitudes in the community towards streamlining staff efficiencies and projects, conditional rate rises and increases in user pays.

During this phase a staff workshop was held with 45 randomly selected staff members from every division across Council in October. The aim of the workshop was to discuss options for financial sustainability, with a particular focus on internal efficiency improvements. The key themes discussed at the workshop included: sustainability, asset management, people, service level, communications, process improvement,



systems, and spot savings. The results of the workshop have been reflected in the scenarios. The detail on how internal efficiencies will be achieved (dependent on the preferred scenario) will be reflected in Council's Annual Plan.

Step 2 - Community Engagement (Citizen's Panel)

The Citizen's Panel comprised 34 individuals who were randomly selected by a third party specialist market research firm to provide a representative sample of the Wollongong community in terms of age, gender, geography, level of education, cultural background and housing tenure. The appointment of a small diverse, but representative, randomly selected group of citizens in the form of a panel was chosen over quantitative methods to allow them time and support to review information and deliberate together on complex issues. This enabled them to provide considered and informed feedback about service delivery and associated options for financial sustainability. These types of deliberative approaches to community engagement are synonymous with providing the opportunity for the community to contribute to recommendations and solutions (rather than simply identifying issues).

The Citizen's Panel was tasked with answering the following questions based on the \$21 million operating deficit:

- 1 What are the priority services for Council to deliver and what level should Council deliver these services?
- 2 What are the opportunities to achieve operational improvements?
- 3 How should Council fund the delivery of these services to the desired level?

Panel meetings were independently facilitated by a specialist community engagement firm, with support and information to the Panel provided by Council's Executive Team. It is important to note that the Panel was not lead by the Executive in any of the discussion sessions and that the information provided to the Panel was requested by them, and made available to the general community online for transparency. On a number of occasions the Panel requested Council staff absent themselves to allow the panel to discuss certain issues.

The Panel finalised their deliberations through the preparation of a report, which included a number of recommendations based on the three questions identified above. Their full report can be found as Attachment 3 to this report. In summary, the Panel's recommendations included the following:

- a Implement a minimum of \$10 million (of the \$13 million identified by the Panel) of suggested savings within three years. The suggested savings are:
 - \$4.35 million in service level adjustments
 - \$7 million in operational efficiencies
 - \$1.7 million in fees and charges;
- b Cap a rate rise at a maximum of 7-7.5% (excluding CPI), to be introduced over three years; and



c Challenge Council to bridge the gap (\$3M) by stretching for further efficiencies and savings.

Despite enormous community and political pressure from the outset, the Panel reached consensus on these recommendations. They were aware that some of these recommendations may be unpopular and may impact groups in the community who use the services, but in reviewing services the Panel realised there is no easy way to find millions of dollars in savings without an impact. The Citizen's Panel recommendations are reflected in Scenario 1 of the Draft Resourcing Strategy.

Step 3 Community Engagement – Exhibition of the Citizen's Panel Report

Step 3 included the release of the Citizen's Panel report with the invitation for community feedback on the findings and recommendations. This provided the general community with an opportunity to comment on the proposals. Submissions included 333 open submissions, 43 participants in an online discussion forum and 291 submissions via an online form. Three petitions were received with 488 (don't close Lakeside Leisure Centre), 13 (don't close Coalcliff Pool) and 423 (don't close Unanderra Library) signatories respectively. The following represents a snapshot of the results:

Process

A significant number of participants indicated dissatisfaction with the process used to engage the community, specifically the Citizen's Panel. The issues raised were around the role of the Panel and that it appears it has replaced Councillors, and also the lack of expertise of the Panel.

Services

The majority of responses were focused on opposition to the reduction of services. Those of most significant opposition were the proposals to:

- Reduce rock pools (360)
- Reduce the beach season at Coalcliff/Scarborough (185)
- Demolish Coalcliff Hall (51)
- Close Unanderra Library (49).

Efficiencies

Community feedback indicates in most cases residents are not as concerned about who provides the service, as they are with whether the service is provided. Feedback from the Panel, staff and the broader community suggests that Council must continue to build on the \$20 million achieved since 2008 by focusing on efficiency and productivity.

Revenue

Whilst a rate increase was generally not supported, a small number of submissions (24 agree compared to 151 disagreed) suggested that some community members preferred to pay higher rates in order to maintain service levels. Similarly other submissions claimed they would pay higher rates or fees for a specific service, in order to maintain that specific service (in particular ocean rock pools).



Using the Citizen's Panel as a basis, Scenario 2 in the Draft Resourcing Strategy 2012-22 (Revised 1 December 2013) reflects community feedback and analysis from Council.

Scenario 3 explores the option to focus primarily on revenue (rates) and internal efficiencies. This responds to the call by some members within the community to leave services as they are.

The fourth scenario, that was scoped, included service adjustments and efficiencies beyond the level proposed by the Citizen's Panel. This scenario is not recommended because of the strong opposition to the Citizen's Panel report and the proposed service reductions.

The Community Engagement report for Securing our Future can be found as Attachment 4 to this report.

Planning and Policy Impact

Whilst the current adopted Delivery Program 2012-17 and Resourcing Strategy 2012-22 identify the need to address Council's long term financial position, and improve the operating result so it moves to a surplus position, the plans are not based on a financial model that achieves this.

The current Local Government reform process, including the Independent Local Government Review Panel, and the Local Government Act Taskforce, all see fiscal responsibility and achieving long term financial sustainability as key to the successful operation of local government. A recent review of all councils in NSW by TCorp reaches the same conclusion.

As a result, Council should adjust its Delivery Program and Resourcing Strategy to address the problem.

Adjustments should also be made to Council's Financial Strategy as a result of the Financial Sustainability Review, in particular stronger wording around achieving financial sustainability and small surplus budgets in the future. Accordingly, the strategy has been reviewed and the amendments proposed to be adopted as part of this report (see Attachment 5).

It should also be noted there have been a number of other changes since the adoption of the Delivery Program 2012-17 that will impact on Council's ability to deliver some of the five year actions in the plan, and to accurately forecast Council's financial position going forward. These changes include:

- Completion of the WaSIP funding program - financial projections for the years 2014-15 to 2016-17 show that no further funding from the state is expected and that programs are being phased down, funded through reprioritisation of existing allocations or will require new budget allocations.



- Local Government Reforms, including proposed changes to the Federal Assistance Grant (FAG) programs – there is a possibility that FAG grants may be directed away from major regional cities and that this will impact our capacity to fund infrastructure.
- Development at West Dapto.
- Changes to the Planning Legislation.
- Federal funding reform for the aged care system the Federal Government has recently commenced a reform of aged and disability services that will impact on how Council's community transport and social support programs may be delivered in the future.

This report relates to the commitments of Council as contained within the Strategic Management Plans:

Wollongong 2022 Community Goal and Objective – This report contributes to the Wollongong 2022 objective 4.4 Our local Council has the trust of the community under the Community Goal, 'We are a Connected and Engaged Community'.

It specifically addresses the Annual Plan 2013-14 Key Deliverables 'Determine Council's position on rates to address the infrastructure shortfall' which forms part of the Five Year Action 'Pursue alternative funding options to deliver Council services and facilities' contained within the Delivery Program 2012-17.

Risk Assessment

The last Financial Sustainability Review report to Council on 12 August 2013 indicated that there would be likely negative public and media response to any proposals for increases in revenue, particularly rates, and reductions in services. This is expected to continue throughout the exhibition period of the Delivery Program and Resourcing Strategy. This is a difficult challenge with no easy solution, and there will be stakeholders who are unhappy with aspects of each of the scenarios proposed.

So far, participants in the process have raised concerns around increased levels of unemployment that might arise from outsourcing and/or efficiencies, and that decreased staff levels could lead to poor service provision. There was disagreement on the feasibility of outsourcing, and the extent to which Council should be able to make a profit from commercial services if they were ran more efficiently.

The impact on the city, in terms of both cleanliness and image of Wollongong on the one hand, and tourism and economic development on the other, was highlighted in the responses to the Citizen's Panel Report. Participants felt that without sufficient services, the city would become less attractive, and affect Wollongong's capacity for economic development. Tourism was highlighted as a potential growth area, but one that is underpinned by service delivery.



Finally, questions of social inclusivity, liveability and the health of the community were raised throughout the submissions, particularly in regard to proposed reductions in social and recreational infrastructure.

Council will need to consider these implications together with the risks of inaction in determining the appropriate way to tackle this problem.

Addressing the problem now means we can ensure there are funds available for the maintenance and renewal of our city's ageing roads and buildings over the long term. If we don't do this now, we will lose services and infrastructure, such as roads, buildings and rock pools as they deteriorate. By planning and acting now, Council can focus on protecting the assets most valued by the community before they fail or become unusable.

Financial Implications

The previous section highlights the importance of having a balanced budget going forward, to ensure we can maintain and renew our city's assets. A mix of service reductions, increased rates and fees, and internal operational efficiency measures would ensure the least impact on a particular area (i.e. wholly addressing the problem through rates would have the most financial implications for the ratepayer).

The following table represents the proposed indicative rates increases for each scenario.

	Year 1	Year 2	Year 3	Annual Increase
	2014-15	2015-16	2016-17	(% without rate peg)
BASELINE (Assumed Rate Peg)	2.7%	3.0%	3.0%	-
SCENARIO 1	5.2%	5.5%	5.5%	2.5%
SCENARIO 2	6.7%	7.0%	7.0%	4.0%
SCENARIO 3	7.7%	8.0%	8.0%	5.0%

Note:

- 1. Each Scenario in years 1, 2 and 3 includes an assumed rate peg of 2.7%, 3% and 3% respectively. Year 1 will be adjusted as this report progresses to reflect the announcement of IPART on 2 December 2013 of a 2.3% rate peg for 2014-15.
- 2. Rating increases would be applied on a cumulative basis
- 3. It is proposed that rating increases above the estimated rate peg would not be applied to 3c Regional Business and Heavy 1 Activity 1 subcategories of the business rate or any special rates.

Should a rates increase be endorsed, the Citizen's Panel recommended that this be phased in over three years to reduce the impact on the ratepayer. If the Panel's recommended rate rise of 2.5% for three years over and above the estimated rate peg (Scenario 1) were to be introduced, this would be an average cumulative increase of \$82.41 for the average house in Dapto, whilst for houses in Austinmer it would be \$160.11. The rates rise proposed for Scenario 2 with a 4% increase for three years over and above the estimated rate peg would mean an average increase of \$133.77 for



Dapto, and \$259.90 for Austinmer. For Scenario 3 with a 5% increase for three years over and above the estimated rate peg it would be an average increase of \$168.83 per house in Dapto, and \$328.00 in Austinmer.

The table below demonstrates the proposed average rates increase for each of the scenarios with and without the estimated rate peg. The impact on each of the rating categories is illustrated.

	Rating Category	Net SRV Increase (three year total) Average \$	Total Rates Increase incl. Rate Peg (three year total) Average	Net SRV Increase per week Average \$	Total Rates Increase per week (total – SRV + Rate Peg) Average
SCENARIO	House	102.71	215 75	1 00	4.15
1	House Pensioner	102.71 102.67	215.75 215.68	1.98 1.97	4.15
	Strata	67.45	141.68	1.30	2.72
	Other (e.g. Business)*	No average availa		1.50	2.7.2
SCENARIO	,	<u> </u>			
2	House	166.72	279.76	3.21	5.38
	Pensioner	166.66	279.67	3.21	5.38
	Strata	109.48	183.71	2.11	3.53
	Other (e.g. Business)*	No average availa	ble		
SCENARIO					
3	House	210.40	323.44	4.05	6.22
	Pensioner	210.34	323.34	4.04	6.22
	Strata	138.17	212.40	2.66	4.08
	Other (e.g. Business)*	No average availa	ble		

Note: An average for the 'Other' rating category is not indicative due to large variations between business and farmland properties. Percentage increases apply to all, although the Heavy Industrial and Regional 3c rating categories are proposed to only receive the estimated rate peg % increases as described below. The assumed rating revenues and increases are indicative at this stage and will be further refined as property information in 2013/14 is updated for the proposed 2014/15 Revenue Policy.

It is important to note that the cumulative increase is the most significant in percentage terms for those eligible for the pensioner rebate as the rebate amount is fixed and does not increase along with CPI as the rate peg does.

Heavy 1 Activity 1 and 3c Regional Business (City Centre) rate payers are proposed to be excluded from any special increases in rates (aside from the estimated rate peg) due to the higher than average rates in the dollar already applied to their property values. Results from the community engagement supports this, noting the current economic

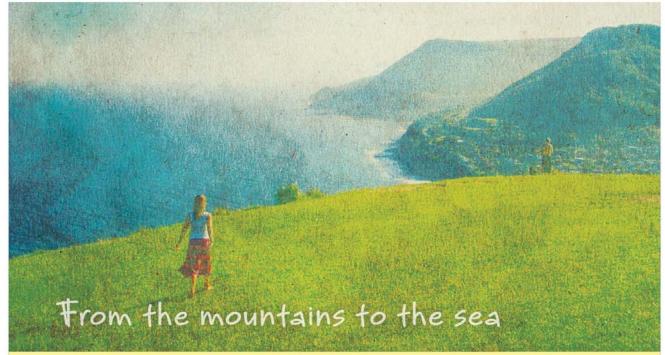


climate and the need to continue to encourage recent increased activity and development in the city centre.

It is also worth noting there will be some transition costs associated with all of the proposed scenarios. The increased focus on efficiency, cost containment and productivity, along with the expansion of the capital program may result in workforce changes taking into account retraining, redeployment, transition to retirement, review of vacancies, and so on. In addition, exploring the options contained within Scenarios 1 and 2 (such as market testing, review and feasibility) may require some investment to ensure best results. This will need to be determined once the preferred option is identified.

Conclusion

There is increased pressure on the local government industry in NSW to improve its financial performance in the longer term. An additional average of \$21 million is needed annually to improve Council's operating position and to allow for increased funds to be made available for infrastructure renewal. Council is in a similar position to many other councils, with up to 43 of its peers this year alone, considering an application for a special variation to general income to assist with ensuring there is enough revenue available for asset renewal. This report recommends three options based on community feedback to overcome this challenge. Further community consultation is essential in understanding what the most acceptable option is in moving forward.



SECURING OUR FUTURE

DELIVERY PROGRAM 2012-2017

Revised 1 December 2013





Message from the Lord Mayor	2
Message from the General Manager	3
Integrated Planning and Reporting Overview	4
Securing Our Future Options	10
Delivery Program Overview	15
Budget Summary	18
Capital Budget Summary	19
Draft Delivery Program 2012-17 (revised)	20
Appendix 1: Condition of Assets	56
Appendix 2: Planning Principles	63
Appendix 3: Budget	65
Appendix: Capital Budget	102

MESSAGE FROM THE LORD MAYOR

SECURING OUR FUTURE

On behalf of all Wollongong City Council Councillors, I am pleased to present our draft Delivery Program 2012-17 (revised 1 December 2013). In 2012 we presented our first Delivery Program as a new Council which outlined the actions Council would complete in the next five years in working towards the community goals included in the Wollongong 2022, Community Strategic Plan.

The delivery program is a strategic planning document that guides Council's progress in working with the community and other stakeholders toward achieving the Wollongong 2022 Community Strategic Plan.

The delivery program includes services and projects we will deliver and respond to within our area of responsibility - it is our statement of commitment to the community.

Over the last year, we have been working with and talking to many different groups in our community on fantastic projects – projects that will provide us with a cleaner seaside and escarpment, and an attractive city that offers enjoyable, safe and innovative spaces.

Highlights from the year 2012-13 include:

- Reopening of the renovated North Beach Bathers Pavilion which was closed for extensive refurbishment in March 2011. Over 3,000 people attended the re-opening celebrations
- Council received approval of a grant application for a 4% loan interest subsidy (\$20 million loan) under the NSW Government's Local Infrastructure Renewal Scheme for a Citywide Footpaths and Shared Path Renewal and Missing Link Program
- Successful implementation of webcasting of Council meetings
- Commencement of the Crown Street Mall Refurbishment
- The exhibition of draft master plans for Grand Pacific Way, Bald Hill and precinct plans for Warrawong, Figtree and Unanderra
- Continuation of the West Dapto Access Strategy including the commencement of the first stage of the Shone Avenue and bridge upgrade.

Last year we managed 117 service delivery streams, with an asset portfolio of \$4.05 billion (replacement costs) including land, roads, footpaths, stormwater drains and pipes, community buildings, libraries, parks, sporting fields, and swimming pools. We had a total income of \$263.4 million, including rates, user fees and charges, and grants and contributions; and spent \$238.2 million on services and assets that benefit the community.

There are a number of challenges that lie ahead, with Council beginning work on the Securing or Future - Financial Sustainability Review. I know there has been a lot of concern in the community over potential reductions or loss of Council provided services. I'd like to thank the community for their participation so far in helping Council determine a way forward. We have a long way to go and your ongoing feedback is important. Understanding what the community values is key to developing a plan for the future. We need to show leadership and come up with a solution which addresses our growing infrastructure renewal problem.

Over the coming months, there will continue to be opportunities for engagement with the community. Each stage of engagement and consultation will further refine and add detail to how Council proposes to move forward.

The work currently being developed by Council and the community in relation to our long term finances is critical to secure the future of our region for the next generation. I know it's a difficult process – if it was easy it would have been done long ago.

We will continue to work on these important initiatives and projects to keep Wollongong growing as a vibrant, safe and connected city.

I look forward to working with Council, the community and other key stakeholders in implementing the many exciting programs and strategies to achieve our vision.

Gordon Bradbery OAM Lord Mayor

MESSAGE FROM THE GENERAL MANAGER

SECURING OUR FUTURE

This document presents Wollongong City Council's draft Delivery Program 2012-2017 revised to focus on financial sustainability. Our draft Delivery Program is an informative document that outlines actions that we will work towards to deliver the community goals included in the Wollongong 2022 Community Strategic Plan.

The Lord Mayor's message contained in this document outlines the highlights and projects that Council has worked towards over the past year. These projects make us proud of our unique local area and the achievements of Council to deliver on the needs of the community. While our community should be celebrated, it is Council's responsibility to ensure the long-term financial position it finds itself in is strong enough to meet the needs of its residents well into the future.

Wollongong Council is in a financial position which is similar to most Council's across the state. We like many Council's, are finding that the services we are asked to offer continue to rise whilst ageing infrastructure, a reduction in funding from other tiers of government and the cap on revenue coming into Council has presented a financial gap.

Council is well positioned financially to provide services in the short to medium term with strong cash holdings, low levels of debt and balanced cash flow over the past 10 years. At Council, we have also undertaken a Financial Sustainability Program since July 2008. This program has utilised a number of strategies to achieve recurrent budget improvements without having a negative impact on the community. The total improvements achieved to date through this program are \$20.3 million.

The challenge remains, however, over the long term financial sustainability of our ageing assets. This includes roads, bridges and public toilets and recreational facilities. It is this financial challenge that

Wollongong Council has chosen to accept and over the past few months has increased its community consultation to assess the level that the community expects of its assets and the gap that may exists. We continue to work with the community about the ways in which we can address this gap. To date this has included conversations about the possibility of applying for a special rate variation, a look at our services and operational efficiencies, asset rationalisation, fees for service and other ways in which we can create ongoing financial sustainability.

This is not a new problem but one that we believe should be addressed now. As always, we continue to strive to achieve the best for our residents and the community that we represent. The actions contained in this document as well as the ongoing conversation with the community about financial sustainability all tell a story of the strong importance we place on serving our residents, now and into the future.

We welcome the ongoing community conversation and look forward to working together towards our goals.

David Farmer General Manager

INTEGRATED PLANNING & REPORTNG - OVERVIEW

SECURING OUR FUTURE

Integrated Planning and Reporting

In accordance with the Local Government Amendment (Planning and Reporting) Act 2009 and Local Government (General) Regulation (2005), all local councils in New South Wales are required to report under the Local Government Planning and Reporting (IP&R) Framework.

Wollongong City Council transitioned to IP&R in June 2012 with the endorsement of its first Community Strategic Plan, Wollongong 2022. This strategic plan is supported by Council's Resourcing Strategy, Delivery Program and Annual Plan. Council reports on progress towards achieving the Delivery Program and Annual Plan in its Quarterly Review Statements, Budget Review Statement and Annual Report. Achievements towards Wollongong 2022 will be reported in Council's End of Term Report. The following diagram demonstrates Council's planning and reporting framework.



INTEGRATED PLANNING & REPORTING

Wollongong 2022 Community Strategic Plan

Wollongong 2022 is a long term plan that identifies where the Wollongong community want to be in the future. It outlines the Wollongong community's priorities and aspirations and how these will be achieved. This plan will assist in shaping the future of the Wollongong Local Government Area (LGA), and enable us to collectively respond to emerging challenges and opportunities. It provides direction for the provision of key projects and services which enable us to meet the needs of our community and deliver good quality services and facilities.

Wollongong City Council initiated and facilitated the development of the community plan and will continue to have a custodial role during its implementation, monitoring, reporting and review. However it is not the sole responsibility of Council. Wollongong 2022 is a whole of community plan in which all levels of government, business, education institutions, community groups and individuals have an important role to play.

Wollongong 2022 was developed with extensive community input and involvement including representatives from community, government, business, education institutions, non-government organisations, community groups, councillors and Council staff. Council commenced the conversation with the community in 2011. Throughout the engagement process, thousands of community members were in involved via the submissions of photos, artworks and poems, surveys, community conversations, Town Hall Talks, workgroups, Community Summit and the exhibition of the draft plan.

Four key questions were considered throughout the development of this plan, including:

- Where are we now?
- Where do we want to be in ten years time?
- How will we get there?
- How will we know we have arrived?

In addition, Social Justice Principles of equity, access, participation and rights have been central to the development of this plan as well as consideration of social, environmental, economic, and civic leadership issues.

Wollongong 2022, Community Strategic Plan includes an aspirational community vision

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

To achieve the vision six interconnected community goals, each with objectives and strategies, were created which guide Council, business and community in delivering Wollongong 2022.

- 1. We value and protect our environment
- 2. We have an innovative and sustainable economy
- 3. Wollongong is a creative, vibrant city
- 4. We are a connected and engaged community
- 5. We are a healthy community in a liveable city
- 6. We have sustainable, affordable and accessible transport.

INTEGRATED PLANNING & REPORTING

Resourcing Strategy

Whilst Wollongong 2022 expresses the community's long term aspirations, the Resourcing Strategy outlines Council's responsibilities and how these will be achieved through the allocation of our resources (, finances, assets and people).

Wollongong City Council's Resourcing Strategy is a long term plan spanning 10 years, with the exception of the Workforce Management Plan, of which is a four year plan. It consists of three components: Long Term Financial Plan, Asset Management Planning, and Workforce Management Strategy

Long Term Financial Plan

The first section of the Resourcing Strategy is Council's ten year Long Term Financial Plan (LTFP). The LTFP 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 plans to operate to provide financial stability, affordability, focus and efficiency or value for money, over the short, medium and longer terms.

Council's LTFP describes our current baseline financial forecast that reflects our current capacity based on the existing Revenue Policy, levels of service and organisational performance. This path is not sustainable in the longer term and requires adjustment during the coming years. The baseline forecast shows that Council has around an average \$21 million annual shortfall in its operating surplus [pre capital] indicating an inability to provide enough funding to maintain and renew our assets into the future. As part of this first revision of the Resourcing Strategy, the LTFP has been updated with revised scenarios (funding options) that address the shortfall in funding to provide for a small surplus budget. The scenarios are based on the assumption that improvement needs to be delivered through a combination of:

- Efficiency improvements that allow Council to continue to provide the current or higher levels of service at a lower cost
- Reductions to some current service levels that will allow more funds to be made available for higher priority services
- Increased revenue through adjustments to rates, fees and charges and development of other income earning endeavours

The revised scenarios present the challenge Council faces in needing to address this issue.

Asset Management Strategy

Council is the custodian of community assets with a replacement value of \$4.05 billion. These assets include roads, drains, footpaths, community facilities, recreational facilities, parks and gardens. Similar to other Councils across the state, council is struggling with the challenge of maintaining and renewing older assets from the post WWII boom. Our asset maintenance and building and infrastructure asset renewal performance, whilst not poor, is below indicative benchmarks set by the state government.

Council has prepared a Draft Asset Management Plan that reveals a significant proportion (30%+) of our infrastructure assets are more than 50 years old and almost all of these are high-cost/long-life assets (eg transport and drainage infrastructure) with an expected life of around 60-100 years. Funding the projected renewal of these assets over the next 10-20 years is a significant challenge for Council and is reflected in further detail in the LTFP.

The Draft Asset Management Plan has been updated to reflect current data and information on our assets and to better inform the discussion and understanding of the challenge facing the organisation.

SECURING OUR FUTURE

Workforce Management Strategy

The last section of the Resourcing Strategy is Council's Workforce Management Strategy. This plan defines how Council intends to manage its workforce resources to achieve the services and goals identified through the Delivery Program. It is flexible and allows for management of the workforce to meet changing service delivery needs while focusing on optimisation of Council's ability to deliver excellent customer and community services.

Management of Council's workforce will play a key role in the delivery of Wollongong 2022 whilst achieving and maintaining financial sustainability. This will require Council to make strategic decisions in regards to the composition and structure of the workforce needed to deliver services and service levels and to achieve efficiencies. Opportunities to look at other ways of resourcing our services, including changing staff structures, establishment levels or delivery methods will be important in developing these strategies. Each of the scenarios provided in the LTFP demonstrate there will be some level of impact on the workforce in terms of change to work practice, delivery models, management models and a continued focus on increased productivity and cost containment.

Further details on Councils draft Resourcing Strategy 2012-2022 (revised 1 December 2013) can be found on Council's website www.wollongong.nsw.gov.au

Our Challenge

Our Resourcing Strategy highlights significant challenges for Council. In recent years there have been a number of asset failures which have required them to be removed from service for a period of time. These include Bellambi Rock Pool, Wollongong Town Hall, Harry Graham Drive and most recently Darkes Road Bridge and Mt Keira Road. These are examples that show unless our assets are adequately maintained, refurbished and replaced, Council's core service to its community will slowly degrade.

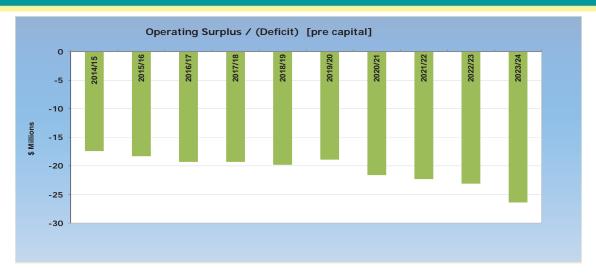
The ability to maintain and fund depreciation of assets is a key challenge for NSW local government, and a major risk to many council's long term financial sustainability. Since 2007 Council has taken an approach which focussed on achieving operational savings to free up funds to be used for asset renewal. A total of \$20.3million in operational savings has been achieved as a result of:

- ongoing harvesting of underspend within divisions as part of Mini-Budget process
- reshaping the workforce
- renewed emphasis on grant applications to support and enhance core business
- business improvement focus, including service/operational reviews; and
- asset rationalisation.

Whilst this process has achieved additional capital expenditure, it has not enabled Council to move to a surplus operating position, and will not provide the long term efficiencies needed to enable financial sustainability. Council will continue to increase its funds available for capital works, however the consumption of assets (depreciation) continues to outstrip the funding available for renewal, with the gap being about \$21 million annually.

The operating result [pre capital] shown below represents the baseline Long Term Financial model that is built on existing forecasts and, without adjustments, would not provide surplus budgets at any point in the future. The scenarios proposed in the Draft Resourcing Strategy provide a target to achieve financial sustainability in line with the Financial Strategy.

INTEGRATED PLANNING & REPORTING



In June 2009, Council adopted a Financial Strategy to provide direction and context for decision making in the allocation, management and use of Council's financial resources. The strategy acknowledged that the operating result [pre capital] is one of the main indicators of long term financial viability. A deficit from operations indicated that Council was not earning sufficient revenue to fund its ongoing operations (services) and continue to renew its assets that are an integral part of that service. The strategy aimed to ensure, in the short term, the annual deficit was not increased, while stating the need to develop actions in consultation with the community to move towards surplus budgets.

The continuation of a savings program was built into Council's first Resource Strategy 2012-2022. At the time of adoption, the strategy required an operational improvement of \$3.3 million in 2012-13 and an annual savings totalling \$12.4 million by 2022. As at June 2013, the target was \$10.5 million in savings. However, whilst achievement of the savings target would act to stabilise Council's operating deficit, it did not enable achievement of an operating surplus.

In April 2013, the NSW Treasury Corporation (TCorp) undertook an analysis of the financial sustainability of each of the 152 councils in NSW. It found Wollongong City Council's short to medium term financial position to be sound. We have:

- a large portfolio of operational and community assets
- an ability to balance cash flows over the next ten years
- a positive Financial Asset position with low levels of debt, and
- strong cash holdings that provide capacity to manage normal variations that occur in operational performance and to provide cash for investment opportunities that may arise.

However, TCorp identified that Council's deteriorating operating results are 'primarily due to increasing depreciation and amortisation expenses', and that 'this is a significant issue that could impact the long term financial sustainability of the Council' [TCorp, October 2012].

Further ongoing cost controls or securing new or additional revenue in future years was recommended by TCorp to address the longer term negative operating position of Council.

The key to managing our long term finances is to ensure sufficient income is earned/or payed over the life of an asset to allow for its replacement and the continuity of the service for which it is used. Without this, in the future, the community will be impacted by failed assets and deterioration in community amenity or large variations in the amounts required to be paid through rates to repair assets and resume service.

SECURING OUR FUTURE

Community Engagement

In June 2011, Wollongong City Council commenced engaging with the community to create Wollongong 2022. Specific engagement via the *Securing Our Future* Financial Sustainability Review commenced in September, 2013. This engagement process with the community has gone through three phases:

Step 1 - Call for submissions to inform the Citizen's Panel

In the lead up to the Citizen's Panel deliberations, Council invited the community to make submissions to the panel via online surveys, open submissions and an online discussion board. There was also a staff workshop.

Step 2 - Citizen's Panel

A panel of 34 randomly selected residents met to review Council services, options for operational efficiencies and revenue opportunities. The appointment of a small diverse, but representative, randomly selected group of citizens in the form of a panel was chosen over quantitative methods to allow them time and support to review information and deliberate together over the challenge. The panel provided a set of recommendations in the form of a report.

Step 3 - Exhibition of the Citizen's Panel's report on recommended changes.

With the release of the Citizen's Panel report, the community were invited to provide feedback on the findings and recommendations. This provided the general community with an opportunity to comment on the proposals.

The engagement was based on the following questions, considering the \$21.0 million operating deficit:

- 1. What are the priority services for Council to deliver and what level should Council deliver these services?
- 2. What are the opportunities to achieve operational improvements?
- 3. How should Council fund the delivery of these services to the desired level?

The majority of participants in step 1 indicated a preference for existing levels of Council service. There were mixed attitudes throughout the engagement regarding streamlining staff efficiencies and projects, conditional rate rises and increases in user pays.

The Citizen's Panel were particularly focussed on trying to minimise the impact on the ratepayer by 'tightening the belt' through efficiencies and service level changes. The panel considered a range of information available to them, including community survey feedback, demographic information, and detailed financial and service output information on each of Council's 117 service delivery streams. The panel reached consensus on services levels, and whilst a rate rise was not welcomed, the panel accepted a small rate rise was part of the solution given the magnitude of savings required to ensure financial sustainability. The proposed rate was considered by the panel as reasonable for the average rate payer.

Step 3 of the engagement process highlighted the importance of maintaining existing service levels to the community, particularly our rock pools and other social and recreational infrastructure.

Results from the engagement process have directly informed the three scenarios put forward in the Resourcing Strategy.

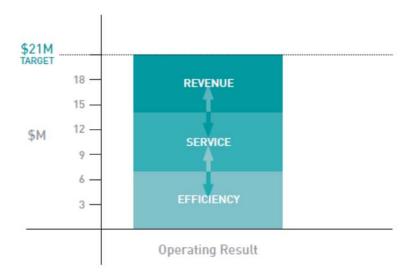
Engagement will continue to determine the preferred scenario for finding the \$21million annual operating gap.

Further details on the engagement process and results can be found in the Securing our Future Community Engagement Report and the Citizens Panel Final Report

INTEGRATED PLANNING & REPORTING

Securing our Future- Options for Financial Sustainability

The following section presents three alternate funding options in the form of scenarios to enable Council's operating result to be in a more sustainable position. The scenarios encompass three key focus areas as reflected in the schematic figure below. Appendix 1 outlines the expected asset condition for Council baseline position and the lowest additional funding for capital based on the scenarios presented below. This appendix also included examples of projects and programs that could be accelerated by the increased capital funds.



Scenario 1

Scenario 1 is based upon the Citizen's Panel recommendations which can be found in the full in Attachment 3. It was the view of the panel that this combination of recommendations reflects a balanced approach and is based on the information and data made available to it by Council. The Panel made its recommendations in an effort to minimise the impact on the least number of people and to minimise the impact on rates. Scenario 1 therefore includes a maximum rates increase of 2.5% per annum over and above the rate peg for three years, together with operational efficiencies and service reductions. Impacts of this scenario are estimated to be a real increase of \$102.71 for the average household after three years. There would also be a localised impact on the specific removal or reduction of services, although the risk is lower of unplanned service reduction due to failure to renew assets and a better quality of service (because of renewed services) than the baseline.

SECURING OUR FUTURE

	EFFICIENCY	SERVICE	REVENUE	
			Fees and Charges*	Rates
Scenario 1	• \$3.5M low impact efficiency dividend • \$3.5M higher impact – outsource management of tourist parks, review Russell Vale Golf Course, some operational activities, reduce back office resourcing, integrate management at key facilities, Employment Enterprise Agreement	Includes sale of some facilities (including Lakeside Leisure Centre, closure of the cremators operations and Unanderra library. 10% playgrounds, parks and community centres), and reduction in others (ocean rock pools, pool season, street sweeping, cadet and apprenticeship program, events funding, urban renewal program, discontinuation of the Crown Street Façade Program). \$1M extend lives of footpaths.	\$1.6M Increase in fees and charges for car parking, heated pools, fitness trainers, sports fields, community pools (gold coin donation).	\$8.4M 2.5% for each year for three years over and above the assumed 2.7% rate cap

Note:1 Proposals for increases to fees and charges are over and above the annual increases associated with indices and statutory changes and will be reviewed as a part of the annual planning process.

2 The rates increase quantum shown in each scenario in years 1, 2 and 3 is inclusive of an assumed rate peg and additional rate adjustment over the next three years. These forecasts assumed a rate peg of 2.7%, 3.0% and 3.0%. Year 1 will be adjusted as this report progresses to reflect the announcement of IPART on 2 December 2013 of a 2.3% rate peg for 2014-15.

The Panel includes several proposals that have been interpreted as follows:

- Lakeside Leisure Centre Disposal of land and facility. The Panel considered that future demand will be met by new facilities at West Dapto. This proposal suggests closing the asset and selling the land.
- Pensioner interest remove interest exemption for full payment by May from Pensioner Policy. Pensioners are currently exempted from paying interest on overdue rates. The proposal is to discontinue doing this, so they are charged interest in line with the remaining rate paying population.
- Unanderra Library Closure of library service. This proposal refers to the library service only. It does not recommend disposal of the building as it is attached to the Unanderra Community Centre. The panel's decision took into account spatial, budgetary and utilisation information.
- Urban Renewal and Civic Improvement halve the current program \$300,000. This proposal recommends the reduction in the Urban Renewal and Civic Improvement Planning program, including the number of town and village centres plans undertaken each year.
- Pensioner waste exemptions remove exemption. Elimination of the fee waiver for waste disposal (general and green waste) at Whytes Gully for Pensioners (ie. charge them the same as everyone else). Based on the free twice yearly household pick up, this additional service was identified as no longer as great a need as previously.
- Crematorium Exit the cremation operations and potential demolition of this part of the facility. This proposal
 includes closure of the existing ageing cremators. The surrounding Memorial Gardens (inclusive of
 infrastructure) is to continue to operate.
- Tourist Parks lease outsource all. The tourist parks at Bulli, Corrimal and Windang are located on Crown Land and managed under Trust. This proposal suggests externally sourcing the management and operations of the three tourist parks currently directly managed by Council staff.

INTEGRATED PLANNING & REPORTING

Like all of the scenarios, Scenario 1 includes an efficiency target, however unlike Scenario 2 and 3 it has a higher degree of efficiency to be achieved via significant change to work practice, structure and service delivery models. These are referred to in the scenarios as high impact. Low impact refers primarily to a budget reduction without a major impact on staffing, industrial relations or service delivery.

The Panel's recommendations could directly impact approximately 7% of the workforce and may result in reduced employment options. However, while there would be less employment directly provided by Council, there would be indirect local employment stimulation via contractors undertaking the bulk of the enhanced works program which will be funded by the savings.

		3-year annual increase	Net SRV Increase (three year total)	Total Rates Increase incl. Rate Page (three year total) Average	Net SRV Increase per week Average	Total Rates Increase per week (total – SRV + Rate Peg) Average
			\$	\$	\$	\$
SCENARIO 1	House	2.5%	102.71	215.75	1.98	4.15
	Pensioner		102.67	215.68	1.97	4.15
	Strata		67.45	141.68	1.3	2.72
	Business					

Scenario 2

Using the Citizen's Panel recommendations as a starting point, Scenario 2 reflects community feedback and analysis from officers. It identifies where community feedback indicates strong opposition to key change points, particularly service reductions, but balances this with analysis of data and information that maintains some of the Panel's key recommendations. Scenario 2 therefore includes a rates increase of 4% per annum above the rate peg for three years. Impacts of this scenario are higher rates, with an average increase of \$166.72 after three years. There would be lower localised service level impacts compared to Scenario 1 and there would be lower risk of unplanned service reduction due to failure to renew assets, and a better quality of service (because of renewed assets) compared to the baseline.

	EFFICIENCY	SERVICE	REVENUE	
			Fees and Charges*	Rates
Scenario 2	\$5M • \$3.5M low impact efficiency dividend • \$1.5M higher impact - outsource management of Tourist Parks, review Russell Vale Golf Course, some operational activities, reduce back office resourcing, integrate management at key facilities.	\$2.3M Includes sale/outsourcing of Lakeside Leisure Centre, 10% playgrounds, parks and community centres, withdrawal (or lease or joint venture) of provision crematorium services, discontinuation of the Crown Street Façade Project. \$1M extend lives of footpaths.	\$370K Increase in fees and charges for leasing child care facilities, car parking, heated pools, fitness trainers.	\$13.4M 4% for each year for three years over and above the assumed 2.7% rate cap.

Note: 1 Proposals for increases to fees and charges are over and above the annual increases associated with indices and statutory changes and will be reviewed as a part of the annual planning process.

² The rates increase quantum shown in each scenario in years 1, 2 and 3 is inclusive of an assumed rate peg and additional rate adjustment over the next three years. These forecasts assumed a rate peg of 2.7%, 3.0% and 3.0%. Year 1 will be adjusted as this report progresses to reflect the announcement of IPART on 2 December 2013 of a 2.3% rate peg for 2014-15.

SECURING OUR FUTURE

Providing a variation of the Citizen's Panel recommendations, Scenario 2 provides some variation to the recommendations in Scenario 1. For example, in addition to the closure and demolition of the cremators, Council may also choose to explore the feasibility of a joint venture or a lease to a private operator willing to invest in modern cremators. The tourist parks, if pursued would need to be market tested as would any other outsourcing proposal. Market testing Lakeside may find a provider willing to operate the facility and maintain a similar service due to lower labour costs. Many of these options would need to be further explored.

Scenario 2 could impact on the workforce at a similar level to Scenario 1. However, it also could result in direct employment stimulation via contractors undertaking the bulk of the enhanced works program which will be funded by the savings.

		3-year annual increase	Net SRV Increase (three year total)	Total Rates Increase incl. Rate Page (three year total) Average	Net SRV Increase per week Average	Total Rates Increase per week (total – SRV + Rate Peg) Average
			\$	\$	\$	\$
SCENARIO 2	House	4%	166.72	279.76	3.21	5.38
	Pensioner		166.66	279.67	3.21	5.38
	Strata		109.48	183.71	2.11	3.53
	Business					

INTEGRATED PLANNING & REPORTING

Scenario 3

This scenario explores the option to focus primarily on revenue (rates) and internal efficiencies. This responds to the call by some members within the community to leave services as they are. This means a more significant increase in rates of 5% for three years above the rate peg, with the average increase of \$210.40 after the three years. There would be internal efficiency gains delivered with minimal service reductions. There would also be minimal employment reductions (the reductions would be offset by indirect employment stimulation via local contractors), but more significant financial impacts for the ratepayer. There would be a lower risk of unplanned service reduction due to failure to renew assets and a better quality of service (because of renewed assets) compared to the baseline.

	EFFICIENCY	SERVICE	REVENUE	
			Fees and Charges*	Rates
Scenario 3	\$3.5M \$3.5M low impact efficiency dividend.	\$1M \$1M extend lives of footpaths.		\$16.5M 5% for each year for three years over and above the assumed 2.7% rate cap.

Note:1 Proposals for increases to fees and charges are over and above the annual increases associated with indices and statutory changes and will be reviewed as a part of the annual planning process.

² The rates increase quantum shown in each scenario in years 1, 2 and 3 is inclusive of an assumed rate peg and additional rate adjustment over the next three years. These forecasts assumed a rate peg of 2.7%, 3.0% and 3.0%. Year 1 will be adjusted as this report progresses to reflect the announcement of IPART on 2 December 2013 of a 2.3% rate peg for 2014-15.

		3-year annual increase	Net SRV Increase (three year total)	Total Rates Increase incl. Rate Page (three year total) Average	Net SRV Increase per week Average	Total Rates Increase per week (total – SRV + Rate Peg) Average
			\$	\$	\$	\$
SCENARIO 3	House	5%	210.40	323.44	4.05	6.22
	Pensioner		210.34	323.34	4.04	6.22
	Strata		138.17	212.40	2.66	4.08
	Business*					

DELIVERY PROGRAM - OVERVIEW

The Delivery Program is the point where Council outlines the role it will play in delivering on the Wollongong 2022 Community Strategic Plan. The plan details Council's priorities for Wollongong from 2012-17 via actions which are aligned with the community goals, objectives and strategies of the Community Strategic Plan. The planning principles used in the development of this plan can be found in appendix 2.

At the beginning of their Council term, our councillors made a commitment to support our organisation and the community in making Wollongong a better place to live, work, visit and play. To focus Council's attention on this outcome the councillors agreed on five key focus areas for the life of the Delivery Program. These are known as our Councillor Strategic Programs and are outlined below:

The Five Councillor Strategic Programs

- Our Council is committed to improving the standards of community assets over the five year Council term. We will also continue to work towards a financially sustainable solution to manage our assets and deliver key services. This will be achieved by directing 85% of all capital investment into asset renewal, and a strong emphasis on cost effectiveness in service provision.
- Council will work in collaboration with key agencies to provide the
 infrastructure needed to support growth within the West Dapto Urban Release
 Area. This will include improving access infrastructure and local services which
 are needed to support the additional 17,000 future housing lots within the
 release area.
- 3. During our term we will work to reduce the environmental impact of waste by improving waste management across the city. We will finalise and deploy Council's Waste Strategy, assess the impacts of the carbon tax, and work toward the development of a new landfill cell at Whytes Gully to increase landfill capacity for the region.
- 4. Our fourth aspiration is to improve the attractiveness of the Wollongong City Centre to work and visit, reinforcing its role as the region's major hub for investment and jobs growth.
- 5. Finally, our fifth aspiration is to improve the connectivity of the local government area (LGA) through the upgrade of our network of footpaths and cycle ways. Closely linked to our first aspiration, this focus on our path and cycle network will ensure that necessary works are carried out to achieve an accessible and connected city.

Our councillors continue their commitment to these Strategic Programs in this draft Delivery Program 2012-17 (revised 1 December 2013). Many of the five year actions which were endorsed in June 2012 remain in this draft plan. There is a need, however to focus on Council's long term financial sustainability and asset related challenges as well as responding to legislative and policy related changes. For this reason Council needs to review and amend its

INTEGRATED PLANNING & REPORTING

Delivery Program. Based on this review Council has added actions which demonstrate how additional funds gained via the 'Securing Our Future' project will be distributed. Also, considering the proposed efficiency and service level changes the actions have been reviewed and those unable to be delivered have been recommended for deletion. While it may appear that many of the actions in the draft Delivery Program 2012-17 (revised 1 December 2013) are not amended as a result of the proposed efficiencies and service level changes, it should be noted the extent and scale of delivery of many actions will be impacted. Depending on which scenario is adopted, Council may deliver less of some programs, projects and ongoing activities related to a Delivery Program action. While this impact is not evident in the following tables this should be considered. Other changes, not related to Council's Financial Sustainability Review, such as state legislation, policy and external grant funding also impacted on Delivery Program 2012-17 actions. These include the State Government Planning Reforms, Aged Care Reforms, introduction of Cemeteries Act and Cemeteries NSW and closure of the Lake Illawarra Authority. In addition, the state government announced in 2012 the end of the Waste and Sustainability Improvement Program (WASIP) that for a period of time provided grant funding from waste levies paid by waste facility operators in NSW and funded some of Council's environmental programs. Based on this the following actions have been identified as at risk:

- Community and cultural promotion programs
- Support for regional activities and partnerships that result in increased business investment and jobs growth
- Implementation of the CBD Action Plan
- Support for the development of innovative industries
- Development and implementation of programs that encourage community participation in reducing Wollongong's ecological footprint
- Implementation of the Environmental Sustainability Strategy
- Programs and activities that improve food security and local food production
- Review of planning controls for priority locations
- Improvement in policies and systems to support revitalisation of the city centre
- Programs and events which facilitate community participation
- Implementation of priority actions from Illawarra Biodiversity Strategy and Illawarra Escarpment Strategic Management Plan
- Finalise and implement the Coastal Zone Management Plan.

ANNUAL PLAN

Annual Plan

The Annual Plan supports Council in the implementation of the Delivery Program. It details the individual projects, programs and activities that will be undertaken over twelve months to achieve the commitments made in the Delivery Program. It also includes Annual Service Plans which outlines the regular and ongoing activities undertake by Council for all of its 34 services.

Following the exhibition and endorsement of the draft Delivery Program 2012-17 revised 1 December 2013 (including the preferred option for achieving financial sustainability in early 2014), Council will commence the development of its draft Annual Plan. This is planned for public exhibition in April- May 2014. The Draft Annual Plan will further detail the impacts of the financial sustainability review and the preferred scenario.

Monitoring and Reporting

The implementation of the Delivery Program 2012-17 and Annual Program 2013-14 will be monitored via Quarterly Review Statements and the Delivery Program Progress Report to Council and the community. The progress of the five year actions in the Delivery Program are monitored and reported by exception in Council's Delivery Program Progress Report, as are the Performance Measures from the Annual Service Plans. Similarly, the annual deliverables from the Annual Plan are monitored in terms of progress to time and budget and are reported in Council's Quarterly Review Statements. In addition, Council prepares an annual report to the community on progress and achievements by November of each year.

BUDGET SUMMARY

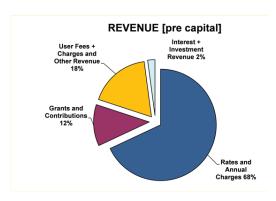
The information below provides an overview of Council's financial estimates for 2014-15 to 2016-17 based on the information and scenarios put forward in Council's Draft Resourcing Strategy. The scenarios are options for change that will be considered by Council in February and will form the basis of a decision at that time, but will not necessarily be adopted in full or in part. Once a decision is made in relation to the future direction, the preferred actions will be progressed and developed along with the Annual Plan and Revenue Policy for further community consultation.

The tables and charts below outline the baseline financial forecasts for expenses and revenue for 2014-15. More detailed information in relation to Council's financial estimates for 2014-15 to 2016-17 for the baseline position and the three scenarios are provided in the Budget section of this report (Appendix 3).

Projected Sources of Revenue

The chart and table below provide a snapshot of the projected sources of revenue for 2014-15.

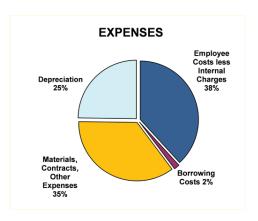
	2014/15
Revenue Type (\$'000)	Forecast
Rates and Annual Charges	160.5
Grants and Contributions	28.3
User Fees + Charges and Other	
Revenue	42.1
Interest + Investment Revenue	5.0
Total	235.9



Projected Expenses

The chart and table below provide a snapshot of the projected expenses from ordinary activities by expense type for 2014-15.

	2014/15
Expense Type (\$'000)	Forecast
Employee Costs less Internal	
Charges	96.7
Borrowing Costs	3.9
Materials, Contracts, Other	
Expenses	89.9
Depreciation	62.8
Total	253.3



CAPITAL BUDGET SUMMARY

The table below provides a breakdown of the capital budget for 2014-15 to 2016-17 by asset class for Council's baseline position. A draft capital budget for the remaining three years of the Delivery Program can be found in Appendix 4, along with the phasing for capital expenditure by the three proposed scenarios.

Asset Class	2014/15	2015/16	2016/17
	(\$ m)	(\$ m)	(\$ m)
Roads and Related Assets	7.13	10.85	7.63
West Dapto	16.30	4.60	6.03
West Bupto	10.00	4.00	0.00
Footpaths and Cycle Ways	18.69	14.45	5.63
Car Parks	1.10	1.60	1.25
Stormwater and Floodplain Management	2.75	4.20	6.40
Buildings	7.88	9.69	9.74
	7.00	7.107	7
Commercial Operations	0.95	0.95	0.95
	1.00	0.40	4.50
Parks Gardens and Sportfields	1.93	2.10	1.78
Beaches and Pools	1.94	1.91	2.78
Natural Areas	0.35	0.48	0.33
W . F	0.07	0.00	4.40
Waste Facilities	8.36	3.28	1.40
Fleet	2.89	2.42	1.53
Plant and Equipment	1.97	2.78	3.49
	0.70	0.00	0.04
Information Technology	0.79 1.20	0.90 1.25	0.81
Library Books Public Art			
Public Art	0.36	0.31	0.31
Emergency Services	2.03	0.24	0.24
Land Acquisitions	0.10	0.10	0.10
Non-Project Allocations	4.13	3.79	3.18
TOTAL	80.85	65.87	54.75

SECURING OUR FUTURE

How to Read this Document

The following section of the draft Delivery Program 2012-17 (revised 1 December 2013) outlines actions by the six community goals from Wollongong 2022. This document was endorsed by Council for the first time in June 2012 and this version incorporates amendments as a result of Securing Our Future and changes resulting from legislation, policy and external grant funding.

Changes to the actions are colour coded to indicate the reason for the amendment. The following colour coding is used in the Delivery Program table cells:

	No change to the Delivery Program 2012-17
	Amendments as a result of Securing our Future'
	Amendments as a result of legislation, policy and external grant funding

Amendments have also been linked to the scenarios. These are baseline, Scenario 1, 2 and 3 as described earlier in this document.

Goal 1: we value and protect our natural environment

As a community we value our heritage and protect our natural environment. We have enhanced our wildlife corridors and the city's unique natural beauty through a green network that connects the escarpment to the sea. We manage our resources effectively and attract visitors to play and stay with minimal impact on the environment. Our beautiful city is well maintained and cared for, and the urban environment not only complements the city's natural qualities and assets but assists to manage population growth and urban expansion in a sensitive and sustainable way. We have the capacity to deal with the many pressures facing our unique environment, such as sea level rises and other climate change related issues. We balance the need for development with the desire of the community to protect our natural environment.

Over the next 3 years, we will:

- Implement priority actions from the Illawarra Biodiversity Strategy.
- Implement the West Dapto Release Area Masterplan.
- Implement priority actions of the Heritage Strategy.
- Develop and implement an Environmental Sustainability Action Plan.
- Finalise Council's Waste and Resource Recovery Strategy in consultation with industry leaders.
- Plan, program and commence the Whytes Gully New Landfill Cell Development project.

Measuring our Performance

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

- Number of environmental projects planned and completed
- · Percentage of priority actions implemented
- Number of opportunities for community participation
- Community participation in environmental programs

GOAL 1: WE VALUE AND PROTECT OUR NATURAL ENVIRONMENT

1.1 TI	ongong 2022 he natural environment is octed and enhanced	Draft Delivery Program 2012-17 Revised December 2013		
Strat	egy	5 Year Action	Service	Responsibility
1.1.1	The community is actively involved in the expansion and improvement of our green corridors and other natural areas connecting the escarpment to the sea	1.1.1.1 Implement programs and events which facilitate community participation	Natural Area Management/ Botanic Gardens and Annexes	Manager ESP
1.1.2	Agencies work together to reduce pollution and its impact on our environment	1.1.2.1 Impacts from development on the environment are assessed, monitored and mitigated	Development Assessment/ Regulatory Control/ Land Use Planning/ Environmental Services	Manager DAC/ Manager RE/ Manager ESP
		1.1.2.2 Establish effective urban stormwater management programs	Environmental Services/ Stormwater Management	Manager ESP/ Manager ISP
1.1.3	The potential impacts of natural disasters, such as those related to bushfire, flood and landslips are managed and risks are reduced to protect life, property and the environment	1.1.3.1 Manage vegetation to reduce bushfire risk in Asset Protection Zones on natural areas under Council care and control	Natural Area Management/ Emergency Management	Manager ESP/ Manager ISP
		1.1.3.2 Implement a coordinated approach to floodplain and stormwater management	Stormwater Services/ Natural Area Management	Manager ISP/ Manager ESP
1.1.4	Projects and programs that achieve enhancement of the natural environment and escarpment are developed and implemented.	1.1.4.1 Implement priority actions from the Illawarra Biodiversity Strategy.	Environmental Services / Natural Area Management	Manager ESP
		1.1.4.2 Implement priority actions from the Illawarra Escarpment Strategic Management Plan.	Environmental Services	Manager ESP

1.2 0	ongong 2022 ur coastal areas and rways are protected and nced	Draft Delivery Program 2012-17 Revised December 2013		
Strat	egy	5 Year Action	Service	Responsibility
1.2.1	A suite of actions to manage and protect against the future risks of sea level rise is enacted.	1.2.1.1 Finalise and implement the Coastal Zone Management Plan.	Environmental Services	Manager ESP
1.2.2	The impacts of increasing numbers of visitors to the coast and Lake Illawarra, and on our assets are managed effectively.	1.2.2.1 Assess the impact of day visitors on service levels.	Aquatic Services	Manager PR
		1.2.2.2 Coordinate a range of Water Safety Education programs to enhance safe community access to our beaches.	Aquatic Services	Manager PR

1.3 W	ongong 2022 /ollongong's ecological rint is reduced	Draft Delivery Program 2012-17 Revised December 2013		
Strat	egy	5 Year Action	Service	Responsibility
1.3.1	The community actively avoids, reduces, reuses and recycles – in that order.	1.3.1.1 Develop and implement programs that encourage community participation in reducing Wollongong's ecological footprint.	Environmental Services	Manager ESP
		Add Action (baseline, scenario 1, 2 & 3): Seek external funds to support programs for Lake Illawarra, following closure of the Lake Illawarra Authority.	Infrastructure Planning & Support	Manager ISP

GOAL 1: WE VALUE AND PROTECT OUR NATURAL ENVIRONMENT

1.3 W	ngong 2022 follongong's ecological rint is reduced	Draft Delivery Program 2012-17 Revised Decem	nber 2013	
1.3.2	Methods to reduce emissions are investigated and utilised.	1.3.2.1 Finalise and deploy Council's Waste & Resource Recovery Strategy in consultation with industry leaders.	Waste Services	Manager CW
		1.3.2.2 Implement water and energy saving strategies	Environmental Services	Manager ESP
		1.3.2.3 Emissions are monitored and reduction methods are investigated and utilised.	Waste Management/ Environmental Services	Manager CW/ Manager ESP
		1.3.2.4 Investigate a landfill gas management system for Whytes Gully.	Waste Management	Manager CW
1.3.3	Our community is proactively engaged in a range of initiatives that improve the sustainability of our environments.	1.3.3.1 Develop and implement an Environmental Sustainability Action Plan and Policy. Revise Action (scenarios 1, 2 & 3): Develop and implement an Environmental Sustainability Policy and Strategy.	Environmental Services	Manager ESP

1.4 Cc	ngong 2022 ommunity awareness and ciation of heritage is ased	Draft Delivery Program 2012-17 Revised December 2013		
Strate	egy	5 Year Action	Service	Responsibility
1.4.1	Programs and projects that achieve proactive heritage management, education and promotion are developed and implemented.	1.4.1.1 Work in partnership with others to promote a diverse range of heritage education and promotion programs.	Land Use Planning	Manager ESP
		1.4.1.2 Implement priority actions of the Heritage Strategy.	Land Use Planning	Manager ESP
		1.4.1.3 Implement community and cultural promotions program.	Cultural Services Library Services Community Programs	Manager CCED Manager LCS

Wollongong 2022 1.4 Community awareness and appreciation of heritage is increased	Draft Delivery Program 2012-17 Revised December 2013		
1.4.2 Our Aboriginal community is actively engaged in the management of Indigenous heritage.	1.4.2.1 Work with the local Aboriginal community in the management of Indigenous heritage.	Land Use Planning	Manager ESP

Wollongong 2022 1.5 Local food production and community food initiatives are supported	Draft Delivery Program 2012-17 Revised December 2013		
Strategy	5 Year Action	Service	Responsibility
1.5.1 Work towards ensuring that all people in our community have access to safe, nutritious, affordable and sustainably produced food.	1.5.1.1 Facilitate a range of programs and activities which improve food security and local food production.	Environmental Services	Manager ESP

Wollongong 2022 1.6 The sustainability of our urban environment is improved	Draft Delivery Program 2012-17 Revised December 2013		
Strategy	5 Year Action	Service	Responsibility
1.6.1 Our urban environment minimises impacts on habitat and biodiversity and areas of high conservation value are protected.	1.6.1.1 Review planning controls for environmentally sensitive locations.	Land Use Planning	Manager ESP

GOAL 1: WE VALUE AND PROTECT OUR NATURAL ENVIRONMENT

1.6 Th	ongong 2022 ne sustainability of rban environment is oved	Draft D	elivery Program 2012-17 Revised December 20	013	
1.6.2	Urban density and expansion, such as West Dapto are carefully planned to reflect the principles of ecological sustainable development and balance economic, social and environmental considerations.		Implement the West Dapto Release Area Masterplan.	Land Use Planning/ Community Programs	Manager ESP/ Manager CCED
1.6.3	Development is functional, attractive and sympathetic with the environment, and avoids unnecessary use of energy, water or other resources	1.6.3.1	Provide high quality development assessment and certification based on QBL principles (note: QBL or the Quadruple Bottom Line takes consideration of environmental, economic, social and governance factors).	Development Assessment/ Land Use Planning	Manager DAC/ Manager ESP
		1.6.3.2	Maximise sustainability principles in the design and construction of Wollongong's built form.	Development Assessment	Manager DAC
		Prepare	ion (baseline, scenario 1, 2 & 3) for the introduction and implementation of the ate Government Planning System Reform	Development Assessment/ Land Use Planning	Manager DAC/ Manager ESP

Goal 2: We have an innovative and sustainable economy

We are global leaders in innovative and sustainable research, development and new industries. We become renowned for leading the way with green technology and jobs. Wollongong is established as the Regional Centre, creating hubs of activity with a thriving and resilient local economy. The city is able to support the establishment of new industries, enterprises and business which attract and retain people to live and work. Wollongong is a student friendly city and our residents are educated and employed. We have access to employment and education through our diverse industry base and world class learning institutions.

Over the next 3 years we will:

- Progress implementation of the Central Business District (CBD) Action Plan.
- In collaboration with key agencies, facilitate the West Dapto Taskforce to deliver the first stages of the West Dapto Urban Release area.
- Ensure that Wollongong is attractive to diverse companies for business expansion, establishment and relocation.
- Manage and deliver improved destination marketing program of the City Centre.
- Provide a diverse range of activities in the City Centre that target and engage a broad community.
- Support projects that investigate opportunities for the provision of tourism infrastructure.

Measuring our Performance

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

- Visitation rates
- Percentage of planned actions completed
- Staff profile reflective of the community's demographics
- Employee satisfaction levels

GOAL 2: WE HAVE AN INNOVATIVE AND SUSTAINABLE ECONOMY

2.1 Lo oppoi incre regio	Wollongong 2022 2.1 Local employment opportunities are increased within a strong regional economy Strategy Draft Delivery Program 2012-17 Revised December 2013 Service Responsible Company Service Responsible Company Draft Delivery Program 2012-17 Revised December 2013 Service Responsible Company Se			Pocnoncibility	
Strate	egy	o rear	Action	Service	Responsibility
2.1.1	Cross-sector initiatives are coordinated and implemented to increase and attract business investment and jobs growth, particularly for young people.	2.1.1.1	Support regional activities and partnerships that result in increased business investment and jobs growth.	Economic Development/ Finance	Manager CCED/ Manager FIN
2.1.2	Wollongong's Central Business District continues to expand as the regional centre for commercial services, health services and other high order services, retail, entertainment and dining to stimulate and retain local employment.	2.1.2.1	Ensure that Wollongong is attractive to diverse companies for business expansion, establishment and relocation.	Economic Development	Manager CCED
		2.1.2.2	Progress implementation of the CBD Action Plan.	Infrastructure Planning and Support/City Centre Management	Manager ISP/ Manager CCED
2.1.3	Initiatives to retain local talent are developed and implemented.		Build on partnerships which enable the retention of local talent.	Economic Development/ Human Resources	Manager CCED/Manager HR
			Establish Wollongong City Council as an employer of choice.	Human Resources	Manager HR

Wollongong 2022 2.1 Local employment opportunities are increased within a strong regional economy Draft Delivery Program 2012-17 Revised December 2013				
Strate	egy	5 Year Action	Service	Responsibility
2.1.4	Innovation through social enterprise and social business opportunities is encouraged and supported.	2.1.4.1 Develop and maintain partnerships with the business sector to fund and contribute to a broader range of community projects and activities. Revise to (scenarios 1, 2 & 3): Develop and maintain partnerships with the business sector and contribute to a broader range of community projects and activities.	Community Programs	Manager CCED
2.1.5	Opportunities for training and education for unemployed and disadvantaged community members in employment growth areas are pursued.	2.1.5.1 Work with community, government and business partners to support development of local employment opportunities for people who are disadvantaged within the labour market.	Human Resources/ Economic Development/ Community Programs	Manager HR Manager CCED
2.1.6	Major new urban growth areas such was West Dapto are managed effectively to balance employment and population growth.	2.1.6.1 In collaboration with key agencies, facilitate the West Dapto Taskforce to deliver the first stages of the West Dapto Urban Release area.	Various	Director P&E

Wollongong 2022 2.2 The Region's industry base is diversified Draft Delivery Program 2012-17 Revised December 2013				
Strategy	5 Year Action	Service	Responsibility	
2.2.1 Working in partnership with industry and education institutions, an Enterprise Hub is supported within the city	2.2.1.1 Facilitate the delivery of business and tourism information services	Economic Development/ City Centre Management	Manager CCED	

GOAL 2: WE HAVE AN INNOVATIVE AND SUSTAINABLE ECONOMY

2.2 T	Wollongong 2022 2.2 The Region's industry base is diversified Draft Delivery Program 2012-17 Revised December 2013			
Strat	egy	5 Year Action	Service	Responsibility
2.2.2	Efforts are coordinated to secure tourism infrastructure in the region and attract new industries	2.2.2.1 Support projects that investigate opportunities for the provision of tourism infrastructure	Economic Development/ Parks and Sports fields/ Infrastructure Planning and Support	Manager CCED/Manager PR/Manager ISP
2.2.3	Organisations work in collaboration to support the development of innovative industries including the regional ICT sector and creative industries	2.2.3.1 In conjunction with partner organisations support the development of innovative industries	Economic Development/ Property Service	Manager CCED/ Manager PR

Wollongong 2022 2.3 The profile of Wollongong as the Regional City of the Illawarra is expanded and improved	Draft Delivery Program 2012-17 Revised December 2	013	
Strategy	5 Year Action	Service	Responsibility
2.3.1 Wollongong's City Centre is revitalised and active	2.3.1.1 Undertake major refurbishment works in the City Centre	Infrastructure Planning and Support/ City Centre Management/ Economic Development	Manager ISP/ Manager CCED
	Add Action (baseline and scenario 1, 2 and 3) Deliver the Access and Movement Strategy for the city centre	Infrastructure Planning and Support	Manager ISP

Wollongong 2022 2.3 The profile of Wollongong as the Regional City of the Illawarra is expanded and improved	Draft Delivery Program 2012-17 Revised December	2013	
Strategy	5 Year Action	Service	Responsibility
	2.3.1.2 Manage and deliver improved marketing and promotion of the City Centre	City Centre Management	Manager CCED
	2.3.1.3 Provide a diverse range of activities in the City Centre that target and engage a broad community	City Centre Management/Economic Development/ Public Relations/ Cultural Services	Manager CCED
	2.3.1.4 Improve policies and systems to support the revitalisation of the City Centre	Economic Development/City Centre Management/ Land Use Planning	Manager CCED/ Manager ESP
2.3.2 Wollongong is promoted as a preferred conference and events destination, and the place to live, learn, work and visit.	2.3.2.1 Deliver destination marketing and promotion. Revise Action (scenario 1 2 & 3) Review the current investment to deliver a more efficient and targeted destination marketing program	Economic Development/ City Centre Management	Manager CCED
	2.3.2.2 Deliver Visitor Information Services to the city and our visitors.	Economic Development	Manager CCED
	2.3.2.3 Pursue initiatives that promote the region as place to holiday to both the domestic and international markets.	Infrastructure Planning and Support	Manager ISP

GOAL 2: WE HAVE AN INNOVATIVE AND SUSTAINABLE ECONOMY

2.4 N greer	ongong 2022 ew industries and n technologies are lished and flourish	Draft Delivery Program 2012-17 Revised December 20	ft Delivery Program 2012-17 Revised December 2013		
Strate	egy	5 Year Action	Service	Responsibility	
2.4.1	The development of renewable energy products and services is supported.	2.4.1.1 Support the creation & expansion of green industries.	Environmental Programs	Manager ESP	
2.4.2	Partnership opportunities in research and development is expanded.	2.4.2.1 Ensure that Wollongong is attractive to research & development based companies & organisations.	Economic Development	Manager CCED	

Wollongong 2022 2.5 Wollongong continues to expand as a place of learning	Draft Delivery Program 2012-17 Revised December 2013		
Strategy	5 Year Action	Service	Responsibility
2.5.1 Residents have access to a variety of learning opportunities, both formal and informal		Library Services/ Community Facilities/ Human Resources/ Cultural Services	Manager LCS/ Manager HR/ Manager ESP/ Manager CCED

Goal 3: Wollongong is a creative, vibrant city

Wollongong is a creative, vibrant city where our rich cultural heritage is celebrated. We embrace new ideas; have thriving creative industries that reflect the diversity of our community and internationally and nationally recognised events and festivals. Our public spaces are activated, exciting and attractive at all times of the day. All of our communities are working together in partnership to strengthen our community connections and celebrate the diversity of our vibrant city.

Over the next 3 years we will:

- Encourage the integration of urban design and public art.
- Implement a coordinated approach to event acquisition and provision in Wollongong via the delivery of the Events Strategy.
- Coordinate an integrated approach to infrastructure improvement and service delivery in the Civic Plaza and through the re-establishment of an Arts precinct in the City.
- Develop a new Cultural Plan.
- Deliver a program of activities in local communities.

Measuring our Performance

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

- Participation in arts programs
- Number of public art installations
- Number of cultural events
- Completion of the Cultural Plan
- Number of developments that include public art

GOAL 3: WOLLONGONG IS A CREATIVE, VIBRANT CITY

3.1 Cı	Wollongong 2022 3.1 Creative cultural industries are established and fostered Draft Delivery Program 2012-17 Revised December 2013			
Strate	egy	5 Year Action	Service	Responsibility
3.1.1	'Made in Wollongong' becomes a well known and loved brand	3.1.1.1 Promote Made in Wollongong through a variety of activities and promotional opportunities Delete Action (scenarios 1 & 2 3)	Cultural Services/ Economic Development	Manager CCED
3.1.2	Artists and innovators are employed, mentored and supported	3.1.2.1 Provide support to existing and emerging arts workers & their networks Revise Action (scenarios 1 & 2) Provide online signposts to information for existing and emerging art workers and their networks.	Cultural Services	Manager CCED
		3.1.2.2 Provide opportunities for local artists and performers to exhibit, promote and perform at Council venues and events	Economic Development/ Cultural Services	Manager CCED
3.1.3	Partnerships across diverse sectors and industries are facilitated and promoted	3.1.3.1 Successful collaborations with other organisations and agencies are established	Public Relations/ Cultural Services/ Economic Development/ Community Programs	Manager CCED

Wollongong 2022 3.2 The visibility of our cultural diversity is increased	Draft Delivery Program 2012-17 Revised December 2013		
Strategy	5 Year Action	Service	Responsibility
3.2.1 Museums and galleries are promoted as part of the cultural landscape	3.2.1.1 Develop a long term approach for the promotion of heritage sites and museums to the community and visitors	Economic Development/ Cultural Services	Manager CCED
	Revise Action (baseline and scenarios 1, 2 & 3): Seek funding for the promotion of heritage sites and museums to the community and visitors.		

Wollongong 2022 3.2 The visibility of our cultural diversity is increased		Draft Delivery Program 2012-17 Revised December 2013		
Strat	egy	5 Year Action	Service	Responsibility
3.2.2	Our cultural diversity and heritage is incorporated within our public spaces through signage and public art	3.2.2.1 Encourage the integration of urban design & public art	Community Programs/ Property Services/ Cultural Services/ Infrastructure Services/ Development Assessment	Manager CCED/ Manager ISP/ Manager PR/ Manager CP
3.2.3	Partnerships are established between Indigenous and culturally & linguistically diverse communities and schools	3.2.3.1 Deliver and support a range of projects and programs which build harmony and understanding	Community Programs/Public Relations	Manager CCED

3.3 C the a	ongong 2022 ommunity access to rts and participation is and festivals is ased	Draft Delivery Program 2012-17 Revised December 2013			
Strat	egy	5 Year	Action	Service	Responsibility
3.3.1	Signature events and festivals are held across the city	3.3.1.1	Implement a coordinated approach to event acquisition & provision in Wollongong via the delivery of the Events Strategy	Economic Development/Public Relations	Manager CCED
		3.3.1.2	Encourage Sports Associations to conduct regional, state and national events in the city	Sports Fields and Parks	Manager PR

GOAL 3: WOLLONGONG IS A CREATIVE, VIBRANT CITY

3.3 Co	ngong 2022 ommunity access to its and participation s and festivals is ased	Draft [Delivery Program 2012-17 Revised December 2	013	
Strate	egy	5 Year	Action	Service	Responsibility
		3.3.1.3	Implement a sustainable program of local events via the Events Strategy	Cultural Services/Public Relations	Manager CCED
		3.3.1.4	Plan for, and host, culturally sensitive events and programs celebrating the Bi-Centenary of European Settlement in Wollongong across 2015-2016	Community Programs/Public Relations	Manager CCED
		3.3.1.5	Coordinate Council's support and investment in events and festivals	Public Relations	Manager CCED
3.3.2	The arts precinct in the heart of the city is consolidated and further enhanced	3.3.2.1	Coordinate an integrated approach to infrastructure improvement and service delivery in the Civic Plaza and through the reestablishment of an Arts Precinct in the city	Infrastructure Planning/Cultural Services /City Centre Management//Public Relations	Manager ISP/Manager CCED/ Manager PD/ Manager LCS

Wollongong 2022 3.4 Strong diverse local cultures thrive	Draft Delivery Program 2012-17 Revised December 20	013	
Strategy	5 Year Action	Service	Responsibility
3.4.1 Local groups and communities are actively supported to provide community-based programs, events, and festivals that celebrate cultural traditions and contemporary practices.	3.4.1.1 Support the coordination of a calendar of activities across the city Revise Action (scenarios 1& 2) Support the coordination of an externally delivered calendar of activities across the city	Cultural Services/Public Relations / Community Programs/ Economic Development	Manager CCED

Goal 4: We are a connected and engaged community

We are inclusive, connected community, engaged in our neighbourhood and other social networks. We have opportunities to participate in social, economic and political life of the city and are empowered to have our say. We have strong and effective local leadership. We respect and acknowledge the wisdom of age, the vitality and enthusiasm of our young people and the diversity of our community. Our Aboriginal community is recognised and valued. We have embraced new technology to ensure all residents have access to information, services and each other.

Over the next 5 years we will:

- Ensure an effective community engagement framework connects the community to Council decision making.
- Expand Council's use of multimedia, including on-line options for community engagement and communication.
- Increase opportunities for the community to connect with volunteering organisations.
- Coordinate a service review program with a focus on business development and improvement.

Measuring our Performance

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

- Participation in engagement activities
- Community satisfaction with communications and engagement methods
- Volunteers' level of satisfaction
- Community satisfaction with library services
- Participation in community service projects and programs
- Progress against the Strategic Asset Management Plan
- Percentage of policies and plans reviewed and updated
- Operational savings available for asset renewal.

GOAL 4: WE ARE A CONNECTED AND ENGAGED COMMUNITY

4.1 R have incre oppor active affect	engong 2022 esidents are able to their say through ased engagement runities and take an e role in decisions that	Draft D	Pelivery Program 2012-17 Revised December 2		Doggodikilik
Strate	egy	o rear	Action	Service	Responsibility
4.1.1	Engagement activities by all levels of government are enhanced and improved to achieve diverse community representation and to encourage participation		Ensure an effective community engagement framework connects the community to Council decision making	Public Relations	Manager CCED
4.1.2	Technology and social media is utilised to support engagement and communication	Expand	Expand Council's use of multimedia, including on-line options for community engagement and communication Action (scenarios 1 & 2): Council's use of social media and online options munication and engagement.	Customer Service/ Public Relations/ Library Services	Manager GI/Manager CCED/Manager LCS
4.1.3	Our Council's plans, intentions, actions and progress are clearly communicated to the community and other stakeholders	4.1.3.1	A coordinated approach to communication is developed and implemented	Public Relations	Manager CCED
		4.1.3.2	Re-establish Council's commitment to partnering with our local Aboriginal community	Community Programs	Manager CCED
		4.1.3.3	Council's Policies and Plans that relate to Community Land and Recreation are developed through a variety of engagement streams	Sport Fields and Parks/ Community Programs	Manager PR/ Manager CCED
		Continu	ion (scenarios 1, 2 & 3): e to provide regular information updates to the nity about Council's Financial Sustainability	Corporate Strategy	Executive Manager Strategy

4.2 0 incre	ongong 2022 ur residents feel an ased sense of nunity	Draft Delivery Program 2012-17 Revised December 2013		
Strat	egy	5 Year Action	Service	Responsibility
4.2.1	Residents, businesses and visitors are actively involved in diverse non-profit activities helping to connect neighbourhoods	4.2.1.1 Increase opportunities for the community to connect with volunteering organisations	Community Programs	Manager LCS
		4.2.1.2 Support community participation in non-profit activities	Environmental Programs/ Community Programs/ Public Relations/ Cultural Services/ Governance & Administration/ Aged and Disability Services/Library Services	Manager ESP/ Manager LCS/ Manager CCED/ Manager GI/
		4.2.1.3 Build the capability of community based organisations in managing, developing and sustaining their volunteers	Community Facilities	Manager L:CS
4.2.2	Diverse intergenerational projects and programs are implemented across the city	4.2.2.1 Support a range of projects and programs in the city	Various	Manager LCS/Manager CCED
4.2.3	Civic pride grows and shows.	4.2.3.1 Contribute to activities and programs that enhance civic pride in Wollongong	Public Relations/ Economic Development /Office of GM/Public Relations	Manager CCED

GOAL 4: WE ARE A CONNECTED AND ENGAGED COMMUNITY

4.3 Re and e	ngong 2022 esidents have easy quitable access to nation resources and ces	Draft Delivery Program 2012-17 Revised December	2013	
Strate	egy	5 Year Action	Service	Responsibility
4.3.1	High-speed broadband and communication is available across the city	4.3.1.1 Lobby for the expansion of NBN to all suburbs within the LGA within the next five years	Economic Development	Manager CCED/ Executive/ Councillors
4.3.2	Quality district level services, libraries and facilities are available to local communities	4.3.2.1 Review community facilities and consider rationalisation, replacement or refurbishment to achieve facilities that are strategically located, good quality and meet identified community need	Community Facilities/ Library Services	Manager LCS
		4.3.2.2 Investigate the provision of a district level community and library centre for the southern suburbs	Community Facilities/Library Services	Manager LCS
		Add Action (scenario 1): Close Unanderra library due to visitation and access to integrated facilities in Dapto and Warrawong Add Action (scenario 2) Review and implement a revised library service model for Unanderra and surrounding suburbs	Library Services Library Services	Manager LCS Manager LCS
4.3.3	The local community services sector is strong and sustainable.	4.3.3.1 Continue to participate and contribute to an integrated community service network	Community Programs/Aged & Disability Services	Manager LCS/ Manager CCED

Wollongong 2022 4.4 Our local Council has the trust of the community	Draft Delivery Program 2012-17 Revised December 20	013	
Strategy	5 Year Action	Service	Responsibility
4.4.1 Positive leadership and governance, values and culture are built upon	4.4.1.1 Improve community understanding and awareness of Council decisions	Public Relations/ Governance and Administration	Manager CCED/ Manager GI
	4.4.1.2 Ensure appropriate strategies and systems are in place, monitored and reviewed	Governance & Administration/ Corporate Strategy	Manager GI Executive Manager Strategy
	4.4.1.3 Continue to build a professional, customer focussed quality organisation	Human Resources/ Customer Service	Manager HR/ Manager GI
	4.4.1.4 Lead continuous improvement in Council's health and safety culture and behaviour	Human Resources	Manager HR
4.4.2 Working together, services continuously improve and offer best value for money.	4.4.2.1 Coordinate a service review program with a focus on business development and improvement.	Governance & Administration/ Corporate Strategy	Manager GI/ Executive Manager Strategy
	4.4.2.2 Deliver the Asset Management Strategy and Improvement Plan 2012-17.	Infrastructure Planning	Manager ISP
	Add Action (Scenarios 1 & 2): Withdraw from the provision of Cremation Services (retaining the memorial gardens) due to increased provision of alternate services to the Illawarra by other providers within the next five years and ageing assets.	Crematorium and Cemeteries	Manager PR
4.4.3 Innovation is encouraged and supported.	4.4.3.1 Improve systems for recording community and staff ideas.	Corporate Strategy	Executive Manager Strategy
4.4.4 Policies and procedures are simplified to ensure transparency and efficiency.	4.4.4.1 Ensure policies and procedures are regularly reviewed, updated and promoted.	Governance & Administration	Manager GI

GOAL 4: WE ARE A CONNECTED AND ENGAGED COMMUNITY

Wollongong 2022 4.4 Our local Council has the trust of the community	Draft Delivery Program 2012-17 Revised December 2013			
Strategy	5 Year Action	Service	Responsibility	
	4.4.4.2 Streamline reporting across the organisation and provide user friendly, plain English reports.	Corporate Strategy/ Financial Service	Executive Manager Strategy	
4.4.5 Finances are managed effectively to ensure long term financial sustainability.	4.4.5.1 Carry out Council's Financial Sustainability Program. Delete Action (more detailed actions have been included below)	Financial Services/Corporate Strategy	Manager FIN/ Executive Manager Strategy	
	Add Action (scenarios 1, 2 & 3): Achieve an operational savings as a part of Council's Financial Sustainability Review with savings to be directed to asset renewal.	Financial Services/Corporate Strategy	Manager FIN/ Executive Manager Strategy	
	Add Action (scenarios 1, 2 & 3): Reduce Council discretionary operational spend (excluding assets) by 5% with saving to be directed to asset renewal.	Financial Services/Corporate Strategy	Manager FIN/ Executive Manager Strategy	
	Additional Action (scenarios 1 & 2): Undertake a review of Council's employment conditions including the consideration of more flexible employment conditions and Enterprise Agreement	Financial Services/Corporate Strategy	Manager FIN/ Executive Manager Strategy	
	4.4.5.2 Effective and transparent financial management systems are in place.	Governance & Administration/ Finance	Manager GI/ Manager FIN	
	 4.4.5.3 Pursue alternative funding options to deliver Council services and facilities. Amend Action (scenarios 1, 2 & 3). Continue to pursue alternative funding option to deliver financially sustainable services and facilities. 	Corporate Strategy/Finance/ Infrastructure Planning and Support	Executive Manager Strategy/ Manager FIN/ Executive/ Councillors	

Wollongong 2022 4.4 Our local Council has	Draft Delivery Program 2012-17 Revised December 2	013	
the trust of the community			
Strategy	5 Year Action	Service	Responsibility
	Add Action (scenario 1): Apply for a special rate variation of around 5.2% in the first year and 5.5% for the following two years (inclusive of the assumed annual rate peg of 2.7%, 3% and 3% respectively) with additional funds to be directed to asset	Finance/Corporate Strategy	Manager FIN/ Executive Manager Strategy
	Add Action (scenario 2): Apply for a special rate variation of around 6.7% in the first year and 7% for the following two years (inclusive of the assumed annual rate peg of 2.7%, 3% and 3% respectively)with additional funds to be directed to asset renewal	Finance/Corporate Strategy	Manager FIN/ Executive Manager Strategy
	Add Action (scenario 3): Apply for a special rate variation of around 7.7% in the first year and 8% for the following two years (inclusive of the assumed annual rate peg of 2.7%, 3% and 3% respectively) with additional funds to be directed to asset renewal.	Finance/Corporate Strategy	Manager FIN/ Executive Manager Strategy
	Add Action (scenario 1) Review and increase Council's fees and charges for car parking, commercial heated pools, community pools (gold coin donation) sports fields, fitness trainers, library late fees, and tree permits to ensure the financial sustainability of service provision. Add Action (scenario 2) Review and increase Council's fees and charges for leasing child care facilities, car parking, commercial heated pools and fitness trainers to ensure the financial sustainability of service provision.	Financial Services	Manager FIN
	Add Action (scenario 1) Investigate removing the pensioner and charitable waste exemptions.	Financial Services	Manager FIN
	Add Action (scenarios 1, 2 & 3): Continue to actively seek grants and contributions to deliver core community infrastructure and services.	Infrastructure Strategy and Planning	Manager IFS

GOAL 4: WE ARE A CONNECTED AND ENGAGED COMMUNITY

Wollongong 2022 4.4 Our local Council has the trust of the community	Draft Delivery Program 2012-17 Revised December 2	013	
Strategy	5 Year Action	Service	Responsibility
	Add Action (scenario 1): Explore innovative options to increase revenue at Council facilities	Financial Services	Manager FIN
	Add Action (scenario 1, 2 & 3): Improve the efficiency of supply management in order to achieve operational efficiencies.	Financial Services	Manager FIN
	Add Action (scenario 1) Undertake a review of Council's rock pools and implement a rationalisation program	Aquatic Services/ Infrastructure Planning & Support	Manager PR
4.4.6 Excellent customer service is core business	4.4.6.1 Deliver a consistent and effective integrated frontline customer service centre	Governance & Administration	Manager GI/ Manager CCED

GOAL 5: WE ARE A HEALTHY COMMUNITY IN A LIVEABLE CITY

Our community is safe, healthy and happy. The city provides diverse and accessible recreational and lifestyle activities to foster community wellbeing for people all ages, abilities, cultural backgrounds and personal challenges. Our people thrive with a sense of self and a connection to place. We enjoy the relaxed pace, the opportunities for being with family and friends, helping our neighbours and meeting new people. We encourage informal and formal life long learning and we share a common goal to make Wollongong a place where as a minimum all residents' basic needs are met and our quality of life improved.

Over the next 3 years, we will:

Implement Council's Planning, People, Places Strategy.

Deliver projects and programs to reduce crime in the Wollongong Local Government Area.

Deliver a range of programs for our community.

Continue to liaise with Local Area Commands on key initiatives and crime reduction strategies

Measuring our Performance

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

- Number of engagement opportunities for young people in planning processes
- Participation in projects and programs for older people and people with a disability
- Number of reported incidences of illegal dumping
- Visitation rates to Botanic Garden
- Community satisfaction with:
 - public open space
 - graffiti removal
 - passive and active recreational activities
 - infrastructure.

GOAL 5: WE ARE A HEALTHY COMMUNITY IN A LIVEABLE CITY

Wolld	ongong 2022	Draft Delivery Program 2012-17 Revised December 20	013	
5.1 The the plane ment emot	nere is an increase in hysical fitness, al health and ional well-being of all esidents			
Strate		5 Year Action	Service	Responsibility
5.1.1	We work in partnership to build on opportunities to strengthen vulnerable communities	5.1.1.1 Partner with community based organisations in the provision of services	Community Programs/ Aged and Disability Services	Manager CCED /Manager LCS
5.1.2	Child-friendly and age- friendly principles are in design, planning and service delivery within the city	5.1.2.1 Actively engage children and young people in planning and design processes	Infrastructure Planning & Support/ Community Programs/ Public Relations/ Community Programs/Youth Services	Manager CCED/ Manager PD
5.1.3	Residents have improved access to affordable and timely medical services	5.1.3.1 Partner with agencies and health authorities to support improvements to the region's medical services		Executive/ Councillors
5.1.4	Flexible services are provided and can adapt to changing community needs and service demands	5.1.4.1 Assess the changing profile of the community and re-prioritise services appropriately	Corporate Strategy Community Programs/ Aged and Disability Services	Executive Manager Strategy/ Manager CCED/ Manager LCS
		Add Action (scenarios 1 & 2): Withdraw from the Lakeside Leisure Centre Service and sell the site based on low utilisations rates and availability of other service providers in close proximity and consider future service needs in the planning for West Dapto.	Property Services	Manager PR

Wollongong 2022 5.1 There is an increase in the physical fitness, mental health and emotional well-being of all our residents	Draft Delivery Program 2012-17 Revised December 2		Dagagasihiliku
Strategy	5 Year Action	Service	Responsibility
5.1.5 The long term needs of the community, including our people and our places, are effectively planned for	5.1.5.1 Continue to undertake social, land use and environmental planning activities that assists in service planning	Land Use Planning/ Community Programs	Manager ESP/ Manager CCED
	5.1.5.2 Carry out commercial business management of Council's operational lands	Crematorium and Cemeteries	Manager PR
	Add Action (baseline & scenario 1, 2 & 3): Develop a sustainable financial model and strategy for the maintenance and management in perpetuity for Council cemeteries, in response to the Cemeteries Act and establishment of 'Cemeteries NSW'.	Crematorium and Cemeteries	Manager PR
5.1.6 Urban areas are created to provide a healthy living environment for our community	5.1.6.1 Review planning controls for priority locations	Land Use Planning	Manager ESP
	5.1.6.2 Provide an appropriate and sustainable range of quality passive and active open spaces and facilities	Sports Fields and Parks	Manager PR
	5.1.6.3 Policies and plans are developed, reviewed and implemented to encourage physical activity	Sports Fields and Parks	Manager PR

GOAL 5: WE ARE A HEALTHY COMMUNITY IN A LIVEABLE CITY

Wollongong 2022 5.2 Residents have improved access to a range of affordable housing options		Draft Delivery Program 2012-17 Revised December 2013			
Strategy		5 Year	Action	Service	Responsibility
5.2.1	Housing choice in the Wollongong Local Government Area is improved, taking into account population growth, community needs and affordability	5.2.1.1	Prepare a Housing Study and Strategy incorporating Affordable Housing Issues	Land Use Planning / Financial Services	Manager ESP Manager FIN
5.2.2	Integrated services are provided to residents in need of urgent shelter	5.2.2.1	In partnership with relevant agencies and networks lobby and advocate for improved service levels and quality and enhanced access to services	Land Use Planning	Manager ESP

Wollongong 2022 5.3 The public domain is maintained to a high standard		Draft Delivery Program 2012-17 Revised December 2013			
Strategy		5 Year Action	Service	Responsibility	
5.3.1	Litter in public places is reduced	5.3.1.1 Promote and enforce compliance with litter reduction	Regulatory Control/ Environmental Programs/ Waste Management	Manager RE/ Manager ESP/ Manager CW	
5.3.2	Public facilities in key locations are clean & accessible	5.3.2.1 Manage and maintain public facilities	Community Programs/ Waste Management	Manager CCED/ Manager CW	
5.3.3	Well maintained assets that meet the needs of current and future communities are provided	5.3.2.2 Manage and maintain community infrastructure portfolio with a focus on asset renewal	Infrastructure Planning	Manager ISP	
		Add Action (scenarios 1, 2 & 3): Use additional funds achieved through the Financial Sustainability Review for renewal of major building projects as per capital program.	Infrastructure Planning	Manager ISP	

Wollongong 2022 5.4 Community safety is improved		Draft Delivery Program 2012-17 Revised December 2013			
Strategy		5 Year	Action	Service	Responsibility
5.4.1	Partnerships continue to strengthen and achieve a safe and accessible community		e a range of partnerships and networks to community safety initiatives, excluding graffiti	Community Programs	Manager CCED
		Provide	lifeguard services at beaches (in partnership with e Saving Illawarra) and Council pools.	Aquatic Services	Manager PR
5.4.2	Local crime continues to be prevented and levels of crime reduced.	5.4.2.1	Continue to liaise with Local Area Commands on key initiatives and crime reduction strategies.	Community Programs	Manager CCED
		5.4.2.2	Deliver projects and programs to reduce crime in the Wollongong Local Government Area.	Community Programs	Manager CCED
5.4.3	Safety is considered in the planning and design of any development.	5.4.3.1	Safety is considered in the planning and design of any development.	Community Programs/ Development Assessment	Manager CCED/ Manager DAC

Wollongong 2022 5.5 Participation in recreational and lifestyle activities is increased Strategy		Draft Delivery Program 2012-17 Revised December 2013			
		5 Year Action		Service	Responsibility
5.5.1	The built and natural environment provide access and connectivity.	5.5.1.1	Maintain and establish corridors and parks that strengthen open space connections and people movement.	Infrastructure Planning and Support	Manager CW
		5.5.1.2	Coordinate an access improvement program through pre-planning and renewal activities.	Infrastructure Planning and Support/ Aged & Disability Services	Manager ISP/ Manager CCED

Wollongong 2022 5.5 Participation in recreational and lifestyle	Draft Delivery Program 2012-17 Revised December 2013				
activities is increased Strategy	5 Year Action	Service	Responsibility		
5.5.2 A variety of quality public spaces and opportunities for sport, leisure, recreation, learning and cultural activities in the community.	5.5.2.1 Use data to assess the current community infrastructure available, community demand and develop a strategic framework and policies to either rationalise, enhance or expand to meet changing community needs.	Parks & Sports Fields	Manager PR		
	Add Action (scenario 1 & 2): Develop a play strategy to support the planning of high quality centralised and integrated park facilities to inform removal 10-15% of Council's small parks and playgrounds	Parks & Sports Fields	Manager PR		
	Add Action (scenario 1 & 2): Use additional funds achieved through the Financial Sustainability Review to replace below standard playground facilities informed by the play strategy	Parks & Sports Fields	Manager PR		
	5.5.2.2 Implement Council's Planning, People, Places Strategy.	Parks & Sports Fields	Manager PR		
	5.5.2.3 Develop a Regional Botanic Garden of Excellence.	Botanic Gardens and Nursery	Manager ESP		
	5.5.2.4 Provide statutory services to appropriately manage and maintain our public spaces.	Regulatory Control/ Land Use Planning	Manager RE/ Manager ESP		
5.5.3 Healthy, active ageing programs are promoted in partnership with government agencies and community organisations.	5.5.3.1 Deliver a range of programs for older people.	Aged & Disability Services Community Programs	Manager LCS		
	5.5.3.2 Deliver a range of recreational pursuits for older people.	Leisure Services	Manager PR		

DRAFT DELIVERY PROGRAM 2012-17 (REVISED 1 DEMCEMBER 2013)

Wollongong 2022 5.6 Residents have a high level of life satisfaction and personal happiness	Draft Delivery Program 2012-17 Revised December 2013			
Strategy	5 Year Action	Service	Responsibility	
5.6.1 Projects that build on community strengths are encouraged.	5.6.1.1 Deliver a diverse suite of projects to the community that foster and enhance community strengths. Revise Action (scenario 1): Facilitate projects with the community that foster and enhance community strengths.	Community Programs	Manager CCED/ Manager LCS	

GOAL 6: WE HAVE SUSTAINABLE AFFORDABLE AND ACCESSIBLE TRANSPORT

We will have access to an integrated transport network from north to south and east to west. We prefer to walk, cycle or take the bus or train. We have safe, accessible and interconnected pathways to encourage pedestrian traffic. The Local Government Area (LGA) continues to be linked to the broader region and the city of Sydney via efficient, safe and affordable networks.

Over the next 3 years we will:

- Establish a framework for cycle ways and bicycle facilities within Wollongong.
- Improve the connectivity of the local government area through the upgrade in our network of footpaths and cycle
 ways.
- Work in partnership with key stakeholders to consider the establishment of a 'Park n Ride' commuter bus network.
- Work with key agencies and partners to progress the provision of an effective and integrated regional transport network.
- Develop an integrated Transport Strategy.
- In collaboration with agencies deliver the infrastructure required to support the first stage of the West Dapto Release Area.
- Work with Shellharbour Council, Lake Illawarra Authority and other levels of government to progress the development of a cycleway.
- Deliver Community Transport Services as per funding requirements.

Measuring our Performance

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

- Progress towards the Bicycle Action Plan
- Progress toward the Illawarra Transport Strategy
- Satisfaction with community transport.

DRAFT DELIVERY PROGRAM 2012-17 (REVISED 1 DEMCEMBER 2013)

6.1 W publi acces resou trans priva	ongong 2022 /alking, cycling and c transport is an ssible and well urced means of port, and the use of te cars is reduced		elivery Program 2012-17 Revised December 20		
Strat	egy	5 Year	Action	Service	Responsibility
6.1.1	The city is established as bike-friendly.	6.1.1.1	Establish a strategic framework and a plan for cycle ways and bicycle facilities within Wollongong.	Transport Services	Manager ISP
6.1.2	The 'Gong' Shuttle Bus service is extended.	6.1.2.1	Assess the feasibility to expand the Gong Shuttle service to outer suburbs.	Transport Services	Manager ISP
6.1.3	Interconnected and accessible cycle-ways and footpaths are planned and delivered.	6.1.3.1	Improve the connectivity of the local government area through the upgrade in our network of footpaths and cycle ways.	Transport Services	Manager ISP Manager PD
		Use add	ion (scenarios 1, 2 & 3) litional funds achieved through the Financial ability Review to accelerate the footpath renewal n by about \$4M	Infrastructure Strategy & Planning	Manager ISP
		Additional Action (scenarios 1, 2, & 3): Extend the average lives of footpaths to 80 years to create about \$1M saving in depreciation annually.		Infrastructure Strategy & Planning	Manager ISP
6.1.4	A 'Park n Ride' commuter bus network is established and residents are encouraged to 'leave the car at home'.	6.1.4.1	Work in partnership with key stakeholders to consider the establishment of a 'Park n Ride' commuter bus network	Transport Services	Manager ISP

GOAL 6: WE HAVE SUSTAINABLE AFFORDABLE AND ACCESSIBLE TRANSPORT

6.2 W	ongong 2022 ollongong is orted by integrated port system	Draft D	elivery Program 2012-17 Revised December 20	013	
Strate		5 Year	Action	Service	Responsibility
6.2.1	Effective and integrated regional transport, with a focus on road, bus, rail and freight movement (including the port of Port Kembla), is provided.			Transport Services	Manager ISP
			ion (baseline and scenarios 1, 2 & 3): sustainable transport asset renewal programs	Transport Services	Manager ISP
		Add Action (scenarios 1, 2 & 3) Allocated approximately \$6M of additional funds achieved through the Financial Sustainability Review to road resurfacing and reconstruction.		Transport Services	Manager ISP
6.2.2	Integrated communities close to major transport links and major commercial centres and planned for and encouraged.	6.2.2.1	In collaboration with agencies deliver the infrastructure required to support the first stage of the West Dapto Release Area.	Various	Director of P&E
6.2.3	Rail services and stations are improved across the LGA.	6.2.3.1	Work with State and Government agencies and lobby improve rail services and stations across the LGA.	Transport Services	Manager ISP
6.2.4	Opportunities to reduce travel time between Sydney and Wollongong are pursued and implemented.	6.2.4.1	Work with State and Government agencies to lobby and promote opportunities for transport to reduce travel time between Sydney and Wollongong.	Transport Services	Manager ISP
6.2.5	Availability of late night transport options is improved.	6.2.5.1	Work with key agencies and partners to continue and improve late night transport options.	Transport Services	Manager ISP

DRAFT DELIVERY PROGRAM 2012-17 (REVISED 1 DEMCEMBER 2013)

Wollongong 2022 6.3 Transport- disadvantaged communities have increased access to services	Draft Delivery Program 2012-17 Revised December 20	013	
Strategy	5 Year Action	Service	Responsibility
6.3.1 Community transport options for frail older people, people with disabilities and the transport-disadvantaged are actively promoted and available.	6.3.1.1 Deliver Community Transport Services as per funding requirements Delete Action Above and Add Action (baseline and scenarios 1, 2 & 3): Develop an alternative service delivery, governance model and auspice for Community Transport in response to the Federal Governments Aged Care Reform legislation.	Aged & Disability Services	Manager LCS

APPENDIX 1: CONDITION OF ASSETS

Funding Analysis	Baseline Over 10 years	Lowest additional funding for Capital Over 10 years (minimum of 3 scenarios)	Examples of Projects or Programs that could accelerated by increased Capital
Proposed Renewal: Proposed New:	\$180,763,035 \$393,665,777	\$369,577,035 \$393,665,777	
Total Capex:	\$574,434,759	\$763,242,812	
Funding Gap: Roads & Related Assets	\$21,000,000		
Public Transport Facilities	Older damaged shelters remain Damaged beyond repair shelters potentially removed without replacement Higher capacity and city centre bus shelters decline in condition Additional facilities at public transport points not replaced eg. bins, bike racks Rollout of new facilities and shelters delayed as limited funds focused on renewal Transport strategy to encourage and facilitate greater use of public transport compromised	+\$899,000 Bus shelter replacement program maintained Rollout of new shelters maintained at current rates Damaged and removed shelters are replaced to schedule High capacity and quality shelters maintained and renewed Public transport goals supported	Roll out of new shelters maintained: Mt Keira Rd, West Wollongong Lucas Dr, Horsley Moronga Cir, Horsley Flagstaff Rd, Warrawong Byamee St, Koonawarra Sheppard St, West Wollongong Cordeaux Rd, Mt Kembla Lucas Dr, Horsley
Road works, including traffic facilities	Road resurfacing program remains behind required pavement renewal schedule resulting in increased potholes and pavement failures Increases in pavements requiring reconstruction due to compromised surfacings Pavement improvement programs (eg. installation of sub-soil drains and replacement of damaged kerb and guttering) and pavement reconstruction programs continue at current rates which is less than rate of failing pavements Declining serviceability of traffic facilities, potentially decreasing road user safety	Road resurfacing + \$17,983,000 Road reconstruction +\$41,447,000 Road resurfacing program accelerated Planned surfacing upgrades accelerated Full pavement reconstruction program accelerated Partial reconstruction program increased to further decrease need for full replacement Pavement improvement program accelerated to allow resurfacing or partial reconstruction in lieu of full reconstruction Decreases in vehicle damage and hence transport cost impacts	Resurfacing program accelerated: Kelvin Rd - Litana Pl to Mackenzie Ave, Coniston Rothery St - Bond St to Pioneer Rd, Bellambi Woodlawn Ave - St Johns Ave to Eastern Ave, Mangerton Parkes St - McMillan St to Old Farm Rd, Helensburgh The Avenue surface - Ocean St to Taronga St, Mt St Thomas Acacia Ave surface - Vickery St to house #25, Gwynneville Hore St - Prince Edward Dve to Brownsville Ave, Brownsville Shellharbour Rd - Turpin Ave to End, Warrawong

Funding Analysis	Baseline Over 10 years	Lowest additional funding for Capital Over 10 years (minimum of 3 scenarios)	Examples of Projects or Programs that could accelerated by increased Capital
	Increased wear/damage impacts on vehicles resulting in increased transport costs Potential long term closures of low traffic roads in high land instability areas e.g. Harry Graham Drive, Buttenshaw Dr Low traffic roads continue to decline	Reduction in community and economic risks	Road reconstruction projects: Harry Graham Dr, Kembla Heights Mt Keira Rd, Mt Keira Culgoa Cr - Byamee St to Caloola St, Koonawarra Pringle Rd - Caldwell St to Douglas St, Fernhill Benelong St - Ursula Rd to Ursula Rd, Bulli Duncan St - Tucker St to Margaret St, Balgownie Beach St - Corrimal St to Kembla St, Wollongong Bent St - King St to Greene St, Warrawong
Bridges, board walks and jetties	Bridge replacement program at current rate. Preventative upgrade program to address corrosion protection issues in aggressive environments (coastal) has to be maintained at the expense of other programs based on risk Potential deferral of replacements on less economically and socially critical infrastructure such as jetties to ensure funding of bridge works	+\$4,497,000 • Accelerate structural repairs and protection works • Replacement of bridges before disruptive load or access restrictions are required • Component replacement programs implemented eg. balustrades and decking joints • Reduction in community risk	Replacement or structural repairs: Hicks St footbridge adjacent Russell Vale Golf Course, Russell Vale Yallah Bay Rd bridge cathodic protection, Yallah Princes Hwy over Cabbage Tree Creek, Fairy Meadow
Footpaths and Shared/Cyd		l	l
Footpaths and shared/cycle paths including retaining walls	Condition of footpaths and shared paths continue to decline Increased potential for incidents of trips and falls Decreased amenity and perceptions of desirability in key locations Delayed renewal of high quality pavements in areas of high investment e.g. city foreshore Continuing decline in amenity in town and village centres Declining useability of shared paths compromising strategy to increase non-private car use for transport	Footpaths +\$40,461,000 Shared/Cycle Paths +\$8,091,000 Increased rate of path replacement and major repair programs Programs for replacement of path side furniture (signs, line marking and control/safety barriers or fences) implemented High investment assets such as the Blue Mile, Grand Pacific Walk, Crown Street Mall achieve designed lives	Footpaths: Park Rd - Princes Hwy to Railway St, Bulli Cliff Rd - adjacent Osborne park (south side), Wollongong Greene St laneway - adjacent #31, Warrawong Keira Village Park, Keiraville Mt Keira Rd retaining wall repair - opposite #253, Mt Keira Flinders St - Campbell St to Gipps St, Wollongong Shared Paths Northern cycle way - Stuart Park parallel to George Hanley Dr, North

Funding Analysis	Baseline Over 10 years	Lowest additional funding for Capital Over 10 years (minimum of 3 scenarios)	Examples of Projects or Programs that could accelerated by increased Capital
	Improvements in pedestrian and cycling connectivity reduced as sections of paths approach failure		Wollongong Northern cycle way - Stuart Park, access road to concrete section, North Wollongong SLSC precinct Bellambi cycle way - Brompton St to Memorial Dve (south side), Bellambi University link cycle way - Smith St underpass to Beaton Park, Gwynneville Wollongong CBD and town & village centre renewals Crown St footpath - Gladstone Ave to "The landmark" Wollongong Windang CBD Upgrade Cringila CBD footpaths Five Islands Rd to Newcastle St, Cringila Flinders St, Wollongong Unanderra Town Centre Stage 2 Stanwell Park shops
Car parks			
Car park reconstruction or upgrading	 Continued slow progress is repairing damaged pavements Small decreases in parking capacity, especially during periods of wet weather due to pavement failure and large potholes Declining condition of car park furniture such as wheel stops and line marking Potential increases in trips and falls 	+\$2,247,000 • Accelerated planned renewal works • Improved useability of facilities • Reduction in community risk • Cater for increasing use as parking demand increases	Western Suburbs Pool, Unanderra Berkeley Boat Harbour, Berkeley Banksia Ave beach car park, Windang Bellambi Rock pool car park fencing, Bellambi Corrimal Pool, Corrimal Dapto CBD car park surface off Bong Bong Rd, Dapto Euroka St scout hall car park, West Wollongong Guest Park car park off Balgownie Rd (west), Fairy Meadow Happy Valley Reserve Dobbie Ave, Bellambi
Stormwater & Floodplain	Management		
Floodplain and Stormwater Management including Water quality devices	Short to medium term expenditure (up to 10 years) is adequate based on current asset condition and renewal schedules	Maintaining current expenditure: Floodplain management \$43,159,000 Stormwater management \$11,508,000	 Ensuring delivery of planned upgrades: Newbold Close, debris control structure, Thirroul North Angels Creek, open

E 1: A 1 :	D !:	1 1 1 1 1 1 1 1 1 1	E (D : :
Funding Analysis	Baseline Over 10 years	Lowest additional funding for	Examples of Projects or Programs that could
	Over 10 years	Capital Over 10 years	accelerated by increased
		(minimum of 3 scenarios)	Capital
	Increasing pressure to decrease expenditure on new floodplain risk management programs to reduce community and economic risks in order to divert funding to renewal programs In the longer term, inadequate capacity to achieve renewal programs and increased likelihood of significant failures with consequent impacts on roads	Stormwater treatment \$2,637,000 Increased renewal work in other asset areas over the initial 10 years will ensure there is sufficient capacity to deliver significant renewal programs from year 11 onwards Increased renewal works on roads, including major culverts, will result in some additional stormwater renewal works which will decrease longer term management issues	channel, Tarrawanna Princes Hwy, debris control structure, Figtree Pringel Rd, debris control structure, Tarrawanna Slackey Creek, debris trap, Bulli Tallegalla St, debris control structure, Unanderra Stormwater facilities that remain deliverable: Market St, Wollongong Marshall St, Dapto Parkes St, Helensburgh Stanleigh Crescent, West Wollongong Sturt Place, Bulli
Buildings			
Cultural centres, and community buildings including administration facilities	Continuing decline in condition of community buildings and reduction in service capability Continued slow improvement in electrical and fire safety Continued slow improvement in compliance upgrades Slow improvements in preventative works such as roof and roof drainage improvements, security upgrades Effectively reducing service levels for the community Increased operational costs through increased maintenance due to renewal work not being funded to achieve required renewal schedule Continued user dissatisfaction with building conditions Insufficient funds available for major building renewal projects without reducing a reduction in expenditure on smaller projects	+\$51,251,000 over 10 years • Increased delivery of programmed component renewals e.g. electrical and fire safety works, roof drainage • Accelerated of structural replacement and facility renewal programs such as roof, kitchen, toilet, flooring and air conditioning replacements, concrete cancer removal programs etc • Increased painting programs • Access improvements • Major renewal projects funded	IPAC IMB Theatre stage floor Wollongong Art Gallery front sliding doors Wollongong Art Gallery eastern timber floor IPAC Security IPAC air conditioning BMCS controller Coniston Community Centre roof Koonawarra Community Centre parquetry floor Port Kembla Community Centre Office roof Noel Mulligan Oval RLFC Canteen Relocation Dapto Senior Citizens, Heininger Hall flooring Webb Park Amenities Upgrade Bulli Community Centre garage Koonawarra Community Centre office wall access Stanwell Park Beach Kiosk, Stanwell Park Mt Keira Kiosk and amenities Warrawong Library & Multi-purpose community facility

Funding Analysis	Baseline Over 10 years	Lowest additional funding for Capital Over 10 years (minimum of 3 scenarios)	Examples of Projects or Programs that could accelerated by increased Capital			
Parks, Gardens and Sports fields						
Public facilities (Public Toilets, shelters)	 Continued slow progress in renewing degrading shelters Increased frequency of closing facilities due to damage and resultant public safety issues Increased failure rates in storm events Insufficient funds available to renew major assets at end of design life eg. Charles Harper Park toilet Decrease in seats and tables in shelters over time as insufficient funds to replace damaged beyond repair items Increase in community concerns with respect to prioritising available funds to high use higher cost facilities (e.g. along foreshore) at expense of lower use facilities 	+\$2,878,000 over 10 years Accelerated renewal program Sufficient funds for programmed renewal of facilities for local community needs and supporting tourism sector of economy Reduction in premature failure rates of facilities Reduction in number of facilities closed to service due to damage Program funded sufficiently to allow use of higher resilience material without reducing overall program	Trinity Row Bulli Beach Reserve wave shelter, Bulli Carters Ln, Thomas Dalton Pk Hexagonal Shelter 2, Fairy Meadow Bulli kiosk public amenities accessibility upgrade, Bulli			
Play facilities	 Continued slow progress in renewing degrading play equipment Increased frequency of closing equipment due to damage and resultant public safety issues Insufficient funds to replace major facilities at end of design life (e.g. all access facility and Botanic Garden, Towradgi, Brighton Lawn) without reducing replacement program of other playgrounds 	+\$4,854,000 Replacement program accelerated Replacements programed to occur before failure of asset to point of not being useable Component replacement program can be implemented to ensure facilities meet designed life Less facilities closed for extended periods of time Older facilities replaced with contemporary equipment Decreases need to reduce funding on upgrading facilities (to meet forecast community demand to) to fund renewal works	 Stuart Park Playground, North Wollongong JJ Kelly Park Playground, Wollongong Goolagong St Reserve Playground, Penrose William Beach Park Playground, Brownsville Nicholson Park Playground, Woonona Lakeside Drive Reserve Playground, Dapto 			
Recreation facilities (eg. park furniture, skate facilities)	Continued slow progress in renewing degrading facilities	+\$4,316,000 • Extend program of renewal works	Guest Park Skate Park Renew/Upgrade, Fairy Meadow			

Funding Analysis	Baseline Over 10 years	Lowest additional funding for Capital Over 10 years (minimum of 3 scenarios)	Examples of Projects or Programs that could accelerated by increased Capital
Sporting facilities	Increased frequency of closing equipment due todamage and resultant public safety issues Insufficient funds to replace major facilities at end of design life (eg. skate facilities) without reducing replacement program of other recreation facilities Continued slow progress in replacing sports fencing Delayed implementation of major projects such as replacing the running surface at Beaton Park/ Kerryn McCann Running Track Replacement programs lags further behind increase use of facilities as city population grows	 Upgrade facilities as a part of renewal program to achieve contemporary requirements Reduce public risk for facilities that are degrading such as skate parks Fund replacement program to match design lives Accelerate program for replacing private power poles in recreation and sporting areas Accelerate upgrade program for on-site power distribution boards +\$3,147,000 Accelerate program of facility replacements Renewal of high value facilities such as at Beaton Park can be programmed On field equipment/fixtures eg. goal post etc., replaced Irrigation systems upgrades and renewed to ensure useability of fields, especially those with 	Kerryn McCann Running Track, Gwynneville Thomas Dalton Park - Elliots Rd fencing, Fairy Meadow Wisemans Park fencing, Gwynneville Barina Park fencing, Lake Heights Cawley Park fencing, Russell Vale Elizabeth Park fencing, Bellambi
Aquatic Facilities (treated	water pools, rock pools)	increasing utilisation	Keira Park fencing, Mt Keira
Rock and Treated Water pools	Continued decline in condition Increasing rates of major failures due to pool shell failures Rock/tidal pools – continuing concourse failures and non-replacement of safety fencing Increased risk of failure of pumping equipment in treated water pools due to Unplanned replacements of pumps and water treatment plan due to failure	+\$6,293,000 • Accelerate delivery of major renewal programs such as pool shell replacements or repairs • Delivery of replacement program with upgrade component to increase water quality • Funds available for renewal of associated facilities such as change rooms	Woonona Rock Pool Concourse Coalcliff Rock Pool Thirroul Pool floor

Funding Analysis	Baseline Over 10 years	Lowest additional funding for Capital Over 10 years (minimum of 3 scenarios)	Examples of Projects or Programs that could accelerated by increased Capital
Crematorium/Cemeteries			
Crematorium/ Cemetery facilities	 Available funds concentrated on delivering expansion to meet demand eg. additional headstone beams and memorial walls, internal road expansion to access new sites Continuing decline in structural condition of existing paths and facilities Continuing decline in support facilities such as administration offices, halls/chapels and main access roads 	 +\$450,000 Funds available for replacement/renewal of internal access roads and pedestrian paths Renewals of memorial walls and associated gardens Renewal programs for chapels/halls 	 Replacement or perimeter fencing at Wollongong Lawn Cemetery including upgrade to prevent illegal vehicle access Replacement of damaged footpaths at Bulli Cemetery Replacement of rest seats, bins surrounds and other furniture at cemeteries to service site needs of mourners and visitors

APPENDIX 2: PLANNING PRINCIPLES

Consistent with the Wollongong 2022, social justice principles are reflected throughout this document via the provision of infrastructure, recognition of our diverse population, and through democratic and effective governance.

Our planning principles are aim to ensure the Wollongong community will prosper socially and economically, while preserving the ability of our natural environment to support a good quality of life now and in the future. This is reflected through our Sustainability Commitment which is outlined below:

Our Sustainability Commitment

Wollongong City Council will work to protect our local environment, reduce the use of natural resources and to support our quality of life for present and future generations. We will demonstrate leadership and responsible planning and decision-making to avoid any harmful local and global effects of our actions. We will also work in partnership with the community, stakeholders and other government organisations to achieve our sustainability commitments.

A quadruple bottom line approach, based on achieving integrated sustainability through the interlinked areas of environmental, social, economic and governance activities, underpin Council's commitment to sustainability. Principles have been developed which further clarify how these areas will be considered by Council in carrying out its operations.

Governance:

е

- a We value sustainability leadership and will demonstrate how sustainability can be practically implemented;
- b We believe that sustainability should be intrinsic to all decision-making and will incorporate it as a fundamental component of all Council processes;
- c We support understanding of the importance of sustainability and will improve sustainability awareness throughout Council and the community; and
- d We recognize the importance of issues beyond our borders and aim to create a balance between local and global issues.

Environmental sustainability:

- a We respect our natural resources and will work to protect and enhance these for current and future generations;
- b We value our natural biodiversity and will work to protect and enhance local native habitat;
- c We treasure our coastal areas and waterways and will work to maintain their health and special qualities;
- d We will not undertake any actions that have a potential risk to cause serious harm to the community or the environment even in the absence of scientific certainty (the precautionary principle);
- e We recognise the importance of access to fresh, local and sustainably produced food.

Social-cultural sustainability:

- a We respect universal social justice and will work to improve community well-being and quality of life;
- b We value social equity and believe that services, facilities and community amenities should be accessible and equitable;
- c We support equal rights and constructive engagement with the community in decision-making;
- d We will actively involve people from diverse linguistic, cultural and spiritual backgrounds.
- a operations:
- b We believe in local economic growth that respects our natural heritage and values and will foster sustainable and green economic opportunities.

APPENDIX 2: PLANNING PRINCIPLES

Economic sustainability:

- a We will use resources efficiently and responsibly and reduce our ecological footprint;
- b We support sustainable asset management principles;
- c We understand the impact of poverty on quality of life and will work to address disadvantage in our community;
- d We value a strong local economy and will encourage the use of local businesses and resources in our operations;
- e We believe in local economic growth that respects our natural heritage and values and will foster sustainable and green economic opportunities.

Financial Overview

This report provides an overview of Council's financial estimates for 2014-15 to 2016-17 based on the information and scenarios put forward in Council's Draft Resourcing Strategy. The organisational financial estimates are provided for a baseline position that continues with existing service levels and Revenue Policy, and three scenarios designed to achieve a longer term financially sustainable position. All estimates show that Council's short to medium term financial capacity remains sound with strong liquidity, low debt and sound financial control which enables balanced funds budgets to be planned and achieved. A balanced funds result means that the allocation of resources to be spent is matched by the levels of revenue received to pay for it.

Council currently has unrestricted cash holdings (Available Funds) that provide more than sufficient capacity to manage normal variations in operational performance or provide opportunity for future investment and very low levels of debt.

While Council's Financial Strategy is to provide a near balanced Funds Result, the first two years of all estimates includes a negative Funds Result that reflects the higher than required Available Funds held by Council being invested back into asset renewal over that time. Investment of these funds will reduce the Available Funds Balance to the upper end of council's targeted position.

The Funds Results estimates for 2014/15 and forward years for the baseline and scenario estimates are shown below. The Funds Result remains constant while funds applied to capital renewal varies with each scenario. Council maintains a strong position around its Funds Result to ensure it can maintain sound short financial stability and meet its current and foreseeable debts.

TOTAL FUNDS SURPLUS (DEFICIT)						
2014/15 2015/16 2016/ Forecast Forecast Forecast \$000 \$000 \$000						
Total Funds Surplus (Deficit) (2,731) (2,756) 283						

While Council is able to balance its cash inflows and outflows in the short to medium term, in the longer term a challenge remains, as it does with most other local councils, to provide enough funding to renew and maintain long lived assets used in providing existing Council services. This challenge requires us to reduce the proportion of Council resources spent on day to day activities and increase the funding for asset renewal and refurbishment. In conjunction with this, it would appear there is a need to increase overall funding to help close the gap. The three financially sustainable options or scenarios presented in the Draft Resource Strategy are set to achieve this longer term financial sustainability.

Through these proposals, it will be possible to renew the high value, long lived assets such as roads, bridges, buildings, public toilets and recreation facilities that generally need to be funded over their life. If not funded in this way the existing services may not be possible in the future without significant impact on a future generation.

Council's Draft Financial Strategy is designed to ensure that Council can meet its obligations to achieve a long term financially sustainable position. It seeks to achieve that by:

- Requiring an annual operational improvement of \$21M over the next three to six years.
- Moving the Operating Result [pre capital] to a small surplus position.
- Increasing the amount of funds made available from operations for capital.
- Reducing and/or eliminating the gap between the Funds Available for Capital and annual consumption of existing assets used in providing current services (depreciation).
- Spending the vast majority of Funds Available for Capital on the renewal of existing assets used in delivering existing services. This is currently set as a minimum of 85% of the self-sourced funding.
- Ensuring the impacts of creating new assets does not deteriorate Council's future position. That is, capital decisions are required to consider the full cost of the new assets (including ongoing operational costs) by factoring those costs into future operating estimates before the decision is made.
- Maintaining sufficient Available Funds to manage emerging issues and opportunities without impacting on existing services.

The strategy and scenarios put forward in the Draft Resource Strategy provide for long term financial sustainability.

Council's Draft Resource Strategy provides substantial information on Council's financial performance and position over recent years and highlights the significant improvements that have been achieved financially by the Council in that time. The financial adjustments proposed in the current plans, while remaining extremely difficult, are much less onerous due to the organisational improvement, constraint and financial planning and control that has been achieved in recent years.

Financial Estimates

The various financial results of the baseline and scenarios are outlined in the table below.

Wollongong City Council Annual Net Surplus/(Deficit) [pre capital] Scenario Comparisons					
2014/15 2015/16 2016/17 Forecast Forecast Forecast \$M \$M \$M					
Baseline	(17.4)	(18.3)	(19.3)		
Scenario 1	(11.5)	(5.9)	0.6		
Scenario 2	(10.8)	(5.8)	(0.1)		
Scenario 3	(9.9)	(4.3)	1.7		

The baseline results are built in detail from programmed works and services and assumptions detailed later in this report. The financial estimates for the scenarios are derived from the baseline results with variations at a higher level to reflect the yet to be programed actions. The scenarios are outlined below with a financial summary and in more detail in the Draft Resource Strategy. The scenarios are options for change that will be considered by Council in February and will form the basis of a decision at that time, but will not necessarily be adopted in full or in part.

Once a decision is made in relation to the future direction, the preferred actions will be progressed and developed along with the Annual Plan and Revenue Policy for further community consultation.

Baseline – provides detailed forecasts for the continuation of existing services, revenue policies, and organisational performance. The current expenditure indices included in the baseline are reasonably tight, such that the projected growth in expenses is lower than revenue increases. To achieve the proposed expense growth averages, at around 3.5% over the period, Council would continue to maintain sound financial control and organisational restraint, cost containment and productivity improvement.

It should be noted that the current baseline differs from the prior Long Term Financial Plan that had a recurrent savings program of \$2.9 Million in the first year of the Plan and another \$1 Million in each future year of the Plan. The proposed savings program that exceeded \$10 Million per annum by 2022/23 was not defined and would have required efficiency and service adjustments to achieve the required outcome. To ensure these types of adjustments were part of the community deliberation, they have been included in the change scenarios for greater transparency.

The baseline projections include estimates for general rate increases (the rate peg) of 2.7% in 2014/15, 3% in 2015/16 and another 3% in 2016/17. These rate peg amounts are included in all scenarios.

Scenario 1 – is predominately the model proposed by the Citizens Panel. The scenario includes a significant improvement in organisational efficiency of \$7 Million. This would require significant organisational change including higher level workplace, industrial and delivery adjustment.

The proposal also would require changes to the levels of service delivered of \$4Million. If this scenario was adopted, the implementation of the adjustments would require significant scoping, consultation, change and some time to implement. As the detail of this change has not yet been specified, an assumption for modelling has been made that allows for progressive implementation over three to five years. It has been assumed for the estimates that the majority of decisions and actions required would be taken within the Delivery Plan timeframe of this Council (three years) while some implementation and deployment issues may carry over into the term of the next Council.

The model proposes a rating adjustment of \$8.4 Million to be implemented over a three year period as recommended by the Citizen's Panel. The rating adjustment would require a rate increase to most ratepayers of around 5.2% in the first year and 5.5% for the following two years (inclusive of the assumed annual rate peg of 2.7%, 3% and 3% respectively). The assumed rating revenues and increases are indicative at this stage and will be further refined as property information in 2013/14 is updated for the proposed 2014/15 Revenue Policy. It is proposed in the scenarios that rates above the rate peg estimate will not apply to 3c Regional Business and Heavy 1 Activity 1 Business subcategories that currently pay a higher than average rate in the dollar on property valuation. The rate increase would also not apply to special rates.

Other revenue would be increased under this scenario by increasing and/or introducing fees in future periods above the baseline position. \$1.6 Million per annum is provided for increased fees.

The table below provides a delivery timeframe for planning purposes that may change as specific adjustments are reviewed, scoped and proposed for implementation.

CCENIADIO 4	EFFIC	IENCY	SERVICES	REVENUE		TOTAL
SCENARIO 1	Lower Impact	High Impact		Rates *	Other	Other
Adjustments	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
2014/15	1,000	550	1,200	2,610	500	5,860
2015/16	1,000	1,250	1,000	2,870	500	6,620
2016/17	1,500	1,200	1,200	2,920	600	7,420
2017/18		300	400			700
2018/19		200	200			400
TOTAL	3,500	3,500	4,000	8,400	1,600	21,000

^{*} Actual dollars for rates increase will vary over the years in line with finalised property data and proposed rates increases.

Scenario 2 – includes a slightly lower level target for operational efficiency that will still call for reduction in resources required to provide existing levels of services; some adjustments to existing services and increases in rates over a three year period required to move to the targeted surplus operating budget.

The targeted efficiency saving is based on reaching competitive delivery costs for services across the breadth of Council's operations; it would still require substantial industrial change and operational transformation.

The model proposes a rating adjustment \$13.4 Million to be implemented over a three year period. The rating adjustment would require a rate increase to most ratepayers of around 6.7% in the first year and 7% for the following two years (inclusive of the assumed annual rate peg of 2.7%, 3% and 3% respectively). The assumed rating revenues and increases are indicative at this stage and will be further refined as property information in 2013/14 is updated for the proposed 2014/15 Revenue Policy. It is proposed in the scenarios that rates above the rate peg estimate will not apply to 3c Regional Business and Heavy 1 Activity 1 Business subcategories that currently pay a higher than average rate in the dollar on property valuation. The rate increase would also not apply to special rates.

The table below provides a delivery timeframe for planning purposes that may change as specific adjustments are reviewed, scoped and proposed for implementation.

COENIADIO	EFFIC	IENCY	SERVICES	REVE	NUE	TOTAL
SCENARIO 2	Lower Impact	High Impact		Rates *	Other	Other
Adjustments	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
2014/15	1,000		1,000	4,340	120	6,460
2015/16	1,000		200	4,460	250	5,910
2016/17	1,500	500	200	4,600		6,800
2017/18		500	500			1,000
2018/19		500	200			700
2019/20			200			200
TOTAL	3,500	1,500	2,300	13,400	370	21,070

^{*}Actual dollars for rates increase will vary over the years in line with finalised property data and proposed rates increases

Scenario 3 – This scenario provides for little or no discernible decrease in current service levels other than the proposal to extend the useful life of Footpath assets from 60 to 80 years and accept a slightly lower level of service, particularly in relation to aesthetic appeal of footpaths. This proposal reduces depreciation and also the average funding requirement for footpath renewals.

The proposal includes targeted efficiency savings based on what are considered achievable lower impact goals that will require lower level industrial change, disruption, and operational transformation, and increases in rates over a three year period required to move to the targeted surplus operating budget.

Based on the baseline forecasts and current indices, there is a need for additional rate revenue of \$16.5 Million per annum. The model proposes a rating adjustment \$16.5 Million to be implemented over a three year period. The rating adjustment would require a rate increase to most ratepayers of around 7.7% in the first year and 8% for the following two years (inclusive of the assumed annual rate peg of 2.7%, 3% and 3% respectively). The assumed rating revenues and increases are indicative at this stage and will be further refined as property information in 2013/14 is updated for the proposed 2014/15 Revenue Policy. It is proposed in the scenarios that rates above the rate peg estimate will not apply to 3c Regional Business and Heavy 1 Activity 1 Business subcategories that currently pay a higher than average rate in the dollar on property valuation. The rate increase would also not apply to special rates.

The following table provides a reasonable timeframe for the targeted delivery of adjustments.

CCENIADIO	EFFICIENCY SERVICES REVENUE		TOTAL			
SCENARIO 3	Lower Impact	High Impact		Rates *	Other	Other
Adjustments	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
2014/15	1,000		1,000	5,350		7,350
2015/16	1,000			5,490		6,490
2016/17	1,500			5,660		7,160
TOTAL	3,500	-	1,000	16,500	-	21,000

^{*}Actual dollars for rates increase will vary over the years in line with finalised property data and proposed rates increases.

These scenarios are provided as indicative of the types of measures that may be available to Council and its community. There is no specific apportionment between measures available and there is no agreed actions implied by the estimates provided.

The following budget reports are provided for the baseline and the three scenarios:

- Whole of Council 10 Year Financials Forecasts
 - Income and Expense Statement
 - Funding Statement (Including Capital Budget)
 - Balance Sheet
 - Cash Flow

WOLLONGONG CITY COUNCIL 10 Year Financials - Baseline 2014/15 2015/16 2016/17 **Forecast Forecast Forecast** \$'000 \$'000 \$'000 **INCOME & EXPENSE STATEMENT EXPENSES FROM ORDINARY ACTIVITIES** 114,596 **Employee Costs** 107,323 110,723 3,754 3,581 **Borrowing Costs** 3,918 101,963 Materials, Contracts & Other Expenses 91,659 95,889 Depreciation, Amortisation + Impairment 62,808 64,522 63,659 Internal Charges (labour) (10,590)(10,819)(11,080)Internal Charges (not labour) (1,954)(1,804)(1,783)**Total Expenses from Ordinary Activities** 253,313 261,423 271,628 REVENUES FROM ORDINARY ACTIVITIES Rates and Annual Charges 160,516 165,837 172,098 User Charges and Fees 33,300 34,830 37,161 Interest and Investment Revenues 4,965 4,485 4,375 Other Revenues 8,829 9,074 9,323 Grants and Contributions - Operating 28,337 28,900 29,407 Revenues [pre capital] 235,948 243,126 252.363 **NET SURPLUS (DEFICIT) [Pre capital]** (17,365)(18,297)(19,264)Capital Grants & Contributions 11,201 9,397 11,118

(6,164)

(8,900)

(8,147)

NET SURPLUS (DEFICIT)

10 Year Financials - Baseline

	2014/15 Forecast	2015/16 Forecast	2016/17 Forecast
	\$'000	\$'000	\$'000
FUNDING S	TATEMEN	IT	
Surplus (Deficit) [pre capital]	(6,164)	(8,900)	(8,147)
Add back:			
- Non-cash Operating Transactions	80,481	81,651	83,112
- Restricted cash used for operations	7,820	8,448	9,397
- Income transferred to Restricted Cash	(30,846)	(28,486)	(30,860)
- Payment of Accrued Leave Entitlements	(10,131)	(10,430)	(10,737)
- Payment of Carbon Contributions	(508)	(730)	(982)
Funds Available from Operations	40,653	41,553	41,784
Advances (made by) / repaid to Council	(135)	0	0
Borrowings repaid	(4,778)	(4,892)	(5,153)
Operational Funds Available for Capital			
Budget	35,740	36,661	36,631
CAPITAL BUDGET			
Assets Acquired	(80,846)	(65,874)	(54,752)
Transfers to Restricted Cash Funded From :-	0	0	0
- Operational Funds	35,740	36,661	36,631
- Sale of Assets	2,208	2,008	1,522
- Internally Restricted Cash	10,319	5,550	1,883
- Capital Grants	6,600	700	709
- Developer Contributions (Section 94)	6,660	9,079	11,300
- Other Externally Restricted Cash	16,488	8,821	2,490
- Other Capital Contributions	100	300	500
TOTAL FUNDS SURPLUS / (DEFICIT)	(2,731)	(2,756)	283

WOLLONGONG 10 Year Finance			CIL
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000
BALANCI	E SHEET		
CURRENT ASSETS			
Cash Assets	77,369	71,049	75,581
Investment Securities	8,597	7,894	8,398
Receivables	18,404	18,964	19,684
Inventories	8,941	8,941	8,941
Other	929	955	981
TOTAL CURRENT ASSETS	114,239	107,802	113,584
NON-CURRENT ASSETS			
Non-Current Receivables	5,109	5,109	5,109
Investments Accounted for using Equity Method	984	984	984
Investment Property	4,045	4,211	4,382
Intangible Assets	364	364	364
Property, Plant & Equipment	2,398,040	2,398,171	2,386,879
TOTAL NON-CURRENT ASSETS	2,408,541	2,408,838	2,397,717
TOTAL ASSETS	2,522,780	2,516,640	2,511,302
CURRENT LIABILITIES			
Current Payables	22,798	23,528	24,446
Provisions < 12 Months	9,713	9,980	10,249
Provisions > 12 Months	33,145	34,057	34,976
Current Interest Bearing Liabilities	4,892	5,153	5,280
TOTAL CURRENT LIABILITIES	70,548	72,717	74,952
NON-CURRENT LIABILITIES			
Non Current Interest Bearing Liabilities	26,829	22,548	17,998
Non Current Provisions	51,030	55,902	61,025
TOTAL NON-CURRENT LIABILITIES	77,859	78,450	79,024
TOTAL LIABILITIES	148,407	151,167	153,975
NET ASSETS	2,374,373	2,365,473	2,357,326
EQUITY			
Accumulated Surplus	(1,082,225)	(1,080,472)	(1,066,992)
Surplus (Deficit) for period	6,164	8,900	8,147
Asset Revaluation Reserve	(1,226,811)	(1,226,811)	(1,226,811)
Restricted Assets	(71,501)	(67,090)	(71,670)
TOTAL EQUITY	(2,374,373)	(2,365,473)	(2,357,326)

10 Year Financials - Baseline

2014/15 Forecast \$'000 2015/16 Forecast \$'000 2016/17 Forecast \$'000

CASH FLOW STATEMENT

CASH FLOWS FROM OPERATIONS	<u>-</u>	_	
Receipts			
Rates and Annual Charges	159,085	165,277	171,377
User Charges & Fees	33,300	34,830	37,161
Investment Incomes	4,965	4,485	4,375
Grants & Contributions	39,538	38,297	40,524
Other Operating Receipts	8,646	8,882	9,127
Payments			
Employee Costs	(94,550)	(97,623)	(101,097)
Materials & Contracts	(89,244)	(93,376)	(99,090)
Borrowing Costs	(1,192)	(1,077)	(957)
Other Operating Payments	2,288	2,042	2,000
NET CASH PROVIDED BY (OR USED IN)			
OPERATIONS	62,838	61,736	63,419
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Sale of Investment securities	2,071	702	(504)
Proceeds from Sale of Property, Plant & Equip	2,208	2,008	1,522
Payments			
Purchase of Property Plant & Equipment	(80,846)	(65,874)	(54,752)
Advances to Deferred Debtors	(135)	0	0
NET CASH PROVIDED BY (OR USED IN)			
INVESTING ACTIVITIES	(76,701)	(63,164)	(53,734)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Payments			
Repayments of Borrowings and Advances	(4,778)	(4,892)	(5,153)
NET CASH PROVIDED BY (OR USED IN)			
FINANCING ACTIVITIES	(4,778)	(4,892)	(5,153)
NET INCREASE (DECREASE) IN CASH &			
CASH EQUIVALENTS HELD	(18,641)	(6,320)	4,532
Cash at Beginning of Period	96,010	77,369	71,049
CASH & CASH EQUIVALENTS AT EOY	77,369	71,049	75,581
PLUS other investment securities	8,597	7,894	8,398
TOTAL CASH & INVESTMENTS	85,965	78,943	83,979

WOLLONGONG CITY COUNCIL 10 Year Financials - Scenario 1 2014/15 2015/16 2016/17 **Forecast Forecast** Forecast \$'000 \$'000 \$'000 **INCOME & EXPENSE STATEMENT EXPENSES FROM ORDINARY ACTIVITIES** 107,323 114,596 **Employee Costs** 110,723 **Borrowing Costs** 3,918 3,754 3,581 Materials, Contracts & Other Expenses 91,659 95,889 101,963 Depreciation, Amortisation + Impairment 61,608 62,359 63,222 Internal Charges (labour) (11,080)(10,590)(10,819)(1,954)Internal Charges (not labour) (1,804)(1,783)Efficiency Improvements (1,550)(3,800)(6,500)Service Reductions 0 (2,100)(900)255,423 250,563 **Total Expenses from Ordinary Activities** 261,728

163,116

33.300

4,965

8,829

28.337

239,048

(11,515)

11,201

(314)

500

171,237

34.830

4.485

9,074

28,900

1.000

249,526

(5,897)

9,397

3,500

180,498 37.161

4.375

9,323

29.407

262,363

1.600

636

11,118

11,753

REVENUES FROM ORDINARY ACTIVITIES

Rates and Annual Charges

Interest and Investment Revenues

Grants and Contributions - Operating

NET SURPLUS (DEFICIT) [Pre capital]

User Charges and Fees

Other Revenues

Additional Revenues

Revenues [pre capital]

Capital Grants & Contributions

NET SURPLUS (DEFICIT)

			WOLLONGONG CITY COUNCIL 10 Year Financials - Scenario 1						
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000						
FUNDING ST	TATEMEN	IT							
Surplus (Deficit) [pre capital]	(314)	3,500	11,753						
Add back :									
- Non-cash Operating Transactions	79,281	80,351	81,812						
- Restricted cash used for operations	7,820	8,448	9,397						
- Income transferred to Restricted Cash	(30,846)	(28,486)	(30,860)						
- Payment of Accrued Leave Entitlements	(10,131)	(10,430)	(10,737)						
- Payment of Carbon Contributions	(508)	(730)	(982)						
Funds Available from Operations	45,303	52,653	60,384						
Advances (made by) / repaid to Council	(135)	0	0						
Borrowings repaid	(4,778)	(4,892)	(5,153)						
Operational Funds Available for Capital Budget	40,390	47,761	55,231						
CAPITAL BUDGET									
Assets Acquired	(85,496)	(76,974)	(73,352)						
Transfers to Restricted Cash	0	0	0						
Funded From :-									
- Operational Funds	40,390	47,761	55,231						
- Sale of Assets	2,208	2,008	1,522						
- Internally Restricted Cash	10,319	5,550	1,883						
- Capital Grants	6,600	700	709						
- Developer Contributions (Section 94)	6,660	9,079	11,300						
- Other Externally Restricted Cash	16,488	8,821	2,490						
- Other Capital Contributions	100	300	500						
TOTAL FUNDS SURPLUS / (DEFICIT)	(2,731)	(2,756)	283						

		WOLLONGONG CITY COUNCIL 10 Year Financials - Scenario 1					
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000				
BALANCI	SHEET						
CURRENT ASSETS							
Cash Assets	76,928	70,113	74,077				
Investment Securities	8,548	7,790	8,231				
Receivables	18,646	19,463	20,464				
Inventories	8,941	8,941	8,941				
Other	929	955	981				
TOTAL CURRENT ASSETS	113,992	107,262	112,693				
NON-CURRENT ASSETS							
Non-Current Receivables	5,109	5,109	5,109				
Investments Accounted for using Equity Method	984	984	984				
Investment Property	4,045	4,211	4,382				
Intangible Assets	364	364	364				
Property, Plant & Equipment	2,403,890	2,416,421	2,425,029				
TOTAL NON-CURRENT ASSETS	2,414,391	2,427,088	2,435,867				
TOTAL ASSETS	2,528,382	2,534,350	2,548,561				
CURRENT LIABILITIES							
Current Payables	22,551	22,988	23,555				
Provisions < 12 Months	9,713	9,980	10,249				
Provisions > 12 Months	33,145	34,057	34,976				
Current Interest Bearing Liabilities	4,892	5,153	5,280				
TOTAL CURRENT LIABILITIES	70,301	72,177	74,061				
NON-CURRENT LIABILITIES	2 0,001	,	,				
Non Current Interest Bearing Liabilities	26,829	22,548	17,998				
Non Current Provisions	51,030	55,902	61,025				
TOTAL NON-CURRENT LIABILITIES	77,859	78,450	79,024				
TOTAL LIABILITIES	148,160	150,627	153,084				
NET ASSETS	2,380,223	2,383,723	2,395,476				
EQUITY							
Accumulated Surplus	(1,082,225)	(1,086,322)	(1,085,242)				
Surplus (Deficit) for period	314	(3,500)	(11,753)				
Asset Revaluation Reserve	(1,226,811)	(1,226,811)	(1,226,811)				
Restricted Assets	(71,501)	(67,090)	(71,670)				
TOTAL EQUITY	(2,380,223)	(2,383,723)	(2,395,476)				

10 Year Financials - Scenario 1

2014/15
Forecast
\$1000

2015/16 Forecast \$'000 2016/17 Forecast \$'000

		CTAT	
CASH	OW	STAT	

O/(OITT EOTT	والنافية الأراك		
CASH FLOWS FROM OPERATIONS			
Receipts			
Rates and Annual Charges	161,443	170,419	179,496
User Charges & Fees	33,300	34,830	37,161
Investment Incomes	4,965	4,485	4,375
Grants & Contributions	39,538	38,297	40,524
Other Operating Receipts	9,146	9,882	10,727
Payments			
Employee Costs	(94,550)	(97,623)	(101,097)
Materials & Contracts	(87,941)	(88,969)	(90,841)
Borrowing Costs	(1,192)	(1,077)	(957)
Other Operating Payments	2,288	2,042	2,000
NET CASH PROVIDED BY (OR USED IN)			
OPERATIONS	66,999	72,286	81,387
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Sale of Investment securities	2,120	757	(440)
Proceeds from Sale of Property, Plant & Equip	2,208	2,008	1,522
Payments			
Purchase of Property Plant & Equipment	(85,496)	(76,974)	(73,352)
Advances to Deferred Debtors	(135)	0	0
NET CASH PROVIDED BY (OR USED IN)			
INVESTING ACTIVITIES	(81,302)	(74,209)	(72,271)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Payments			
Repayments of Borrowings and Advances	(4,778)	(4,892)	(5,153)
NET CASH PROVIDED BY (OR USED IN)			
FINANCING ACTIVITIES `	(4,778)	(4,892)	(5,153)
NET INCREASE (DECREASE) IN CASH &			,
CASH EQUIVALENTS HELD	(19,082)	(6,815)	3,964
Cash at Beginning of Period	96,010	76,928	70,113
CASH & CASH EQUIVALENTS AT EOY	76,928	70,113	74,077
PLUS other investment securities	8,548	7,790	8,231
TOTAL CASH & INVESTMENTS	85,476	77,904	82,308

WOLLONGONG	CITY	COUN	CIL
10 Year Financi	als - Scena	rio 2	
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000
INCOME & EXPE	NSE STAT	EMENT	
EXPENSES FROM ORDINARY ACTIVITIES			
Employee Costs	107,323	110,723	114,596
Borrowing Costs	3,918	3,754	3,581
Materials, Contracts & Other Expenses	91,659	95,889	101,963
Depreciation, Amortisation + Impairment	61,808	62,459	63,222
Internal Charges (labour)	(10,590)	(10,819)	(11,080)
Internal Charges (not labour)	(1,804)	(1,783)	(1,954)
Efficiency Improvements	(1,000)	(2,000)	(4,000)
Service Reductions	0	0	(100)
Total Expenses from Ordinary Activities	251,313	258,223	266,228
REVENUES FROM ORDINARY ACTIVITIES			
Rates and Annual Charges	164,983	174,771	185,499
User Charges and Fees	33,300	34,830	37,161
Interest and Investment Revenues	4,965	4,485	4,375
Other Revenues	8,829	9,074	9,323
Grants and Contributions - Operating	28,337	28,900	29,407
Additional Revenues	120	370	370
Revenues [pre capital]	240,535	252,430	266,134
NET SURPLUS (DEFICIT) [Pre capital]	(10,778)	(5,793)	(93)
Capital Grants & Contributions	11,201	9,397	11,118

423

3,604

11,024

NET SURPLUS (DEFICIT)

WOLLONGONG 10 Year Financia			CIL
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000
FUNDING S	TATEMEN	NT	
Surplus (Deficit) [pre capital]	423	3,604	11,024
Add back :			
- Non-cash Operating Transactions	79,481	80,451	81,812
- Restricted cash used for operations	7,820	8,448	9,397
- Income transferred to Restricted Cash	(30,846)	(28,486)	(30,860)
- Payment of Accrued Leave Entitlements	(10,131)	(10,430)	(10,737)
- Payment of Carbon Contributions	(508)	(730)	(982)
Funds Available from Operations	46,240	52,857	59,655
Advances (made by) / repaid to Council	(135)	0	0
Borrowings repaid	(4,778)	(4,892)	(5,153)
Operational Funds Available for Capital Budget	41,327	47,965	54,502
CAPITAL BUDGET			
Assets Acquired	(86,433)	(77,178)	(72,623)
Transfers to Restricted Cash	0	0	0
Funded From :-			
- Operational Funds	41,327	47,965	54,502
- Sale of Assets	2,208	2,008	1,522
- Internally Restricted Cash	10,319	5,550	1,883
- Capital Grants	6,600	700	709
- Developer Contributions (Section 94)	6,660	9,079	11,300
- Other Externally Restricted Cash	16,488	8,821	2,490
- Other Capital Contributions	100	300	500
TOTAL FUNDS SURPLUS / (DEFICIT)	(2,731)	(2,756)	283

WOLLONGONG 10 Year Financia			CIL
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000
BALANC	E SHEET		
CURRENT ASSETS			
Cash Assets	76,885	70,136	74,177
Investment Securities	8,543	7,793	8,242
Receivables	18,762	19,690	20,758
Inventories	8,941	8,941	8,941
Other	929	955	981
TOTAL CURRENT ASSETS	114,059	107,514	113,098
NON-CURRENT ASSETS			
Non-Current Receivables	5,109	5,109	5,109
Investments Accounted for using Equity Method	984	984	984
Investment Property	4,045	4,211	4,382
Intangible Assets	364	364	364
Property, Plant & Equipment	2,404,627	2,417,262	2,425,141
TOTAL NON-CURRENT ASSETS	2,415,128	2,427,929	2,435,979
TOTAL ASSETS	2,529,187	2,535,443	2,549,078
CURRENT LIABILITIES			
	22.618	23,240	23.960
Current Payables Provisions < 12 Months	22,618 9,713	23,240 9,980	23,960 10,249
Current Payables	9,713	9,980	10,249
Current Payables Provisions < 12 Months			
Current Payables Provisions < 12 Months Provisions > 12 Months	9,713 33,145	9,980 34,057	10,249 34,976
Current Payables Provisions < 12 Months Provisions > 12 Months Current Interest Bearing Liabilities TOTAL CURRENT LIABILITIES	9,713 33,145 4,892	9,980 34,057 5,153	10,249 34,976 5,280
Current Payables Provisions < 12 Months Provisions > 12 Months Current Interest Bearing Liabilities TOTAL CURRENT LIABILITIES NON-CURRENT LIABILITIES	9,713 33,145 4,892 70,368	9,980 34,057 5,153 72,429	10,249 34,976 5,280 74,466
Current Payables Provisions < 12 Months Provisions > 12 Months Current Interest Bearing Liabilities TOTAL CURRENT LIABILITIES	9,713 33,145 4,892	9,980 34,057 5,153	10,249 34,976 5,280
Current Payables Provisions < 12 Months Provisions > 12 Months Current Interest Bearing Liabilities TOTAL CURRENT LIABILITIES NON-CURRENT LIABILITIES Non Current Interest Bearing Liabilities	9,713 33,145 4,892 70,368	9,980 34,057 5,153 72,429	10,249 34,976 5,280 74,466
Current Payables Provisions < 12 Months Provisions > 12 Months Current Interest Bearing Liabilities TOTAL CURRENT LIABILITIES NON-CURRENT LIABILITIES Non Current Interest Bearing Liabilities Non Current Provisions	9,713 33,145 4,892 70,368 26,829 51,030	9,980 34,057 5,153 72,429 22,548 55,902	10,249 34,976 5,280 74,466 17,998 61,025
Current Payables Provisions < 12 Months Provisions > 12 Months Current Interest Bearing Liabilities TOTAL CURRENT LIABILITIES NON-CURRENT LIABILITIES Non Current Interest Bearing Liabilities Non Current Provisions TOTAL NON-CURRENT LIABILITIES	9,713 33,145 4,892 70,368 26,829 51,030 77,859	9,980 34,057 5,153 72,429 22,548 55,902 78,450	10,249 34,976 5,280 74,466 17,998 61,025 79,024
Current Payables Provisions < 12 Months Provisions > 12 Months Current Interest Bearing Liabilities TOTAL CURRENT LIABILITIES NON-CURRENT LIABILITIES Non Current Interest Bearing Liabilities Non Current Provisions TOTAL NON-CURRENT LIABILITIES TOTAL LIABILITIES	9,713 33,145 4,892 70,368 26,829 51,030 77,859 148,227	9,980 34,057 5,153 72,429 22,548 55,902 78,450 150,879	10,249 34,976 5,280 74,466 17,998 61,025 79,024 153,489
Current Payables Provisions < 12 Months Provisions > 12 Months Current Interest Bearing Liabilities TOTAL CURRENT LIABILITIES NON-CURRENT LIABILITIES Non Current Interest Bearing Liabilities Non Current Provisions TOTAL NON-CURRENT LIABILITIES TOTAL LIABILITIES NET ASSETS	9,713 33,145 4,892 70,368 26,829 51,030 77,859 148,227	9,980 34,057 5,153 72,429 22,548 55,902 78,450 150,879	10,249 34,976 5,280 74,466 17,998 61,025 79,024 153,489
Current Payables Provisions < 12 Months Provisions > 12 Months Current Interest Bearing Liabilities TOTAL CURRENT LIABILITIES NON-CURRENT LIABILITIES Non Current Interest Bearing Liabilities Non Current Provisions TOTAL NON-CURRENT LIABILITIES TOTAL LIABILITIES NET ASSETS EQUITY	9,713 33,145 4,892 70,368 26,829 51,030 77,859 148,227 2,380,960	9,980 34,057 5,153 72,429 22,548 55,902 78,450 150,879 2,384,564	10,249 34,976 5,280 74,466 17,998 61,025 79,024 153,489 2,395,588
Current Payables Provisions < 12 Months Provisions > 12 Months Current Interest Bearing Liabilities TOTAL CURRENT LIABILITIES NON-CURRENT LIABILITIES Non Current Interest Bearing Liabilities Non Current Provisions TOTAL NON-CURRENT LIABILITIES TOTAL LIABILITIES NET ASSETS EQUITY Accumulated Surplus	9,713 33,145 4,892 70,368 26,829 51,030 77,859 148,227 2,380,960	9,980 34,057 5,153 72,429 22,548 55,902 78,450 150,879 2,384,564	10,249 34,976 5,280 74,466 17,998 61,025 79,024 153,489 2,395,588
Current Payables Provisions < 12 Months Provisions > 12 Months Current Interest Bearing Liabilities TOTAL CURRENT LIABILITIES NON-CURRENT LIABILITIES Non Current Interest Bearing Liabilities Non Current Provisions TOTAL NON-CURRENT LIABILITIES TOTAL LIABILITIES NET ASSETS EQUITY Accumulated Surplus Surplus (Deficit) for period	9,713 33,145 4,892 70,368 26,829 51,030 77,859 148,227 2,380,960 (1,082,225) (423)	9,980 34,057 5,153 72,429 22,548 55,902 78,450 150,879 2,384,564 (1,087,059) (3,604)	10,249 34,976 5,280 74,466 17,998 61,025 79,024 153,489 2,395,588 (1,086,083) (11,024)

10 Year Financials - Scenario 2

2014/15

2015/16

2016/17

	Forecast \$'000	Forecast \$'000	Forecast \$'000
CASH FLOW	STATEME	ENT	
CASH FLOWS FROM OPERATIONS			
Receipts			
Rates and Annual Charges	163,194	173,843	184,430
User Charges & Fees	33,300	34,830	37,161
Investment Incomes	4,965	4,485	4,375
Grants & Contributions Other Operating Receipts	39,538 8,766	38,297 9,252	40,524 9,497
· · · · ·	0,700	9,252	9,497
Payments	(2 (2 2 2)	(2= 222)	(12122)
Employee Costs	(94,550)	(97,623)	(101,097)
Materials & Contracts	(88,424)	(91,484)	(95,188)
Borrowing Costs Other Operating Payments	(1,192)	(1,077)	(957) 2,000
	2,288	2,042	2,000
NET CASH PROVIDED BY (OR USED IN)			
OPERATIONS	67,887	72,564	80,743
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Sale of Investment securities	2,125	750	(449)
Proceeds from Sale of Property,Plant & Equip	2,208	2,008	1,522
Payments			
Purchase of Property Plant & Equipment	(86,433)	(77,178)	(72,623)
Advances to Deferred Debtors	(135)	0	0
NET CASH PROVIDED BY (OR USED IN)			
INVESTING ACTIVITIES	(82,235)	(74,420)	(71,550)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Payments			
Repayments of Borrowings and Advances	(4,778)	(4,892)	(5,153)
NET CASH PROVIDED BY (OR USED IN)			
FINANCING ACTIVITIES	(4,778)	(4,892)	(5,153)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS HELD	(19,125)	(6,748)	4,041
Cash at Beginning of Period	96,010	76,885	70,136
CASH & CASH EQUIVALENTS AT EOY	76,885	70,136	74,177
PLUS other investment securities	8,543	7,793	8,242

85,427

77,929

TOTAL CASH & INVESTMENTS

82,419

10 Year Financials - Scenario 3

2014/15
Forecast
\$'000

2015/16 Forecast \$'000 2016/17 Forecast \$'000

		ICL CI	^ I
	EAFEN		ATEMENT

INCOME & EXPEN	ISE STATE		
EXPENSES FROM ORDINARY ACTIVITIES			
Employee Costs	107,323	110,723	114,596
Borrowing Costs	3,918	3,754	3,581
Materials, Contracts & Other Expenses	91,659	95,889	101,963
Depreciation, Amortisation + Impairment	61,808	62,659	63,522
Internal Charges (labour)	(10,590)	(10,819)	(11,080)
Internal Charges (not labour)	(1,804)	(1,783)	(1,954)
Efficiency Improvements	(1,000)	(2,000)	(3,500)
Service Reductions	0	0	0
Total Expenses from Ordinary Activities	251,313	258,423	267,128
REVENUES FROM ORDINARY ACTIVITIES			
Rates and Annual Charges	166,016	176,837	188,598
User Charges and Fees	33,300	34,830	37,161
Interest and Investment Revenues	4,965	4,485	4,375
Other Revenues	8,829	9,074	9,323
Grants and Contributions - Operating	28,337	28,900	29,407
Additional Revenues	0	0	0
Revenues [pre capital]	241,448	254,126	268,863
NET SURPLUS (DEFICIT) [Pre capital]	(9,865)	(4,297)	1,736
Capital Grants & Contributions	11,201	9,397	11,118
NET SURPLUS (DEFICIT)	1,336	5,100	12,853

WOLLONGONG CITY COUNCIL 10 Year Financials - Scenario 3 2014/15 2015/16 2016/17 **Forecast Forecast** Forecast \$'000 \$'000 \$'000 **FUNDING STATEMENT** 5,100 1,336 Surplus (Deficit) [pre capital] 12,853 Add back: 79,481 80,651 82,112 - Non-cash Operating Transactions 7.820 8.448 9.397 - Restricted cash used for operations - Income transferred to Restricted Cash (28,486)(30,860)(30,846)- Payment of Accrued Leave Entitlements (10,131)(10,430)(10,737)- Payment of Carbon Contributions (730)(982)(508)47,153 54,553 **Funds Available from Operations** 61,784 0 0 Advances (made by) / repaid to Council (135)(4,892)Borrowings repaid (4,778)(5,153)Operational Funds Available for Capital 49,661 42,240 **Budget** 56,631 **CAPITAL BUDGET** Assets Acquired (87,346)(78,874)(74,752)Transfers to Restricted Cash 0 Funded From :-- Operational Funds 42.240 49.661 56.631 - Sale of Assets 2.208 2.008 1,522 1,883 - Internally Restricted Cash 10,319 5,550 700 709 - Capital Grants 6,600 - Developer Contributions (Section 94) 6,660 9,079 11,300 - Other Externally Restricted Cash 16,488 8,821 2,490 - Other Capital Contributions 100 300 500

TOTAL FUNDS SURPLUS / (DEFICIT)

283

(2,756)

(2,731)

10 Year Financials - Scenario 3

2014/15

2015/16

2016/17

	Forecast \$'000	Forecast \$'000	Forecast \$'000
BALANCE	SHEET		
CURRENT ASSETS			
Cash Assets	76,821	70,033	74,058
Investment Securities	8,536	7,781	8,229
Receivables	18,833	19,822	20,971
Inventories	8,941	8,941	8,941
Other	929	955	981
TOTAL CURRENT ASSETS	114,059	107,532	113,179
NON-CURRENT ASSETS			
Non-Current Receivables	5,109	5,109	5,109
Investments Accounted for using Equity Method	984	984	984
Investment Property	4,045	4,211	4,382
Intangible Assets	364	364	364
Property, Plant & Equipment	2,405,540	2,419,671	2,429,379
TOTAL NON-CURRENT ASSETS	2,416,041	2,430,338	2,440,217
TOTAL ASSETS	2,530,100	2,537,870	2,553,397
CURRENT LIABILITIES			
Current Payables	22,618	23,258	24,041
Provisions < 12 Months	9,713	9,980	10,249
Provisions > 12 Months	33,145	34,057	34,976
Current Interest Bearing Liabilities	4,892	5,153	5,280
TOTAL CURRENT LIABILITIES	70,368	72,447	74,547
NON-CURRENT LIABILITIES			
Non Current Interest Bearing Liabilities	26,829	22,548	17,998
Non Current Provisions	51,030	55,902	61,025
TOTAL NON-CURRENT LIABILITIES	77,859	78,450	79,024
TOTAL LIABILITIES	148,227	150,897	153,570
NET ASSETS	2,381,873	2,386,973	2,399,826
EQUITY			
Accumulated Surplus	(1,082,225)	(1,087,972)	(1,088,492)
Surplus (Deficit) for period	(1,336)	(5,100)	(12,853)
Asset Revaluation Reserve	(1,226,811)	(1,226,811)	(1,226,811)
Restricted Assets	(71,501)	(67,090)	(71,670)

(2,381,873)

(2,386,973)

TOTAL EQUITY

(2,399,826)

10 Year Financials - Scenario 3

2014/15 Forecast \$'000 2015/16 Forecast \$'000 2016/17 Forecast \$'000

\mathbf{C}	CLI		CT A	TEM	IENT
LA	ЭП	AVAV	3 I A		ІСІЯТ

0/10/11/2011			
CASH FLOWS FROM OPERATIONS			
Receipts			
Rates and Annual Charges	164,156	175,848	187,448
User Charges & Fees	33,300	34,830	37,161
Investment Incomes	4,965	4,485	4,375
Grants & Contributions	39,538	38,297	40,524
Other Operating Receipts	8,646	8,882	9,127
Payments			
Employee Costs	(94,550)	(97,623)	(101,097)
Materials & Contracts	(88,424)	(91,466)	(95,725)
Borrowing Costs	(1,192)	(1,077)	(957)
Other Operating Payments	2,288	2,042	2,000
NET CASH PROVIDED BY (OR USED IN)	-	-	
OPERATIONS	68,729	74,217	82,855
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Sale of Investment securities	2,132	754	(447)
Proceeds from Sale of Property, Plant & Equip	2,208	2,008	1,522
Payments			
Purchase of Property Plant & Equipment	(87,346)	(78,874)	(74,752)
Advances to Deferred Debtors	(135)	0	0
NET CASH PROVIDED BY (OR USED IN)			
INVESTING ACTIVITIES	(83,140)	(76,112)	(73,677)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Payments			
Repayments of Borrowings and Advances	(4,778)	(4,892)	(5,153)
NET CASH PROVIDED BY (OR USED IN)			
FINANCING ACTIVITIES	(4,778)	(4,892)	(5,153)
NET INCREASE (DECREASE) IN CASH &			
CASH EQUIVALENTS HELD	(19,190)	(6,787)	4,025
Cash at Beginning of Period	96,010	76,821	70,033
CASH & CASH EQUIVALENTS AT EOY	76,821	70,033	74,058
PLUS other investment securities	8,536	7,781	8,229
TOTAL CASH & INVESTMENTS	85,356	77,815	82,287

3 YEAR RESTRICTED CASH SUMMARY

		2014	2014/15 Forecast \$'000	ecast	201	5/16 For \$'000	2015/16 Forecast \$'000	2016	2016/17 Forecast \$'000	recast
DI IDDOSE DE BESTRICTED CASH	OPENING BALANCE	Transfer		Balance	Tran	Transfer	Balance	Trans	Transfer	Balance
	1/07/14	드	Out	30/06/15	<u>u</u>	Out	30/06/16	<u>u</u>	Out	30/06/17
Internally Restricted Cash										
Community Infrastructure	3,348			3,348			3,348			3,348
MacCabe Park Development	540	150		069	150		840	150		066
City Parking Strategy	842	386	20	1,178	369	300	1,247	352	300	1,300
Sports Priority Program	414	267	150	531	267	150	647	267	150	764
Telecommunications Revenue	207	34	33	208	34	33	209	35	33	211
West Dapto Rates (additional)	287	391	1,723	(1,045)	563	1,790	(2,272)	800		(1,472)
Darcy Wentworth Park	132	33		165	34		198	35		233
Waste Disposal Facilities ***	13,887	3,687	8,413	9,162	3,527	3,327	9,363	3,470	1,420	11,413
Total Internal Restricted Cash	19,657	4,948 10,369	0,369	14,236	4,945	5,600	13,582	5,109	1,903	16,788
Externally Restricted Cash										
Section 94	11,292	9,236 6,756	6,756	13,772	8,972	9,176	13,569	13,569 11,162 11,396	11,396	13,335
Grants	10,777	8,526 1	,526 11,210	8,092	6,917	5,617	9,392	6,489	5,948	9,934
Loan Repayments	31,573	_	15,188	16,385		7,961	8,425		1,005	7,419
Carbon Pricing	4,557	3,134	208	7,183	3,293	730	9,746	3,711	982	12,475
Domestic Waste Management	7,803	1,356		9,158	661	255	9,564	929	855	9,345
External Service Charges to Restricted Assets	47	49		96	50		146	51		197
Other Contributions	2,194	480	525	2,149	490	536	2,103	499	513	2,089
Special Rates Levies - City Centre + Mall	225	1,388	1,419	195	1,423	1,457	161	1,459	1,496	123
Stormwater Management	516	1,729	2,012	233	1,736	1,566	403	1,743	2,181	(35)
Total External Restricted Cash	68,985	25,898 3	37,618	57,265	23,541 27,297	27,297	53,508	25,750 24,376	24,376	54,882
Grand Total	88,642	30,846 47,987	7,987	71,501	28,486	28,486 32,897	67,090	30,860 26,279	26,279	71,670

"* The Waste Disposal Facilities Restricted Asset is held for the development and renewal of assets within Council's waste facilities and for the sites at the end of their lives. Council's Waste Strategy and Master Plan for facilities is currently being previewed 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.

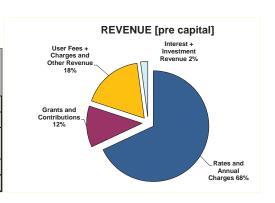
3 YEAR S94 RESTRICTED CASH SUMMARY

		2014/1	2014/15 Forecast	cast	2015/	16 Fol	2015/16 Forecast	2016	2016/17 Forecast	recast
			2.000			\$.000			\$.000	
DUBDOSE OF RESTRICTED CASH	OPENING BALANCE	Transfe	e B	Transfer Balance	Transfer		Balance	Tran	Transfer	Balance
	1/07/14	믹	3(Out 30/06/15	<u>u</u>	Out	In Out 30/06/16	드	Out	30/06/17
Externally Restricted Cash										
S94 Plans	28	38		99	49		115	26		171
S94 West Dapto	12,336	8,108 2,760	,760	17,684 7,902 5,437	7,902	5,437	20,149	10,174 8,330	8,330	21,993
S94A City Centre	(6,322)	(283)	720	(7,325)	(342)	522	(8,189)	(377)	220	(9,116)
S94A City Wide	5,250	1,373 3,276	,276	3,347	1,363 3,216	3,216	1,494		1,309 2,516	288
Total S94 Restricted Cash	11,292	11,292 9,236 6,756 13,772 8,972 9,176 13,569 11,162 11,396 13,335	,756	13,772	8,972	9,176	13,569	11,162	11,396	13,335

Detailed Budget Background

Revenue

	2014/15
Revenue Type	Forecast
(\$'000)	1 0100000
Rates and Annual Charges	160.5
Grants and Contributions	28.3
User Fees + Charges and Other	
Revenue	42.1
Interest + Investment Revenue	5.0
Total	235.9



Rates & Annual Charges

Rates

Baseline rate income forecasts are based on the estimated IPART determined Increase of 2.7% in 2014/15 and 3% in the following two years. Scenario rates estimates are adjusted by the amounts outlined in each scenario. The rate categories and sub-categories are proposed to remain unchanged. These structures have been applied since 1994 when the provisions of the then new Local Government Act came into force. A change in pricing structure for residential rates to include a base charge was introduced in 2002.

In addition to general rates, Council currently applies two special rates, the Mall Special Rate and the City Centre Special Rate. Together, special rates are projected to generate \$1.4 Million of revenue for 2014/15.

Final Rate increases are generally advised by IPART in December. Forecasts beyond 2014/15 also include a 0.4% growth in rates that represents approximately 420 additional properties per annum.

The pricing of rates based on existing property information is shown below. These prices will change through the planning process as property information changes. More detailed information relating to the Rates and Rating Policy will be contained in the Rates, Fees and Charges booklet to be published for consultation along with the Annual Plan in April/May 2014.

	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000
Rates Revenue			
Ordinary Rates - Residential	(84,866)	(88,047)	(91,398)
Ordinary Rates - Farmland	(434)	(449)	(464)
Ordinary Rates - Mining	(936)	(967)	(1,000)
Ordinary Rates - Business	(40,865)	(42,254)	(43,691)
Special Rates - Mall	(1,000)	(1,031)	(1,063)
Special Rates - City Centre	(393)	(405)	(417)
TOTAL Rates Revenue	(128,492)	(133,152)	(138,033)

With the development of new properties in West Dapto, there will be increasing rate revenue for Council over a period of time. This rate revenue will precede operational demand and assets built will require little renewal or maintenance for seven to fifteen years creating a perception of improved financial capacity. 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 recurrent operations.

To assist in managing this, the Financial Strategy requires that increased annual rate revenue created from the subdivision in West Dapto will be restricted and only allocated to operational expenditure as the area develops. The annual revenue will be made available to meet infrastructure or planning requirements in the area, or be applied to meet existing infrastructure renewal requirements. In the coming years, this will be directed towards repayments of loans for the West Dapto Access Strategy.

Domestic Waste Management

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 must be calculated so as to not exceed the reasonable cost to the Council of providing those services.

The charge calculated for 2014/15 will be based on the full recovery of the service, including appropriate charges for Domestic Waste tipping fees at Whyte's Gully. The Waste Facility tipping charge includes pricing for future capital costs associated with the management of the facility, long term site remediation, and a provision for carbon price based on waste tipped in the 2014/15 year.

Pricing and revenue for Domestic Waste Management are applied on an averaging basis over a period of time to avoid abnormal fluctuations in price. The anticipated revenue for Domestic Waste Management is shown below with more details on the charges to be set out in the Rates, Fees and Charges booklet to be published for consultation along with the Annual Plan in April/May 2014.

The current estimates are preliminary based on trends from prior years. A more detailed budget will be developed for the Annual Plan that will need to address changes in Council's contracts that will be new for 2014/15, changes to the Waste Levy and any implications in legislation, including possible changes to Carbon Price legislation.

	2014/15	2015/16	2016/17
	Forecast	Forecast	Forecast
	\$'000	\$'000	\$'000
Domestic Waste Management Revenue			
Annual Charges Domestic Waste Management	(31,432)	(32,115)	(33,521)

Note: Figures net of Pensioner Rebates

Stormwater Management

Council levies a Stormwater Management Charge on all parcels of rateable land, other than those exempted under the Local Government Act. The pricing from Stormwater Management is to remain unchanged from 2013/14.

The future estimates for Stormwater are shown below.

	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000
Stormwater Management Revenue			
Annual Charges Stormwater Management Services	(1,722)	(1,729)	(1,736)

Waste Management Services - Non-Domestic Premises

Council levies a Waste Management fee on approximately 372 non-residential properties where approved. The operations of this service are currently managed through the kerbside collection contracts and costs have not been separated from Domestic Waste. The fee for this service has historically been set in line with Domestic Waste Management fees to avoid cross subsidisation.

The revenue from non-domestic waste operations is estimated at \$195,000 for 2014/15.

Pensioner Rebates

Council is required to provide a pensioner rebate under the Local Government Act and has also continued to provide a voluntary rebate to eligible pensioners who were receiving a Council rebate prior to 1994. Pensioner rebates are deducted from rates revenue for reporting purposes.

The compulsory pensioner rebate to ratepayers holding a pension card is 50% of rates and annual charges up to \$250. 55% of this rebate is funded from Government subsidy which is included in untied grant revenues.

	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000
Pensioner Rebates			
Pensioner Rate Rebate - Statutory s575	3,198	3,228	3,258
Pensioner Rate Rebate - Council s582	597	565	530
Pensioner DWM Rebate - Statutory s575	934	959	985
Pensioner DWM Rebate - Council s582	196	201	207
TOTAL Pensioner Rebates	4,926	4,954	4,980

User Fees, Charges and Other Revenue

Council charges a range of fees as contained in the Rates, Fees and Charges booklet. The income received from fees reduces the amount of rates and other untied income required for these services. Other charges are generally not for service and include penalty income, leasing, recoveries, sponsorship etc.

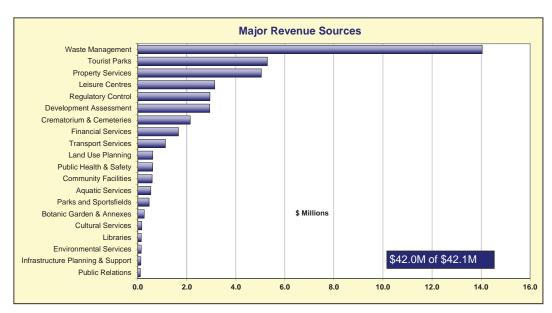
Fees for services are set having due consideration to the following factors:

- The cost of providing the service.
- The importance of the service to the community.
- The price fixed by a relevant industry body.
- Any factors specified in the Local Government Act.
- Market rates or pricing.

Council assesses its pricing for services under the following categories which are identified against individual fees in the Rates, Fees and Charges booklet.

Pricing Method	Description
Full Cost Pricing	Fees and charges are set to enable the recovery of all direct and indirect costs involved in the provision of a service.
Subsidised Pricing	Fees and charges are set at a level that recovers less than the full cost incurred in service delivery. In effect some level of subsidisation is factored into the price.
Rate of Return Pricing	Fees and charges are set to enable the recovery of all direct and indirect costs involved in the provision of a service plus a profit margin.
Market Pricing	Fees and charges are based on current market fee structures. The market price is usually determined by examining competitors' prices and may have little relationship to the cost of providing the service.
Statutory Pricing	Fees and charges are set to comply with statutory legislation. Council identifies in its Fees & Charges document where it adopts the maximum statutory fee.

Fees, Charges and Other Revenue account for 18% of Council's revenue [pre capital]. The major elements are shown in the table below



Operational Grants

Untied Grants

Financial Assistance Grant

The Financial Assistance Grant (FAG) is a general purpose annual grant funded by the Federal Government through the States. Although the Grant has two components, general purpose and roads component, it is an unconditional Grant. The general purpose component is distributed to the States based on population whilst the road component is distributed based on a fixed share of the national pool.

The NSW Local Government Grants Commission is responsible for the distribution of the Grant to councils within the State. Distribution criteria include population changes, changes in standard costs, disability measures, local roads and bridges lengths and changes in property values. The following table shows the anticipated revenues from the FAG.

	2014/15	2015/16	2016/17
	Forecast	Forecast	Forecast
	\$'000	\$'000	\$'000
Financial Assistance Grant			
General Component	(15,521)	(15,909)	(16,306)
Road Component	(2,382)	(2,440)	(2,499)
TOTAL Financial Assistance Grant	(17,902)	(18,348)	(18,806)

Waste & Sustainability Improvement Program (WASIP)

The State Government has for a period of time provided grant funding from waste levies paid by waste facility operators in NSW. The provision of this grant was also tied to meeting various targets set by the State Government. The State finalised this program and has implemented a transitional arrangement that provided Council one more year in 2013/14 of funding that was received in 2012/13.

Financial projections for the years 2014/15 – 2016/17 show that no further funding is expected and that programs being phased down or funded through reprioritisation of existing allocations. Additional funds may become available through the Waste Less Recycle More grants that will replace WASIP allocations from the Waste Levy. Estimates of funding have not been made available at this stage.

	2014/15 Forecast	2015/16 Forecast	2016/17 Forecast
	\$'000	\$'000	\$'000
WASIP	0	0	0

Pensioner Rate Subsidy

The pensioner rate subsidy is included in the untied grants to offset the cost of rebates.

	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000
Pensioner Subsidies			
Pensioner Rate Subsidy	(1,759)	(1,776)	(1,792)
Pensioner DWM Subsidy	(514)	(528)	(542)
TOTAL Pensioner Subsidies	(2,273)	(2,303)	(2,334)

Specific Purpose Operational Grants

There is a small range of specific purpose operational grants that are recurrent in nature and form part of Council's ongoing budget. The budget and forecast amounts for ongoing funding is provided below by service.

	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000
Specific Purpose Operating Grants			
Aged & Disability Services	(3,144)	(3,209)	(3,276)
Emergency Management	(567)	(567)	(567)
Libraries	(538)	(541)	(543)
Community Programs	(301)	(301)	(301)
Stormwater Services	(300)	(300)	(300)
Youth Services	(147)	(148)	(148)
Cultural Services	(66)	(66)	(66)
Total Specific Purpose Operating Grants	(5,063)	(5,131)	(5,201)

The proposed Financial Strategy states that Council will actively pursue grant funding and other contributions to assist in the delivery of core services.

State and Federal Government planning and the announcement of one off specific purpose grants does not generally align with Council's planning cycle. It is anticipated that Council will become aware of, and make application for, a range of grants during the next reporting period that are not budgeted at this stage. Where grants are provided, the budget will be updated to make allowance for the additional income and expense of the program as approved.

Interest on Investments

Interest on investments forecasts are based on anticipated cash holdings and projected interest rates. Cash holdings projections are drawn from the budgeted revenues and expenditures in the budget and anticipated internal and external restricted cash balances. Council is required to restrict any interest attributed to Section 94, Domestic Waste Management and a number of grants.

Projected interest rates are based on forecast 90 day bill rates to reflect current investment strategies. Forecasts for interest rates are derived from a number of sources including banking sector projections and Council's investment adviser. The impact of the global financial crisis has seen a significant decline in this area of revenue. In addition, there are increased limitations on investments products that can be used by councils. Previously, access to higher risk strategies meant higher returns and greater risk.

Interest revenues included in the financial projections for 2014/15 onwards are of a preliminary nature and will need to be reviewed through the budget development process.

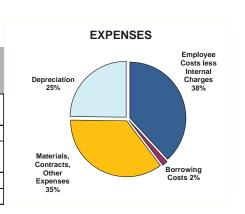
Capital Income

Capital income refers to revenue that is specifically for additional assets acquired by Council. The funding may be in the form of cash contributions or may represent the value of assets dedicated to Council by land developers or other levels of Government. Capital income is inconsistent from one period to another and is also difficult to predict due to the nature of the transactions.

Wollongong City Council usually eliminates capital income from its key financial measures and discussions as it is not income that can be used to fund the day to day operations of the Council or generally be used to replace existing assets. Capital income is, however, important to the Council and its community as it is a source of funds that allow increased assets that can improve services and/or provide new services to growing areas such as roads, bridges, drains and playing fields in a new release area such as West Dapto. The operation of these assets will be reflected in Council's operating costs in future years and will form part of the operating financial measures at that time.

Expenses

	2014/15
Expense Type	Forecast
(\$'000)	
Employee Costs less Internal	
Charges	96.7
Borrowing Costs	3.9
Materials, Contracts, Other	
Expenses	89.9
Depreciation	62.8
Total	253.3



Service Levels

The baseline budget includes Service at existing levels as outlined in the current Annual Service Plans 2013/14 document. 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. The detail of services to be provided is outlined in Council's Service Plans. The outcomes of Service Reviews are incorporated into forward estimates as deployment strategies are confirmed. Variations in recurrent budget costs in excess of expected indices have been considered and are included in the budget where necessary.

The three scenarios provided include options to amend the level of funding and services in some areas in future periods. While there are indicative areas and concepts for service adjustment no decision has been made as to where, or if service adjustments will be made. The financial estimates reflect the assumptions outlined in each scenario previously reported in the Delivery Plan and in more detail in the Draft Resource Strategy.

Employee Costs

Baseline labour and associated employee costs are based on the Employee Establishment. Additional labour costs related to specific non recurrent projects (where identified) are also included. Labour costs are budgeted in accordance with the Enterprise Agreement (EA) rates with anticipated indexation for increases beyond the current Enterprise Agreement. The Enterprise Agreement for 2012/15 set increases for the three years commencing 1 July 2012. Estimated increases have been included beyond that period.

Recurrent casual and overtime budgets are maintained to match the service and structure levels required for 2014/15 subject to variation if adjustments as outlined in the scenarios are adopted. It is usual that some of these budgets are exceeded during the year as additional employee resources are used for projects that are planned but not allocated to labour in the first instance, or for new projects introduced with funding.

Employee costs are inclusive of labour on costs such as superannuation, workers' compensation costs, parental leave, annual leave, provision for long service leave and payroll tax, where applicable. The Federal Government has passed legislation to increase the compulsory superannuation guarantee payments that Council pays for all staff in accumulation scheme super funds. This series of increases (0.25% in 2014/15 and 0.5% increases for 2015/16 to 2019/20 to bring the levy to 12% by 2020) has been factored into the long term position.

The cost of employees working on capital projects is allocated to specific projects as work is completed. This includes design, survey, project management and supervision and construction staff. The budget includes all labour costs and an estimate of the annual employee allocation required to be made to capital works. This is shown in Internal Charges as a negative expense which reduces the operating cost to the correct level. Under this structure, the capital budget is required to include sufficient works to employ these resources.

	2014/15	2015/16	2016/17
	Forecast \$'000	Forecast \$'000	Forecast \$'000
Salaries & Wages	V 555	, 555	V 555
Salaries and Wages	79,784	81,898	84,486
Superannuation	10,461	11,021	11,621
Workers' Compensation Insurance	2,251	2,319	2,388
Fringe Benefits Tax	364	374	384
Payroll Tax	43	44	46
Training Costs (excluding Salaries)	788	811	836
Other Employee Costs	1,319	1,546	1,680
Change in Workers Comp Provision	220	227	233
Direct Labour Oncosts	12,093	12,484	12,922
TOTAL Employee Salary & Wages	107,323	110,723	114,596
Employee Costs used in Capital Works	10,813	11,015	11,255
TOTAL Operational Salaries	96,510	99,708	103,340

Borrowing Costs (Financing)

Borrowings are considered as part of the Capital Budget process in accordance with the Financial Strategy and Asset Management Policy. Council's current Financial Strategy indicates Council will remain a low debt user by maintaining a debt service ratio (principal and interest repayments compared to operational revenue) below 4%.

Loans

In 2010/11, Council accepted a \$26.1 Million interest free loan from the Department of Planning to accelerate construction of the West Dapto Access Strategy. In 2012/13, Council further increased its loan borrowings by \$20 Million as part of a subsidised Local Infrastructure Renewal Scheme program that was offered by the State Government as incentive to councils to accelerate infrastructure renewal. These loans are planned to be repaid over nine and a half years.

A further \$4.3 Million in LIRS funding will be drawn down in 2013/14 as part of LIRS (2) to be subsidised at 3%. These repayments have increased the debt service ratio to around 2.6% in 2013/14. The LIRS program has allowed Council to bring forward the program for the renewal and upgrade of footpaths and cycleways and LIRS (2) will allow significant building renewal and enhancement to be carried out in coming periods.

	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000
Borrowing Cost on LIRS			
Interest	1,190	1,075	955
Recognise interest on loan funds associated with Local Infrastr	ucture Renewal Sc	heme (excludes s	ubsidy)

The loan repayments associated with the West Dapto Access Strategy will be funded primarily from Section 94 contributions and additional rate revenue from the West Dapto subdivision.

The operating expenses shown in Council's forecasts include a borrowing cost for the interest free loan that Council received in 2009/10. As this loan is an interest free loan, it is accounted for at fair value. The value of the interest free loan in each period is the Net Present Value of the future repayments that will be made over the remaining life of the asset. The \$26.1 Million loan was originally recognised as a liability of only \$17.3 Million while the difference between that and the actual funds received was treated as income in the 2009/10. There is a notional interest expense recorded each year to reflect the amortisation of this notional income and the increase in the NPV over the life of the loan.

Waste Facility Remediation

Council is required under its accounting standards to recognise the value of its waste facilities inclusive of remediation works that are 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 as shown below.

	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000
Borrowing Cost on Waste Remediation			
Interest on Tip Remediation	1,722	1,804	1,894

Materials, Contracts and Other Expenses

Baseline forecasts for materials, contracts and other expenses are based on current estimates of Service Plan requirements plus indexation. The scenarios include differing levels of service adjustment that will initially be reflected as a specific cost savings line in the estimates. As projects are specified for implementation they will be reflected as adjustment to materials and contracts and/or employee cost adjustments. It is usual to initially factor in project savings or new projects as Materials and Contracts until final resourcing is specified.

Indexation

General indexation is used where specific information is not available. The proposed indices are derived from a number of publications including long term economic projections published by various banks, the Quarterly Economic Brief from Deloitte Access Economics and IPART recommendations for various utilities and rates pegging.

Indices for Expend	diture			
	2014/15	2015/16	2016/17	2017/18 +
	%	%	%	%
CPI - general expenditure	2.3	2.75	2.7	2.6
Expenditure growth	0.3	0.3	0.3	0.3
Employee Costs				
-Wages costs	3.0	3.0	3.0	3.0
-Skills & Performance adjustments	0.3	0.3	0.3	0.3
-Superannuation levy increase	0.25	0.50	0.50	0.50
Loan borrowing rate	6.9	7.5	7.6	7.6
Utilities				
-Electricity	3.3	7.0	7.0	7.0
-Other Utilities	3.3	3.7	3.7	3.6
-Street lighting	3.3	3.7	3.7	3.6

Statutory Charges

Waste levy

The Waste levy is applicable to waste and cover materials going to landfill. Rates applicable are determined by the Department of Environment and Climate Change based on geographic location, with Wollongong classified as being within the Extended Regulated Area. Rates applicable are shown below. Application of the levy to cover materials was introduced March 2007. The levy increases annually by \$10 per tonne (plus CPI adjustments) for the next four years. In 2014/15, the levy is estimated to be \$120.50 (inclusive of estimated CPI increase) per tonne in the Sydney, Hunter, Central Coast, Illawarra and Shoalhaven regions.

A portion of the levy relates to Domestic Waste which is recovered through the Domestic Waste Management Charge.

	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000
Waste Levy			
Waste Levy - Council	589	667	750
Waste Levy - Commercial	5,171	5,856	6,581
Waste Levy - Domestic	6,094	6,902	7,756
Waste Levy on Landfill	5,245	5,941	6,677
TOTAL Waste Levy	17,098	19,366	21,763

Street Lighting

Street lighting is charged by Council's current supplier Endeavour Energy. A rebate on street lighting is paid through the account resulting in a net cost to Council.

	2014/15	2015/16	2016/17
	Forecast	Forecast	Forecast
	\$'000	\$'000	\$'000
Street Lighting	3,482	3,610	3,744

Emergency Services

Emergency services operations are contributed to by Council as below:

	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000
Emergency Services			
Rural Fire Service contribution	380	380	380
State Emergency Services contribution	256	256	256
Fire Brigade contribution	2,504	2,504	2,504
Provision for indexation on contributions	281	410	543
TOTAL Emergency Services	3,421	3,550	3,683

Earlier in 2013, the State Government commenced a review of the way emergency services, including Fire and Rescue NSW, the NSW Rural Fire Service and the NSW State Emergency Service are funded with a view of making this funding less complicated and more equitable and efficient. Under current arrangements the bulk of funding (73.7%) is provided by a tax on insurance companies, while the remainder of the funds are provided by local governments (11.7%) and the State Government (14.6%).

A wide range of alternative revenue sources were considered and there was likelihood of a property based levy in place of current arrangements. The final decision has been deferred pending further investigations and assessment of similar reforms introduced in Victoria in July 2013.

Affiliates Contributions

	2014/15	2015/16	2016/17
	Forecast	Forecast	Forecast
	\$'000	\$'000	\$'000
Affiliates Contributions			
Tourism Support & Contributions	956	979	1,002
Performing Arts Centre	638	656	674
TOTAL Affiliates Contributions	1,595	1,635	1,676

Note: Council will review contributions during the annual budget process for 2014-15

Other Contributions, Donations, Memberships and Subsidies

	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000
Other Contributions			
Neighbourhood Youth Program	237	243	250
Sponsorship Fund	102	104	107
IRIS Contribution	85	87	89
Southern Councils Group	69	71	73
Illawarra Surf Lifesaving Contribution	68	69	71
Asset Operational Costs	65	67	69
Illawarra Escarpment - Geotech. Research	54	54	54
Australia Day Committee	52	54	55
Illawarra Institute Sport Contribution	43	44	45
Community Arts Programme - Public Art Se	41	42	43
Subsidy Aerial Patrol Contribution	26	27	27
Scholarships	12	13	13
Heritage	11	12	12
Cultural Centres Operations	10	11	11
IBC Business Awards and comm promotion	9	10	10
Public Bands Contribution	8	8	8
Life Education Illawarra Contribution	7	7	7
Aboriginal Activities	6	6	6
WCC Social Club	3	3	4
Minor Donations	3	3	3
TOTAL Other Contributions	911	935	958

Note: Council will review contributions during the annual budget process for 2014-15

Depreciation

Depreciation represents 25% of the expense budget. While depreciation is not cash expenditure, it is an important part of the real cost of maintaining Council services. Depreciation represents the consumption of an asset over its life. This deterioration in value of assets occurs through use, ageing or obsolesce.

The cost of depreciation has changed during the prior year reporting period as classes of assets have been moved for historical cost to fair valuation. In 2009/10 particularly, the valuation of roads and bridges was changed to fair value which had a significant impact on depreciation amounts. All assets are now moved to fair value or acceptable approximations of fair value and significant change is not anticipated in the future.

Council has re-evaluated some asset lives that have resulted in a decrease in depreciation for 2012/13. Council's maturity in asset management is improving and as new information becomes available changes may occur, particularly to asset lives and valuation information.

Service Budgets

While Council's budget is set and reported at a whole of Council level, for strategic planning purposes it is important to understand the proposed allocations of financial resources at the individual service level. Service level expenses include not only the direct labour and material costs but also internal charges. Internal charges are charges for activities managed by one division to provide services to other areas within Council. Direct examples of this will include:

- Provision of assets, such as vehicles, plant, computers, and buildings.
- Internal services such as Design, Project Delivery and Supervision, Printing and Marketing, Workshop.

Where it is useful to directly charge between one service and another, a defined methodology has been established to allocate costs between the division providing the service and the user of the service. In the case of buildings, this is considered to be similar to a landlord/tenant arrangement, for plant, similar to plant hire arrangements, for vehicles and computers, like a rental agreement. It is intended that generally only avoidable costs driven by end user demand are charged. The allocation of charges is based on cost with no internal profits generated through the process. Corporate Services and other overheads have not been charged directly to cost centres unless there is an external source of funding that provides for a proportion of those expenses.

DRAFT CAPITAL BUDGET

Remaining years of 2012-2017 Delivery Plan

	2014/15			2015/16			2016/17	
Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding

Roads & Related Assets

Traffic Facilities 500,000	(320,000) 180,000	000 1,100,000	(920,000)	450,000	800,000	(290,000)	210,000
	(320,000) 180,000	000 1,100,000	(920'000)	450,000	800,000	(290,000)	210,000
(10)	(100,000) 100,000 (75,000) 75,000	00,000 75,000 150,000	(72,000)	228,000	250,000	(100,000)	150,000
(178	[175,000] 175,000	000 450,000	(172,000)	278,000	350,000	(200,000)	150,000
(400	400,000) 2,900,000	000,000,000	(000'009)	4,300,000	3,000,000	(220,000)	2,450,000
	0 150,000	000 150,000	0	150,000	150,000	0	150,000
	0 150,000	000 150,000	0	150,000	200,000	0	200,000
	0 253,000	000,000	0	1,800,000	981,000	0	981,000
	0 400,000	000 400'000	0	400,000	400,000	0	400,000
(250,000)	(000	000'0009	0	200,000	200,000	(350,000)	150,000
	0 100,000	000 100,000	0	100,000	20,000	0	20,000
(650)	[650,000] 3,953,000	8,000,000	(000'009)	7,400,000	5,281,000	(900,009)	4,381,000

PROGRAM Expenditure	11,100	:							
	anditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding
	280,000	(280,000)	0	200,000	(250,000)	250,000	000'009	(300,000)	300,000
Bridges, Boardwalks & Jetties - Replace / Upgrade 1,40	1,400,000	(300,000)	1,100,000	800,000	(250,000)	550,000	900,009	0	000'009
Total Program Bridges, Boardwalks & Jetties 1,68	1,680,000	[280,000]	1,100,000	1,300,000	(500,000)	800,000	1,200,000	(300,000)	000'006
Total Roads & Related Assets 7,1.	,133,000	7,133,000 (1,725,000)	5,408,000	10,850,000 [1,922,000]	(1,922,000)	8,928,000	7,631,000	(1,990,000)	5,641,000
West Dapto									
Total West Dapto	000'008'	16,300,000 [12,890,000]	3,410,000	4,600,000	4,600,000 [4,467,282]	132,718	6,027,000	(5,570,000)	457,000

Š
Ó
ş
ਹੁ
ی
య
Ñ
듇
œ
Q
ote

00 80,000 0 20,000 0 709,139	(2,100,000) 0 0 (4,350,000)
	709,139 (2,100,000) 80,000 0 20,000 (4,350,000) 888,000 (250,000)

		147,400			, , , ,			20,000	
PROGRAM	Expenditure	ZU14/15 Funding	Revenue Funding	Expenditure	ZU15/16 Funding	Revenue Funding	Expenditure	ZU16/1/ Funding	Revenue Funding
Cycle/Shared Path - Reconstruct/Upgrade	2,200,000	(1,400,000)	800,000	2,400,000	(1,600,000)	800,000	000'006	(400,000)	200'000
Total Program Cycle/Shared Paths	3,488,000	(1,950,000)	1,538,000	3,650,000	(2,050,000)	1,600,000	2,100,000	(750,000)	1,350,000
Crown Street Mall Upgrade CBD Public Domain Village & Town Centre Upgrades	6,455,000 3,190,000 500,000	(900,000) (1,850,000) (150,000)	5,555,000 1,340,000 350,000	100,000 3,300,000 800,000	0 (1,800,000)	100,000 1,500,000 800,000	0 750,000 700,000	0 (300,000) (200,000)	0 450,000 500,000
Total Commercial Centre Updages - Footpaths & Cycleways	10,145,000	(2,900,000)	7,245,000	4,200,000	(1,800,000)	2,400,000	1,450,000	(500,000)	950,000
Total Footpaths & Cycleways	18,692,139	(9,200,000)	9,492,139	14,451,067	(8,300,000)	6,151,067	5,626,542	(1,950,000)	3,676,542
Carparks									
Carpark Constructing/Formalisation	200,000	(250,000)	250,000	700,000	[200,000]	200,000	450,000	(200,000)	250,000
Total Program Carpark Construction/Formalising Carpark - Renew/Upgrade	500,000	(250,000)	250,000 100,000	700,000 900,000	(200,000)	200,000	450,000 800,000	(200,000)	250,000 800,000
Total Program Carpark Reconstruction or Upgrading	000'009	(500,000)	100,000	000'006	0	900,000	800,000	0	800,000
Total Carparks	1,100,000	(750,000)	350,000	1,600,000	(500,000)	1,100,000	1,250,000	(200,000)	1,050,000

		2014/15			2015/16			2016/17	
PROGRAM	Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding
Stormwater & Floodplain Management									
Floodplain Structures	1,000,000	(200,000)	800,000	1,800,000	(200,000)	1,600,000	4,000,000	(200'000)	3,500,000
Creek Modifications Voluntary Purchasing Scheme	150,000	0 (200,000)	150,000 100,000	500,000 300,000	0 (200,000)	500,000 100,000	300,000	0 (109,057)	500,000
Total Program Floodplain Management	1,450,000	(400,000)	1,050,000	2,600,000	(400,000)	2,200,000	4,800,000	(409,057)	4,190,943
Minor Drainage Replacements	200,000	(200,000)	0	200,000	(200,000)	0	200,000	(200,000)	0
Urainage - Reconstruction of Facilities	250,000	(220,000)	0	750,000	(210,000)	540,000	750,000	(920,000)	100,000
Pipe Relining	150,000	(150,000)	0	200,000	(100,000)	100,000	200,000	(200,000)	0
Urainage - Upgrading or New Facilities	200,000	(200,000)	0	200,000	(100,000)	100,000	200,000	(160,000)	40,000
Total Program Stormwater Management	1,100,000	(1,100,000)	0	1,350,000	(610,000)	740,000	1,350,000	(1,210,000)	140,000
Water Quality Facilities	200,000	(200,000)	0	150,000	(150,000)	0	150,000	(75,000)	75,000
Drainage - Debris Control	0	0	0	100,000	(100,000)	0	100,000	(100,000)	0
Total Program Stormwater									
Treatment Devices	200,000	(200,000)	0	250,000	(250,000)	0	250,000	(175,000)	75,000
Total Stormwater & Floodplain Management	2,750,000	(1,700,000)	1,050,000	4,200,000	(1,260,000)	2,940,000	6,400,000	(1,994,057)	4,405,943

		2014/15			2015/16			2016/17	
PROGRAM	Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding
Buildings									
Cultural Centres	800,000	0	800,000	000'006	0	000'006	850,000	0	850,000
Total Program Cultural Centres (IPAC, Gallery, Townhall)	800,000	0	800,000	000'006	0	000'006	850,000	0	850,000
Administration Buildings	1,020,000	0	1,020,000	1,100,000	0	1,100,000	800,000	0	800,000
Total Program Administration Buildings	1,020,000	0	1,020,000	1,100,000	0	1,100,000	800,000	0	800,000
Building Compliance Upgrades	000'009	0	000'009	200,000	0	200,000	200,000	0	200,000
Water & Energy Saving Upgrades	20,000	0	50,000	20,000	0	50,000	20,000	0	20,000
Building Security Upgrades	150,000	0	150,000	150,000	0	150,000	150,000	0	150,000
Bultaing Lear & Debris Control Upgrades	150,000	0	150,000	150,000	0	150,000	150,000	0	150,000
All Colluitioning Renewal/Upgrades	200,000	0	200,000	150,000	0	150,000	180,000	0	180,000
Buildings - Renewal	2,295,000	0	2,295,000	3,079,500	0	3,079,500	3,800,000	0	3,800,000
Buildings - New	200,000	0	200,000	1,450,000	(75,000)	1,375,000	1,100,000	0	1,100,000
New life guard towers/facilities	200,000	0	200,000	200,000	0	200,000	200,000	0	200,000
Refurbishment of Heritage Buildings	150,000	0	150,000	150,000	0	150,000	150,000	0	150,000
bulldings- Major Bullding Renewal	1,200,000	0	1,200,000	1,500,000	0	1,500,000	1,500,000	0	1,500,000
Hittings renew/upgrade (chairs etc)	000'09	0	900'09	000'09	0	900'09	000'09	0	000'09
Total Program Community	5,555,000	0	5,555,000	7,439,500	(75,000)	7,364,500	7,840,000	0	7,840,000

		2014/15			2015/16			2016/17	
PROGRAM	Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding
Buildings									
Public Facilities - Upgrade/Replace	250,000	0	250,000	250,000	0	250,000	250,000	0	250,000
Public Facilities - New	250,000	0	250,000	0	0	0	0	0	J
Total Program Public Facilities (Shelters, Toilets etc)	200,000	0	200,000	250,000	0	250,000	250,000	0	250,000
Total Buildings	7,875,000	0	7,875,000	7,875,000 9,689,500	(75,000)	9,614,500	(75,000) 9,614,500 9,740,000	0	9,740,000

Commercial Operations

Tourist Park Cabins - Renewal/Upgrade	920,000	0	920,000	650,000	0	920,000	920,000	0	650,000
Total Program Tourist Park - Upgrades & Renewal	650,000	0	650,000	650,000	0	650,000	650,000	0	650,000
Crematorium/Cemetery - Upgrades/Renewal	150,000	0	150,000	150,000	0	150,000	150,000	0	150,000
Total Program Crematorium/Cemetery - Upgrades & Renewal	150,000	0	150,000	150,000	0	150,000	150,000	0	150,000
Leisure Centres & RVGC (equip)	150,000	0	150,000	150,000	0	150,000	150,000	0	150,000

		2014/15			2015/16			2016/17	
PROGRAM	Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding
Total Program Leisure Centres & RVGC	150,000	0	150,000	150,000	0	150,000	150,000	0	150,000
Total Commercial Operations	950,000	0	950,000	950,000	0	950,000	950,000	0	950,000
Parks Gardens & Sportfields									
Play Facilities - Renew/Upgrade Skate Park - Construction	650,000	(25,000)	625,000	150,000 750,000	(25,000) (550,000)	125,000	650,000	0 (50,000)	920,000
Total Program Play Facilities	700,000	(75,000)	625,000	000'006	(575,000)	325,000	700,000	(20,000)	920,000
Recreation Facilities - Replace Recreation Facilities - Additional Private Power Pole Upgrades	450,000 50,000 50,000	(33,000)	417,000 50,000 50,000	400,000 50,000 50,000	(33,000)	367,000 50,000 50,000	400,000 50,000 50,000	(33,000)	367,000 50,000 50,000
Total Program Recreation Facilities	550,000	(33,000)	517,000	200,000	(33,000)	467,000	200,000	(33,000)	467,000
Sports Facilities - Grants Sport Facility - Replace/Upgrade Sports Facilities - New Sports Field - Irrigation	150,000 80,000 50,000 150,000	(150,000) 0 0 (100,000)	80,000 50,000 50,000	150,000 80,000 0 100,000	(150,000)	80,000 0 100,000	150,000 80,000 0 100,000	(150,000)	80,000 0 0 100,000
Total Program Sporting Facilities	430,000	(250,000)	180,000	330,000	(150,000)	180,000	330,000	(150,000)	180,000
Lake Illawarra Foreshore	250,000	(150,000)	100,000	370,000	(170,000)	200,000	250,000	(180,000)	70,000

		2014/15			2015/16			2016/17	
PROGRAM	Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding
Improvements									
Total Program Lake Illawarra Foreshore	250,000	(150,000)	100,000	370,000	[170,000]	200,000	250,000	(180,000)	70,000
Total Parks Gardens & Sportfields	1,930,000	(508,000)	1,422,000	2,100,000	(928,000)	1,172,000	1,780,000	(413,000)	1,367,000
Beaches & Pools									
Beach Facilities - Replace/Renew Beach Facilities - New	385,000 175,000	0	385,000 175,000	395,000	0	395,000	395,000	0	395,000
Total Program Beach Facilities	260,000	0	260,000	575,000	0	575,000	575,000	0	575,000
Rock/Tidal Pools	550,000	0	550,000	650,000	0	920,000	000'009	0	000'009
Total Program Rock/Tidal Pools	550,000	0	550,000	650,000	0	920,000	900,000	0	000'009
Pool Facilities - Replace/Upgrade Pool Facilities - New	750,000	0	750,000	000'009	0 0	000'009	800,000	0	000'008
Total Program Treated Water Pools	825,000	0	825,000	000'089	0	000'089	1,600,000	0	1,600,000
Total Beaches & Pools	1,935,000	0	1,935,000	1,905,000	0	1,905,000	2,775,000	0	2,775,000

		2014/15			2015/16			2016/17	
PROGRAM	Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding
Natural Areas									
Environmental Management Program	250,000	0	250,000	375,000	0	375,000	225,000	(100,000)	125,000
Total Program Environmental Management Program	250,000	0	250,000	375,000	0	375,000	225,000	(100,000)	125,000
Natural Area Management & Rehabilitation	100,000	0	100,000	100,000	0	100,000	100,000	0	100,000
Total Program Natural Area Management & Rehabilitation	100,000	0	100,000	100,000	0	100,000	100,000	0	100,000
Total Natural Areas	350,000	0	350,000	475,000	0	475,000	325,000	(100,000)	225,000
Waste Facilities									
Total Waste Facilities	8,362,550	(8,362,550)	0	3,276,500	(3,276,500)	0	1,400,000	(1,400,000)	0
Fleet									
Total Fleet	2,886,222	(1,772,538)	1,113,684	2,418,282	(1,511,812)	906,470	1,526,382	(1,021,943)	504,439

Plant & Equipment

		2014/15			2015/16			2016/17	
PROGRAM	Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding
Portable Equipment Replacement	400,000	(300,000)	100,000	480,000	[296,000]	184,000	355,000	(300,000)	55,000
Total Program Portable Equipment (Mowers etc)	400,000	(300,000)	100,000	480,000	(296,000)	184,000	355,000	(300,000)	55,000
Mobile Plant Replacement	1,310,000	(150,000)	1,160,000	2,000,000	(200,000)	1,800,000	2,810,000	(200,000)	2,610,000
Total Program Mobile Plant (trucks, backhoes etc)	1,310,000	(150,000)	1,160,000	2,000,000	(200,000)	1,800,000	2,810,000	(200,000)	2,610,000
Fixed Equipment Replacement	260,000	0	260,000	300,000	0	300,000	320,000	0	320,000
Total Program Fixed Equipment	260,000	0	260,000	300,000	0	300,000	320,000	0	320,000
Total Plant & Equipment	1,970,000	(450,000)	1,520,000	2,780,000	[496,000]	2,284,000	3,485,000	(200,000)	2,985,000
Information Technology					•				
Total Information Technology	790,000	0	790,000	895,000	0	895,000	810,000	0	810,000
Library Books									
Total Library Books	1,200,000	0	1,200,000	1,250,000	0	1,250,000	1,200,000	0	1,200,000

Public Art

		2014/15			2015/16			2016/17	
PROGRAM	Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding
Public Art Program	260,000	0	260,000	200,000	0	200,000	200,000	0	200,000
Total Program Public Art Works	260,000	0	260,000	200,000	0	200,000	200,000	0	200,000
Art Gallery Acquisitions	100,000	0	100,000	110,000	0	110,000	110,000	0	110,000
Total Program Art Gallery Acquisitions	100,000	0	100,000	110,000	0	110,000	110,000	0	110,000
Total Public Art	360,000	0	360,000	310,000	0	310,000	310,000	0	310,000
Emergency Services		•							
Total Emergency Services	2,030,000	0	2,030,000	235,000	0	235,000	240,000	0	240,000
Land Acquisitions							•		
Total Land Acquisitions	100,000	0	100,000	100,000	0	100,000	100,000	0	100,000
Non-Project Allocations									
Total Program Capital Project Contingency	3,281,841	(2,270,971)	1,010,870	2,588,700	(960,540)	1,628,160	2,026,159	(505,178)	1,520,981
Capital Project Planning	850,000	0	850,000	1,200,000	0	1,200,000	1,150,000	0	1,150,000

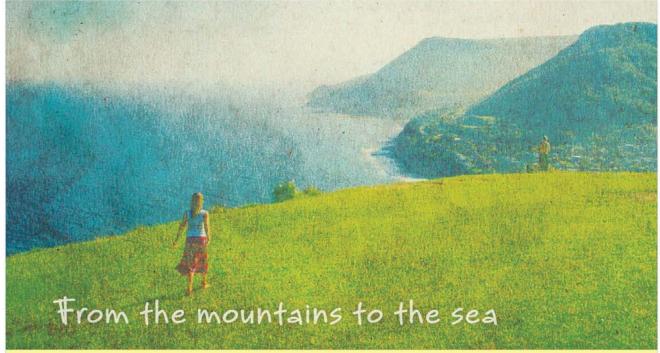
		2014/15			2015/16			2016/17	
PROGRAM	Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding	Expenditure	Funding	Revenue Funding
Total Program Capital Project Planning	850,000	0	850,000	1,200,000	0	1,200,000	1,150,000	0	1,150,000
Total Non-Project Allocations	4,131,841	4,131,841 (2,270,971)	1,860,870	3,788,700	[960,540]	2,828,160	2,828,160 3,176,159	(505,178)	2,670,981
Loans									
Total Loans	0	0 (2,760,000)	(2,760,000)	0	0 (2,760,000) (2,760,000)	(2,760,000)	0	0 (2,760,000)	(2,760,000)
TOTAL	80,845,752	80,845,752 (42,389,059)	38,456,693		65,874,049 [26,457,134]	39,416,915	54,752,083	(18,404,178)	36,347,905

SCENARIO 1 - Additional Revenue allocated to capital renewal works	inal Revenu	e allocated t	o capital ren	ewal works						
BUDGET AREA - Renewal/Replacement of	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022	2022/2023	2023/2024
Public Transport Facilities (bus shelters etc)	\$22,000	\$53,000	000'68\$	\$92,000	\$94,000	000'96\$	000'66\$	\$102,000	\$105,000	\$108,000
Roadworks - road resurfacing	\$443,000	\$1,057,000	\$1,771,000	\$1,836,000	\$1,876,000	\$1,928,000	\$1,982,000	\$2,037,000	\$2,093,000	\$2,168,000
Roadworks - road reconstruction	\$1,021,000	\$2,437,000	\$4,083,000	\$4,232,000	\$4,325,000	\$4,444,000	\$4,568,000	\$4,694,000	\$4,824,000	\$4,997,000
Bridges, Boardwalks and Jetties	\$111,000	\$264,000	\$443,000	\$459,000	\$469,000	\$482,000	\$495,000	\$509,000	\$523,000	\$542,000
Footpaths	\$996,000	\$2,379,000	\$3,986,000	\$4,131,000	\$4,221,000	\$4,338,000	\$4,459,000	\$4,582,000	\$4,709,000	\$4,878,000
Cycle/Shared Paths	\$199,000	\$476,000	\$797,000	\$826,000	\$844,000	\$868,000	\$892,000	\$916,000	\$942,000	\$976,000
Carparks	\$55,000	\$132,000	\$221,000	\$230,000	\$235,000	\$241,000	\$248,000	\$255,000	\$262,000	\$271,000
Community Buildings										
Centres (IPAC, Gallery, Townhall)	\$1,262,000	\$3,013,000	\$5,049,000	\$5,233,000	\$5,347,000	\$5,495,000	\$5,648,000	\$5,804,000	\$5,965,000	\$6,179,000
Public Facilities (Shelters, Toilets etc)	\$71,000	\$169,000	\$283,000	\$294,000	\$300,000	\$309,000	\$317,000	\$326,000	\$335,000	\$347,000
Crematorium/Cemetery Facilities	\$11,000	\$26,000	\$44,000	\$46,000	\$47,000	\$48,000	\$50,000	\$51,000	\$52,000	\$54,000
Play Facilities	\$120,000	\$285,000	\$478,000	\$496,000	\$507,000	\$521,000	\$535,000	\$550,000	\$565,000	\$585,000
Recreation Facilities	\$106,000	\$254,000	\$425,000	\$441,000	\$450,000	\$463,000	\$476,000	\$489,000	\$502,000	\$520,000
Sporting Facilities	\$78,000	\$185,000	\$310,000	\$321,000	\$328,000	\$337,000	\$347,000	\$356,000	\$366,000	\$379,000
Aquatic Facilities (Pools etc)	\$155,000	\$370,000	\$620,000	\$643,000	\$657,000	\$675,000	\$694,000	\$713,000	\$733,000	\$759,000
Total	\$4,650,000	\$11,100,000	\$18,599,000	\$19,280,000	\$19,700,000	\$20,245,000	\$20,810,000	\$21,384,000	\$21,976,000	\$22,763,000

SCENARIO 2- Additional Revenue allocated to	venue alloca		capital renewal works	works						
BUDGET AREA - Renewal/Replacement of	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022	2022/2023	2023/2024
Public Transport Facilities (bus shelters etc)	\$27,000	\$54,000	\$85,000	\$90,000	\$93,000	\$94,000	\$97,000	\$100,000	\$102,000	\$106,000
Roadworks - road resurfacing	\$532,000	\$1,077,000	\$1,702,000	\$1,801,000	\$1,864,000	\$1,883,000	\$1,937,000	\$1,993,000	\$2,050,000	\$2,124,000
Roadworks - road reconstruction	\$1,226,000	\$2,481,000	\$3,923,000	\$4,152,000	\$4,296,000	\$4,340,000	\$4,465,000	\$4,593,000	\$4,725,000	\$4,897,000
Bridges, Boardwalks and Jetties	\$133,000	\$269,000	\$426,000	\$450,000	\$466,000	\$471,000	\$484,000	\$498,000	\$512,000	\$531,000
Footpaths	\$1,197,000	\$2,422,000	\$3,830,000	\$4,053,000	\$4,194,000	\$4,237,000	\$4,358,000	\$4,484,000	\$4,612,000	\$4,780,000
Cycle/Shared Paths	\$239,000	\$484,000	\$766,000	\$811,000	\$839,000	\$847,000	\$872,000	\$897,000	\$922,000	\$956,000
Carparks	000'29\$	\$135,000	\$213,000	\$225,000	\$233,000	\$235,000	\$242,000	\$249,000	\$256,000	\$266,000
Community Buildings including Cultural Centres (IPAC, Gallery, Townhall)	\$1,516,000	\$3,068,000	\$4,851,000	\$5,134,000	\$5,312,000	\$5,366,000	\$5,521,000	\$5,679,000	\$5,842,000	\$6,054,000
Public Facilities (Shelters, Toilets etc)	\$85,000	\$172,000	\$272,000	\$288,000	\$298,000	\$301,000	\$310,000	\$319,000	\$328,000	\$340,000
Crematorium/Cemetery Facilities	\$13,000	\$27,000	\$43,000	\$45,000	\$47,000	\$47,000	\$48,000	\$50,000	\$51,000	\$53,000
Play Facilities	\$144,000	\$291,000	\$460,000	\$486,000	\$503,000	\$508,000	\$523,000	\$538,000	\$553,000	\$574,000
Recreation Facilities	\$128,000	\$258,000	\$408,000	\$432,000	\$447,000	\$452,000	\$465,000	\$478,000	\$492,000	\$510,000
Sporting Facilities	\$93,000	\$188,000	\$298,000	\$315,000	\$326,000	\$330,000	\$339,000	\$349,000	\$329,000	\$372,000
Aquatic Facilities (Pools etc)	\$186,000	\$377,000	\$596,000	\$631,000	\$652,000	\$659,000	\$678,000	\$697,000	\$717,000	\$744,000
Total	\$5,586,000	\$11,303,000	\$17,873,000	\$18,913,000	\$19,570,000	\$19,770,000	\$20,339,000	\$20,924,000	\$21,521,000	\$22,307,000

BUDGET AREA - Renewal/Replacement of	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022	2022/2023	2023/2024
Public Transport Facilities (bus shelters etc)	431 000	442 000	495 000	495 000	495 000	000 86\$	4101 000	410%,000	4107 000	4111 000
Roadworks - road resurfacing	\$623,000	\$1,234,000	\$1,905,000	\$1,907,000	\$1,905,000	\$1,961,000	\$2,018,000	\$2,077,000	\$2,138,000	\$2,215,000
Roadworks - road	\$1 435 000	\$2 845 000	UUU U6E 7\$	44.395.000	000 USE 7\$	\$4.519.000	\$4.651.000	\$4.788.000	\$4.928 DDD	\$5 106 000
Bridges, Boardwalks and Jetties	\$156,000		\$476,000	\$477,000	\$476,000	\$490,000	\$505,000	\$519,000	\$535,000	\$554,000
Footpaths	\$1,401,000	\$2,777,000	\$4,286,000	\$4,290,000	\$4,286,000	\$4,411,000	\$4,541,000	\$4,674,000	\$4,811,000	\$4,984,000
Cycle/Shared Paths	\$280,000	\$555,000	\$857,000	\$858,000	\$857,000	\$882,000	\$908,000	\$935,000	\$962,000	\$997,000
Carparks	\$78,000	\$154,000	\$238,000	\$238,000	\$238,000	\$245,000	\$252,000	\$260,000	\$267,000	\$277,000
Community Buildings including Cultural Centres (IPAC, Gallery Townhall)										
وهردوا کا اوسالاهرا	\$1,775,000	\$3,518,000	\$5,429,000	\$5,435,000	\$5,429,000	\$5,588,000	\$5,751,000	\$5,920,000	\$6,093,000	\$6,313,000
Public Facilities (Shelters,										
	\$100,000	\$198,000	\$305,000	\$305,000	\$305,000	\$314,000	\$323,000	\$332,000	\$342,000	\$354,000
Crematorium/Cemetery Facilities	\$16,000	\$31,000	\$48,000	\$48,000	\$48,000	\$49,000	\$50,000	\$52,000	\$53,000	\$55,000
Play Facilities	\$168,000	\$333,000	\$514,000	\$515,000	\$514,000	\$529,000	\$545,000	\$561,000	\$577,000	\$598,000
Recreation Facilities	\$149,000	\$296,000	\$457,000	\$458,000	\$457,000	\$471,000	\$484,000	\$499,000	\$513,000	\$532,000
Sporting Facilities	\$109,000	\$216,000	\$333,000	\$334,000	\$333,000	\$343,000	\$353,000	\$364,000	\$374,000	\$388,000
Aquatic Facilities (Pools etc)	\$218,000	\$432,000	\$667,000	\$667,000	\$667,000	\$686,000	\$706,000	\$727,000	\$748,000	\$775,000
Total	\$6,539,000	\$12,960,000	\$20,000,000	\$20,022,000	\$20,000,000	\$20,586,000	\$21,188,000	\$21,812,000	\$22,448,000	\$23,259,000

SCENARIO 3- Additional Revenue allocated to capital renewal works



SECURING OUR FUTURE

RESOURCING STRATEGY 2012 - 2022

Revised 1 December 2013





	Page
Message from the Lord Mayor	1
Message from the General Manager	2
Draft Resourcing Strategy Overview	3
Introduction	3
Integrated Planning + Reporting Framework	4
Our Challenge	8
Community Engagement	10
Securing our Future – Options for Financial Sustainability	12
Our Finances: The Long Term Financial Plan	17
Our Assets: Asset Management Plan	61
Our People: Workforce Management Plan	89

MESSAGE FROM THE LORD MAYOR

SECURING OUR FUTURE

On behalf of all Wollongong City Council Councillors, I am pleased to present our draft Resourcing Strategy 2012-2022 (revised 1 December 2013). In 2012 we presented our first Resourcing Strategy as a newly elected Council which outlines and assesses how Council will manage its finances, assets and people to work towards achieving the community's vision and goals under Wollongong 2022 Community Strategic Plan.

Of significance in this draft Resourcing Strategy is the key challenge of being able to fund the ongoing maintenance and renewal of our infrastructure and community assets to meet community expectations.

Over the past five years we have been working internally to redirect operational funds to capital funds to be utilised in renewing our infrastructure and community assets. A total of \$20.3 million has been achieved to date through this process, however a gap of \$21 million annually remains.

If we cannot fund this gap we will continue to see failures of infrastructure and community assets throughout the city. We have already experienced some of these failures caused by disrepair including Bellambi Rock Pool, Wollongong Town Hall, Harry Graham Drive and most recently Darkes Road Bridge and Mt Keira Road. These are examples that show unless our assets are adequately maintained, renewed and replaced, Council's core service to its community will slowly degrade.

This is our city and we all need to work together to ensure we come up with the right formula to fund the key challenge of funding our infrastructure and community assets for this generation and generations into the future.

Working together means we need your input. We commenced seeking input from the community in September, 2013 by inviting the community to make submissions via online surveys, open submissions and an online discussion board.

We also held a workshop to seek input from our staff. The engagement was based on the following key questions:

- 1 What are the priority services for Council to deliver and what level should Council deliver these services?
- 2 What are the opportunities to achieve operational improvements?
- 3 How should Council fund the delivery of these services to the desired level?

We engaged a Citizen's Panel to look at the problem. The Citizen's Panel provided a set of recommendations which was exhibited to the community in November 2013.

The majority of respondents to this initial consultation indicated a preference for existing levels of Council service to remain. From this feedback we have put together three scenarios which we would like you to consider and provide us with feedback.

Over the coming months, we will continue to provide opportunities for feedback. Each stage of consultation will further refine and add detail to how we propose to move forward.

I know it's a difficult process – if it was easy we'd have done it long ago. I will ensure we continue to work on this key challenge to keep Wollongong growing as a vibrant, safe and connected city.

I look forward to working with Council, the community and other key stakeholders in ensuring our future is sustainable and meets your expectations as a community.

Councillor Gordon Bradbery OAM Lord Mayor

MESSAGE FROM THE GENERAL MANAGER

SECURING OUR FUTURE

This document presents Wollongong City Council's draft Resourcing Strategy 2012-17 (revised 1 December 2013). This is a revised strategy with a greater focus on financial sustainability. Our draft Resourcing Strategy outlines how Council will provide the finances, assets and people to deliver the community goals included in the Wollongong 2022, Community Strategic Plan.

The Lord Mayor's message highlights that we've been trying to address Council's infrastructure renewal backlog for a number of years now, achieving about \$20.3 million in savings each year to put back into improving our ageing assets, such as roads and footpaths, as well as the Crown Street Mall and North Beach Bathers Pavillion. Council has an asset portfolio with a replacement value of over \$4.0 billion. Our renewal costs into the future are a huge challenge for Council as we start to see a large portion of our post-war infrastructure age and come to their end of life simultaneously.

The challenge is finding ways to make sure we have the money for the maintenance and renewal of our city's ageing road and buildings over the long term. If we don't do this now, we're going to lose things like roads, buildings and rock pools as they deteriorate. By thinking ahead, we can focus on protecting the assets most valued by the community.

Since we've already done a lot of work on internal cost savings, we wanted to work with the community, explain what we've already achieved and ask for the community's feedback on what else we can do. The revised draft Resourcing Strategy - including the Long Term Financial Plan, Asset Management Plan and Workforce Management Strategy - has been based on the outcome of a community engagement process. This has included a Citizen's Panel that involved input and deliberations about services and service levels, opportunities for operational improvements, and revenue options.

There is no easy answer to ensuring Council has an additional \$21.0 million annually. Using community input, we have come up with three options/scenarios for addressing the problem, of which are included in this document. We would like more input and discussion on these as they each have their own advantages and disadvantages. Each will mean continued improvements in the way we operate internally. Some of the tougher decisions are about weighing up increased rates and user fees, against decreased levels of service, or accept some assets will begin to fail. Each of the options/scenarios achieves the \$21.0 million gap and enables us to have surplus operating results over the next five years.

The next few months will involve a number of steps for Council and the community to work through to address the challenge. Ongoing involvement with the community on the preferred option/scenario will be sought, and we will detail this will result in our Annual Plan before June 2014, including the budget and capital program. The passionate debate we have seen so far is encouraged as the feedback will help Councillors make some of the big decisions about our Council's future.

I actively encourage everyone in the community to continue to be part of the conversation so that we can continue to work together to Secure our Future.

David Farmer General Manager

DRAFT RESOURCING STRATEGY: OVERVIEW

SECURING OUR FUTURE

Introduction

Council's role in delivering Wollongong 2022 Community Strategic Plan is supported by the Resourcing Strategy 2012-2022, Delivery Program 2012-17 and Annual (Operational) Plans. The Resourcing Strategy outlines and assesses how Council will manage its finances, assets and people to work towards achieving the community's vision and goals under Wollongong 2022.

Throughout the engagement process of Wollongong 2022, the community identified the big issues for Wollongong as being:

- Infrastructure and standard of assets
- The need for the area to have a 'revamp' and revitalisation
- Lack of jobs
- Need for improved public transport
- Better/upgraded infrastructure
- Preservation of the natural environment, and
- Safety.

The need to focus on managing and maintaining assets has been encapsulated and responded to in this revision of the Resourcing Strategy and the supplementary Delivery Program. The standard and condition of our ageing assets is not only a priority for our community, but has been highlighted as a major contributing factor to the long term financial sustainability of local government in NSW.

Most residents use Council's services via its assets, of which there is almost unlimited demand, with limited income. The NSW government has restricted the level of rates revenue for councils for many years via rate pegging. Financially we have a low annual turnover, but high asset values. Wollongong City Council's current asset portfolio has a replacement value of \$4.0 billion – more than twelve times its annual turnover.

An independent assessment of Wollongong City Council's financial position found that Council is in a sound position in the short to medium term, however the longer term outlook was not considered positive. Council's negative operating position is a significant issue that could impact on its long term financial sustainability (TCorp, October 2012).

In the past few years, Council as implemented a number of measures to address its negative operating position, and long term financial sustainability. Since 2007 Council has made operational improvements to allow for \$20.0 million in additional capital expenditure. However, this has not resulted in Council moving to a surplus operating position, and will not provide the long term efficiencies needed to attain financial sustainability. Council will continue to increase its funds available for capital works, however the consumption of assets (depreciation) continues to outstrip the funding available for renewal, with the gap being about \$21.0 million annually.

DRAFT RESOURCING STRATEGY: OVERVIEW

Addressing the problem now means we can ensure there are funds available for the maintenance and renewal of our city's ageing infrastructure. If we don't do this now, we will lose services and infrastructure.

This revised plan comprehensively details Council's current challenge in funding the management and replacement of its infrastructure assets, and identifies direction for managing this challenge whilst balancing the service aspirations of the community.

Integrated Planning and Reporting Framework

In accordance with the Local Government Amendment (Planning and Reporting) Act 2009 and Local Government (General) Regulation 2005, all local councils in NSW are required to report under the Local Government Planning and Reporting (Integrated Planning and Reporting – IP+R) Framework.

Wollongong City Council transitioned to IP+R in June 2012 with the endorsement of its first Community Strategic Plan - Wollongong 2022. This report is supported by Council's Resourcing Strategy, Delivery Program and Annual Plan. The following diagram demonstrates Council's planning and reporting framework.



Council reports on the progress towards achieving the delivery program and annual plan in quarterly delivery program progress reports, budget review statements and an annual report. Achievements towards the community strategic plan will be reported in Council's end of term report.

Community Strategic Plan - Wollongong 2022

Wollongong 2022 Community Strategic Plan is a long term plan that outlines the Wollongong community's priorities and aspirations for the future and how these will be achieved. The plan assists in shaping the future of the Wollongong Local Government Area (LGA), and enables us to collectively respond to emerging challenges and opportunities. It includes an aspirational vision, six community goals, objectives and strategies.

Wollongong 2022 was developed with extensive community input and involvement including representatives from community, government, business, education institutions, non-government organisations, community groups, councillors and Council staff.

Our Community Vision

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

Our Community Goals

To support the achievement of our community vision, collaborative efforts will focus on six interconnected goals:

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

The Draft Resourcing Strategy 2012 – 2022 (revision 1 December 2013)

Whilst the Community Strategic Plan expresses the community's long term aspirations, the Resourcing Strategy outlines Council's responsibilities and how these will be achieved through the allocation of our resources (finances, assets and people).

Wollongong City Council's Resourcing Strategy is a long term plan spanning ten years, with the exception of the Workforce Strategy, of which is a four year plan. It consists of three components: Long Term Financial Plan, Asset Management Planning and Workforce Management Strategy.

This is the first revision of the Resourcing Strategy 2012-22 and has been undertaken to progress the community conversation on financial sustainability and identify options to secure our future.

Long Term Financial Plan

The first section of the Draft Resourcing Strategy is Council's 10 year Long Term Financial Plan (LTFP). The LTFP 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 plans to operate to provide financial stability, affordability, focus and efficiency or value for money, over the short, medium and longer terms.

Council's LTFP describes our current base line financial forecast that reflects our current capacity based on the existing Revenue Policy, levels of service and organisational performance. This path is not sustainable in the longer term and requires adjustment during the coming years. The baseline forecast shows that Council has around an average \$21M annual shortfall in its operating surplus [pre capital] indicating an inability to provide enough funding to maintain and renew our assets into the future. As part of this first revision of the Resourcing Strategy, the LTFP has been updated with revised scenarios (funding options) that address the shortfall in funding to provide for a small surplus budget. The scenarios are based on the assumption that improvement needs to be delivered through a combination of:

- Efficiency improvements that allow Council to continue to provide the current or higher levels of service at a lower cost.
- Reductions to some current service levels that will allow more funds to be made available for higher priority services.
- Increased revenue through adjustments to rates, fees and charges and development of other income earning endeavours.

The revised scenarios present the challenge Council faces in needing to address this issue.

Asset Management Strategy

Council is the custodian of community assets with a replacement value of more than \$4.0 billion. These assets include roads, drains, footpaths, community facilities, recreational facilities, parks and gardens. Similar to other councils across the state, Council is struggling with the challenge of maintaining and renewing older assets from the post WWII boom. Our asset maintenance and building and infrastructure asset renewal performance, whilst not poor, is below indicative benchmarks set by the state government.

The second section of the Resourcing Strategy seeks to address the challenges associated with managing our assets into the future. Our Asset Management Framework includes Council's Asset Management Policy, Asset Management Strategy and Asset Management Plans. These plans outline the risk management strategies for those assets critical to Council's operations. The plans demonstrate responsive and sustainable management of the assets to support the delivery of services to the community.

Council adopted an Asset Management Policy in June 2005. A revised Management of Assets Polic' has been prepared and will be presented to Council in 2013-14 for adoption. The policy has been updated to align better with the new requirements under the Local Government Act 1993. It will provide a strategic direction for the management of Council's infrastructure assets to support the service delivery needs of the community into the future, balanced with the available financial resources and workforce to ensure long term sustainable service provision.

Council has prepared an Asset Management Plan that reveals a significant proportion (30%+) of our infrastructure assets are more than 50 years old and almost all of these are high-cost/long-life assets (eg, transport and drainage infrastructure) with an expected life of around 60-100 years. Funding the projected renewal of these assets over the next 10-20 years is a significant challenge for Council and is reflected in further detail in the LTFP in section 1.

The Asset Management Plan has been updated to reflect current data and information on our assets and to better inform the discussion and understanding of the challenge facing the organisation.

Workforce Management Strategy

The last section of the Resourcing Strategy is Council's Workforce Management Plan. The workforce plan defines how Council intends to manage its workforce resources to achieve the services and goals identified through the Delivery Program. It is flexible and allows for management of the workforce to meet changing service delivery needs while focusing on optimisation of Council's ability to deliver excellent customer and community services.

Council currently employs 1,674 staff which is equivalent to 1,169 full time equivalent (FTE) positions (including casuals, temporary and contract employees) and represents employee costs of \$104 million per annum (2013-14) This makes Council not only a primary provider of community based services but also a major employer in the Wollongong Local Government Area.

In recognition of this role our workforce planning responsibilities are focused on:

- Financial sustainability and anticipating future workforce needs
- Employment and training of youth
- Diversity of our workforce (cultural, demographic, social, economic)
- Management of the ageing workforce and low turnover
- Provision of excellent customer service across the whole organisation
- Development of a constructive, safe organisational and learning culture
- Identification, assessment and management of risk
- A safe and health work environment.

Management of Council's workforce will play a key role in the delivery of Wollongong 2022 whilst achieving and maintaining financial sustainability. This will require Council to make strategic decisions in regards to the composition and structure of the workforce needed to deliver services and service levels and to achieve efficiencies. Opportunities to look at other ways of resourcing our services, including changing staff structures, establishment levels or delivery methods will be important in developing these strategies. Each of the scenarios provided in the LTFP demonstrate there will be some level of impact on the workforce in terms of change to work practice, delivery models, management models and a continued focus on increased productivity and cost containment.

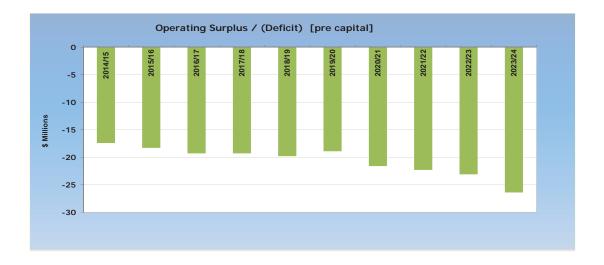
Our Challenge

In recent years there have been a number of asset failures which have required them to be removed from service for a period of time. These include Bellambi Rock Pool, Wollongong Town Hall, Harry Graham Drive and most recently Darkes Road Bridge and Mt Keira Road. These are examples that show unless our assets are adequately maintained, refurbished and replaced, Council's core service to its community will slowly degrade.

The ability to maintain and fund depreciation of assets is a key challenge for NSW local government, and a major risk to many councils long term financial sustainability. Since 2007 Council has taken an approach which has focussed on achieving operational savings to free up funds to be used for asset renewal. A total of \$20.3M in operational savings has been achieved as a result of:

- ongoing harvesting of underspend within divisions as part of Mini-Budget process
- reshaping the workforce
- renewed emphasis on grant applications to support and enhance core business
- business improvement focus, including service/operational reviews, and
- asset rationalisation.

Whilst this process has achieved additional capital expenditure, it has not enabled Council to move to a surplus operating position, and will not provide the long term efficiencies needed to enable financial sustainability. Council will continue to increase its funds available for capital works, however the consumption of assets (depreciation) continues to outstrip the funding available for renewal, with the gap being about \$21.0 million annually.



In June 2009, Council adopted a Financial Strategy to provide direction and context for decision making in the allocation, management and use of Council's financial resources. The strategy acknowledged that the operating result [pre capital] is one of the main indicators of long term financial viability. A deficit from operations indicated that Council was not earning sufficient revenue to fund its ongoing operations (services) and continue to renew its assets that are an integral part of that service. The strategy aimed to ensure, in the short term, the annual deficit was not increased, while stating the need to develop actions in consultation with the community to move towards surplus budgets.

The continuation of a savings program was built into Council's first Resource Strategy 2012-2022. At the time of adoption, the strategy required an operational improvement of \$3.3 million in 2012-13 and an annual savings totalling \$12.4 million by 2022. As at June 2013, the target was \$10.5 million in savings. However, whilst achievement of the savings target would act to stabilise Council's operating deficit, it did not enable achievement of an operating surplus.

In April 2013, the NSW Treasury Corporation (TCorp) undertook an analysis of the financial sustainability of each of the 152 councils in NSW. It found Wollongong City Council's short to medium term financial position to be sound. We have:

- a large portfolio of operational and community assets
- an ability to balance cash flows over the next ten years
- a positive Financial Asset position with low levels of debt, and
- strong cash holdings that provide capacity to manage normal variations that occur in operational performance and to provide cash for investment opportunities that may arise.

However, TCorp identified that Council's deteriorating operating results are 'primarily due to increasing depreciation and amortisation expenses', and that 'this is a significant issue that could impact the long term financial sustainability of the Council' (TCorp, October 2012).

Further ongoing cost controls or securing new or additional revenue in future years was recommended by TCorp to address the longer term negative operating position of Council.

The key to managing our long term finances is to ensure sufficient income is earned/or payed over the life of an asset to allow for its replacement and the continuity of the service for which it is used. Without this, in the future, the community will be impacted by failed assets and deterioration in community amenity or large variations in the amounts required to be paid through rates to repair assets and resume service.

Community Engagement

In June 2011, Wollongong City Council commenced engaging with the community to create a Community Strategic Plan. Through a comprehensive engagement process Council and the community held conversations around visions, goals and strategic objectives. We learnt about the community's priorities for their city, namely to make our city a vibrant, engaging and connected place that our community and visitors can enjoy and be proud of. The long term vision reflected these goals and the community's love of place:

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

Specific engagement via the *Securing Our Future* Financial Sustainability Review commenced in September, 2013. This engagement with the community has gone through three steps:

Step 1 - Call for submissions to inform the Citizen's Panel

In the lead up to the Citizen's Panel deliberations, Council invited the community to make submissions to the panel via online surveys, open submissions and an online discussion board. There was also a staff workshop.

Step 2 - Citizen's Panel

A panel of 34 randomly selected residents met to review Council services, options for operational efficiencies and revenue opportunities. The appointment of a small diverse, but representative, randomly selected group of citizens in the form of a panel was chosen over quantitative methods to allow them time and support to review information and deliberate together over the challenge. The panel provided a set of recommendations in the form of a report.

Step 3 - Exhibition of the Citizen's Panel's report on recommended changes.

With the release of the Citizen's Panel report, the community were invited to provide feedback on the findings and recommendations. This provided the general community with an opportunity to comment on the proposals.

The engagement was based on the following questions, considering the \$21.0 million operating deficit:

- 1 What are the priority services for Council to deliver and what level should Council deliver these services?
- 2 What are the opportunities to achieve operational improvements?
- 3 How should Council fund the delivery of these services to the desired level?

The majority of participants in step 1 indicated a preference for existing levels of Council service. There were mixed attitudes throughout the engagement regarding streamlining staff efficiencies and projects, conditional rate riseS and increases in user pays.

The Citizen's Panel were particularly focussed on trying to minimise the impact on the ratepayer by 'tightening the belt' through efficiencies and service level changes. The Panel considered a range of information available to them, including community survey feedback, demographic information, and detailed financial and service output information on each of Council's 117 service delivery streams. The Panel reached consensus on services levels, and whilst a rate rise was not welcomed, the Panel accepted a small rate rise was part of the solution given the magnitude of savings required to ensure financial sustainability. The proposed rate was considered by the Panel as reasonable for the average rate payer.

Step 3 of the engagement process highlighted the importance of maintaining existing service levels to the community, particularly our rock pools and other social and recreational infrastructure.

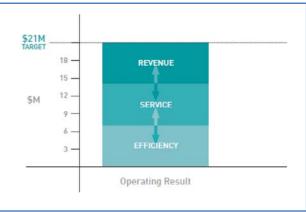
Results from the engagement process have directly informed the three scenarios put forward in this Draft Resourcing Strategy.

Engagement will continue to determine the preferred scenario for finding the \$21.0 million annual operating gap.

Further detail on the engagement process and results can be found in the Securing Our Future Community Engagement Report and the Citizen's Panel Final Report.

Securing Our Future - Options for Financial Sustainability

The following section presents three alternate funding options in the form of scenarios to enable Council's operating result to be in a more sustainable position. The scenarios encompass three key focus areas as reflected in the schematic figure below.



Scenario 1 \$7M • \$3.5M low impact efficiency dividend • \$3.5M higher impact – outsource management of tourist parks, review Russell Vale Golf Course, some operational activities, reduce back office resourcing, integrate management at key facilities, Employee Enterprise Agreement. Material Course State State		EFFICIENCY	SERVICE	REVENUE	
\$3.5M low impact efficiency dividend \$3.5M higher impact – outsource management of tourist parks, review Russell Vale Golf Course, some operational activities, reduce back office resourcing, integrate management at key facilities, Employee Enterprise Agreement. Includes sale of some facilities (including Lakeside Leisure Centre, closure of the cremators' operations and Unanderra Library, 10% playgrounds, parks and community centres), and reduction in others (ocean rock pools, pool season, street sweeping, cadet and apprenticeship program, events funding, urban renewal program, discontinuation of the Crown Street Façade Program). Mattend Lives of Includes sale of some facilities (including Lakeside Leisure Centre, closure of the cremators' operations and Unanderra Library, 10% playgrounds, parks and community centres), and reduction in others (ocean rock pools, pool season, street sweeping, cadet and apprenticeship program, discontinuation of the Crown Street Façade Program).				Fees and Charges	Rates
	Scenario 1	\$3.5M low impact efficiency dividend \$3.5M higher impact – outsource management of tourist parks, review Russell Vale Golf Course, some operational activities, reduce back office resourcing, integrate management at key facilities, Employee Enterprise	Includes sale of some facilities (including Lakeside Leisure Centre, closure of the cremators' operations and Unanderra Library, 10% playgrounds, parks and community centres), and reduction in others (ocean rock pools, pool season, street sweeping, cadet and apprenticeship program, events funding, urban renewal program, discontinuation of the Crown Street Façade Program). \$1M extend lives of	Increase in fees and charges for car parking, heated pools, fitness trainers, sports fields, community pools (gold coin	2.5% for each year for three years over and above the assumed 2.7%

NOTE: 1 Proposals for increases to fees and charges are over and above the annual increases associated with indicates and statutory changes and will be reviewed as part of the annual planning process.

² The rates increase quantum shown in each scenario in years 1, 2 and 3 is inclusive of an assumed rate peg and additional rate adjustment over the next three years. These forecasts assumed a rate peg of 2.7%, 3.0 and 3.0%. Year 1 will be adjusted as this report progresses to reflect the announcement of IPART on 2

December 2013 of a 2.3% rate peg for 2014-15.

Scenario 1 is based upon the Citizen's Panel recommendations which are detailed in Attachment 3. It was the view of the Panel that this combination of recommendations reflects a balanced approach and is based on all of the information and data made available to it by Council. The Panel made its recommendations in an effort to minimise the impact on the least number of people and to minimise the impact on rates. Scenario 1 therefore includes a maximum rates increase of 2.5% per annum over and above the rate peg for three years, together with operational efficiencies and service reductions. Impacts of this scenario are estimated to be a real increase of \$102.71 for the average household after three years. There would also be a localised impact on the specific removal or reduction of services, although the risk is lower of unplanned service reduction due to failure to renew assets and a better quality of service (because of renewed services) than the baseline.

The Panel includes several proposals that have been interpreted as follows:

- Lakeside Leisure Centre Disposal of land and facility. The Panel considered that future demand will be met by new facilities at West Dapto. This proposal suggests closing the asset and selling the land.
- Pensioner interest remove interest exemption for full payment by May from Pensioner Policy. Pensioners are currently exempted from paying interest on overdue rates. The proposal is to discontinue doing this, so they are charged interest in line with the remaining rate paying population.
- Unanderra Library Closure of library service. This proposal refers to the library service only. It does not recommend disposal of the building as it is attached to the Unanderra Community Centre. The Panel's decision took into account spatial, budgetary and utilisation information.
- Urban Renewal and Civic Improvement halve the current program \$300,000. This proposal recommends the reduction in the Urban Renewal and Civic Improvement Planning program, including the number of town and village centre plans undertaken each year.
- Pensioner waste exemptions remove exemption. Elimination of the fee waiver for waste disposal (general and green waste) at Whytes Gully for Pensioners (ie. charge them the same as everyone else). Based on the free twice yearly household pick up, this additional service was identified as no longer as great a need as previously.
- Crematorium Exit the cremation operations and potential demolition of this part of the facility. This proposal includes closure of the existing ageing cremators. The surrounding Memorial Gardens (inclusive of infrastructure) is to continue to operate.
- Tourist Parks lease outsource all. The tourist parks at Bulli, Corrimal and Windang are located on Crown Land and managed under Trust. This proposal suggests externally sourcing the management and operations of the three tourist parks currently directly managed by Council staff.

Like all of the scenarios, Scenario 1 includes an efficiency target, however unlike Scenario 2 and 3 it has a higher degree of efficiency to be achieved via significant change to work practice, structure and service delivery models. These are referred to in the scenarios as high impact. Low impact refers primarily to a budget reduction without a major impact on staffing, industrial relations or service delivery.

The Panel's recommendations could directly impact approximately 7% of the workforce and may result in reduced employment options. However, while there would be less employment directly provided by Council, there would be indirect local employment stimulation via contractors undertaking the bulk of the enhanced works program which will be funded by the savings.

		3-year annual increase	Net SRV Increase (three year total) Average	Total Rates Increase incl. Rate Page (three year total) Average	Net SRV Increase per week Average	Total Rates Increase per week (total – SRV + Rate Peg) Average
			\$	\$	\$	\$
SCENARIO 1	House	2.5%	102.71	215.75	1.98	4.15
	Pensioner		102.67	215.68	1.97	4.15
	Strata		67.45	141.68	1.3	2.72
	Business					

Scenario 3

Using the Citizen's Panel recommendations as a starting point, Scenario 2 reflects community feedback and analysis from officers. It identifies where community feedback indicates strong opposition to key change points, particularly service reductions, but balances this with analysis of data and information that maintains some of the Panel's key recommendations. Scenario 2 therefore includes a rates increase of 4% per annum above the rate peg for three years. Impacts of this scenario are higher rates, with an average increase of \$166.72 after three years. There would be lower localised service level impacts compared to Scenario 1 and there would be lower risk of unplanned service reduction due to failure to renew assets, and a better quality of service (because of renewed assets) compared to the baseline.

	EFFICIENCY	SERVICE	REVENUE	
			Fees and Charges	Rates
Scenario 2	\$5M • \$3.5M low impact efficiency dividend • \$1.5M higher impact - outsource management of tourist parks, review Russell Vale Golf Course, some operational activities, reduce back office resourcing, integrate management at key facilities.	\$2.3M Includes sale/outsourcing of Lakeside Leisure Centre, 10% playgrounds, parks and community centres, withdrawal (or lease or joint venture) of cremators' operations, discontinuation of the Crown Street Façade Project. \$1M extend lives of footpaths.	\$370K Increase in fees and charges for leasing child care facilities, car parking, heated pools, fitness trainers.	\$13.4M 4% for each year for three years over and above the assumed 2.7% rate cap.

NOTE: 1 Proposals for increases to fees and charges are over and above the annual increases associated with indicates and statutory changes and will be reviewed as part of the annual planning process.

² The rates increase quantum shown in each scenario in years 1, 2 and 3 is inclusive of an assumed rate peg and additional rate adjustment over the next three years. These forecasts assumed a rate peg of 2.7%, 3.0% and 3.0%. Year 1 will be adjusted as this report progresses to reflect the announcement of IPART on

2 December 2013 of a 2.3% rate peg for 2014-15.

Providing a variation of the Citizen's Panel recommendations, Scenario 2 provides some variation to the recommendations in Scenario 1. For example, in addition to the closure and demolition of the cremators, Council may also choose to explore the feasibility of a joint venture or a lease to a private operator willing to invest in modern cremators. The tourist parks, if pursued, would need to be market tested as would any other outsourcing proposal. Market testing Lakeside may find a provider willing to operate the facility and maintain a similar service due to lower labour costs. Many of these options would need to be further explored.

Scenario 2 could impact on the workforce at a similar level to Scenario 1. However, it also could result in direct employment stimulation via contractors undertaking the bulk of the enhanced works program which will be funded by the savings.

		3-year annual increase	Net SRV Increase (three year total) Average	Total Rates Increase incl. Rate Page (three year total) Average	Net SRV Increase per week Average	Total Rates Increase per week (total – SRV + Rate Peg) Average
			\$	\$	\$	\$
SCENARIO 2	House	4%	166.72	279.76	3.21	5.38
	Pensioner		166.66	279.67	3.21	5.38
	Strata		109.48	183.71	2.11	3.53
	Business*				·	

Scenario 3

This scenario explores the option to focus primarily on revenue (rates) and internal efficiencies. This responds to the call by some members within the community to leave services as they are. This means a more significant increase in rates of 5% for three years above the rate peg, with the average increase of \$210.40 after the three years. There would be internal efficiency gains delivered with minimal service reductions. There would also be minimal employment reductions (the reductions would be offset by indirect employment stimulation via local contractors), but more significant financial impacts for the ratepayer. There would be a lower risk of unplanned service reduction due to failure to renew assets and a better quality of service (because of renewed assets) compared to the baseline.

	EFFICIENCY	SERVICE	REVENUE	
			Fees and Charges	Rates
Scenario 3	\$3.5M \$3.5M low impact efficiency dividend.	\$1M \$1M extend lives of footpaths.		\$16.5M 5% for each year for three years over and above the assumed 2.7% rate cap.

NOTE: 1 Proposals for increases to fees and charges are over and above the annual increases associated with indicates and statutory changes and will be reviewed as part of the annual planning process.

² The rates increase quantum shown in each scenario in years 1, 2 and 3 is inclusive of an assumed rate peg and additional rate adjustment over the next three years. These forecasts assumed a rate peg of 2.7%, 3.0% and 3.0%. Year 1 will be adjusted as this report progresses to reflect the announcement of IPART on 2

December 2013 of a 2.3% rate peg for 2014-15.

		3-year annual increase	Net SRV Increase (three year total) Average	Total Rates Increase incl. Rate Page (three year total) Average	Net SRV Increase per week Average	Total Rates Increase per week (total – SRV + Rate Peg) Average
			\$	\$	\$	\$
SCENARIO 3	House	5%	210.40	323.44	4.05	6.22
	Pensioner		210.34	323.34	4.04	6.22
	Strata		138.17	212.40	2.66	4.08
	Business*				•••	

Scenario 4 - Not Recommended

A fourth scenario was scoped that only included service adjustments and efficiencies as an option (with no rates increase above the annual rate peg) but it is not recommended. It included \$7.0 million efficiency measures and \$14.0 million in service adjustments. This would mean a significant reduction of non-mandated services, significant market testing to outsource delivery of Council's community, cultural, recreational and environmental services, an estimated six year delivery due to phase in of significant workforce and service change, a reduction of 20% in staffing establishment, and impact on the delivery of Wollongong 2022.

Community response during the Citizen's Panel exhibition period that indicated strong opposition to significant service reductions has resulted in this option being excluded from the recommended scenarios.

SECURING OUR FUTURE

Introduction

Council is a not-for-profit organisation that seeks to provide the greatest value to the community through delivery of its services by prioritising what it does and how it does it. Council's financial resources are broadly limited to the desire and capacity of its community to pay rates and/or pay for services from which it earns 82% of its income.

Council's ability to deliver community wants is dependent on the levels of financial resources earned. Good financial management requires the understanding of the short and long term financial impacts of decisions taken now, in the past and in the future. It also requires consideration of the potential influences from outside of Council's control that may impact the finances of Council.

Council has a Financial Strategy to provide direction and context for decision making in the allocation, management and use of its limited financial resources. The Financial Strategy sets the parameters within which Council plans to operate to provide financial stability, affordability, focus, and efficiency or value for money, over the short, medium and longer terms.

Local Government is reasonably unique in the breadth of the services it delivers and its reliance on assets that have a high cost and long lives that are used to provide a significant proportion of those services. Long lived assets are particularly difficult to manage from a financial perspective as the funding required to build, maintain and replace them can be extremely variable from one period to the next. An asset such as a stormwater drain built in 1950 may have required little maintenance for a large number of years and may only require replacement at a significant cost after one hundred years of use.

The challenge for Council and the community in managing long term finances is to ensure that sufficient income is earned/or paid over the life of an asset to allow for its replacement and the continuity of the service for which it is used. Without this, in the future, the community will be impacted by failed assets and deterioration in community amenity or large variations in the amounts required to be paid through rates to repair assets and restore services.

This Financial Plan describes Council's current base line financial forecast that reflects our current capacity based on the existing Revenue Policy, levels of service and organisational performance. This path is not sustainable in the longer term and requires adjustment during the coming years. The baseline forecast shows that Council has around a \$21 million shortfall in its operating surplus [pre capital] that provides indication of its inability to provide enough funding to maintain its asset based services in perpetuity.

The Plan also provides scenarios that are available to reset Council's long term operations to a more sustainable position. It is Council's desire, subject to input from the community, to address the funding shortfall by adopting a scenario that provides for a small surplus budget in future years. This goal has been espoused in Council's Financial Strategy since April 2012.

Current Financial Situation – Where are we today?

Council's short to medium term financial capacity is considered to be very sound. Council has:

- a large portfolio of operational and community assets,
- an ability to balance cash flows over the next ten years,
- a positive Financial Asset position with low levels of debt, and
- strong cash holdings that provide capacity to manage normal variations that occur in operational performance and to provide cash for investment opportunities that may arise.

Council is, therefore, well positioned financially to provide services in the short to medium term. As outlined in the Introduction section of this Draft Resourcing Strategy TCorp and others have described the challenge now is to decide what services and associated assets Council and the community can afford to have and maintain into the future. This should be based on projected operational performance and willingness or capacity for the community to pay.

The renewal of high value, long lived assets such as roads, bridges, buildings, drains, public toilets and recreation facilities, generally needs to be funded over their life. If not funded in this way, concession needs to be made that there will be extreme imposts on ratepayers and customers in the future when renewal is required or asset and services fail.

This challenge requires us, in financial terms, to create and maintain future surplus budgets [pre capital]. Based on current information this will require an improvement against current actual estimated performance of approximately \$21 Million per annum. It is considered that this improvement needs to be delivered through a combination of:

- efficiency improvements that allow Council to continue to provide the current or higher levels of service at a lower cost,
- reductions to some current service levels that will allow ore funds to be made available for higher priority services,
- increased revenue through adjustments to rates, fees and charges and development of other income earning endeavours, and
- a clear understanding and decision making process for new or enhanced assets that considers the priority of the new service or service level and the associated operational costs that will be incurred in future periods.

A brief background to some of Council's key financial position attributes and performance indicators over recent years is provided below to set the context for the financial plan, strategy and forecasts that follow.

What we've already achieved

Over the last five years, Council has developed and implemented a number of initiatives to harvest operational improvements and make the savings available for capital expenditure on asset renewal.

Approximately \$20 million per annum in operational budget improvements has been achieved. This has been essentially delivered via internal efficiency strategies including reduction in costs to deliver services, specifically:

- ongoing harvesting of underspend within Divisions as part of the mini-budget process;
- reshaping the workforce;
- renewed emphasis on grant applications to support and enhance core business;
- business improvement focus, including service/operational reviews: and
- asset rationalisation.

Together with this, we've also been able to provide additional and increased services including Thirroul District Library and Community Centre, Southern Gateway, regulatory and ranger services, development assessment services and pool and library opening hours.

Council's Infrastructure Assets

Council's Balance Sheet shows the extent of assets managed by Council for the community. The written down value (WDV) for Property, Plant and Equipment of \$2.4 billion represents the value of the assets after they have been depreciated since purchase or construction. These assets have a current replacement cost (CRC) in excess of \$4.04 billion.

Asset values as at 30 June 2013 were:

	WDV \$M	CRC \$M
Non Depreciable assets		
Land	854.3	854.3
Heritage collection	11.4	11.4
Depreciable Assets		
Roads, Bridges & Footpaths	615.6	1,555.3
Stormwater & Drainage	495.2	827.0
Buildings	296.6	598.8
Plant & Equipment	25.4	46.5
Other Assets	61.7	137.5
Works In Progress	16.8	16.8
Total Assets	2,377.0	4,047.6

These assets represent the community wealth that has been 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.

Net Financial Assets/(Liabilities)

Net Financial Liabilities is considered a key financial indicator that shows what is owed by Council to others less the money held, invested or owed to Council. Council's Net Financial Liabilities is a positive financial indicator that reflects the capacity and flexibility that Council has in future.

Council's borrowings, shown as Interest Bearing Liabilities in the Balance Sheet, are projected to total \$31.7 million at the end of 2014-15. This includes the remaining debt from a \$26.05 million interest free loan borrowed from the Department of Planning to accelerate the West Dapto Access Strategy in 2009-10. As this loan is an interest free loan, it is accounted for at fair value. The value of the interest free loan \$11.6 million is the Net Present Value of the future repayments that will be made over the remaining seven years. The remaining debt has been secured under the State Government's Local Infrastructure Renewal Scheme (LIRS) that provides a subsidy to offset part of the interest paid on the debt. The first round the LIRS paid a subsidy of 4.0% while the second round paid a subsidy of 3.0%, Council will submit for the third round in the coming year.

Council's low level of debt and cost of existing debt means that Council's Debt Service Ratio (the proportion of revenue required to repay borrowings) is estimated at less than 2.6% in 2014-15. Indicative local government benchmarks for councils similar to Wollongong suggest that a debt service ratio up to 10.0% is sustainable.

Balanced Cash Flows - Funds Budget

The short term stability of Council is underpinned by prudent financial planning that ensures that Council's spending in each year is limited by its revenue and other sources of funds used to make payments. This is expressed through Council's Fund Result that remains an important short term control to ensure Council has sufficient funds to meet its current debts.

Cash and Investments

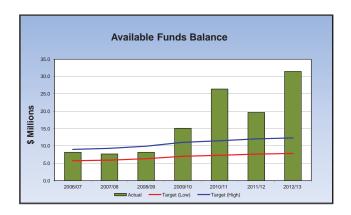
As a result of the planning and delivery of Council's funds budgets, Council has, and will maintain into the future, an adequate cash and investment position. Cash and liquidity are important indicators of short term financial stability for an organisation.

Council's cash and investments include a large proportion of funds that have restrictions over their use. These restrictions can be externally imposed as is the case with government grants and developer contributions. In other cases, Council has internally restricted the funds for future purposes, such as future capital acquisition or specific operational expenditure in future periods.

The amount of funds that have not been allocated for specific purpose is reported by Council as Available Funds. Available Funds:

- are funds that have been earned but not allocated.
- act as a buffer in case of unexpected circumstances, and
- provide flexibility to take advantage of opportunities that may arise.

Council, through its Financial Strategy, sets a target for available funds in future periods expressed as an upper and lower limit of funds held in relation to operational revenue. The position and improvement over recent years is shown in the graph above against these upper and lower targets for Available Funds.

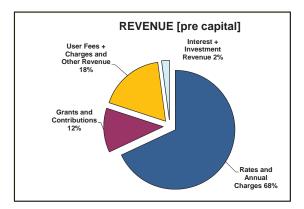


Operating Result [pre capital]

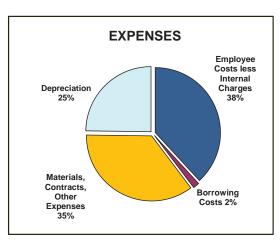
From a financial planning perspective, the operational performance of an organisation is the key to long term financial viability and sustainability. In general terms, if an operating result is not in surplus, it indicates that an organisation is not earning sufficient revenue to maintain its existing operations into the future. 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 usually be viewed over a period of time to get a true indication of performance. This is important as the annual results can be impacted by short term timing that is not indicative of performance. Council's financial results in recent years have shown a continuing deficit at around 6.0% of revenue. This has resulted in deterioration in the value of existing community assets of about \$20 million a year.

Council's existing revenue [pre capital] comes from a number of sources, most predominately from rates and annual charges at 68.0%. A further 18.0% is earned through fees and charges for specific Council services.



Council's expenses reflect the nature of services provided by Council that are predominately resourced by labour and/or assets. Employee costs accounts for 38.0% of operational expenses while materials contracts and other expenses accounts for 35.0%. 25.0% of expenses relate to depreciation that accounts for the consumption of existing assets over their lives.

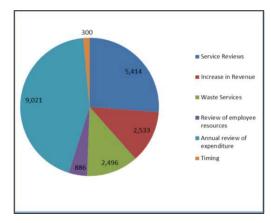


Recent results indicate that without intervention, future years' expenses would continue to exceed revenue.

Operational Funds available for Council

While the operating result is a key financial indicator of longer term viability, Wollongong City Council measures another more direct annual result that shows its ability to fund asset renewal from operations. The measure, **Operational Funds Available for Capital**, shows the amount of cash generated from operations after all the day to day services have been provided. Historically, Council had produced very low levels of funds in relation to the size and annual consumption of its assets.

In July 2008, Council commenced a Financial Sustainability Program to improve the level of Operational Funds Available for Capital and the Operating Result without having a negative impact on the community. The program utilised a number of strategies to achieve recurrent budget improvements including expenditure reviews, mini budget reviews, asset rationalisation, monthly salary reviews, revenue policy, reductions in staffing establishment, service reviews, a spot savings initiative and process documentation improvement. The improvements achieved through each of these strategies is presented in the below diagram. The total improvements achieved to date through this program are \$20.3 million per annum.



In some instances, improvements were reflections of favourable income increases where cost containment was applied to ensure expenses did not increase at the same level. While this program has been successful over the past six years, the organisation's ability to continue with savings in this way is now limited. It is considered that deeper cuts into organisational spending and increased revenue could not be realised without significant organisational transformation, service level impacts and some level of industrial change that requires further community and Council consideration.

The graph following shows the improvements achieved to date in operational funding available for capital over the last seven years that included the impact of operational savings above. These funds have been used predominately for asset renewal and have made a significant difference to the renewal programs implemented over that time. While the level of funds available has improved fourfold in that time, the required levels of funding have not yet been achieved.



The 2010-11 funds available for capital was higher than expected due to the early payment of \$4.1M of the 2011-12 year's Financial Assistance Grant.

Financial Strategy - Where do we need to be?

Wollongong City Council is committed to the principles of financial sustainability. Financial sustainability is defined as where the planned, long term service and infrastructure levels and standards of Council can be met without unplanned increases in rates or disruptive cuts to service.

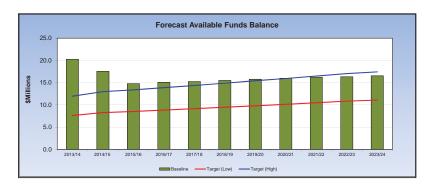
While Council has not yet reached financially sustainable operating levels, this Draft Resourcing Strategy provides policy setting options (scenarios) to achieve this over the life of this and the next term of Council. The Draft Resourcing Strategy recognises the need to take additional action from 2014-15, after consultation with its community, to strike a financial balance in its plans.

The transition from the existing position to one of long term sustainability remains a substantial challenge. The most significant financial principles and targets of Council's Financial Strategy are described below. A full copy of the Financial Strategy can be accessed under Policies on Council's website.

Available Funds

Council will aim to maintain Available Funds (the unallocated portion of all future 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 virtually held as cash savings and are used to act as a buffer against unanticipated future costs, or can be used to provide flexibility to take advantage of opportunities that may arise.



Debt

Council will remain a low debt user by maintaining a debt service ratio (principal and interest repayments compared to operational revenue) below 4.0%.

Council currently has a low level of debt reflected by a current debt service ratio of 1.71% (June 2013). The debt levels permitted under this Financial Plan add flexibility to future programs where warranted.

The 4.0% target makes provision for debt levels of around \$65 million based on an interest payment of 5.5% and a ten year term. Higher levels could be achieved if Council were able to source further subsidised borrowings as with the West Dapto Access Strategy loan and LIRS.

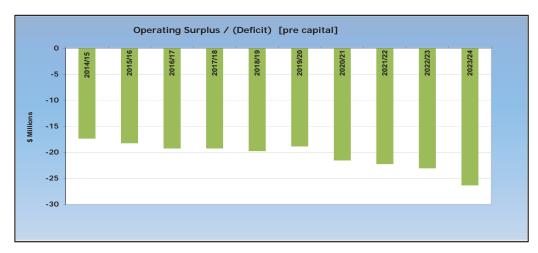
Debt is often portrayed as the panacea to financial sustainability and repairing asset renewal issues in councils. Debt is a financing mechanism that does not add to the funds available to Council over a long term plan. Debt, at a cost, can be used to smooth out the timing in the delivery of works to ensure asset renewal can be delivered when most economical to do so. It can also be used to invest in ventures or activities that could provide a return for Council or reduce future costs. Wollongong City Council's position is that debt will be considered as part of the Capital Budget process and will only be approved where there is an agreed economic, social, or environmental benefit from a project and other sources of funding are not available.

Operational Result [pre capital]

Council will develop actions, in consultation with its community, to move towards and maintain small surplus budgets into the future.

The operating result [pre capital] is considered to be one of the main indicators of the long term financial viability of Council. In broad terms, a deficit from operations indicates that Council is not earning sufficient revenue to fund its ongoing operations (services) and continue to renew the assets that are an integral part of that service, when required.

The operating result [pre capital] shown below represents the baseline Long Term Financial model that is built on existing forecasts and, without adjustments, would not provide surplus budgets at any point in the future. The scenarios proposed in this Draft Resourcing Strategy provide a target to achieve financial sustainability in line with the Financial Strategy.



To achieve financially sustainable operating result levels (small surplus) actions will be required to reduce the cost of service delivery, reduce service levels and/or increase revenue.

Total Funds Result

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

While Council has had an operating deficit, it has been able to ensure that its funds result (cash inflows compared to cash outflows) has remained in balance. Short term stability requires that the annual budget is affordable and cash is managed to ensure that payments can be made as needed. By holding a level of available funds and planning for breakeven funds results, this position can be maintained. Until an operating surplus is achieved, additional funds will generally be directed towards deferred asset renewals or investments that are able to reduce future operational costs.

Funds results are set between zero and \$300,000 excluding timing issues relating to the Federal Assistance Grant and other payments.

Capital Expenditure

Council will develop actions in consultation with its community to move towards creating annual Operational Funds available for Capital equal to depreciation.

The outcome of improving the Operating Result will be an improvement in the Operational Funds Available for Capital. Council's goal is to ensure that improvements in the Operating result lead to a situation where the funds available for capital are at least equal to the long term asset renewal requirements. The target to achieve a level equal to depreciation (the annual consumption of assets) provides a reasonable proxy for this intent over the long term.

The actual requirements for asset renewal in any one period may exceed or be below this level. It is also probable that many asset renewals will include some service enhancements to meet current standards and expectations. Service enhancements would require additional levels of funding and may incur increased operational costs in the future.

The full life cost of capital expenditure will be considered before capital projects are approved. 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.

Rates, Fees, & Charges

Following deliberation with the community, Council will propose a Revenue Policy as part of its 2014-15 Annual Plan based on the proposals outlined in the adopted Resourcing Strategy. The Revenue Policy should achieve a financially sustainable outcome by balancing the level of rates and other revenues required with the cost of services agreed to be delivered.

Council's revenue strategies will be finalised as part of the annual planning process to match the scenario progressed through this Financial Strategy. Rates increases are generally determined by the Independent Pricing & Regulatory Tribunal (IPART) through a 'rate pegging' mechanism that has mostly been in line with increases in costs to local government.

Special Rate Variations (SRV) beyond that level will be linked to community aspirations for services. A SRV will require an application to IPART for a special rate increase.

The community engagement that informed the scenarios, in particular the Citizen's Panel, focussed on trying to minimise the impact on the ratepayer by 'tightening the belt' through efficiencies and service level changes. The Panel considered a range of information available to them, including community survey feedback, demographic information, and detailed financial and service output information on each of Council's 117 service delivery streams. The Panel reached consensus on services levels, and whilst a rate rise was not welcomed, the Panel accepted a small rate rise was part of the solution given the magnitude of savings required to ensure financial sustainability. The proposed rate put forward by the Panel was considered reasonable for the average rate payer.

Step 3 of the engagement process highlighted the importance of maintaining existing service levels to the community, particularly our rock pools and other social and recreational infrastructure.

The scenarios reflect the outcomes of the community engagement.

Grant Funding and other Capital Contributions

Council will actively pursue grant funding and other contributions to assist in the delivery of core services.

While grants are a useful part of Council's revenue and a source of specific operational delivery, it is not considered that there will be any substantial improvement in the level of funds available to Council in the future. Indeed, there are some grants or funded operations that may be at risk into the future or have already been reduced. This includes the Waste and Sustainability Improvement Payment (WaSIP) that was allocated from State Government levies on waste and cover material at landfills. This grant ceased in 2012-13 and provided over \$1.3 million for additional environmental and waste focused tasks. Additional funds may become available through the Waste Less Recycle More grants that will replace WaSIP allocations from the Waste Levy though they are likely to be targeted at different activities than those funded by WaSIP.

Operational grants and contributions for specific purposes currently provide around 3% of Council's revenue [pre capital]. Around \$18 million is provided in untied grants through the Financial Assistance Grant from the Federal Government. There are currently suggestions from the Local Government Review Panel that they will recommend greater proportions of these funds be redirected towards smaller rural councils. Continued effort in obtaining and improving Council's success in targeted grant funding is vital to future performance and stability.

Long Term Financial Plan - Forecasts and Options

The objective of Council's Long Term Financial Plan (LTFP) is to provide Council decision makers and the community with information that outlines the financial balance between aspirations and capacity. It also identifies future financial opportunities or challenges. The forecasts highlight the financial implications of Council's proposed activities and the funding estimated to be available based on existing and potential scenarios.

Like all forecasts, this Financial Plan is based on a broad range of assumptions that are detailed throughout the document and, more particularly, in the assumptions notes attached to the Plan. As assumptions and realities change throughout the delivery period, these forecasts will be updated to provide current information. Council's ten year financial forecasts are reviewed on an ongoing basis so that information is made available continuously. Specific reporting against the forecast is made on a quarterly basis in conjunction with Council's quarterly reviews.

The Long Term Financial Plan includes a baseline plan that reflects the existing capacity, operations, and directions of Council. Three further scenarios have been included to demonstrate the options being considered by Council and its community to create a more financially sustainable future. It is intended that Council move forward in 2014-15 with a more sustainable solution.

The 2014-15 Annual Plan, to be developed and placed on exhibition for public consultation in April 2014, will include Council's preferred option. This will be used to engage the community to further explore the proposed solution to the dilemma faced with regard to community assets and to determine the path for the future.

For further information with regards to the community engagement process to date that informed the development of the options below, please refer to the introductory section of the Resourcing Strategy.

Baseline – provides detailed forecasts for the continuation of existing services, revenue policies and organisational performance. The current expenditure indices included in the baseline are reasonably tight, such that the projected growth in expenses is lower than revenue increases. To achieve the proposed expense growth averages, at around 3.5% over the period, Council would continue to maintain sound financial control and organisational restraint, cost containment and productivity improvement.

It should be noted that the current baseline differs from the endorsed Resourcing Strategy that had a recurrent savings program of \$2.9 million in the first year of the plan and another \$1 million in each future year of the plan. The proposed savings program that exceeded \$10 million per annum by 2022-23 was not defined and would have required efficiency and service adjustments to achieve the required outcome. To ensure these types of adjustments were part of the community deliberation, they have been included in the change scenarios for greater transparency.

The baseline projections included estimates for general rate increases (the rate peg) of 2.7% in 2014-15, 3% in 2015-16 and another 3.0% in 2016-17. These rate peg amounts are included in all scenarios.

Scenario 1 – is predominately the model proposed by the Citizen's Panel. The scenario includes a significant improvement in organisational efficiency of \$7 million that would require significant organisational change including higher level workplace, industrial, and delivery adjustment.

The proposal would also require changes to the levels of service delivered of \$4 million. If this scenario was adopted the implementation of the adjustments would require significant scoping, consultation, change and some time to implement. As the detail of this change has not yet been specified, an assumption for modelling has been made that allows for progressive implementation over three to five years. It has been assumed for modelling purposes that the majority of decisions and actions required would be taken within the Delivery Plan timeframe of this Council (three years) while some implementation and deployment issues may carry over into the term of the next Council.

The model proposes a rating adjustment of \$8.4 million to be implemented over a three year period as recommended by the Citizen's Panel. The rating adjustment would require an all up rate increase to most ratepayers of around 5.2% in the first year and 5.5% for the following two years (inclusive of the assumed annual rate peg of 2.7%, 3.0% and 3.0% respectively). The assumed rating revenues and increases are indicative at this stage and will be further refined as property information in 2013-14 is updated for the proposed 2014-15 Revenue Policy. It is proposed in the scenarios that rates above the rate peg estimate will not apply to 3c Regional Business and Heavy 1 Activity 1 Business subcategories that currently pay a higher than average rate in the dollar on property valuation. The rate increase would also not apply to special rates.

Other revenue would be increased under this scenario by increasing and/or introducing fees in future periods above the baseline position. \$1.6 million per annum is provided for increase fees.

The table following provides a delivery timeframe for planning purposes that may change as specific adjustments are reviewed scoped and proposed for implementation.

COENIA DIO 4	EFFIC	IENCY	SERVICES	REVE	NUE	TOTAL
SCENARIO 1	Lower Impact	High Impact		Rates *	Other	
Adjustments	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
2014/15	1,000	550	1,200	2,610	500	5,860
2015/16	1,000	1,250	1,000	2,870	500	6,620
2016/17	1,500	1,200	1,200	2,920	600	7,420
2017/18		300	400			700
2018/19		200	200			400
TOTAL	3,500	3,500	4,000	8,400	1,600	21,000

^{*} Actual dollars for rates increase will vary over the years in line with finalised property data and proposed rates increases.

Scenario 2 – includes a slightly lower level target for operational efficiency that will still call for reduction in resources required to provide existing levels of services; some adjustments to existing services; and increases in rates over a three year period required to move to the targeted surplus operating budget.

The targeted efficiency saving is based on reaching competitive delivery costs for services across the breadth of Council's operations; it would still require substantial industrial change and operational transformation.

The model proposes a rating adjustment \$13.4 million to be implemented over a three year period. The rating adjustment would require a rate increase to most ratepayers of around 6.7% in the first year and 7.0% for the following two years (inclusive of the assumed annual rate peg of 2.7%, 3.0% and 3.0% respectively). The assumed rating revenues and increases are indicative at this stage and will be further refined as property information in 2013-14 is updated for the proposed 2014-15 Revenue Policy. It is proposed in the scenarios that rates above the rate peg estimate will not to apply to 3c Regional Business and Heavy 1 Activity 1 Business subcategories that currently pay a higher than average rate in the dollar on property valuation. The rate increase would also not apply to special rates.

The table below provides a delivery timeframe for planning purposes that may change as specific adjustments are reviewed, scoped and proposed for implementation.

COENIADIO	EFFICI	IENCY	SERVICES	REVE	NUE	TOTAL
SCENARIO 2	Lower Impact	High Impact		Rates *	Other	
Adjustments	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
2014/15	1,000		1,000	4,340	120	6,460
2015/16	1,000		200	4,460	250	5,910
2016/17	1,500	500	200	4,600		6,800
2017/18		500	500			1,000
2018/19		500	200			700
2019/20			200			200
TOTAL	3,500	1,500	2,300	13,400	370	21,070

^{*}Actual dollars for rates increase will vary over the years in line with finalised property data and proposed rates increases.

Scenario 3 – This scenario provides for little or no discernible decrease in current service levels other than the proposal to extend the useful life of footpath assets from 60 to 80 years and accept a slightly lower level of service, particularly in relation to aesthetic appeal of footpaths. This proposal reduces depreciation and also the average funding requirement for footpath renewals.

The proposal includes targeted efficiency savings based on what are considered achievable lower impact goals that will require low level industrial change, disruption, and operational transformation, and increases in rates over a three year period required to move to the targeted surplus operating budget.

Based on the baseline forecasts and current indices, there is a need for additional rate revenue of \$16.5 million per annum. The model proposes a rating adjustment \$16.5 million to be implemented over a three year period. The rating adjustment would require a rate increase to most ratepayers of around 7.7% in the first year and 8.0% for the following two years (inclusive of the assumed annual rate peg of 2.7%, 3.0% and 3.0% respectively). The assumed rating revenues and increases are indicative at this stage and will be further refined as property information in 2013-14 is updated for the proposed 2014-15 Revenue Policy. It is proposed in the scenarios that rates above the rate peg estimate will not to apply to 3c Regional Business and Heavy 1 Activity 1 Business subcategories that currently pay a higher than average rate in the dollar on property valuation. The rate increase would also not apply to special rates.

The following table provides a reasonable timeframe for the targeted delivery of adjustments.

CCENIADIO 3	EFFIC	IENCY	SERVICES	REVE	NUE	TOTAL
SCENARIO 3	Lower Impact	High Impact		Rates *	Other	
Adjustments	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
2014/15	1,000		1,000	5,350		7,350
2015/16	1,000			5,490		6,490
2016/17	1,500			5,660		7,160
TOTAL	3,500	-	1,000	16,500	-	21,000

^{*} Actual dollars for rates increase will vary over the years in line with finalised property data and proposed rates increases.

These scenarios are provided as indicative of the types of measures that may be available to Council and its community. There is no specific apportionment between measures available and there is no agreed actions implied by the estimates provided.

Measuring Financial Sustainability Options

The detailed financial estimates, based on the baseline assumptions, are provided in the next section of this report. The detailed Income & Expense Statement, Funding Statement, Balance Sheet and Cash Flow provide a level of information required for planning and budgeting purposes. To better understand the impacts of variable policy setting in the Long Term Financial Plan it is considered that comparison of Key Financial Performance measures between options is most useful. The following analysis provides graphical data and analysis of Council's Key Financial Indicators as expressed in the Financial Strategy.

The Key Financial Performance information is provided to show the anticipated results based on the three scenarios posed on page 27 against the baseline position. The baseline is the continuation of existing services, revenue policies and organisational performance. It is not intended that this model will be used in future periods but it provides the status-quo outcomes if action is not taken to address the financial challenge being faced.

There have been no decisions made on any scenario or actions at this stage. The scenarios are provided to demonstrate the range of options being considered for the change required to achieve longer term financial sustainability. The scenarios and impacts were outlined in more detail on page 27 this LTFP and page 12 of the Resourcing Strategy introduction.

The various scenarios are all designed to arrive at a small surplus budget position in future periods. The timing of improvement is dependent on the proposed actions in each scenario. Scenario 3, which includes lower level efficiencies and a higher level of rate adjustment, provides the clearest and most timely path to achieving the targeted Operating Result. Under this scenario rates would be increased over a three year period and the efficiency targets are proposed to be achieved in the same timeframe.

As the actions under other scenarios require more complex adjustments to services provided to communities, operational methodology, and would have industrial relations issues to be worked through, the proposed timing of change would be prolonged.

Scenario 1, which is predominately the model that was proposed by the Citizens Panel, had a recommended target for implementation within three to five years. It has been assumed for modelling purposes that the majority of decisions and actions required would be taken within the Delivery Plan timeframe of this Council (three years) while some implementation and deployment issues would carry over into the term of the next Council. Rating adjustments are assumed to be implemented equally over a three year period as recommended by the Citizens Panel (5.5% per annum - including the assumed 3.0% annual rate peg).

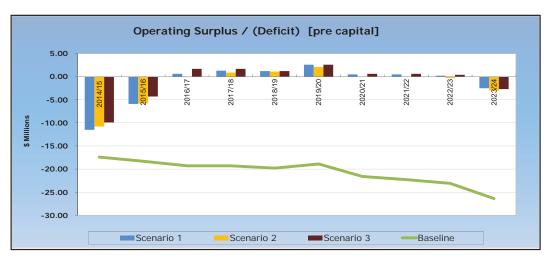
Scenario 2 provides for a slightly higher level of rates adjustment and lower levels of service modification and high impact efficiency improvement. While the rates portion of this scenario is assumed to be implemented over a three year period, it is proposed the increases would be 8.0%, 7.0% and 6.0% respectively over the three year period (inclusive of the assumed 3.0% annual rate peg). It is also assumed the implementation of service and efficiency changes may be drawn out to around six years to plan and implement substantial changes.

The scenarios at this stage only provide indicative adjustments and impacts that have not all been individually researched, scoped and developed into comprehensive change plans as will be required. The financial modelling assumes a rate of implementation as a target for change that will assist in driving the process. There will need to be some flexibility in delivery of the program as Individual projects may vary from their specific plans.

Operating Result [pre capital]

The baseline Operating Result reflects the financial dilemma being faced by Council and the community. It shows that there is a persistent operating deficit that indicates insufficient funds are being created to ensure long lived assets can be maintained and services continued into the future. This results in a higher deficit in this year while there was a lower one last year.

As the key financial strategy for Council is to achieve a small surplus result, all the scenarios are directed to this result. The variance in the results is the time taken to achieve the financially sustainable objective. The delay in achieving the target will marginally reduce the amounts of funds available for renewal in the early but not significantly change the average funds over the longer term.

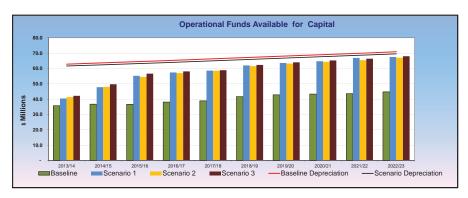


Operational Funds Available For Capital

The operating result is an accounting result and is not the only measure of a financially sustainable future. The ultimate goal for Council is to be able to provide services at an agreed level on a continuous basis and to be able to maintain and replace its assets that are 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 disclosed in the Income and Expense Statement includes depreciation and other non-cash expenses so a balanced Operating Result will produce an operating cash surplus. It is this cash surplus that is available to fund renewal of existing assets.

The forecast Operational Funds Available for Capital is compared against the level of depreciation to show projected progress towards Council's target of reaching a level where the funds available for capital equal depreciation. The scenarios are set to achieve slightly different targets as Scenario 1 and 2 include a proposal to extend the useful life of footpath assets from 60 to 80 years and accept a slightly lower level of service particularly in the relation to aesthetic appeal of paths. This proposal reduces depreciation and also the average funding requirement for footpath renewal.

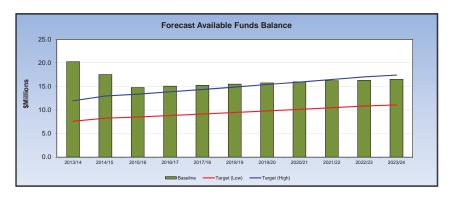
Council's Financial Strategy acknowledges that not all Operational Funds Available for Capital will be applied to renewing assets with like for like assets and that some provision needs to be made for upgraded, enhanced or in some cases new assets. It is also probable that some of Council's existing assets will be funded from other revenue sources such as grants and contributions.



Available Funds

The Available Funds result is anticipated to be similar under all scenarios. Additional revenues or savings through efficiency and/or service reduction would be channelled into additional capital renewal works. While the operational results would be improved and additional funding would be available for capital, the plan would be to ensure that such funds are utilised in the period earned.

The current Available Funds level is currently above target and therefore offers opportunity to invest additional funds into the proposed capital program in the Delivery Plan. The capital program forecast has therefore been based on an utilising an additional \$3.0 million in each of the first two years from Available Funds to fund asset renewal. This will return Council's Available Funds to the upper level of the targeted result and improve the level of renewal completed in the early phases of the plan.



Detailed Financials - Baseline and Scenarios

Forecast Financial Reports are provided below for the existing baseline and each of the three scenarios. The reports include Income and Expense Statement, Funding Statement and Capital Budget, Balance Sheet and Cash Flow. Each scenario has increased levels of capital works expenditure that is reliant on the revenue and savings programs being proposed under each scenario being realised. The three scenarios provide a reasonable level of long term financial sustainability, however as stated previously each has a different implementation period that impacts the level of funding available for capital renewal during the implementation phase.

The following reports and supporting information is provided:

Baseline		Page
Income & Exper	se Statement	34
Funding and Ca	pital Budget Statement	35
Balance Sheet		36
Cash Flow		37
Scenario 1		
Income and Exp	ense Statement	38
Funding and Ca	pital Budget Statement	39
Balance Sheet		40
Cash Flow		41
Scenario 2		
Income and Exp	ense Statement	42
Funding and Ca	pital Budget Statement	43
Balance Sheet		44
Cash Flow		45
Scenario 3		
Income and Exp	ense Statement	46
Funding and Ca	pital Budget Statement	47
Balance Sheet		48
Cash Flow		49
Assumptions, Indices, a	nd Measurements	50
Sensitivity to Indices, As	sumptions, Parameters	57

MO	WOLLONG	BNOS	CITY 0	GONG CITY COUNCI	CIL			BA	BASELIN	Щ
			10 Year Financials	nancials						
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000
		INCOME	& EXPEN	INCOME & EXPENSE STATEMENT	EMENT					
EXPENSES FROM ORDINARY ACTIVITIES										
Employee Costs	107,323	110,723	114,596	118,652	122,845	125,419	129,585	133,887	138,382	142,359
Borrowing Costs	3,918	3,754	3,581	3,385	2,916	2,404	2,336	2,155	2,073	1,770
Materials, Contracts & Other Expenses	91,659	95,889	101,963	106,329	111,934	118,928	125,918	131,945	138,233	146,250
Depreciation, Amortisation + Impairment	62,808	63,659	64,522	65,394	66,279	67,176	68,085	800'69	69,943	70,891
Internal Charges (labour)	(10,590)	(10,819)	(11,080)	(11,429)	(11,789)	(12,159)	(12,521)	(12,895)	(13,279)	(13,668)
Internal Charges (not labour)	(1,804)	(1,783)	(1,954)	(2,037)	(2,118)	(2,158)	(2,236)	(2,260)	(2,335)	(2,381)
Total Expenses from Ordinary Activities	253,313	261,423	271,628	280,295	290,067	299,609	311,167	321,840	333,015	345,221
REVENUES FROM ORDINARY ACTIVITIES										
Rates and Annual Charges	160,516	165,837	172,098	178,401	185,039	191,877	197,873	204,719	211,495	218,777
User Charges and Fees	33,300	34,830	37,161	38,909	40,909	42,859	44,706	46,921	49,258	51,339
Interest and Investment Revenues	4,965	4,485	4,375	4,216	4,067	4,869	5,101	5,294	5,741	4,415
Other Revenues	8,829	9,074	9,323	9,577	9,838	10,105	10,376	10,656	10,950	11,070
Grants and Contributions - Operating	28,337	28,900	29,407	29,923	30,448	30,965	31,474	31,990	32,443	33,142
Revenues [pre capital]	235,948	243,126	252,363	261,026	270,300	280,674	289,531	299,580	309,887	318,743
NET SURPLUS (DEFICIT) [Pre capital]	(17,365)	(18,297)	(19,264)	(19,269)	(19,767)	(18,935)	(21,636)	(22,260)	(23,128)	(26,478)
Capital Grants & Contributions	11,201	9,397	11,118	7,308	7,619	7,650	7,690	7,279	7,279	7,279
NET SURPLUS (DEFICIT)	(6,164)	(8,900)	(8,147)	(11,962)	(12,148)	(11,286)	(13,946)	(14,981)	(15,850)	(19,199)

MO	WOLLONGONG CITY COUNCIL	SONG	CITY	COUN	CIL			B	BASELINE	ш
			10 Year Financials	nancials						
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000
		IJŦ	IDING ST	FUNDING STATEMENT	L					
Surplus (Deficit) [pre capital]	(6,164)	(8,900)	(8,147)	(11,962)	(12,148)	(11,286)	(13,946)	(14,981)	(15,850)	(19,199)
Add back :										
- Non-cash Operating Transactions	80,481	81,651	83,112	84,564	85,785	87,015	88,744	90,413	92,236	93,723
- Restricted cash used for operations	7,820	8,448	9,397	10,543	11,715	12,964	13,459	13,913	14,371	14,945
- Income transferred to Restricted Cash	(30,846)	(28,486)	(30,860)	(27,519)	(28,158)	(27,919)	(28,524)	(28,253)	(28,890)	(28,741)
- Payment of Accrued Leave Entitlements	(10,131)	(10,430)	(10,737)	(11,054)	(11,380)	(11,715)	(12,061)	(12,418)	(12,785)	(12,955)
- Payment of Carbon Contributions	(208)	(730)	(885)	(1,238)	(1,494)	(1,762)	(2,052)	(2,362)	(5,689)	(3,033)
Funds Available from Operations	40,653	41,553	41,784	43,335	44,320	47,296	45,620	46,311	46,394	44,740
Advances (made by) / repaid to Council	(135)	0	0	0	0	0	0	0	0	0
Borrowings repaid	(4,778)	(4,892)	(5,153)	(5,280)	(5,415)	(5,557)	(2,808)	(2,966)	(2,481)	0
Operational Funds Available for Capital Budget	35,740	36,661	36,631	38,055	38,905	41,739	42,812	43,345	43,913	44,740
CAPITAL BUDGET										
Assets Acquired	(80,846)	(65,874)	(54,752)	(55,001)	(48,900)	(57,776)	(50,157)	(52,024)	(53,119)	(55,962)
Transfers to Restricted Cash Funded From :-	0	0	0	0	0	0	0	0	0	0
- Operational Funds	35,740	36,661	36,631	38,055	38,905	41,739	42,812	43,345	43,913	44,740
- Sale of Assets	2,208	2,008	1,522	755	200	1,751	800	006	750	2,300
- Internally Restricted Cash	10,319	5,550	1,883	3,653	929	1,057	2,607	3,386	3,427	3,444
- Capital Grants	009'9	700	209	1,850	1,350	1,200	400	780	1,100	086
- Developer Contributions (Section 94)	099'9	6,079	11,300	8,274	6,468	10,774	2,501	2,871	2,529	3,140
- Other Externally Restricted Cash	16,488	8,821	2,490	2,448	1,400	1,275	750	200	980	1,184
- Other Capital Contributions	100	300	200	150	150	250	200	300	200	400
TOTAL FUNDS SURPLUS / (DEFICIT)	(2,731)	(2,756)	283	183	249	270	213	258	80	226

MOLLO	LLONG	NGONG CITY COUNCIL	CITY (COUN	믕			B	BASELINE	Ш
			10 Year Fil	Financials						
	2014/15 Forecast	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$.000	\$,000	\$,000	\$,000
			BALANCE	SHEET						
CURRENT ASSETS										
Cash Assets	77,369	71,049	75,581	76,358	82,458	83,081	91,039	97,078	102,690	107,417
Investment Securities	8,597	7,894	8,398	8,484	9,162	9,231	10,115	10,786	11,410	11,935
Receivables	18,404	18,964	19,684	20,360	21,083	21,893	22,583	23,367	24,171	24,862
Inventories Other	8,941	8,941	8,941	1,006	8,941	1,059	1,087	8,941	8,941	8,941
TOTAL CURRENT ASSETS	114,239	107,802	113,584	115,149	122,676	124,205	133,765	141,287	148,355	154,328
NON-CURRENT ASSETS										
Non-Current Receivables	5,109	5,109	5,109	5,109	5,109	5,109	5,109	5,109	5,109	5,109
Investments Accounted for using Equity Method	984	984	984	984	984	984	984	984	984	984
Investment Property	4,045	4,211	4,382	4,558	4,738	4,923	5,109	5,294	5,479	5,479
Intangible Assets	364	364	364	364	364	364	364	364	364	364
Property, Plant & Equipment	2,398,040	2,398,171	2,386,879	2,375,731	2,358,152	2,347,001	2,328,193	2,310,310	2,292,736	2,275,508
TOTAL NON-CURRENT ASSETS	2,408,541	2,408,838	2,397,717	2,386,745	2,369,346	2,358,380	2,339,757	2,322,059	2,304,671	2,287,443
TOTAL ASSETS	2,522,780	2,516,640	2,511,302	2,501,894	2,492,023	2,482,585	2,473,523	2,463,346	2,453,027	2,441,770
CURRENT LIABILITIES										
Current Payables	22,798	23,528	24,446	25,227	26,106	26,965	28,005	28,966	29,971	31,070
Provisions < 12 Months	9,713	086'6	10,249	10,516	10,789	11,070	11,357	11,653	11,956	12,266
Provisions > 12 Months	33,145	34,057	34,976	35,885	36,818	37,776	38,758	39,766	40,800	41,860
Current Interest Bearing Liabilities	4,892	5,153	5,280	5,415	2,557	2,808	2,966	2,481	0	0
TOTAL CURRENT LIABILITIES	70,548	72,717	74,952	77,043	79,271	78,618	81,087	82,865	82,726	85,197
NON-CURRENT LIABILITIES										
Non Current Interest Bearing Liabilities	26,829	22,548	17,998	13,150	7,984	2,380	2,616	338	541	541
Non Current Provisions	51,030	52,902	61,025	986,336	71,551	76,657	81,835	87,140	92,605	98,078
TOTAL NON-CURRENT LIABILITIES	77,859	78,450	79,024	79,486	79,535	82,037	84,451	87,478	93,146	98,618
TOTAL LIABILITIES	148,407	151,167	153,975	156,529	158,806	160,654	165,538	170,342	175,872	183,815
NET ASSETS	2,374,373	2,365,473	2,357,326	2,345,365	2,333,216	2,321,931	2,307,985	2,293,004	2,277,154	2,257,955
EQUITY										
Accumulated Surplus	(1,082,225)	(1,080,472)	(1,066,992)	(1,058,244)	(1,039,884)	(1,027,336)	(1,007,743)	(987,493)	(966,530)	(946,032)
Surplus (Deficit) for period	6,164	8,900	8,147	11,962	12,148	11,286	13,946	14,981	15,850	19,199
Asset Revaluation Reserve Restricted Assets	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)
ZEIGH IN THE PERSON IN THE PER	(100411)	(000,10)	(0.04.7)	(100400)	(0.000.0)	(0.004.004)	(100000)	(100,000,0)	(22)22)	(1.0,10.0)
TOTAL EQUITY	(2,374,373)	(2,365,473)	(2,357,326)	(2,345,365)	(2,333,216)	(2,321,931)	(2,307,985)	(2,293,004)	(2,277,154)	(2,257,955)

MOI	LONG	BNOS	CITY	OLLONGONG CITY COUNCI	CIL			BA	BASELINE	Щ
			10 Year Financials	nancials						
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000
		CASH	HELOW S	CASH FLOW STATEMENT	Ł					
CASH FLOWS FROM OPERATIONS										
Receipts Rates and Annual Charges	159.085	165.277	171.377	177.725	184.316	191.067	197.182	203,935	210.691	218.086
User Charges & Fees	33,300	34,830	37,161	38,909	40,909	42,859	44,706	46,921	49,258	51,339
Investment Incomes	4,965	4,485	4,375	4,216	4,067	4,869	5,101	5,294	5,741	4,415
Grants & Contributions	39,538	38,297	40,524	37,231	38,066	38,615	39,163	39,269	39,722	40,421
Other Operating Receipts	8,646	8,882	9,127	9,375	9,631	9,893	10,164	10,443	10,736	11,040
Payments Employee Costs	(94,550)	(97,623)	(101,097)	(104,696)	(108,426)	(110,524)	(114,223)	(118,043)	(122,040)	(125,518)
Materials & Contracts	(89,244)	(93,376)	(060'66)	(103,512)	(108,936)	(115,911)	(122,642)	(128,725)	(134,891)	(142,771)
Borrowing Costs	(1,192)	(1,077)	(957)	(829)	(695)	(552)	(402)	(243)	(75)	0
Other Operating Payments	2,288	2,042	2,000	1,970	1,961	1,960	1,956	1,949	1,945	1,901
NET CASH PROVIDED BY (OR USED IN) OPERATIONS	62,838	61,736	63,419	60,390	60,893	62,275	61,007	60,800	61,086	58,914
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts Sale of Investment securities	2.071	702	(504)	(88)	(678)	(69)	(884)	(671)	(624)	(525)
Proceeds from Sale of Property, Plant & Equip	2,208	2,008	1,522	755	200	1,751	800	006	750	2,300
Payments										
Purchase of Property Plant & Equipment	(80,846)	(65,874)	(54,752)	(55,001)	(48,900)	(57,776)	(50,157)	(52,024)	(53,119)	(55,962)
NET CASH PROVIDED BY (OR USED IN)	(001)									
INVESTING ACTIVITIES CASH FLOWS FROM FINANCING ACTIVITIES	(76,701)	(63,164)	(53,734)	(54,333)	(49,378)	(56,094)	(50,241)	(51,795)	(52,993)	(54,187)
Receipts										
Payments Repayments of Borrowings and Advances	(4,778)	(4,892)	(5,153)	(5,280)	(5,415)	(5,557)	(2,808)	(2,966)	(2,481)	0
NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES	(4,778)	(4,892)	(5,153)	(5,280)	(5,415)	(5,557)	(2,808)	(2,966)	(2,481)	0
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS HELD	(18,641)	(6,320)	4,532	777	6,100	624	7,958	6,039	5,612	4,727
Cash at Beginning of Period	96,010	77,369	71,049	75,581	76,358	82,458	83,081	91,039	97,078	102,690
CASH & CASH EQUIVALENTS AT EOY	77,369	71,049	75,581	76,358	82,458	83,081	91,039	97,078	102,690	107,417
PLUS other investment securities	8,597	7,894	8,398	8,484	9,162	9,231	10,115	10,786	11,410	11,935
TOTAL CASH & INVESTMENTS	85,965	78,943	83,979	84,842	91,620	92,313	101,155	107,864	114,100	119,352

MO	WOLLONG	BONG	CITY	SONG CITY COUNCIL				SC	SCENARIO 1	0 1
			10 Year Financials	nancials						
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000
		INCOME	& EXPEN	EXPENSE STATEMENT	EMENT					
EXPENSES FROM ORDINARY ACTIVITIES										
Employee Costs	107,323	110,723	114,596	118,652	122,845	125,419	129,585	133,887	138,382	142,359
Borrowing Costs	3,918	3,754	3,581	3,385	2,916	2,404	2,336	2,155	2,073	1,770
Materials, Contracts & Other Expenses	91,659	95,889	101,963	106,329	111,934	118,928	125,918	131,945	138,233	146,250
Depreciation, Amortisation + Impairment	61,608	62,359	63,222	64,094	64,979	62,859	66,751	67,655	68,573	69,503
Internal Charges (labour)	(10,590)	(10,819)	(11,080)	(11,429)	(11,789)	(12,159)	(12,521)	(12,895)	(13,279)	(13,668)
Internal Charges (not labour)	(1,804)	(1,783)	(1,954)	(2,037)	(2,118)	(2,158)	(2,236)	(2,260)	(2,335)	(2,381)
Efficiency Improvements	(1,550)	(3,800)	(0,500)	(0,800)	(7,000)	(7,182)	(7,369)	(2,560)	(7,757)	(7,959)
Service Reductions	0	(006)	(2,100)	(2,500)	(2,700)	(2,770)	(2,842)	(2,916)	(2,992)	(3,070)
Total Expenses from Ordinary Activities	250,563	255,423	261,728	269,695	279,067	288,340	299,621	310,011	320,897	332,805
REVENUES FROM ORDINARY ACTIVITIES										
Rates and Annual Charges	163,116	171,237	180,498	186,801	193,439	200,529	206,785	213,898	220,949	228,487
User Charges and Fees	33,300	34,830	37,161	38,909	40,909	42,859	44,706	46,921	49,258	51,339
Interest and Investment Revenues	4,965	4,485	4,375	4,216	4,067	4,869	5,101	5,294	5,741	4,415
Other Revenues	8,829	9,074	9,323	9,577	9,838	10,105	10,376	10,656	10,950	11,070
Grants and Contributions - Operating	28,337	28,900	29,407	29,923	30,448	30,965	31,474	31,990	32,443	33,142
Additional Revenues	200	1,000	1,600	1,600	1,600	1,642	1,684	1,728	1,773	1,819
Revenues [pre capital]	239,048	249,526	262,363	271,026	280,300	290,967	300,127	310,487	321,114	330,272
NET SURPLUS (DEFICIT) [Pre capital]	(11,515)	(5,897)	636	1,331	1,233	2,628	505	476	218	(2,533)
Capital Grants & Contributions	11,201	9,397	11,118	7,308	7,619	7,650	7,690	7,279	7,279	7,279
NET SURPLUS (DEFICIT)	(314)	3,500	11,753	8,638	8,852	10,277	8,195	7,754	7,496	4,746

MO	WOLLONGONG CITY COUNCIL	SONG	CITY	COUN				SCI	SCENARIO 1	01
			10 Year Financials	nancials						
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000
		J	FUNDING ST	STATEMENT	F					
Surplus (Deficit) [pre capital]	(314)	3,500	11,753	8,638	8,852	10,277	8,195	7,754	7,496	4,746
Add back:										
- Non-cash Operating Transactions	79,281	80,351	81,812	83,264	84,485	85,697	87,409	89,061	998'06	92,335
- Restricted cash used for operations	7,820	8,448	9,397	10,543	11,715	12,964	13,459	13,913	14,371	14,945
- Income transferred to Restricted Cash	(30,846)	(28,486)	(30,860)	(27,519)	(28,158)	(27,919)	(28,524)	(28,253)	(28,890)	(28,741)
- Payment of Accrued Leave Entitlements	(10,131)	(10,430)	(10,737)	(11,054)	(11,380)	(11,715)	(12,061)	(12,418)	(12,785)	(12,955)
- Payment of Carbon Contributions	(208)	(730)	(985)	(1,238)	(1,494)	(1,762)	(2,052)	(2,362)	(2,689)	(3,033)
Funds Available from Operations	45,303	52,653	60,384	62,635	64,020	67,542	66,427	67,695	68,370	67,297
Advances (made by) / repaid to Council	(135)	0	0	0	0	0	0	0	0	0
Borrowings repaid	(4,778)	(4,892)	(5,153)	(5,280)	(5,415)	(2,557)	(2,808)	(2,966)	(2,481)	0
Operational Funds Available for Capital Budget	40,390	47,761	55,231	57,355	58,605	61,985	63,619	64,728	62,889	67,297
CAPITAL BUDGET										
Assets Acquired	(85,496)	(76,974)	(73,352)	(74,301)	(68,600)	(78,022)	(70,964)	(73,408)	(75,096)	(78,519)
Transfers to Restricted Cash Funded From :-	0	0	0	0	0	0	0	0	0	0
- Operational Funds	40,390	47,761	55,231	57,355	58,605	61,985	63,619	64,728	62,889	67,297
- Sale of Assets	2,208	2,008	1,522	755	200	1,751	800	006	750	2,300
- Internally Restricted Cash	10,319	5,550	1,883	3,653	929	1,057	2,607	3,386	3,427	3,444
- Capital Grants	009'9	700	209	1,850	1,350	1,200	400	780	1,100	086
- Developer Contributions (Section 94)	099'9	6,079	11,300	8,274	6,468	10,774	2,501	2,871	2,529	3,140
- Other Externally Restricted Cash	16,488	8,821	2,490	2,448	1,400	1,275	750	200	086	1,184
- Other Capital Contributions	100	300	200	150	150	250	200	300	200	400
TOTAL FUNDS SURPLUS / (DEFICIT)	(2,731)	(2,756)	283	183	249	270	213	258	80	226

MOI	LLONG	WOLLONGONG CITY COUNCIL	CITY	COUN				SCE	SCENARIO 1	10
			10 Year Financials	nancials						
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000
			BALANCE SHEET	SHEET						
CURRENT ASSETS										
Cash Assets	76,928	70,113	74,077	74,797	80,865	81,446	89,360	95,354	100,920	105,601
Investment Securities	8,548	7,790	8,231	8,311	8,985	9,050	9,929	10,595	11,213	11,733
Receivables	18,646	19,463	20,464	21,140	21,863	22,695	23,410	24,218	25,047	25,761
Inventories	8,941	8,941	8,941	8,941	8,941	8,941	8,941	8,941	8,941	8,941
	878	CCA	901	900,1	1,032	6CO,1	1,00,1	CI1,1	1,144	1,1/4
TOTAL CURRENT ASSETS	113,992	107,262	112,693	114,195	121,686	123,191	132,726	140,222	147,265	153,210
Non-Current Receivables	5 100	5 100	5 109	2 100	5 109	5 100	5 100	5 109	5 100	5 100
Investments Accounted for using Fauity Method	984	984	984	984	984	984	984	984	984	984
Investment Property	4.045	4.211	4.382	4.558	4.738	4.923	5,109	5.294	5.479	5,479
Intangible Assets	364	364	364	364	364	364	364	364	364	364
Property, Plant & Equipment	2,403,890	2,416,421	2,425,029	2,434,481	2,437,902	2,448,314	2,451,647	2,456,499	2,462,272	2,468,988
TOTAL NON-CURRENT ASSETS	2,414,391	2,427,088	2,435,867	2,445,495	2,449,096	2,459,693	2,463,212	2,468,249	2,474,207	2,480,923
TOTAL ASSETS	2,528,382	2,534,350	2,548,561	2,559,690	2,570,783	2,582,884	2,595,938	2,608,471	2,621,472	2,634,134
CURRENT LIABILITIES										
Current Payables	22,551	22,988	23,555	24,273	25,116	25,951	26,966	27,901	28,881	29,952
Provisions < 12 Months	9,713	086'6	10,249	10,516	10,789	11,070	11,357	11,653	11,956	12,266
Provisions > 12 Months	33,145	34,057	34,976	35,885	36,818	37,776	38,758	39,766	40,800	41,860
Current Interest Bearing Liabilities	4,892	5,153	5,280	5,415	2,557	2,808	2,966	2,481	0	0
TOT AL CURRENT LIABILITIES	70,301	72,177	74,061	76,089	78,281	77,603	80,048	81,800	81,636	84,079
NON-CURRENT LIABILITIES										
Non Current Interest Bearing Liabilities	26,829	22,548	17,998	13,150	7,984	5,380	2,616	338	541	541
Non Current Provisions	51,030	52,902	61,025	966,336	71,551	76,657	81,835	87,140	92,605	98,078
TOT AL NON-CURRENT LIABILITIES	77,859	78,450	79,024	79,486	79,535	82,037	84,451	87,478	93,146	98,618
TOTAL LIABILITIES	148,160	150,627	153,084	155,575	157,816	159,640	164,499	169,278	174,781	182,698
NET ASSETS	2,380,223	2,383,723	2,395,476	2,404,115	2,412,966	2,423,244	2,431,439	2,439,194	2,446,690	2,451,436
ЕQUIТУ										
Accumulated Surplus	(1,082,225)	(1,086,322)	(1,085,242)	(1,096,394)	(1,098,634)	(1,107,086)	(1,109,056)	(1,110,948)	(1,112,719)	(1,115,568)
Surplus (Deficit) for period	314	(3,500)	(11,753)	(8,638)	(8,852)	(10,277)	(8,195)	(7,754)	(2,496)	(4,746)
Asset Revaluation Reserve Restricted Assets	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)
	(1001)	(2001.0)	(2.2()	((5.5(5.)	(5.5(5.)	(()	(000'00)	(1.0(.0.)
TOTAL EQUITY	(2,380,223)	(2,383,723)	(2,395,476)	(2,404,115)	(2,412,966)	(2,423,244)	(2,431,439)	(2,439,194)	(2,446,690)	(2,451,436)

			> > ! !		=				TO VIVE	7
	WOLLONGONG CITY COONCI	2	10 Year Financials	sancials	1			0		-
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000
		CASH	CASH FLOW S	STATEMENT	눋					
CASH FLOWS FROM OPERATIONS										
Receipts Rates and Annual Charges	161.443	170.419	179,496	186.125	192.716	199.696	206,070	213.090	220.120	227.772
User Charges & Fees		34,830	37,161	38,909	40,909	42,859	44,706	46,921	49,258	51,339
Investment Incomes		4,485	4,375	4,216	4,067	4,869	5,101	5,294	5,741	4,415
Grants & Contributions Other Operating Receipts	39,538	38,297	40,524	37,231	38,066	38,615	39,163	39,269	39,722	40,421
Payments										
Employee Costs	(94,550)	(97,623)	(101,097)	(104,696)	(108,426)	(110,524)	(114,223)	(118,043)	(122,040)	(125,518)
Materials & Contracts	(87,941)	(88,969)	(90,841)	(94,275)	(99,272)	(105,983)	(112,455)	(118,274)	(124,169)	(131,769)
Other Operating Payments	2,288	2,042	2,000	1,970	1,961	1,960	1,956	1,949	1,945	1,901
NET CASH PROVIDED BY (OR USED IN) OPERATIONS	66,999	72,286	81,387	79,627	80,557	82,473	81,765	82,134	83,011	81,421
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts Sale of Investment securities	2.120	757	(440)	(80)	(674)	(65)	(879)	(999)	(618)	(520)
Proceeds from Sale of Property, Plant & Equip	2,208	2,008	1,522	755	200	1,751	800	006	750	2,300
Payments	1007	(10.00)	(010 04)	(14.004)	(000	(000 01)	(10000)	(1007 02)	(300	(70 540)
Purchase of Property Plant & Equipment Advances to Deferred Debtors	(65,496)	(10,974)	(265,57)	(74,301)	0 0	(78,022)	(70,964)	(73,406)	0 (080,67)	(/6,519)
NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES	(81,302)	(74,209)	(72,271)	(73,626)	(69,074)	(76,335)	(71,043)	(73,174)	(74,964)	(76,739)
CASH FLOWS FROM FINANCING ACTIVITIES Receipts										
Payments Repayments of Borrowings and Advances	(4,778)	(4,892)	(5,153)	(5,280)	(5,415)	(5,557)	(2,808)	(2,966)	(2,481)	0
NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES	(4,778)	(4,892)	(5,153)	(5,280)	(5,415)	(5,557)	(2,808)	(2,966)	(2,481)	0
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS HELD	(19,082)	(6,815)	3,964	720	6,068	581	7,914	5,994	5,566	4,682
Cash at Beginning of Period	96,010	76,928	70,113	74,077	74,797	80,865	81,446	89,360	95,354	100,920
CASH & CASH EQUIVALENTS AT EOY	76,928	70,113	74,077	74,797	80,865	81,446	89,360	95,354	100,920	105,601
PLUS other investment securities	8,548	7,790	8,231	8,311	8,985	9,050	9,929	10,595	11,213	11,733
TOTAL CASH & INVESTMENTS	85,476	77,904	82,308	83,108	89,850	90,496	99,289	105,949	112,133	117,335

MO	WOLLONG	SONG CITY		COUNCIL			SCE	SCENARIO 2	0 2	
			10 Year Financials	nancials						
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000
		INCOME 8	& EXPEN	EXPENSE STATEMENT	EMENT					
EXPENSES FROM ORDINARY ACTIVITIES										
Employee Costs	107,323	110,723	114,596	118,652	122,845	125,419	129,585	133,887	138,382	142,359
Borrowing Costs	3,918	3,754	3,581	3,385	2,916	2,404	2,336	2,155	2,073	1,770
Materials, Contracts & Other Expenses	91,659	95,889	101,963	106,329	111,934	118,928	125,918	131,945	138,233	146,250
Depreciation, Amortisation + Impairment	61,808	62,459	63,222	64,094	64,979	65,876	892'99	67,673	069'89	69,521
Internal Charges (labour)	(10,590)	(10,819)	(11,080)	(11,429)	(11,789)	(12,159)	(12,521)	(12,895)	(13,279)	(13,668)
Internal Charges (not labour)	(1,804)	(1,783)	(1,954)	(2,037)	(2,118)	(2,158)	(2,236)	(2,260)	(2,335)	(2,381)
Efficiency Improvements	(1,000)	(2,000)	(4,000)	(4,500)	(2,000)	(2,000)	(5,130)	(5,263)	(5,400)	(5,541)
Service Reductions	0	0	(100)	(009)	(800)	(1,000)	(1,026)	(1,053)	(1,080)	(1,108)
Total Expenses from Ordinary Activities	251,313	258,223	266,228	273,895	282,967	292,309	303,693	314,189	325,183	337,202
REVENUES FROM ORDINARY ACTIVITIES										
Rates and Annual Charges	164,983	174,771	185,499	191,802	198,440	205,278	211,676	218,936	226,138	233,816
User Charges and Fees	33,300	34,830	37,161	38,909	40,909	42,859	44,706	46,921	49,258	51,339
Interest and Investment Revenues	4,965	4,485	4,375	4,216	4,067	4,869	5,101	5,294	5,741	4,415
Other Revenues	8,829	9,074	9,323	9,577	9,838	10,105	10,376	10,656	10,950	11,070
Grants and Contributions - Operating	28,337	28,900	29,407	29,923	30,448	30,965	31,474	31,990	32,443	33,142
Additional Revenues	120	370	370	370	370	370	380	389	400	410
Revenues [pre capital]	240,535	252,430	266,134	274,797	284,071	294,445	303,713	314,187	324,930	334,192
NET SURPLUS (DEFICIT) [Pre capital]	(10,778)	(5,793)	(63)	905	1,104	2,136	20	(3)	(253)	(3,010)
Capital Grants & Contributions	11,201	9,397	11,118	7,308	7,619	7,650	7,690	7,279	7,279	7,279
NET SURPLUS (DEFICIT)	423	3,604	11,024	8,209	8,723	9,785	7,710	7,276	7,026	4,269

MO	LLONG	WOLLONGONG CITY COUNCIL	CITY	SOUN			SCE	SCENARIO 2	0 2	
			10 Year Financials	nancials						
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000
		FUN	ADING ST	FUNDING STATEMENT	F					
Surplus (Deficit) [pre capital]	423	3,604	11,024	8,209	8,723	9,785	7,710	7,276	7,026	4,269
Add back:										
- Non-cash Operating Transactions	79,481	80,451	81,812	83,264	84,485	85,715	87,427	89,078	90,884	92,353
- Restricted cash used for operations	7,820	8,448	9,397	10,543	11,715	12,964	13,459	13,913	14,371	14,945
- Income transferred to Restricted Cash	(30,846)	(28,486)	(30,860)	(27,519)	(28,158)	(27,919)	(28,524)	(28,253)	(28,890)	(28,741)
- Payment of Accrued Leave Entitlements	(10,131)	(10,430)	(10,737)	(11,054)	(11,380)	(11,715)	(12,061)	(12,418)	(12,785)	(12,955)
- Payment of Carbon Contributions	(208)	(730)	(985)	(1,238)	(1,494)	(1,762)	(2,052)	(2,362)	(5,689)	(3,033)
Funds Available from Operations	46,240	52,857	59,655	62,206	63,891	67,067	65,958	67,234	67,918	66,838
Advances (made by) / repaid to Council	(135)	0	0	0	0	0	0	0	0	0
Borrowings repaid	(4,778)	(4,892)	(5,153)	(5,280)	(5,415)	(2,557)	(2,808)	(2,966)	(2,481)	0
Operational Funds Available for Capital Budget	41,327	47,965	54,502	56,926	58,476	61,510	63,151	64,267	65,437	66,838
CAPITAL BUDGET										
Assets Acquired	(86,433)	(77,178)	(72,623)	(73,872)	(68,471)	(77,547)	(70,496)	(72,947)	(74,643)	(78,060)
Transfers to Restricted Cash Funded From -	0	0	0	0	0	0	0	0	0	0
- Operational Funds	41,327	47,965	54,502	56,956	58,476	61,510	63,151	64,267	65,437	66,838
- Sale of Assets	2,208	2,008	1,522	755	200	1,751	800	006	750	2,300
- Internally Restricted Cash	10,319	5,550	1,883	3,653	929	1,057	2,607	3,386	3,427	3,444
- Capital Grants	0,600	200	602	1,850	1,350	1,200	400	780	1,100	086
- Developer Contributions (Section 94)	099'9	9,079	11,300	8,274	6,468	10,774	2,501	2,871	2,529	3,140
- Other Externally Restricted Cash	16,488	8,821	2,490	2,448	1,400	1,275	750	200	086	1,184
- Other Capital Contributions	100	300	200	150	150	250	200	300	200	400
TOTAL FUNDS SURPLUS / (DEFICIT)	(2,731)	(2,756)	283	183	249	270	213	258	80	226

CURRENT ASSETS Foreign Foreign	MOFFO	LONG	NGONG CITY COUNCIL	CITY (COUN	CIL		SCE	SCENARIO 2	0 2	
Forecast Forecast					nancials						
SAL ANCE SHEET Sees Total State Tota		2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000
ENT ASSETS T6.885 70,136 74,177 74,873 80,916 8 Sabsets 8,58sts 7,793 8,247 8,319 8,991 8 nens Scurities 8,543 7,793 8,247 8,341 8,991 8 ness 10,753 1,13,089 20,758 21,434 22,158 2 CLORRENT ASSETS 114,059 107,514 113,088 114,573 1122,037 11 UNDENT ASSETS 114,059 107,514 113,088 114,573 122,037 11 UNDROLUR ENT ASSETS 114,059 107,514 113,088 114,573 122,037 11 UNDROLUR ENT ASSETS 5,109 5,109 5,109 5,109 5,109 2,438 2,438 IN Plant & Equipment 2,404,627 2,417,282 2,427,627 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650			ш	BALANCE							
Sussests 76,885 70,136 74,177 74,873 80,916 8 Rebises 70,386 7,933 8,242 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 8,941 14,052 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032 14,032	CURRENT ASSETS										
B	Cash Assets	76,885	70,136	74,177	74,873	80,916	81,523	89,438	95,433	100,999	105,682
CURRENT ASSETS 18,762 16,960 20,756 21,434 22,158 2 CURRENT ASSETS 114,059 107,514 113,098 114,573 122,037 12 CURRENT ASSETS 114,059 107,514 113,098 114,573 122,037 12 CURRENT ASSETS 114,059 107,514 113,098 114,573 122,037 12 UNDA CONTRIG for using Equity Method 5,109 5,109 5,109 5,109 5,109 5,109 In Non-CURRENT ASSETS 2,405,718 2,417,82 2,425,141 2,448,650 2,446 2,446,67 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,448,650 2,	Investment Securities	8,543	7,793	8,242	8,319	8,991	9,058	9,938	10,604	11,222	11,742
CURRENT ASSETS 8,941 8,941 8,941 8,941 1,022 CURRENT ASSETS 114,059 107,514 113,098 114,573 122,037 12 CURRENT ASSETS 114,059 107,514 113,098 114,573 1122,037 12 CURRENT ASSETS 114,059 107,514 113,098 114,573 1122,037 12 CURRENT ASSETS 114,059 107,514 113,098 114,573 1122,037 12 CURRENT ASSETS 14,044 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404 104,404	Receivables	18,762	19,690	20,758	21,434	22,158	22,967	23,690	24,507	25,345	26,067
CURRENT ASSETS 114,659 107,514 113,098 114,573 122,037 12 CURRENT ASSETS 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5	Inventories		8,941	8,941	8,941	8,941	8,941	8,941	8,941	8,941	8,941
ETS 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5,109 5	TOTAL CURRENT ASSETS	114.059	107.514	113.098	114,573	122.037	123.548	133.093	140.598	147.650	153.606
Section Sect	NON-CURRENT ASSETS										
ed for using Equity Method 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 984 2445 2544 2544 2544 2544 2544 25448 25448 25448 25448 25448 25448 25448 25448 25448 25448 25448 25448 25448 25448 25448 25448 25448 25448 25448 25448 25448 25448 25448 25448 25448 25448 25448 25448 <td>Non-Current Receivables</td> <td>5,109</td>	Non-Current Receivables	5,109	5,109	5,109	5,109	5,109	5,109	5,109	5,109	5,109	5,109
Part	Investments Accounted for using Equity Method	984	984	984	984	984	984	984	984	984	984
Part	Investment Property		4,211	4,382	4,558	4,738	4,923	5,109	5,294	5,479	5,479
Parity P	Intangible Assets	364	364	364	364	364	364	364	364	364	364
Color Colo	Property, Plant & Equipment	2,404,627	2,417,262	2,425,141	2,434,164	2,437,456	2,447,376	2,450,224	2,454,598	2,459,900	2,466,139
E.S. 2,529,187 2,535,443 2,549,078 2,559,751 2,570,688 2,569,688 2,569,688 2,569,688 2,569,688 2,569,688 2,5467 2,570,688 2,5467 2,570,688 2,5467 2,570,688 2,713 2,980 10,249 10,516 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10	TOTAL NON-CURRENT ASSETS	2,415,128	2,427,929	2,435,979	2,445,178	2,448,650	2,458,755	2,461,788	2,466,347	2,471,835	2,478,074
ES 22,618 23,240 23,960 24,651 25,467 25,467 10,789 10,249 10,516 10,789 10,516 10,789 10,516 10,789 10,516 10,789 10,516 10,789 10,516 10,789 10,516 10,789 10,516 10,789 10,516 10,789 10,516 10,789 10,516 10,789 10,516 10,789 10,516 10,789 10,516 10,789 10,516 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,78	TOTAL ASSETS	2,529,187	2,535,443	2,549,078	2,559,751	2,570,688	2,582,303	2,594,881	2,606,946	2,619,485	2,631,680
Serve Carbon Ca	CURRENT LIABILITIES										
National Parameter 10,745 10,516 10,789 10,516 10,789 10,516 10,789 10,516 10,789 10,516 10,789 10,516 10,789 10,516 10,789 10,516 10,789 10,516 10,526 10,526 10,789 10,516 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789 10,789	Current Payables	22,618	23,240	23,960	24,651	25,467	26,308	27,332	28,277	29,266	30,348
Asimpties	Provisions < 12 Months	9,713	086'6	10,249	10,516	10,789	11,070	11,357	11,653	11,956	12,266
ABILITIES A,892 5,153 5,280 5,415 5,557 ABILITIES T0,366 T2,429 T4,466 T6,467 T8,632 T7,984 Assumption Liabilities 51,030 55,902 61,025 66,336 T1,551 T7,884 A	Provisions > 12 Months	33,145	34,057	34,976	35,885	36,818	37,776	38,758	39,766	40,800	41,860
ABILITIES T0,368 T2,429 T4,466 T6,467 T8,632 E,822 E,822 E,824 E,825 E,8	Current Interest Bearing Liabilities	4,892	5,153	5,280	5,415	2,557	2,808	2,966	2,481	0	0
Searing Liabilities 22,548 17,998 13,150 7,984 15,884 15,884 15,884 15,884 15,884 15,884 15,884 15,882 15,836 17,551 18,227 15,884 15,884 15,982 15,983 15,846 1,098,317 1,082,225 1,087,059 1,126,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1,1226,811 1	TOTAL CURRENT LIABILITIES	70,368	72,429	74,466	76,467	78,632	196,77	80,414	82,176	82,022	84,475
Searing Liabilities 26,829 22,548 17,998 13,150 7,984 13,150 1,984 13,150 1,984 13,150 1,984 13,150 1,984 13,150 1,984 13,150 1,984 14,535 1,984 1,985 1,984 1,985 1,984 1,985 1,984 1,985 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,984 1,9	NON-CURRENT LIABILITIES										
St. St.	Non Current Interest Bearing Liabilities	26,829	22,548	17,998	13,150	7,984	5,380	2,616	338	541	541
17,859 78,450 79,024 79,486 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 79,535 7	Non Current Provisions	51,030	52,902	61,025	986,336	71,551	76,657	81,835	87,140	92,605	98,078
148,227	TOTAL NON-CURRENT LIABILITIES		78,450	79,024	79,486	79,535	82,037	84,451	87,478	93,146	98,618
2,380,960 2,384,564 2,395,588 2,403,798 2,412,520 (1,082,225) (1,087,059) (1,086,083) (1,096,506) (1,098,317) (423) (3,604) (11,024) (8,209) (8,23) (1,226,811) (1,226,811) (1,226,811) (1,226,811) (71,501) (67,090) (71,670) (72,271)	TOTAL LIABILITIES	148,227	150,879	153,489	155,953	158,167	159,997	164,865	169,654	175,167	183,093
(1,082,225) (1,087,059) (1,086,083) (1,096,506) (1,098,317) (423) (1,226,811) (1,226,811) (1,226,811) (1,226,811) (1,226,811) (1,226,811) (1,226,811) (1,226,811) (1,226,811) (1,226,811) (1,226,811) (1,226,811)	NET ASSETS	2,380,960	2,384,564	2,395,588	2,403,798	2,412,520	2,422,306	2,430,016	2,437,292	2,444,318	2,448,587
(1,082,225) (1,087,059) (1,086,083) (1,096,506) (1,098,317) (423) (3,604) (11,024) (8,209) (8,723) (1,226,811) (1,226,811) (1,226,811) (1,226,811) (1,26,811) (77,501)	EQUITY										
(423) (3,604) (11,024) (8,209) (8,723) (8,723) (1,226,811) (1,226,811) (1,226,811) (1,226,811) (71,501) (67,090) (71,670) (72,771) (78,670)	Accumulated Surplus	(1,082,225)	(1,087,059)	(1,086,083)	(1,096,506)	(1,098,317)	(1,106,640)	(1,108,118)	(1,109,524)	(1,110,818)	(1,113,196)
(1,226,811) (1,226,811) (1,226,811) (1,226,811) (1,226,811) (1,226,811) (1,226,811) (71,501) (71,501) (71,670)	Surplus (Deficit) for period	(423)	(3,604)	(11,024)	(8,209)	(8,723)	(6,785)	(7,710)	(7,276)	(7,026)	(4,269)
	Asset Revaluation Reserve Restricted Assets	(1,226,811)	(1,226,811) (67,090)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)
TOTAL FOLITY (2 380 960) (2 384 564) (2 395 588) (2 403 798) (2 412 590) (2 422 306)	TOTAL FOLITY	(2 380 960)	(2 384 564)	(2 395 588)	(2 403 798)	(2 412 520)	(2 422 306)	(2 430 016)	(2 437 292)	(2 444 318)	(2 448 587)

MO	OLLONGONG CITY	BNOS	CITY	COUNCI	SIL		SCE	SCENARIO 2	0 2	
			10 Year Financials	nancials						
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000
		CASH	H FLOW S	CASH FLOW STATEMENI	눋					
CASH FLOWS FROM OPERATIONS										
Receipts Rates and Annual Charges	163.194	173.843	184.430	191,126	197,717	204.468	210.953	218.119	225,300	233.094
User Charges & Fees	33,300	34,830	37,161	38,909	40,909	42,859	44,706	46,921	49,258	51,339
Investment Incomes	4,965	4,485	4,375	4,216	4,067	4,869	5,101	5,294	5,741	4,415
Grants & Contributions	39,538	38,297	40,524	37,231	38,066	38,615	39,163	39,269	39,722	40,421
Other Operating Receipts	8,766	9,252	9,497	9,745	10,001	10,263	10,543	10,832	11,135	11,450
Payments Employee Costs	(94 550)	(97 623)	(101 097)	(104 696)	(108 426)	(110 524)	(114 223)	(118 043)	(122 040)	(125 518)
Materials & Contracts	(88,424)	(91,484)	(95,188)	(98.502)	(103, 129)	(109,929)	(116,501)	(122.424)	(128.427)	(136,139)
Borrowing Costs	(1,192)	(1,077)	(957)	(829)	(695)	(552)	(402)	(243)	(75)	0
Other Operating Payments	2,288	2,042	2,000	1,970	1,96,1	1,960	1,956	1,949	1,945	1,901
NET CASH PROVIDED BY (OR USED IN) OPERATIONS	67,887	72,564	80,743	79,171	80,401	82,028	81,298	81,674	82,559	80,963
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts Sale of Investment securities	2.125	750	(448)	(22)	(672)	(67)	(878)	(999)	(618)	(520)
Proceeds from Sale of Property, Plant & Equip	2,208	2,008	1,522	755	200	1,751	800	006	750	2,300
Payments							000			
Purchase of Property Plant & Equipment Advances to Deferred Debtors	(86,433)	(77,178)	(72,623)	(73,872)	(68,471)	(77,547)	(70,496)	(72,947)	(74,643)	(78,060)
NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES	(82,235)	(74,420)	(71,550)	(73,195)	(68,943)	(75,863)	(70,575)	(72,713)	(74,512)	(76,280)
CASH FLOWS FROM FINANCING ACTIVITIES Receipts										
Payments Repayments of Borrowings and Advances	(4,778)	(4,892)	(5,153)	(5,280)	(5,415)	(5,557)	(2,808)	(2,966)	(2,481)	0
NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES	(4,778)	(4,892)	(5,153)	(5,280)	(5,415)	(5,557)	(2,808)	(2,966)	(2,481)	0
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS HELD	(19,125)	(6,748)	4,041	969	6,044	209	7,915	5,995	5,566	4,683
Cash at Beginning of Period	96,010	76,885	70,136	74,177	74,873	80,916	81,523	89,438	95,433	100,999
CASH & CASH EQUIVALENTS AT EOY	76,885	70,136	74,177	74,873	80,916	81,523	89,438	95,433	100,999	105,682
PLUS other investment securities	8,543	7,793	8,242	8,319	8,991	9,058	866'6	10,604	11,222	11,742
TOTAL CASH & INVESTMENTS	85,427	77,929	82,419	83,192	89,907	90,582	99,376	106,036	112,221	117,425

OW	WOLLONGONG CITY COUNCIL	SONG	CITY (COUN	믕			SC	SCENARIO 3	03
	2004 4145	20045140	10 Year Financials	nancials	004040	00/0700	Polococ	0004 1000	COLOGO	Valenco de
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000	201 //18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000
		INCOME ?	& EXPEN	EXPENSE STATEMENT	EMENT					
EXPENSES FROM ORDINARY ACTIVITIES										
Employee Costs	107,323	110,723	114,596	118,652	122,845	125,419	129,585	133,887	138,382	142,359
Borrowing Costs	3,918	3,754	3,581	3,385	2,916	2,404	2,336	2,155	2,073	1,770
Materials, Contracts & Other Expenses	91,659	95,889	101,963	106,329	111,934	118,928	125,918	131,945	138,233	146,250
Depreciation, Amortisation + Impairment	61,808	62,659	63,522	64,394	62,279	66,163	62,029	296,79	68,889	69,823
Internal Charges (labour)	(10,590)	(10,819)	(11,080)	(11,429)	(11,789)	(12,159)	(12,521)	(12,895)	(13,279)	(13,668)
Internal Charges (not labour)	(1,804)	(1,783)	(1,954)	(2,037)	(2,118)	(2,158)	(2,236)	(2,260)	(2,335)	(2,381)
Efficiency Improvements	(1,000)	(2,000)	(3,500)	(3,500)	(3,500)	(3,591)	(3,684)	(3,780)	(3,878)	(3,979)
Service Reductions	0	0	0	0	0	0	0	0	0	0
Total Expenses from Ordinary Activities	251,313	258,423	267,128	275,795	285,567	295,005	306,456	317,020	328,083	340,174
REVENUES FROM ORDINARY ACTIVITIES										
Rates and Annual Charges	166,016	176,837	188,598	194,901	201,539	208,872	215,378	222,749	230,066	237,849
User Charges and Fees	33,300	34,830	37,161	38,909	40,909	42,859	44,706	46,921	49,258	51,339
Interest and Investment Revenues	4,965	4,485	4,375	4,216	4,067	4,869	5,101	5,294	5,741	4,415
Other Revenues	8,829	9,074	9,323	9,577	9,838	10,105	10,376	10,656	10,950	11,070
Grants and Contributions - Operating	28,337	28,900	29,407	29,923	30,448	30,965	31,474	31,990	32,443	33,142
Additional Revenues	0	0	0	0	0	0	0	0	0	0
Revenues [pre capital]	241,448	254,126	268,863	277,526	286,800	297,669	307,036	317,610	328,458	337,815
NET SURPLUS (DEFICIT) [Pre capital]	(9,865)	(4,297)	1,736	1,731	1,233	2,664	280	590	375	(2,359)
Capital Grants & Contributions	11,201	9,397	11,118	7,308	7,619	7,650	2,690	7,279	7,279	7,279
NET SURPLUS (DEFICIT)	1,336	5,100	12,853	9,038	8,852	10,314	8,270	7,869	7,654	4,920

OM	WOLLONGONG CITY COUNCIL	SONG	CITY	COUN	CIL			SC	SCENARIO 3	03
			10 Year Financials	nancials						
	2014/15 Forecast	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast
	\$.000	\$,000	\$.000	\$.000	\$,000	\$.000	\$.000	\$,000	\$.000	\$.000
		FUN	IDING ST	FUNDING STATEMENT	L					
Surplus (Deficit) [pre capital]	1,336	5,100	12,853	9,038	8,852	10,314	8,270	7,869	7,654	4,920
Add back:										
- Non-cash Operating Transactions	79,481	80,651	82,112	83,564	84,785	86,001	87,717	89,373	91,182	92,655
- Restricted cash used for operations	7,820	8,448	9,397	10,543	11,715	12,964	13,459	13,913	14,371	14,945
- Income transferred to Restricted Cash	(30,846)	(28,486)	(30,860)	(27,519)	(28,158)	(27,919)	(28,524)	(28,253)	(28,890)	(28,741)
- Payment of Accrued Leave Entitlements	(10,131)	(10,430)	(10,737)	(11,054)	(11,380)	(11,715)	(12,061)	(12,418)	(12,785)	(12,955)
- Payment of Carbon Contributions	(208)	(730)	(385)	(1,238)	(1,494)	(1,762)	(2,052)	(2,362)	(2,689)	(3,033)
Funds Available from Operations	47,153	54,553	61,784	63,335	64,320	67,882	608'99	68,121	68,844	67,792
Advances (made by) / repaid to Council	(135)	0	0	0	0	0	0	0	0	0
Borrowings repaid	(4,778)	(4,892)	(5,153)	(5,280)	(5,415)	(2,557)	(2,808)	(2,966)	(2,481)	0
Operational Funds Available for Capital Budget	42,240	49,661	56,631	58,055	58,905	62,325	64,001	65,155	66,363	67,792
CAPITAL BUDGET										
Assets Acquired	(87,346)	(78,874)	(74,752)	(75,001)	(68,900)	(78,362)	(71,346)	(73,834)	(75,569)	(79,014)
Transfers to Restricted Cash	0	0	0	0	0	0	0	0	0	0
- Operational Funds	42,240	49,661	56,631	58,055	58,905	62,325	64,001	65,155	66,363	67,792
- Sale of Assets	2,208	2,008	1,522	755	200	1,751	800	006	750	2,300
- Internally Restricted Cash	10,319	5,550	1,883	3,653	929	1,057	2,607	3,386	3,427	3,444
- Capital Grants	009'9	700	200	1,850	1,350	1,200	400	780	1,100	086
- Developer Contributions (Section 94)	099'9	9,079	11,300	8,274	6,468	10,774	2,501	2,871	2,529	3,140
- Other Externally Restricted Cash	16,488	8,821	2,490	2,448	1,400	1,275	750	200	086	1,184
- Other Capital Contributions	100	300	200	150	150	250	200	300	200	400
TOTAL FUNDS SURPLUS / (DEFICIT)	(2,731)	(2,756)	283	183	249	270	213	258	80	226

MOI	WOLLONG	NGONG CITY COUNCIL	CITY	COUN	SIL			SCE	SCENARIO 3	03
			10 Year Financials	nancials						
	2014/15 Forecast	2015/16 Forecast	2016/17 Forecast	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast
0±1004 Fix10010			BALANCE SHEE!	SHEEL						
Cash Assets	76.821	70.033	74.058	74.835	80.935	81.515	89.429	95.422	100.987	105.669
Investment Securities	8,536	7,781	8,229	8,315	8,993	9,057	9,937	10,602	11,221	11,741
Receivables	18,833	19,822	20,971	21,647	22,370	23,218	23,949	24,774	25,620	26,350
Inventories	8,941	8,941	8,941	8,941	8,941	8,941	8,941	8,941	8,941	8,941
Other	929	955	981	1,006	1,032	1,059	1,087	1,115	1,144	1,174
TOTAL CURRENT ASSETS	114,059	107,532	113,179	114,744	122,271	123,791	133,341	140,853	147,911	153,874
NON-CURRENT ASSETS				1			1			1
Non-Current Receivables	5,109	5,109	5,109	5,109	5,109	5,109	5,109	5,109	5,109	5,109
Investments Accounted for using Equity Method	984	984	984	984	984	984	984	984	984	984
Investment Property	4,045	4,211	4,382	4,558	4,738	4,923	5,109	5,294	5,479	5,479
Intangible Assets	364	364	364	364	364	364	364	364	364	364
Property, Plant & Equipment	2,405,540	2,419,671	2,429,379	2,439,231	2,442,652	2,453,100	2,456,508	2,461,475	2,467,405	2,474,295
TOTAL NON-CURRENT ASSETS	2,416,041	2,430,338	2,440,217	2,450,245	2,453,846	2,464,480	2,468,072	2,473,224	2,479,340	2,486,230
TOTAL ASSETS	2,530,100	2,537,870	2,553,397	2,564,989	2,576,118	2,588,270	2,601,414	2,614,077	2,627,251	2,640,104
CURRENT LIABILITIES										
Current Payables	22,618	23,258	24,041	24,822	25,701	26,550	27,581	28,532	29,527	30,616
Provisions < 12 Months	9,713	086'6	10,249	10,516	10,789	11,070	11,357	11,653	11,956	12,266
Provisions > 12 Months	33,145	34,057	34,976	35,885	36,818	37,776	38,758	39,766	40,800	41,860
Current Interest Bearing Liabilities	4,892	5,153	5,280	5,415	2,557	2,808	2,966	2,481	0	0
TOTAL CURRENT LIABILITIES	70,368	72,447	74,547	76,638	78,866	78,203	80,663	82,431	82,283	84,742
NON-CURRENT LIABILITIES										
Non Current Interest Bearing Liabilities	26,829	22,548	17,998	13,150	7,984	5,380	2,616	338	541	541
Non Current Provisions	51,030	52,902	61,025	966,336	71,551	76,657	81,835	87,140	92,605	98,078
TOTAL NON-CURRENT LIABILITIES	77,859	78,450	79,024	79,486	79,535	82,037	84,451	87,478	93,146	98,618
TOTAL LIABILITIES	148,227	150,897	153,570	156,124	158,401	160,240	165,114	169,908	175,428	183,361
NET ASSETS	2,381,873	2,386,973	2,399,826	2,408,865	2,417,716	2,428,030	2,436,300	2,444,169	2,451,823	2,456,743
EQUITY										
Accumulated Surplus	(1,082,225)	(1,087,972)	(1,088,492)	(1,100,744)	(1,103,384)	(1,111,836)	(1,113,842)	(1,115,808)	(1,117,695)	(1,120,700)
Surplus (Deficit) for period	(1,336)	(2,100)	(12,853)	(8:038)	(8,852)	(10,314)	(8,270)	(2,869)	(7,654)	(4,920)
Asset Revaluation Reserve	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)	(1,226,811)
Nestroied Assets	(100,17)	(060,10)	(0.70,1.7)	(17,2,1)	(0,0,0,1)	(0.10,61)	(116,10)	(100,08)	(69,66)	(2104,017)
TOTAL EQUITY	(2,381,873)	(2,386,973)	(2,399,826)	(2,408,865)	(2,417,716)	(2,428,030)	(2,436,300)	(2,444,169)	(2,451,823)	(2,456,743)

IOM	LONG	BONG	CITY 0	OLLONGONG CITY COUNCIL	CIL.			SCE	SCENARIO 3	D 3
			10 Year Financials	nancials						
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	\$'000	\$,000	\$'000	\$'000	\$,000	\$,000	\$'000	\$.000	**************************************	\$.000
		CASH	I FLOW 8	CASH FLOW STATEMENT	۲.					
CASH FLOWS FROM OPERATIONS										
Receipts Dates and Applied Charges	16.4.156	175 949	187 448	104 225	918 000	ACO 800	211 617	224 024	000 000	037 100
User Charges & Fees	33,300	34,830	37.161	38,909	40,909	42.859	44.706	46.921	49,258	51,339
Investment Incomes	4,965	4,485	4,375	4,216	4,067	4,869	5,101	5,294	5,741	4,415
Grants & Contributions	39,538	38,297	40,524	37,231	38,066	38,615	39,163	39,269	39,722	40,421
Other Operating Receipts	8,646	8,882	9,127	9,375	9,631	6,893	10,164	10,443	10,736	11,040
Payments	10.4	(000 20)	(404 004)	1904 606)	(400,400)	(4.0.50.4)	(444,000)	(440 040)	(400 040)	(400 540)
Materials & Contracts	(88,000)	(97,023)	(101,097)	(104,696)	(105,426)	(110,524)	(118 967)	(118,043)	(122,040)	(128,516)
Borrowing Costs	(1,192)	(1,077)	(95,759)	(829)	(695)	(552)	(402)	(124,334)	(75)	0,00,001)
Other Operating Payments	2,288	2,042	2,000	1,970	1,961	1,960	1,956	1,949	1,945	1,901
NET CASH PROVIDED BY (OR USED IN) OPERATIONS	68,729	74,217	82,855	80,390	80,893	82,813	82,147	82,560	83,483	81,916
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts Sale of Investment securities	2.132	754	(447)	(98)	(878)	(64)	(879)	(999)	(618)	(520)
Proceeds from Sale of Property, Plant & Equip	2,208	2,008	1,522	755	200	1,751	800	006	750	2,300
Payments										
Purchase of Property Plant & Equipment	(87,346)	(78,874)	(74,752)	(75,001)	(006'89)	(78,362)	(71,346)	(73,834)	(75,569)	(79,014)
Advances to Deferred Debtors	(135)	O	0	O	O	O	O	O	O	O
NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES	(83,140)	(76,112)	(73,677)	(74,333)	(69,378)	(76,675)	(71,426)	(73,600)	(75,437)	(77,234)
CASH FLOWS FROM FINANCING ACTIVITIES			ĺ				İ			
Necelpts										
Repayments of Borrowings and Advances	(4,778)	(4,892)	(5,153)	(2,280)	(5,415)	(5,557)	(2,808)	(2,966)	(2,481)	0
NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES	(4,778)	(4,892)	(5,153)	(5,280)	(5,415)	(5,557)	(2,808)	(2,966)	(2,481)	0
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS HELD	(19,190)	(6,787)	4,025	777	6,100	580	7,913	5,993	5,565	4,682
Cash at Beginning of Period	96,010	76,821	70,033	74,058	74,835	80,935	81,515	89,429	95,422	100,987
CASH & CASH EQUIVALENTS AT EOY	76,821	70,033	74,058	74,835	80,935	81,515	89,429	95,422	100,987	105,669
PLUS other investment securities	8,536	7,781	8,229	8,315	8,993	9,057	9,937	10,602	11,221	11,741
TOTAL CASH & INVESTMENTS	85,356	77,815	82,287	83,150	89,928	90,573	99,365	106,024	112,207	117,410

Assumptions, Indices and Measurements

Indices

The financial forecasts that support the Long Term Financial Plan are comprised of both recurrent and non-recurrent income and expenditure. The non-recurrent items are addressed in the Long Term Financial Plan and 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.

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

li	ndices			
	2014/15 %	2015/16 %	2016/17 %	2017/18 + %
CPI - general expenditure	2.3	2.75	2.7	2.6
Expenditure growth	0.3	0.3	0.3	0.3
Fees and Charges -Commercial -Other	3.0 3.0	3.0 3.0	3.0 3.0	3.0 3.0
Employee Costs -Wages costs -Skills & Performance adjustments -Superannuation lewy increase	3.0 0.3 0.25	3.0 0.3 0.50	3.0 0.3 0.50	3.0 0.3 0.50
Rates Increase - rate peg* Rates Increase - growth Total Rate increase applied	2.70 0.40 3.10	3.00 0.40 3.40	3.00 0.40 3.40	3.00 0.40 3.40
Interest Rates (90 day bill rate)	3.00	4.10	4.70	4.70
Loan borrowing rate	6.9	7.5	7.6	7.6
Utilities -Electricity -Other Utilities -Street lighting	3.3 3.3 3.3	7.0 3.7 3.7	7.0 3.7 3.7	7.0 3.6 3.6
* rate peg for 2014-15 includes a claw back of 0.	3% for carbon to	ax increases allo	w ed in previous	years

The above indices were derived from a number of publications including long term economic projections published by various banks, the Quarterly Economic Brief from Deloitte Access Economics and IPART recommendations for various utilities and rates pegging.

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.

Much of the population growth is expected to be centred on new residential developments at West Dapto in Wollongong's south-west. Growth will also continue through increased density in some urban areas.

The underlying income growth assumption in the long term financial plan projections is that Council rates revenue will grow by 0.4% per annum. Expenditure growth will be partially absorbed through economies of scale leaving a 0.3% increase provided for expansion in delivery of service to new development.

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 additional rate revenue as properties are developed. Council's forecasts do not include the full extent of services expected from development in West Dapto as this is still in the planning phase. Council has made a decision to 'ring fence' additional rates revenue from West Dapto to be used in providing these services into the future.

Consumer Price Index (CPI)

Consumer price index has been applied to some expenditure within the Long Term Financial Plan where applicable. The estimated CPI has been based on the Quarterly Economic Brief from Deloitte Access Economics

Carbon Pricing

While there is uncertainty in the future application of carbon price the current estimates are inclusive of existing legislation and cost structures.

Employee Costs

Operational Employee costs represent 38.0% of Council's operating expenses and includes 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 baseline projections are based on the current Employee Establishment and service levels. Additional labour costs related to specific non recurrent projects (where identified) are also included. The majority of staff is employed under a negotiated Enterprise Agreement that is subject to renewal every three years, with the next renewal period being 1 July 2015.

The cost of employees working on capital projects is allocated to specific projects as work is undertaken and not included in Operational Employee costs. This includes design, survey, project management and supervision, and construction staff. The budget includes an estimate of the annual employee allocation expected to be made to capital works and this is reflected in Internal Charges (labour) in the Income and Expense Statement.

Labour costs have been indexed by the Wage Cost Index while associated costs have generally been indexed by CPI. In addition to anticipated indexation increases, an additional 0.3% is provided for skills and performance improvements that are assessed on an annual basis.

The Wage Cost Index reflects expected overall increases in labour costs and is based on a number of factors including Local Government (State) Award, potential outcome of the renewal of the current employee Enterprise Agreement, information from external forecasting bodies and movements in staff. 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 as well as expected wage increases. The majority of 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 accumulation scheme contributions are calculated at the current Superannuation Guarantee Levy of 9.5% of wages for those staff. Employee cost forecasts include the impact of an increase to the Superannuation Guarantee levy to 12.0% by 2020 that has now been approved by the Federal Government.

Utility Cost

Projected increases for utility costs are generally based on Independent Pricing and Regulatory Tribunal (IPART) publications other than for electricity which also includes recognition of specific negotiated contracts that are in place for Council sites (large sites and street lighting until June 2016 and smaller sites June 2014).

Rates Increases (Rate Pegging)

Rate revenue projections in the long term financial plan are based on application of the maximum permissible increase and an allowance for growth in rateable properties.

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 in December. The rate peg is based on previous year movement in the Local Government Cost Index that has been established by IPART less a productivity coefficient. For 2014-15, IPART will apply an additional 0.3% discount for carbon tax impact applied in prior periods.

A general growth factor of approximately 0.4% per annum has been included for the years 2014-15 and beyond. This is based on historical and future expectations of growth and equates to approximately 420 additional properties. In addition, growth has also been built into the forecasts for expected development at West Dapto and this has been aligned to estimated staging of that release area.

Borrowings

Loan borrowings are based on ten year Treasury bond rate + 1.5% margin. Details of specific loans are as follows:

Interest Free Loan

The operating expenses shown in Council's forecasts include a borrowing cost for an interest free loan that Council received in 2009-10 for the West Dapto Access Strategy. As that loan is an interest free loan, it is accounted for at fair value. The value of the interest free loan in each period is the Net Present Value of the future repayments that will be made over the remaining life of the asset. The \$26.05 million loan was originally recognised as a liability of only \$17.3 million while the difference between that and the actual cash received was treated as income in 2009-10. There is a notional interest expense recorded each year to reflect the amortisation of this notional income and the increase in the Net Present Value (NPV) over the life of the loan.

Waste Facility Remediation

Council is required under its accounting standards to recognise the value of its waste facilities inclusive of remediation works that are 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 State Government announced the introduction of the Local Infrastructure Renewal Scheme (LIRS) in late 2011. The scheme initially provided a 4.0% interest subsidy and aims to provide an incentive to councils to make greater use of debt funding to accelerate investment in infrastructure backlogs and augment funding options already available to councils. Council received approval for a subsidised \$20 million loan borrowing that will be used over a five year period to accelerate the Pathway Renewal program. The accelerated works have been included in the capital budget for completion in years to 2016-17.

An additional \$4.3 million subsidised loans was approved under Round Two of the LIRS program to be used for building renewals. The subsidy in Round Two was reduced to 3.0%. Further applications are anticipated for Round Three in 2014 subject to the level of subsidy offered providing economic advantage.

Investment Returns

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. It is expected that the average annual portfolio over the ten years will be in the vicinity of \$90 million. Investment returns are based on anticipated cash holdings, forecast 90 day bill rates and current investment strategies. Council is required to restrict any interest attributed to Section 94 developer contributions, domestic waste management and a number of grants.

Grants & 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 2014-15 is estimated at \$26.6 million and represents approximately 11.3% of operational revenue. The major general purpose or untied grants are the Financial Assistance Grant (FAG) and Pensioner Rate subsidy.

The FAG 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 projected income for the FAG grant for 2014-15 is \$17.9 million. Subsequent year's indexation is predominantly based on expected CPI without the timing distortion of the early payment.

The Pensioner Rate Subsidy is provided by the State Government to offset the cost of the mandatory pensioner rebate. It is expected that Council will receive \$2.3 million income for this in 2014-15. 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 of approximately \$3 million from Federal and State sources for community transport and social support programs. Council has been delivering these services to the community for over twenty years. However, in the last five years those services have been operating at cost neutral to council. The Federal Government has recently commenced a reform of aged and disability services that will impact on how these services may be delivered in the future and on what Council's role may be. The programs are funded till June 2015. Council is in the process of evaluating the impact of the reforms on the delivery of our service, and exploring potential service and governance models for delivery of these programs in the future.

There has also been a change in funding availability from the Waste and Sustainability Improvement Program (Wasip.). Under this program funds were allocated from State Government levies on waste and cover material at landfills. This grant ceased in 2012-13 and provided over \$1.3 million for additional environmental and waste focused tasks. The State finalised this program and had implemented a transitional arrangement that provided Council one more year in 2013-14 of funding that was received in 2012-13. Additional funds may become available through the Waste Less Recycle More grants that will replace WaSIP allocations from the Waste Levy. Estimates of funding have not been made available at this stage.

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 (Section 94) 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 capital works program. Impacts may include changes in timing of projects pending as alternate sources of funding or substitution of Council funding which may result in a delay in non-funded projects. Projects that are heavily reliant on external funding include West Dapto and the repayment of the interest free loan for West Dapto Access Strategy that is supported by expected Section 94 receipts.

Waste Facility

Waste facility costs are impacted by a range of external factors including increased industry regulation, state government environmental levies and carbon pricing. The current financial forecast is based on an assumption that Council will continue to incur the full impact of carbon pricing and that this will be recouped through charges to users of the waste facilities. Changes to legislation and/or the development and implementation of new technologies may mitigate this impact in the future. Carbon pricing is currently based on the assumption that waste collected today will create emissions for many years. Operators of waste facilities that meet the carbon emission threshold will need to ensure that sufficient cash is collected through the annual fee structure so that future liabilities can be met. The carbon price will be paid in arrears and unspent fund will be shown in the balance sheet as a liability. This requirement creates a future financial risk if insufficient funds are collected, and conversely opportunity for reduced cost if the legislation is repealed.

Waste facilities operations are more significantly impacted by the requirement to pay an Environmental Levy on waste that goes to land fill and on any cover materials used to manage waste that are sourced externally. The cost of the levy for 2014-15 is anticipated to be \$120.50 per tonne and is expected to increase by approximately \$11 + 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

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 must be calculated so as to not exceed the reasonable cost to the council of providing those services. The charge calculated for 2014-15 and beyond will be based on the full recovery of the service, including appropriate charge 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, increased environmental levies for landfill and carbon price. 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 that 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 and the built and natural environment, and to contribute to a low pollution future. In addition to a planning role, councils also own or directly manage a range of assets that potentially will be impacted by climate change. Additional expenditure for this role or potential eventualities have not been specifically included in current forecasts. Increased emphasis on climate change related activities may require a redirection of funding.

Restricted Assets

The level of available or untied cash is expressed as cash and investment holdings after allowance for restricted asset. 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 that have been provided to Council for the delivery of a particular project or service, funds collected as developer contribution under Section 94 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 that Council has determined will be used for a specific future purpose such as the future replacement of waste facilities. A comprehensive review of internal restrictions was undertaken in 2009 that resulted in Council resolving to rationalise a number of internally restricted assets. This approach was consistent with the introduction of improved management of capital works through a centralised process and a longer term planning focus. The current Long Term Financial Plan maintains this approach.

The following table shows anticipated restrictions:

		2014	1/15 Fo \$'000	recast	2015	5/16 Fc \$'000	orecast)	2010	6/17 Fc \$'000	orecast)
PURPOSE OF RESTRICTED CASH	OPENING BALANCE 1/07/14	Tran In	sfer Out	Balance 30/06/15	Tran In	sfer Out	Balance 30/06/16	Tran In	sfer Out	Balance 30/06/1
Internally Restricted Cash	·									
Community Infrastructure	3,348			3,348			3,348			3,34
MacCabe Park Development	540	150		690	150		840	150		99
City Parking Strategy	842	386	50	1,178	369	300	1,247	352	300	1,30
Sports Priority Program	414	267	150	531	267	150	647	267	150	7
Telecommunications Revenue	207	34	33	208	34	33	209	35	33	2
West Dapto Rates (additional)	287	391	1,723	(1,045)	563	1,790	(2,272)	800		(1,47
Darcy Wentworth Park	132	33		165	34		198	35		2
Vaste Disposal Facilities ***	13,887	3,687	8,413	9,162	3,527	3,327	9,363	3,470	1,420	11,4
Total Internal Restricted Cash	19,657	4,948	10,369	14,236	4,945	5,600	13,582	5,109	1,903	16,7
Externally Restricted Cash										
Section 94	11,292	9,236	6.756	13.772	8,972	9.176	13,569	11.162	11 396	13.3
Grants	10,777	8,526		8.092	6,917	5,617	9,392	6,489		9,9
Loan Repayments	31,573		15,188	16,385	- /-	7,961	8,425	-,	1,005	7,4
Carbon Pricing	4,557	3,134	508	7,183	3,293	730	9,746	3.711	982	12.4
Domestic Waste Management	7,803	1,356		9,158	661	255	9,564	636	855	9,3
External Service Charges to Restricted Assets	47	49		96	50		146	51		1:
Other Contributions	2,194	480	525	2,149	490	536	2,103	499	513	2,0
Special Rates Levies - City Centre + Mall	225	1,388	1,419	195	1,423	1,457	161	1,459	1,496	1:
Stormwater Management	516	1,729	2,012	233	1,736	1,566	403	1,743	2,181	(3
Total External Restricted Cash	68,985	25,898	37,618	57,265	23,541	27,297	53,508	25,750	24,376	54,8
Grand Total	88.642	30.846	47.987	71.501	28.486	32.897	67.090	30.860	26.279	71.6

Asset Management - Valuation and Asset Lives

As an industry, Local Government has recognised it is faced with an asset maintenance shortfall and has a need to provide for ongoing asset replacement. The consumption of these assets is represented by deprecation 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. In addition, changing technologies may impact on renewal and maintenance costs. Ongoing refinement of these forecasts may result in revised useful lives which would impact on deprecation expenditure.

West Dapto Development

Some aspects of the West Dapto release area have been progressed to a stage where they can be introduced into Council's Long Term Financial Plan. In particular, the development of the road works as outlined in the West Dapto Access Strategy was introduced in part in the 2010-11 capital budget and future years. The project, as included, is funded from existing Section 94 Funds, Building Better Regional Cities Grant, Council revenue, and the interest free loan from the Department of Planning.

Loan repayments have been set by the Department of Planning over a 10 year period. It is intended that for the most part the loan repayment will be funded by future Section 94 Funds and rates revenue from West Dapto. Estimates have been included for Section 94 Income from West Dapto based on current lot development projections and current estimated pricing for the West Dapto Section 94 Plan. These prices are subject to review and approval by the Department of Planning.

In accordance with Council's Financial Strategy, additional rate revenue raised through subdivisions in the West Dapto release area will be transferred to an internal restriction and used to assist in funding West Dapto works. Funding has been applied to debt repayments over the first ten years.

No other expenditures relating to the release area have been included. There is significant planning and analysis required in estimating the financial impacts of the development which cannot be satisfactorily completed until there is greater certainty in relation to service and assets plans for the area.

Section 94 Income (Excluding West Dapto)

Section 94 income projections are based on the adopted plan and anticipated timing of receipts. The recent economic climate has had a significant impact on projected income. There are a range of projects that have been included in the Delivery Program that are 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.

Property Sales and Investment

The current base line forecast includes one provision for property sales of \$3.6 million in the Year 2013-14. 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 added to budgeted sources of funding. Consideration of advancing existing projects or investing in new assets to be funded from sales will be given at that time.

Sensitivity to Indices, Assumptions, Parameters

The breadth of external influences on Council's operations means that the relationship between long term income and expenses estimates 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 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 changes in cost and changes in revenues that impact the Key Financial Indicators. 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) that is considered most crucial.

The current base line plan includes increases in rates tied to the prior year CPI increase. Employee costs have been indexed at 3.5% each year.

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

Net Cost of indexation - E	mployee Cos	sts versus R	ates
	2014/15	2015/16	2016/17
	Forecast	Forecast	Forecast
	\$000	\$000	\$000
Total Employee Costs	96,510	99,708	103,340
Total Rates Revenue	(128,492)	(133,152)	(138,033)
NET REVENUE	(31,982)	(33,444)	(34,692)

It can be seen that this relationship has created a slight increase in the net revenue result each year. This increase is predominately due to the growth allowed in rates in line with new properties. The estimates for employee costs do not provide for any growth in establishment over this time. This assumption is described earlier and is based on the need for increased efficiencies and economies of scale. This assumption may be challenged over time.

The risk to Council is that employee increases exceed the rates increase by a margin greater than forecast going forward. There is immediate risk in this assumption as there is currently an Enterprise Agreement negotiation due in 2015 and every three years after. Should the agreed increases exceed indexation forecasts there will be immediate pressure on this equation. Employee costs are a reflection of employee wages and establishment numbers so adjustments are able to be made to numbers if the individual rates exceed expectations, but this is difficult to achieve without impacting services. Efficiency is built into Council's forecasts through the optional scenario's to be implemented that would make a decision such as this more difficult.

Should, for example, the relationship between employee costs and rates move by 1 percent in an adverse direction (from a results perspective) the net revenue variation would be as shown below.

Net Cost Employee Costs versus Rates (1% variance)						
	2014/15 2015/16 2016 Forecast Forecast Forec \$000 \$000 \$00					
Total Employee Coate	97,475	100,705	104,374			
Total Employee Costs Total Rates Revenue	(128,492)	(133,152)	(138,033)			
NET REVENUE	(31,017)	(32,447)	(33,659)			
NET VARIATION	(965)	(997)	(1,033)			

The analysis shown in the table indicates Council's sensitivity to small changes in the indexation of wages. The one percent variation in one year that is not offset by similar indexation in revenue (rates) will reduce the bottom line by approximately \$1 million. This information can be extrapolated to show that if just one percent variation was incurred over the three year period the cost would exceed \$3 million per annum.

Sensitivity Analysis 2

Council's underlying long term financial challenge is linked to the need to renew its extensive level of infrastructure assets used in providing services. 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).

The estimates of useful life are averaged for each asset type. Life is estimated using information available from condition assessment, industry standards and design information. Some classes of assets, such as drains and roads, have very long lives and in many cases Wollongong City Council has not yet needed to replace the current assets. Therefore, accurate information on actual life has a degree of uncertainty. This sensitivity analysis is provided to show the impact of a change in the useful life.

To illustrate this sensitivity, a broad variation to the assumptions will be analysed. It is considered that this assumption would not vary in this way in practice; however, potential adjustments to asset lives could have a similar effect. For this sensitivity analysis, it is assumed that the asset lives of roads, drainage, and buildings are extended by 10%.

Depreciation - 10 % increase in asset lives							
2014/15 2015/16 2016/17							
	Forecast	Forecast	Forecast				
	\$000	\$000	\$000				
Current Depreciation	62,808	63,659	64,522				
Scenario 2 Depreciation	57,818	58,601	59,395				
NET REVENUE VARIATION	4,990	5,058	5,127				

The outcomes of this analysis shows that the improvements in the bottom line effected by a change to asset lives is significant, although even with a 10% variation the funding gap remains high. While Council has expended substantial effort in improving asset information and assessment over a period of time, variation such as this remain a possible outcome as new information is brought to hand.

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 will require change and flexibility to ensure targets are reached.

Budget Limitations/Development

The current financial information has a number of recognised limitations as follows that will require adjustment over a period of time:

West Dapto Development

The West Dapto release area has commenced development from 2011-12. The current capital works program includes part of the West Dapto Access Strategy valued at \$26.9 million predominately funded by loans and Section 94. Estimates for anticipated Section 94 contributions have been included based on preliminary development and Section 94 estimates. Rate revenue increases have also been estimated based on the current development projections. Depreciation expense based on the planned capital program is included.

There is significant planning and analysis required in estimating the financial impacts of the development which cannot be satisfactorily completed until there is greater certainty in relation to service and assets planned for the area.

Internal Charging

There have been continuing efforts to better reflect the costs of capital and services by distributing the cost of internal assets and services. There are existing charges for buildings, plant, vehicles, desktop computing, marketing, printing, waste tipping fees, insurances, Fringe Benefits Tax (FBT), cost of capital (plant and vehicles only), and internal labour services. There has been some change in the current plan to provide greater levels of service cost understanding by increasing the use of internal charging to include other asset classes where assets are used in specific services but are managed and maintained by another area. This has included such things as roads, bridges and footpaths in parks, tourist parks, crematorium and cemeteries, and recreation assets that were not previously captured against that service.

Understanding the Financials - Measurements

Council's Delivery Program includes an Income and Expense Statement for the Council. This shows the amount of income Council receives and how it plans to spend it. A Funding Statement is included to show how operational deficits (or surpluses) translate into funds available and how those funds together with non-operating income are allocated.

Council's financial estimates are based around five important 'bottom line' considerations:

Net Surplus (Deficit) [pre capital]

The Net Surplus (Deficit) [pre capital] is considered to be one of the main indicators of the long term viability of Council. In broad terms, a deficit from operations indicates that Council is not earning sufficient revenue to fund its ongoing operations (services) and continue to renew existing assets, which are an integral part of that service, when required. The indicator includes significant accounting and engineering estimates relating to the consumption of long lived assets (depreciation) which significantly impact this result.

Net Surplus/(Deficit)

This result in the Income and Expense Statement includes the dedication of, or cash contribution to, new assets. This result reflects the actual change in net assets of the organisation or community for the period. Over a period of time, it would be expected that community assets at least increase in line with population and inflation to maintain the current level of community wealth.

Operational Funds Available for Capital

Operational Funds Available for Capital is an important measure of Council's ability to fund asset renewal and growth in assets. The result is drawn from the Operating Statement after the removal of all non-cash transactions and the allocation of operational revenues to restricted assets. The funds left available for capital excludes payments required for employee leave and loan repayments. This result is detailed in the Funds Statement.

The improvement of this target remains the primary financial objective of Council to improve Council's ability to provide acceptable services and community amenities into the future.

Funds Result

The Total Funds Surplus/(Deficit) shows the degree to which the funds earned or acquired by the organisation are allocated during the period. This approximates the cash movements before timing issues related to debtors and creditors. While Council has an operating deficit, it has been able to ensure that its funds result (cash inflows compared to cash outflows) has remained in balance or slight surplus over the life of the Long Term Financial Plan. Short term stability requires the annual budget is affordable and cash is managed to ensure that payments can be made as required. By holding a level of available funds and planning for breakeven funds results, this position can be maintained

Available Funds

Available Funds are the working capital of an organisation used to meet short term cash requirements, provide contingency for unexpected costs or loss of revenue, and to provide flexibility to take advantage of opportunities that may arise from time to time. While it is anticipated that at a point in time the Available Funds balance may fall below the targeted level, the onus in planning is to ensure adequate adjustment is made to restore the balance through future programs, within an acceptable timeframe.

SECURING OUR FUTURE

Introduction

This Asset Management Plan provides a strategic direction for the management of Council's infrastructure assets to support the service delivery needs of the community into the future. This is balanced with the available financial resources and workforce to ensure long term sustainable service provision. This review of the Asset Management Plan has a particular focus on achieving financial sustainability as part of Council's Securing Our Future – Financial Sustainability Review.

This plan has been developed under the auspices of Council's Asset Management Policy and presents our Asset Management Strategy and Improvement Plan which enables the overarching objectives of the Community Strategic Plan and Resourcing Strategy to be achieved. The plan supports and directly integrates with our Long Term Financial Plan and policies, particularly those establishing minimum levels of investment of Council funds to capital renewal and the consideration of full lifecycle costs in all infrastructure-related decision making.

Our Assets

Council is the custodian of community assets with a current replacement cost of \$4.04 billion. These assets are expected to be managed to provide the greatest benefits, at the lowest whole-of-life costs. These assets include roads, drains, footpaths, community facilities, recreational facilities, parks and gardens. Council has invested substantial resources to the maintenance of these assets over many years in order to service the needs and enhance the quality of life of the Wollongong Local Government Area community

Council has developed asset management plans (AMPs) for major asset groupings, which collectively provide a significant source of information and direction on our

infrastructure assets. Existing service-based strategic plans, community engagement outcomes, population projections and demand forecasts have been considered in preparing this Asset Management Plan and the detailed AMPs. Overall, although owning and managing a large proportion of ageing infrastructure, the condition and performance of Council's assets is generally good. We do however face an increasing challenge to fund the ongoing maintenance and renewal of assets as they become due for replacement.

Sustainability of Our Assets

Council faces a similar challenge to many councils across the state in providing sufficient funds for the renewal of assets. In 2012, the NSW Treasury Corporation (TCorp) undertook an analysis of all councils in NSW to review their financial sustainability. They identified that Council was below the benchmark set for assets renewal.

Council has also undertaken a 'Lifecycle Analysis' to assist in assessing the financial sustainability of managing our infrastructure assets over their life. This ranges from planning and construction to routine maintenance and decommissioning. This essentially provides an indication as to whether present consumers are paying a fair share of the cost of assets in providing services each year. To establish the financial sustainability of an asset's life cycle, the 'Lifecycle Cost' and the 'Lifecycle Expenditure' of the asset are compared to give a 'Sustainability Index'.

The overall *Lifecycle Sustainability Index* for all Councils assets is 0.65. This value (being below 1.0) indicates that there is currently a shortfall in expenditure to match the optimum maintenance/operations and renewal expenditure required each year over the whole life of our assets. If this continues, asset condition/performance is likely to continue to decline, resulting in lower levels of service.

It also means that current users are not paying their full share of the cost of maintaining the city's infrastructure assets.

This Asset Management Plan, in association with the Long Term Financial Plan (LTFP) presents the detail behind the current challenge faced by Council in sustainably funding the management and replacement of its infrastructure assets. The plan also presents an analysis of the implications of adopting a number of scenarios to address the shortfall in funding for infrastructure renewal and compares these to the current *baseline* model. These analyses confirm the need for Council to source and allocate significant additional funding on an ongoing basis to the management and replacement of its infrastructure assets.

Asset Management Framework

Council endorsed an Asset Management Policy in June 2005 which has subsequently been reviewed. A revised 'Management of Assets Policy' has been prepared and is proposed to be tabled for adoption by Council in 2013-14. The policy has been updated to better reflect current thinking under the new requirements of the Local Government Act 1993. The updated policy will provide direction on the structure, and improvements necessary to meet the needs of our community and for the implementation of the Asset Management Strategy and Plans.

There are two main objectives of the Asset Management Strategy. These include:

- aligning Council's asset base, and its associated levels of service, with the objectives contained in the Community Strategic Plan, community priorities and the Asset Management Policy
- improving Council's Asset Management practices.

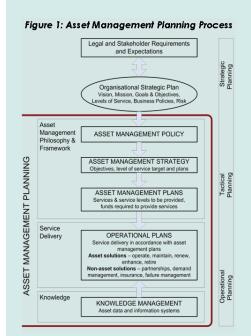
To date, asset management plans (AMPs) have been developed for the following asset categories:

- Buildings and Facilities
- Transport Infrastructure
- Stormwater Drainage
- Recreation and Open Spaces
- Plant and Equipment.

These plans contain more specific details about:

- Quantity, value and condition
- Key standards, systems and guidelines which influence asset management activities
- Draft levels of service (current and desired) and a system of performance measures
- Factors influencing future demand and the impacts of changing demand
- Management of risk
- Summary of lifecycle strategies and costs
- Long term financial projections and sustainability assessment.

Asset Management Planning Process



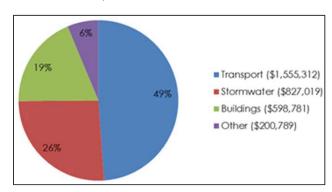
Council will continually improve the management of its assets through its Asset Management Strategy and supporting Asset Management Plans. This will be achieved by engaging up-to-date technologies, methodologies and through consultation with the community to ensure that current and future community needs are addressed.

Our Community Infrastructure Assets - What we have

Council is the custodian of community assets valued at over \$4.04 billion. These assets are expected to be managed to provide the greatest benefits, at the lowest whole-of-life costs. Assets such as land and some land improvements are not considered to incur a depreciation cost. The replacement value of Council's depreciable infrastructure assets totals more than \$3.18 billion and is broken down as per the following table and figure.

Asset Replacement Value by Asset Class (as at end 2012–13 Financial Year)

ASSET Class	Description	Current Replacement Value (000's)
		\$
TRANSPORT	 Roads (900km); road bridges (120); pedestrian bridges (95), jetties/boardwalks (47) and a range of associated assets (eg. kerb and guttering, guard rails, etc.) Footpaths (380km), cycle ways (90km), bus shelters (351) and a range of associated assets (eg. fencing, retaining walls, etc) Boat ramps (13) and car parks (282) Traffic facilities, street lighting, etc. 	1,555,312
STORMWATER	Pits (22,000), pipes (638km), water quality control (80 Units), flood control assets.	827,019
BUILDINGS	All buildings and building components relating to a range of delivery streams including community facilities (83), surf clubs (16), community and commercial pool buildings (8), district community centres/libraries (3), tourist park buildings, etc.	598,781
OTHER ASSETS	All other depreciable assets including plant and equipment, vehicles, recreation assets (excl. buildings and shelters), playgrounds; sports courts, pool plant and structures, library books; information and communications, etc.	200,799
		3,181,911
NON-DEPRECIABLE ASSETS	Operational land, community land, land under roads, some land improvements, heritage items.	865,675
		4,047,586



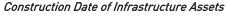
% Breakdown of Asset Replacement Value (as at end 2012–13 Financial Year)

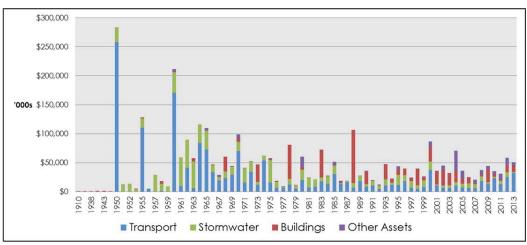
Our Community Infrastructure Assets - Condition and Performance

The current condition and performance of assets can be represented by Age, Condition and Functionality as outlined in the sections below.

Age of Assets

The age of infrastructure assets is illustrated in the figure below. Confidence in this information is generally good however; 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 in the figure below at 1950, 1955 and 1960.





An important aspect of managing our infrastructure assets is to identify when an asset is due to be renewed. This is done by adding the expected life for each asset to its year of construction or acquisition.

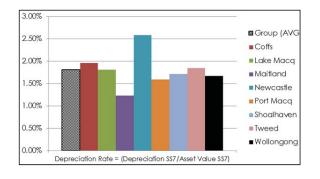
The previous figure shows that a significant proportion (30%+) of our infrastructure assets are more than 50 years old (ie. construction/acquisition date prior to 1963). Almost all of these assets are high-cost/long-life assets (eg. transport and drainage infrastructure) that have an expected life of around 60-100 years. Funding the projected renewal of these assets over the next 10-20 years is a significant challenge for Council. The assumed expected life for our key infrastructure assets are shown in table below.

Assumed Asset Expected Life Examples

Asset Type	Expected Life
Road Surfaces	20-40 Yrs.
Road pavements	80 Yrs.
Footpaths/cycle ways	40-60 Yrs.
Bridges concrete	80 Yrs.
Pipes	100 Yrs.
Culverts	100 Yrs.
Pits	75 Yrs.
Headwalls	75 Yrs.
Building - Structure	20-50 Yrs.
Building - Electrical	7-50 Yrs.
Building – Fitout	15-50 Yrs.
Building - Roof	15-50 Yrs.
Bus Shelters	15 Yrs.
Park furniture, landscaping, playgrounds	10-15 Yrs.
Skate parks	50 Yrs.
Sports court (Concrete)	60 Yrs.

In financial accounting terms, the assumed expected life of our assets can be represented by the depreciation rate (Total Depreciation/Total Asset Value). A comparison of depreciation rates for Group 5 Councils, to which Wollongong City Council belongs, as shown the figure below indicates that; overall we are depreciating our assets slightly slower than similar councils. This indicates that our assumed expected lives are slightly higher than average. Council's assumptions regarding how long assets are expected to last are reviewed annually and adjusted to take account of improved information, particularly relating to asset condition.

Total Depreciation Rate Comparison Group 5 Councils 2012-13



Condition of Assets

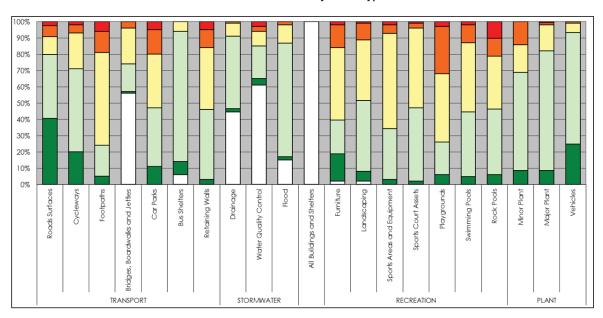
The condition of an asset generally refers to the structural (or 'physical') state of an asset and is measured using a variety of methods depending on the individual asset type. All condition information has been translated into a standard 1-5 rating scale as defined in following table.

Condition Rating Scale

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

Current condition information for a range of Council's asset types is shown in the figure below:

Condition Profiles by Asset Type



Information on asset condition is used to revise the expected life of an asset and predict the optimal timing for major maintenance and/or replacement to meet identified levels of service.

The information represents the physical state of assets at a point in time when the information was collected. Although confidence levels in the condition information is quite variable between asset classes, Council continues to undertake programs to improve its reliability is identified within the individual asset management plans.

It is generally unrealistic for all assets to be in as new condition or for Council to aim to have all its assets in perfect condition. One measure of the 'level of service' supported by infrastructure assets is the percentage of assets at, or above, a defined condition. As a reference point, Council's Annual reports present information on the value of assets in condition 4 or 5 and often communicate this as being 'unsatisfactory' level of service. The table below identifies draft levels of service for major asset groupings, current performance and trends based on current levels of expenditure.

Target Condition and Current Performance

	Asset Type	Target Proportion of Assets in Condition 1, 2 and 3	Current Performance	Condition Information Confidence	Trend
TRANSPORT	Roads surfaces	90%	92%	Good	O
	Cycle ways	90%	93%	Excellent	O
	Footpaths	90%	81%	Good	O
	Bridges, boardwalks and jetties	TBA	TBA	TBA	-
	Car parks	80%	80%	Good	0
	Bus shelters	90%	94%	Fair	0
	Retaining walls	90%	84%	Fair	O
STORMWATER	Drainage	90%	55% ¹	Fair-Poor	-
	Water quality control	90%	33%¹	Poor	-
	Flood control	90%	82% ¹	Good-Fair	-
ALL BUILDINGS ²	All buildings and shelters	See section below on a	sset functionality	O	
	Furniture	80%	83%	Good	0
	Landscaping	80%	86%	Good	0
	Sports areas and equipment	90%	92%	Good	0
RECREATION	Sports court assets	90%	96%	Good	•
	Playgrounds	100%	TBA	Good	O
	Swimming pools	90%	88%	Fair	O
	Rock pools	90%	78%	Good	O

⁽¹⁾ Note: 45% of drainage, 61% of water quality control and 15% of flood control assets have no current condition rating.

⁽²⁾ See comments regarding functionality overleaf.

The previous table shows that the majority of Council's assets are in a condition above or close to the target condition 'level of service'. However the table also shows that these performance levels will decline, or at best only be maintained, should current levels of expenditure on asset renewal and maintenance continue.

Asset Functionality

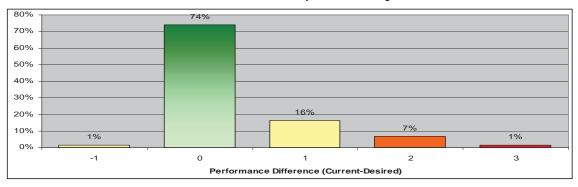
The functionality of an asset represents how well an asset meets its desired function/purpose. It also considers factors such as utilisation and capacity. In many cases there is a direct relationship between physical condition of an asset and its functionality. However, in some cases (eg. buildings and stormwater) the relationship is less direct.

For example, a stormwater pipe in condition 3-4 is likely to be able to provide the same level of functionality (ie. the conveyance and diversion of stormwater) as a pipe in condition 1. Information on the functionality of assets is currently very limited. Relevant actions are proposed in the Asset Management Improvement Program to address this issue. Understanding functionality is important in improving our ability to forecast the optimal timing for major maintenance and/or replacement to meet defined levels of service.

Acknowledging that there is limited reliable information currently available on the condition of our building assets (buildings and shelters); a preliminary assessment of the performance of these assets, in terms of how well they meet the functional needs of users, was undertaken during the writing of the Buildings and Facilities Asset Management Plan. The outcome of this assessment is illustrated in the Figure below and shows:

- 75% of structures at or above Desired Performance Levels (Gap -1 and 0)
- 24% (231) structures below Desired Performance Levels (Gap 1,2 and 3)
- 8% (77) structures are significantly below Desired Performance Levels
- 1% (10) Structures above Desired Performance Levels.

Performance Difference Summary for all Buildings/Shelters



The higher the percentage of structures with a Current Performance less than the Desired Performance (ie. [%1,2,3] in the following table) suggests poorer performance for the service/building group.

Performance Difference Analysis for Buildings/Shelters by Service-Building Group

Service/Buildings	Number of	Performance Difference					
Group	Structures	-1	0	1	2	3	%(1,2,3)
Aquatic Services	97	1%	77%	13%	7%	1%	22%
Botanic Gardens	24	0%	58%	25%	17%	0%	42%
Community Facilities	113	2%	62%	29%	6%	1%	36%
Council Operational Buildings	43	7%	63%	29%	0%	0%	29%
Crematorium and Cemeteries	14	0%	21%	21%	43%	14%	79%
Emergency Services	24	0%	79%	21%	0%	0%	21%
Leased Properties	71	6%	68%	19%	6%	0%	25%
Leisure Facilities	20	0%	63%	32%	5%	0%	37%
Natural Area Management	7	0%	57%	0%	43%	0%	43%
Recreation Services	422	0%	88%	7%	4%	1%	12%
Tourist Parks	148	1%	54%	28%	12%	4%	45%
Waste	15	15%	62%	15%	8%	0%	23%

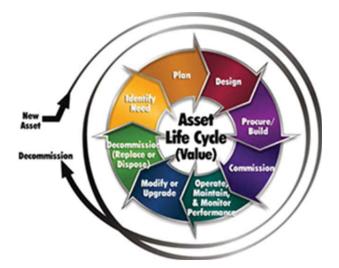
Council's infrastructure assets are essential for delivery of services to our community. Management of these assets includes planning for, and undertaking, the following works.

Asset Maintenance:	Expenditure on an asset that maintains the asset in use, but does not increase its service potential or life. (e.g. painting buildings, filling Potholes, minor repairs, etc).
Asset Operations:	Expenditure of regular activities on an asset to provide public health, safety and amenity, but does not increase its service potential or life. (eg, street sweeping, cleaning, mowing, etc).
Renewal:	Expenditure on an existing asset or a portion of an infrastructure network which returns the service potential, or extends the life of the asset, to its original potential.
Upgrade:	Expenditure on upgrading the standard of an existing asset to provide a higher level of service, or to extend the life of the asset beyond its original standard.
New Assets:	Expenditure on extending an infrastructure network at the same standard enjoyed by existing residents to a new group of users.

Funding for undertaking the works comes from a variety of sources including rates revenue, fees and charges, interest, developer contributions and investments and grants. Some new assets are also transferred to Council from subdivision developments.

'Lifecycle' analysis is used to assess the financial sustainability of managing an asset over its life from construction to decommissioning. Essentially it provides an indication as to whether present consumers are paying a fair share of the cost of assets in providing services each year.

To establish the financial sustainability of an asset's lifecycle, the 'Lifecycle Cost' and the 'Lifecycle Expenditure' (as defined below) of the asset are compared to give a 'Sustainability Index'.



Lifecycle Cost: is the annual average cost to provide the asset over its life. It comprises of required annual maintenance, asset operations and asset consumption expense (represented by depreciation).

Lifecycle Expenditure: is the actual or planned annual maintenance, asset operations and capital renewal expenditure incurred in providing the asset in a specific year.

Sustainability Index: Lifecycle Expenditure

Lifecycle Cost

Figure: Asset Lifecycle

If lifecycle expenditure is less than the lifecycle cost, (Sustainability Index < 1), this indicates that current users are not paying their full share, essentially leaving a bill for future generations when assets are due for maintenance or renewal.

Current Position and Performance

The following table shows figures and performance indicators for the past four financial years, along with relevant targets and trends where appropriate.

Table: Current Position and Performance 2010-2013

		Actu	TARGET**	Performance		
	2009/10	2010/11	2011/12	2012/13		
Annual depreciation	\$57,060	\$59,469	\$60,434	\$60,877		
Operational funds available for capital	\$32,030	\$42,500	\$40,950	\$42,440		
Total capital expense	\$54,212	\$110,777	\$73,089	\$79,990		
Capital new/upgrade	\$25,847	\$72,130	\$40,959	\$46,181		
Capital renewal	\$28,365	\$38,647	\$32,130	\$33,809		
Projected renewals	-	-	-	-		
Asset maintenance ratio	0.42	0.45	0.67	0.70	>1.0	X
New/upgrade as % of total capital	48%	65%	56%	58%	Reduce	×
Renewals Ratio*	50%	65%	53%	56%	>100%	×
Depreciation - Renewal expend gap	\$28,695	\$20,822	\$28,304	\$27,068	\$0	m
Projected vs. planned renewals gap	-	-	-	-	\$0	-
Renewals as % of operational funds available	89%	91%	78%	80%	>85%	×
Capital Expenditure Ratio	0.95	1.86	1.21	1.31	>1.1	V
Lifecycle cost	\$92,390	\$92,039	\$92,701	\$94,084		
Lifecycle expenditure	\$51,063	\$60,776	\$58,141	\$61,017		
Sustainability index	0.55	0.66	0.63	0.65	1.0	×

^{*} Is similar to the Buildings and Infrastructure Renewals Ratio except includes all assets.

Confidence in the Lifecycle Analysis for Council's infrastructure is generally good. The overall *Lifecycle Sustainability Index* of 0.55-0.66 indicates that there is currently a shortfall in expenditure to match the optimum maintenance/operations and renewal expenditure required each year over the whole life of our assets. If this continues, asset condition/performance is likely to continue to decline, resulting in lower levels of service. It also means that current users are not paying their full share of the cost of maintaining the city's infrastructure assets.

^{**}Targets reflect current policy or TCorp Local Government Benchmarks.

As per the discussion outlined in Council's Long Term Financial Plan, the current position and performance table demonstrates the challenge facing Council and the community with regard to our assets. It highlights the gap in the long term between the average annual cost and average annual expenditure of managing our assets to deliver services. (Noting that Lifecycle costs include asset renewal, asset operating and asset maintenance costs). The Lifecycle Analysis for each of the major asset classes is provided in the table below for the financial year ending 2013.

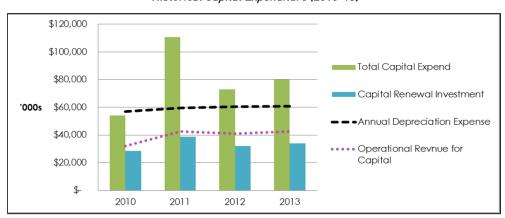
	TRANSPORT	STORMWATER	BUILDINGS	OTHER ASSETS	TOTAL
Annual depreciation cost	\$25,433	\$8,818	\$15,680	\$10,946	\$60,877
Asset maintenance and operations expend	\$9,774	\$1,945	\$5,720	\$9,769	\$27,208
Asset maintenance and operations required	\$11,767	\$3,949	\$7,491	\$16,833	\$40,040
Capital renewal	\$17,616	\$413	\$6,907	\$8,873	\$33,809
Lifecycle cost	\$37,200	\$12,767	\$23,171	\$20,946	\$94,084
Lifecycle expenditure	\$27,390	\$2,358	\$12,627	\$18,642	\$61,017
Sustainability Index	0.74	0.18	0.54	0.89	0.65
Depreciation – Renewal GAP	\$7,817	\$8,405	\$8,773	\$2,073	\$27,068

Table: Lifecycle Sustainability Analysis by Asset Class (2012/13)

The Sustainability Ratios for Stormwater and Buildings identified in the current position and performance table are considerably lower than the other asset classes. The reason for this is there was significantly lower renewal expenditure in the financial year ending 2012-13 for these asset classes. Buildings renewal projects fall mostly in the medium to longer term and stormwater well after the year 2043 (see Figure – Projected Renewals).

Capital Expenditure

The figure below shows the historical investment in the renewal of Council's assets as a proportion of total capital expenditure. It also shows the renewal investment in comparison to the depreciation expense for the same year.



Historical Capital Expenditure (2010-13)

The figure Historical Capital Expenditure 2010-13 shows:

Our investment in capital renewal has been significantly below the optimum amount as represented by annual depreciation. In Council's Annual Financial Statement this is reported as the Buildings and Infrastructure Renewals Ratio. In moving towards financial sustainability, there is a need to increase investment in renewal of our assets.

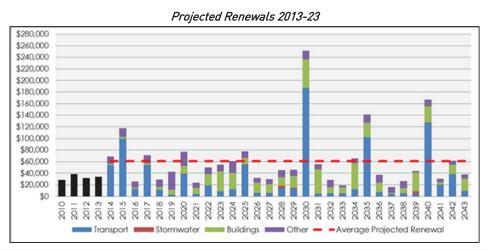
Buildings and Infrastructure Renewals Ratio					
2010	52.51%				
2011	53.89%				
2012	45.06%				
2013	48.97%				
TREND	U				
TARGET*	>100%				
* Target is identified in TCorp review for Local Government (2012-13)					

2 On average, our investment in new/upgrade assets accounts for 57% of total capital expenditure over the past four years. This equates to around \$46 million in additional assets every year corresponding to an increase in our annual depreciation expense of around \$880,000 per year. Whilst a significant proportion of new/upgrade assets are funded via sources other than internal revenue, continued growth in our asset base ultimately results in compounding increases in depreciation, maintenance and operational expenditure.

Projected Renewals

As identified in previous sections, an important aspect of managing our infrastructure assets is to identify when an asset is due to be renewed. This is done by adding the expected life for each asset to its year of construction or acquisition. Information on asset condition is used to revise the expected life of an asset and predict the optimal timing for major maintenance and/or replacement.

Projected renewal expenditure by asset class is shown in the following Figure.



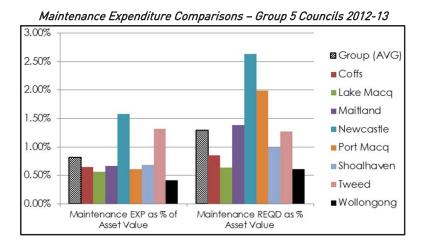
The peak in projected renewals in 2030 largely reflects a significant number of transport assets with an assumed year of construction as 1950 and a design life of 80 years. Similarly, the peak in 2015 reflects footpaths assumed to have been constructed in 1950 with a useful life of 65 years. It does not necessarily reflect an accurate estimate of renewal funding required at that time; however these values are the basis for deriving depreciation values and rates for forward projections. As discussed earlier, Council is continuing to work to improve the confidence levels in the condition based information used to derive the 'due date' for renewals.

The Average Projected Renewal is roughly equivalent to the current depreciation of \$61 million as the average is over a 30 year period capturing many of the major renewal peaks.

Asset Maintenance

There is a balance needed between the funding allocated to create new assets and the funding needed to maintain existing ones. Every new asset requires the initial capital cost of construction, then ongoing maintenance and asset operations costs, and eventually renewal costs. Regular maintenance can ensure that an asset lasts as long as its projected life, without which the need for total replacement would come sooner than planned.

The following graphs show a comparison between Wollongong and other Group 5 Councils of the reported actual and required maintenance expenditure relative to the value of each Council's assets. This shows that, by comparison, Wollongong spends less on maintenance by proportion of asset value than other councils. This supports our position of needing to reinvest in the maintenance and renewal of our assets.



Draft Resourcing Strategy 2012-2022 – Revised 1 December 2013

Towards Financial Sustainability

Options to move towards financial sustainability are being considered by Council, in part based on recommendations by the Citizens Panel. Various scenarios for increasing revenue to fund an increased investment in asset renewal are detailed within the Long Term Financial Plan. The following tables and figures show the resulting impact on the Asset Information and lifecycle analysis indicators for each of the proposed scenarios, these being:

- Baseline Current projections without considering possible savings or additional income
- Scenario 1 Baseline modified to include an additional \$21 million made available to capital to boost expenditure on asset renewal PLUS additional renewal and maintenance implications of taking into account all service reduction recommendations from the Citizen's Panel.
- Scenario 2 As per Scenario 1, modified to take into account only some of the Citizen's Panel service reduction recommendations, including the impacts from extending the lives of footpaths from 60 80 years.
- Scenario 3 As per Scenario 1, modified to take into account none of the Citizen's Panel service reduction changes except for the impacts from extending the lives of footpaths from 60 80 years.

BASELINE

BASELINE - Summary Analysis

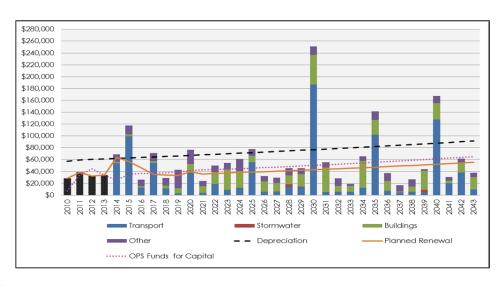
	3Yrs	10Yrs	30Yrs
Annual depreciation	\$63,663	\$66,776	\$76,278
OPS funds available for capital	\$36,344	\$40,254	\$49,822
Total capital expense	\$67,157	\$57,441	\$61,358
Capital new/upgrade	\$21,245	\$18,076	\$17,234
Capital renewal	\$45,912	\$39,365	\$44,124
Projected renewals	\$71,497	\$55,214	\$60,895
Asset Maintenance Ratio	0.70	0.70	0.70
New/upgrade as % of total capital	32%	31%	28%
Renewals Ratio*	72%	59%	58%
Depreciation - Renewal expend gap	\$17,751	\$27,411	\$32,153
Renewals as % of OPS funds available	126%	98%	89%
Capital Expenditure Ratio	1.05	0.86	0.80
Sustainability Ratio	0.76	0.68	0.68

^{*} Is similar to the Buildings and Infrastructure Renewals Ratio except includes all assets.

Please note Targets reflect current policy or TCorp Local Government Benchmarks

The table above shows the results of the analysis for baseline scenario, which continues current practices and planned investment levels for the management of our assets. This scenario sees a broadening of the gap between depreciation and asset renewals over a 30 year period. A decline in the Sustainability Ratio and Renewals Ratio is also representative of a worsening position in terms of the sustainable management of our assets.

BASELINE Analysis



SCENARIO 1

SCENARIO 1 - Analysis

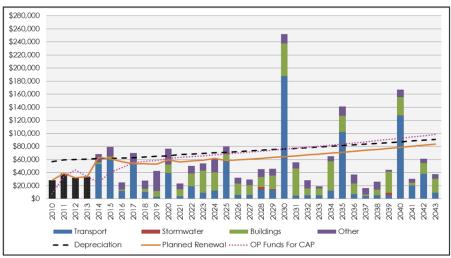
	3Yrs	10Yrs	30Yrs
Annual depreciation	\$62,396	\$65,460	\$74,784
OPS funds available for capital	\$47,794	\$58,286	\$74,328
Total capital expense	\$78,607	\$75,473	\$83,121
Capital new/upgrade	\$21,245	\$18,076	\$17,234
Capital renewal	\$57,362	\$57,397	\$65,887
Projected renewals	\$71,497	\$55,214	\$60,895
Asset Maintenance Ratio	0.70	0.70	0.70
New/upgrade as % of total capital	27%	24%	21%
Renewals Ratio*	92%	88%	88%
Depreciation - Renewal Expend Gap	\$5,034	\$8,063	\$8,897
Renewals as % of OPS Funds Avail.	120%	98%	89%
Capital Expenditure Ratio	1.26	1.15	1.11
Sustainability Ratio	0.88	0.85	0.86

^{*} Is similar to the Buildings and Infrastructure Renewals Ratio except includes all assets.

Please note Targets reflect current policy or TCorp Local Government Benchmarks

The previous table shows the results of the analysis for Scenario 1, which introduces an additional \$21 million to asset renewal over 5-8 years and also takes into account the associated reduction in asset renewal and maintenance needs from each of the Citizen's Panel recommendations and extending the average lives of our footpaths from 60-80 years.

The table shows that although the average depreciation – renewal gap continues to grow over time this model provides a considerably improved position than the baseline model.



SCENARIO 1 Analysis

SCENARIO 2/3

Scenario 2 is a slight modification of Scenario 1 by taking out some of the service level changes as recommended by the Citizen's Panel. Scenario 3 is a further modification by removing all service level changes except for the impacts of extending the average lives of our footpaths from 60-80 years. The results are similar to Scenario 1 so no separate figures are provided. A comparison of all scenarios is provided in the following section.

SCENARIO COMPARISON

The table below shows the comparison between scenarios over various timeframes (3, 10 and 30 years). In all cases, the proposed Scenarios 1, 2 and 3 provide a significant improvement over the current situation. As Scenarios 1, 2 and 3 introduce an additional \$21 million for asset renewal, albeit from different sources and over different timeframes, they provide very similar outcomes with respect to the sustainable management of our assets to deliver services.

	Timeframe	Baseline	Scenarios 1	Scenario 2	Scenario 3
	3 YRS	72%	92%	92%	94%
Renewals Ratio	10YRS	59%	88%	87%	88%
	30YRS	58%	88%	88%	88%
Danna sintian Dannaural	3 YRS	\$17,751	\$5,034	\$4,969	\$3,584
Depreciation - Renewal Expend Gap	10YRS	\$27,411	\$8,063	\$8,322	\$7,975
Ехрепи бар	30YRS	\$32,153	\$8,897	\$9,313	\$8,769
Renewals as % of OPS	3 YRS	126%	120%	120%	119%
funds Available	10YRS	98%	98%	99%	98%
Turius Avaitable	30YRS	89%	89%	89%	88%
	3 YRS	1.05	1.26	1.26	1.28
Capital Expenditure Ratio	10YRS	0.86	1.15	1.15	1.14
	30YRS	0.80	1.11	1.11	1.11
	3 YRS	0.76	0.88	0.88	0.90
Sustainability Ratio	10YRS	0.68	0.85	0.85	0.86
	30YRS	0.68	0.86	0.85	0.86

The rapid positive shift from the baseline to Scenarios 1, 2 and 3 is largely due to a combination of:

- 1 The progressive introduction of the additional \$21 million to asset renewal.
- 2 The increase in average footpath lives from 60-80 years has 'pushed back' the required renewal date for over \$30 million worth of footpaths.

Asset Risk Management

Council continues to improve information and planning around managing risks and this is recognised as a key improvement action for Council's asset management planning. The following table outlines the major risks identified.

Risk	Description	Management Strategy
Low levels of confidence with some asset information (eg. stormwater and buildings) resulting in significant variation in depreciation costs.	As identified, confidence in some asset information Fair-Poor. Changes to asset information can have a significant effect on depreciation.	 Regular independent evaluation of asset management practices. Benchmarking – asset information and assumptions with other councils Focused improvement programs where there is low confidence in asset information. Regular reviews of asset condition and expected lives.
Maintenance expenditure is insufficient to ensure assets attain full expected lives.	Current levels of funding for maintenance are well below average for similar councils. Underfunding maintenance may result in assets not attaining full expected lives - thereby increasing depreciation costs.	A detailed review of maintenance budgets and expenditures aligned to specific levels of service and technical specifications is identified as a priority improvement action.
No funding for ongoing maintenance and operation of newly acquired assets.	Acquisition/construction of new assets can require additional funding for maintenance and operation.	Ensure the capital planning and budgeting process allows for appropriate increases in maintenance and operation of newly acquired or constructed assets.

Future Demand

Understanding future demand is a critical component in planning and managing our assets. Future demand is informed by factors such as population and demographic changes, social and economic trends, and service specific changes that relate to how we utilise assets. Some of the more significant forecasted changes are provided in the table below.

Forecast Changes Arising from Key Demand Factors

Demand Factor	Forecasted Changes
Population and	Ageing population.
demographics	West Dapto - a significant area for future growth.
	Continued high population growth to the west and south of the Wollongong Local Government Area.
Social and	Increase in people living in medium and high density housing.
economic	Increase in the number of cars per household.
trends	Increase in families under housing stress.
	High transient student population associated with university and TAFE.
	Above average increase in one parent families and households made up of couples
	with no dependents.
	Impacts associated with changes to local industry and levels of employment.
Climate change	Increased rainfall intensity and volumes.
and	Sea level rise.
sustainability	• Increase storm surges.
	Increased expectations in relation to the management and conservation of water
	and energy resources.

Addressing these changes whilst seeking to achieve long term financial sustainability is a significant challenge for Council. Our response will be guided by priorities identified as part of our current process of considering options to achieve long term sustainability.

Levels of Service

Levels of service documents specific targets and measures to meet the needs and expectations of the community. Levels of Service have been grouped into the following categories:

- Community levels of service
- Technical/operational levels of service.

Community Levels of Service relate to how the community values the service in terms of safety, quality, quantity, reliability, responsiveness, cost/efficiency and legal requirements. A broad understanding of the level of community feeling can be drawn from Council's regular community survey. This information is presented in terms of the 'importance' placed on services and facilities by residents and the level of 'satisfaction' with these services and facilities. The performance gap is the difference between the actual scores for importance and satisfaction and can be used to establish the relative priority of the rating (ie. the higher the gap the more significant the resulting interpretation).

In February 2012, Council again undertook the biennial community survey to ascertain levels of importance and satisfaction. The survey covers services provided to the community and the assets that support them.

Respondents were asked to rate how important particular services and facilities were to them on a scale of 1 to 5, where 1 meant 'not at all important' and 5 meant 'very important'. Using the same set of services and facilities, the respondents were also asked to rate how satisfied they were, with 1 meaning 'not at all satisfied' and 5 meaning 'very satisfied'.

An in-depth analysis of importance and satisfaction ratings for Council services and facilities reveals where Council is performing well, and a number of priorities areas for improvement. The table below shows the areas where Council has been performing well over time. In 2012, Council performed well in the areas of 'Regulation of traffic flow in local area', 'Regulation of traffic flow in city centre', 'Domestic, recycling and green waste collection', 'Waste disposal depot facilities,' 'Environmental programs and education', 'Botanic Garden', and 'Wollongong City Central Library'.

Areas Where Council is Performing Well

	Identified as areas where Council is performing well in both Quadrant and Gap Analysis		
	2008	2010	2012
Domestic, recycling and green waste collection	Ø	Ø	Ø
Botanic Garden		Ø	Ø
Wollongong City Central Library		Ø	Ø
Regulation of traffic flow in local area			Ø
Regulation of traffic flow in city centre			Ø
Waste disposal depot facilities			Ø
Environmental programs and education			Ø

Whilst the table above highlights the areas where Council is performing well, the following highlights the priority areas where, according to residents, Council should improve. These are 'Management of parking in city centre', 'Availability of parking in city centre', 'Maintenance of local roads', 'Standard of Council public toilets', Availability of public toilets', 'Maintenance of footpaths', 'Services and/or facilities for children', 'Children's playgrounds', 'Cycle ways/shared pathways', 'Parks/open spaces/sports fields for active sport or recreation activities', and 'Parks/open spaces/sports fields for passive recreation purposes'.

The table also shows which priority areas for improvement have been repeated over time.

Time Series - Areas for Improvement

	Identified as not meeting resident expectations in both Quadrant and Gap Analysis			
	2008	2010	2012	
Maintenance of local roads	Ø	Ø	Ø	
Maintenance of footpaths	Ø	Ø	Ø	
Availability of parking in city centre	Ø	Ø	Ø	
Availability of public toilets	Ø	Ø	Ø	
Management of parking in city centre		Ø	Ø	
Standard of Council public toilets		Ø	Ø	
Services and/or facilities for children			Ø	
Children's playgrounds			Ø	
Cycleways/shared pathways			Ø	
Parks/open space/sports fields for active sport or recreation activities			Ø	
Parks/open space/sport fields for passive recreation purposes			Ø	

Community Engagement specifically undertaken for the Securing our Future program included discussion on desired levels of service for each of our asset classes. Across the engagement, including the Citizen's Panel engagement, it was clear that the community were supportive of the continuation of all asset services levels, and understood that this would mean greater investment over time in asset renewal. Footpaths were the only asset class identified where a minor increase in expected lifespan was considered acceptable.

The results have informed the scenarios, and therefore distribution of capital funds within the capital program with a particular focus in Council's Draft Delivery Program on roads, footpaths and cycle ways and general asset renewal. It would appear from these results this approach is supported and requested by our local community.

Supporting community levels of service are our *Technical/Operational Levels of Service*, which provide more specific direction as to how Council will meet the broader community levels of service. Specific technical/operational levels of service have been identified in each of the individual asset management plans.

Asset Management Practices and Maturity

In 2009, Council commissioned a maturity assessment to be undertaken to identify the current status of Council's asset management procedures, systems and training, and to determine priority areas for improvement. The maturity assessment model comprised 30 Asset Management Practice Areas that cover the key functions and processes of asset management. This maturity assessment was again undertaken in 2011, following the completion of the first draft of the detailed asset management plans. The results are shown in the figure below.

AM Policy Sustainability Reporting AM Roles 4.5 Service Provision Plan AM Steering Long Term Financial Plan AM Improvement Program 3.5 Capital Investment Decisions Component Data Integrity Data Management Skills Service Levels & Costs Population & Demographic Model Data Management Framework Asset Management Planning Skills Financial Reporting Skills Asset Management Plans Financial Reporting Framework New & Upgrade Planning Asset Register Functionality Maintenance & Renewal Planning Financial Reporting Functionality Risk Analysis & Monitoring Maintenance & Renewals Planning Functionality Condition & Defect Data Condition & Performance Functionality Condition & Performance Monitoring Asset Handover Risk Management Functionality Operations & Maintenance Functionality Unit Rates 2009 Core Asset Management Maturity 2011

Asset Management Maturity Assessment Results 2009/2011

A comparison of the two assessments indicates advancement in maturity has been made in the following areas:

- Development of an Asset Management (AM) Improvement Program (exceeds core)
- Data Management Skills (exceeds core)
- Risk Analysis and Monitoring
- Development of Asset Management Plans (exceeds core)
- Asset Management Planning Skills (exceeds core)
- Definition of Service Levels and Costs.

The target over the next three years is to achieve core maturity for all asset management practice areas.

Asset Management Policy

Council endorsed a Management of Assets Policy in June 2005 which has subsequently been reviewed. A revised 'Asset Management Policy' has been prepared and is scheduled to be tabled for adoption by Council in 2013-14. The Policy has been updated to better reflect current thinking under the new requirements under the Local Government Act 1993, provide direction on the structure and improvements necessary to meet the needs of our community, and implementation of the Asset Management Strategy and plans.

The following is an extract from the draft revised policy -

OBJECTIVE

To manage the city's assets in line with the adopted strategic direction in order to respond to the needs of our community.

POLICY STATEMENT

Council will provide and manage its assets to ensure they are appropriate for the needs of our community whilst being effectively and sustainably utilised and maintained at agreed levels of service.

Council will continually improve the management of its assets through an Asset Management Strategy and supporting asset management plans. This will be achieved by engaging up to date technologies, methodologies and through consultation with the community to ensure that current and future community needs are addressed. Furthermore, decisions regarding allocation of resources and implementation of actions will have regard to sustainable maintenance of assets and the ongoing provision of services provided by the assets.

A copy of the current policy is available on Council's website. This will be updated once the revised version is adopted by Council.

Asset Management Strategy and Improvement Plan 2012-17

Council's Asset Management Strategy enables the overarching objectives of the Strategic Plan and Asset Management Policy to be achieved.

Council's Strategic Asset Management objectives are to:

- Establish and maintain clear linkages between Council's agreed community driven services and the planning, delivery and performance measurement of our asset management delivery programs (our policy framework).
- Enable and demonstrate responsible and efficient management of Council's assets to deliver services (our programs).
- Establish and embed within the organisation core understanding, appreciation and accountability to enable delivery of mature asset management practices (our people).
- Improve the information, processes and systems supporting the management of our assets (our processes and systems).

Strategic actions developed to achieve these objectives are defined in the table overleaf. Many strategic actions support multiple objectives and they are loosely grouped around their primary contribution. The table also shows the progress against these actions over the last two years.

Asset Management Strategies and Status to Achieve Objectives

No	Strategic Actions	Desired Outcome	Progress	Comments
Our (Overarching Priorities			
S2	Implement Council's detailed Asset Management Improvement Plan	Improved financial and asset management capacity within Council to realise 'core' maturity for asset management planning by July 2013.	In progress	
S3	Implement a governance process for review, monitoring and reporting of progress, achievements, costs and risks associated with implementing the asset management improvement program.	Priorities, resources, outcomes and risks to achieve the asset management objectives are identified and acknowledged.	Complete	Asset Management Steering Committee (AMSC) established in Februar 2012.
S10	Review the maturity assessment bi-annually 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.	Planned	Planned for 2014.
Our F	Policy Framework			
S1	Finalise the review of the Asset Management Policy 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.	In progress	Council Meeting - February 2014 .
S18	Further develop performance measures, metrics and rating systems for identified levels of service to reflect the needs and expectations of our community.	Levels of service provide direction for decision making, intervention levels and the allocation of resources.	In progress	

Our P	olicy Framework			
S12	Develop, document and implement business processes to clearly identify operational service standards and monitor performance against these.	Service delivery is driven by, and performance measured against, clearly defined operational service standards.	In progress	
S7	Ensure that the ongoing asset management resource requirements for new and upgrade capital works projects are considered in setting annual budgets.	Ongoing costs for new and upgrade works are recognised in setting annual budgets.	In progress	Business proposal process requires consideration of whole-of-life costing.
S14	Develop and implement a systematic and transparent process for prioritising capital works projects to include triple bottom line and asset lifecycle sustainability criteria.	Transparent and equitable allocation of capital funding and improved synergies in project proposals.	In progress	To be completed in 2013-14.
S15	Undertake benchmarking to assist in assessing the efficiency of Council's infrastructure delivery programs and asset management activities.	Continued focus on assessing and improving Council's drive towards efficient service delivery.	In progress	
Our P	rocesses and Systems	I		
S4	Continue to develop and annually review Asset Management Plans (AMPs) for the major asset groups to ensure they clearly communicate asset service related costs, benefits and risks.	AMPs provide a current summary of existing asset management information and provide direction for decision making and refining improvement actions.	In progress	Next review planned for 2014-15 following adoption of revised Resourcing Strategy.
S5	Implement business processes and system modifications to identify infrastructure expenditure by service, asset group and expenditure type.	Financial information relating to the management of Council's assets is readily available using consistent structures and definitions.	In progress	Progressive implementation of process and business improvements
S6	Ensure customer service request information and processes facilitate improved decision making and responsiveness for asset management.	Customer Service Requests inform asset management planning.	In progress	

S8	Further develop a risk management approaches for all asset classes such	Priority risks are identified and managed.	In progress	
	that risks are managed and any high residual risks are reported consistent with Council's corporate risk management process.			
S9	Annually review and report on the completeness and accuracy of the data for all assets using the confidence grading system adopted in the detailed AMPs.	Information is of good quality and reliable to inform decision making.	In progress	
S11	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs.	Improved decision making and greater value for money.	In progress	
S16	Review asset information and structures in Council's asset management information system to ensure that it aligns with strategic, tactical and operational planning requirements.	Resources for maintaining and utilising information are optimised.	In progress	Annual and ongoing review process.
S17	Consider processes and further actions to better manage heritage aspects associated with infrastructure assets.	Heritage aspects of Council's infrastructure assets are managed appropriately.	Planned	
Our Pe	eople			
S13	Ensure roles and responsibilities for asset management are clearly defined and incorporated into organisational structures, staff position descriptions and performance objectives.	Responsibility for asset management is clearly defined.	In progress	Restructure of the Infrastructure and Works Department restructure undertaken to better clarify and allocate required roles and resources. Roles and responsibilities matrix developed.
S18	Further develop performance measures, metrics and rating systems for identified levels of service to reflect the needs and expectations of our community.	Levels of service provide direction for decision making, intervention levels and the allocation of resources.	In progress	
S19	Continue to develop skills and awareness of asset management planning across the organisation.	Improved organisational capacity and maturity in asset management planning.	In progress	

These strategic actions are supported by a range of detailed improvement actions identified in each of the asset management plans. The Table below shows the progress over the last two years against these detailed actions.

Detailed AMP Improvement Actions Status Summary

Buildings	Plant & Equipment	Recreation	Stormwater	Transport	Progress	Total
4	27	22	28	31	TOTAL	112
0	2	0	0	13	Complete	15
3	5	8	8	6	In progress	30
1	20	14	20	12	Planned	67

SECURING OUR FUTURE

Introduction

Council currently employs 1,674 staff which is equivalent to 1,169 full time equivalent (FTE) positions (including casuals, temporary and contract employees). The projected employee cost is \$107 million dollars per annum (2014-15). This makes Council not only a primary provider of community based services but also a major employer in the Wollongong Local Government Area. As such, we recognise our responsibilities to not only aim for the provision of excellent community based services but also our role as an employer and trainer in the economic and social development of the local community. This directly aligns not only our services with the community direction set out in Wollongong 2022 Community Strategic Plan but also aligns our purpose to one of the six goals of our community to have an innovative and sustainable economy.

In recognition of this role our workforce planning responsibilities are focused on:

- Financial sustainability
- Employment and training of youth
- Diversity of our workforce (cultural, demographic, social, economic)
- Management of the ageing workforce and low turnover
- Provision of excellent customer service across the whole organisation
- Development of a constructive, safe organisational and learning culture
- Identification, assessment and management of risk
- A safe and health work environment
- Managing employee performance
- Commitment to employee learning and development.

The workforce management strategy provides a strategic direction for the management of Council's workforce to achieve the services and goals identified through the Draft Delivery Program for the next four years. It is flexible and allows for management of the workforce to meet changing service delivery needs while focusing on optimisation of Council's ability to deliver outstanding customer and community services

Our Direction

The Workforce Management Strategy defines how Council intends to manage its workforce resources in order to meet its operational and strategic directions. These directions are defined through a number of key strategic drivers including Wollongong 2022 Community Strategic Plan and Delivery Program, financial sustainability review, scenario planning and community feedback.

Community Strategic Plan and Draft Delivery Program

Workforce planning will help ensure the successful achievement of the community's strategic goals as identified in Wollongong 2022 Community Strategic Plan. The development of an effective workforce management strategy will enable Council to focus on the medium and long term community goals and provide a framework for dealing with associated workforce challenges in a consistent way.

The goal of this workforce management strategy is to:

 Identify key challenges in maintaining workforce efficiency and sustainability

- Identify strategies for the management of workforce challenges
- Build Council's capability to expressly link workforce resource planning to the Delivery Program.

Note: The current workforce is aligned to deliver Wollongong 2022 and the Draft Delivery Program via the alignment of services to actions.

Securing Our Future

Financial sustainability is a key direction for local government reform, and Council's Delivery Program recognises the need to address Council's long term financial position. Ensuring Council is financially sustainable means we are earning sufficient revenue on an annual basis to carry out the agreed functions of Council and the average cost of asset renewals over their life. It also means we return our operating budget to surplus. Achieving financial sustainability is likely to rely upon addressing three key areas in combination – services and service levels, internal efficiencies, and increased opportunity for revenue.

Management of Council's workforce will be a key factor in achieving and maintaining financial sustainability. This will require Council to make strategic decisions regarding the composition and structure of the workforce needed to deliver services and service levels and to achieve efficiencies. Opportunities to look at other ways of resourcing our services, including changing staff structures, establishment levels or delivery methods will also be important in developing these strategies.

Scenario Planning

With staff being a key part of the delivery of all Council services, changes to delivery cannot be considered without planning for and managing the subsequent impact on Council's workforce. Exploring these scenarios will therefore require Council to consider a number of difficult and challenging options particularly with regard to workforce composition and structure.

All three scenarios currently being discussed with the community would result in significant changes to the workforce, with varying degrees of impact and complexity. Under the current terms and conditions of Council's Enterprise Agreement (EA), no forced redundancies means alternate methods of managing workforce change would need to be implemented and managed.

Community Feedback

Our workforce planning process is supported by data and information, including important feedback from our community. In February 2012, we undertook our biennial community survey to assess community satisfaction with our service delivery and performance, as well as important information regarding community priorities.

Residents in the Wollongong Local Government Area (LGA) were asked about their level of agreement with the statement 'I am satisfied with the overall performance of Wollongong City Council over the last 12 months', to which almost three in five residents (56.3%) agreed to some extent. 18.3% of residents disagreed with this statement to varying degrees.

This resulted in a mean agreement score of 3.38 out of 5, which is considered to be a 'medium' level agreement score. This score is an improvement on the 2010 result achieved for this question.

This may include retraining, redeployment, management of vacancies across the organisation, transition to retirement for interested and eligible employees, or other strategies deemed appropriate in negotiation with employees, employee representative bodies and management.

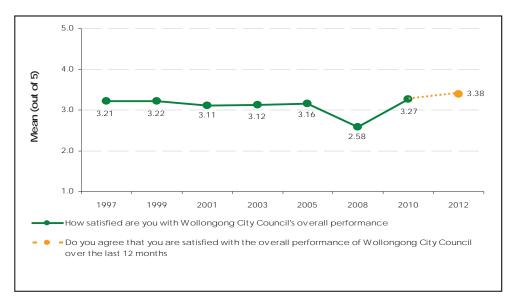
All of the scenarios will impact on the workforce in terms of change to work practice, delivery models, management models and a continued focus on increased productivity and cost containment. This is a consistent theme across all three scenarios outlined in the preceding sections of this document.

Scenario 1 could directly impact approximately 7% of the workforce and may result in reduced employment options. Endorsement of Scenario 2 would result in a similar impact on the workforce as Scenario 1. Scenario 3 also maintains a focus on efficiency, productivity and cost containment and could change the face of workforce composition and focus.

Important considerations for workforce planning include supporting the wellbeing of our people, and this may be via access to the Employee Assistance Program. Council will need to further consider the impacts of the preferred scenario at the end of this engagement period and will develop appropriate change management plans and implementation programs. This may also include exploring limited targeted voluntary redundancy, significant investment in retraining and up skilling, linking employees with appropriate agencies to access financial planning advice, and investigating flexible work arrangements such as reduced hours and other options.

The graph below plots the community's perceived performance of Council over time.

Mean agreement and satisfaction scores - time series



The graph shows that we have continued to improve the level of overall community satisfaction following a difficult period 2007-08. It highlights the opportunity for continued improvement and supports the direction outlined in the workforce management strategy to build, support and enhance our existing and future workforce.

Our Workforce

Through an integrated approach to workforce planning and organisational strategy, we seek to bring about behavioural changes in what we do and how we do things, rather than just a change in systems, processes and structures. Our aim is to have an organisation that is both responsive to and proactive towards the needs of our community.

Workforce Planning

People are a critical resource in delivering business outcomes and as such it is important to ensure a capable and flexible workforce. An effective workforce management strategy will provide Council with the people best able to contribute to its strategic direction, develop innovative approaches to issues and deliver services effectively and efficiently.

Strategic analysis of Council's workforce requirements include the commitments outlined in the Community Strategic Plan, Delivery Program and Annual Plan and developing a workforce structure to meet those commitments. These include workplace equity and diversity, workplace governance and safety, and supporting and developing staff.

Workforce Principles

Key principles have been identified that act as a filter for effective workforce planning providing a flexible, integrated and structured way to develop workforce strategies that meet both strategic and business needs.

These principles support and underpin development of the Workforce Management Strategy:

LEADERSHIP: knowing the type of organisation we want to be and inspiring the behaviours to get there.

CULTURE: developing and practicing the values and behaviours we need to achieve our vision.

CHANGE: keeping our vision in our sights and recognising change as a means to achieve it whilst being aware of what is happening around us and the changes we are making are shaping our transformation.

PERFORMANCE: facilitating the development of our people and processes to gain maximum impact in changing the way we do things resulting in improved performance.

COMMUNICATION: recognising that good communications are pivotal to our image and reputation both internally and externally and recognising that everybody has a role to play in achieving this.

PARTNERSHIP: working across the organisation, accepting that partnership is integral to growth and improvement.

COMMUNITY: participating in the achievement of community goals and objectives as an active member of the local community.

SAFETY AND WELLBEING: ongoing commitment to the provision of a safe working environment for all persons, including contractors, labour hire employees, volunteers and visitors.

Draft Resourcing Strategy 2012-2022 - Revised 1 December 2013

Current Workforce Profile

In undertaking the workforce analysis, we reviewed our workforce demographics in comparison to other councils and the composition of the Wollongong Local Government Area (LGA). This information is used in the assessment and development of strategies in relation to attraction, engagement and equal employment and diversity (EED). It also provides an understanding of the available workforce pool within the local community.

The benefits of a diverse workforce include better local representation, improved communication, greater understanding of the issues affecting local communities and having a workforce that can address issues facing Council. Such issues include internal workforce capability and flexibility, ageing workforce, business succession planning and services delivery.

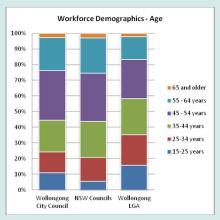
Gender

Council maintains a healthy gender balance employing 46% female and 54% male. This represents a more balanced workforce than the industry standard and only 3% difference to the working population of the LGA. Operational and trades sectors traditionally attract a greater number of male staff while greater numbers of females are attracted to community based sectors.

Age

Council's age demographics are also consistent with industry standards showing that the majority of the workforce (52%) is within the 35 – 54 age groups. The comparison with LGA demographics shows potential for increased employment from both the under 25 and 25 – 34 age groups. This demonstrates the need to continue to support workforce planning initiatives including the Youth Development Program and ageing workforce projects.



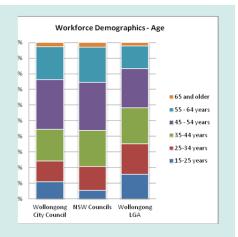


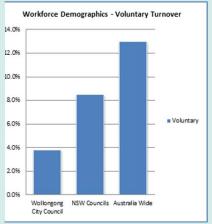
Employment Status

The composition of Council's workforce shows that the majority of staff are employed in a permanent full time capacity. Understanding this composition supports the development of strategy particularly relating to the flexibility of the workforce required to respond to changing service delivery needs.

Employee Turnover

The analysis of employee turnover identifies that Council's turnover is significantly low at 3.8%, in comparison with NSW councils at 8.5% and the current Australian standard of 13.0%. This is influenced by a high level of unemployment in the region representing limited employment opportunities. Low employee turnover is identified as a workforce challenge that must be considered in the development of workforce management strategies.





Our Challenges

Council's ability to put in place the workforce required to achieve the Draft Delivery Program and Wollongong 2022 Community Strategic Plan is affected by various internal and external challenges. These challenges have the potential to impact on the organisation's capacity to supply the right workforce at the right time.

Taking into account these challenges, community feedback and our current workforce profile, the following strategies form the basis of Council's Workforce Management Strategy. The implementation of this plan over the next four years will support the organisation to meet the expectations of the community and our commitments outlined in the Draft Delivery Program 2012-17.

This plan has been prepared in a period when Council is involved in a financial sustainability review for the whole organisation which has created uncertainty. The plan also includes workforce planning strategies required for Council to manage its existing workforce during the financial sustainability review.

Workforce Planning

The following internal and external challenges impact Council's Workforce Management Strategy in relation to the Community Strategic Plan and Draft Delivery Program:

Direct linkage between Workforce Management Strategy and the Draft Delivery Program

A key challenge is establishing specific links between the Workforce Management Strategy and the Delivery Program. Council's capacity to conduct workforce analysis and planning is being developed through its workforce planning capability and relies on the integration of workforce planning practices into Council's integrated planning and reporting, business and strategic planning and Human Resources practices.

Organisational approach to workforce management

Success relies on a whole of organisation approach to workforce management. To achieve this, workforce management strategies need to be integrated, adopted, supported and applied across the organisation. Strategies also need to focus on improving Council's service delivery while maintaining an appropriate balance between employee and business needs.

Perceived barriers to workforce management

Need for consistent approach to workforce management tools and resources across the organisation. Also recognising the nature of the workforce required to resource delivery of a diverse range of services.

Building evidence based human resource practice

An evidence based approach to human resource practice is established by developing, implementing and utilising predictive analytics to support workforce decision making. Council's capacity to develop and utilise this data will produce measurable results, reporting frameworks and ongoing workforce analytics enabling the management of workforce assets in a sustainable, strategic and value adding manner.

Strategy

The following strategies are identified to address these challenges

- Build Council's workforce planning capabilities
- Incorporate workforce resourcing data to the delivery program development process
- Build Council's workforce planning capabilities
- Incorporate workforce resourcing data to the delivery program development process
- Build Council's capacity to undertake evidence based human resource practice
- Integrate workforce planning practices into Council's business planning and human resource practices.

Securing Our Future

The following internal and external challenges impact Council's Workforce Management Strategy in relation to financial sustainability:

Changes in service levels in response to community priorities

Council is committed to undertaking community engagement to determine residents' priorities in relation to services and service levels. A challenge for Council is to deliver affordable services at levels and standards that the community considers are satisfactory and are supported by sustainable financial, asset and human resource planning. In response to future changes in services, Council will need to determine the effect on FTE and workforce structure.

Change management

The appropriate management of workforce changes required to support financial sustainability initiatives is vital to the success of these strategies in achieving efficiency and sustainability. Any workforce changes will be managed in accordance with Council's Change Management Framework with specific reference to the Managing Organisational Change Policy and the Wollongong City Council Enterprise Agreement.

Accountability

The success of financial sustainability relies on the accountability of all staff members to undertake the requirements of their position, in accordance with Council's operating policies, practices and procedures. All levels of staff are held accountable through employment instruments including contracts of employment and job descriptions. Accountability is recognised by Council as an important requirement of all positions and an employment capability that applies to all aspects of employment.

Driving continuous improvements

Initial business planning has emphasised the need for better integration of business systems to provide the best information to decision makers quickly and efficiently as well as the provision of learning and development opportunities for staff to be able to access cross functional roles.

Risk management

Recognising the challenges of the past and using this experience to develop and implement risk management across the organisation in order to limit risk, improve organisational culture and promote an ethical and trust based workforce.

Strategy

The following strategies are identified to address these challenges:

- Facilitate the development of workforce efficiency strategies
- Promote and implement change management frameworks and policies
- Provide evidence based human resource data to support organisational decision making
- Incorporate change management, accountability, continuous improvement and risk management capabilities into workforce design and performance measurement strategies.

Organisational Change

The following internal and external challenges impact Council's Workforce Management Strategy in relation to organisational change:

Workforce composition

Changes in the focus of Council's core business and service delivery impacts the workforce required to deliver those changed services. Flexibility of the workforce to respond to these changes in service delivery in terms of composition, capability and skills will be essential to achieving organisational change. Any changes to workforce composition associated with service delivery changes will be managed in accordance with Council's policies and procedures and the associated industrial instruments.

Workforce structure

The efficient management of changes in service delivery requires the availability of options to maintain a workforce structure that is specifically and efficiently designed to deliver the services required. Any changes to workforce structure associated with service delivery changes will be managed in accordance with Council's policies and procedures and the associated industrial instruments.

The following strategies are identified to address these challenges:

- Build Council's workforce planning capabilities
- Incorporate workforce resourcing data to the delivery program development process
- Build Council's capacity to undertake evidence based human resource practice.

Ageing Workforce

Current workforce

With an average age of 45 years and 55% of the workforce over the age of 45, an ageing workforce is a key issue for the management and planning of Council's workforce. Combined with the ageing population both nationally and within the (LGA), this raises many challenges to maintain and develop a skilled workforce. These challenges involve managing the inherent needs of an ageing workforce including knowledge management, skill transfer, valuing older workers, flexible work options for transition to retirement, whilst ensuring health and safety is maintained. Council must also ensure they are equipped to replace older workers when they decide it is the right time to retire.

Ageing labour market

An ageing LGA labour market presents challenges in regards to availability of a talent pool of potential staff within the region. This diminished labour market requires Council to have the ability to attract quality staff and maintain competitiveness with both the Sydney and private industry markets and partner with schools and educational institutions locally to ensure the organisation accesses all potential local talent pools.

The following strategies are identified to address these challenges:

- Strategic recruitment to support corporate skill and knowledge retention
- Promote and support flexible work practices to allow transition to retirement
- Actively engage older employees in the workplace
- Provide wellbeing programs for the various life stages
- Encourage knowledge sharing through investment in coaching and mentoring relationships
- Support workforce flexibility to allow appropriate structural and organisational change
- Succession planning and ongoing staff training and development.

Attraction and Engagement

The following internal and external challenges impact Council's Workforce Management Strategy in relation to attraction and engagement:

Attraction capacity

Attracting the right people with the right skills is important in order to maintain market competitiveness. Being competitive impacts on employment costs, through salary payments that reflect market rates and market recognised incentives such as motor vehicles, flexible work practices and learning and development opportunities. Projecting a positive employer brand and delivering on employee expectations is key to attraction.

Employee turnover and length of service

Our employee turnover rate has been steady between 2-4% for several years which is significantly below the local government industry rates of 8-9%. This is intrinsically linked to the age of the workforce and length of service. While a workforce with employees who have longer than average service can benefit the organisation, some turnover is optimum to facilitate change and adaptability. As well as understanding the nature of the workforce in development of resourcing strategies, it is important that Council also plan to maintain workforce engagement through the exploration of professional development and succession opportunities.

Proximity to Sydney job market

Wollongong's proximity to the Sydney job market impacts on the organisation's ability to attract and retain staff as we are often required to pay above regional and industry rates and include such incentives as cars to attract suitable staff. This subsequently impacts on employment costs.

Strategy

The following strategies are identified to address these challenges:

- Attract the best available people using best practice merit based employment strategies that are responsive to business needs and labour market changes
- Embed our values into all aspects of employment
- Induct employees into the organisation to assist them to embrace and apply our values, policies and procedures
- Develop and maintain systems that engage staff in setting their goals and outcomes to meet business needs
- Attract quality people seeking entry to the workforce by providing learning and skills development opportunities.

Social Responsibility

The following internal and external challenges impact Council's Workforce Management Strategy in relation to social responsibility:

Social responsibility

Recognise our social responsibility of giving back to the community – current focus is through Council's Employment, Equity and Diversity (EED) program. In particular, in providing support to community based services in the provision of training and support to disadvantaged or minority groups seeking entry to the workforce.

Employment, Equity and Diversity

Council's approach to EED planning focuses on linking with community planning. The primary aim is to achieve a workforce that reflects the diversity of the wider community and engage the whole community and promote Council as a diverse employer. Council recognises that it is necessary to include and apply its equity and fairness values into organisational culture.

Role of Council as a major employer within the community

Recognising jobs growth, jobs security, and the role the organisation has in the community to build employment based skills within the broader community. Council has a social and community responsibility to contribute to the Wollongong 2022: Community Strategic Plan as a major employer/partner separate from the service delivery responsibilities of Council.

High regional unemployment

Unemployment, and in particular youth unemployment, is one of the most significant economic and social issues facing the Illawarra region. Council is committed through the EED Plan, the Aboriginal and Torres Strait Islander Employment Plan and our Youth Development Plan to provide opportunities for employment and experience including a focus on cultural, demographic, social and economically disadvantaged groups.

Strategy

The following strategies are identified to address these challenges:

- To encourage ongoing learning among our people to maintain the capabilities required to meet current and future personal and organisational needs
- Be responsive to personal, legislative and organisational needs in learning and development activities
- Use technology to support learning
- Evaluate the effectiveness of learning and development strategies
- Develop organisational leadership strategies which promote value based management principles
- Provide a responsive learning program that addresses emerging business needs
- Support people to achieve their goals
- Develop skills to manage and implement change.

Organisational Development

The following internal and external challenges impact Council's Workforce Management Strategy in relation to organisational development:

Future skills requirements

Council is committed to consultation to identify skills gaps across the organisation which occurs through workforce planning and learning and development strategy development. The identification of these gaps will allow the organisation to plan for the appropriate education of the workforce to ensure that it has the skills and capabilities to deliver customer and community services.

Skills shortage

Maintaining relevant skills is essential to the effectiveness and performance of the organisation. Skills shortages can be due to a number of internal and external influences which must be strategically planned for in order to maintain a workforce capable of delivering Council's needs.

Strategy

The following strategies are identified to address these challenges:

- To encourage ongoing learning among our people to maintain the capabilities required to meet current and future personal and organisational needs
- Be responsive to personal, legislative and organisational needs in learning and development activities
- Use technology to support learning
- Evaluate the effectiveness of learning and development strategies
- Develop organisational leadership strategies which promote value based management principles
- Provide a responsive learning program that addresses emerging business needs
- Support people to achieve their goals
- Develop skills to manage and implement change.

Organisational Culture

The following internal and external challenges impact Council's Workforce Management Strategy in relation to organisational development:

Significant workplace and operational change

The current climate of uncertainty within the organisation in relation to future services delivery which may change or no longer be required presents significant challenges to building a constructive culture. Culture and organisational values need to underpin change management processes.

Strategy

The following strategies are identified to address these challenges:

- Create a work environment and culture that staff want and need to achieve professional, personal and organisational goals
- Foster a constructive culture that practices the organisational values
- Promote and develop leadership, coaching and support
- Support organisational and operational change that involves staff in decisions that affect them
- Implement effective workforce practices such as succession planning, cross function job opportunities, transferring and retaining knowledge and assisting staff to meet work-life balance needs
- Set and communicate workplace standards that support our desired culture and safety.

Workplace Health and Safety

The following internal and external challenges impact Council's Workforce Management Strategy in relation to organisational development:

Culture of safety and wellness

Significant progress has been achieved in our Work Health Safety (WHS) systems and processes. A key challenge is to continue to nourish and improve on our culture of safety and wellness through ensuring the ongoing demonstration of our constructive safety attitude and behaviour. This is achieved through genuinely engaging our workers to be applying preventative and proactive measures to ensure the safety and wellbeing now and into the future.

Ensuring legislative compliance

The new National Work Health Safety Act has become effective from 1 January 2012. Whilst the legislation is still new and untested, Council's WHS system requires a review and change to ensure compliance.

Application of the WHS system at an operational level

This is a significant priority for the organisation. The real success of the system is its application at an operational level that ensures the health and safety of Council employees, contractors and volunteers.

Injury management and redeployment capabilities

Our workforce demographics combined with Council's high number of manual work activities requires effective and efficient injury management and return to work strategies and practices. This enables a reduction on the number of days lost due to injury/illness and timely return to work timeframes for the benefit of the worker and Council. If the severity of the injury/illness prevents the worker being able to return to their normal position, flexibility in redeployment options needs to be improved.

Strategy

The following strategies are identified to address these challenges:

- Provide a work environment that values and supports the contributions of our people. This includes creating a safe, supportive and equitable work environment that sustains satisfaction, empowerment, commitment, enthusiasm and performance accountability
- Enhance safety through continuing support and development of our 'Get Smart Stay Safe' culture
- · Providing opportunities for employees to make positive and constructive changes in lifestyle choices
- Improvement in injury management intervention processes through timely Return to Work plans and established suitable duties registers for each operational area
- Ensure that WHS Management System is being applied at operational levels through verification and measurement activities against lead and lag performance indicators
- Provide a workers' compensation system that is efficient and cost effective and provides fairness and equity to Council and its people
- Balance between work, life and family is encouraged and supported.

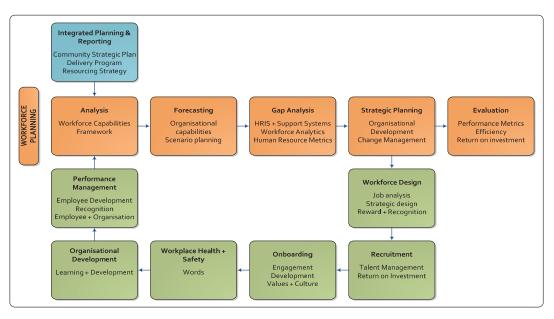
Our Plan

Council's Workforce Management Strategy has been designed with the specific purpose to establish direct linkage between workforce and corporate strategy. The aim of this plan is to improve Council's workforce planning capability, establish reliable metrics and analytics to support sustainable and measurable organisational improvement and respond to change strategies required to address financial sustainability.

Integration

The integration of workforce planning practices into human resources service delivery underpins the development of Council's workforce planning capabilities. Council is currently undertaking a review of Human Resource service delivery with the aim to embed workforce planning practices throughout the management of its workforce.

The following diagram demonstrates the integration of both Integrated Planning and Reporting, and Human Resources services with the workforce planning process.



Implementation

Workforce planning is addressed at both the organisational and divisional level and the responsibility for implementation is shared between Executive, Management and Human Resources. The following provides an outline of key roles and responsibilities across these primary roles.

Executive

The role of the Executive is to lead Council in the development and utilisation of workforce resourcing strategies to support business planning and decision making.

Responsibilities:

- Support inclusion of workforce resource data and analysis within the Integrated Planning and Reporting consultation process
- Support the integration of workforce planning strategies into corporate planning activities
- Support the accountability of management to engage in workforce planning strategy
- Utilise workforce planning data and analysis to support business strategy and decision making.

Management

At the divisional level it is the role of managers to continually analyse the composition and structure of their workforce to ensure that workforce has the right staff, with the right capabilities to meet emerging and future service delivery demands.

Responsibilities:

- Integrate workforce planning into local planning utilising workforce planning data
- Identify appropriate strategies/initiatives to meet workforce planning outcomes
- Manage local implementation of workforce planning strategies/initiatives
- Utilise workforce planning tools and support provided by Human Resources.

Human Resources (HR)

The role of Human Resources is to develop and implement organisational workforce resourcing strategies and deliver services and provide strategic and operational information that supports decision making.

Responsibilities:

- Providing strategic human resource advice and support in relation to the continuing development of workforce planning activities
- Development of tools to support workforce planning at the local level
- Informing local workforce planning discussions through the provision of local workforce data
- Coordinating organisation-wide workforce planning initiatives
- Facilitate the development of local workforce plans
- Provide policy advice
- Provide advice to managers on the most appropriate human resource activities to address identified workforce challenges.

Monitoring and Evaluation

Monitoring and evaluation is an important part of the workforce planning process that allows Council to analyse the effectiveness of its workforce and where required make changes to improve ongoing success.

Council will undertake this process through implementation of regular reporting designed to evaluate the effectiveness of implemented strategies and allow for changes to be made to support quality outcomes.

In addition, the development of workforce analytics and metrics data will be used to monitor and evaluate the effectiveness of the Workforce Management Strategy to support effective and efficient workforce resourcing decisions.

Wollongong City Council Financial Sustainability Review Citizens Panel Report

This report has been compiled by Straight Talk with input and direction from the Citizens Panel to outline the Panel's recommendations for review by the community and Councillors.

The sections of this report written in bold have been added by Straight Talk to provide further explanation for the Panel's recommendations.

This report will form the basis of consultation with the community during November. Submissions and comments on the Panel's recommendations will be considered by Councillors prior to making a decision about whether to adopt the recommendations or not.

Background and context

On 24 June 2013 Wollongong City Council determined to undertake a financial sustainability review that included comprehensive community engagement. In August Council agreed to convene a Citizens Panel to provide advice to Councillors and the community on how to find \$21 million a year to ensure Council is financially sustainable over the long term.

The Panel was tasked with providing recommendations in response to the following three questions:

- 1. What are the priority services for Council to deliver and to what level should Council deliver these services?
- 2. What are the opportunities to achieve operational improvements?
- 3. How should Council fund the delivery of these services to the desired level?

The panel comprised 34 individuals who were randomly selected by a third party, Taverner Research, a specialist market research firm, to provide a representative sample of the Wollongong community in terms of age, gender, geography, level of education, cultural background and housing tenure.

Categories	Description	Demographic profile	Participa	ant profile
		Percentage	Number	Percentage
Service age	18-24 years	13.4% of 18 yrs+	5	13.9%
groups	(Tertiary /			
	independent)			
	25-34 years	16.2%	5	13.9%
	(Young workforce)			
	35-49 years	26.0%	9	25.0%
	(Parents /			
	homebuilders)			
	50-59 years	16.3%	6	16.7%
	(Older workers /			
	pre-retirees)			
	60-69 years	12.9%	6	16.7%
	(Empty nesters			
	retirees)			
	70+ years	15.3%	5	13.9%
	(Seniors / elderly)			
Ward	North – ward 1	N/A – Council wanted	13	36.1%

	Central – ward 2	the Panel to evenly	11	30.6%
	South – ward 3	represent all three	12	33.3%
		wards		
Home tenure	Own/buying	64.4%	27	75.0%
	Renting	29.3%	9	25.0%
Gender	Male	49.5%	21	58.3%
	Female	50.5%	15	41.7%
Ethnicity	Speaks only English	79.4%	28	77.8%
	Speaks another language (NESB) (and English well/very well/ not well/ not at all)	17.6%	8	22.2%
Qualifications	No education above high school	43.9%	13	36.1%
	Advanced diploma / diploma / vocational certificate	28.7%	14	38.9%
	Bachelor / higher degree	16.8%	9	25.0%

The Panel met four times, as follows:

- Meeting 1 26 September 2013 (3 hours) Focused on the group coming together to understand the task and the panel process
- Meeting 2 2 October 2013 (3 hours) Focused on understanding the issues affecting Council's financial sustainability
- Meeting 3 Weekend of 11/12 October 2013 (11 hours) Focused on reviewing technical information and identifying preliminary recommendations
- Meeting 4 Weekend of 26/27 October 2013 (11 hours) Focused on reviewing and refining recommendations and reaching agreement as a group.

Panel meetings were independently facilitated by Straight Talk, a specialist community engagement firm.

Council's Executive team provided support and information to the Panel but did not lead any of the discussion sessions.

All information provided to the Panel has been made publicly available by Council and can be accessed from their Internet site (http://haveyoursaywollongong.com.au/projects/financial-sustainability). Only one fact sheet was not provided publicly based on the commercial in confidence nature of the information it contained.

Securing financial sustainability is an important public issue that will, to some extent, impact everyone in Wollongong, however, Council could not undertake in-depth consultation with the whole community. As part of an extensive community consultation program that involves multiple

opportunities for the wider community to provide feedback, Council opted to appoint a smaller diverse, but representative, randomly selected group of citizens and give them time and support to review information and deliberate together to enable them to provide considered and informed feedback about service delivery and associated options for financial sustainability.

Members of the Panel were everyday citizens who committed to spend a significant amount of time learning about issues affecting Council's budget. They were no more, or less, politically motivated that average citizens and unlike active citizens or representatives of special-interest groups, who routinely lobby Council, they had no vested interests. They worked together as a group, and not as individuals, to identify recommendations that would serve the common good and minimise impact on the community as a whole.

Panel's findings and recommendations

We the Panel encourage the community to review the information located on Council's Have Your Say page, http://haveyoursaywollongong.com.au/projects/financial-sustainability in order to understand issues affecting Council's financial sustainability and our decisions.

We encourage the community to read our report and provide comment to Council on our recommendations.

We identified the following principles to guide us in making our decisions, and for Council to follow to ensure financial sustainability going forward:

- Spend the community's money wisely
- Do everything possible to avoid a rate rise 'Tighten the belt' through efficiencies and service level changes
- Focus on maintaining existing assets before building new assets
- Focus investment on assets for highest and best use
- Make decisions that benefit the whole community over vested localised interests
- Make financially responsible decisions
- Ensure staff and Councillors are accountable to the community
- Ensure staff and Councillors are competent
- Ensure staff and Councillors do not engage in corruption.

Our decisions were made based on the information and time made available to us. Council staff and Straight Talk staff had no untoward influence over our decisions. We did everything possible to identify savings and efficiencies to minimise the impact on rates.

The Panel reached consensus on the following recommendations for changing the level of service, improving the efficiency and/or changing the way specific delivery streams are funded. They were aware that some of these recommendations may be unpopular and may impact groups in the community who use the services, but in reviewing services the Panel realised there is no easy way to find millions of dollars in savings without an impact. Accordingly, the Panel made its recommendations in an effort to minimise the impact on the least number of people and to mitigate the impact on rates.

Notwithstanding this, our recommendations include that Council:

- Implement a minimum of \$10 M (of the \$13 M identified by the Panel) of suggested savings within 3 years
- Cap a rate rise at a maximum of 7-7.5% (excluding CPI), to be introduced over 3 years
- Challenge Council to bridge the gap by stretching for further efficiencies and savings.

The Panel recognise that there is a gap and have set this 'stretch target' so Council can continue to demonstrate to the community how it is doing its bit to minimise impacts of a rate rise on the wider community.

- Maintain good faith with the community and not renege on the Panel's recommendations or be influenced by special interest groups or political affiliations. The Panel made its recommendations because it believed they were the fairest way for everyone to do their bit to ensure Council's long term financial sustainability.
- Ensure they do not get into this position again:
 - o Ensure that depreciation of capital expenditures is fully funded
 - Change the financial strategy to maintain the budget to break-even or better in each financial year.
- Communicate transparently to the community about the impact on rates express the rate rise as a percentage and in dollars (both in terms of increase per year and per week) and clarify that the increase is on top of the expected Consumer Price Index (CPI) rise to be announced shortly by NSW Government.
- Negotiate a more cost effective Enterprise Agreement for new staff that is more in line with the market with regards to wage/salary levels and terms/conditions.
- Ensure all savings and funds generated through the Panel's recommendations and the rate rise are fully directed to renewal of assets.
- Ensure Councillors are fully accountable and report back to the Panel on the implementation
 of recommendations and savings, in particular recommendations that are not implemented.
 The Panel would like Councillors to meet with Panellists, as a group, if they are going to
 change or not implement any or all of its recommendations.

We reviewed all of the services provided by Council including the 117 delivery streams. It should be noted that we have not eliminated any services outright, but instead have reviewed service levels in order to identify savings.

Specific recommendations and associated savings are listed below. In total the Panel identified approximately \$13 M in savings through a mix of reduction to service levels, service delivery efficiencies and increased user fees and charges. It should be noted that the magnitude of savings

is an estimate only and has not been tested or verified with detailed costing analysis. The estimates represent those amounts that were available to the Panel at the time.

<u>Service level changes = anticipated up to \$4.351 M</u> (recurrent annually)

- Lakeside Leisure Centre close centre and sell land \$300K due to utilisation and availability of other providers
- Pensioner interest remove interest exemption for full payment by May from Pensioner Policy \$50K
- Unanderra Library close due to proximity to other services and level of utilisation \$200K
- Coalcliff/Scarborough beach season- due to level of visitation reduce from 7 to 3 hours per day \$40K
- Events- reduce to 1 night of fireworks per year \$20K, and reduce Viva La Gong contribution by \$50K
- Urban Renewal and Civic Improvement- halve the current program \$300K
- Playgrounds- move towards improved centralised facilities rather than lots of little ones minimum 10% reduction across 151 playgrounds based on utilisation, location and condition \$105K
- Community Pools- reduce pool season by 2-4 weeks \$67K \$133K
- Community Pools- Berkeley pool reduce from 96 hours per week to 55 hours per week due to level of utilisation \$60K
- Ocean Rock Pools- reduce those close to other aquatic facilities and run to fail –Average \$45K depreciation per pool \$135K (2-3 pools)
- Community Facilities rationalise 10-15% (reduce or sell) existing assets with a focus on those that are underutilised - move towards improved centralised facilities rather than lots of little ones, average \$30K depreciation per building \$120 – 150K
- Community Facilities Coalcliff Hall due to level of utilisation demolish \$33K
- Pensioner waste exemptions remove exemption \$200K
- Charitable waste exemptions remove exemption \$200K
- Learning & Development- halve the Cadet, Apprenticeships and Trainee program \$1M
- Crematorium exit
- Parks- divest in small parks reduce number by 10% based on utilisation, location
- Mechanical Street Sweeping reduce level of service
- Community Engagement reduce \$50K
- Crown Street Façade no further work beyond existing applications with current commitment \$300K for 2 years (note: one off savings, not a recurrent program)
- Community Development review
- Environmental Programs & Partnerships review
- Environmental Assessment & Compliance review
- Social Planning- reduce \$25K
- Footpaths- expand lifespan to 80 years saving \$1M

Efficiencies- anticipated \$7M (recurrent annually)

Direct budget minimum reduction across the organisation of 5% **of discretionary operational spend (excluding assets)** - which may include, or be in addition to the following:

- Beaton Park- increase income from third party operators- \$25K
- Russell Vale Golf Course -outsource \$150K (temporary option to increase fees \$33K)
- Tourist Parks- lease- outsource all \$1M saving
- Supply Management- reduce- \$600K and potential for further efficiency in service areas
- Community Development- reduce production of service directories \$20K
- Community Safety & Graffiti- reduce staff \$50K reduction
- Cultural development- reduce/review spend \$20K reduction
- IPAC/Town Hall integrate management \$50K saving
- Environment Community Programs & Partnerships- review- \$20K mix of revenue and budget reduction
- Legal Services- review- \$20K reduction
- Tourism Increase investment in tourism assets but reduce tourism marketing \$100K
- Nursery- conservation focus, reduce staff x 1 \$80K
- Marketing, sign shop, printing- outsource- requires market testing. Reduce \$20K advertising
- Infrastructure Information & Systems Support- reduce staff numbers, cut waste- \$80K reduce staff x 1 and review systems
- Design & Technical services reduce staff apply efficiency target
- Roads & bridges- outsource- reduce staff- apply efficiency target
- Customer Service reduce apply an efficiency target
- Corporate & Councillor support- reduce- apply an efficiency target
- Vehicles reduce non-operational vehicles, explore hire vehicles
- GM & executive- reduce efficiency
- Human Resources reduce staffing levels across the organisation (indoor and outdoor staff)
 shift to more temporary less permanent staff, do not replace staff that exit the organisation average cost per employee between \$80 \$100K
- Economic Development- reduce efficiency
- Public Toilets outsource cleaning
- Enterprise Agreement change
- Library shift to more electronic books efficiency reduce annual book vote contribution by \$200K

Revenue sources-anticipated \$1.7 M (recurrent annually)

- Commercial Heated Pools- Increase fees by 10% over next 3 years \$44K
- Community Pools gold coin donation at entry (non-staffed) \$800K
- Gleniffer Brae- integrate with Botanic Gardens- seek rental return on Gleniffer Brae potential rental \$50K
- City Gallery- reduce- \$20K increase in revenue- could also review
- Sports fields 25% increase in fees \$87K
- Fitness Trainers 25% increase fees
- Youth Services revenue
- Libraries- increase late fees
- Environmental Assessment and Compliance- review- increase tree permit fees and charges \$25K
- Car parking- extend metered parking- all day Stewart Street car park \$80K, increase parking fees in City Centre by 50% \$600K



\$13.051 M/\$21 M

None of the Panel welcomed a rate rise, but given that the magnitude of savings was not sufficient to ensure financial sustainability, the majority of Panellists accepted a maximum 7 – 7.5% rate rise over 3 years on condition that a minimum of \$10 M in savings as identified by the Panel were achieved and that Council delivered further efficiencies. The rate rise would generate \$8.4 M in additional funds. It was noted that City Centre and Heavy Industrial rate payers already pay high rates as a result of special levies and that they should be exempt from further rises given the current economic climate.



\$13.051 M + \$8.4 M = \$21.451 M



have your ray



Securing our Future Financial Sustainability Review Community Engagement Report

November 2013



Table of Contents

Executive Summary	3
Step 1: September - October 2013	4
Step 2: Exhibition of Panel Report, 5-20 November 2013	5
Background to Project	7
Step 1 Engagement	
Methodology – September & October, 2013	
Stakeholders	
Promotional Materials	
Media Activities	
Step 1 Results	11
Open Submissions	
Survey Submissions to the Panel	
Demographic Data	
Online Discussion Forum	
Step 2 Engagement	28
Methodology – 5-20 November, 2013	28
Stakeholders	
Promotional Materials	
Media Activities	30
Step 2 Results	30
Online discussion forum	31
Submissions	35
Appendices	
Appendix A – Frequently Asked Questions	46
Appendix B – Citizen's Panel Recommendation Report	48
Appendix C – Promotional Bookmark	
Appendix D – News clippings	

Executive Summary

Like most Councils in NSW, Wollongong Council is faced with the challenge of finding enough money to look after the city's assets into the future. Many of our assets, such as roads, bridges, building and drains are aging and require a growing amount of funding to fix or replace them.

Since 2008 Council has been actively working to reduce internal costs in order invest funds back into maintaining council assets such as roads, footpaths, buildings and other infrastructure. Since 2008, Council has been able to make savings of \$20 million each year and has used this money to support the maintenance of assets. Nonetheless, Council still needs to find an additional \$21million a year to maintain our assets. If we don't take steps now, we will start to lose assets.

Wollongong City Council is not alone in taking steps to secure financial sustainabilty: nearly half (70) the Councils across New South Wales have recently achieved rate rises or are actively considering them to address issues flagged in TCorp's (NSW Treasury Department) report Financial Sustainability of the New South Wales Local Government Sector released in April 2013.

In September 2013, Council commenced engaging the community in conversations about long-term financial sustainability. The conversations focused on what options there are for improving financial security via efficiencies, service levels and funding sources. We would like to thank the community for their participation and for providing Council with valuable feedback. The majority of community submissions expressed their passion for Wollongong and desire to see our city prosper.

Between September and November, we actively engaged the community through:

- **Step 1**: convening a Citizen's Panel of randomly selected residents to review Council services, costs and revenue and inviting community submissions to the panel.
- Step 2: exhibition of the Citizen's Panel's report on recommended changes.

Council has engaged Councillors, staff, and the community on three key topics:

- operational and efficiency improvements,
- · changes to service levels, and
- · changes to funding sources

Further community engagement will continue through December 2013 until February 2014 via an exhibition of draft changes to our financial strategic plan, Resource Strategy and Delivery program. Additionally, the exhibition of the draft Annual Plan, Capital Works program, Budget and Fees and Charges will occur during April-May 2014.

This report deals with the engagement which occurred during September – November 2013 and specifically with Steps 1 and 2. It is anticipated that final decisions stemming from the engagement processes will not be made until June 2014, in accordance with Council's strategic management cycle.

Step 1: September - October 2013

The Citizen's Panel met across two evenings and two weekends during September and October 2013. They were given access to comprehensive information about Council service levels, costs and revenue sources. They were led through a deliberative process by engagement consultants from Straight Talk Consulting.

The overall engagement process and the community's opportunity to be involved were publicised through Council's website, through bookmarks distributed through Council facilities including libraries, leisure centres, pools, tourist parks, community and youth centres, as well as Neighbourhood Forums. Bookmarks were also made available in a wide variety of community meeting places across the local government area. Media briefings, media releases and Council's social media channels were used to broadly disseminate information. In early October 2013, a Council newsletter about the Securing our Future project was delivered to more than 80 000 households in the local government area. Advertisements were placed in The Advertiser throughout the project.

The engagement page on Council's website: www.wollongong.nsw.gov.au/securingourfuture included survey and submission forms, background information, the fact sheets and community asset maps supplied to the panel participants and online discussion forums. During Step 1 and Step 2 engagement this page had 10 279 visits.

Submissions received during September and October, to the Citizen's Panel included 11 open submissions, 14 participants in an online discussion forum and 167 online surveys.

Key themes included:

- The majority of survey participants indicated a preference for existing service categories to remain the same. In the instances of Environmental Services and Natural Area Management, there was a marked preference for increasing the level of service to these areas.
 - There was a secondary preference for an increase in service areas of: (i) aged and disability services; (ii) botanic gardens and nursery; (iii) community programs; (iv) cultural services; and (v) transport services to increase.
 - There was a secondary preference for a decrease in the following services: (i) city centre management; (ii) corporate strategy; (iii) financial services; (iv) governance and administration; (v) human resources; (vi) leisure services; (vii) public relations; and (viii) tourist parks.

• The open ended survey responses suggest there are mixed attitudes in the community towards: (i) streamlining staff efficiencies and projects; (ii) conditional rate rises; (iii) user pays; (iv) environmental sustainability; (v) cultural community and arts development; (vi) the tourism and visitor economy; (vii) commercialisation partnerships and linkages; (viii) maintaining or changing services and assets; (ix) the involvement of community in projects and communications; (x) State and Federal Government funding; and (xi) supporting and attracting local business and volunteers.

Step 2: Exhibition of Panel Report, 5-20 November 2013

Step 2 submissions included **333** open submissions, **43** participants in an online discussion forum and **291** submissions via an online form. Three petitions were received with **488**, **13** and **423** signatories respectively.

Table 1: Step 2 Submission Key Themes

Recommendation	Agree	Disagree
Service level changes		
Lakeside leisure centre, close and sell land	3	39
Petition against:		488
Unanderra Library – close	4	49
Petitions against:	>	423
Coalcliff/Scarborough beach season reduce	4	185
Playgrounds, centralise	3	39
Community pools reduce season	3	31
Ocean rock pools – reduce and run to fail	3	360
Petition against closing Coalcliff Pool		13
Community facilities – demolish Coalcliff Hall	0	51
Efficiencies		-
Russell Vale Golf Course - outsource	2	12
Tourism increase investment in assets/reduce marketing	6	13
GM & executive reduce	15	0
Human resources – reduce staffing levels	16	15
Library – shift to e-books and reduce book vote	7	17

Revenue sources	Agree	Disagree
Community pools – gold coin donation	9	23
Sports fields increase fees	5	19
Car parking increase fees	14	46
Rate rise	24	151

A number of participants N=22 stated they would support a rate rise, in some instances higher than that proposed, as long as services were improved.



Background to Project

Wollongong City Council commenced engaging with the community to create a Community Strategic Plan in June 2011. Through a comprehensive engagement process Council and the community held conversations around visions, goals and strategic objectives. We learnt about the community's priorities for their city, namely to make our city a vibrant, engaging and connected place that our community and visitors can enjoy and be proud of. The long-term vision reflected these goals and the community's love of place:

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

Our Community Strategic Plan, Delivery Program and Resource Strategies were adopted in June 2012. We engaged more people in this process than ever before in a strategic management plan exhibition. The engagement process was varied and widespread and included:

- a community reference panel held in 2011 to understand how the community wanted to communicate and engage with Council;
- vision surveys of children and adults;
- community conversations at markets and fairs;
- a series of Town hall talks with experts on aspects of the quadruple bottom line to inspire thoughts of future change;
- a two day community summit where the vision was written and first draft goals prepared;
- · refining workshops with community and agency representatives; and
- exhibition of the draft documents.

Through the 2012-2022 Resource Strategy we commenced a conversation around the next challenge we as an organisation and community need to meet: "to decide if we should, and can, provide enough funding to renew long lived assets used in providing existing levels of service." (*p6) We stated that if "not funded in this way, concession needs to be made that the existing services may not be possible in the future without significant impact on a future generation." (*p7)

Three scenarios were introduced in the Resource Strategy:

Scenario 1 – forecasts how to continue existing services and revenue as a base line.

Scenario 2 – includes rates increases to move to a targeted surplus operating budget.

Scenario 3 – suggests a mix of changes including rate and revenue increases, increased productivity savings program, sale of property and reductions in services. (*p13)

The exhibition of the 2013-14 annual plan engaged the community in confirming our actions in moving towards achieving the 5 year Delivery Program.

*Wollongong City Council, Resource Strategy 2012-2022 Summary

Through the engagement process which commenced in September 2013 Council is seeking to make a decision informed by community feedback, about how to deliver a sustainable financial position for Council.

A mix of operational and efficiency improvements, changes to service levels and changes to funding sources will be considered.

The community engagement objective in the Securing our Future Program is to:

 Seek feedback from the community in identifying priority services, service levels and funding sources.

The engagement process for Step 1 involved three groups of stakeholders:

- 1. The **community** of whom Council asked the following questions:
 - a. What are the priority services for Council to deliver and to what level should Council deliver these services? (Service and service level reviews)
 - b. How should Council fund the delivery of these services to the desired level? (Funding sources)

2. Staff of whom Council asked:

- a. What are the opportunities to achieve operational and efficiency improvements?
- b. What are the priority services for Council to deliver and to what level should Council deliver these services? (Service and service level reviews)
- c. How should Council fund the delivery of these services to the desired level? (Funding sources)
- d. What are the opportunities to increase Council revenue?

3. **Councillors** of whom Council asked:

- a. What are the opportunities to achieve operational and efficiency improvements?
- b. What are the priority services for Council to deliver and to what level should Council deliver these services? (Service and service level reviews)
- c. How should Council fund the delivery of these services to the desired level? (Funding sources)
- d. What are the opportunities to increase Council revenue?

Step 1 Engagement

Methodology – September & October, 2013

Council resolved to undertake a financial sustainability review to address Council's long term finances and the city's ageing infrastructure. In the past five years we have been able to improve Council's operational expenditure and put the \$20.3 million we have saved into the improvement of assets like roads, footpaths, buildings and drains. However, this is not enough and, as some of our roads, footpaths, storm water drains and buildings get older, we need to fund renewal and replacement work.

Council wanted to have a conversation with the community around some options regarding efficiency savings, priority services, service levels and funding sources. In September, a Citizen's Panel was formed to deliberate over the issues and provide recommendations on how Council could manage the financial gap into the future. A Citizen's Panel is a deliberative engagement model chosen for its suitability to consider complex, wicked problems. Council hired Tavener Research to recruit a panel of between 30-40 residents. Tavener Research used the following indicators to ensure the panel was a mini-public, representing the broad demographics of the city:

- Varied location by Ward (north, central, south) with equal representation from each area
- Income
- Gender
- Age
- Tenants and home owners
- Language other than English.

Current and former Councillors, state and federal MPs and current Council staff were the only exclusions from the panel.

Thirty-four panel members met on four occasions to formulate, discuss and consider Council services, revenue and budget. The panel was led by independent facilitator Lucy Cole-Edelstein of Straight Talk, who led a similar process for Canada Bay Council in 2012. The panel members were given detailed information on each of Council's services. These fact sheets and maps were made available to the community on Council's community engagement page.

The community were asked to make submissions to the panel. The community could do this via open submissions, an online survey, and/or an open discussion forum. The survey asked participants to rate whether services should be maintained, reduced or increased. It also provided an opportunity to suggest efficiencies and possible ways to increase revenue. The online discussion board asked: "What are the top two things you want the Citizens Panel to think about?" All survey, forum and submission results were collated and given to the Citizens' Panel to help inform their discussions.

Council has been undertaking service reviews over a number of years to identify and implement internal savings. A workshop was held with staff in October 2013 to continue to seek out operational efficiencies.

Table 2: Step 1 Engagement Activities

Activity	Distribution	Target Audience	Schedule
Step 1	Citizens Panel	Selection of citizen's	September-
		representative of	October
		the wider WCC	2013
		electorate.	
	Open submissions	Residents	October 8,
			2013
	Online survey		(closing
			date)
	Online discussion forum		
	Internal stakeholders (staff) workshop	Randomly selected	October 18,
		staff from every	2013
		division	

Stakeholders

The engagement strategy identified the key stakeholders of the project as: residents of the entire LGA, Neighbourhood Forums, community action groups, licenced community operators of Council owned facilities, Surf Life Saving Clubs, clubs and service organisations and Council Reference and Advisory Groups.

The call for submissions to the Citizens Panel opened on 20 September and closed on 8 October.

Promotional Materials

Information Package

Information packs were produced and distributed at a number of Council sites throughout the Local Government Area. The packs consisted of Frequently Asked Question Sheets and bookmarks that encouraged the community to view information about securing our future on the Council website. The information packs were distributed to all Council libraries, Beaton Park and Lakeside Leisure Centres, Bulli, Corrimal, and Windang Tourist Parks, Wollongong You Centre, council pools, and a range of Neighbourhood, Youth and Community Centres throughout the LGA. Neighbourhood Forum convenors met with Straight Talk around the Citizens panel and community submission process. They were shown the website and asked to pass out bookmarks.

Community Newsletter

Council's October newsletter was dedicated to the Securing our Future project with 3 of the pages outlining the engagement process in both text and diagrammatical form, why we are going through this review process, background information including statistics and results of the Community Survey 2012. This newsletter was distributed to more than 80 000 households during the first week of October 2013.

Media Activities

Print and Broadcast Media

A media release was produced and sent through to local media outlets on 10 September announcing the Securing our Future project, and a further media release issued on 20 September launching a call for submissions to the Citizens Panel. Additionally, the call for submissions was promoted in the Council pages in *The Advertiser* on 25 September.

Online Media

The use of online media supported the engagement process. The Council website hosted a page for Securing Our Future and all promotional materials, including a survey, videos and discussions boards were available on the webpage. The link to the Securing our future webpage has been extensively shared and promoted via Council's Facebook page and Twitter feed.

Step 1 Results

The following section presents the results of the engagement strategies undertaken as part of Step 1. Table 3 below provides a summary of strategies and activities undertaken, participants involved, and the number of participants attending or interacting at each engagement activity.

Table 3: Submissions received

Engagement Focus	Activity	Stakeholders	Number of Participants (N)	Close Date
Submissions to the panel	Open submissions	Community	N=11	October 8
	Online survey	Community	N=167	October 8
	Online discussion forum	Community	N=14 (19 comments)	October 8

Open Submissions

There were 11 open submissions to the Citizen's Panel from forums or associates. All of these submissions were directly supplied to the Citizen's panel to help inform their discussions and decision making. The submissions were made by:

Neighbourhood Forum 8;

Neighbourhood Forum 4;

Friends of the Botanical Gardens:

Save our Services; and

7 individual members of the community.

Survey Submissions to the Panel

A community survey was created to gather data on resident and key stakeholders' ideas about the Securing our Future project. The survey was comprised of both rating scales in relation to the Council's services as well as three open ended questions. One hundred and sixty seven participants completed the survey. The results of the survey were given to the citizen's panel to help inform their discussions and decision making. The following analysis is broken into quantitative and qualitative analysis.

Quantitative survey analysis

Participants could select only one option out of four as their response from: (i) do not run service at all; (ii) decrease the level of service; (iii) maintain the current level of service; and (iv) increase the level of service. Table 4 below outlines the percentage of participants who responded to each of the rating options.

Table 4: Survey ratings for level of service categories

	Do not run	Decrease the level	Maintain the	Increase the level	No answer
Service category	service at all %	of service %	current level of	of service	%
Service category	at all /0	Service /6	service	%	
			%	70	
Aged and Disability Services	1.89	4.72	51.42	27.83	14.15
Aquatic Services	0.47	5.66	66.04	15.06	12.74
Botanic Gardens and Nursery	0.00	7.55	52.83	26.89	12.47
City Centre Management	1.89	23.58	46.23	16.04	12.26
Community Facilities	0.94	10.38	57.08	18.40	13.21
Community Programs	4.27	13.68	44.81	23.11	13.68
Corporate Strategy	3.30	23.11	53.77	5.19	14.62
Crematorium and Cemeteries	7.08	12.26	63.21	3.30	14.15
Cultural Services	3.77	17.45	40.57	24.53	13.68
Development Assessment and Certification	0.00	5.19	66.51	14.62	13.68

Economic Development	2.36	19.34	46.23	17.92	14.15
Emergency Management	0.94	8.02	67.45	8.49	15.09
Environment Services	0.94	5.19	35.85	46.23	11.79
Financial Services	1.89	20.75	57.55	3.30	16.51
Governance and Administration	1.42	27.36	54.25	2.36	14.62
Human resources	0.47	24.53	54.72	6.13	14.15
Information and Communications	3.30	13.21	61.79	6.13	15.57
Technology					
Infrastructure Planning and	1.42	14.62	64.15	4.72	15.09
Support					
Integrated Customer Service	0.47	13.68	66.51	4.25	15.09
Land Use Planning	0.00	6.60	62.74	17.45	13.21
Leisure Services	6.60	20.28	46.23	13.21	13.68
Library Services	0.94	11.32	55.19	18.87	13.68
Natural Area Management	0.47	5.66	33.02	47.64	13.21
Parks and Sports Fields	0.00	14.15	60.38	11.32	15.14
Public Health	0.94	4.72	70.28	8.96	15.09
Public Relations	2.36	33.49	41.98	5.66	16.51
Regulatory Controls	0.00	10.85	57.08	17.92	17.92
Stormwater Services	0.00	3.30	63.21	17.45	16.04
Tourist Parks	12.74	21.23	44.34	7.55	14.15
Transport Services	0.94	6.60	53.30	26.42	12.74
Waste Management	0.47	4.25	65.09	16.98	13.21
Youth Services	5.19	11.79	46.70	22.17	14.15

The above participant rating data outlines the percentage of participants who rated each of the four options in their responses. Participants could choose only one option. In the table, the most common response across the four options is highlighted in bold font. For the most part, the most common rating for changes to services was to 'maintain the current level of service'. There were two exceptions to this, where the majority of participants selected to 'increase the level of service'. These two service categories were Environmental Services and Natural Area Management. What is interesting here, is the interrelated nature of these two service areas and the investment participants have in seeing an increase in the level of service for environmental protection.

Based on these results, what is also interesting and relevant to Securing our Future is where there were more responses scaled towards either increasing or reducing a particular service. This offers an indication as to how palatable changes may be in a more specific area. There are a few services with notable differences in participant preferences after the preferred option to maintain the service. Service areas with over 20% of support for increasing the level of service included:

- Aged and disability services (27.83%)
- Botanic gardens and nursery (26.89%)
- Community Programs (23.11%)
- Cultural Services (24.53)
- Transport services (26.42%)

Services that had 20% or more support for a decrease included:

- City Centre Management (25.38%)
- Corporate Strategy (23.11%)
- Financial Services (20.75%)
- Governance and Administration (27.36%)
- Human Resources (24.53%)
- Leisure Services (20.28%)
- Public Relations (33.49%)
- Tourist Parks (21.23%)

Qualitative survey analysis

There were three open-ended survey questions that prompted participants to consider in more detail their ideas for the efficiencies and services of Wollongong. These three questions are referred to as Q1, Q2 and Q3:

- Q1. Do you have any ideas about how we can work smarter to improve any of the service areas listed above?
- Q2. There are three possible funding sources for each service. These are rates, grants and user pays. Are there any reasonable opportunities for how council might increase funding for any of the 33 service areas listed in the previous section?
- Q3. Do you have any additional comments about the Securing our Future project?

The table below provides an overview of the themes that emerged from the open ended survey responses. For Q1, 12 overarching themes emerged. The number of instances where a theme was mentioned across the participants' responses is captured in the right sided columns of the table. The number includes any references to the theme including varied attitudes and beliefs. For instance 'rates' includes both participants who were for or against a rate rise. Therefore the table provides an overview of the key areas that participants referred to in their responses rather than an indication of their preferences.

Table 5: Qualitative themes and number of responses per question

	Theme	Q1	Q2	Q3
1	Streamline processes, staff efficiency and projects	24	9	7
2	Rates (either increase or decrease)	4	21	6
3	User Pays (pro or against)	4	26	6
4	Environmental Sustainability	13	4	7
5	Cultural, Community and Arts Development	9	6	6
6	Tourism and visitor dollars	4	4	8
7	Commercialisation	15	12	8
8	Maintain or change services, assets or infrastructure	31	18	24
9	Communication and involvement of community in council projects and events	8	3	17
10	Relationships between local and State Governments	7	11	6
11	Local business support and employment	14	5	1
12	Other	13	12	20
13	Revenue Opportunities	0	40	12
14	Spending	0	5	0
15	Efficiencies	0	3	4
16	Questions	0	0	0

The responses of the table are now explored in more depth in relation to each of the three questions.

Table 6: Do you have any ideas about how we can work smarter to improve any of the service areas listed above?

Overarching Code	Thematic Codes	Examples and key themes and improvements	No. of overall responses
Streamline processes, staff efficiency and projects	Administration, staff and project efficiencies and spending	 Communication between management and councillors Coordination of departments and units New skills and strategies, consolidate middle management positions Rationalise similar services, manage projects within budget Reduce costs and waste Reduction in upper middle management pay Respond to community questions faster 	19
	Other	 Linkages to local businesses Merge communications on projects e.g. council clean up and resource recovery 	2
Rates	Yes	- In favour of a rate rise	3
	No	- Preference for user pays	1
User Pays	Yes	For pools, child care and beachesFor developers and subdivision fees	3
Environmental sustainability	Environmental protection	 Strategic regeneration of bushland areas Reduce landfill Energy efficient buildings Management of natural resources and areas Stormwater management Bushcare and natural area restoration 	11
	Long-term planning	Always consider long-term implications'Be visionary'	3
Cultural, Community and Arts Development	Community and cultural development	 Celebrate cultural diversity Good urban design, people friendly facilities Create more community spaces Collaborative vibrant city 	8

			centre	
		-	Sporting and cultural events	
	Public art	-	Encourage local artists	1
Tourism and	Attract tourism	-	New events interest in the	4
Visitor Dollars			city	
		-	Grand Pacific Drive	
		-	Attract more tourism	
	User pays	-	Parking and beach usage	2
Commercialisation	Partnerships and	-	Increase linkages with local	8
	linkages		businesses	
		-	Licence facilities to	
			communities and groups	
		-	Have paid concerts at the	
			Botanical Gardens and on	
	Outs sunsing a small		public sites	_
	Outsourcing and	-	Contract outdoor work	5
	contracting	70	Contract all non-core	
			services	
			Provide tenders to	
			Wollongong based companies	
	Privatisation		Lease recreational assets	1
	Filvalisation	-	to private companies	'
Maintain or	Maintain or enhance		Access to council funded	20
change services,	Walitalii of Cililance		gyms and youth services	20
assets or		_	Maintenance of assets	
infrastructure			including Mt Keira	
			Community liaison and	
		W	neighbourhood forums	
		- 1	Bike paths, dog beaches,	
			community halls	
			Funding of arts	
		-	City facelift	
		-	Good design and publicity	
			for Wollongong	
		-	Transport hubs and cycling	
			facilities	
		-	Community spaces	
		-	Assistance to retail sector	
		-	Beach rubbish removal on	
			the weekends	4.7
	Cut or reduce	-	Care, culture leisure and	17
	services and/or		health	
	funding	-	Golf clubs	
		-	Street cleaning	
		-	Mall updates	
		-	Upgrade of shopfronts Council car fleet	
		-	Cultural services	
		-	High risk shares	
		-	CCTV cameras	
	ļ	<u> </u>	COTV Cameras	<u> </u>

		- Underutilised services	
Communication and involvement of community in projects	Improvements to communications	 Improve communication between council and rate payers Modernise PR practices Take advice from neighbourhood forums Improve the representation of council Advertising of events ahead of time 	9
Relationship between Local and State Governments	Funding from State or Federal governments	 Reduce duplication with State and Federal governments Reduce services that are better provided by other levels of government Don't spend on big projects that should be State funded 	6
	Local government	- Merge with Shellharbour council	1
Local business support and employment	Attract local business	 Outsource some services to local business Attract business to the area Support small businesses Support ethical and local businesses Employ more citizens 	8
	Utilise volunteers	Leverage volunteer grantsContract to volunteersEmploy local disadvantaged groups	6
Other	Ideas & Comments	 Follow Sydney City Council in waste collection and renewable energy systems Invest in a positive story about Wollongong Future fund for assets 	13

Table 7: There are three possible funding sources for each service. These are rates, grants and user pays. Are there any reasonable opportunities for how council might increase funding for any of the 33 service areas listed in the previous section?

Overarching Code	Thematic Code	Examples and key themes	No. of
Streamline processes, staff efficiency and projects (n=24)	Administration and project efficiencies and spending	Services and project delivery costing Reduce labour costs More accurate project cost	responses 9
		estimations - Run construction more effectively	
Rates	Yes	 Indexed to CPI Small rate rise (n=4) Rates should provide for services rather than cut 	12
	No	Rates already too highShould be user pays	5
	Conditional	 Higher rates for tourism providers and business Rates specific to property services For developers and high income earners 	6
User Pays	Yes	Libraries, beaches, pools (leisure services)Only for non-residents	16
	No	Already too highImpacts equitable access	5
	Conditional	 For leisure services Not youth services or services that benefit lower-socio-economic groups. Carefully selected services Parking and camping areas Rubbish dumping and tree removal Income relative Non-resident parking Commercial fitness providers 	15
Environmental sustainability	Environmental protection	 Developers should be responsible for environmental costs Natural area management Reduce household waste 	4
Cultural, Community and Arts Development	Community and cultural development	Run youth servicesAssist community involvement	4

		-	Assist local clubs and	
			organisations	
	Public art	-	Support art and	1
			placemaking	
Tourism and	Attract tourism	-	Assist marketing to bring	1
Visitor Dollars			tourism to the area	
	User pays	-	User pays non-resident	3
	D		parking	
Commercialisation	Partnerships and	-	Join with Landcare	4
	linkages	-	Community based	
			agriculture and local food production	
			Commercial retail sector	
		-	gains	
		_	Rates for tourism providers	
	Outsourcing and	_	Council owned assets and	3
	contracting		tourist parks	
			Leisure services	
	Privatisation		Sell caravan parks	3
	Resistance	-	Limit consultants and	1
			outsourcing	
Maintain or	Maintain and	-	Pools (non-fee paying)	11
change services,	enhance		(N=4)	
assets or			Maintain what are	
infrastructure			exceptional services and	
			increase rates	
		1	Creek lines and reserves	
			Community groups	
		7	Council youth services Public art and place making	
		- 1	Equitable access	
			Environmental sustainability	
	Cut or reduce	-	Cultural and sporting	8
	services and funding		activities	
		_	Low priority services	
		-	New projects such as the	
			Blue Mile or projects not	
			within budget	
		-	Caravan parks	
		-	Shopfront upgrades	
		-	Underutilised libraries and	
Commissional	Vaa		services	
Communication and involvement	Yes	-	Community partnerships	3
of community in		-	Communicate	
projects			improvements and community benefits in	
pi ojecio			proportion to rate increase	
		_	Mobilise community	
			responsibility and decision	
			making	
Relationship	State and Federal	-	Refuse to fund projects that	8
relationship	State and Federal		refuse to fund projects that	U

between Local and	governments		are State or Federal	
State	governinents			
			governments	
Governments			responsibilities	
		-	Limit cost shifting from	
			State government	
		-	Community groups	
			awareness of state and	
			federal funding	
	Other	-	Better alignment in grant	3
			priorities	
		-	Apply for grants for NGOs	
Local business	Assist community	-	Encourage community and	4
support and	groups and grants		volunteer groups	
employment		-	Assist community groups	
Revenue	Opportunities	-	Increase rates for larger	30
Opportunities	-		businesses	
		/	Income relative user pays	
			Developers charged for	
			environmental costs	
		7	User pays for waste	
			services	
		_	Fines for illegal dumping	
		_	Sell caravan parks	
			Charge commercial public	
		"	fitness providers more	
		_ `	Outsources services and	
			tourist parks	
	Grants		Apply for more grant	11
	Giants		funding	11
			Federal and State	
			Government funding	
	Hoor povo			5
	User pays	-	User pays for businesses Small amount	5
		-		
	Datas in sure	-	Services usage	
	Rates increase	-	Small or minimal rate rise	9
		-	One off rate for	
On an din a	Librar		infrastructure upgrades	_
Spending	Ideas	-	More for volunteer	5
			programs	
		-	Environmental levies	
		-	Use section 94 for public art	
		-	Assist groups that apply for	
			grants that benefit council	
			services and facilities	
Other	Ideas & Comments	-	Need for equitable access	9
			to services	
		-	Deploy fundraisers for	
			specific projects	
		-	No need to increase funding	
			for any WCC service	
1		•	•	

Table 8: Do you have any additional comments about the Securing Our Future project?

Overarching Code	Thematic Code	Examples and key themes	No. of responses
Streamline processes, staff efficiency and projects (n=24)	Administration and project efficiencies and spending	Better communication between divisions and units Reduce staffing	7
Rates	Yes	Wouldn't want to change services	3
	No	- Against rate increase	1
	Conditional	 As a last resort Based on what the owner can afford rather than land value Resent rates going to services 	3
User Pays	Yes	- In preference to a rate rise	1
	No		0
	Conditional	Weekend beach visitors parkingPort businessesParking fines	5
Environmental sustainability	Environmental protection	 Ecological outcomes maintained Creek lines and natural area management Integrate environmentally sustainable practices 	4
	Long-term planning		2
Cultural, Community and Arts Development	Community and cultural development	Creative and sustainable city cannot be compromised Thriving city centre, accommodation and dining venues	6
	Public art		1
Tourism and Visitor Dollars	Attract tourism	 Upgrade Mt Keira lookout Thriving city, beaches and parks and gardens to attract visitors Commercial opportunities for tourism 	7
	User pays	- Charge beach visitors	1
Commercialisation	Partnerships and linkages	More accommodation and dining options in the Illawarra	1
	Outsourcing and contracting	- External financial review	1
	Privatisation	Generate new revenue from tourism	3

		-	Sell off properties	
		-	Lease gateway centre	
	Resistance	-	Use existing staff	3
			knowledge rather than	
			outsourcing	
Maintain or	Maintain and/or	-	Local government functions	19
change services,	enhance		and infrastructure	
assets or		-	Managed funds and shares	
infrastructure		-	Creek lines and natural	
			areas	
		-	Development of a strong	
			and vibrant community	
		-	Services delivering	
			ecological outcomes	
		-	Community, youth and arts/culture	
			Commercial confidence in	
			Wollongong	
			Public facilities, pools, lakes	
			and gardens	
		-	Community consultation	
		_	Environmentally sustainable	
			practices	
			Equitable distribution of	
			resources and services	
		-	Maintain assets	
		-4	Upgrade Mt Keira lookout	
			and natural attributes	
	Reduce and/ or cut	-	Extra or new projects	10
	services	- 1	Services that run at a loss	
		5	Items that are not 'core	
			business'	
		-	Big projects such as the Mall and Blue Mile	
		-	Car fleet (lease or buy smaller cars)	
Communication	Yes	 _ 	Appreciation for asking for	17
and involvement	155		opinions and the quality of	' '
of community in			the consultation (n=6).	
projects		-	Consider the extensive	
			consultation of the	
			Community Strategic Plan	
		-	Ambitious project and	
			possibly too few people to	
			support it	
		-	Make decisions within	
			council rather than non-	
			experts Panel review places stress	
		-	Panel review places stress on the public	
		1_	on the public	
		<u> </u>		l

Relationship between Local and State Governments	State and Federal Governments	Lobby State and Federal funding - Turn responsibilities to State government	2
	Other	Cooperate with other councilsObtain grants where possible	2
Local business support and employment	Local jobs	Create more jobs in the Illawarra	1
Revenue Opportunities	Opportunities	 Beachside parking fees for non-residents Selling off property Attract tourism and the visitor dollar (N=5) 	11
Other	Ideas & Comments	 Appreciation for Council's efforts and foresighted approach to Securing our Future and asking community for their opinions Detailed process that is difficult for public to digest Reductions in wages including Councillors and Lord Mayor 	19

Demographic Data

The final part of the survey asked participants for their demographic data including gender, age bracket and suburb of residence. These were non-compulsory survey questions. The responses are presented in Tables 9-11 below.

18%

| Female | Male | No response

Table 9: Gender of Participants (%)

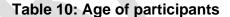




Table 11: Participants' Suburb of Residence

Ward 1 - Suburb	Number	Ward 2 – Suburb	Number	Ward 3 - Suburb	Number
Austinmer	5	Coniston	1	Berkeley	3
Balgownie	5	Cordeaux Heights	0	Brownsville	0
Bellambi	2	Cringila	0	Dapto	5
Bulli	9	Fairy Meadow	5	Flinders	1
Coalcliff	1	Farmborough Heights	4	Horsley	2
Coledale	7	Figtree	8	Kanahooka	1
Corrimal	9	Gwynneville	0	Koonawarra	0
Fern Hill	0	Keiraville	8	Lake Heights	1
Helensburgh	1	Mangerton	6	Penrose	0
Otford	1	Mt Keira	1	Port Kembla	3
Russell Vale	1	Mt Kembla	0	Primbee	0
Scarborough	0	Mt Ousley	3	Warilla	0
Stanwell Park	0	Mt Pleasant	2	Warrawong	0
Stanwell Tops	0	Mt St Thomas		Windang	0
Tarrawanna	0	North Wollongong	2		
Thirroul	8	Unanderra	4		
Towradgi	1	West Wollongong	2		
Wombarra	3	Wollongong	12		
Woonona	12				
TOTAL number	65		58		16
of participants					
per ward					
TOTAL % of	46.8		41.7		11.5
population per					
ward					

Online Discussion Forum

As well as the online surveys there was the opportunity for community members to write a comment on the public discussion forum. The comments were in response to the question: "what are the top two things you want the Citizen's Panel to think about?" 19 comments were submitted from 14 people. The comments are summarised below in Table 12. The number of online users who clicked on the 'agree' or 'disagree' button is captured in the right columns.

Table 12: Online discussion forum comments and popularity

1 2 3 4	Operational efficiencies and accountability for performance. Property asset sales. Criticism of Council employees as 'rats'. Grow small business and a vibrant engaged community. The mall refurbishment does not contribute to this. New vision for Wollongong in 20yrs. Make tourism more appealing through artwork at the information	4 2 1	0 3 3		
3 4	Property asset sales. Criticism of Council employees as 'rats'. Grow small business and a vibrant engaged community. The mall refurbishment does not contribute to this. New vision for Wollongong in 20yrs. Make tourism	1	3		
3 4	Criticism of Council employees as 'rats'. Grow small business and a vibrant engaged community. The mall refurbishment does not contribute to this. New vision for Wollongong in 20yrs. Make tourism	1	3		
4	Grow small business and a vibrant engaged community. The mall refurbishment does not contribute to this. New vision for Wollongong in 20yrs. Make tourism	1			
	community. The mall refurbishment does not contribute to this. New vision for Wollongong in 20yrs. Make tourism		3		
	to this. New vision for Wollongong in 20yrs. Make tourism	0			
	New vision for Wollongong in 20yrs. Make tourism	0			
		0			
5	more appealing through artwork at the information	U	3		
	more appealing through artwork at the information				
	centre.				
6	Mall was too expensive and ugly.	1	2		
7	Individuals with a background of civic activity should be	1	4		
	selected for engagement rather than a randomised				
	community panel.				
8	Serviceability of assets is understated and commercial	2	1		
	and aesthetic considerations of lifecycle should be				
	taken into account. Redirect any new capital works				
	projects funding to asset renewal.				
9	Invest in green infrastructure e.g. street lights. Reduce	2	0		
	golf courses.				
10	Northern Lagoon and Creek at Stanwell Park was	3	1		
	poorly modified and blocked the creek.				
11	Commercialise Bulli Tops.	3	1		
12	Sell Council assets.	3	0		
13	Businesses that lease near Lagoon should be	0	0		
	responsible for maintaining area.				
14	Secure local employment opportunities.	0	0		
15	Expand Wollongong as a tourist destination, save legal	0	2		
	fees by employing lawyers, investment in				
	commercialisation of assets such as light house and				
	kiosk.				
16	Citizens panel is a good idea and should not attract so	0	0		
	much criticism.				
17	Maintain public assets as public assets and resist	0	1		
	privatisation.				
Total a	Total agree and disagree clicks N=26				
Total number of page views					

Step 2 Engagement

Methodology - 5-20 November, 2013

Following the release of the Citizen's Panel final report on 5 November 2013, the report was placed on exhibition from the 5 November 2013 to the 20 November 2013. The Citizen's Panel final report included the Citizen's Panel overall findings and recommendations, and highlighted that such recommendations were necessary in order to secure future financial sustainaibility. Specific recommendations were made in three areas; service level changes, efficiencies and revenue sources. The community was asked to provide feedback on the report generally, and the recommendations specifically.

The key engagement tool for Step 2 engagement was an online submission form on the 'Have your say' website. This survey invited feedback from community members regarding: the overview of the Citizen's panel findings and recommendations, recommended service level changes, recommended efficiencies and recommended revenue sources. The online submission closes with an option to provide any other feedback.

Community members were also invited to email or write to Council to provide feedback. While these submissions did discuss a number of Citizen Panel recommendations, they also often discussed issues or concerns that were not part of the Citizen's Panel report. These issues and concerns were registered and included in 'other comments'.

On the 7 November 2013 Council staff convened a meeting with Neighbourhood Forum Convenors to discuss the process of the Citizen's Panel and their report, requesting members consider the recommendations and provide feedback.

Council staff were at Viva La Gong on Saturday 9 November 2013 to distribute promotional material, answer questions and invite further feedback.

Table 13: Engagement Activities for Step 2

Activity	Distribution	Target Audience	Schedule
Step 2	 Information kiosk at Viva Distributed promotional material Provided opportunity for feedback & information to stakeholders. 	Community	9 November 2013, 11.00am- 1pm
	Neighbourhood Forum Convenors meeting Information sharing session	Neighbourhood Forums Community	7 November, 6-7.30pm
	Information pack Consisted of a cover sheet explaining background and how to have a say, the Citizen's Panel report, poster and promotional bookmarks. • Distributed to all Council libraries, community centres, Youth Centre, leisure centres & tourist parks.	Residents Service users	Distributed by 6 November 2013

Stakeholders

The engagement strategy identified the key stakeholders of the project as: residents of the entire Local Government Area, all members of Council's Reference Groups, members of health services, community, sporting, education, business and surf lifesaving groups, and Neighbourhood Forums. Internal stakeholders were identified in order to maximise distribution of the report and promotion of the exhibition period to networks throughout the Wollongong area. Email lists and databases developed through ongoing engagement processes, including community groups and networks were used to promote the engagement and online opportunity to have a say.

Promotional Materials

Information Package

Information packs were produced and distributed at a number of Council sites throughout the Local Government Area. The packs consisted of a cover sheet explaining the background to the project and how to have your say, the Citizen's Panel's report, a poster and promotional bookmarks. The information pack was distributed to all Council Libraries, Beaton Park and Lakeside Leisure Centres, Bulli, Corrimal and Windang Tourist Parks, Wollonong Youth Centre, Council pools and a range of other youth and community centres throughout the local government area.

Media Activities

Print and Broadcast Media

A media release was produced and sent through to local media outlets on 5 November. Advertisement inviting the community to read the Citizen's Panel Report and make a submission to Council appeared on 6, 13 and 20 November in The Advertiser.

A number of news articles have appeared in both print and broadcast media during the exhibition period, including use of the Illawarra Mercury's online comments facility.

Online Media

The use of online media supported the engagement process during the exhibition period. The Securing our Future webpage was updated with messages about the process of the Citizen's panel as well as copies of key documents, a discussion form and submission process. The link to the Securing our future webpage has been extensively shared and promoted via Council's Facebook page and Twitter feed.

Step 2 Results

The following section presents the results of the various engagement strategies undertaken, detailing the responses gained from the results of the survey. Table 14 below provides a summary of strategies and activities undertaken, participants involved, and the number of participants attending or interacting at each engagement activity.

Table 14: Attendance at Engagement Activities

Activity	Stakeholders	Number of Participants (N)	Date
Information Kiosk at Viva	General community	65	9 November
Neighbourhood Forum convenors information session	Neighbourhood Forum members	7	7 November
Online discussion forum	General community	745	24 - 28 June
Web hits	General community	10 279	21 November

Table 15: Number of submissions received

Туре	Number of Submissions (N)
Online submission form	292
Open letters or emails	333
Petition 1: Don't close Lakeside Leisure Centre	488
Petition 2: Don't close Coalcliff pool	13
Petition 3: Don't close Unanderra library	423

Step 2 submissions included **331** open submissions, **43** participants in an online discussion forum and **292** submissions via an online form. Three petitions were received with **488**, **13** and **423** signatories respectively.

Online discussion forum

An online discussion forum was launched on 5 November 2013 to provide an opportunity to engage in discussion with fellow community members and ask questions of Council. The following question framed the discussion:

Following four workshops and a process of intense deliberation the Citizen's Panel has prepared a report for Council on their recommendations. Do you have any comments on their recommendations?

The forum provided an opportunity for community members to provide their own comments, as well as respond to other participants' comments. Table 16 summarises the comments posted, and whether other participants agreed or disagreed with such comments.

Table 16: Participant Comments

	Summarised comment	Agree	Disagree
1	 Have commercial tenants in Southern Gateway Centre Which pools will be 'run to fail?' - we need more pools Cut Viva La Gong 	4	1
2	 Questioning of the panel members and the spread of income level, suburb and gender Appalling suggestions to cut public services. Especially ocean pools as part of healthy communities 	7	1
3	Consider land usage fees (for indigenous people)	2	7
4	Unclear response	0	2
5	Access to services that benefit the whole community (pools and libraries).Resistance to private usage	0	1
6	Do not cut tidal ocean pools servicing. All surf clubs use the tidal pools for training and they are needed for safe swimming.	12	0
7	Libraries can go, pools to stay.	0	1
8	Concerns about land use entitlements	0	0
9	Extended response included as open submission instead	3	1
10	 Against rate increases. Mt Keira Rd needs urgent upgrade and Summit Park needs to be leased. 	0	1
11	 Wollongong has a brief to promote healthy lifestyle, promote tourism and bring jobs to the Illawarra - therefore maintain playgrounds, pools and libraries Rock pools are one of Wollongong's greatest assets – historically, socially and health giving 	8	0
12	Closing children's playground is not a solution.	12	0
13	Extended response included as open submission instead.	2	5
14	 Reduce waste on capital works and hours of labour e.g. weekends Close small parks that are underutilised Consolidate libraries but provide mobile access 	5	0
15	Retain council management of Russell Vale Golf	0	2

	Club		
16	- Do not charge access to healthy living facilities - they bring social, health and equal access to the community	10	0
17	Utilise green space opportunities	1	1
18	 Generally happy with citizens panel (cp) recommendations Develop Puckey's Estate Reserve and lease out 	3	3
19	Concern for the legitimacy of citizen's panel.Changing services or assets in the community is a short sighted approach	8	1
20	Set affordable rates for rental of community halls.	0	1
21	 Generally happy with CP recommendations Need lifecycle cost analysis for future projects Councillors need to report back to the panel Charities burdened already with illegal dumpers Divestment in council land assets 	2	0
22	Council postage costs are \$274,00 - therefore use email/ electronic forms instead	12	0
23	Leasing of property	0	0
24	Unclear response	0	0
25	Unclear response	0	0
26	Unclear response	0	0
27	Questions about the payment of citizen's panel members	2	1
28	Lakeside Leisure Centre is important asset to a healthy and vibrant community as well as servicing the changing needs of the community	3	1
29	Sell Lakeside	0	1
30	Keep the rock pools - they are a unique asset to the Illawarra	6	0
31	The Bulli Pool is used as part of Bulli High's PE and sport programs and fundamental to this continuing	10	0
32	Pools are needed for children and lifesaving programs	10	0
33	Ocean pools are a national treasure and draw tourism	10	0
34	The pools are a unique asset to Wollongong – both egalitarian and positive for social wellbeing	6	0
35	Criticism of council processes and promises about projects e.g. Bald Hill	5	0

Total	number of page views	N=745	
Total	agree and disagree clicks	N=156	N=32
51	Efficiencies of council are questioned	0	0
50	Businesses should be charged more	0	0
49	Send industry elsewhere	0	0
48	Unclear response	0	0
47	User pays should be introduced for localised services	0	0
46	Contract all essential services to the private sector	1	0
45	Lakeside is essential to community health including seniors and disability classes	0	1
44	Question the integrity of the online survey process	1	0
43	 It is short sighted for ocean pools to disappear – they are unique and attract visitors Develop sustainable long term solutions 	1	0
42	Lack of trust that the comments from this forum will be taken notice of by Council	1	0
41	Recreational and community assets are essential (pools, parks, beaches, libraries). Maintain beaches, parks and escarpment	1	0
40	 Undertake works that are community requested rather than imposed 	2	O
39 40	While democratic, the CP does not represent the community - Have road levies for heavy rigid class trucks	0	0
38	Unclear response	1	0
37	The ocean pools add considerable value to the Illawarra – locals and tourists.	6	0
36	Remove department inefficiencies	0	0
	Concerns about tender processes and costs as well as road repair costs and management		

Submissions

Feedback from both open and online submissions has been collated into the following tables. The tables are arranged by the headings provided in the Citizen's Panel Report. The Panel's recommendations have been summarised below so this section should be considered alongside a copy of the original report to ensure full clarity.

A strong response to the report was that participants felt that: there was insufficient detail in the Citizens Panel Report to comment on specific changes or recommendations; that the Step 2 engagement period was too short; that Panel members had done the work of elected representatives; and that there needed to be greater transparency and communication surrounding the process, the recommendations and the information used in the deliberative process.

While a number of participants provided highly emotive responses, there was quite a significant amount of detailed information provided in the submissions. Some of the more noteworthy comments were not specific to any of the recommendations, but instead took a large scale approach. Participants claimed that they had concerns around increased levels of unemployment that might arise from outsourcing and/or efficiencies, and that decreased staff levels could lead to poor service provision. There was disagreement between participants on whether the recommendations would work, and the extent to which Council should be able to make a profit from commercial services if they were run more efficiently.

The impact on the city, in terms of both cleanliness and image of Wollongong on the one hand, and tourism and economic development on the other, was highlighted in the responses from participants. Participants felt that without sufficient services, the city would become less attractive, and affect Wollongong's capacity for economic development. Tourism was highlighted as a potential growth area, but one that is underpinned by service delivery.

Finally, questions of social inclusivity, liveability and the health of the community were raised throughout the submissions. In this sense, a number of submissions asked that social costs be considered before economic costs.

Question 1: Do you have any comment on the Citizen's Panel's findings and recommendations?

While many participants did not provide comments on this section, there was positive support for the principles underpinning the Citizen's Panel process and report. In particular, N=26 supported that Council follow the principle 'spend the community's money wisely', and N=38 agreed that Council should do everything possible to avoid a rate rise, including tightening the belt via efficiencies and service level changes. In the context of support for such principles, N=125 disagreed with the recommended rate rise of a maximum of 7-75% over three years.

Table 17: Do you have any comments on the recommended Service Level Changes?

Recommendation	Agree	Disagree	Comments
Lakeside Leisure Centre – close and sell land	3	39	 Treat the same way as Beaton Park – increase income from third party operators. Lakeside provides many services that other fitness centres don't such as child minding, squash, tennis, group classes. Needs to be promoted better to increase utilisation.
Pensioner interest remove exemption	1	22	 It is a low act to hit pensioners with higher fees.
Unanderra Library – close	4	49 Note: Petiti	 The hours have recently been extended to meet community demand. Service the area with a mobile instead. This is a low-socio-economic area that needs a library. ion received against proposal, see below.
		N=423	ion received against proposal, eee belew.
Coalcliff/ Scarborough reduce beach season	4	185	 There is a strong risk of death if patrolled hours are reduced. The beaches are remote and it will take too long for help to come if someone is in trouble. Shift the patrolled time to later in the day out of the harshest sun in the middle of the day. For much of the season, a three hour Lifeguard Service, from 1430 to 1730,

Events reduce fireworks/ reduce Viva contribution Urban renewal and civic improvement Playgrounds –	20	7	would be sufficient at Coalcliff. A full service should be maintained from mid-December to mid-February. These events bring tourist dollars to the area. Wollongong needs more events, no less. Out city looks old and tatty, we need it to be vibrant.
centralise and reduce small			 just drive. Larger parks are too crowded and small children can't enjoy the experience.
Community pools – reduce season	3	31	 What is being suggested here? Is this in alignment with the pool users' survey? It is hard to get to the pool when you work full-time.
Community pools Berkeley reduce hours	1	22	 Is this in alignment with the pool users' survey? It is hard to get to the pool when you work full-time.
Ocean rock pools reduce	3	360	 The rock pools are icons and part of the Illawarra's cultural heritage. These beaches are dangerous places to swim in the open oceans. The pools increase safety. The pools are actively used by clubs, nippers and schools. Reduce costs by multi-tasking staff – lifeguards could also clean the pool. It doesn't make sense to close Coalcliff pool after upgrading the toilets. These pools feature in all our tourism and advertising campaigns so surely that shows they are important. Note: 61 specifically opposed closing Coalcliff pool, and 126 specifically opposed closing Northern Beach's Tidal Pools
		Note: P Pool N=	etition received against closing Coalcliff Rock =13

Community	5	19	These are important community meeting
facilities			places.
rationalise			The community built them so they belong to
			us.
			The fees are too high to encourage usage.
Community	0	51	Treat the same way as Beaton Park –
facilities Coalcliff			increase income from third party operators.
Hall demolish			The fees are too high to encourage usage.
			The hall is used as emergency
			accommodation.
			Let the community run it instead.
Pensioner waste	0	19	It is a low act to hit pensioners with higher
exemptions			fees.
remove			This will encourage illegal dumping.
Charitable waste	2	13	This will encourage illegal dumping
exemptions			3 1 3
remove			
Learning and	4	23	Council is a major employer in the area.
development			This will affect training opportunities for
reduce CATS			young people.
program			
Crematorium - exit	2	19	Manage the business better to make a
			profit.
Parks reduce	6	29	Some parks are currently unusable
number of small			because they are not maintained.
Mechanical street	4	14	I didn't know you did it now.
sweeping reduce			Consider the image of the city and its
			impact on tourist dollars.
Community	4	9	This is unwise, we don't get enough now.
engagement			Residents need to be engaged more not
reduce			less.
Crown Street	5	5	
façade – one off			
program			
Community	2	2	What does this mean?
development			
review	_		
Environmental	2	4	Yes, a review should take place
programs and			This is an excellent program.
partnerships			
review			
Environmental	1	1	With climate change, increased risk of
assessment and			

compliance review			bushfire and flood this should not be reduced.
Social planning reduce	2	1	Agree.
Footpaths expand lifespan	5	6	People will hurt themselves.
Overall comments	N/A	N/A	 A lot of money seems to be spent on unnecessary projects. Concern about cuts to services that affect families, the elderly and disabled. The proposed cuts seem to be targeting people trying to be fit and healthy. Council should spend money on parks, playgrounds and roads before upgrading shopping areas. Consider the effect on tourism that downgrading and closing services will create. Don't centralise services.

Note: the recommendation has been summarised in this table. Please refer to Citizen's Panel report for full recommendation and explanatory notes. Not all participants answered this question.

A number of participants expressed that they could not comment on specific service cuts as there was insufficient detail to formulate a view.

Petition to save Lakeside Leisure Centre

A petition of 488 signatures was received. The following statement was provided:

"Wollongong City Council have decided to close Lakeside Leisure Centre in Dapto as a COST CUTTING MEASURE, There is NO other facility in our area that offers such a wide range of fitness services for young and old, Governments are constantly telling us how overweight and unfit we are....DON'T LET THEM CLOSE OUR CENTRE, Your voice can also be heard on the "COUNCILS HAVE YOUR SAY www.wollongong.nsw.gov.au"

Petition to save Coalcliff Rock Pool

A petition of 13 signatories from Stanwell Park Primary School was received. The petition expressed their love of the pool and how upset they were to hear the pool may close.

Petition to save Unanderra Library

A petition of 423 signatories was received. The following statement was provided:

"Keep Unanderra Library open – please don't ignore our needs.

Unanderra residents implore Wollongong City Council to retain and maintain current operational hours and staff of Unanderra Library. This Library is a hub of local community who frequent this highly valued, hospitable and professional service, to gain access to information, resources and IT facilities and of course for GENERAL LOAN OF BOOKS. Failure to provide this service would deny access and equity to local community needs. Local transport precludes access to either Wollongong or Dapto libraries with NO DISABLED ACCESS at Unanderra station. This extends to aged, injured, parents with young children and prams, others with various mobility issues".

Table 18: Do you have any comments on the recommended efficiencies?

Recommendation	Agree	Disagree	Comments
Beaton Park	6	1	If you increase fees you will decrease
increase income			usage.
			Great idea, why isn't this idea applied to
			other services?
			The fees are already higher than other
			places.
Russell Vale Golf	2	12	This is mostly run by volunteers already.
Course outsource			
Tourist parks	3	7	You might save money but you will also
outsource			lose revenue.
			 You should be able to run this at a profit.
			Outsiders won't run these as well as staff
			do.
Supply	4	0	
management			
reduce			
Community	1	3	It is online already.
development			
reduce production			
of directories			
Community safety	1	11	Removing this would have a negative effect
and graffiti reduce			and increase unsightly areas of
staff			Wollongong. I am happy to pay higher rates
			to keep this service.
			Couldn't Council use offenders to clean up
			graffiti?
Community	1	9	What does this mean?
development			
reduce/review			
IPAC/Town Hall	5	3	This shouldn't be considered Council
integrate			business anyway.
management			
Environment	2	3	This is an excellent program that should be
community			kept.
programs review			
Legal services	1	1	
review			
Tourism increase	6	13	We need to promote tourism more.
investment in			Consider the effects of other service
assets/reduce			decreases on tourism.
marketing	Ī		Are we going to make our city undesirable

reduce costs, there is a problem with Council's management.				to tourists?
shop, printery outsource Infrastructure information and systems support reduce, review Design and technical services reduce Roads and bridges outsource, reduce Customer service reduce Corporate and Councillor support reduce/review Teduce Corporate and Councillor support reduce Cofficiency target. O Reducing operational vehicles is fine but keep community transport. Wouldn't taxis be cheaper for short trips? GM & executive reduce Human resources reduce 15 15 15 Fewer staff dealing with more work won't improve services. Council staff stand around anyway. If outsourcing work to other companies can reduce costs, there is a problem with Council's management. Retrain staff to multi task and fill vacancies. This will increase Wollongong's unemployment problem. Retrain staff to multi task and fill vacancies. This will increase Wollongong's unemployment problem. Casuals and contractors are expensive because of turnover and having to retrain		0	6	Gardens, an important space in Wollongong
information and systems support reduce, review Design and technical services reduce Roads and bridges outsource, reduce Customer service reduce Corporate and Councillor support reduce Vehicles reduce Vehicles 4 0 • Reducing operational vehicles is fine but keep community transport. • Wouldn't taxis be cheaper for short trips? GM & executive reduce Human resources reduce 15 0 • Cutting these wages would help lessen the burden on the community. • Consider cutting numbers and wages across middle management. Human resources reduce 16 15 • Fewer staff dealing with more work won't improve services. • Council staff stand around anyway. • If outsourcing work to other companies can reduce costs, there is a problem with Council's management. • Retrain staff to multi task and fill vacancies. • This will increase Wollongong's unemployment problem. • Casuals and contractors are expensive because of turnover and having to retrain	shop, printery outsource			
technical services reduce Roads and bridges outsource, reduce Customer service reduce Corporate and Councillor support reduce Vehicles (and & executive) GM & executive reduce Human resources reduce Teduce Teduce To be the first of	information and systems support	2		
bridges outsource, reduce Customer service reduce Corporate and Councillor support reduce Vehicles	technical services		2	
reduce Corporate and Councillor support reduce Vehicles reduce/review GM & executive reduce 15 0 • Reducing operational vehicles is fine but keep community transport. • Wouldn't taxis be cheaper for short trips? GM & executive reduce 15 0 • Cutting these wages would help lessen the burden on the community. • Consider cutting numbers and wages across middle management. Human resources reduce 16 15 • Fewer staff dealing with more work won't improve services. • Council staff stand around anyway. • If outsourcing work to other companies can reduce costs, there is a problem with Council's management. • Retrain staff to multi task and fill vacancies. • This will increase Wollongong's unemployment problem. • Casuals and contractors are expensive because of turnover and having to retrain	bridges outsource,	3	5	
Councillor support reduce Vehicles reduce/review 4 0 Reducing operational vehicles is fine but keep community transport. Wouldn't taxis be cheaper for short trips? GM & executive reduce 15 0 Cutting these wages would help lessen the burden on the community. Consider cutting numbers and wages across middle management. Human resources reduce 16 15 Fewer staff dealing with more work won't improve services. Council staff stand around anyway. If outsourcing work to other companies can reduce costs, there is a problem with Council's management. Retrain staff to multi task and fill vacancies. This will increase Wollongong's unemployment problem. Casuals and contractors are expensive because of turnover and having to retrain		4	4	Improve efficiencies.
reduce/review keep community transport. Wouldn't taxis be cheaper for short trips? Cutting these wages would help lessen the burden on the community. Consider cutting numbers and wages across middle management. Human resources reduce 16 15 Fewer staff dealing with more work won't improve services. Council staff stand around anyway. If outsourcing work to other companies can reduce costs, there is a problem with Council's management. Retrain staff to multi task and fill vacancies. This will increase Wollongong's unemployment problem. Casuals and contractors are expensive because of turnover and having to retrain	Councillor support	3	1	Apply an efficiency target.
GM & executive reduce 15 0 Cutting these wages would help lessen the burden on the community. Consider cutting numbers and wages across middle management. Human resources reduce 16 15 Fewer staff dealing with more work won't improve services. Council staff stand around anyway. If outsourcing work to other companies can reduce costs, there is a problem with Council's management. Retrain staff to multi task and fill vacancies. This will increase Wollongong's unemployment problem. Casuals and contractors are expensive because of turnover and having to retrain		4	0	keep community transport.
reduce improve services. Council staff stand around anyway. If outsourcing work to other companies can reduce costs, there is a problem with Council's management. Retrain staff to multi task and fill vacancies. This will increase Wollongong's unemployment problem. Casuals and contractors are expensive because of turnover and having to retrain		15	0	 Cutting these wages would help lessen the burden on the community. Consider cutting numbers and wages
Economic 2 1	reduce			 improve services. Council staff stand around anyway. If outsourcing work to other companies can reduce costs, there is a problem with Council's management. Retrain staff to multi task and fill vacancies. This will increase Wollongong's unemployment problem. Casuals and contractors are expensive because of turnover and having to retrain

development			
reduce			
Public toilets	2	4	They won't be kept as clean as now.
outsource			This will increase unemployment.
cleaning			
Enterprise	4	3	
agreement change			
Library – reduce	7	17	We still want paper books.
book vote, more e-			Not everyone has/can afford an e-reader.
books			E-books are expensive licences.

Note: the recommendation has been summarised in this table. Please refer to Citizen's Panel report for full recommendation and explanatory notes.

Not all participants answered this question. A number of participants expressed that they did not believe that these changes would result in the projected savings.

Table 19: Do you have any comments on the recommended revenue?

Recommendation	Agree	Disagree	Comments
Commercial	6	15	Raising fees will lower usage.
heated pools			The community built these pools.
increase fees			
Community pools	9	23	It will get stolen.
gold coin donation			Charge visitors not locals.
			 No-staff at pools is a safety issue.
			Administering the charges will out cost the
			donation.
			We already pay rates.
			Disadvantaged people won't be able to get
			exercise.
			Apply this model to other programs and
			events, eg Gallery, Library activities.
Gleniffer Brae	6	5	You couldn't rent it when you tried before.
integrate with			It is the community's, not Council's.
garden, seek			
rental return			
City gallery	3	6	Gallery used to attract large amounts of
reduce, increase			sponsorship.
revenue			Needs better promotion and more travelling exhibitions.
Coordo fieldo	_	40	
Sports fields	5	19	These important community services often
increase fees			have tight budgets.
			Don't disadvantage kids and families.
			They are important for our sense of community.

Fita and tools and	10		Etc
Fitness trainers increase fees	9	6	 Fitness trainers should be charged an appropriate amount for using council
			facilities.
			Charge large businesses but not small
			operators.
Youth services –	1	3	What does this mean?
revenue			
Libraries –	4	6	That's a good idea.
increase late fees			People won't bring the books back.
Environmental	3	0	
assessment and			
compliance			
review, increase			
fees and charges			
Car parking,	14	46	Introduce parking meters at crowded
extend, increase			beaches.
fees			Ensure large developments put in adequate
			parking.
			 Increase parking infringement fines.
			 You will drive people away from the city.
			 Need more ranger patrols.
			 Move parking meters from the CBD to the
			hospital.
Rate rise	24	151	Happy to pay a rate rise if services also
			improve N=22 online.
			The rate rise should be for all, no
			exemptions.
			Would rather pay a higher rate rise and not
			lose any services.
			I don't accept a rate rise, you should have
			planned better.
Other suggestions			Get rid of a number of council owned
			properties or lease them out.
			Reduce money spent on receptions.
			Seek more sponsorship/ business
			partnership opportunities.
			Charge large companies like mines whose
			trucks damage the roads higher rates for
			the repair.
			Look at internal savings first before
		hoon sumr	reducing services.

Note: the recommendation has been summarised in this table. Please refer to Citizen's Panel report for full recommendation and explanatory notes. Not all participants answered this question.

Table 20: Do you have any other comments on the recommendations?

Theme	Participants	Comments on the recommendations?
Step 2 Engagement Process	181	 Panel has done the work of, and/or replaced the role of the Councillors. Lack of information pertaining to the process. Engagement period needed to be longer for informed participation & submissions. Panel doesn't reflect the demographics and diversity of the Wollongong community. Panel lacked the necessary financial expertise to make such decisions and/or recommendations. Information provided to the Panel needed to be publicly available to the community as well.
Focus on improved efficiencies and savings, before cutting services	55	 Council should prioritise improving planning, processes and waste reduction Benchmark services to ensure greater efficiency Focus on efficient use of rates Use rates for existing asset renewal, rather than the development of large scale and new projects
Objection to selling, outsourcing & privatising	17	 Tenderlink doesn't improve efficiency. Lowest tender creates a reduction in quality. Introduce more efficient tendering processes. Outsourcing causes more problems with delivery, and increases costs. Selling assets reduces Council's capacity for revenue raising in the future. Outsourcing can lead to a loss of jobs in the local area.
Happy to pay increased rates in order to maintain service levels	22	 Some participants claimed they would be happy to pay greater rates in order to maintain existing service delivery levels. Other participants claimed they would be happy to pay higher rates or fees for a specific service, in order to maintain that specific service (in particular Ocean rock pools).

Note: the recommendation has been summarised in this table. Please refer to Citizen's Panel report for full recommendation and explanatory notes.

Not all participants answered this question.

Appendices

Appendix A – Frequently Asked Questions

Securing Our Future - Frequently Asked Questions

This information was provided on the online engagement page.

What is financial sustainability all about?

Simply put, when we're talking about financial sustainability we're talking about ways to make sure Council can fund its services and responsibilities in the future.

Each year, we have to balance the books on a \$243.6 million budget, and with much of our post-war infrastructure starting to show its age, we need to find a balance between funding our services as well as meeting the cost of the maintenance and renewal of assets.

By having this conversation now, we're able to plan ahead for the future.

Why is Council talking about this now?

This is not a new topic for Council. We've been speaking about our financial future for a number of years as part of our ongoing community consultation and planning. Finances, for example, formed a significant part of our Wollongong 2022 Community Strategic Plan.

The financial future of all NSW Councils was also discussed in the NSW Government's report 'Financial Sustainability of the New South Wales Local Government Sector'. Right now, we're in a planning phase. We want to assure the community that we're not broke, and we're financially strong in the short term. However, in the long term, our financial sustainability isn't as rosy. In the past five years we have been able to improve Council's operational expenditure and put the \$20.3 million we've saved into the improvement of assets like roads, footpaths, buildings and drains.

However, this is not enough and, as some of our roads, footpaths, storm water drains and buildings get older, we need to balance our books as well as fund renewal and replacement work. By asking you what you value, we're able to evaluate what are our priorities and to look for solutions to bridge this financial gap.

By working together we can decide if we should and can provide enough funding to renew ageing assets. Otherwise, all of our existing services may not be possible in the future without significant impact on a future generation.

Why does it concern me?

Council's responsibilities stretch far beyond the mantra of roads, rates and rubbish. The three 'R's' are a big part of what we do, but it's not all we do. As Council explores ways to improve our financial future, we want to know what you, as residents of our city, think.

We want your views on Council services such as libraries and community centres. We need to know how you rate programs offered through the Wollongong Botanic Gardens,

Volunteering Illawarra or at Wollongong Youth Centre. All of these things are integral to what Council does, and are part of a broader discussion about our city's future.

Does this mean Council rates will rise?

It's too early to speculate about rate rises. Council rates are certainly one of the areas under evaluation, but this is joined by service levels, operational improvements in Council, or revenues and funding options.

What will happen next?

Over the coming weeks we will be talking with the community about the different forms of engagement this process will involve.

This includes the formation of a Citizens Panel, which will be independently selected and facilitated. We anticipate this Citizens Panel will meet several times in October.

We will be putting more information up on this site and be encouraging the community to make submissions which will be considered by the Citizens' Panel. We'll also be hosting online discussion forums.

The recommendations from the Citizens Panel will be provided to Council, and go back to the community for further comment and feedback later this year.



Appendix B - Citizen's Panel Recommendation Report

Wollongong City Council Financial Sustainability Review Citizens Panel Report

This report has been compiled by Straight Talk with input and direction from the Citizens Panel to outline the Panel's recommendations for review by the community and Councillors.

The sections of this report written in bold have been added by Straight Talk to provide further explanation for the Panel's recommendations.

This report will form the basis of consultation with the community during November. Submissions and comments on the Panel's recommendations will be considered by Councillors prior to making a decision about whether to adopt the recommendations or not.

Background and context

On 24 June 2013 Wollongong City Council determined to undertake a financial sustainability review that included comprehensive community engagement. In August Council agreed to convene a Citizens Panel to provide advice to Councillors and the community on how to find \$21 million a year to ensure Council is financially sustainable over the long term.

The Panel was tasked with providing recommendations in response to the following three questions:

- 1. What are the priority services for Council to deliver and to what level should Council deliver these services?
- 2. What are the opportunities to achieve operational improvements?
- 3. How should Council fund the delivery of these services to the desired level?

The panel comprised 34 individuals who were randomly selected by a third party, Taverner Research, a specialist market research firm, to provide a representative sample of the Wollongong community in terms of age, gender, geography, level of education, cultural background and housing tenure.

_					
Categories	Description	Demographic profile	Partici	Participant profile	
		Percentage	Number	Percentage	
Service age groups	18-24 years (Tertiary / independent)	13.4% of 18 yrs+	5	13.9%	
	25-34 years (Young workforce)	16.2%	5	13.9%	
	35-49 years (Parents / homebuilders)	26.0%	9	25.0%	

	50-59 years (Older workers / pre-retirees)	16.3%	6	16.7%
	60-69 years (Empty nesters retirees)	12.9%	6	16.7%
	70+ years (Seniors / elderly)	15.3%	5	13.9%
Ward	North – ward 1	N/A - Council wanted	13	36.1%
	Central - ward 2	the Panel to evenly	11	30.6%
	South – ward 3	represent all three wards	12	33.3%
Home tenure	Own/buying	64.4%	27	75.0%
	Renting	29.3%	9	25.0%
Gender	Male	49.5%	21	58.3%
	Female	50.5%	15	41.7%
Ethnicity	Speaks only English	79.4%	28	77.8%
	Speaks another language (NESB) (and English well/ very well/ not well/ not at all)	17.6%	8	22.2%
Qualifications	No education above high school	43.9%	13	36.1%
	Advanced diploma / vocational certificate	28.7%	14	38.9%
	Bachelor / higher degree	16.8%	9	25.0%

The Panel met four times, as follows:

- Meeting 1 26 September 2013 (3 hours) Focused on the group coming together to understand the task and the panel process
- Meeting 2 2 October 2013 (3 hours) Focused on understanding the issues affecting Council's financial sustainability
- Meeting 3 Weekend of 11/12 October 2013 (11 hours) Focused on reviewing technical information and identifying preliminary recommendations
- Meeting 4 Weekend of 26/27 October 2013 (11 hours) Focused on reviewing and refining recommendations and reaching agreement as a group.

Panel meetings were independently facilitated by Straight Talk, a specialist community engagement firm.

Council's Executive team provided support and information to the Panel but did not lead any of the discussion sessions.

All information provided to the Panel has been made publicly available by Council and can be accessed from their Internet site (http://haveyoursaywollongong.com.au/projects/financial-sustainability). Only one fact sheet was not provided publicly based on the commercial in confidence nature of the information it contained.

Securing financial sustainability is an important public issue that will, to some extent, impact everyone in Wollongong, however, Council could not undertake in-depth consultation with the whole community. As part of an extensive community consultation program that involves multiple opportunities for the wider community to provide feedback, Council opted to appoint a smaller diverse, but representative, randomly selected group of citizens and give them time and support to review information and deliberate together to enable them to provide considered and informed feedback about service delivery and associated options for financial sustainability.

Members of the Panel were everyday citizens who committed to spend a significant amount of time learning about issues affecting Council's budget. They were no more, or less, politically motivated that average citizens and unlike active citizens or representatives of special-interest groups, who routinely lobby Council, they had no vested interests. They worked together as a group, and not as individuals, to identify recommendations that would serve the common good and minimise impact on the community as a whole.

Panel's findings and recommendations

We the Panel encourage the community to review the information located on Council's Have Your Say page, http://haveyoursaywollongong.com.au/projects/financial-sustainability in order to understand issues affecting Council's financial sustainability and our decisions.

We encourage the community to read our report and provide comment to Council on our recommendations.

We identified the following principles to guide us in making our decisions, and for Council to follow to ensure financial sustainability going forward:

- Spend the community's money wisely
- Do everything possible to avoid a rate rise 'Tighten the belt' through efficiencies and service level changes
- Focus on maintaining existing assets before building new assets
- Focus investment on assets for highest and best use
- Make decisions that benefit the whole community over vested localised interests
- Make financially responsible decisions
- Ensure staff and Councillors are accountable to the community
- Ensure staff and Councillors are competent
- Ensure staff and Councillors do not engage in corruption.

Our decisions were made based on the information and time made available to us. Council staff and Straight Talk staff had no untoward influence over our decisions. We did everything possible to identify savings and efficiencies to minimise the impact on rates.

The Panel reached consensus on the following recommendations for changing the level of service, improving the efficiency and/or changing the way specific delivery streams are funded. They were aware that some of these recommendations may be unpopular and may impact groups in the community who use the services, but in reviewing services the Panel realised there is no easy way to find millions of dollars in savings without an impact. Accordingly, the Panel made its recommendations in

an effort to minimise the impact on the least number of people and to mitigate the impact on rates.



Notwithstanding this, our recommendations include that Council:

- Implement a minimum of \$10 M (of the \$13 M identified by the Panel) of suggested savings within 3 years
- Cap a rate rise at a maximum of 7-7.5% (excluding CPI), to be introduced over 3 vears
- Challenge Council to bridge the gap by stretching for further efficiencies and savings.

The Panel recognise that there is a gap and have set this 'stretch target' so Council can continue to demonstrate to the community how it is doing its bit to minimise impacts of a rate rise on the wider community.

- Maintain good faith with the community and not renege on the Panel's recommendations or be influenced by special interest groups or political affiliations.
 The Panel made its recommendations because it believed they were the fairest way for everyone to do their bit to ensure Council's long term financial sustainability.
- Ensure they do not get into this position again:
 - Ensure that depreciation of capital expenditures is fully funded
 - Change the financial strategy to maintain the budget to break-even or better in each financial year.
- Communicate transparently to the community about the impact on rates express
 the rate rise as a percentage and in dollars (both in terms of increase per year and
 per week) and clarify that the increase is on top of the expected Consumer Price
 Index (CPI) rise to be announced shortly by NSW Government.
- Negotiate a more cost effective Enterprise Agreement for new staff that is more in line with the market with regards to wage/salary levels and terms/conditions.
- Ensure all savings and funds generated through the Panel's recommendations and the rate rise are fully directed to renewal of assets.
- Ensure Councillors are fully accountable and report back to the Panel on the implementation of recommendations and savings, in particular recommendations that are not implemented. The Panel would like Councillors to meet with Panellists, as a group, if they are going to change or not implement any or all of its recommendations.

We reviewed all of the services provided by Council including the 117 delivery streams. It should be noted that we have not eliminated any services outright, but instead have reviewed service levels in order to identify savings.

Specific recommendations and associated savings are listed below. In total the Panel identified approximately \$13 M in savings through a mix of reduction to service levels, service delivery efficiencies and increased user fees and charges. It should be noted that the magnitude of savings is an estimate only and has not been tested or verified with detailed costing analysis. The estimates represent those amounts that were available to the Panel at the time.

<u>Service level changes = anticipated up to \$4.351 M (recurrent annually)</u>

- Lakeside Leisure Centre close centre and sell land \$300K due to utilisation and availability of other providers
- Pensioner interest remove interest exemption for full payment by May from Pensioner Policy \$50K
- Unanderra Library close due to proximity to other services and level of utilisation \$200K
- Coalcliff/Scarborough beach season- due to level of visitation reduce from 7 to 3 hours per day \$40K
- Events- reduce to 1 night of fireworks per year \$20K, and reduce Viva La Gong contribution by \$50K
- Urban Renewal and Civic Improvement- halve the current program \$300K
- Playgrounds- move towards improved centralised facilities rather than lots of little ones - minimum 10% reduction across 151 playgrounds based on utilisation, location and condition \$105K
- Community Pools- reduce pool season by 2-4 weeks \$67K \$133K
- Community Pools- Berkeley pool reduce from 96 hours per week to 55 hours per week due to level of utilisation \$60K
- Ocean Rock Pools- reduce those close to other aquatic facilities and run to fail Average \$45K depreciation per pool \$135K (2-3 pools)
- Community Facilities rationalise 10-15% (reduce or sell) existing assets with a focus on those that are underutilised - move towards improved centralised facilities rather than lots of little ones, average \$30K depreciation per building \$120 – 150K
- Community Facilities Coalcliff Hall due to level of utilisation demolish \$33K
- Pensioner waste exemptions remove exemption \$200K
- Charitable waste exemptions remove exemption \$200K
- Learning & Development- halve the Cadet, Apprenticeships and Trainee program \$1M
- Crematorium exit
- Parks- divest in small parks reduce number by 10% based on utilisation, location
- Mechanical Street Sweeping reduce level of service
- Community Engagement reduce \$50K
- Crown Street Façade no further work beyond existing applications with current commitment \$300K for 2 years (note: one off savings, not a recurrent program)
- Community Development review
- Environmental Programs & Partnerships review
- Environmental Assessment & Compliance review

- Social Planning- reduce \$25K
- Footpaths- expand lifespan to 80 years saving \$1M

Efficiencies- anticipated \$7M (recurrent annually)

Direct budget minimum reduction across the organisation of 5% of discretionary operational spend (excluding assets) - which may include, or be in addition to the following:

- Beaton Park- increase income from third party operators- \$25K
- Russell Vale Golf Course -outsource \$150K (temporary option to increase fees \$33K)
- Tourist Parks- lease- outsource all \$1M saving
- Supply Management- reduce- \$600K and potential for further efficiency in service areas
- Community Development- reduce production of service directories \$20K
- Community Safety & Graffiti- reduce staff \$50K reduction
- Cultural development- reduce/review spend \$20K reduction
- IPAC/Town Hall integrate management \$50K saving
- Environment Community Programs & Partnerships- review- \$20K mix of revenue and budget reduction
- Legal Services- review- \$20K reduction
- Tourism Increase investment in tourism assets but reduce tourism marketing \$100K
- Nursery- conservation focus, reduce staff x 1 \$80K
- Marketing, sign shop, printing- outsource- requires market testing. Reduce \$20K advertising
- Infrastructure Information & Systems Support- reduce staff numbers, cut waste-\$80K reduce staff x 1 and review systems
- Design & Technical services reduce staff apply efficiency target
- Roads & bridges- outsource- reduce staff- apply efficiency target
- Customer Service reduce apply an efficiency target
- Corporate & Councillor support- reduce- apply an efficiency target
- Vehicles reduce non-operational vehicles, explore hire vehicles
- GM & executive- reduce efficiency
- Human Resources reduce staffing levels across the organisation (indoor and outdoor staff) - shift to more temporary less permanent staff, do not replace staff that exit the organisation - average cost per employee between \$80 - \$100K
- Economic Development- reduce efficiency
- Public Toilets outsource cleaning
- Enterprise Agreement change
- Library shift to more electronic books efficiency reduce annual book vote contribution by \$200K

Revenue sources-anticipated \$1.7 M (recurrent annually)

- Commercial Heated Pools- Increase fees by 10% over next 3 years \$44K
- Community Pools gold coin donation at entry (non-staffed) \$800K
- Gleniffer Brae- integrate with Botanic Gardens- seek rental return on Gleniffer Braepotential rental \$50K
- City Gallery- reduce- \$20K increase in revenue- could also review
- Sports fields 25% increase in fees \$87K
- Fitness Trainers 25% increase fees
- Youth Services revenue
- Libraries- increase late fees
- Environmental Assessment and Compliance- review- increase tree permit fees and charges \$25K
- Car parking- extend metered parking- all day Stewart Street car park \$80K, increase parking fees in City Centre by 50% \$600K



\$13.051 M/\$21 M

None of the Panel welcomed a rate rise, but given that the magnitude of savings was not sufficient to ensure financial sustainability, the majority of Panellists accepted a maximum 7 – 7.5% rate rise over 3 years on condition that a minimum of \$10 M in savings as identified by the Panel were achieved and that Council delivered further efficiencies. The rate rise would generate \$8.4 M in additional funds. It was noted that City Centre and Heavy Industrial rate payers already pay high rates as a result of special levies and that they should be exempt from further rises given the current economic climate.



\$13.051 M + \$8.4 M = \$21.451 M

Appendix C - Promotional Bookmark



We want to know what you think of Council's services, how we deliver them and what you might change. Now's the time to have your say ...

Recently there's been a lot of talk about Council's long term financial sustainability. With ageing roads and buildings we need to think about how we're going to manage infrastructure renewal in the future. That's why we want to hear from you. Log on to Council's website for loads of background information, and have your say through surveys, submissions and discussion boards.



Not sure what to do? Scan the QR code or contact our point you in the right direction.

www.wollongong.nsw.gov.au/securingourfuture

Appendix D - News clippings

1. Illawarra Mercury 6th November 2013 'The Big Squeeze: Council told to raise fees, cut services' p.1, 4 & 5



Stand by to pay

Tears shed as panel discussed rate rise

process and take responsioning for financial decisions out of the councillors' hands.

The panel members met four times during September and October to discuss ways to reduce services, raise revenue and make the council more efficient in the long term.

Led by an independent consultant from community engagement that Straight Talk, they came up the services of all citizens of the fillawarra.

In their report, which is now on public exhibition, the panel members suggest the council implement at least \$10 million of the fillawarra.

In their report, which is now on public exhibition, the panel members suggest the council implement at least \$10 million of the fillawarra.

In their report, which is now on public exhibition, the panel members suggest the council implement at least \$10 million of the fillawarra.

In their report, which is now on public exhibition, the panel members suggest the council implement at least \$10 million of the fillawarra.

Faced with a list of more than \$80 ways to cut costs or raise revenue yesterday, Lord Mayor Gordon Brudsberry acknowledged he and other councillors had difficult decisions abead of them in the coming months.

"I noked at some of the recommendations and thought, 'Ob boy, and the supplies of the said.

"I'm not restiling from that fact and I think the council has been used to the proposal and the panel way of the said.

"I'm not restiling from that fact and I think the council has been used to the proposal and the panel way of the commendations and thought, 'Ob boy, and the panel way of th

done years ago."

Cr Bradbers said he recognised not all the panel's suggestions would be welcomed by other residents, but urged them to "face reality" and realise the council needed to operate more efficiently if it was to meet citizens' expectation in the future.

He also emphasised citizens' panel recommendations were not the end of community consultation under the financial review, and said councillors would make the ultimate decision on what changes go ahead.

Citizens' panel member Nicola Stanistreet said she believed the group's proposed measures repre-

RATES will rise by 7.5 per cent, the cost of CBP parking will soar, filness trainers and sports groups will pay more and Lakeside Leisure Centre and Unanderra library will close if sweeping changes recommended by Wollongong City Council's controversal citizens.

Also facing the cloop are some of the city's annual fireworks celebrations, kids' playgrounds, cean rock pools, the council-run crematorium and at least half of its new Crown Street faced rejuvenation scheme.

According to on extensive list of suggestions released by the panel would go down and even charities and pensioners would not be spared, with their interest and waste excemptions slated to be removed.

Further, tourist parks, marketing and cleaning would be out sourced and staffing levels nervos awould be cut through attrition. The 34 citizens' panel members were randomly chosen by market tessearchers to play a pivotal part in the councill's comprehensive financial review, which is designed to add an extra \$21 million to its yearly budget to meet a growing infrastructure backing.

The 34 citizens' panel members were randomly chosen by market tessearchers to play a pivotal part in the councillors, who believed the panel would unfairly set the agent from community groups and some councillors, who believed the panel would unfairly set the agent for the rest of the consultation process and take responsibility for financial decisions out of the councillors and council of the councillors would be cut through attrition.

The 34 citizens' panel members were readomly chosen by market from community groups and some councillors, who believed the panel would unfairly set the agent of the group was a council of the councillors would be cut through attrition. The string has been very been decision of the council of the counci



THE citizens' panel has usurped the role of Wollongong City councillors, according to Bede Crasnich. "I just found this whole process

"I just found this whole process very undemocratic, from our point of view," the Ward 3 councillor said.

"We've been deprived of our rights as councillors to pass policy.
"We were elected in September of 2011 to make decisions for this city, for better or worse. We're entitled to do that, it's our role to do that."

Calling a 7.5 per cent rate rise

"Indicrous and ridiculous" Cr Crasnich said he would not be "I'm going to push what the people who voted for me want," he said.
"Many of those feel they're paying enough in rates, maybe went too much. So I won't be supporting a rate rise, no mater what the panel says:
"Crasnich said he was "all for a service reduction" but only without an increase in rates. Cr Grey Fetty said he also would not vote for the rate rise.
"It hink council needs to look further afield than taking the ensy

spiton of a rate increase, Creety said, eds to look at the way it does business. It shouldn't be relying on ratepayers to pick up many years of financial neglect. He suggested a better approach was to stop spending money on new projects and transfer those funds to infrestructure renewal. Cr Petty said he would table an alternate budget at the next council meeting, one without a rate rise.

rate rise
Cr George Takacs felt many of
the measures recommended by the measures recommended by the citizens' panel were necessar and said the councillors needed to treat the suggestions scriously.

ILLAWARRA MERCURY, Wednesday November 6, 2013

www.illawarramercury.com.au

more, get less



whole 'undemocratic' process

"I think the process that we had in place should have delivered us what you might regard as the carefully considered opinion of the silent majority of people if they're presented with all the facts,' he said cause of that we meed. "I think because of that we meed the panel quite seriously and any that we choose not to implement, we need to come up with good reasons for not implementing them."

them."

Cr Takacs said there was a sound reason for both cutting services and raising rates.

"The magnitude of the problem in terms of shifting the

www.illawarramercurv.com.au

appropriate amount of resources into asset maintenance is such that we can't of it with just one that we can't of it with just one and the second of the sec

he wasn't surprised by the recommendations to cut services, believing the process was directed by the council. "They certainly wouldn't have been prompted to build up "The whole thrust of the whole exercise was that council was looking at financial difficulties and it was clear there was going to be cuts.

massive cut to services and people wouldn't accept it So I think it's got to be a combination of the two."

The community group Save Our.

The community is the proposal billy in trying to get this recommendations that they group is the proposal support of the proposal support of the community is the community is the proposal support of the community is the communit

WHAT'S PROPOSED

SERVICE CUTS

- MILES OF THE POSED

 SERVICE CUTS

 Measures to save up to
 \$4.35 million a year includer

 Contro and sell of the land for
 \$300,000 saving

 Shut Unanderra Library, due
 to its proximity to other services, for \$200,000 saving

 Meduce Coateliff/Scarborough beach season hours from
 seven to three hours

 Cut firsworks celebrations
 to one night seach year and
 cut Ywa La Gong funding by
 \$50,000

 Centralise playgrounds
 through a mainimum 10 per
 cent reduction in the council's

 151 playgrounds

 Fun down ocean rock
 pools which are close to other
 services, cut pool season by
 up to four weeks, and slash
 Berkeley pool hours form 96 to
 \$5 hours a week

 Findi back kunding for the
 new Grown Street faciadic rejuvenation to just \$300,000 over
 two years

 Henrow waste exemptions

- The New York of the New York o



REVENUE HIKES es to raise \$10.1 million

- a year include:

 Introduce a maximum
 7.5 per cent rate increase over
 three years to generate an
 outra \$8.4 million

 Extend parking meter hours
 to raise \$9.0,00

 Increase CBD parking
 fees by \$9.9 per cent to raise
 \$60,000
- seco,000
 Raise sports field and fitness trainer fees by 25 per cent.
 Increase heated pool fees by 10 per cent over the next three years



EFFICIENCY PLANS Measures to save \$7 million a year include: Reduce staffing levels

- Reduce staffing levels account of the control of th

Tax certainty hailed

THE removal of a host of federal

THE removal of a host of federal government tax measures that layer of uncertainty for business and tax practitioners, accountance experts as the election. Treasurer Joe Hockey and Assistant Treasurer Arthur Sinodinos have been reviewing about 100 tax proposals dating back 12 years that have never been legislated. The results of this exercise are expected to be announced soon. Institute of Chartered Accountants australia CEO Lee White said addressing this backlog of tax measures that had not been enacted could provide a clean slate for the new government's economic agenda.

Holden pay rise

HOLDEN workers who agreed to a three-year pay-freeze deal will instead get a rise in less than a fortnight if the car maker does not rectify the car maker does not see that the car maker does not make the company's Australiae operations deal in August to help save the company's Australiae operations mitting to build its Cruze and Commodore models in Australia from 2016.

If Holden makes the commitment, the workers will then lose their 3 per cent rise.

Shot man charged

A MAN who turned up to a Sydney-hospital with a gunshot wound to refusing to say who shot him.

The 25-year-old man turned up at Liverpool Hospital yesterday, but allegedly refused to provide police with details about how he got the injury. He's been charged with concealing a serious indicable offence and will appear in court in coming weeks.

It comes after a 15-year-old girl was shot on Monday night when shot on Monday night when foundire aimed at a Blacktow house.

Snake kills woman

a WOMAN has died after being bitten by a snake while gardening near Newcastle.

Newcastle.

Newcastle.

He was a was a warmen warmen was a warmen wa

Port sale gets nod

THE NSW government is going ahead with its planmed sale of the Port of Newcastle after a study showed it would benefit the state.

The government announced a By-year-less of the port as part of the state budget in June.

Yesterday Treasurer Mike Barri said the election to green light the state budget in June.

Yesterday Treasurer Mike Barri was the election to green light the sale was the state in the people of Newcastle, who are one step closer to achieving the much-needed revitalisation of their city centre – a major investment which will be made possible through funds raised by the lease of the port. The sald.

ILLAWARRA MERCURY, Wednesday November 6, 2013 5

Illawarra Mercury, November 7 2013, 'Little information on service cuts and fee hikes but you've got 2 weeks' p.1



lourism to suff

Burning issues considered by citizens panel

CREMATORIUM sait.
Cilizens of Wollomeong, respond.
No, it's not an existential HSG question, it's one of the recommendations pur forward by Wollomeong City Council's cilizens panel.
It seems tikely—given, the aim of the panel is to add \$21 million to the council's ansulal budget that the words rewmatorium—exit' mean the council should stop operating its Kembla Cranga creanstorium to save some cash.
But there is no detail

save some cash.
But there is no detail about when it would be closed, whether it would be start down completely or sold off on a private provider, or what he actual monetary gains of doing.

This is just one of 65 recommondations made by the critizens panel, but it is not the ocily ambiguous one.

Others include: "Youth services - notices - revenue."
Clastomer service - reduce - apply as efficiency starget." ISM & executive - reduce - efficiency starget." Which youth services? What revenue? Which customer services should they be early flow and it is not the reduced? By how much should they be early flow and it is not included a service and it is not included a service. The reduce of the service is not included a service what?" Mr Tyler wrota.

And by how much "Secondly, how is this reduce of all. reduce what?" Mr Tyler wrota.

And by how much service a solly increase in revenue could also review increase in revenue could also review anything at any time. Review how it operates?"

For manners, the report suggests the council implement a rate rise of up to 25 per rent were there years, to generate a star funds.

However, it doesn't include details on wheth-er the rise would be

ANALYSIS

AVALUATION
delivered in increments, if it is in addition to the statewide rate peg of about 24 per cent of it be rise would come in next-year.

Normally, sath decisions of this magnitude, councillors would receive full and tensition of this magnitude, councillors would receive full and tensity tousiness paper serling out the history, detail and financial benefits of such a move.

With so much the interest of such a move that we would receive the full and the council for clarification begins we would be able to speak to a staff member about the owen; in given the first manner and the transport of the memory of the format of the summer of the such properties of the summer of the such properties of the summer
Boy section to the control of the co

gives residents nearly two
months in have their asy
on the usese.
The Have Your Say
website also provides
detailed popers and a
35 minute vieto delving
into the cementery's
failtopy to help inform
their decisions.
Yel citizens have just
two weeks segress their
thoughts on a proposal
that will impact every
person liveng in the city
had will we recomanufathors like 'evenatorium' exit." who
knowed Maybe it will impact on them when they're
no longer living too.

WOLLONGONGS success in setting itself up as an event-driven fourist destination will suffer it eats to the events and tourism budget recommended by council's controversial citizens panel 50 abead.

The panel has recommen-ted also be a superior of the superior



It's important that Wollongong has a vibrant identity Tamare Campbell

Transport Compbell

The a faministic opportunity for people to shows as what they do, all across the arts and different games music, dance, the street "I think the importune that willongton has a vibrant identity, not just a community for the part of the art of the common to a piece."

In recent years Wolfon Roag tourism leaders have focused on drawing visitor for a series of major events held in the city, with the Brown to a series of major events held in the city, with the Brown to a series of major events held in the city, with the Brown Wolfongong wistor a unabers above 4.5 of million doesn't controlled by trappers had visited the Blowarra in the 12 months to March, up 10 per cent on the previous year.

Destination Wolfongong Chief Common the previous year.

Destination Wolfongong Chief Common to extend the panel saw the event of the proposal to cuit tourism safeting.

But he he had he was pleased the panel saw the value of tourism sasks.

The suggestion to extend the was pleased the panel saw the value of tourism sasks.

The wolf of the common to the region, he said.

We will continue to work with Wolfongong City Council made a significant strategic statement shout the importunce of tourism to the region, he said.

We will continue to work with Wolfongong City Council to ensure that as much forming as possible is made a wailable for marketing will be consumed the importance of the importa

Increasing parking

citizens panel this week. In the 2012-13 fluancial year the council carned \$1.2 million from particle meters, and the panel hoped a hale in prices would add an extra \$800.000 to the council bottom like to be council bottom like to be council bottom like to be private bottom like to be council bottom like to be council bottom. If accepted by council lors, a proposed 50 per central would be \$3 on hour in some areas, while stapping for half an hour in Lower

City's proposed

UP, UP A			
HOW YOUR YES	tes could rise	over three	years
Suburb	Average house rate	rise	with full rise including annual increase!"
Dapto	\$1013	51089	\$1187
Farmborough:	Htts 51145	51831	\$1342
West Wollang	DOM E1234	51/27	\$1446
Towradgi	51978	\$1179	\$1613
Wollengone	\$1598	51711	11866
Austinant	\$1958	32116	\$2308
	\$1958		\$2306

www.illawarramercury.com.au

ILLAWARRA MERCURY, Thursday November 7, 2013

mercury if cuts go ahead



fees last straw for CBD business

road blocks up and say we're classed for business. Wise Eyes Optical owner Andrew Reveley, who has been a word opponent of parking meters ence they were introduced in 2010, also voiced his concerns about the proposed bloch about the proposed bloch of the construction of the constructio

few shopping centres in Anatralia that doesn't have some form of free parking-whether that's one hour or three houses for or something-and raising the parking feed on the street will lead to a raise in off-street fees too.

"And that will just further people coming into hown to spend their dollars."

These sentiments were echoed by Blawarra Business Chamber chief Debra Murphy, who said a rise in parking costs would

The detrimental to trustifies within the CAD?

The proposal was also unpopular among Haracorn Mercary readers, who took to social media to express their thoughts.

When asked on Facebook what they thought of the panel's supported changes to CAD parking, some one of the control of the panel's supported changes to CAD parking, some or "reductions" and said they would be more filedly to shop at retail centres like Shellharbour and Miranda

if fees went up.
Sabrina Alister said she
thought "Wolfenguesg
[would] become even more
of a glost lown" while
Michelle Garcia said she
thought" the council Iwasa-trying to entire people back
to the mall, not the
opposite".

opposite".
"The parking prices are reasonable at the moment (and increasing the feer will decrease patronage," Phil McQuade said.

current construction in the mall already affecting trade."
However, some said they would be happy to pay 50 per cent more in parking fees for the convenience of being sable to find a space and shoe close to home. Residents are made to be a subject to the said to be a subject to the

READERS' REACTIONS

SOMETHING has to pay for \$28 million of gray pavers and gum trees in the mall

Keep pushing Wolsongong down the train. More cuts, less survices, Less his for everyone unless you have the X We'll end up like Detroit, where yee ann buy bouses for \$1 af eBay. By you fitnus, people will want to stay or more to on a mea, which is so expensive and is so poorly run?

RealBy Ichare

Really, how could they possibly spend less than they already do on the sets? I do not object to paying more for extra services, but for less Lisa Martine

The words "randomly chosen by market researchers" should never be soon together in the same sentence, unless you are writing a child's fairytale.

Sunstine

Best-way to save money is to merge with Shell harbour and save on administration costs. To offer less and take more is an insulf, but unless people move houses we have no choice, as I have no duabt that rouncil will do what they want.

Stane

rate rises may be much higher than they appear

WOLLONGONG residents may have to brace themselves for potential rade hikes above 17 per cent over three years, if the recommendations of the council's citizent panel are taken are. The panel have proposed increasing resident more money for council scrizes. Rasidents and ratepayers of Wollongous have been given just two weeks and a day to commend on the proposals raised by the panel.

With each year's rate rise compounding on the previous year's figure, the actual rate-like could be \$1.22 per cent over these could be \$1.22 per cent over these could be \$1.22 per cent rate, and the IPART-pegged rises.

The Illoworra Mercarya Rigures are informed speculation But Wolfongoug City Council del not provide an answer to multiple inquiries on the topic yesterday. A spokesam said only "as per their interview yesterday the panel in not keen to rely on a rate rate of financial sustainability".

The Mercury's figures are conservative— they are based on an annual IPART-pegged rise of 3 per cent. The most recent IPART pegged rise, for the 2013-14 financial year, was for 3.4 per

cent.
Our analysis also does not take intoconsideration that the council could apply
to IPART for a rise above and buyond two
pegicd rate.
So while is not clear what the final figure of
considerably more than 75 per cent over
three years.

ILLAWARRA MERCURY Thursday November 7, 2013 5

Illawarra Mercury, 8th November 2013 'Don't blame us: Citizens panellist defends report' p.1 'Council jobs targeted' & 'Playgrounds under threat in bid to save cash'



WOLLONGONG'S controversial citizens panel has fired back at criticism of its report on how the city can save money, blaming the city council for confusion over its

recommendations.

Panel member Nicola Stanistreet said it was the council's consultants who had typed out the final report, which has been branded vague

Citizens panellist defends report

and ambiguous. "The reason that there's not a great deal of detail in the report is that we expected the council to provide that information," she said.

Ms Stanistreet yesterday offered to

clarify some of the more confusing recommendations in the report covering service cuts and rates and

number of children's playgrounds to reducing the number of council staff, have received angry responses across the city.

Union spokesman Greg Golledge slammed the recommendations on staff cuts, saying the proposal ignored the needs of the community.

MORE REPORTS: PAGES 4. 5

TODAY Sunny, isolated showers 31 TOMORROW Showers 23 DETAILS - P26 TV - liftout 4 illawarramercury.com.au

Council jobs targeted

BEN LANGFOFD

MAKING more permanent workers temporary, not replacing staff who leave, outsourcing more work and axing bosuess for executives—Wollongong City Council's workeree is in for a shakes up if the citizens panel recommendations are adopted.

The controversial panel, tasked with finding ways to make the council more financially sustainable, saw the opportunity to save significant costs on staff wages. It recommends: "reduce staffing levels across the organisation (indoor and outdoor staffy," and suggests increasing casual workers and contractors.

gests increasing casual workers and contractors. Meanwhile, staff numbers - 1128 at present - would be reduced by attrition. The panel suggests "do not replace staff that exit the organisation". The cadet, pprenticeships and traine program would be cut in half to sawe \$1 million.

Citizens panel encourages attrition

Public toilet eleaning could be outsourced and staff could be reduced in the design and technical services, roads and bridges, and customer service divisions.

The panel predicts these strategies would save \$80,000 to \$100,000 per position, while the council's Enterprise Bargaining Agreement could be revised to make it more "cost effective" for new staff.

Not even general manager

new staff.

Not even general manager
David Farmer's office, and the
council executive, are safe – a
reduction is recommended.

Vesterday Mr Farmer told the
Mercury the council did not have a
staff reduction program in place,

"Council currently reviews each
vecancy as they arise and determines the appropriate response to
deal with the individual situation," he said, "We then discuss



Playing out: Horacio Rodriguez watches his son Jordan, 11, who loves the monkey bars at Cordeaux Heights' Todd Park.

Playgrounds under threat in bid to save cash

BEN LANGFORD

BEN LANGFORD

ANY council that moved to cut the number or quality of kids' playgrounds would quickly find out about the special place these facilities hold in people's hearts. Wollongong City Council has 151 playgrounds scattered from Helensburgh to Dapto, from major structures at Towradgi and Stanwell Park to smaller ones dotted throughout the suburbs.

It is the smaller ones that appear to be in the sights of the council's citizens panel, as it seeks ways to save money.

The panel's report has been released for public comment before the council decides how to proceed.

Under "service level changes", anticipated to save \$4.35 million, the panel's report recommends: "Playgrounds — move towards improved centralised facilities rather than lots of little ones."

It aims for a "minimum I) per centreduction across 151 playgrounds based on utilisation, location and condition", identifying a saving of \$105 million.

Another recommendation of the panel suggests small parks should be sold. It says: "Parks – divest in small parks reduce number by 10 per cent based on utilisation, location."

But as a visit to Todd Park at Cordeaux eligible of the condition of the condition of the condition of the condition of the panel suggests small parks should be sold. It says: "Parks – divest in small parks reduce number by 10 per cent based on utilisation, location."

City is not of the TV.

"It's real for for keeping them all parks should be said on the TV.

"It's real the panel would mean that playgrounds should not be "replaced" as often as they were now.

"Any opportunity to stop in for a few instance, who lives just up stop one?" than other count that they were now.

"It's is not for TV. I was the TV. I was a visit to Todd Park at Cordeaux eligible searched a lowed to the panel should be allowed to be replaced much sold not need to be replaced as the panel would mean that playgrounds bould not be "replaced" as often as they were now.

"Any opportunity to stop in for a few mutus, and the panel would mean that playgrounds should not be "replaced" as often as they were now.

"Any opportunity to stop in for a few mutus, and the recommendation of the TV.

"All sense were now.

"As stantisticated to.

"All sense were now.

"As stantisticated to.

"Any opportunity to stop in for a few mutus, and the part of the TV.

"Any opportunity to stop in for a few mutus, and the part of the TV.

"Any opportunity to stop in for a few mutus, and the part of the TV.

"Any opportuni

ILLAWARRA MERCURY, Friday November B, 2013

www.illawarramercury.com.au



Natural resource: Swimmers enjoy Austinmer rock pools which face an uncertain future under proposals from the controversial citizens panel.

Citizen defends stance

KATE MOLWAIN

KATE MCLWAN

A MEMBER of Wollongong City
Council's citizens panel has come
forward to explain the meaning
behind some of the group's
recommendations to cut services,
raise revenue and make the
council more efficient.
Bulli resident and panel
member Nicola Stanistreet
approached the Mercury yesterday
to expand on some statements
included in the panel's final
report, after it was criticised for
containing vague or ambiguous
suggestions like 'crematorium'
exit'.

She said consultants from the

Suggestions like "cremaiorium exit".

She said consultants from the community engagement group Straight Talk, which facilitates community engagement group Straight Talk, which facilitates the final report.

Panel members had also not realised council staff would be unable to answer questions about each recommendation in more detail, she said.

"The reason that there's not a great deal of detail in the report is that we expected the council to provide that information." she start we have been supported that information. "She say crematorium exit" and expect people to know what that means, but we were kind of assuming the council would be available to explain these things.

The citizens panel forms a pivotal part of the council's widernaging financial sustainability review, which was ammunced in collar infrastructure backlog. Made up of "randomly chosen" Wollongoing residents who represented a broad range of demographics in the city, the group met four times during september and October, and was asked to suggest ways the council could find a warra \$22 in Hilion each year.

www.Bawarramercury.com.au

Explanations for panel recommendations

CITIZENS panel member Nicola Stanistreet explains some of the recommendations in the panel's report.

Recommendation: Unanderra Library - close due to proximity to other services and level of utilisatios - Explanation: The visits here are by far the lowest of all Wollongong City Council libraries, and there are new and bigger services in nearby autoribs of Dapto and Warrawong. A reduction in operating easts, but the building would not be sold because of the attached community centre.

Recommendation: Crematorium exit.
Explanation: The crematorium is nearing the end of its life, and would need to be almost completely demolished and replaced to remain at an acceptable standard. The panel suggests it is not replaced once it stops meeting the standard The two main clients. However, the panel suggests it is not replaced once it stops meeting the standard The two main clients. However, the panel suggests it is not replaced once it stops meeting the standard The two main clients. However, the panel suggests it is not replaced once it stops meeting the standard The two main clients where there have standard the LAM don't now remaind the LAM don't now remainded to be core business.

Recommendation: Car parises meeting the standard the LAM don't now remainded to be core business.

Its final report was handed to Lord Mayor Gordon Bradbery on Tuesday, then put out for public consultation with residents consultation with residents to respond within two weeks. Despite some of the oversimplified or confusing suggestions pit forward in the report. Ms Stanistreet said a lot of thought had gone into researching and compiling the list. "We as a panle want to hold the council responsible for spending

extending the areas covered by parking meters to include Wollongong's foreshore near Belmore Basin and Flagstaff Hill, but not extending the hours of metered parking. The 50 per cent rate increase is justified by a country of the control of the country of the c

Recommendation: GM & executive - reduce-efficiency. Explanation: The council's general man-ager and executive staff are encouraged to be more efficient, and bonuses removed.

and other LOAs don't have crematoriums and other LOAs don't have crematoriums are not considered to be core business. Recommendation: Car parking — extend neitred parking. Intelligence parking here of parking in the city centre by 40 per cent.

Explanation: There are some pools which are not well used and in various states of disripair, however the panel did not recommends. Explanation: The panel recommends

Recommendation: a maximum 7 to 7.5 per centrals rise over three years.

As a few central recommended a rate rise be introduced in 2.5 per cent lots ton top of the 3.5 per cent after three years. The panel considered this to be "affordable" in comparison to many other councils, including Shellharbour which will increase its rates by 9 per cent each year for three years. City centre businesses which afready pay additional levies and heavy industries which are "doing it tough at the prument" should be exempt from an additional rise.

Recommendation: Parks - divest in small parks - reduce number by 10 per cent based on utilisation. Incoation
Explanation: There are a number of small parks which are ordining more than patches of grass and not regularly used by residents, which need to be maintained and could be said for profit and to save the origining costs.

the city's money wisely," she said.

"We all love this city and that was why we were on the panelbecause we fove being in.

Wollongong and we wanted for do.

Wollongong and we wanted for do.

She arged all residents to read the documents published on the council's Have Your Say website at haveyoursaywollongong.com.au and submit their popinions before community consultation on the financial review closes on November 20.

MSSTANISTREET

We all love this city and that was why we were on the panel we wanted to do what we could for it

ILLAWARRA MERCURY, Friday November B. 2013 5

your say

Council staff deserve credit

I want to say thank you to Wollongong Council for the work their maintenance and pool staff do to help keep our publicareas, pools and beaches in great condition for us all or enjoy. Having just come back from Britan, where the local council and staff ranky exist or the work is outsourced, people commented on a sense of tecline and lessening of commitment to keeping public areas maintained. Well done to all the local workers dedicated to keeping a small part of this country beautiful. Lyn Read, Austimmer Lyn Read, Austimmer

Lyn Read, Austinmer

Sack the lot and save

So in just a couple of months, after only four meetings, the citizens have determined a popular community plan that will cut aft the right services, raise rates just the right amount and save the council budget \$10 million a year. This begs the question, just what has

Lord Mayor Gordon Bradbery and the elected council being doing in their countiess meetings these past two

Courbess message what else these mystery years?

Just imagine what else these mystery miracle-working offizers could achieve if they were in the job full-lime?

I say left's get them back, sack the council, then Wellengong can saive and be sayed.

Shaun Prince, Thirrout

Youth dis-assembled

Amout every single working day this year the Mercury presses have rolled out the hercury presses have rolled out the hercury presses have rolled out the newer that yet another group of Australians have lost their jobs and the work is more profitable by being shifted to an overseas location. Now heartest politicians, with their minds fixed only on what they can get out of our nation's coffers and stuff oversome else, have the audically to say that supporting one of our baggest.

employers, Holden, is no longer in the laxopyers' interest and the time may have come to withdraw any further financial support for this Australian con. Global trading has ripped the very heart out of the Australian way of life and there can be no greater proof of this than resempt the filleblood of our mation, our youth, struggling to get decent transing and a secure plochtant and long-term decisions are being made by wealthy politicalisms without ever being put to the Australian people, whose future way of life is being written of without ever having had a say in the mation. Welcome to Australia, where you can experience life in the de-sussembly line.

First remove council

I think the citizens panel has started on the wrong foot, suggesting to slash this and sell that.

They should begin by getting rid of the people that got the council in this position in the first place. Warren Fleming, Balgownie

Vets outrage justified

Votorans are understandably outraged by the attempt by the Australian War Memorial to remove *Known Linto God

Vehrans are understandably outraged by the attempt by the Australian War Memodal to remove "Known Unito God" from the plinth at the Tomb of the Unknown Solder.

Outraged because far loo often, men in suits who never set foot on a battlefield think they have some God-given right notonly to rewrite military history, as they are agit to do, but effect changes like this. Worse—that the words they attempted to place on that plinth users in from a Labbe leader whose by possely towards weter as was no more maritest than the way he alliqued velorans' persions and superinnuation to decline under his watch.

Don Tate, Albion Park Rail

Letters to the Editor

Email: letters// unwuramercury.com.au

wasters nathar mode.

From the web

Double whammy

Double Vision to drive lodge to another suburit to use a playground. Actually this could be a good business proposition for the council – install parking meters at all memaning playgrounds and deliver a classic double wherming!

Downward spiral

Yosh, that's right, cut back children's playgrounds. Next it will be libraries, rock pools, and crematoriums....ori wait... Reality

Queensland lewels

I moved to Queensland six years ago and the park facilities here are amazing. Nearly every park has workout facilities, bike tracks for the kids with stop tracks for the kids with stop eighs and crossings, excellent playground structures and wonderful barbecue facilities. They are one of the best things about living in Queensland with a young family.

Councillors hiding

We need frontline services maintained and increased, not out, like this parall would like to see. Councillors are elected to make decisions and represent ratepayers, Why are they hiding behind this panel?

Madic

Better management

How does outsourcing staff save money? Why not better utilise staff or structure pays of it costs the same as outsourcing? Wa private company can do the job cheaper, then how come the council can't do it?

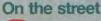
Panel unnecessary

we got a representative panel after the election. Still Baffled

Languages lacking

Almost all countries, even England, have compulsory foreign language courses that begin well before year 7. Why is Australia so elitist (narrow) minded?





What do you think of the street art through Wollongong?



Stuart Gibson, West Dapto I like the way it's done but, I'm not sure the guy in the picture is someone you would want to live with.



Shannon Hone, Albion Park It's mad. I really like it.



Naydn Stephenson, Albion Park They should do more around Wollongong.



Leo Vaassen, Wollongong It's pretty well done, the more I look at it the more I really like it.

ONLINE POLL Should ocean pool facilities in Wollongong be cut? **VOTE NOW** illawarramercury.com.au

PREVIOUS RESULTS

Should the number of playground facilities in Wollongong be cut?

NO 89.5%

www.illawarramercury.com.au

36 ILLAWARRA MERCURY, Saturday November 9, 2013

mercury

news 7



Report identifies 'values'

WOLLONGONG City Coun-

WOLLONGONG City Council's general manager says his organisation faced a nowin situation when it chose to appoint a citizens panel to review its budget.

David Farmer spoke out in defence of the council's controversial consultation process yesterday, after it was criticised for productional consultations process yesterday, after it was criticised for productions like "youth services-revenue"; Customer service - reduce - apply an efficiency target"; and "crematorium exit".

But Mr Farmer said the report, which was invelled this week, was just "a conversation starter" intended to set "values and priorit to set "values and priorit to set "values and priorit procession starter" intended to set "values and priorit have been supported by the said.

"Yes you can pick apart

the specifics, but the themes are quite clear-leave alone the highly-used assets, have a look at some of those assets that aren't as heavily used, and we want to make sure that rates only go up as a last resort."

He admitted he would

we want to make sure that reason't go up as a last resort." He admitted he would have liked to see more detail in some of the sold have liked to see more detail in some of the sold have liked to see more detail in some of the sold have be accused of leading them in their decisions. "No doubt I would have preferred to have more detail in the roport and in the "be said." It's work of those people, and there were people rolling around saying. This is going to to be the work of evil council staff and these are just going to be pupping the sold in the sold have been sold the sold have been detail to the work of the sold have been sol



Focus shifting vital: Wollongong City Council general manager David Farmer. Proture: CHRISTOPHER CHAN

if I was running this thing, the answers and form would be different, but I wasn't, and it's the community's work.

"And I would also point out this is the first time anyone has been brave enough to put something together that gets close to adding up to solving our problem."

Mr Farmer also noted the

Mr Farmer also noted the nuch-criticised two-week exhibition period of the citizens panel report was just "preliminary consulta-tion".

He said other residents would get "at least two more" chances to have their say once the council investigated the recom-mendations further.

The proposals developed from this round of community consultation would be on exhibition between December and February, and decisions arising after that would also be open for comment before they were incorporated into next year's annual plan.

No final decisions on service cuts would be made the council approved its annual budget, be said. However, he confirmed the council needed to make a decision by December 13 whether to notify the Independent Pricing and Regulatory Tribunal of its intent to apply for a rate rise above the roughly 3.5 per cent rise set by the fribunal of the property of the council method of the roughly of the property of the council of the property of the wanted to shift the focus on the citizens panel debate from looking at problems with the process to the overall financial sustainability issue facing the council.

The council announced in May it needed to free up \$21 million a year to meet an infrastructure backlog and ensure its current assets—including roads, footpaths and stormwater drains—can be maintained. Mr. Farmer pointed out there were already several to could not be funded, including Mount Keira Kiosk, the North Wollongong Surf Life Saving Club refurbishment, roadworks on Harry Graham Drive and Stanwell Park Beach klosk. An area of the several country of



Clouded: A man uses the Wollongong Gentlemen's Pool at high tide. The ocean pool is one of nine under threat. Picture: ANDY ZAKELI

Swimmer labels potential closure 'cruel'

WOLLOWOONG'S ocean pools are among the many council services that would be cut back if recommendations put forward by the citizens panel go ahead, but it remains unclear which of the nine coastal pools gould be marked for demolition. Stretching from Wollongong to Coalcilff, the tidal rock pools cost Wollongong City Council \$802,000 to clean and maintain each year, according to

s802.000 to clean and maintain each year, according to documents provided to the citizens panel. This includes monthly cleaning in the summer swimming season, as well as maintenance of the pool infrastructure. In the report presented to the citizens panel mades recommendation that tidal pools close to other aquatic facilities should be "reduced" and "run to fall".

Council general manager
David Farmer yesterday
explained that 'run to fail'
meant the pools would not be
repaired in the event of a leak
or other structural damage, and
would then be demolished to
ensure there were no safely
late.

John Council Council Council Council
Save an average of \$45,000 a year
per pool, and a total of \$13,5000
if two to three pools were
closed.

If we to three pools were closed. However, there was no detail on which pools were considered to be "close" to other facilities, with citizens panel member Nicola Stanistreef saying the council would need to investigate which two or three pools could be let go. Council staff were also unable to provide this information. "The assessment of rock pools and their need for maintenance or if they are allowed to run until they fall would be managed on a case by case

basis," a spokesman said.
"Council would need to
investigate how close pools
should be to other aquatic

investigate now cross poins should be to other aquadic resources prior to commenting further on this recommendation. Based on a map provided on the council's Have Your Say the council's Have Your Say Close "to other Tacilities include the Gentlemen's pool in Wollongong-which is next to the Continental pool - and Austinner (fall pool - which is close to the swimming pool far Thirroul.

The Bulli and Woonona tidal pools are also close to together, as

The Bulli and Woomona tidal pools are also close together, as are the ocean pools at Coledaie and Wombarra. Hearing of the panel's recommendation, one regular swimmer at the Wollongong Complement pool of the pool became the property of the property of the property of the property of the pool became it was used by a number of older people.

He also said numerous families swam and used the beach and rock platforms surrounding the pool on weekends.

Other information, which could be used to inform any closure of ocean pools, is a 2009 audit of council pools conducted by Geoff Ninnes Fong and Partners, made public in January this year. It warned the existing pool structures at Bellamb! Coledale, Gentlemen's thetween Continental and the North Beach Bathern' Pavilion) and Townadgi had deteriorated beyond repair and should be demolished enough the council in terms of husards due to cracking, tripping and general dangerous degradation and said new pools should be constructed in the lod positions if the public wanted them.

Growing fears over citizens panel sway

KATE MolLWAIN

PUBLIC criticism of Wollongong City Council's citizens panel process continued to mount yesterday, with unions and community groups labelling it "alarming" and "shouded in secrety." South Coast Labour Council secretary Arthur Rorris said the panel was "nothing more than a focus group", and should not have been group", and should not have been group and and a should not have been group and and a should not have been group and and a community engagement process.

"Focus groups are just designed to give you an indication of what some people in the community feel," he said.

"But if the intention is to circumvent the democratic rights of all the other citizens in the city, or to give one group access to certain things and a role which is above the community feel, he said.

"But if the intention is to circumvent the democratic rights of all the other citizens in the city or to give one group access to certain things and a role which is above the residents.

"He said the panel process had "side stepped democracy" because members were unaccountable to other residents. Mr Rorris called on the council to start the financial sustainability review gazin, by holding a series of public meetings that did not exclude other residents from the process. The process of the council asking that it hold public meetings to the "sugenoses" of many recommendations. The forums also asked the council to allow a 28-day period for the public to reason due to the "sugenoses" of many recommendations. The forum members and in their request.

"As the deliberations, of the private and rale hide, as highlighted in the citizens panel were conducted in private and rale hide, as highlighted in the citizens panel were conducted in private and rale hide, as highlighted in the citizens panel were conducted in private and rale hide, as highlighted in the citizens panel report, has caused considerable alarm, confusion and questioning of the implications of the proposed measures," the forum members and in their request.

"As the deliberations," of the re

ww.illawarramercury.com.au

ILLAWARRA MERCURY, Saturday November 9, 2013 7

mercury

news 2



Protesters make point at festival

NOT everyone was celebrating at Viva La Gong on Saturday, as a small group of protesters took to the streets to raise their concerns about Wollongong City Council's

2 ILLAWARRA MERCURY, Monday November 11, 2013



ne sald

under the state of the

Street party: The Viva La Gong parade makes its way through the city. Pictures: ADAM McLEAN

Throngs turn out for Viva La Gong

KATE MOLWAIN

ITS not every day you see
Dutch milkmaids, Buddhist
nuns, circus still walkers
and tough roller derby girls
mingling together
But as a colourful crowd
prepared for the Viva La
Gong parade on Saturday
morning, Wollongong's arts
precinct played host to all
these characters, who were
joined by Chinese dragon
puppets, Hawailan, themed
ukulele players and
enthusiastic jazz
mutselians.

musicians are musicians. The parade kicked off at Ham, led by Papergirl blke riders who handed out artworks to spectators as they cycled through the city centre.

A brightly dressed

Macedonian cultural group
was next in line, followed
by exuberant African
singers and Chinese
dankers.
As the cavalcade made
tis way past the art gallery,
up Crown Street Mail and
through Globe Lane,
curious shoppers and
curious shoppers and
unique shoppers and
they said they were
all of the different stages
and lid pressed to stage they
were at capacity all day." dancers.

As the cavalcade made its way past the art galler, up Crown Street Malt and through Globe Lane, curious shoppers and retail workers peered out of businesses to see what was causing such a commotion. The Con Artists jazz group tooted their horns and banged their drams the loudest, as groups of children skipped alongside the procession clapping their hands.

Réaching its destination, MacCabe Park, the crowd dispersied as musicians, and to inclusive.

We had a group down from Sydney and they said they walked in and it just left and to inclusive.

We had a group down from Sydney and they said they walked in and it just left and to inclusive.

We had a group down from Sydney and they said they walked in and it just left and to inclusive.

ONLINE GALLERY







Jockey Desiree Gill dies after Sunshine Coast race fall

QUEENSLAND jockey Desiree Gill has died from injuries suf-fered in a race fall on the Sun-shine Coast. Gill was taken to Nambour Hos-pital on Saturday night and died yesterday morning. She was 45.



www.illawarramercury.com.au



news 10

Handful of replies to panel ideas

KATE McILWAIN

WOLLONGONG City Council's citizens panel report has ignited a heated debate about service cuts, fee hikes and a 7.5 per cent rate rise, but has so far failed to attract many official submissions.

With just one week to go before the end of community consultation on the controversial advisory group's recommendations, the council has received just 20 submissions and 46 surveys, as well as 13 posts on its Have Your Say website.

The citizens panel released its report last week, as part of the council's comprehensive financial services review which aims to free up \$21 million a year to meet an infrastructure backlog.

The report has been widely criticised for putting forward "vague" and "ambiguous" suggestions, as well as recommending wide-ranging cuts to libraries, tidal pools, playgrounds and parks, the outsourcing of tourist parks and labour, as well as greater efficiencies within the council administration.

Lord Mayor Gordon Bradbery

said it was vital more residents take up the chance to respond, and share their own ideas.

"I am not sold on everything the citizens panel has suggested and neither are the councillors – it's not the be all and end all, it's just a conversation starter, and I want everyone else to make their submissions so that their voices can be heard as well," he said.

"It's not enough just to criticise the citizens panel, they also need to generate some alternative per-

spectives.'

Cr Bradbery said he recognised that it was "challenging and painful" for the city's residents to have to consider a rate rise or service cuts, but stressed it was an "unavoidable conversation".

"We have to have this conversation now, otherwise we'll be having it in dribs and drabs in the future when an asset fails or we see the city slowly deteriorating,"

he said.

Residents can write a letter, send an email, fill out a survey or participate in an online forum through the council's Have Your Say website bu November 20 at haveyoursaywollongong.com.au

City mulls deep cuts, rates hike

By ANTONY FIELD

Wollongong residents have one more week to comment on a proposed 7.5 per cent rate rise and some of the most farreaching cuts to council services in the city's history.

Controversy continues to rage after Wollongong City Council's citizens panel released its seven-page report on Wollongong City Council's financial sustainability last Wednesday.

The 34-person panel, randomly selected by market research firm Taverner to represent a cross-section of the Wollongong community, recommended reductions in council services to add more than \$21 million to the council's budget, including annual savings of \$4.35 million and increased fees of \$1.7 million. The plan includes a 7.5 per cent rate rise over three years.

The panel suggested a number of service cuts, including the closure of Lakeside Leisure Centre, Kanahooka, the closure of Unanderra Library, closure of some ocean rock pools, reduction of the pool season, and fewer parks and playgrounds.

Outsourcing was recommended for the council's tourist parks, Russell Vale Golf Course, roads and bridges and cleaning of public toilets.

A gold-coin donation to enter community pools, higher sports field fees, CBD parking charges and cuts to council staff were also mooted.

The citizens panel, facilitated by independent firm Straight Talk, was kept at arm's length from the council. It met four times to put together its report.

Wollongong Lord Mayor Gordon Bradbery said the panel had its views on how to address financial sustainability and it was now up to residents to provide feedback, with the final decision left to councillors.

"It's not going to happen overnight," Councillor Bradbery said.

"The citizens panel was, I think, very courageous in what they've presented.

"There's some challenges in their recommendations. It's been very forensic. They've done a remarkable job."

Cr Bradbery said the council's resources were limited and assets were reaching their use-by date.

"This [process] should have been done years ago. It's scary the amount of work and replacement required in this city."

Continued on page 2

'Services cut, not deleted'

From page 1

Panel members Nicola Stanistreet and Andrew Prusek said the panel worked with council staff and had nothing but praise for them.

Mr Prusek said no questions were off the table and information requested came back promptly.

"Nothing was directed ... we weren't led in any way. The same information is available to the public," Ms Stanistreet said.

She said the panel represented the community and she believed residents would have come to the same conclusions.

"We had a high degree of consensus. We had everyone from HSC students to pensioners, equal amounts from each of the wards.

Mr Prusek said the panel was

the voice of the silent majority.
"We considered groups that would be affected. We have not deleted any services, we've just looked at cutting back services or increasing efficiencies," he said.

"Shellharbour has a 40 per cent increase coming and other councils are putting in for 20 per cent. If nothing was done in Wollongong [cutting services] we'd be looking at 18 per cent," Mr Prusek said.

Public submissions on the report close at 5pm on November 20. Residents would get at least two more chances to have their say, with no final decisions until June 2014.

Submissions: haveyoursaywollongong.com.au



Tough call: Citizens panel members Nicola Stanistreet and Andrew Prusek front the media last week.

Picture: KIRK GILMOUR

Citizens panel 'rushed'

A Wollongong residents' group has criticised the citizens panel process, saying it rushed job." "was a

Save Our Services Wollonconvener Stephen Spencer said the panel was put under great time constraints and the community had little time to respond to cursory recommendations.

"There needs to be a proper, full review. We urged that a independent financial expert come in and look at council's finances so the community can

he properly informed."

He said SOS Wollongong believed the lord mayor and general manager had a "deliberate agenda" to steer the

citizens panel to a particular set of recommendations.

"Service cuts should only be a last resort and we don't believe we've reached that point," Mr Spencer said.

Wollongong resident Carol Herben raised concerns about the panel's call for the council to exit Wollongong Crematorium at Unanderra.

"The crematorium is no different to any cemetery, as it holds our family's remains," she said.
"The council assured us that

they would retain our sites in perpetuity. It seems that the council no longer wants to honour their agreement with Illawarra Mercury, 16th November 2013, 'Outrage at citizens panel proposals 'gutless' attack on workers' p. 1 & 4



Citizens panel backlash

KATE McILWAIN

KATE McLWAN
THE backlash over Wollongong
City Council's financial austainability review continued yesterday, as workers and residents
staged a protest against service
cuts proposed by the citizens
proposed by the citizens
proposed by the citizens
proposed by the citizens
proposed by the citizens
proposed by the citizens
proposed by the citizens
proposed by the citizens
proposed by the citizens
proposed by the citizens
proposed by the content of the council administration building, and was attended in
the most part by union members
who had been at an earlier stopwork meeting.
They were on and community
activities, making up a crowd of
about 350 people.
USU industrial officer Greg
Golledge said the demonstration
was designed to give the community a voice, following contentious consultation methods the
to long sterm budget under control.
The "randomly chosen" panel of

to ioug-term budget under conthe "madomly choose" panel of
34 citizens handed down 65 suggestions - including cuts to libraries,
tidal pools, playgrounds and
parks, the outcourcing of tourist
parks and labour and "greater
officiencies" within the council—
which have sparked widespread
many in the community.

Deputy Lord Mayor and Labor
councillor Chris Connor
addressed the crowd first, in an
effort to reasure people no decisions had been made by council
He said he and the other Labor.

He said he and the other Labor councillors would represent work-ors' rights and fight for services. "We are committed to jobs, we're committed to making sure that your awards and conditions are secure." Ce Connor said. "We're also going to fight he services to make sure (they) are

2/2



Demonstration: South Coast Labour Council secretary Arthur Roms at the rally against the citizens panel recommendations. Pictures ADAM McLEAN

Demonstration: South Coast Labour Council socretary Artiva Roms at it equitably distributed throughout chins community, because taking away services, in any way, strikes at the heart of equity."

Cr Connor criticised the citizens panel for only considering the best connonic result, rather than how connonic result, rather than how the connonic result, rather than how the connonic result, rather than how were simply ordinary residents who had put their hand up to the connonic results who had put their hand up to the connonic results and when we have situations where children in Coactiff and when we have situations where children in Coactiff and when we have situations where children in Coactiff and when we have situations where children in Coactiff and when we have situations and when we have situations where children in Coactiff and when we have situations as the coactiff of the road, when we need "of allow councillors to hear a broad range of views.

He said he shared Cr Connors

Other spokers inclusion Peius. And McLEN
Cher spokers inclusion Felix
Incomeberg, from the Save Our
Service group, South Coast Labour
Council secretary Arthur Rorris
and Wollongong MP Noreen Bay.
General manager David Farmer,
stood at the back of the crown of the Community which is not community when the community would have almost nine months to maintain its assets and services.

"We have to have this convergation with the community about what people value and what





Observing: General manager David Farmer and Lord Mayor Gordon Bradbery at the Civic Plaza rally yesterday.

Botched plan attacks workers: USU

WOLLONGONG'S public services ground to a halt yesterday morning as hun-dreds of Wollongong City Council workers walked of the Job over recommends. Council administration and the "unauthorised" stop-work meeting affected at patrolied beaches, a some libraries and com-

munity centres. Union members from the council's nursery, customer service centre and art gallery as well as hundreds of maintenance and road workers in their high-vis gear also took part in the industrial action.

The heated meeting in the country of the council of the counc

The also called on the council to "fully reject all the recommendations of the tritrens panel" and condemned the actions of general manager David Farmer and senior staff involved in the consultation process. USU general secretary Graeme Kelly was ruthless in his criticism of the council to the senior of the said Mr Farmer and Lord Mayor Gordon Bradbery needed to accept they had "botched this whole thing".

"It's nothing mere than a weak, lily-livered, guttens attempt to attack workers' conditions and the community of Wollongong behind 35 hapless people." he said.

"They want to hang their beads in shame and we want to send the message to them that it's not on and we're not marked to be the said. The want of the community was to be the said of the union's campaign should it choose to proceed with the panel's suggestions.



What really impresses me about McDonald Jones is their whole building experience, from start to finish. They listen and make sure you're updated at every stage. Their timelines are solid just like their Aussie-made Truecores steel frames, and their interior design specialists are there to assist you along your way. For me, that's the McDonald Jones wow factor.

GENONE HOMES \$133,900

mcdonaldjoneshomes.com.au mcdonald jones Ph: 1300 555 382



DISPLAY HOMES NOW OPEN: SOUTH COAST AND SOUTHERN HIGHLANDS BROOKS REACH HORSLEY, SOUTH NOWRA, MITTAGONG, GOULBURN

This is a range that here \$133,900 to the GerOnal Hamilton design. Specific prices or hexer products are a varieties on our or (a this relation in our properties). The productions of interest numbers and specifies to the production of the product

4 ILLAWARRA MERCURY, Saturday November 16, 2013

www.lllawarramercury.com.au

Sydney Morning Herald, 20th November 2013, 'Council ready to wave goodbye to ocean pools'



The tide may have turned: Wollongong Council may close up to three of its

Council ready to wave

Heath Gilmore

For an east coast mayor, Gordon Bradbery is contemplating the un-thinkable – allowing three occan pools to be reclaimed by the sca. NSW has about 100 ocean baths

or tidal swimming pools. Councillor Bradbery, the independent lord mayor of Wollongong, said the future of up to three of nine tidal pools had to be con-sidered to secure the long-term

sidered do secure due to be seen it inances of the council.

"It's like Solomon with the baby,"
Councillor Bradwery, a former
NSW Police chiplain, seid of the
cost cuts. "The only problem is this
baby is a bic one."

cost cuts. "The only promenos this baby is a big one." At the beginning of November, a 34-strong community panel, ran-domly selected to represent a cross-section of the Wollongong

community, came back with its cost-cutting recommendations for the council.

The panel was set up after a NSW Department of Local Gov-ernment review determined that the council only marginally ex-ceeded benchmarks for financial sustainability. In short, Wollon-gong council's immediate finances were OK relative to the other coun-cils in the state but its future uncertain, with facilities built from the 1960s to 1980s requiring a large capital outlay.

The community panel's recom-

mendations began with a 7.5 per cent rate rise over three years, It also suggested the closure of Lokeside Leisure Centre, Kanahooka, and the closure of Un-anderra Library. Outsourcing was recommended for the council's



nine ocean pools, including Coalcliff's rock pool. Photo: James Brickwood

goodbye to ocean pools

tourist parks, Russell Vale Golf Course, roads and bridges, and the cleaning of public toilets.

A gold-coin donation to enter community pools, higher sports field fees, CBD parking charges and cuts to council staff were also mooted. And, most symbolically, tidal pools close to other aquatic facilities should be "reduced" and 'run to fail".

The nine pools cost \$802,000 to clean and maintain each year, according to documents provided to the citizens panel. It was estimated \$135,000 would be saved annually if two to three pools closed.

On Tuesday, the Coalcliff community held a protest rally over the feared loss of its ocean pool and community hall, as well as a reduction in the number of hours for council-employed beach lifeguards. One of the protesters, Katie Cooper-Wares, has a wheelchair-bound daughter Beth, 10, who has osteogenesis imperfecta, an extreme brittle bone disorder. Her daughter has broken 35 bones in her lifetime, but swims in the pool nearly every day in summer and sometimes in winter

"It is the only safe place she can be physically free and feel equal with her friends," Ms Cooper-Wares said.

Jo Reed, a Coalcliff Community Action Group spokeswoman, said the closure of the pool would take away the community's heartbeat.
"I think there are other areas in

the Illawarra that they can look at to reduce their costs," she said. Public submissions on the recom-mendations close on Wednesday. with the Illawarra Mercury

20th Nov 13 5MH

news 3 mercury

Coalcliff residents angered by citizens panel's proposals



Politically active: Olivia Lindberg, 11, Kirra Davey, 12, and Tianna Massey, 10, at Coalcliff pool, protesting in response to an unpopular council proposal. Picture: CHRISTOPHER CHAIN

ited in fighting

KATE MCLWAIN

NORTHERN suburbs residents banded together yesterday in an effort to "Save Coalciff" from cuts proposed by Wollongong Cit Council's citizens panel.

About 70 residents - including About 70 residents - including council scribtens panel.

About 70 residents - including council scribtens panel and even forrimal - railied in Leeder Peoples from Stamwell Park and even forrimal - railied in Leeder Peoples and they begin to the council more efficient, the council more efficient, the suburbance of the city's nine tidal ocean pools. Reed got behind the campaign at community meeting about the

with her neighbours to start a website, a Racebook page and different plans affecting her small community and felt Coalciff had been "deliberately victimised".

"I didn't understand why there were three things targeting us, while across the rest of the Illahwarra there were whole suburbs being let off." she said.

Is, and when they're trying to take that away from you and increase your rates at the same time you just think Why?"

Since then, Ms Reed has joined

cially if the recommendation to scrap the tidal pool was taken up. "If we don't have the pool, then more people are going to want to go to the ocean, so the public will be exposed, and if they do go in when it's not patrolled and get caught in a rip or have fatigue, phone reception within the area," she said. Submissions on the citizens

she said.

Submissions on the citizens panel recommendations close at ipm today. Residents can send an email, fill out a survey or participate in an online forum at haveyoursaywollongong.com.au.

Crime spree accused remanded in custody

SHANNON TONKIN

A WOLLONGONG man has been denied bail over allegations he was behind a spate of crimes committed in the Illawarra over the past five days.
Shane Benjamin Morley is ac-

days.

Shane Benjamin Morley is accused of starting his crime spree by breaking into a Corrimal home last Thursday night and stealing the owner's Musubishi Lancer.

It is alleged Morley stole number. It is alleged Morley stole number. It is alleged Morley stole number. The alleged Morley stole number of Priday and Saturday, the first parked at Fairy Meadow and the second ay Geynneville.

Police allege Morley then broke into another house around 2.30m on Sunday morning, stealing a GPS mit, sunglasses and a wallet from a car that was parked inside a garage Morley allegedly tried to use one of the credit cards from the wallet to pay for fuel at a service station at Heathcote half an hour later. However, the transaction was declined.

The following day, a man repor-ted the number plates of his Lancer had been stolen white the car was parked at the commuter car park next to Wollongong Railway Sta-tion.

A further theft of Lancer number plates reportedly took place that evening, from a house in Wollon-

prates reportedly took place that evening, from a house in Wolfongong.

At 1.45am yesterday morning police arreated Morley at the Leagues Chib at Unanderra on an outstanding warrant related to the break and enter offences.

During a police interview, Morley allegedly admitted to trying to use the credit card at Heathcote, and to driving around in the stolen car.

Arreating officers allegedly found five sets of number plates in the reser of the stolen car Morley had been driving.

A check identified them all to be stolen, police documents tendered to Wolfongong Local Court said.

It is alleged Morley told police. You knew I stole the number

Moriey was charged with two aggravated break and enters, four counts of stealing and one count each of stealing and one count each of suspected stolen goods in custody, unlawfully possessing number plates, stealing a car, entering a vehicle without the consent of the owner, distonestly obtaining financial advantage by deception and stopping in a disabled parking space.

He is also facing an unrelated charge of contravening an AVO. In court yesterday, Moriey's lawyer, Angela Melouney, said: her client would agree to a bitse by strict ball conditions if released.

She said he could report to police daily and wouldn't approach any presecution witnesses or alleged to the court of the country of the court of the country o

Man admits raping elderly woman in nursing home

A RORSLEY man has pleaded guilty to twice raping an anderra's Marco Pole nursing home late last year. Baniel Thomas Mooney, 41, yesterday changed his plead during a formal arraignment in Wollungong District Court, having previously denied the court he was guilty of two courts of a gravatard season, admitting to reputs season, admitting to reputs assent, admitting to reputs the court heard had a serious physical disability. Buring previous hearings on the matter, the court was told Mooney entered had a serious physical disability. The matter will return by During previous hearings on the matter, the court was told Mooney entered the woman's highlight of the sentencing sub-

www.illawarramercury.com.au

ILLAWARRA MERCURY, Wednesday November 20, 2013 3



Peabody workers achieve better deal on pay and conditions-



Victory: Helensburgh CFMEU lodge president Andy Davey removes a flag covering the lamp of the Helensburgh Coalminer, symbolising the end of an inclustrial dispute. The statue was unveited in 2008, and celebrates the coalmining horitage of Helensburgh. Pieture: KRK GLUNCUR

DOMINIC GEIGER

A BITTER stand-off between Helennburgh Metropolitan Colliery workers and US mine owner behavior of the West Stand of the W

Vesterday the camp was dismantled, and employees expected
to return to work in the seening.
CFMEU south-western district
vice-president Bob Timbs and it
was an important win, not only for
idlemburgh workers but for all
lilawars miners.
"Our Helenburgh members
"Our Helenburgh members
companies across the region were
keeping a close eye on what was
happening at Helenburgh." he
said.
"They weren't just fighting for
"They weren't just fighting for
"thur we was a server of the mine's)
"They weren't just fighting for
"They were prepared to make contissue of the total view of the were seen to make the properties of the total view of the

news 6

Short back and sides for

KATE MOILWAIN

WOLLONGONG City Coun-cil staff have started chop-ping back vegetation at some of the city's beaches to help improve the sight lines from lifeguard lookouls and allow better access to beaches in time for the sum-mer season.

city beaches

beaches in time for the sum-mer season.

The works, which are part of the first stage of the Wollongong Dune Management Strateg, will include the removal of some large weed trees, dead vegetation and coastal waitle at the back of the sand dunes and along the beach access.

Workers will also prune

along the baseh access
along the beach access
workers will also prune
under native vegetation to
give bush restoration contractors and volunteers
easier access for future
weed management work.
The works, which were
abunded to the second of the second
to the second to the second to the
tale about two weeks.
Bush regeneration contractors will then begin further weed and vegetation
makes a well as Bellambi and Corrinal beaches.
At Coalcliff Beach, vegetation will be pruned and
weed trees removed to ensure there is a clear line of
sight from the lifeguard
patrol room to the swimming area.

Correction

A STORY in yesterday's illa-carra. Mercary incorrectly identified Peter Camon as the Bural Fire Sorvice Asso-ciation president. He is in fact the president of the Volunteer Fire Fight-gra Association. The Mercary regrets the error.

West Dapto link driven closer by move to design stage

A LONG-AWAITED link between West Dapto and the Princes Motor-way is one step closer, as Wollon-gong City Council invites tenders for the design of a new bridge and access road.

The \$45 million road connection will-link the Princes Highway and provided \$800,000 for the design provided \$800,000 for the design of the 20 projects will be funded. The council said the new From the new road would bely expression to fire \$25 million, which would bridge spanning the rail line and funded to fire \$10 million lillar than \$10



Weight Loss & Keyhole Surgery Centre Specialist weight loss surgeon in Wollongong

We specialise in gastric band, sleeve gastrectomy and revision of gastric bands.

Lose up to 80% of excess weight and keep it off permanently



" Every time I get dressed I like what I see now." Donna, see her story on our websi

For further information or to book a free consultation • call 02 9525 5322

We are located at 44 Hopetoun Street, Woonona 2517 www.weightlossandkeyholesurgery.com.au

www.illawarramercury.com.au

6 ILLAWARRA MERCURY, Wednesday November 20, 2013



mercury

Market plan scaled back after protests

ONTROVERSIAL plans to hold a seekly market at Thirroull Beach are been downgraded to a noneouthly offering, after a heated campaign from some of the six ampaign from some of each month, instead of every some of each month, instead of every some of each month, instead of ea CONTROVERSIAL plans to hold a weekly market at Thirroul Beach have been downgraded to a once-monthly offering, after a heated campaign from some of the suburb's residents and businesses. A revixed development application for Thirroul Beach Markets has been lodged with Wollongong City Council by resident Kirrib, sincepart the council's decision to scale back the market to once permonth."

A group of residents also launched a campaign against the operation amid concerns the mar-kets would negatively affect exist-ing businesses and put extra strain on the limited amount of car-parks surrounding Thirroul Beach.

A group of residents also inunched a campaign against the progression and concerns the markets would negatively affect exist and buttered an unattofcar part on the limited part of the progression of the

news 7

Sydney flood warning

THE head of major insurer Sun-corp says homes in the greater Sydney area face to higher the Sydney area face to the superior of the superior of the superior of the Decident of the superior of the Robert Sydney in the superior of the Sydney's risk of extensive, costly damage is higher because homes are being but in danger zones, chief executive Patrick Snowball lays.

"We're all familiar with the nooding issues that have impacted Queensland but right here are taken ment challenges that pose price aby the greater Sydney there are catching the control of the control o

Driving 204km/h

A MAN will face cours after being clocked driving at more than 200km on NSW is south. Police allegedly delected the 20-year-old event than 200km on the 10-year-old event than 10-year-old event was suspended.

Coalition cries foul

PRIME Minister Tony Abbott has ilkened Labor's "dishonesty" over its job cuts to the public service to the party's promise before the 2010 election that there would be no carbon fax. But the public sector union says Labor's cuts were "hardiy a secret".

Labor's cuts were mean;
It he me revealed that
Provides implemented by the forpolicies implemented by the forpolicies implemented by the forpolicies implemented by the formaking it harder for the Coalition
to keep to its election commitment
to reduce the public service by
12.000 through a birring vice by
12.000 through a birring service by
worth of Coalition budget savings
at risk

Truckie charged

A VICTORIAN fruck driver has been charged with sexu-sily assulfung a number of victius as he drive across Australia.

Many of the offence allogedly occurred it the cabin of the many trucks at the interstate irrecks of drive.

The 53-year-old Broad meadows can have been charged with more than 60 offences.

Qantas starts petition

QANTAS has asked its 30,000 staff, and their families and friends to support its campaign against the foreign ownership of rival Virgin Australia.

The support is supported in the support of support of setting among the support of setting among of set

ILLAWARRA MERCURY, Wednesday November 20, 2013 7

Comic relief just what the doc ordered

DRA Anachronist, who is not on the official list of qualified doctors, was nevertheless on the official list of qualified doctors, was nevertheless on the official list of qualified doctors, was nevertheless on the official doctor of the official docto

communication from covered be avoided. The duo were at Wollongong Hospital to help launch two initiatives developed by the Illawarra Shoalbaven Local Health District (ISLHD) to assis-linicians communicate with



Therapeutic: Wollongong Hospital clinical governance unit diversity health co-ordinator Florina Mastrolanni (centre) with Eaton Gerge Theatre Company directors Juliet Scrine and Ian McColm. Please ADAM MELEAN

Basic health information.

"We know that low health literacy is directly related to longer hospital stays for our patients, neressed emergency department visits, greater medication tehing errors and low uptake of pre-dendal medication tehing errors and low uptake the product of the longer hospital tehing errors and low uptake the product of the longer hospital tehing errors and low uptake the longer hospital tehing

trained more than 30 staff to develop and test locally produced patient information with consumers. The second initiative the Patient Information Portal, is an interactive site for staff and clinicians to search and develop simpler consumer information.

Author helps expression of dementia sufferers

CONVERSATIONS with dementiary patients can be confusing for many, but to UK author John Killick they are pure poetry. The present writing worschops at the University of Wollongong, Killick hopes to belp family members and carers better communicate with people with dementia.

He's spent the past two decades doing just that - tailoring and more importantly listening to those with the condition and writing postery and groze bused on those conversing the postery of the property and prose bused on those conversing the postery and prose bused on those conversing the postery of the postery and prose bused on those conversing the postery and prose bused on those conversing the posterior of the postery of the postery of the postery are the postery of t



JOHN KILLICK:

have condition and writing poetry and prose based on those conversations.

He's published six books of these poems, and his latest be the reasonable from these poems, and his latest between the work of these poems, as just been relianced. Therestly years ago I entered my.

Twenty years ago I entered my.

Therety years ago I entered my.

All sorts of themes come up that there was a crying need.

He's work is that there was a crying need.

We will also be giving a free relating throw the work of the message of my work is that they are still there and hungaring for context.

Therety years ago I entered my.

Killick's interactions with demential patients—from unhapping that there was a crying need.

- what it means and where it is leading. As did the lasty who asked, is there a moment between birth and death when one means more than the other?"

Killick said the patients he had writhed with were often delighted with the poetry they helped cre-ate.

with the poetry they happen creates

Many relatives and staff are
summed that the person they love
can still think, feel and express
killick's Wollongong workshop
will be held on November 28 at the
SMART Infrastructure Building at
100 will also be giving a free
quest lecture and readings from
bits now hook at the university's
Graduate School of Medicine on
November 2.

For more information to to



Draft Financial Strategy

COUNCIL POLICY

OBJECTIVE

The objective of this Strategy is to provide direction and context for decision making in the allocation, management and use of Wollongong City Council's financial resources. The Strategy will guide Council in the development of a ten year financial plan and determine financial boundaries for delivery of operational and capital plans.

Council will use ratepayer's money, together with other funding available, wisely to provide prioritised services and improve financial sustainability and asset management.

POLICY STATEMENT

Introduction

Wollongong City Council's Financial Strategy provides a clear direction and context for decision making that guides the allocation, management and use of its financial resources. It aims to ensure that Council remains financially stable while giving focus to financing key Council priorities through strong financial management. It acts as the catalyst for improving efficiency and releasing resources to improve frontline services and continuity.

The Financial Strategy sets the parameters within which Council agrees to operate in order to maintain accepted financial outcomes and should be viewed as an enabling Strategy that aims to provide financial stability, affordability, delivery, and value for money, over the short, medium and longer term.

Challenges

Over the next 5-20 years, Wollongong City Council will face many challenges that will require strong financial leadership and creative solutions to meet its aspirations. The key challenges faced over this period include:

- 1. Addressing Council's medium to long term shortfall in funding the renewal and maintenance of assets used to deliver our services.
- 2. Delivering organisational change to improve efficiency and assist in meeting the current financial challenge.
- 3. Meeting expectations from all areas including community, service users and government by ensuring standards across key services keep pace with demand and in balance with the capacity to fund these operations.
- 4. Financial risk associated with significant growth and development of new infrastructure and services in the West Dapto area.

5. Demands associated with the management of climate change.

The following aims and parameters are designed to assist Council in achieving financial stability, affordability, focus and efficiency:

Stability

Available Funds

Council will aim to maintain Available Funds (the unallocated portion of all future 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 flexibility to take advantage of opportunities that may arise.

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

Debt

Council will remain a low debt user by maintaining a debt service ratio (principal and interest repayments compared to operational revenue) below 4 %.

Council will only use debt to fund capital expenditure. The term of any debt shall not exceed the life of the asset it is used to fund.

Debt will be considered as part of the Capital Budget process and will only be approved where there is an agreed economic, social, or environmental benefit from a project and other sources of funding are not available.

Council currently has a low level of debt reflected by a current debt service ratio of 1.71% (June 2013). Industry norms for non-growing councils suggest that the debt service ratio should remain below 10%. The debt levels permitted under this Strategy would add flexibility to future programs where warranted.

Operational Result [pre capital]

Council will develop actions, in consultation with its community, to move towards and maintain small surplus budgets in the future.

The operating result [pre capital] is considered to be one of the main indicators of the long term financial viability of Council. In broad terms, a deficit from operations indicates that Council is not earning sufficient revenue to fund its ongoing operations (services) and continue to renew the assets, which are an integral part of that service, when required. The indicator includes accounting and engineering estimates relating to the consumption of long lived assets (depreciation) which is used in determining this result. Council has improved, and will continue to refine, its estimating process to provide even greater accuracy of the result. Council will plan based on the best information available.

Affordability

Total Funds Result

Council's annual allocations to operational and capital budgets will generally not exceed anticipated cash inflows. Where Available Funds level are above minimum requirements, consideration will be given to the allocation of funds to deferred asset renewals or investments that reduce future operational costs.

While Council has an operating deficit, it has been able to ensure that its funds result (cash inflows compared to cash outflows) has remained in balance. Short term stability requires the annual budget is affordable and cash is 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. Until an operating surplus is achieved, additional funds should be directed towards deferred asset renewals or investments that are able to reduce future operational costs.

Capital Expenditure

The full life cost of capital expenditure will be considered before capital projects are approved. 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.

Rates, Fees & Charges

Following deliberation with the community, Council will propose a Revenue Policy as part of its 2014-15 Annual Plan to achieve a financially sustainable outcome by balancing the level of rates and other revenues required with the cost of services agreed to be delivered.

Business rating structures and differential pricing between categories will be considered as part of the Annual Revenue Policy development.

Council's pricing methodology will be applied consistently for all fees and charges. Fees & Charges will be reviewed on a cyclical basis to ensure compliance.

Council's revenue strategies will be considered as part of the longer term financial planning in accordance with this strategy. General rates increases are determined by the Minister for Local Government through a 'rate pegging' mechanism that has generally been in line with increases in costs to local government. Rate variations beyond this level will be linked to community aspirations for service which will be considered in conjunction with other revenue options and cost reduction opportunities.

Investment of Surplus Cash

Council will invest surplus cash in accordance with its Investment Policy.

Returns on externally restricted cash will be transferred to restricted assets and treated as capital revenue where required.

Investment of surplus funds provides additional resource to Council and assists in maintaining the real value of restricted funds held. Council, in its Investment Policy, carefully weighs up its stewardship role and prudent investment risk to optimise returns. Events in past years have highlighted the need to remain vigilant in securing public monies and making appropriate risk reward decisions.

Returns from investments vary significantly from year to year based on interest rates and the level of cash held. From a planning perspective, it is deemed prudent to ensure that Council's investment returns are not funding ongoing operations which would be a risk when returns reduce. For this reason, it is considered reasonable to apply these funds to capital (or one off projects) that do not impact on future operational costs. It is also important to understand that predicted future returns may not be realised and funding may not be available as expected.

West Dapto

Increased annual rate revenue created from subdivision in West Dapto will be restricted and only allocated to operational expenditure as the area develops. In the interim period, the annual revenue should be made available to meet infrastructure or planning requirements in the area.

West Dapto is the last significant 'green fields' development in Wollongong. It will have significant financial impacts over a period of time. It is anticipated that there will be substantial developer contributions and capital expenditure. The management of the Section 94 Plan has inherent risks due to the external pricing limits, estimating, scoping, and timing variables. Rate revenue will usually precede operational demand and assets built will require little renewal or maintenance for 7 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 a longer term view of additional revenue is given, and appropriate long term provisions are made from the commencement of the development.

Focused Delivery

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 Wollongong 2022 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.

Grant Funding and other Capital Contributions

Council will actively pursue grant funding and other contributions to assist in the delivery of core services.

Operational grants and contributions for specific purposes currently provide around 3% of Council's revenue [pre capital]. Continued effort in obtaining and improving Council's success in targeted grant funding is vital to future performance and stability.

Capital Funding

Council will develop actions in consultation with its community to move towards creating annual operational funds available for capital equal to depreciation.

Council will achieve its expenditure targets for capital renewal by programming these works with sufficient flexibility to allow re-phasing, deferral and/or the introduction of other deferred renewal works as required.

Council will apply at least 85% of Operational Funds Available for Capital to the renewal of existing assets.

Technically, full funding of depreciation should mean that all existing assets will be able to be renewed at existing service levels when their life has expired. In practice, it will be unusual for many assets to be used and replaced along a planned lifecycle. In many instances, assets built today may not be required in future years, or use may change over their lives. In other instances, associated third parties may be responsible for contributing to the renewal of assets that are held in ownership by Council. For this reason, it is expected that full depreciation funding for renewal may not be required. While this is the case, it is also recognised that many assets replaced will require some component of augmentation to meet existing standards or enhance service level. Capacity is built into future resourcing to manage this inevitability.

Efficiency - Value for Money

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.

It is intended that all services be reviewed on a cyclical basis over a period of time. During each review of service the service budget will be zero based in line with the agreed service levels.

Council will deliver procurement savings through improved strategic procurement and collaboration with other authorities and agencies.

SUMMARY SHEET

RESPONSIBLE DIVISION	Finance
DATE ADOPTED ON BEHALF OF COUNCIL	Date to be inserted by Governance and Information Division
DATE OF PREVIOUS ADOPTION(S)	Date to be inserted by Governance and Information Division
DATE FOR REVIEW	Date to be inserted by Governance and Information Division

Wollongong City Council Securing Our Future: Financial Sustainability Review October 2013



INDICATIVE RATING SCENARIOS

2014-15, 2015-16 and 2016-17

SCENARIO 1

				9	CENARIO	1 - House		
Exa	ample Suburb	Average Rate	2014/15			Cumulative Increase %	Cumulative Increase \$	Average Weekly
DAPTO	Rate Peg (2.7, 3.0, 3.0%)	1,013	1,040	1,072	1,104	8.95%	90.70	1.74
	SRV (5.2, 5.5, 5.5%)		1,066	1,124	1,186	17.09%	173.11	3.33
	NET SRV INCREASE		25	53	82		\$82.41	\$1.58
	Rate Peg (2.7, 3.0, 3.0%)	1,145	1,176	1,212	1,248	8.95%	102.57	1.97
HEIGHTS	SRV (5.2, 5.5, 5.5%)		1,205	1,271	1,341	17.09%	195.76	3.76
	NET SRV INCREASE		29	60	93		\$93.19	\$1.79
WEST	Rate Peg (2.7, 3.0, 3.0%)	1,234	1,268	1,306	1,345	8.95%	110.53	2.13
WOLLONGONG	SRV (5.2, 5.5, 5.5%)		1,298	1,370	1,445	17.09%	210.95	4.06
	NET SRV INCREASE		31	64	100		\$100.42	\$1.93
TOWRADGI	Rate Peg (2.7, 3.0, 3.0%)	1,376	1,413	1,456	1,499	8.95%	123.22	2.37
	SRV (5.2, 5.5, 5.5%)		1,448	1,527	1,611	17.09%	235.18	4.52
	NET SRV INCREASE		34	72	112		\$111.96	\$2.15
WOLLONGONG	Rate Peg (2.7, 3.0, 3.0%)	1,592	1,635	1,684	1,734	8.95%	142.55	2.74
	SRV (5.2, 5.5, 5.5%)		1,675	1,767	1,864	17.09%	272.06	5.23
	NET SRV INCREASE		40	83	130		\$129.52	\$2.49
AUSTINMER	Rate Peg (2.7, 3.0, 3.0%)	1,968	2,021	2,082	2,144	8.95%	176.22	3.39
	SRV (5.2, 5.5, 5.5%)		2,070	2,184	2,304	17.09%	336.33	6.47
	NET SRV INCREASE		49	102	160		\$160.11	\$3.08
STANWELL PARK	Rate Peg (2.7, 3.0, 3.0%)	2,084	2,140	2,204	2,271	8.95%	186.61	3.59
	SRV (5.2, 5.5, 5.5%)		2,192	2,313	2,440	17.09%	356.16	6.85
	NET SRV INCREASE		52	108	170		\$169.55	\$3.26
AVERAGE ALL	Rate Peg (2.7, 3.0, 3.0%)	1,262	1,296	1,335	1,375	8.95%	113.04	2.17
SUBURBS	SRV (5.2, 5.5, 5.5%)		1,328	1,401	1,478	17.09%	215.75	4.15
	NET SRV INCREASE		32	66	103		\$102.71	\$1.98

		SCENARIO 1 - Pensioner on Average Value							
Example Suburb		Average Rate	2014/15	2015/16	2016/17	Cumulative Increase %	Cumulative Increase \$	Average Weekly	
AVERAGE ALL	Rate Peg (2.7, 3.0, 3.0%)	1,262	1,296	1,335	1,375				
SUBURBS	Less Pensioner Rebate	(250)	(250)	(250)	(250)				
	NET RATE	1,012	1,046	1,085	1,125	11.17%	113.00	2.17	
	SRV (5.2%, 5.5%,5.5%)		1,328	1,401	1,478				
	Less Pensioner Rebate		(250)	(250)	(250)				
	NET RATE		1,078	1,151	1,228	21.31%	215.68	4.15	
	Difference		32	66	103		\$102.67	\$1.97	

			SCE	NARIO 1 -	Other Rates
Rate Category - Subcategory	Cents in	2014/15	2015/16	2016/17	Cumulative Increase %
	Dollar	%			
BUSINESS	0.502653	5.2%	5.5%	5.5%	17.09%
BUSINESS - LIGHT INDUSTRIAL	1.264245	5.2%	5.5%	5.5%	17.09%
BUSINESS - COMMERCIAL	1.549898	5.2%	5.5%	5.5%	17.09%
BUSINESS - HEAVY INDUSTRIAL	1.811452	5.2%	5.5%	5.5%	17.09%
BUSINESS - REGIONAL 3c	2.361820	2.7%	3.0%	3.0%	8.95%
BUSINESS - HEAVY INDUSTRIAL ACTIVITY 1	2.937984	2.7%	3.0%	3.0%	8.95%
FARMLAND	0.019886	5.2%	5.5%	5.5%	17.09%

			S	CENARIO	1 - Strata F	Property		
Exa	ample Suburb	Average	2014/15	2015/16	2016/17	Cumulative	Cumulative	Average
		Rate				Increase %	Increase \$	Weekly
DAPTO	Rate Peg (2.7, 3.0, 3.0%)	776	797	821	845	8.95%	69.49	1.34
	SRV (5.2, 5.5, 5.5%)		816	861	909	17.09%	132.62	2.55
	NET SRV INCREASE		19	40	63		\$63.13	\$1.21
	Rate Peg (2.7, 3.0, 3.0%)	824	846	872	898	8.95%	73.78	1.42
HEIGHTS	SRV (5.2, 5.5, 5.5%)		867	915	965	17.09%	140.82	2.71
	NET SRV INCREASE		21	43	67		\$67.04	\$1.29
WEST	Rate Peg (2.7, 3.0, 3.0%)	792	813	838	863	8.95%	70.92	1.36
WOLLONGONG	SRV (5.2, 5.5, 5.5%)		833	879	927	17.09%	135.35	2.60
	NET SRV INCREASE		20	41	64		\$64.44	\$1.24
TOWRADGI	Rate Peg (2.7, 3.0, 3.0%)	856	879	905	933	8.95%	76.65	1.47
	SRV (5.2, 5.5, 5.5%)		901	950	1,002	17.09%	146.29	2.81
	NET SRV INCREASE		21	45	70		\$69.64	\$1.34
WOLLONGONG	Rate Peg (2.7, 3.0, 3.0%)	841	864	890	916	8.95%	75.31	1.45
	SRV (5.2, 5.5, 5.5%)		885	933	985	17.09%	143.73	2.76
	NET SRV INCREASE		21	44	68		\$68.42	\$1.32
AUSTINMER	Rate Peg (2.7, 3.0, 3.0%)	1,079	1,108	1,141	1,176	8.95%	96.62	1.86
	SRV (5.2, 5.5, 5.5%)		1,135	1,198	1,263	17.09%	184.40	3.55
	NET SRV INCREASE		27	56	88		\$87.79	\$1.69
STANWELL PARK	Rate Peg (2.7, 3.0, 3.0%)	962	988	1,018	1,048	8.95%	86.14	1.66
	SRV (5.2, 5.5, 5.5%)		1,012	1,068	1,126	17.09%	164.41	3.16
	NET SRV INCREASE		24	50	78		\$78.27	\$1.51
AVERAGE ALL	Rate Peg (2.7, 3.0, 3.0%)	829	851	877	903	8.95%	74.23	1.43
SUBURBS	SRV (5.2, 5.5, 5.5%)		872	920	971	17.09%	141.68	2.72
	NET SRV INCREASE		21	43	67		\$67.45	\$1.30

SCENARIO 2

•		SCENARIO 2 - House									
Exa	ample Suburb	Average	2014/15	2015/16	2016/17	Cumulative	Cumulative	Average			
		Rate				Increase %	Increase \$	Weekly			
DAPTO	Rate Peg (2.7, 3.0, 3.0%)	1,013	1,040	1,072	1,104	8.95%	90.70	1.74			
	SRV (6.7, 7.0, 7.0%)		1,081	1,156	1,237	22.16%	224.48	4.32			
	NET SRV INCREASE		41	85	134		\$133.77	\$2.57			
FARMBOROUGH	Rate Peg (2.7, 3.0, 3.0%)	1,145	1,176	1,212	1,248	8.95%	102.57	1.97			
HEIGHTS	SRV (6.7, 7.0, 7.0%)		1,222	1,308	1,399	22.16%	253.84	4.88			
	NET SRV INCREASE		46	96	151		\$151.27	\$2.91			
WEST	Rate Peg (2.7, 3.0, 3.0%)	1,234	1,268	1,306	1,345	8.95%	110.53	2.13			
WOLLONGONG	SRV (6.7, 7.0, 7.0%)		1,317	1,409	1,508	22.16%	273.53	5.26			
	NET SRV INCREASE		49	104	163		\$163.01	\$3.13			
TOWRADGI	Rate Peg (2.7, 3.0, 3.0%)	1,376	1,413	1,456	1,499	8.95%	123.22	2.37			
	SRV (6.7, 7.0, 7.0%)		1,468	1,571	1,681	22.16%	304.95	5.86			
	NET SRV INCREASE		55	115	182		\$181.73	\$3.49			
WOLLONGONG	Rate Peg (2.7, 3.0, 3.0%)	1,592	1,635	1,684	1,734	8.95%	142.55	2.74			
	SRV (6.7, 7.0, 7.0%)		1,699	1,817	1,945	22.16%	352.78	6.78			
	NET SRV INCREASE		64	134	210		\$210.24	\$4.04			
AUSTINMER	Rate Peg (2.7, 3.0, 3.0%)	1,968	2,021	2,082	2,144	8.95%	176.22	3.39			
	SRV (6.7, 7.0, 7.0%)		2,100	2,247	2,404	22.16%	436.11	8.39			
	NET SRV INCREASE		79	165	260		\$259.90	\$5.00			
STANWELL PARK	Rate Peg (2.7, 3.0, 3.0%)	2,084	2,140	2,204	2,271	8.95%	186.61	3.59			
	SRV (6.7, 7.0, 7.0%)		2,224	2,379	2,546	22.16%	461.83	8.88			
	NET SRV INCREASE		83	175	275		\$275.22	\$5.29			
AVERAGE ALL	Rate Peg (2.7, 3.0, 3.0%)	1,262	1,296	1,335	1,375	8.95%	113.04	2.17			
SUBURBS	SRV (6.7, 7.0, 7.0%)		1,347	1,441	1,542	22.16%	279.76	5.38			
	NET SRV INCREASE		50	106	167		\$166.72	\$3.21			

			SCENARIO 2 - Pensioner on Average Value							
Example Suburb		Average	2014/15	2015/16	2016/17	Cumulative	Cumulative	Average		
		Rate				Increase %	Increase \$	Weekly		
AVERAGE ALL	Rate Peg 2.7, 3.0, 3.0%	1,262	1,296	1,335	1,375					
SUBURBS	Less Pensioner Rebate	(250)	(250)	(250)	(250)					
	NET RATE	1,012	1,046	1,085	1,125	11.17%	113.00	2.17		
	SRV (6.7%, 7.0%, 7.0%)		1,347	1,441	1,542					
	Less Pensioner Rebate		(250)	(250)	(250)					
	NET RATE		1,097	1,191	1,292	27.64%	279.67	5.38		
	Difference		50	106	167		\$166.66	\$3.21		

		SCENARIO 2 - Other Rates									
Rate Category - Subcategory	Cents in 2014/15 2015/16 2016/17				Cumulative Increase %						
	Dollar	%									
BUSINESS	0.502653	6.7%	7.0%	7.0%	22.16%						
BUSINESS - LIGHT INDUSTRIAL	1.264245	6.7%	7.0%	7.0%	22.16%						
BUSINESS - COMMERCIAL	1.549898	6.7%	7.0%	7.0%	22.16%						
BUSINESS - HEAVY INDUSTRIAL	1.811452	6.7%	7.0%	7.0%	22.16%						
BUSINESS - REGIONAL 3c	2.361820	2.7%	3.0%	3.0%	8.95%						
BUSINESS - HEAVY INDUSTRIAL ACTIVITY 1	2.937984	2.7%	3.0%	3.0%	8.95%						
FARMLAND	0.019886	6.7%	7.0%	7.0%	22.16%						

				SCEN	ARIO 2 - St	trata Property	/	
Exa	ample Suburb	Average	2014/15	2015/16	2016/17	Cumulative	Cumulative	Average
		Rate				Increase %	Increase \$	Weekly
DAPTO	Rate Peg (2.7, 3.0, 3.0%)	776	797	821	845	8.95%	69.49	1.34
	SRV (6.7, 7.0, 7.0%)		828	886	948	22.16%	171.97	3.31
	NET SRV INCREASE		31	65	102		\$102.48	\$1.97
FARMBOROUGH	Rate Peg (2.7, 3.0, 3.0%)	824	846	872	898	8.95%	73.78	1.42
HEIGHTS	SRV (6.7, 7.0, 7.0%)		879	941	1,007	22.16%	182.61	3.51
	NET SRV INCREASE		33	69	109		\$108.82	\$2.09
WEST	Rate Peg (2.7, 3.0, 3.0%)	792	813	838	863	8.95%	70.92	1.36
WOLLONGONG	SRV (6.7, 7.0, 7.0%)		845	904	968	22.16%	175.51	3.38
	NET SRV INCREASE		32	66	105		\$104.59	\$2.01
TOWRADGI	Rate Peg (2.7, 3.0, 3.0%)	856	879	905	933	8.95%	76.65	1.47
	SRV (6.7, 7.0, 7.0%)		913	977	1,046	22.16%	189.70	3.65
	NET SRV INCREASE		34	72	113		\$113.05	\$2.17
WOLLONGONG	Rate Peg (2.7, 3.0, 3.0%)	841	864	890	916	8.95%	75.31	1.45
	SRV (6.7, 7.0, 7.0%)		897	960	1,027	22.16%	186.37	3.58
	NET SRV INCREASE		34	71	111		\$111.07	\$2.14
AUSTINMER	Rate Peg (2.7, 3.0, 3.0%)	1,079	1,108	1,141	1,176	8.95%	96.62	1.86
	SRV (6.7, 7.0, 7.0%)		1,151	1,232	1,318	22.16%	239.12	4.60
	NET SRV INCREASE		43	91	142		\$142.50	\$2.74
STANWELL PARK	Rate Peg (2.7, 3.0, 3.0%)	962	988	1,018	1,048	8.95%	86.14	1.66
	SRV (6.7, 7.0, 7.0%)		1,026	1,098	1,175	22.16%	213.19	4.10
	NET SRV INCREASE		38	81	127		\$127.05	\$2.44
AVERAGE ALL	Rate Peg (2.7, 3.0, 3.0%)	829	851	877	903	8.95%	74.23	1.43
SUBURBS	SRV (6.7, 7.0, 7.0%)		885	946	1,013	22.16%	183.71	3.53
	NET SRV INCREASE		33	70	109		\$109.48	\$2.11

SCENARIO 3

•				5	CENARIO	3 - House		
Exa	ample Suburb	Average	2014/15	2015/16	2016/17	Cumulative	Cumulative	Average
		Rate				Increase %	Increase \$	Weekly
DAPTO	Rate Peg (2.7, 3.0, 3.0%)	1,013	1,040	1,072	1,104	8.95%	90.70	1.74
	SRV (7.7, 8.0, 8.0%)		1,091	1,178	1,272	25.62%	259.53	4.99
	NET SRV INCREASE		51	107	169		\$168.83	\$3.25
FARMBOROUGH	Rate Peg (2.7, 3.0, 3.0%)	1,145	1,176	1,212	1,248	8.95%	102.57	1.97
HEIGHTS	SRV (7.7, 8.0, 8.0%)		1,234	1,332	1,439	25.62%	293.47	5.64
	NET SRV INCREASE		57	121	191		\$190.91	\$3.67
WEST	Rate Peg (2.7, 3.0, 3.0%)	1,234	1,268	1,306	1,345	8.95%	110.53	2.13
WOLLONGONG	SRV (7.7, 8.0, 8.0%)		1,329	1,436	1,551	25.62%	316.25	6.08
	NET SRV INCREASE		62	130	206		\$205.72	\$3.96
TOWRADGI	Rate Peg (2.7, 3.0, 3.0%)	1,376	1,413	1,456	1,499	8.95%	123.22	2.37
	SRV (7.7, 8.0, 8.0%)		1,482	1,601	1,729	25.62%	352.57	6.78
	NET SRV INCREASE		69	145	229		\$229.35	\$4.41
WOLLONGONG	Rate Peg (2.7, 3.0, 3.0%)	1,592	1,635	1,684	1,734	8.95%	142.55	2.74
	SRV (7.7, 8.0, 8.0%)		1,714	1,852	2,000	25.62%	407.87	7.84
	NET SRV INCREASE		80	168	265		\$265.32	\$5.10
AUSTINMER	Rate Peg (2.7, 3.0, 3.0%)	1,968	2,021	2,082	2,144	8.95%	176.22	3.39
	SRV (7.7, 8.0, 8.0%)		2,119	2,289	2,472	25.62%	504.21	9.70
	NET SRV INCREASE		98	207	328		\$328.00	\$6.31
STANWELL PARK	Rate Peg (2.7, 3.0, 3.0%)	2,084	2,140	2,204	2,271	8.95%	186.61	3.59
	SRV (7.7, 8.0, 8.0%)		2,244	2,424	2,618	25.62%	533.95	10.27
	NET SRV INCREASE		104	220	347		\$347.34	\$6.68
AVERAGE ALL	Rate Peg (2.7, 3.0, 3.0%)	1,262	1,296	1,335	1,375	8.95%	113.04	2.17
SUBURBS	SRV (7.7, 8.0, 8.0%)		1,360	1,468	1,586	25.62%	323.44	6.22
	NET SRV INCREASE		63	133	210		\$210.40	\$4.05

		SCENARIO 3 - Pensioner on Average Value						
Example Suburb		Average	2014/15	2015/16	2016/17	Cumulative	Cumulative	Average
		Rate				Increase %	Increase \$	Weekly
AVERAGE ALL	Rate Peg 2.7, 3.0, 3.0%	1,262	1,296	1,335	1,375			
SUBURBS	Less Pensioner Rebate	(250)	(250)	(250)	(250)			
	NET RATE	1,012	1,046	1,085	1,125	11.17%	113.00	2.17
	SRV (7.7%, 8.0%,8.0%)		1,359	1,468	1,585			
	Less Pensioner Rebate		(250)	(250)	(250)			
	NET RATE		1,109	1,218	1,335	31.95%	323.34	6.22
	Difference		63	133	210		\$210.34	\$4.04

		SCENARIO 3 - Other Rates									
Rate Category - Subcategory	Cents in Dollar	2014/15 %	2015/16	2016/17	Cumulative Increase %						
BUSINESS	0.502653	7.7%	8.0%	8.0%	25.62%						
BUSINESS - LIGHT INDUSTRIAL	1.264245	7.7%	8.0%	8.0%	25.62%						
BUSINESS - COMMERCIAL	1.549898	7.7%	8.0%	8.0%	25.62%						
BUSINESS - HEAVY INDUSTRIAL	1.811452	7.7%	8.0%	8.0%	25.62%						
BUSINESS - REGIONAL 3c	2.361820	2.7%	3.0%	3.0%	8.95%						
BUSINESS - HEAVY INDUSTRIAL ACTIVITY 1	2.937984	2.7%	3.0%	3.0%	8.95%						
FARMLAND	0.019886	7.7%	8.0%	8.0%	25.62%						

		SCENARIO 3 - Strata Property						
Example Suburb		Average	2014/15	2015/16	2016/17	Cumulative	Cumulative	Average
		Rate				Increase %	Increase \$	Weekly
DAPTO	Rate Peg (2.7, 3.0, 3.0%)	776	797	821	845	8.95%	69.49	1.34
	SRV (7.7, 8.0, 8.0%)		836	903	975	25.62%	198.82	3.82
	NET SRV INCREASE		39	82	129		\$129.33	\$2.49
IHFIGHTS	Rate Peg (2.7, 3.0, 3.0%)	824	846	872	898	8.95%	73.78	1.42
	SRV (7.7, 8.0, 8.0%)		887	958	1,035	25.62%	211.12	4.06
	NET SRV INCREASE		41	87	137		\$137.33	\$2.64
WEST	Rate Peg (2.7, 3.0, 3.0%)	792	813	838	863	8.95%	70.92	1.36
WOLLONGONG	SRV (7.7, 8.0, 8.0%)		853	921	995	25.62%	202.92	3.90
	NET SRV INCREASE		40	83	132		\$132.00	\$2.54
TOWRADGI	Rate Peg (2.7, 3.0, 3.0%)	856	879	905	933	8.95%	76.65	1.47
	SRV (7.7, 8.0, 8.0%)		922	996	1,075	25.62%	219.32	4.22
	NET SRV INCREASE		43	90	143		\$142.67	\$2.74
WOLLONGONG	Rate Peg (2.7, 3.0, 3.0%)	841	864	890	916	8.95%	75.31	1.45
	SRV (7.7, 8.0, 8.0%)		906	978	1,056	25.62%	215.47	4.14
	NET SRV INCREASE		42	89	140		\$140.17	\$2.70
AUSTINMER	Rate Peg (2.7, 3.0, 3.0%)	1,079	1,108	1,141	1,176	8.95%	96.62	1.86
	SRV (7.7, 8.0, 8.0%)		1,162	1,255	1,355	25.62%	276.45	5.32
	NET SRV INCREASE		54	114	180		\$179.84	\$3.46
STANWELL PARK	Rate Peg (2.7, 3.0, 3.0%)	962	988	1,018	1,048	8.95%	86.14	1.66
	SRV (7.7, 8.0, 8.0%)		1,036	1,119	1,208	25.62%	246.48	4.74
	NET SRV INCREASE		48	101	160		\$160.34	\$3.08
AVERAGE ALL SUBURBS	Rate Peg (2.7, 3.0, 3.0%)	829	851	877	903	8.95%	74.23	1.43
	SRV (7.7, 8.0, 8.0%)		893	964	1,041	25.62%	212.40	4.08
	NET SRV INCREASE		41	87	138		\$138.17	\$2.66



REF: CM41/14 File: EM-030.45.013



LATE BUSINESS - SECURING OUR FUTURE - FINANCIAL SUSTAINABILITY REVIEW (DRAFT DELIVERY PROGRAM 2012-17 AND DRAFT RESOURCING STRATEGY 2012-22 REVISED 1 DECEMBER 2013)

In August 2013 Council launched "Securing our Future", a review to address the asset renewal funding gap, as required under Council's Delivery Program 2012-17 and Annual Plan 2013-14. The review has involved engagement with internal staff, Councillors and the community to determine scenarios to ensure Council can continue to provide high quality assets and services into the future. Since then over 5342 community respondents, business and various representative bodies have contributed their points of view towards finding a solution.

This report considers the results of the community engagement process and presents this information to Council for determination.

RECOMMENDATION

Council endorse the following:

- A financial sustainability approach that includes a minimum of \$4 million target for efficiencies, \$1.5 million in service level adjustments, a minimum of \$500,000 in increased fees and charges and a Special Rate Variation for an increase in 'General Revenue' and minimum rate amounts. The increase in 'General Revenue' will provide additional revenue of approximately \$15 million per annum.
- The draft Resourcing Strategy 2012-22, draft Delivery Program 2012-17 (revised 1 December 2013) and revised Financial Strategy be adopted with the amendments outlined in the report and in Attachment 1 to reflect the approach endorsed in Recommendation 1.
- 3 Council lodge a Section 508A Special Rate Variation (SRV) by 24 February 2014 to the Independent Pricing and Regulatory Tribunal (IPART) for a SRV for an increase in 'General Revenue' and minimum rate amounts of 6.23% in 2014-15, 6.33% in 2015-16 and 6.34% in 2016-17.
- Subject to approval of a Special Rate Variation, Council's Revenue Policy for the next three years include a proposed increase Business Subcategory Rates for '3C Regional' and 'Heavy 1 Activity 1' and all special rates by 2.3%, 3.0% and 3.0% respectively in accordance with the proposed Resourcing Strategy, while other rates categories to be increased by 6.76% in each of the next three years to achieve the permissible General Revenue.
- As per the *Planning and Reporting Guidelines for Local Government in NSW* (2010), a copy of the adopted Resourcing Strategy and Delivery Program be provided to the Director General of the NSW Division of Local Government, Department of Premier and Cabinet within 28 days of it being endorsed by the Council.



- The General Manager be authorised to make any minor changes as requested by resolution of the Council or the NSW Division of Local Government.
- Adopt the draft Financial Strategy as per Attachment 3 confirming an additional \$21 million per annum will be directed to asset renewal and/or works to extend the useful life of assets.
- 8 Receive and note Attachment 2 Community Engagement Report February 2014 and acknowledge the extensive contribution of community members to the 'Securing our Future' Financial Sustainability Review since August 2013.

ATTACHMENTS

- 1 Recommended Changes to the Draft Delivery Program and Resourcing Strategy
- 2 Securing our Future Financial Sustainability Review Community Engagement Report February 2014
- 3 Draft Financial Strategy
- 4 Additional Revenue Allocated to Capital Works for the Recommended Scenario
- 5 Residential Rate Average Percentage Increase/Decrease by Suburb Impact of Revaluation
- 6 Residential Rates Increase/Decrease Impact of Revaluation
- 7 Residential Rate Average Percentage Increase/Decrease by Suburb Impact of Revaluation and SRV
- 8 Residential Rates Increase/Decrease Impact of Revaluation and SRV
- 9 Revised Financial Estimates for Baseline and Recommended Scenario
- 10 Changes in Operating Income and Expenditure.

REPORT AUTHORISATIONS

Report of: Kerry Hunt, Executive Manager Strategy

Authorised by: David Farmer, General Manager

BACKGROUND

This Council adopted its first long term Community Strategic Plan Wollongong 2022 in June 2012. As part of the accompanying suite of documents, the 10 year Resourcing Strategy set out Council's responsibilities and the resources required to deliver Wollongong 2022. The adopted Resourcing Strategy 2012-22 identified the need to address the asset renewal funding gap and achieve financial sustainability. This Council identified five priorities or aspirations for the current term of office, one of which is financial sustainability. The draft Delivery Program 2012-17 (Revised 1 December 2013) states:

"Our Council is committed to improving the standards of community assets over the 5 year Council term. We will also continue to work towards a financially sustainable solution to manage our assets and deliver key services. This will be achieved by directing 85% of all capital investment into asset renewal, and a strong emphasis of cost effectiveness in service provision".



The draft Delivery Program has been revised to reflect Council's understanding that cost effectiveness alone will not deliver the funds required to effectively maintain assets at the level of service required and achieve financial sustainability.

This is a challenge most local government authorities across NSW are facing. Local government has a high diversity of services (most of which are not directly charged) with almost unlimited demand from its customers. Financially we have a low annual turnover, but high asset values. Wollongong City Council's current asset portfolio has a replacement value of \$4 billion - more than 12 times its annual turnover.

The NSW government has restricted the level of rates revenue for councils for many years via rate pegging. This means Local Government in NSW has slipped behind other states in both revenue raising, financial performance asset standards in recent decades.

Accounting Changes

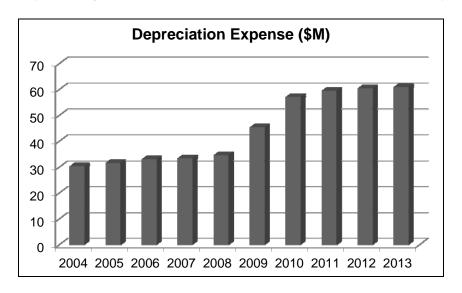
NSW councils have been discussing their financial future for a number of years now, including the age of their infrastructure and the condition of their assets. This is partly due to changes in local government accounting methods required under the Local Government Act 1993 and also due to the assets constructed during the post-World War II boom beginning to reach their use by date and starting to fail.

Until 1993, councils in NSW used fund accounting where roads, bridges and stormwater were not recognised as assets which deteriorated over time. Construction and replacement of these assets was treated as part of the annual expenditure and their future replacement was not considered in long term planning. Changes in accounting standards meant that between 1993 and 1997 these assets were brought to account and depreciated based on historical cost.

The challenge of addressing Council's asset and service commitments was first highlighted in Council's' 2004-8 Corporate Plan. The Plan began to redress the critical shortfall in infrastructure asset funding for Wollongong City. At the same time as introducing accrual accounting, the five year program introduced through the corporate planning process an additional \$250,000 per annum for Recreation assets, \$500,000 per annum for Buildings, and an additional \$2 million for Infrastructure Construction and Maintenance in 2004-05, with an incremental increase of \$2 million per annum over the next four years. (WCC Corporate Plan 2004-8, pg 96).

In more recent times "fair value accounting" was introduced which ensures the value of assets is based on current replacement costs and depreciation reflects the current value of consumption of the asset. This change in accounting method showed clearly the increasing dilemma councils faced with asset renewal. The graph below shows the increase in depreciation expense at this Council from 2008 to 2011 as fair value accounting was phased in.





Increased Focus on Assets

Following the Independent Inquiry into the Financial Sustainability of Local Government in 2006, Council in 2007, commissioned a Financial Sustainability Review by Professor Percy Allan that concluded Council had a substantial infrastructure renewal backlog and that this would continue to deteriorate if nothing changed. The review recommended that Council should address its backlog by generating additional funding through increasing rates and fees and charges, reducing expenditure, increasing developer charges and introducing loan borrowings.

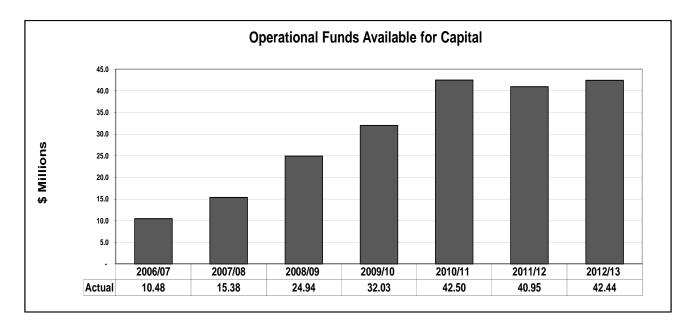
Soon after the report was received in March 2008 the Council was placed in Administration. The incoming Administration took an approach that before going to the community to discuss service changes and increases in rates it should look to tackle the problem internally by:

- reducing internal costs through operational efficiencies;
- allocating a greater portion of its internal capital funding to asset renewals rather than new assets; and
- seeking additional external funding for new assets.

Since this time, Council has implemented a number of operational improvements to enable more funds be made available for capital improvements. To date, \$20.3 million in operational funds has been made available on an annual basis for asset maintenance and renewal in an attempt to address Council's infrastructure renewal challenge.

Larger Capital Programs

The improvements are reflected in the funds available for capital graph shown below. Funds available for capital is a key measure of a Council's ability to generate funds to replace and renew assets.



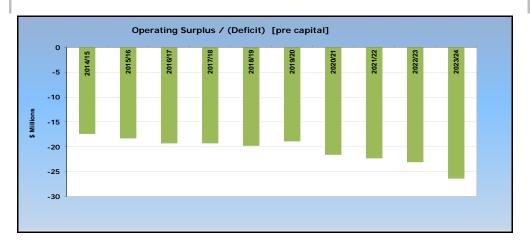
This increase in funding has led to a steep increase in the amount of capital works Council has been undertaking. The most recent five years of capital expenditure ie 2008-9 to 2012-13 totalling \$390 million is 110% higher than the previous five years, 2003-4 to 2006-7 (totalling \$186 million).

These improvements, while increasing the amount of funds available for asset renewal are not sufficient in the long term. A further \$21 million per annum is required to ensure we are able to adequately maintain and renew our infrastructure in the medium to long term.

It is noted that during this time additional and increased services have also come on line. These include Thirroul District Library and Community Centre, Southern Gateway, Customer Service Centre, regulatory and ranger services, development assessment services and extended Pool and Library opening hours.

The continuation of a savings program was built into Council's 10 year Resourcing Wollongong 2022 Strategy. At the time of adoption (2012), the Resourcing Strategy required an operational improvement of \$3.3 million in 2012-13 and an annual savings totalling \$12.4 million by 2022. As at June 2013, the target was \$10.5 million in savings. Achievement of the savings target stabilises Council's operating deficit, though does not achieve an operating surplus.





The TCorp Review

The NSW Government has become increasingly focused on financial issues facing Councils. In 2012, the NSW Government commissioned the NSW Treasury Corporation (TCorp) to undertake an analysis of the financial sustainability of each of the 152 Councils in NSW. It found "the majority of Councils are reporting operating deficits and a continuation of this trend is unsustainable" (TCorp, April 2013). TCorp identified that this Council's deteriorating operating results are "primarily due to increasing depreciation and amortisation expenses", and that "this is a significant issue that could impact the long term financial sustainability of the Council" (TCorp, October 2012). Further ongoing cost controls or securing new or additional revenue in future years was recommended by TCorp to address the longer term negative operating position of the Council.

DLG Oversight

The Division of Local Government (DLG), which has an oversight and monitoring responsibility for local government performance in NSW, has also indicated that Council needs to "demonstrate how it intends to achieve financial sustainability over the longer term through its Long Term Financial Plan" (DLG, February 2013). Council's existing Resourcing Strategy recognises the asset dilemma faced and that the challenge will require us to either increase our revenue, make concessions on our services or levels of service. The current Long Term Financial Plan included a baseline plan that reflects existing policy and service levels. The Plan identified that, "Council will move forward with the baseline scenario, then will engage the community to explore the dilemma faced by the organisation with regard to its assets and review the options available into the future" (pg.13).

In April 2013, the Independent Local Government Review Panel released its report Future Directions for NSW Local Government: Twenty Essential Steps. The Panel identified the financial base of the local government sector is "in urgent need of repair" and that "many councils face serious problems that threaten their sustainability" (ILGRP, 2013). It commented:



"addressing the issues will be uncomfortable for all concerned: politicians, senior managers, staff and ratepayers... The Panel believes that this will need to combine fiscal discipline with improved financial and asset planning, accelerated increases in rates and charges where required... and improved efficiency and productivity" (ibid).

Planning for Financial Sustainability

Council committed to address its long term financial sustainability in the development of its Integrated Planning and Reporting (IP+R) documents including Wollongong 2022 Community Strategic Plan, Resourcing Strategy 2012-22, Delivery Program 2012-17 and Annual Plan 2012-2013. On 24 June 2013 Council adopted its Annual Plan for 2013-14 and called for a report on the scenarios for a Citizens' Jury to discuss the financial sustainability of the Council and assist in the development of recommendations to address the long term funds gap.

A report was presented to the August Council meeting that highlighted the need to address financial sustainability, in particular the need to address Council's funds available for asset renewal. Council adopted a position to undertake a comprehensive Financial Sustainability Review, now known as Securing our Future, to consider service levels, efficiency opportunities and revenue increases. It was a priority for the Council to have the community involved in the review.

The review has involved internal business analyses across all Council services and involvement with internal staff, Councillors and the community in four (4) stages to consider scenarios to ensure Council can continue to provide high quality assets and services into the future.

The formation of a Citizens' Panel in September 2013 resulted in a report that included recommendations for service level adjustments, operational efficiency measures and revenue increases (including a rates increase). In November 2013, Council engaged the community again by exhibiting the recommendation of the Panel for broader community comment around the scenarios available to addressing the funding challenge. In total, 600 community members made comment on the Citizens' Panel Report and an additional four (4) petitions were received. Further details on the results of this process are included in Attachment 2 - Community Engagement Report February 2014.

The Scenarios

The Panel Report and the submissions assisted Council to develop two additional scenarios or scenarios that would identify ways to achieve the \$21 million funding gap contained within the baseline (or do nothing) scenario. The Scenarios incorporate:



Baseline: This was the continued operating position of the Council excluding any further efficiency savings (on top of the \$20.3 million achieved since 2008).

Continuation of the Baseline Scenario would mean Council would have continued to operate with a \$21 million average annual deficit. Council would not have had the funds available for all assets requiring renewal, compounding Council's inability to maintain and renew its assets into the future. There would be increasing unplanned reduction in services due to asset failure over time. There would be minimal impacts on Council staffing. Rates increases would remain at the level set by IPART each year, otherwise referred to as the rate peg or rate cap. The assumed rate at the time of exhibition was 2.7%. At the time of exhibition IPART had not announced the official rate peg for 2014-15, as such an assumed rate of 2.7% was applied.

Scenario 1: Citizens' Panel recommendations included service cuts, efficiencies (including outsourcing), moderate fee rise, small rate rise (4.8%, 5.5%, 5.5% increase over three years inclusive of the rate peg).

This scenario included a significant improvement in organisational efficiency of \$7 million that would require significant organisational change including higher level workplace, industrial, and delivery adjustment.

The proposal would also have required changes to levels of service delivered of \$4 million.

This scenario proposed a rating adjustment of \$8.4 million to be implemented over a three year period. The adjustment would require an all up rate increase to most ratepayers of around 4.8% in the first year and 5.5% for the following two years (inclusive of the rate peg of 2.3%, 3.0% and 3.0% respectively).

Other revenue would be increased under this Scenario by increasing and/or introducing fees in future periods above the baseline position. \$1.6 million per annum is provided for increased fees.

Scenario 2: Limited service cuts, moderate fee and rate rise, efficiencies included some outsourcing (6.3%, 7%, 7% increase over three years inclusive of the rate peg).

Scenario 2 reflected community feedback on the Panel's report and further analysis from officers. It identified where community feedback indicates strong opposition to key change points, particularly service reductions, but balanced this with analysis of data and information that maintains some of the Panel's key recommendations. This included a slightly lower level target for operational efficiency that will still call for reduction in resources required to provide existing levels of services. It also included some adjustments to existing service, and a rating adjustment of \$13.4 million to be implemented over a three year period. The rating adjustment would require a rate increase to most ratepayers of around 6.3% in the first year and 7.0% for the following two years (inclusive of the annual rate peg of 2.3%, 3.0% and 3.0% respectively).



Scenario 3: More significant rate rise (7.3%, 8.0%, 8.0% increase over three years inclusive of the rate peg of 2.3%), efficiencies with low impact on services and staff.

This scenario explored the option to focus primarily on revenue (rates) and internal efficiencies. It provided for little or no discernible decrease in current service levels. This responded to the call by some members within the community to leave services as they are. The proposal included targeted efficiency savings based on what are considered achievable lower impact goals. Based on the baseline forecasts and current indices, there is a need for additional rate revenue of \$16.5 million per annum. The model proposed a rating adjustment \$16.5 million to be implemented over a three year period. The rating adjustment would require a rate increase to most ratepayers of around 7.7% in the first year and 8.0% for the following two years (inclusive of the annual rate peg of 2.3%, 3.0% and 3.0% respectively).

Consistent with the Division of Local Government (DLG) and the Independent Pricing and Regulatory Tribunal (IPART) requirements and guidelines these three scenarios, on top of the baseline "status quo" scenario, were modelled in Council's Draft Resourcing Strategy and Delivery Program 2012-17 (revised 1 December 2013). The two documents highlighted the various impacts of each of the scenarios on Council's service delivery, revenue streams and its operations (including staffing). The options canvassed each included a rating increase.

Both the draft Resourcing Strategy and Delivery Program were revised to more directly address the \$21 million asset renewal funding gap and factor in the implications and financial modelling of each of the scenarios.

It should be noted that at this time, in addition to the baseline scenario, a fourth option was discussed that only included service adjustments and efficiencies as an option (with no rates increase above the annual rate peg) but it was not recommended. It included \$7 million efficiency measures and \$14 million in service adjustments. This would mean a significant reduction of non-mandated services, significant market testing to outsource delivery of Council's community, cultural, recreational and environmental services, an estimated six year delivery due to phase in of significant workforce and service change, a reduction of 20% in staffing establishment, and impact on the delivery of Wollongong 2022. The IPART's Fact Sheet for councils titled **Community Awareness and Engagement for Special Variation Applications** also advises that "Councils should not present a worst case scenario or threaten ratepayers with unrealistic cuts in the most popular community services". The decision not to recommend, or therefore include this option in the next phase of engagement, was in response to the overwhelming community feedback opposing significant reduction in service in Step 3 of the 'Securing our Future' engagement process.

On 9 December 2013, the baseline scenario alongside the three alternate scenarios was reported to Council as part of the revised Draft Resourcing Strategy and Draft Delivery Program recommending public exhibition. From 11 December 2013 to 5 February 2014 the documents were exhibited and several engagement activities were carried out throughout the Local Government Area to determine the community's preferred option for addressing the funding gap.



Council also endorsed a recommendation to notify IPART that it intended on applying for a S508A Special Variation to Rates (required under the Local Government Act 1993 to increase Council's rating options) to commence in the 2014-15 financial year. The General Manager wrote to IPART on 12 December 2013 identifying this intention, and that the rating increase is likely to be between 5.0% and 8.0% annually for three years, inclusive of annual rate peg amount. The notification letter identified that "a preferred funding scenario will be determined as a result of this process (the exhibition period) in February 2014 and will confirm a preferred rating option".

PROPOSAL

The Division of Local Government's (DLG) Integrated Planning and Reporting Manual require inclusion of three financial scenarios in the Long Term Financial Plan (LTFP). Under the DLG's *Guidelines on the Preparation of an Application for a Special Variation to General Income 2014-15,* Councils are required to exhibit at least two financial scenarios. Both require a recommended scenario to be the basis for Council's long term financial planning and any variation to general income.

Council has placed on exhibition three scenarios in addition to the baseline scenario (status quo), to invest in asset renewal and achieve long term financial sustainability. These scenarios are presented below as per the draft Resourcing Strategy and Delivery Program, however have been amended to reflect the announced rate peg of 2.3% for 2014-15 as opposed to an assumed rate of 2.7%.

- **Scenario 1:** Efficiencies \$7 million, service level adjustments \$4.3 million, increased fees & charges \$1.6 million and small rate rise (4.8%, 5.5%, 5.5% increase over three years).
- **Scenario 2:** Efficiencies \$5 million, service level adjustments \$2.3 million, increased fees & charges \$370,000 and moderate rate rise (6.3%, 7.0%, 7.0% increase over three years).
- **Scenario 3:** Efficiencies \$3.5 million, service level adjustments \$1 million, and higher rate rise (7.3%, 8.0%, 8.0% increase over three years).

Note is made that each of the above scenarios exclude rate increases for Business Subcategories 'Heavy 1 Activity 1' and '3c Regional Business (City Centre)' and special rates (aside from the estimated rate peg) due to the higher than average rates in the dollar already applied to their property values and the application of special rates to specific tasks that are not associated with the financial sustainability issues.

It is proposed that Council consider the community feedback on each of the three scenarios given the diversity of opinion consider an alternate "hybrid" scenario. The alternate scenario has been prepared in direct response to community feedback and is the recommended scenario in this proposal. It remains consistent with Council's resolution of 9 December 2013:



"Endorse the approach that a combination of increased revenue, operational efficiencies and service adjustments must be part of the solution toward achieving financial sustainability, and therefore is an essential component to the Securing Our Future Review".

The recommended is as follows: efficiencies \$4 million (minimum target), service level adjustments \$1.5 million, increased fees & charges \$500,000 (minimum) and a rate rise yielding \$15 million. This would be reflected by a 6.76% rate increase, to those properties impacted by the special rate variation, in each of the next three years inclusive of any rate peg.

The recommended scenario proposes changes to the timing of the rate variations to create a flat rate increase across the three years. This can be done while the rates increase in each year remains below the previously advertised Scenario 2 levels. The proposed rates have been revised to retain similar cash flows while maintaining lower (than initially advertised – Scenario 2) rates across the period. This has been possible due to updated property data that has provided slight improvements.

This scenario takes into account the strong community feedback to:

- Focus continued efforts on business improvement such as efficiency and productivity gains, and better value for money.
- Limit the need to reduce service levels considered to be core business by the community, and focus on the delivery of services which meet the changing needs of the Wollongong community as evidence by the strong community opposition to the level of efficiency and service changes proposed by the Citizens' Panel (Scenario 1).
- Investigate further scenarios for user-pays where appropriate, to minimize the impact of higher rates on community members.
- Seek a special rate variation (SRV) in order to maintain the majority of Council services and deliver quality assets for the community today and for future generations, notwithstanding the points above.
- The SRV takes into account the community's (including local businesses) capacity to pay and seeks a moderate rate increase as opposed to the highest advertised rate proposed.

The key themes from the recent community engagement process are presented in the Consultation and Communication section of this report and summarised in the Executive Summary of Attachment 2, Community Engagement Report. Extensive detail is contained within the body of Attachment 2.



All of the scenarios, including the recommended scenario achieve a \$21 million improvement p.a. to direct towards asset renewal and/or to extend the life of assets. \$20 million of the \$21 million annual improvement will create additional funds, the other \$1 million is a proposed saving in depreciation from the extension of life on footpaths that will reduce the need for funds, but would lower the service standard of Council footpaths. The additional \$20 million is proposed to be spent on increased asset renewal and refurbishment. The breakdown on how the funds may be spent is based on the projected renewal timeframes identified in the Asset Management Plan section of the draft Resourcing Strategy (Revision 1 December 2013).

The Baseline Capital Budget and hence the Delivery Program is subject to refinement and change through the annual planning process for a number of reasons including:

- Recent successful grants under the Restart NSW Illawarra Infrastructure Fund have not been included in the financial estimates as the construction programs and funding agreements are currently being finalised:
 - West Dapto Access Princes Highway/Fowlers Road to Fairwater Drive \$22.5 million.
 - Grand Pacific Walk \$5 million.
 - Bald Hill Reserve Upgrade \$2.9 million.
- Reductions in long term forecast income for the City Wide and City Centre Section 94A developer contributions plan – this will result in corresponding reductions in long term capital expenditure.
- Reductions in estimates for future untied grants.
- The impacts of revisions to the current capital works program on the future works program and hence required budget allocations or redistributions.

Based on the recommended scenario and the anticipated introduction of funding, the breakdown of expenditure of the additional annual funds over the 10 year life of the draft Resourcing Strategy is as follows:



Table 1- Recommended Cumulative Allocation of Additional Funds for Capital Renewal Works

CUMMULATIVE ALLOCATION OF ADDITIONAL FUNDS FOR CAPITAL RENEWAL WORKS - RECOMMENDED SCENARIO					
BUDGET AREA - Renewal/Replacement of	2014-15 to 2023-24				
Public Transport Facilities (bus shelters etc)	\$904,000				
Road works - road resurfacing	\$18,365,000				
Road works - road reconstruction	\$40,439,000				
Bridges, Boardwalks and Jetties	\$4,516,000				
Footpaths	\$42,306,000				
Cycle/Shared Paths	\$7,830,000				
Car parks	\$2,258,000				
Community Buildings including Cultural Centres (IPAC, Gallery, Town Hall) *	\$52,583,000				
Public Facilities (Shelters, Toilets etc)	\$2,892,000				
Crematorium/Cemetery Facilities	\$451,000				
Play Facilities	\$4,878,000				
Recreation Facilities	\$4,335,000				
Sporting Facilities	\$3,163,000				
Aquatic Facilities (Pools etc)	\$6,3225,000				
Total	\$191,242,000				

^{*}Community Buildings includes community centres and halls, the Art Gallery, Town Hall and IPAC NOTE: Stormwater infrastructure is not included in the additional funds available as increased renewal works are not anticipated in the next 10 years.

Attachment 4 to this report provides detail of the Additional Revenue Allocated to Capital Renewal by Year.

Examples of works that could be funded by the additional spend include:

- Road reconstruction projects including: Mt Keira Road, Mount Keira;
 Queens Parade, Wollongong; Bland Street, Port Kembla, Kulgoa Road, Woonona.
- Reconstruction of footpaths such as Flinders Street, Wollongong; Railway Street, Corrimal; Lawrence Hargrave Drive, Thirroul and Illawarra Street, Port Kembla.
- Replacement of the Stanwell Park Reserve and Mt Keira kiosks.



- Accelerated dune management works.
- An integrated Warrawong Library & Community Centre, Helensburgh Library.
- Replacement of play facilities at Nicholson Park, Woonona, Lakeside Drive Reserve, Dapto; William Beach Park, Brownsville.

CONSULTATION AND COMMUNICATION

A key aspect of the Financial Sustainability Review to date has been consultation and communication with Councillors, staff and the community. The Council Report dated 9 December 2013 outlined consultation and communication processes which had taken place up to that date.

In summary, Step 1 invited the community to make submissions to a Citizens' Panel who would be deliberating on service levels, efficiencies and revenue opportunities to achieve the \$21 million gap. This step included open community surveys and submissions. This stage also included staff workshops seeking input on potential operational efficiencies and improvements.

Step 2 involved the convening of a randomly selected 34 person Citizens' Panel, who deliberated over the issues and produced a report containing recommendations for wider community feedback. The Panel was a statistically valid and reliable sample group as it reflected the broad demographics of the population and it presents an alternative to a random sample telephone survey. Due to the level of detail required to effectively engage on this topic, a Citizens' Panel is considered leading practice.

Step 3 included the exhibition of the Citizens' Panel report and an invitation for wider community feedback based on the Panel's findings and recommendations. Over 600 community responses were received as part of this process and based on this feedback Scenarios 2 and 3 were developed.

The most recent round of engagement forms Step 4, the details of which are described in more depth below.

Engagement Activities

At its meeting of 9 December 2013, Council resolved to exhibit the draft Resourcing Strategy 2012-2022 (revised 1 December 2013) and draft Delivery Program 2012-17 (revised 1 December 2013) and scenarios based on three financial scenarios. The exhibition commenced on 11 December 2013 and closed on 5 February 2014. The community was asked to consider the scenarios and indicate their preference as well as review and comment on the draft strategies which explain the impacts of each scenario.



The engagement activities at this stage included:

Table 2- Engagement Activities

Distribution	Target Audience	Schedule
Submissions	Residents	5 Feb 2014 (closing date)
Open submissions		, ,
Hard copy survey		
Online survey		
Online quick poll		
Kiosks	Residents by Ward	
Friday markets, Crown Street Mall (Ward 2)		13 Dec 2013
Dapto Library and Community Centre (Ward 3)		20 Jan 2014
Thirroul Library and Community Centre (Ward 1)		21 Jan 2014
Friday markets, Crown Street Mall (Ward 2)		24 Jan 2014

Exhibited documents and supporting information

Supporting the engagement process was the presentation and distribution of significant amounts of information and promotional material. This information sought to ensure a high level of community awareness of the process and the scenarios for consideration, as well as information about what Council delivers to support the community in preparing comments and ideas about the solution.

In addition to the exhibition materials for Steps 1-3, Step 4 featured updated Frequently Asked Questions, an information brochure outlining scenarios, how to have your say, the draft Resourcing Strategy 2012-2022 (revised 1 December 2013) and draft Delivery Program 2012-17 (revised 1 December 2013).

The draft Resourcing Strategy 2012-2022 (revised 1 December 2013) documents which were available to all community members laid out the baseline scenario and three alternate scenarios in detail. The specific impacts of increases in rates under the three different scenarios were outlined in respect to a range of properties located within small areas with significantly different SEIFA indices (Social-Economic Indexes for Areas). This was put out for exhibition and feedback was welcomed. Detail was laid out regarding the three different scenarios but each scenario was broken into seven different small areas (House and Strata property).



This decision by Council was necessary in order to explain the impact on ratepayers affected by the proposed rate increases, given that the impact varies considerably across different categories of ratepayers. Information was also presented in a fact sheet which was created in January 2014 and distributed at kiosks to explain in more depth what the rating scenarios on exhibition mean. Comparative data was given from baseline and rate peg across each scenario. It also explained rating categories other than residential including commercially rated properties.

Information packs were produced and distributed at a number of Council sites throughout the Local Government Area including all Council libraries and Customer Service Centre. All information has been made available on Council's engagement web page.

Promotion

The brochure was distributed to more than 80,000 households in the Wollongong LGA commencing 13 January 2014. It outlined each of the three scenarios including average rates impact per household, an outline of the problem Council is faced with and what we have done so far to find a solution. Finally the brochure explained the many ways the community could get involved in having their say and what happens when this step concluded in early February 2014.

A full page advertisement appeared in The Advertiser newspaper on 18 December 2013, 22 and 29 January 2014 and in the Illawarra Mercury on 18 January 2014. This outlined the problem and the three scenarios plus the baseline on exhibition. A media release was produced and sent through to local media outlets.

The use of online media supported the engagement process. The Council website hosted a page for 'Securing Our Future' and all promotional materials, including a survey, videos and discussions boards were available. The link to the 'Securing our Future' webpage has been extensively shared and promoted via Council's Facebook page and Twitter feed. Advertising was also conducted via Facebook which linked to a video explaining the issue. A truncated version of this was also used as part of a television advertising campaign.

Key Results

The following table provides a snapshot of Step 4 engagement results in terms of the scenarios and also identifies the key themes contained within the comments of submissions.

Table 3- Key Results

Support Scenario 1	Support Scenario 2	Support Scenario 3	Don't support any scenario	Don't specify an scenario	
N = 178	N = 184	N = 260	N = 31	N = 141	
22.5%	20.3%	32.5%	4.0% 18.0%		
Themes		Agree			
Council needs to be more efficient			152		
Keep rock pools			95		
Prefer to pay mo	ore rates to main	tain services	82		
Don't agree with Council's infrastructure choices			71		
Don't support a rate rise			70		
Support user pays			53		
Don't close Unanderra Library			53		
Support outsourcing			45		
Concerned about effect on employment			37		
Concerned about capacity to pay			25		
Don't close Lakeside Leisure Centre			20		

Analysis of the Results Across Steps 1-4

At a high level there are common themes across all of the engagement, including the desire for Council to continue to find savings through operational efficiencies, and that for the most part, existing service levels should continue to be maintained. The community has indicated there is a need to consider a rating increase as part of the mix, although the results indicate there is a spread with regard to the rating scenarios proposed.

Consideration has been given to the themes that have arisen through the community engagement process.



Service Levels

Consistently throughout the engagement process the most passion and debate has occurred around level of service and what is considered critical to the community, their way of life and their health and well-being. There is a degree of acceptance that some things need to change and as the city and its residents develop and change, so to must the services provided by Council.

The nine rock pools which Council maintain have had unprecedented national, state and local media coverage that they may be under threat and must be saved. At a local level 95 submissions have been received opposing any reduction in service including renewal to the rock pools currently maintained by Council. This is consistent with the engagement results in Step 3 when Council received 401 submissions (a significant proportion being by form letter) objecting to any reduction in rock pools currently serviced by Council, and a petition opposing any change to Coalcliff Rock Pool of 13 signatories and another opposing any change to the Wollongong Rock Pool with 1416 signatories.

Unanderra Library - Fifty three submissions were received in Step 4 opposing the closure of Unanderra Library, with a further 580 signatories received via petition in Step 3. This is consistent with the response regarding the Library since the beginning of the Securing our Future engagement, when Council received a petition with 423 signatories and 55 submissions opposing closure.

Some current users offered suggestions to Council to consider alternate scenarios for Unanderra Library such as reduced opening hours which would maintain community access whilst existing library services at Wollongong and Dapto would support a reduced level of service.

Lakeside Leisure Centre - Thirty submissions in Step 4 were received referring directly to the proposal to sell Lakeside Leisure Centre. Twenty of these opposed any sale. This is consistent where 39 submissions and one petition with 488 signatories were received in the earlier stages of engagement. There were alternate scenarios put forward including the suggestion that whilst it was important for the activities offered at this facility be maintained (squash courts, active seniors etc), it did not necessarily have to be Council who managed and operated the facility.

Other Services - Many other specific comments both in support of, or in opposition to changes to particular services did not result in large numbers in submissions (that is twenty or less specific statements of support or objection) and this is detailed in the Attachment 2. In the final step of engagement, 141 specific submissions were received that provided no comment or recommended scenario for rates but raised objections, support or alternate suggestions regarding services.



A number of submissions were received seeking clarification of some of the service proposals. For instance the proposal regarding the Cremator only applies to an existing ageing asset. Memorialisation services, and the memorial gardens located at the Crematorium, have no proposal to change. In Step 3 of the 'Securing our Future' engagement Council received 28 submissions opposing the closure of the Cremator and in Step 4 when this proposal for further clarified, received nine.

Operational Improvement/Efficiency

Submissions received in response to both the Citizens Panel report (Step 3) and exhibition of the scenarios (Step 4) focused heavily on the need for Council to be more efficient. Over 150 specific comments were received via the submissions that raised inefficient and outdated work practice, staffing levels and conditions, the need for improvement, benchmarking and review. A further 45 specific comments were received in support of some level of outsourcing although there were nine received against.

A large number of submissions were received criticizing Council's infrastructure choices (71). Feedback calls for improved planning, budgeting, contract management, prioritization and decision making.

Thirty seven submissions were received regarding impacts on employment. Specifically, 16 comments were received that directly opposed any reduction to Council's Cadet, Apprenticeship and Trainee program. The rationale consistently presented in these submissions was concern about Wollongong's high unemployment, particularly for young people.

Fees and Charges

Each year the NSW Division of Local Government compiles a comparative data report for councils within the state. The most recent document includes data from 2011-12 and indicates that Wollongong residents pay considerably lower user charges & fees for a wider range of services compared to other residents of the total Illawarra and Group 5 Councils. Of the 11 Councils benchmarked, Wollongong residents pay the third lowest user charges & fees as a percentage of income from rates, annual charges, user charges, fees and other revenue (sometimes referred to as Own Service Revenue). This is calculated using the formula, Income from User Charges & Fees + Other Revenue1 minus Own Service Revenue2.

^{1 2012/13} Income Statement, Annual Financial Statements

² Income Rates & Annual Charges + User Charges & Fees + Other Revenue



Wollongong residents user charges and fees make up just 22% of own service revenue derived, the average for the Illawarra being 36% and for Group 5 Councils 29%.

Table 4- User Charges & Fees Comparison

Council	Percentage
Coffs Harbour	33.0%
Lake Macquarie	18.0%
Newcastle	36.0%
Maitland	19.0%
Port Macquarie	30.0%
Shoalhaven	37.0%
Tweed	32.0%
Wollongong	22.0%
Group 5 Average	29.0%

Whilst this does not necessarily reflect the diversity of user pay services offered by these councils (for example direct child care, airport facilities, direct managed and operated performing arts centres etc) it does suggest that user fees and charges could be reviewed and some activities increased.

Fifty-three general comments were included in submissions supporting the principle of user pays plus an additional 54 comments were received on other fees and charges, notably, pay for entry at community pools.

<u>Rates</u>

Six hundred and twenty two (622) respondents selected one of the three scenarios advertised that included a rate increase. Eighty-two respondents stated they would prefer to pay more rates to maintain services. Thirty-one specific objections to any rate increase were also received including several proposing that the Council process was 'illegal' as a non-rating scenario was not included. Many of the same submissions call into question the asset renewal data and information and call for independent review of Council's budgets.

Council has reviewed the "Guidelines for the preparation of an application for a special variation to general income for 2014-15" (covered in greater detail further in this report) and sought verbal advice from the Independent Pricing and Regulatory Tribunal (IPART) regarding this statement and note the following:



Councils must provide:

"Evidence that the community is aware of the need for and extent of a rate rise. This should be clearly spelt out in Integrated Planning & Reporting (IP&R) documentation and the council must demonstrate an appropriate variety of engagement methods to ensure opportunity for community awareness/input. The IP&R documentation should canvas alternatives to a rate rise, the impacts of any rises upon the community and the council's consideration of the community's capacity and willingness to pay rates".

Wollongong Council's revised IP&R documents consider operational improvements, service adjustments, and fees and charges as alternatives to rating increases over and above the rate peg. It also presents a baseline scenario which demonstrates what will occur should no change be implemented and the impacts on community infrastructure and amenity.

Council first canvassed service changes and operational improvement (efficiency) via the report produced by the Citizen's Panel. The feedback received through 600 submissions and four petitions demonstrated the community's preference for alternative solutions, including a special rate variation.

It should also be noted that 141 specific submissions were received that provided no comment or recommended scenario for rates but raised objections, support or alternate suggestions regarding services.

The following table documents the breakdown of submissions received regarding the rating scenarios. These figures relate only to the final stage of engagement.

Support Scenario 1	Support Scenario 2	Support Scenario 3	Don't support any Scenario	Don't specify an Scenario
N = 178	N = 184	N = 260	N = 31	N = 141
22.25%	23.0%	32.5%	4.0%	18.0%

Table 5- Breakdown of Respondents by Scenario

The results would indicate that of the respondents there was a general acceptance of a rates increase being necessary and in some case the recommended scenario over any cut to services. Some comments were included in submissions that rising costs means some rates rise is inevitable but that capacity to pay should be considered in determining the rating increase.

Reasonableness

The results obtained via the most recent engagement suggest that people are attracted to and willing to pay for services. Wollongong is often incorrectly quoted as having the highest rates in NSW yet when taking into account the level of service provided to the community this is fairly balanced. For instance Council manages nine Public Swimming



Pools (staffed) and nine Rock Pools compared to the average of five and two for Category 5 Councils (Category 5 Councils are grouped as Regional Towns or Cities). Wollongong City Council offers 36 Public Halls compared to 24 and seven Public Libraries compared to the average of six for Category 5 Councils. Coupled with this range of facilities, Wollongong City Council also has the largest beach life guard service in NSW with 17 patrolled beaches, the third largest in Australia.

The diagram below compares the number of public facilities offered by all Category 5 Councils.

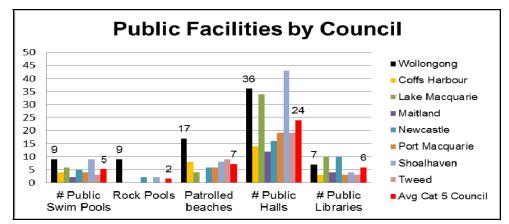


Table 6 - Public Facilities Comparison

Further to this, Wollongong has the largest open public space maintained by Council, 75% more than the average Category 5 Council as illustrated below. Additionally Wollongong has 141 children's playgrounds including four skate parks.

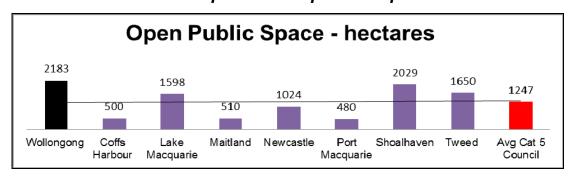


Table 7 - Open Public Space Comparison

Wollongong has the highest number of public facilities ranging from rock pools to patrolled beaches, public swimming pools to open public spaces and public libraries, significantly higher than Coffs Harbour, Shoalhaven, Newcastle and all other Category 5 Councils.



Capacity to pay

In determining the recommended scenario, it has been important to acknowledge and consider ratepayers ability to pay. 25 submissions were received objecting to a rate rise due to capacity to pay concerns, or alternatively cautious the impact on increased rates may have on some members of the Wollongong community.

Council's proposal to seek a rate increase only comes after a long and focused process to achieve financial sustainability through internal improvements and direct revenue adjustments without unduly impacting the general rate payments. Wollongong Council's planning and consultation process has examined the community's desire to achieve a sound and sustainable financial balance through efficiencies (including changes to operating models, service reduction and/ or rate increases). The outcome of this process has concluded that there is a degree of increase in general rate preferred over further adjustment to the cost and delivery side of the equation.

Council recognises that Wollongong is a socially diverse area with significant variations in the disposable income of its ratepayers. It has also recognised over a long period of time that there is a similarly significant variation in property values and rates payable between geographic areas within the City. Council has been careful to examine and communicate the relative rate increase impacts between these areas to better understand ratepayer's capacity to pay for increases. Analysis at a suburb level shows the degree of variance between rates within the Wollongong City Council Area. The current average rate for Wollongong is \$1175, while the average rate per annum in Cringila is \$867 and the average at Coalcliff is \$2,768. A rate increase will impact ratepayers equally, as a proportion, however the impact in dollar terms per resident is extremely variable.

Council is aware of and has considered the impacts of a rate increase on its community and the apparent capacity to pay for such adjustment. Council has also been very conscious of the size of the rate increase by ensuring that other alternatives have been examined and planned where broadly accepted by the community. In achieving this it is now considered that the increases proposed by Council are as low as they can be and at an average of \$4.90 per week (\$254.78 per year by 2016-17 inclusive of the rate peg) increases are responsibly modest. In finalising its approach to the proposed move towards financial sustainability Council was deliberate in spreading its transition over a three year period to lessen the impact in any one year without unduly delaying the improvement program.

The following information is based on the NSW Local Government Comparative Data 2011-12 compiled by the Division of Local Government each year. This is the most current benchmarking data of this nature available and as such may not reflect the rating increases obtained by other councils since this period.

Rates as a Percentage of Average Taxable Income

Wollongong average rates of 2.3% of taxable income are on par with average Category 5 Councils as illustrated in the table below. This is calculated:

Average LGA Residential Rate

Average LGA Taxable Income (\$)

Table 8 – 2011-12 Rates as Percentage of Taxable Income Category 5 Councils

Council	Percentage
Tweed	3.1%
Coffs Harbour	2.3%
Port Macquarie	2.3%
Wollongong	2.3%
Lake Macquarie	2.1%
Shoalhaven	2.1%
Newcastle	1.9%
Maitland	1.8%
Group 5 Average	2.3%

Outstanding Rates and Annual Charges

The outstanding rates and annual charges percentage is an indicator of a community's capacity to pay a proposed rate increase with a lower ratio indicating a better capacity to pay.

For Group 5 councils in 2011-12 the outstanding rates ratio ranged from 2.7% to 8.1% with an average of 6.1%. Wollongong Council's outstanding rate ratio of 6.1% is in line with the group average, and given the wide range of socio-economic wealth in the Wollongong LGA compared with other Group 5 councils, this is a positive indication. Of the eight councils in Group 5, four recorded less favourable outstanding rates ratio than Wollongong. It must be recognised that Council's outstanding rates figures include pensioner rates that, in accordance with Council's Pensioner Policy are not attempted to be recovered through legal recovery. This currently accounts for 22% of the Council's outstanding rates. The table below identifies the Outstanding Rates and Annual Charges percentages of Category 5 Councils.



Table 9 – 2011-12 Outstanding Rates and Annual Charges Category 5 Councils

Council	Percentage
Port Macquarie	8.7%
Tweed	8.1%
Shoalhaven	7.4%
Coffs Harbour	6.5%
Wollongong	6.1%
Newcastle	5.9%
Lake Macquarie	3.3%
Maitland	2.7%
Group 5 Average	6.1%

Wollongong City Council has a long history of working with its ratepayers to ensure a fair and equitable system of recovery of rates is in place. Council's policies and procedures recognise the social justice objectives that we as a council espouse.

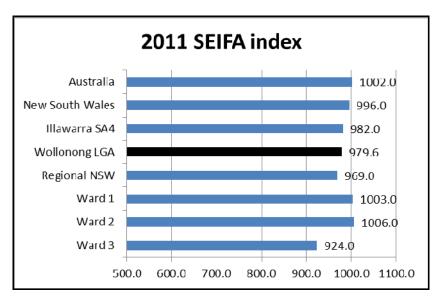
Land Values

Land values in the Wollongong Local Government Area vary considerably from high-end coastal properties to inland areas of low socio-economic wealth. As at July 2013 the total land value of the Wollongong LGA was approximately \$20.49 billion. This has remained relatively steady since the July 2010 valuation of total land value of approximately \$20.51 billion.

SEIFA Index

In 2011, Wollongong LGA had a SEIFA Index of 979.6, compared to an index of 969.0 for Regional NSW; identifying Wollongong as less disadvantaged than Regional NSW overall. A closer look at Wollongong by suburb highlights a varied SEIFA Index with some small areas having a significantly high index of 1098.0 and others significantly lower (752.0). Note a high SEIFA Index indicates a lower level of disadvantage.

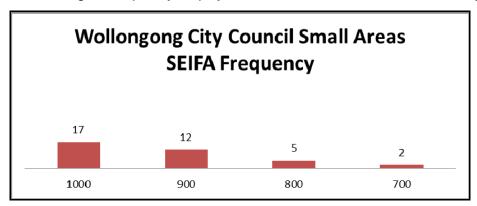




The SEIFA Index by Wollongong LGA's Wards varies from 1006.0 in Ward 2 (Central) and 1003.0 in Ward 1 (North) to 924.0 in Ward 3 (South); identifying Ward 3 as having a higher level of disadvantage than the other Wards. In particular suburbs in Ward 3, namely Warrawong (752), Cringila (789) and Koonawarra (837) registered low SEIFA Index of Disadvantage scores.

However, in comparison 17 out of the 36 categorised small areas within the Wollongong LGA have a SEIFA Index of 1,000 or higher indicating a low level of disadvantage (higher wealth). These include Stanwell Park/Stanwell Tops/Coalcliff (1098.0), Austinmer (1096.0), Cordeaux Heights/Mount Kembla/Kembla Heights (1089.0) and Mount Ousley/Mount Pleasant (1086.0)

The table below illustrates the SEIFA indices in the small areas within the Wollongong LGA. Notably there are more advantaged areas than disadvantaged areas. Thus indicating there is a higher capacity to pay increased rates within the Wollongong LGA.



The proposed rate increase has been formulated giving consideration to the variation in the SEIFA indices across the LGA. With this in mind, the following series of tables were (extracts from Resourcing Strategy) put out to the community for engagement. The tables illustrate the cumulative and average weekly increase of rates based upon property values in various Wards.



TABLE 10: INDICATIVE RATING impact in the recommended scenario

RECOMMENDED SCENARIO – RESIDENTIAL (House and Strata Properties)							
Example Suburb: CRING	ILA (prop	erty in W	ard 3)				
	Avg	2014-	2015-	2016-	Cumulative	Cumulative	Average
	Rate	2015	2016	2017	Increase	Increase	Weekly
	\$	\$	\$	\$	%	\$	
Rate Peg (2.3, 3.0, 3.0%)	867	887	914	941	8.53	73.96	1.42
SRV (6.76, 6.76, 6.76%)		926	988	1055	21.68	187.98	3.62
NET CUMULATIVE SRV IN	CREASE	\$39	\$74	\$114		\$114.02	\$2.20
Example Suburb: DAPTO (property in Ward 3)							
	Avg	2014-	2015-	2016-	Cumulative	Cumulative	Average
	Rate	2015	2016	2017	Increase	Increase	Weekly
	\$	\$	\$	\$	%	\$	
Rate Peg (2.3, 3.0, 3.0%)	998	1,021	1,052	1,084	8.53	85.17	1.64
SRV (6.76, 6.76, 6.76%)		1,066	1,138	1,215	21.68	216.48	4.16
NET CUMULATIVE SRV IN	CREASE	\$45	\$86	\$131		\$131.31	\$2.52
Example Suburb: WEST	WOLLON	IGONG (p	roperty in	Ward 2)			
	Avg	2014-	2015-	2016-	Cumulative	Cumulative	Average
	Rate	2015	2016	2017	Increase	Increase	Weekly
	\$	\$	\$	\$	%	\$	
Rate Peg (2.3, 3.0, 3.0%)	1,122	1,148	1,183	1,218	8.53	95.75	1.84
SRV (6.76, 6.76, 6.76%)		1,198	1,279	1,366	21.68	243.38	4.68
NET CUMULATIVE SRV IN	CREASE	\$50	\$96	\$148		\$147.63	\$2.84
Example Suburb: STANV	VELL PAF	RK (proper	ty in War	d 1)			
	Avg	2014-	2015-	2016-	Cumulative	Cumulative	Average
	Rate	2015	2016	2017	Increase	Increase	Weekly
	\$	\$	\$	\$	%	\$	
Rate Peg (2.3, 3.0, 3.0%)	2,701	2,763	2,846	2,932	8.53	230.43	4.43
SRV (6.76, 6.76, 6.76%)		2,884	3,079	3,287	21.68	585.70	11.26
NET CUMULATIVE SRV IN	CREASE	\$121	\$233	\$355		\$355.27	\$6.83
Example: AVERAGE ALL S	UBURBS						
	Avg	2014-	2015-	2016-	Cumulative	Cumulative	Average
	Rate	2015	2016	2017	Increase	Increase	Weekly
	\$	\$	\$	\$	%	\$	
Rate Peg (2.3, 3.0, 3.0%)	1,175	1,202	1,238	1,275	8.53	100.24	1.93
SRV (6.76, 6.76, 6.76%)		1,255	1,339	1,430	21.68	254.78	4.90
NET CUMULATIVE SRV INCREASE \$52 \$101 \$155 \$154.55 \$2.97							

Note: Cringila has been included for comparative purposes due to the reference to it previously in this report. SRV figures are inclusive of the rate peg.



RECOMMENDED SCENARIO – PENSIONER ON AVERAGE VALUE								
Example: AVERAGE ALL SUBURBS								
	Avg	2014-	2015-	2016-	Cumulative	Cumulative	Average	
	Rate	2015	2016	2017	Increase	Increase	Weekly	
	\$	\$	\$	\$	%	\$		
Rate Peg (2.3, 3.0, 3.0%)	1,175	1,202	1,238	1,275				
Less Pensioner Rebate	(250)	(250)	(250)	(250)				
NET RATE	925	952	988	1,025	10.84%	\$100.24	\$1.93	
SRV (6.76, 6.76, 6.76%)		1,255	1,339	1,430				
Less Pensioner Rebate		(250)	(250)	(250)				
NET RATE		1,005	1,089	1,180	27.54%	\$254.78	\$4.90	
DIFFERENCE		\$52	\$101	\$155		\$154.55	\$2.97	
					•			

The proposed changes in property rates in Ward 3 for example, the average residential property identified in Dapto, will be an additional \$2.52 per week above the estimated rate peg amount by 2016-17. This compared to higher valued properties in Ward 1 eg Stanwell Park where the average increase with the higher rates will be closer to an additional \$6.83 per week. Thus, the average net SRV increase is \$2.97 under this Scenario but this will not be the same for all residential properties.3

Supporting this argument is the distribution of household income where "overall, 15.8% of the households earned a high income and 26.0% were low income households, compared with 11.3% and 27.2% respectively for Regional NSW.

The major differences between the household incomes of Wollongong City and Regional NSW were:

- A larger percentage of households who earned \$2500-\$29994 (6.9% compared to 5.2%).
- A smaller percentage of households who earned \$600-\$799 (8.6% compared to 10.3%).
- A *smaller* percentage of households who earned \$400-\$599 (10.8% compared to 12.3%).
- A smaller percentage of households who earned \$800-\$999 (7.5% compared to 8.9%)"5

³ The variations in increases have also been considered per suburb for Strata Properties in a similar manner. The entire collection of tables is available in the Draft Resourcing Strategy 2012-22 attachments.

⁴ Household Income per Week

⁵ Australian Bureau of Statistics, Census of Population and Housing 2011



As a result of the large range in SEIFA indices and range of advantage and disadvantage within the Wollongong LGA, a fairer comparison between two properties of similar value within neighbouring Council LGAs is appropriate.

In 2013 Shellharbour Council received approval for a Special Rate Variation, so for the purposes of this case, the following example compares two properties, one in Shellharbour and one in Wollongong with a land value of \$227,5006.

Table 11 below lays out the recommended scenario recommended in this report compared to the approved rate increases for Shellharbour.

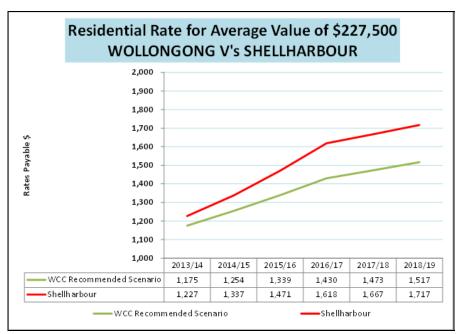


TABLE 11

For the six year period 2013 to 2019, Shellharbour Council rates on a property valued at \$227,500 are between 4% and 13% higher than Wollongong Council rates. The proposed increases to the Wollongong rates appear to be reasonable compared to other like properties in the Illawarra.

The Shellharbour increase over this six year period is 39.9% whereas the proposed Wollongong change is a 29.1% increase.

While the potential impacts of the proposed increases appear to be reasonably modest Council understands that our ratepayer's capacity and impacts will vary. It is important to acknowledge 25 specific submissions, largely from self-identified pensioners were received objecting to a proposed rate increase on the basis on capacity to pay. Council has a range of policies to assist ratepayers who may have difficulty in meeting their

⁶ The average residential council rate for the Wollongong LGA for 2013/14 was \$1,175 which represents the rates for a property valued at \$227,500.



obligations. These include the application pensioner rebates, special pensioner recovery provisions, and general hardship provisions.

Pensioner Rebates - Like all councils, Wollongong City Council provides pensioner rebates to its eligible pensioners in accordance with the Local Government Act. These rebates are currently applied to 16,401 pensioner accounts at an estimated cost of \$4 million. Council will receive a subsidy from other levels of government amounting to 55% of the cost, \$2.2 million. In addition Council provides a voluntary rebate to eligible pensioners who were granted both a mandatory pension rebate under Section 575 of the Local Government Act 1993 and Council rebate under Section 582 of the Local Government Act 1993 prior to 1 January 1994. This rebate is indexed annually in line with increases in rates. The proposed rebate in line with the proposed rate would be \$215.92 for each eligible pensioner account in 2014-15. The estimated cost of this rebate in 2014-15 is \$0.7 million.

Pensioner Rate Recovery Provisions - Council's Pensioner Rates Policy in addition to providing additional rebates to pensioners provides assistance to eligible pensioners with the payment of their rates and charges and additional assistance to pensioners who are suffering financial hardship and are having difficulty paying their rates. Council waives interest charges for eligible pensioners who pay their rates and charges in full on or before 31 May of each financial year to allow greater flexibility and choice in how pensioners pay their rates.

Eligible pensioners who are suffering any financial hardship can apply to Council for assistance at any time within the current rating year if they are having difficulty paying their rates and charges. Scenarios available for assistance are in accordance with Council's Hardship Policy.

In addition to the provisions in Council's specific Pensioner Policy, Council's Debt Recovery Policy has special provisions for eligible pensioners that exclude them from legal recovery actions. This has the effect of allowing Pensioners to choose to defer payment of the rates and charges until such time as they decide to pay, sell the property, or are otherwise no longer the owner of the property.

Hardship Policy - Wollongong City Council has in place an active and effective Hardship Policy to provide assistance to ratepayers suffering financial hardship with the payment of their rates and charges. The Local Government Act, 1993 provides Council with three scenarios for providing assistance to ratepayers who are finding it difficult to pay their rates and charges because of financial hardship all of which have been adopted by Council. A summary of the scenarios adopted by Council is as follows —

Section 601 LG Act, 1993 - Any ratepayer who incurs a rate increase in the first year following a **revaluation of land values** can apply to Council for rate relief if the increase in the amount of rates payable would cause them substantial hardship. Council has discretion to waive, reduce or defer the payment of the whole or any part of the increase



in the amount of the rate payable. Where an application is made in the first year, an application can also be made in subsequent years of the valuation base date.

Section 582 LG Act, 1993 - Council can provide assistance to Pensioners under this Section. Council may defer payment of all or part of the rates and charges payable after rebates have been deducted. Rates and charges deferred under this Section will be interest free and will become a charge against the land.

Sections 564 and 567 LG Act, 1993 - Council can enter into payment agreements with ratepayers, who cannot meet their normal instalment payments as provided by the Local Government Act, 1993, and may write off interest charges. Any ratepayer who cannot pay their rates or charges for reason of financial hardship can apply to Council for this assistance at any time.

The community engagement process has raised a diverse array of views and opinions that contribute to Council's consideration of this complex and challenging matter. Whilst the majority of submissions received support a level of rate increase feedback indicates that there is not one recommended scenario. Some of the respondents suggested combinations be applied to the advertised scenarios. What is clear is that the majority of respondents wished to minimise change, maintain the current level of service and support some level of increase in rates to address the asset renewal gap.

The results of the engagement process are included in the Securing our Future Engagement Report in Attachment 2 of this report.

PLANNING AND POLICY IMPACT

The Local Government Act 1993 allows councils to apply for a special rate variation. A special rate variation allows councils to increase general income by more than the rate peg.

Councils may apply for a special rate variation for a range of reasons including:

- Improving the financial position of the council, particularly where there may be financial sustainability issues.
- Funding the development and/or maintenance of essential community infrastructure or to reduce backlogs in asset maintenance and renewal.
- Funding new or enhanced services to meet growing demand in the community.

The two types of special rate variations that a council may apply for under the Act are:

- 1 An increase in a single year (under section 508(2)).
- 2 Increases over two to seven years (under section 508A). These will be cumulative; for example, the cumulative increase of 5% per annum for four years is 21.6%.



The Division of Local Government issued "Guidelines for the preparation of an application for a special variation to general income for 2014-15" (the Guidelines) on 30 September 2013. Council officers have given due consideration to the Guidelines in the preparation of the documentation presented to Council, the community engagement process undertaken and all other criterion related to a potential rate variation.

Two specific items for notation at this meeting are that:

- "Councils must submit both a special variation scenario and a 'business as usual' scenario in their Long Term Financial Plans (LTFP).
- Councils must have adopted their relevant Integrated Planning and Reporting (IP&R) documents before submitting an application for a special variation".

The draft LTFP contains the baseline- business as usual- scenario, which demonstrates the alternate scenario of a no rate increase and the negative impact on asset renewal resulting in deterioration of Council's assets. It also presented three alternate scenarios including a range of special rate variations. On adoption of a final scenario, these documents will be amended to reflect Council's preferred position.

It is the recommendation before this meeting that Council adopt the Draft Resourcing Strategy (including LTFP) and Draft Delivery Program (revised 1 December 2013). The revisions to these documents better articulate the need for financial sustainability and demonstrate the potential impact of any of the scenarios including the baseline.

The current Local Government reform process, including the Independent Local Government Review Panel, and the Local Government Act Taskforce, all see fiscal responsibility and achieving long term financial sustainability as key to the successful operation of local government. A recent review of all Councils in NSW by TCorp reaches the same conclusion.

As a result, the Delivery Program 2012-17 and Resourcing Strategy 2012-22 have been revised to address the problem and reflect alternate solutions. Pending the outcomes of this meeting, the documents will be finalised based on the adopted scenario.

Adjustments are also required to Council's Financial Strategy as a result of the Financial Sustainability Review, in particular stronger wording around achieving financial sustainability and small surplus budgets in the future. Accordingly, the strategy has been reviewed and the amendments proposed to be adopted as part of this report (see Attachment 3).

Council is also required under the Local Government Amendment (Planning and Reporting) Act 2009 to take into consideration any submissions which have been made concerning the exhibited draft Resourcing Strategy 2012-22 and draft Delivery Program 2012-17.

All submissions received during the public exhibition period have been reviewed and given due consideration. Based on this review a recommended scenario is recommended to Council for consideration and further amendment of the draft



documents. Key themes are reported in Attachment 2. All other recommended changes are outlined in Attachment 1 of this report.

It should also be noted that there have been a number of other changes since the adoption of the Delivery Program 2012-17 that will impact on Council's ability to deliver some of the 5 year actions in the plan, and to accurately forecast Councils financial position going forward. These changes include:

- Completion of the WaSIP funding program financial projections for the years 2014/15 to 2016/17 show that no further funding from the State is expected and that programs are being phased down, funded through re-prioritisation of existing allocations or will require new budget allocations.
- Local Government Reforms, including proposed changes to the Federal Assistance Grant (FAG) programs – there is a possibility that FAG grants may be directed away from major regional cities and that this will impact our capacity to fund infrastructure.
- Development at West Dapto.
- Changes to the Planning Legislation.
- Federal funding reform for the aged care system the Federal Government has recently commenced a reform of aged and disability services that will impact on how Council's community transport and social support programs may be delivered in the future.
- Lake Illawarra Authority financial projections do not currently include financial implications from the transfer of assets to Council, nor additional ongoing operational costs following the closure of the Lake Illawarra Authority, previously funded by the State Government. A separate report will be provided to Council next month on this matter.
- Reductions in long term forecast income for the City Wide and City Centre Section 94A Developer Contributions Plan this will result in corresponding reductions in long term capital expenditure.
- Reductions in estimates for future untied grants.
- The impacts of revisions to the current capital works program on the future works program and hence required budget allocations or redistributions.

In addition, since the exhibition of the revised Draft was announced Council was successful in receiving funding under the Restart NSW Illawarra Infrastructure Fund for three significant projects in the city. These were: West Dapto Access (Fowlers Road to Fairwater Drive) road and bridge construction in the amount of \$22,500,000, Grand Pacific Walk Stage 1 (Coalcliff to Stanwell Park) in the amount of \$5,000,000 and Bald Hill Reserve Upgrade in the amount of \$2,900,000. These projects are recommended to be included in the revised document and further details, such as budget implications, be provided to Council and the community via the Annual Planning process commencing in March.

RISK ASSESSMENT

There are considerable risks attached to the Securing our Future- Financial Sustainability Review, particularly in relation to agreement on the details of the strategy to achieve a balanced budget.

The community opinion on how to achieve sustainability is diverse and this is reflected in the depth and detail contained within the submissions. It continues to be likely that negative public and media response to any proposals for increases in revenue, particularly rates, and reductions in services will occur. This is a difficult challenge with no easy solution, especially in light of the objections already received on any proposed reduction in service. It is certain there will be stakeholders who are unhappy with aspects of each of the scenarios proposed.

Addressing the problem now means we can ensure there are funds available for the maintenance and renewal of our city's ageing roads and buildings over the long term. If we don't do this, we will lose services and infrastructure, such as roads, buildings and rock pools as they deteriorate. By planning and acting responsibly, Council can focus on protecting the assets most valued by the community before they become unsafe and unusable.

There is also a risk that IPART might not approve in full, or at all Council's SRV application. Due consideration and application has been given to the Guidelines and Council officers have sought advice from IPART as required. Whilst this does not guarantee a result, careful attention is being paid to the process and documentation requirements.

The scenarios before Council will require strategic decisions with regards to the composition and structure of the workforce needed to deliver services and service levels and to achieve efficiencies. Opportunities to look at other ways of resourcing our services, including changing staff structures, establishment levels or delivery methods will be important in developing these strategies. Each of the scenarios provided in the LTFP, and the alternate scenario presented in this report, demonstrate there will be some level of impact on the workforce in terms of change to work practice, delivery models, management models and a continued focus on increased productivity and cost containment. This presents a set of risks in terms of organisational and workforce change. Council has a documented change process detailed within the Enterprise Agreement and is committed to working with staff and staff representatives in the implementation of any changes impacting the workforce.

FINANCIAL IMPLICATIONS

This report is the culmination of a long process of internal analysis and change that has led to this point where Council is considering a proposal to achieve a long term financial balance that will provide the organisation and community with a greater degree of financial sustainability. While there will inevitably be changes in future periods, the basis on which the Council moves forward will be more certain if adopted. The basic principle in accordance with Council's Financial Strategy is to move towards a position where



Council can achieve a small surplus result annually. With that financial structure in place, and future decisions being made with a clear understanding of the longer term financial impacts, this position could be maintained into the future.

The previous section highlights the importance of having a balanced budget going forward, to ensure we can maintain and renew our city's assets. A mix of service reductions, increased rates and fees, and internal operational efficiency measures would ensure lesser impacts on a particular area (i.e. wholly addressing the issue through rate increases would have the most financial implications for the ratepayer).

The proposed solution to Council's financial sustainability does not come solely from the current considerations, as Council's current position has only been reached after a number of years of management restraint and change that has improved Council's underlying result by around \$20.3 million per annum. The proposals in this report include continued restraint and further improvements to the cost side of Council's operations to save at least another \$4 million through efficiencies. The proposal also requires modest adjustment to service and some improvements from fees and charges. The preferred scenario includes special rates variations spread over a three year period to achieve an additional \$15 million per annum over and above normal rates increases.

The following Table 12 represents the proposed rate increases for the baseline and recommended scenario for the properties that would be impacted by the rate increase. In all scenarios advertised it was identified that Council intended to increase the Business Subcategories of 3C Regional and Heavy 1 Activity 1, and the special rates by the estimated rate peg only. As the rate peg for 2014-15 has now been announced, that would be a 2.3% increase in 2014-15 and a 3% increase in the following two years.

TABIF 12

	Year 1 2014-15	Year 2 2015-16	Year 3 2016-17
Baseline	2.3%	3.0%	3.0%
Recommended Scenario	6.76%	6.76%	6.76%

Notes:

- 1 Years 2 & 3 includes an assumed rate peg of 3.0% and 3.0% respectively
- 2 Rating increases would be applied on a cumulative basis.
- 3 It is proposed that rating increases above the estimate rate peg would not be applied to 3c Regional Business and Heavy 1 Activity 1 subcategories of the business rate or any special rates.

As the rate increases do not apply to all categories or subcategories, Council's special variation to 'General Revenue' (the amount controlled by rate pegging legislation and approved by IPART) will require a lower percentage increase than the increase to be applied to those properties that will ultimately receive a rate increase. 'General Income' for Council is all ordinary rates, special rates and annual charges other than Waste Management, Stormwater, and Section 611 charges. Council has maintained the view that for clarity to the ratepayer the increases advertised and included in its documentation have shown the full impact on ratepayers affected so that they were not misled by what will be a lower final application percentage.



Council's application to IPART for an increase in its General Revenue, if approved in line with the recommended scenario, would be 6.23% in 2014-15, 6.33% in 2015-16 and 6.34% in 2016-17. The first year is slightly lower due to the lower rate peg amount being applied to some categories.

In addition to complexities caused by the difference between the IPART application percentage and how a rate increase would impact individual ratepayers, there will also be further variation for individual ratepayers in the 2014-15 rating period due to the application of new property values. New property values were received for 1 July 2013 that will be applied for the first time next year. Property values are updated in Wollongong every three years. Generally revaluations in Wollongong over past decades have created significant variations across a large number of properties. Fortunately the current revaluation is not considered to provide substantial change. That is not to say that individual properties will not incur significant change, but more to imply that the level of change and the numbers of properties that will be affected in such a way is much smaller than previous revaluations.

It is important to note that Council's Rates Hardship Policy provides that 'any ratepayer who incurs a rate increase in the first year following a revaluation of land values can apply to Council for rate relief if the increase in the amount of rates payable would cause them substantial financial hardship.

Council has discretion to waive, reduce or defer the payment of the whole or any part of the increase in the amount of the rate payable. Council can set the period of time for when applications can be made under this Section.

Applications under Section 601 LGA, 1993 must be made during the first year a new land value is used for rating purposes. Where an application is made in the first year, an application can also be made in subsequent years of the valuation base date.

Attachment 5 provides a summary of the impact of the revaluation on Residential Property variations at a suburb level while Attachment 6 shows the number of residential properties impacted at ranges of percentage levels. It can be seen that some individual properties will still experience significant variation.

It's important to note that the cumulative increase is the most significant in percentage terms for those eligible for the pensioner rebate as the rebate amount is fixed and does not increase along with CPI as the rate peg does.

'Heavy 1 Activity 1' and '3c Regional Business (City Centre)' rate payers are proposed to be excluded from any special increases in rates (aside from the estimated rate peg) due to the higher than average rates in the dollar already applied to their property values. Results from the community engagement support this, noting the current economic climate and the need to continue to encourage recent increased activity and development in the City Centre.

The information in Attachment 7 and 8 provides summary information of the impacts on the rates due to the proposed Special Rate Variation together with the revaluation that has occurred. The table, in a similar format to the revaluation tables, provide indicative



information on how the two adjustments when combined for the 2014-15 rating year would impact.

It is also worth noting there will be some transition costs associated with all of the proposed scenarios. The increased focus on efficiency, cost containment and productivity, along with the expansion of the capital program may result in workforce changes taking into account retraining, redeployment, transition to retirement, review of vacancies, and so on. In addition, exploring options available within the recommended scenario (such as market testing, review, and feasibility) may require some investment to ensure best results. This will need to be determined once the program is identified.

Financial Forecast Amendments

The Baseline Financial Projections that were included in the exhibited 'Securing our Future' documents have been revised to include changes identified in the December Quarterly Review that have a recurrent impact, the notification of the rate peg at 2.3% and additional information that became available during the exhibition period. There has been a range of changes during this period that together have had a relatively minor impact on the projected results. The impact of the changes to the projected result for the first five years is shown in the following table and is discussed in more detail later in this report.

Revised financial estimates are provided in Attachment 9 to reflect the changes in the baseline figures and to provide detailed information in relation to the new financial estimates for the Recommended Scenario.

It should be noted that both the revised Baseline projections and the Recommended Scenario schedules contained in the Attachment do not include the potential impact of the Restart Illawarra grants that were recently announced or the changes in the future management of Lake Illawarra. Additional information will be added to the assumptions and limitations sections of the financial information included in the Resourcing Strategy and Delivery Plan. These proposals are currently being reviewed.

	2014/15 \$M	2015/16 \$M	2016/17 \$M	2017/18 \$M	2018/19 \$M
Draft Securing Our Future - Baseline					
Net Surplus (Deficit) [Pre Capital]	(17,365)	(18,297)	(19,264)	(19,269)	(19,767)
Net Surplus (Deficit)	(6,164)	(8,900)	(8,147)	(11,962)	(12,148)
Total Funds Surplus/(Deficit)	(2,731)	(2,756)	283	183	249
Revised Draft Securing Our Future - Ba	aseline				
Net Surplus (Deficit) [Pre Capital]	(17,478)	(18,314)	(19,460)	(19,360)	(19,875)
Net Surplus (Deficit)	(6,277)	(8,917)	(8,343)	(12,052)	(12,257)
Total Funds Surplus/(Deficit)	(2,731)	(2,756)	283	183	249



Surplus/(Deficit) [pre capital]

The Surplus/Deficit [pre capital] for 2014-15 has moved from a deficit of \$17.4 million to a deficit of \$17.5 million. The \$0.1 million variation is mainly due to the application of the rate peg that was advised by IPART in December. The draft 'Securing our Future' Baseline financial projections were based on an estimated rate peg of 2.7% compared to the confirmed rate peg of 2.3%. The impact of the reduced rate peg has been offset by a number of other factors that have included the update of the rates book with new properties, adjustment to the provision for rate abandonments that has been partly due to the change in status of the Port Authority as well as revision of pensioner rebate estimates to reflect current trends. There has also been a number of other minor changes in operating income and expenditure that are detailed in Attachment 10.

Net Surplus/Deficit

The Net Surplus/Deficit for 2014-15 has moved from a deficit of \$6.2 million to a deficit of \$6.3 million. The variation is an increase in the project deficit of \$0.1 million. This movement includes the items discussed above only as there has been no change in expected capital grants and contributions.

Total Fund Surplus/Deficit

The negative impact of the above changes (\$0.1 million) on the Total Funds Result has been offset by a net increase in application of restricted cash to support operations (\$0.2 million). The resulting improvement of \$0.1 million has been applied to an increase in capital expenditure. Similarly the net improvement in future years has also been used to increase the capital program.

OPTIONS

After a series of workshops with Councillors to review the community feedback, two distinct options were identified. This Council report outlines the two options as recommendations for consideration. Both options include a flat rate be applied each year for the three years of the proposed Special Rate Variation being 2014-15, 2015-16 and 2016-17:

Option 1 (The Recommendation):

- a Endorse a financial sustainability approach that includes a minimum \$4 million target for efficiencies, \$1.5 million in service level adjustments, a minimum \$500,000 in increased fees and charges and a Special Rate Variation for an increase in 'General Revenue' and minimum rate amounts. The increase in 'General Revenue' will provide additional revenue of approximately \$15 million.
- b The draft Resourcing Strategy 2012-22, draft Delivery Program 2012-17 (revised 1 December 2013) and revised Financial Strategy be adopted with the amendments outlined in the report and in Attachment 1 and to reflect the approach endorsed in Recommendation 1.



- c Council lodge a Section 508A Special Rate Variation (SRV) by 24 February 2014 to the Independent Pricing and Regulatory Tribunal (IPART) for a SRV for an increase in 'General Revenue and minimum rate amounts of 6.23% in 2014-15, 6.33% in 2015-16 and 6.34% in 2016-17.
- d Subject to approval of a Special Rate Variation, Council's Revenue Policy for the next three years include a proposed increase Business Subcategory Rates for '3C Regional' and 'Heavy 1 Activity 1' and all special rates by 2.3%, 3.0% and 3.0% respectively in accordance with the proposed Resourcing Strategy, while other rates categories are to be increased by 6.76% in each of the next three years to achieve the permissible General Revenue.
- e As per the *Planning and Reporting Guidelines for Local Government in NSW (2010)*, a copy of the adopted Resourcing Strategy and Delivery Program be provided to the Director General of the NSW Division of Local Government, Department of Premier and Cabinet within 28 days of it being endorsed by the Council.
- The General Manager be authorised to make any minor changes as requested by resolution of the Council or the NSW Division of Local Government.
- g Receive and note Attachment 2 Community Engagement Report February 2014 and acknowledge the extensive contribution of community members to the 'Securing our Future' Financial Sustainability Review since August 2013.
- h Adopt the draft Financial Strategy as per Attachment 3 confirming an additional \$21 million per annum will be directed to asset renewal and/or works to extend the life of assets.

Option 2:

- a Endorse a financial sustainability approach that includes a minimum \$4.5 million target for efficiencies, \$1.5 million in service level adjustments, a minimum \$500,000 in increased fees and charges and a Special Rate Variation for an increase in 'General Revenue' and minimum rate amounts. The increase in 'General Revenue' will provide additional revenue of approximately \$14.5 million.
- b The draft Resourcing Strategy 2012-22, draft Delivery Program 2012-17 (revised 1 December 2013) and revised Financial Strategy be adopted with the amendments outlined in the report and in Attachment 1 and to reflect the approach endorsed in Council's resolution.
- c Council lodge a Section 508A Special Rate Variation (SRV) by 24 February 2014 to the Independent Pricing and Regulatory Tribunal (IPART) for a SRV for an increase in 'General Revenue' and minimum rate amounts of 6.13% in 2014-15, 6.23% in 2015-16 and 6.24% in 2016-17.
- d Subject to approval of a Special Rate Variation, Council's Revenue Policy for the next three years include a proposed increase Business Subcategory Rates for '3C Regional' and 'Heavy 1 Activity 1' and all special rates by 2.3%, 3.0% and 3.0%



respectively in accordance with the proposed Resourcing Strategy, while other rates categories are to be increased by 6.63% in each of the next three years to achieve the permissible General Revenue.

Recommendations e to h would remain the same.

CONCLUSION

There is increased pressure on the local government industry in NSW to improve its financial performance in the longer term. An additional average of \$21 million is needed annually to improve Council's operating position and to allow for increased funds to be made available for infrastructure renewal.

This report presents community feedback on the baseline scenario and three options recently on exhibition. From this feedback an alternate scenario is presented and recommended as the recommended scenario for adoption by Council.

This report is only the next step in Council managing and monitoring financial sustainability. Increased reporting to the community will be required on how additional funds are spent and what additional community benefit is derived from increased asset renewal. Additional detail will be made available to the community via the Annual Planning process due to commence in March. The Annual Plan includes the budget 2014-15 and detailed capital program.

Attachment 1

Recommended Changes to the Draft Delivery Program and Draft Resourcing Strategy

Recommended changes and summary of feedback on the draft Resourcing Strategy 2012-2022 (revised 1 December 2013) and Draft Delivery Program 2012-17 (revised 1 December 2013)

The draft Delivery Program 2012-17 (revised 1 December 2013) included the addition, revision or deletion of actions based on the three exhibited scenarios to address Council long term financial sustainability. Table one highlights the proposed amendments based on the three exhibited scenarios in the draft document. Based on the recommended scenario presented in the Council report this table makes recommendations to Council for amendments for the endorsed document. Table 2 outlines suggested amendments to the Resourcing Strategy.

Table 1: Recommendations for the Draft Delivery Program 2012-17 (Revised 1 December 2013)

Strategy	Amendments Proposed in Draft Delivery Program 2012-17 (revised 1 December 2013) based on exhibited scenarios	Page #	Recommendation (maintain, delete, revise, or add)	Comments
1.3.1 The community actively avoids, reduces, reuses and recycles – in that order.	Add Action (baseline, scenario 1, 2 & 3): Seek external funds to support programs for Lake Illawarra, following closure of the Lake Illawarra Authority.	23	Revise: To strategy 1.3.3 "Our community is proactively engaged in a range of initiatives that improve the sustainability of our environment' add the following revised actions: - Seek external funds to support programs for Lake Illawarra, following closure of the Lake Illawarra Authority	Non-Financial Sustainability Review amendment to Delivery Program

Strategy	Amendments Proposed in Draft Delivery Program 2012-17 (revised 1 December 2013) based on exhibited scenarios	Page #	Recommendation (maintain, delete, revise, or add)	Comments
			Establish and maintain an Estuary Management Committee to protect the health of Lake Illawarra	
1.3.3 Our community is proactively engaged in a range of initiatives that improve the sustainability of our environments.	Revise Action (scenarios 1, 2 & 3): Develop and implement an Environmental Sustainability Policy and Strategy.	24	Maintain	Non-Financial Sustainability Review amendment to Delivery Program
1.6.3 Development is functional, attractive and sympathetic with the environment, and avoids unnecessary use of energy, water or other resources	Add Action (baseline, scenario 1, 2 & 3) Prepare for the introduction and implementation of the NSW State Government Planning System Reform	26	Maintain	Non-Financial Sustainability Review amendment to Delivery Program
2.1.4 Innovation through social enterprise and social business opportunities is encouraged and supported.	Revise to (scenarios 1, 2 & 3): Develop and maintain partnerships with the business sector and contribute to a broader range of community projects and activities.	29	Maintain	

Strategy	Amendments Proposed in Draft Delivery Program 2012-17 (revised 1 December 2013) based on exhibited scenarios	Page #	Recommendation (maintain, delete, revise, or add)	Comments
2.2.2 Efforts are coordinated to secure tourism infrastructure in the region and attract new industries	Use fund obtained from Restart NSW Illawarra to commence concept designs and planning for the Bald Hill Improvement Program	N/A	Add	Restart NSW Illawarra announced on 5 December 2013 that Council had received funding for this project. Budget implications to be presented as part of the Annual Planning process.
2.3.1 Wollongong's City Centre is revitalised and active	Add Action (baseline and scenario 1, 2 and 3) Deliver the Access and Movement Strategy for the city centre.	30	Maintain	Non-Financial Sustainability Review amendment to Delivery Program
2.3.2 Wollongong is promoted as a preferred conference and events destination, and the place to live, learn, work and visit.	Revise Action (scenario 1 2 & 3) Review the current investment to deliver a more efficient and targeted destination marketing program	31	Maintain	
3.1.1 'Made in Wollongong' becomes a well known and loved brand	Delete Action (Scenarios 1 2 & 3) Promote Made in Wollongong through a variety of activities and promotional opportunities	34	Revise to: Promote Made in Wollongong through a variety of locally produced events, productions and programs.	

Strategy	Amendments Proposed in Draft Delivery Program 2012-17 (revised 1 December 2013) based on exhibited scenarios	Page #	Recommendation (maintain, delete, revise, or add)	Comments
3.1.2 Artists and innovators are employed, mentored and supported	3.1.2.1 Provide support to existing and emerging arts workers & their networks Revise Action (scenarios 1 & 2) Provide online signposts to information for existing and emerging art workers and their networks.	34	Revise to: Support existing and emerging arts workers and their networks	
3.2.1 Museums and galleries are promoted as part of the cultural landscape	3.2.1.1 Develop a long term approach for the promotion of heritage sites and museums to the community and visitors Revise Action (baseline and scenarios 1, 2 & 3): Seek funding for the promotion of heritage sites and museums to the community and visitors	34	Maintain	
3.4.1 Local groups and communities are actively supported to provide community-based programs, events, and festivals that celebrate cultural traditions and contemporary practices.	Revise Action (scenarios 1& 2) Support the coordination of an externally delivered calendar of activities across the city	36	Maintain	

Strategy	Amendments Proposed in Draft Delivery Program 2012-17 (revised 1 December 2013) based on exhibited scenarios	Page #	Recommendation (maintain, delete, revise, or add)	Comments
4.1.2 Technology and social media is utilised to support engagement and communication	Revise Action (scenarios 1 & 2): Expand Council's use of social media and online options for communication and engagement.	38	Maintain	
4.1.3 Our Council's plans, intentions, actions and progress are clearly communicated to the community and other stakeholders	Add Action (scenarios 1, 2 & 3): Continue to provide regular information updates to the community about Council's Financial Sustainability Review.	38	Maintain	
4.3.2 Quality district level services, libraries and facilities are available to local communities	Add Action (scenario 1): Close Unanderra library due to visitation and access to integrated facilities in Dapto and Warrawong Add Action (scenario 2) Review and implement a revised library service model for Unanderra and surrounding suburbs	40	Delete Maintain	
4.4.2 Working together, services continuously improve and offer best value for money.	Add Action (Scenarios 1 & 2): Withdraw from the provision of Cremation Services (retaining the memorial gardens) due to increased provision of alternate services to the Illawarra by other providers within the next five years and ageing assets.	41	Revise to: Investigate provision of cremation services across the region and determine Council's role in the market.	

Strategy	Amendments Proposed in Draft Delivery Program 2012-17 (revised 1 December 2013) based on exhibited scenarios	Page #	Recommendation (maintain, delete, revise, or add)	Comments
4.4.5 Finances are managed effectively to ensure long term financial sustainability.	Delete Action (more detailed actions have been included below) Carry out Council's Financial Sustainability Program.	42	Delete	
	Add Action (scenarios 1, 2 & 3): Achieve an operational savings as a part of Council's Financial Sustainability Review with savings to be directed to asset renewal.	42	Maintain	
	Add Action (scenarios 1, 2 & 3): Reduce Council discretionary operational spend (excluding assets) by 5% with saving to be directed to asset renewal.	42	Revise as per Council resolution	
	Additional Action (scenarios 1 & 2): Undertake a review of Council's employment conditions including the consideration of more flexible employment conditions and Enterprise Agreement	42	Maintain	
	Amend Action (scenarios 1, 2 & 3). Continue to pursue alternative funding option to deliver financially sustainable services and facilities.	42	Maintain	
	Add Action (scenario 1): Apply for a special rate variation of around 5.2% in the first year and 5.5% for the following two years (inclusive of the assumed	43	Revise as per Council resolution	

Strategy	Amendments Proposed in Draft Delivery Program 2012-17 (revised 1 December 2013) based on exhibited scenarios	Page #	Recommendation (maintain, delete, revise, or add)	Comments
	annual rate peg of 2.7%, 3% and 3% respectively) with additional funds to be directed to asset renewal.			
	Add Action (scenario 2):			
	Apply for a special rate variation of around 6.7% in the first year and 7% for the following two years (inclusive of the assumed annual rate peg of 2.7%, 3% and 3% respectively)with additional funds to be directed to asset renewal			
	Add Action (scenario 3):			
	Apply for a special rate variation of around 7.7% in the first year and 8% for the following two years (inclusive of the assumed annual rate peg of 2.7%, 3% and 3% respectively) with additional funds to be directed to asset renewal.			
	Add Action (scenario 1)	43	Revise as per Council	
	Review and increase Council's fees and charges for car parking, commercial heated pools, community pools (gold coin donation) sports fields, fitness trainers, library late fees, and tree permits to ensure the financial sustainability of service provision.		resolution	

Strategy	Amendments Proposed in Draft Delivery Program 2012-17 (revised 1 December 2013) based on exhibited scenarios	Page #	Recommendation (maintain, delete, revise, or add)	Comments
	Add Action (scenario 2) Review and increase Council's fees and charges for leasing child care facilities, car parking, commercial heated pools and fitness trainers to ensure the financial sustainability of service provision.			
	Add Action (scenario 1) Investigate removing the pensioner and charitable waste exemptions.	43	Delete	
	Add Action (scenarios 1, 2 & 3): Continue to actively seek grants and contributions to deliver core community infrastructure and services.	43	Maintain	
	Add Action (scenario 1): Explore innovative options to increase revenue at Council facilities	44	Maintain	
	Add Action (scenario 1, 2 & 3): Improve the efficiency of supply management in order to achieve operational efficiencies.	44	Maintain	

Strategy	Amendments Proposed in Draft Delivery Program 2012-17 (revised 1 December 2013) based on exhibited scenarios	Page #	Recommendation (maintain, delete, revise, or add)	Comments
	Add Action (scenario 1) Undertake a review of Council's rock pools and implement a rationalisation program	44	Delete from 4.4.5 and add Investigate the future provision of Aquatic Services across the local government area and implement improvement to whole section.	
	Add Action (scenario 1, 2 & 3): Improve the efficiency of supply management in order to achieve operational efficiencies.	44	Maintain	
	Add Action (scenario 1) Undertake a review of Council's rock pools and implement a rationalisation program	44	Delete from 4.4.5 and add Investigate the future provision of Aquatic Services across the local government area and implement improvement to whole section.	
5.1.4 Flexible services are provided and can adapt to changing community needs and service demands	Add Action (scenarios 1 & 2): Withdraw from the Lakeside Leisure Centre Service and sell the site based on low utilisations rates and availability of other service providers in close proximity and consider future service needs in the planning for West Dapto.	46	Revise to: Investigate provision of Leisure Services in the greater Dapto area, taking into account expansion of West Dapto, and determine Council's role in the market.	

Strategy	Amendments Proposed in Draft Delivery Program 2012-17 (revised 1 December 2013) based on exhibited scenarios	Page #	Recommendation (maintain, delete, revise, or add)	Comments
5.1.5 The long term needs of the community, including our people and our places, are effectively planned for	Carry out commercial business management of Council's operational lands	47	Maintain	
	Add Action (baseline & scenario 1, 2 & 3): Develop a sustainable financial model and strategy for the maintenance and management in perpetuity for Council cemeteries, in response to the Cemeteries Act and establishment of 'Cemeteries NSW'.	47	Maintain	
5.3.3 Well maintained assets that meet the needs of current and future communities are provided	Add Action (scenarios 1, 2 & 3): Use additional funds achieved through the Financial Sustainability Review for renewal of major building projects as per capital program.	48	Maintain	
5.4.1 Partnerships continue to strengthen and achieve a safe and accessible community	Revise Action: Facilitate a range of partnerships and networks to develop community safety initiatives, excluding graffiti management.	49	Maintain	

Strategy	Amendments Proposed in Draft Delivery Program 2012-17 (revised 1 December 2013) based on exhibited scenarios	Page #	Recommendation (maintain, delete, revise, or add)	Comments
	Add Action (scenarios 1,2 & 3): Provide lifeguard services at beaches (in partnership with Surf Life Saving Illawarra) and Council pools.	49	Maintain	Non-Financial Sustainability Review amendment to Delivery Program
5.5.2 A variety of quality public spaces and opportunities for sport, leisure, recreation, learning and cultural activities in the community.	Add Action (scenario 1 & 2): Develop a play strategy to support the planning of high quality centralised and integrated park facilities to inform removal 10-15% of Council's small parks and playgrounds	50	Revise to: Develop a play strategy to support the planning of high quality centralised and integrated park facilities	
	Add Action (scenario 1 & 2): Use additional funds achieved through the Financial Sustainability Review to replace below standard playground facilities informed by the play strategy	50	Maintain pending adoption of recommendation	
5.6.1 Projects that build on community strengths are encouraged.	Revise Action (scenario 1): Facilitate projects with the community that foster and enhance community strengths.	51	Maintain	
6.1.3 Interconnected and accessible cycle-ways and footpaths are planned and delivered.	Add Action (scenarios 1, 2 & 3) Use additional funds achieved through the Financial Sustainability Review to accelerate the footpath renewal program by about \$4M	53	Maintain pending adoption of recommendation	

Strategy	Amendments Proposed in Draft Delivery Program 2012-17 (revised 1 December 2013) based on exhibited scenarios	Page #	Recommendation (maintain, delete, revise, or add)	Comments
	Additional Action (scenarios 1, 2, & 3):	53	Maintain pending adoption of recommendation	
	Extend the average lives of footpaths to 80 years to create about \$1M saving in depreciation annually.		of recommendation	
	Use fund obtained from Restart NSW Illawarra to design and construct Grand Pacific Walk – Stage One.	N/A	Add	Restart NSW Illawarra announced on 5 December 2013 that Council had received funding for this project.
6.2.1 Effective and integrated regional transport, with a focus on road, bus, rail and freight movement (including the port of Port Kembla), is provided.	Add Action (baseline and scenarios 1, 2 & 3): Deliver sustainable transport asset renewal programs	54	Maintain pending adoption of recommendation	
	Add Action (scenarios 1, 2 & 3) Allocated approximately \$6M of additional funds achieved through the Financial Sustainability Review to road resurfacing and reconstruction.	54	Maintain pending adoption of recommendation	
6.2.2 Integrated communities close to major transport links and major commercial centres and planned for and encouraged.	Use funds obtained from Restart NSW Illawarra and funds contributed by Council to construct the road link between Fowlers Road Dapto to Fairwater Drive Horsley	N/A	Add	Restart NSW Illawarra announced on 5 December 2013 that Council had received funding for this project.

Strategy	Amendments Proposed in Draft Delivery Program 2012-17 (revised 1 December 2013) based on exhibited scenarios	Page #	Recommendation (maintain, delete, revise, or add)	Comments
6.3.1 Community transport options for frail older people, people with disabilities and the transport-disadvantaged are actively promoted and available.	6.3.1.1 Deliver Community Transport Services as per funding requirements Delete Action Above and Add Action (baseline and scenarios 1, 2 & 3): Develop an alternative service delivery, governance model and auspice for Community Transport in response to the Federal Governments Aged Care Reform legislation.	55	Revise to: Develop an alternative service delivery, governance model and auspice for Aged and Disability Services (including Community Transport) in response to the Federal Governments Aged Care Reform legislation.	

Table 2: Recommendations for the Draft Delivery Program 2012-17 (Revised 1 December 2013)

Section of Draft Resourcing Strategy	Page #	Recommended Amendment
Asset Management Plan	77	Add text after tables:
		The Capital Renewal amount reported appears to exceed the "projected renewal" amount derived from the AMP's as:
		 The renewal program includes levelling of expenditure from beyond the 10 year planning horizon such that required renewal peaks can be reduced and funded within available annual budget e.g. significant stormwater program peaks are currently forecast for 2024/25 to 2026/27
		ii. It allows for renewal works for new assets (contributed or built) that cannot be quantified in the AMP's at this time
		iii. The total additional revenues are being allocated to capital renewal in the first instance. Required maintenance budgets and programs need to be developed to reflect new service levels and updated asset lives e.g. extended lives of footpaths
		iv. Allowing for a lack of reliable data for greater than normal cost escalations for renewal works (e.g. Oil as a material component and energy supply and regulation movements)

Council is required under the Local Government Amendment (Planning and Reporting) Act 2009 to take into consideration any submissions which have been made concerning the prepared and exhibited draft Strategic Management Plans 2013-14.

All submissions received during the public exhibition period relating to the draft Resourcing Strategy 2012-2022 (revised 1 December 2013) and draft Delivery Program 2012-17 (revised 1 December 2013) have been reviewed and given due consideration. Table 3 outlines community feedback on the exhibited documents, Council response to these comments and highlights any recommended amendments to the document. All other comments pertaining to the advertised scenarios and proposed financial sustainability approach are themed and included in attachment 2 Community Engagement Report, February 2014

Table 3: Community Engagement Feedback on Resourcing Strategy 2012-2022 (Revised 1 December 2013) and
Draft Delivery Program 2012-17 (Revised 1 December 2013)

Person/ Organisation Making Submission	Relevant Plan	Issue Raised	Response	Amendment Required (y/n)
Environment and Sustainability Reference Group	Delivery Program	Council value natural assets and maintain them in the same way as building assets	Natural Assets are recognised and managed as valuable assets but do not have a 'depreciable' financial value in accounting terms. Council's Asset Management Improvement program includes actions to update our asset management plans to incorporate and better manage natural assets.	N
Environment and Sustainability Reference Group	Delivery Program	Council maintain all its environmental services	Revise as per Council resolution.	TBA
Environment and Sustainability Reference Group	Delivery Program	In recognising the lack of funds dedicated to maintaining its assets and calculating priorities for future spending on services, Council acknowledge the value of natural as well as constructed assets	Natural Assets are recognised and managed as valuable assets but do not have a 'depreciable' financial value in accounting terms. Council's Asset Management Improvement program includes actions to update our asset management plans to incorporate and better manage natural assets.	N
Environment and Sustainability Reference Group	Delivery Program	Services be concentrated on urban consolidation rather than growth	The Illawarra Regional Strategy identifies the need to plan for both increased densities in existing urban centres together with West Dapto as a new greenfields site to cater for the future population.	N

Person/ Organisation Making Submission	Relevant Plan	Issue Raised	Response	Amendment Required (y/n)
Illawarra Forum	Delivery Program	Welcomes and supports the Five Councillor Strategic Programs but notes that some of the strategies are worded as aspirations rather than strategic aims. Suggests that it is important for evaluative purposes to rephrase for transparency and accountability.	Thanks and noted. Progress with the Councillor Strategic Programs are monitored and evaluated via Council's Quarterly Review Process. These outcomes of this quarterly review are reported to community via the Quarterly Review Statement.	N
Illawarra Forum	Delivery Program	Strategy 1.4.2 'Our Aboriginal community is actively engaged in the management of Indigenous heritage'. Support for this strategy but raised concern that members of the Aboriginal and Torres Strait Islander community were not included in the Citizen's Panel.`	Noted.	N
Illawarra Forum	Delivery Program	Supportive of strategies 2.1.1, 2.1.3, 2.1.4, 2.1.5 and suggest the Community Services Industry is a growth area for employment and indicates an interest in supporting any cross sector initiative to retain local talent. Recommends: "Establish an interagency working group with membership from the community Services Industry, Council, Business, Education and Training Sectors to develop a coordinated strategy around social enterprise, social business and training.		Z

Person/ Organisation Making Submission	Relevant Plan	Issue Raised	Response	Amendment Required (y/n)
Illawarra Forum	Delivery Program	5 year action - 3.3.1.4 "Plan for, and host, culturally sensitive events and programs celebrating the Bi- Centenary of European Settlement in Wollongong across 2015-2016". Recommends full consultation with members of the Aboriginal and Torres Strait Islander community when planning this event.	Agree. At its meeting on 9 December 2013 Council resolved: "Council provisionally endorse the Charter of the Wollongong Bicentenary Committee and proceed to advertise for community membership of the Committee."	N
Illawarra Forum	Delivery Program	Strategy - 4.1.1 "Engagement activities by all levels of government are enhanced and improved to achieve diverse community representation and to encourage participation" and 5 year action – "Re-establish Council's commitment to partnering with our local Aboriginal community". Supportive of strategy and 5 year action and recommended that community representatives are involved in designing the framework of communication.	Agree. At its meeting on 11 November 2013 Council resolved that Wollongong City Council become a signatory to the Regional Partnership Agreement 2011- 2014 between the Illawarra Aboriginal Community, the Australian Government and the State Government of New South Wales.	N

Person/ Organisation Making Submission	Relevant Plan	Issue Raised	Response	Amendment Required (y/n)
Illawarra Forum	Delivery Program	Strategy 4.3.2 "Quality district level services, libraries and facilities are available to local communities" and 5 year action 4.4.4.1 Ensure policies and procedures are regularly reviewed, updated and promoted. Recommends that clear measuring tools are developed	Noted	N
		to assess and evaluate how well policies and procedures are being followed.		
Illawarra Forum	Delivery Program	New action, page 43 "Investigate removing the pensioner and charitable waste exemptions". Not supportive of the removal of pensioner and charitable waste exemptions.	Recommended for deletion	Y
Illawarra Forum	Delivery Program	5 year action 5.1.1.1 "Partner with community based organisations in the provision of services". Supportive of partnerships providing each partner is equal in terms of contribution and decision making.	Noted	N

Person/ Organisation Making Submission	Relevant Plan	Issue Raised	Response	Amendment Required (y/n)
Illawarra Forum	Delivery Program	5 year action 5.1.6.1 Review planning controls for priority locations. Recommends that the 'less served' communities benefit from this review.	Council determines town and village plan priorities on an annual basis as part of the annual plan and budget process. Social considerations are part of the criteria used to determine priorities.	N
Illawarra Forum	Delivery Program	5.2.1.1 "Prepare a Housing Study and Strategy incorporating Affordable Housing Issues". Recommends the establishment of a Housing Interagency Group with membership from the Community Services Industry, Council, Social and Community Housing, Local Strata, Tenants Advice and Advocacy Services to prepare and housing study and strategy.	The State Government established an Affordable Housing Taskforce in 2012 which Council participated in. A consultation and engagement strategy will be prepared as part of the Housing Study project being undertaken by Council.	N
Illawarra Forum	Delivery Program	Strategy 5.4.2 'Local crime continues to be prevented and levels of crime reduced.' Recommends establishing a joint policing committees to examine interventions and strategies that can be delivered collaboratively to combat antisocial behaviour. Membership should include; key community members/ organisations, youth representatives, police and council.	Council would be happy to participate on such committees if established.	N

Relevant Plan	Issue Raised	Response	Amendment Required (y/n)
Delivery Program	5 year action "Develop a play strategy to support the planning of high quality centralised and integrated park facilities to inform removal 10-15% of Council's small parks and playgrounds" Supportive to the development of a play strategy, however is not supportive of the removal of small parks and playgrounds. Recommends consulting extensively with the community to develop a play policy to underpin and guide the strategy. Following development of the policy develop the play strategy and allow the strategy to inform the action.	Council will be consulting with our local community as part of the development of a Play Strategy. Note recommended change to wording in table 1.	N
Delivery program	Raised concern that there is no longer term strategies that reduce operating costs including energy saving and water saving projects.	The following 5 year action is included on page 24 of the Delivery Program, 1.3.2.2 Implement water and energy saving strategies.	N
Delivery Program	Request to include cultural development programs, in particular art programs like the South Coast Writers Centre.	Council currently manages a cultural development program, In addition Council's Financial Assistance Policy allows for financial assistance to be provided to groups and individuals in a consistent, equitable and transparent manner. This policy includes the following programs: Small Cultural Grants, Small Grants NAIDOC Week Event, Sponsorship of Community Events, Contribution to Public Bands and Choirs, Minor Donations and Activities with Economic Benefit.	N
	Plan Delivery Program Delivery program	Plan Delivery Program 5 year action "Develop a play strategy to support the planning of high quality centralised and integrated park facilities to inform removal 10-15% of Council's small parks and playgrounds" Supportive to the development of a play strategy, however is not supportive of the removal of small parks and playgrounds. Recommends consulting extensively with the community to develop a play policy to underpin and guide the strategy. Following development of the policy develop the play strategy and allow the strategy to inform the action. Delivery program Pequest concern that there is no longer term strategies that reduce operating costs including energy saving and water saving projects. Delivery Program Request to include cultural development programs, in particular art programs like the	Delivery Program 5 year action "Develop a play strategy to support the planning of high quality centralised and integrated park facilities to inform removal 10-15% of Council's small parks and playgrounds" Supportive to the development of a play strategy, however is not supportive of the removal of small parks and playgrounds. Recommends consulting extensively with the community to develop a play policy to underpin and guide the strategy. Following development of the policy develop the play strategy and allow the strategy to inform the action. Delivery program Delivery Program Program Request to include cultural development programs, in particular art programs like the South Coast Writers Centre. The following 5 year action is included on page 24 of the Delivery Program, 1.3.2.2 Implement water and energy saving strategies. Council currently manages a cultural development program, In addition Council's Financial Assistance Policy allows for financial assistance to be provided to groups and individuals in a consistent, equitable and transparent manner. This policy includes the following programs: Small Cultural Grants, Small Grants NAIDOC Week Event, Sponsorship of Community Events, Contribution to Public Bands and

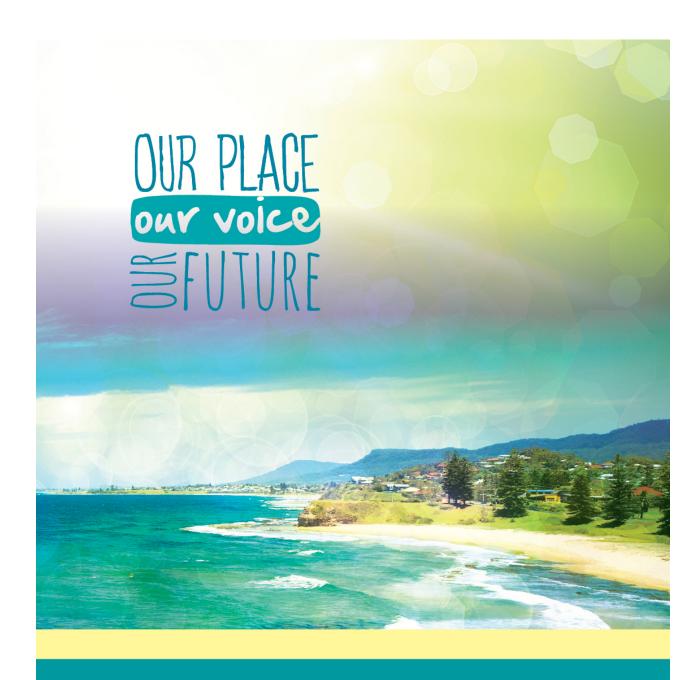
Person/ Organisation Making Submission	Relevant Plan	Issue Raised	Response	Amendment Required (y/n)
Zondrae	Delivery Program	Raises concern that Council has not allocated funding to arts as many people in the dependent on arts and cultural activities to 'keep in touch with society'. Suggests funding is need for the South Coast Writers Centre.	Council currently manages a cultural development program, In addition Council's Financial Assistance Policy allows for financial assistance to be provided to groups and individuals in a consistent, equitable and transparent manner. This policy includes the following programs: Small Cultural Grants, Small Grants NAIDOC Week Event, Sponsorship of Community Events, Contribution to Public Bands and Choirs, Minor Donations and Activities with Economic Benefit. Further information can be found on Council's website.	N
Vicki S	Delivery Program	Notes an absence of plans, programs and strategies to properly fund a museum for Wollongong.	Noted	N
Owersgv	Resourcing Strategy	Suggests a review of accounting procedures and practices to ensure they efficient, effective and accurate.	Noted	N
K Parker	Delivery Program	Suggests document is too long, long-winded and not written for the general public.	Noted.	N
K Parker	Delivery Program	Raises concern about the proposal to withdraw service for Lakeside Leisure Centre and that there are no leisure facilities at West Dapto.	Refer to Table 1 for revised action.	N

Person/ Organisation Making Submission	Relevant Plan	Issue Raised	Response	Amendment Required (y/n)
No name provided	Delivery Program	"No scope of some residents' expectations outlined in it is beyond the powers of Council to control; public transport being one such. By all means Council can lobby State Government on such issues, but not waste time on them."	Noted.	N
Livestar	Delivery Program	Requests Council provide funding for emergency housing projects in the Illawarra.	Council is not a direct provider of emergency housing. Council's role is in planning and advocacy.	N
No Name Provided	Resourcing Strategy	Suggests a Public Private Partnership for Mt Keira	This will be considered as an option as this project progresses.	N
Pool4	Delivery Program	Suggests the "document is limited to managerial 'buzz' words with little real substance." Would prefer to see Council's Capital Works Program made available.	Noted. Council's capital Works Program will be prepared and presented to the community via exhibition in April – May this year. The revised program will take into account the resolution of Council 17 February 2014.	N
Pool4	Resourcing Strategy	'Program needs details, not summarised in rubbery figures that cannot be proven. Council needs to identify areas of good service delivery."	Noted.	N
Judi M	Delivery Program	Notes an absence of arts in the Delivery Program. Suggests there is a need to support arts in the Illawarra. Submission also indicates that South Coast	Council is presently liaising with South Coast Writers Centre regarding accommodation.	N

Person/ Organisation Making Submission	Relevant Plan	Issue Raised	Response	Amendment Required (y/n)
		Writers Centre still has 'no permanent home'. Suggest there is a focus on the establishment of inclusive, multimedia centre for Arts in Wollongong and the Illawarra.		
J Marlow	Delivery Program	Raised concerns that of that 5 of the 12 at risk actions outlined on page 16 of the Delivery Program are directly related to environmental protection. It is suggested that this undermines the Wollongong 2022 community vision and the first community goal.	Noted. The state government announced in 2012 the end of the Waste and Sustainability Improvement Program (WASIP) that for a period of time provided grant funding from waste levies paid by waste facility operators in NSW and funded some of Council's environmental programs.	N
J Marlow	Delivery Program	Suggests the following action on page 23 'Seek external funds to support programs for Lake Illawarra, following closure of the Lake Illawarra Authority.' Should be expanded to include "until external funds to support programs for Lake Illawarra are found, postpone (where legal) Council works to do with the West Dapto development and other developments that directly and indirectly impinge on the health of the Lake and redirect funds to projects essential to improving and safeguarding the health of the Lake.'	See table one for revised actions.	N

Person/ Organisation Making Submission	Relevant Plan	Issue Raised	Response	Amendment Required (y/n)
J Marlow	Delivery Program	Suggests for the revised action for 1.3.3.1 'Develop and implement an Environmental Sustainability Policy and Strategy' be deleted and seek savings from Development, Land Use and Planning services	Council will consider the draft Environmental Sustainability Policy and Strategy at its meeting on the 17 February 2014.	N
Mohr	Resourcing Strategy: Workforce Management Plan	States that less than 10% of the Wollongong City Council staff are aged under 25 years and suggests reduction in apprenticeships and other training programs should be not be considered.	Reduction of Cadets, Apprenticeships and Trainees not recommended.	Y
Jet	Resourcing Strategy: Long Term Financial Plan	Reference to climate change on page 54 in Long Term Financial Plan. It is suggested there should be a decreased emphasis on climate change and money allocated to this should be redirected to services like Lakeside Leisure Centre.	Noted	N
Jet	Delivery Program	Suggest that 'proper roads' need to be built to support West Dapto Master Plan.	Noted. The West Dapto Access Strategy includes significant improvements to a number of existing roads and the construction of new roads to provide greater connection between Horsley and Dapto as well as to the wider road network.	N

Person/ Organisation Making Submission	Relevant Plan	Issue Raised	Response	Amendment Required (y/n)
Nessa and Paul	Delivery Program	Suggest that the Delivery Program should include information on service levels and costs for different service levels.	Council annual revises and exhibits Service Plans for all of Council's services and includes information on core business, major projects, operating budget, workforce and performance measures.	N



Securing our Future
Financial Sustainability Review

Community Engagement Report

February 2014





Table of Contents

Executive	Summary	3
Step 1:	Community Survey and Submissions (20 September to 8 October 2013).	7
Step 2:	Deliberative Citizens' Panel (26 September to 27 October 2013)	8
Step 3:	Exhibition of Panel Report (5 to 20 November 2013)	8
Step 4:	Exhibition of Options, draft Resourcing Strategy and draft Delivery Progra (13 December 2013 to 5 February 2014)	
Backgrour	nd to Project	.11
Step 1 Eng	gagement	.14
Methodo	ology – September and October 2013	.14
Step 1 R	Results	.15
Step 2 Eng	gagement	.33
Methodo	ology – September and October 2013	.33
Step 2 R	Results	.35
Step 3 Eng	gagement	.36
Methodo	ology – 5 to 20 November 2013	.36
Step 3 R	esults	.38
Step 4 Eng	gagement	.56
Methodo	ology – December 2013 to February 2014	.56
Step 4 R	Results	.59
Appendice	98	.67
Appendi	x A – Frequently Asked Questions	.67
	x B – Citizens' Panel Recommendation Report	
	x C – Promotional Collateral	

Executive Summary

Like most Councils in NSW, Wollongong Council is faced with the challenge of finding enough money to look after the city's assets into the future. Many of our assets, such as roads, bridges, building and drains are aging and require a growing amount of funding to fix or replace them.

Since 2008 Council has been actively working to reduce internal costs in order invest funds back into maintaining council assets such as roads, footpaths, buildings and other infrastructure. Council has been able to make savings of \$20 million each year and has used this money to support the maintenance of assets. Nonetheless, Council still needs to find an additional \$21million a year to maintain our assets. If we don't take steps now, we will start to lose assets.

Wollongong City Council is not alone in taking steps to secure financial sustainability: nearly half (70) the Councils across New South Wales have recently achieved rate rises or are actively considering them to address issues flagged in TCorp's (NSW Treasury Department) report Financial Sustainability of the New South Wales Local Government Sector released in April 2013.

In September 2013, Council commenced engaging the community in conversations about long-term financial sustainability. The conversations focused on options for improving financial security via a three tiered model of:

- · operational and efficiency improvements,
- changes to service levels, and
- changes to funding sources.

Between September 2013 and February 2014, we actively engaged the community through four engagement processes:

- Step 1: Call for submissions to inform a Citizens Panel in making their recommendations including an online survey.
- Step 2: Convening a Citizens' Panel of randomly selected residents to review Council services, costs and revenue.
- **Step 3**: Exhibition of the Citizens' Panel's report on recommended changes.
- Step 4: Exhibition of 3 options based on financial scenarios, the revised draft Resourcing Strategy and revised draft Delivery Program.

We would like to thank the community for their participation and for providing Council with valuable feedback. The majority of community submissions expressed their passion for Wollongong and desire to see our city prosper.

Community awareness of this engagement process has been high throughout its 6 months. Hits on the specific engagement page for the project totalled more than 18 000. A community newsletter and brochure were distributed to more than 80 000 households in October 2013 and again in January 2014 as well as prominent advertisements in both local newspapers The Advertiser and Illawarra Mercury. Media coverage throughout the project was extensive in all key local media outlets including Illawarra Mercury, The Advertiser, ABC Radio and Win TV. One thousand one hundred (1,100) bookmarks were Securing our Future Financial Sustainability Review

distributed between September and January at retail and dining premises to increase awareness of the project and opportunities to become involved. During kiosks held in January 2014 the majority of community members approached stated that they were aware of the project having seen the brochure, newspaper advertisements or articles.

The community were given a number of opportunities to participate in each step of the engagement including online discussion, quick polls and surveys, and kiosks at community locations in each ward. Community members also sent letters, emails and petitions. Total participation in the project is outlined below.

Table 1: Participation in Engagement

Technique	Total
Web hits	18,521
Online discussion	759
Online quick poll	268
Participation in kiosks and panel workshop	217
Submissions	1,366
Petitions (N= signatures)	2,732

Note: Some community members may have participated in more than one engagement technique.

Basic demographics of age, gender and suburb are included in each section of the report. It must be noted that many participants did not choose to provide this information and indeed only online and paper survey forms asked for it. Therefore the demographics provided in Step 1, 3 and 4 are incomplete and inconclusive. Only the Citizens' Panel in step 2 includes a representative sample of the community. This technique was chosen in order to provide an opportunity to work deliberatively with a mini public that was representative of age, gender, suburb, ethnicity, home tenure and qualifications. By using a deliberative technique we ensured that detailed operational and financial data and community submissions could be considered without discussions being dominated by one participant, interest or pre-determined position. Deliberative techniques build community capacity as representatives are given access to a detailed understanding of organisational processes, constraints and can help create opportunities and varied solutions. They also offer the organisation an opportunity to learn what information the community feels is valuable and how opinions may change.

As the Panel membership needed to be representative of the Wollongong community Council prepared a social demographic profile and hired an independent agency, Taverner Research, to recruit between 30-40 residents. Taverner Research used the following indicators to ensure the panel was a mini-public, representing the broad demographics of the city. Current and former Councillors, state and federal MPs and current Council staff were the only exclusions from the panel. Neither Council staff nor Councillors selected the panel members.

The following section outlines community feedback on the three tiered model.

Summary of Participant Views on Three Tiered Model

Operational and efficiency improvements

A key element of the three tiered model is efficiency of Council operations. A large number of participants (N=152) in Step 4 commented that we needed to do more to improve our efficiency. Comments ranged from a perception of high overheads, staff wages, benefits such as cars and conferences, to concerns that workers are not efficient. Other comments were more specific in suggesting areas for us to work on such as benchmarking, financial auditing and better technology and work practices. There was a split between views that outsourcing would make us more efficient to assertions that using skilled, experienced workers already on staff is a more efficient practice.

Participants also expressed concern that State and Federal governments transfer responsibility for various operations onto local government and that we should concentrate more on core business. Improvements in sustainability and waste reduction also featured under this theme. A dissatisfaction with infrastructure choices (N=71 against/12 support) was also expressed by some participants who commented that we were spending money on the wrong things.

Council staff were also engaged in identifying ways to undertake Council business in a more efficient manner. Council has been undertaking service reviews over a number of years to identify and implement internal savings. In October 2013 a workshop was held with staff randomly selected to represent all divisions to continue to seek out operational efficiencies.

Changes to service levels

Council commenced community conversations around service levels with a high-level look at delivery streams in Step 1. The majority of the 178 submissions nominated that they preferred service levels to remain the same. Consistently participants in this Step and Step 3 expressed a desire that the following services are maintained at the same level: Aged and disability services; Aquatic services; Botanic Gardens and Nursery; Community facilities; Crematorium and cemeteries; Human resources; Library services; Leisure Services; Parks and Sports fields; and Waste management.

As part of the mix to achieve a \$21 million per year surplus the Citizens' Panel recommended up to \$4.351 million could be saved through changes to services. Twenty-five service changes were listed in the Panel's report. Proposed changes to Lakeside Leisure Centre, Unanderra Library and ocean rock pools elicited the most comment from the community. Removal of pensioner exemptions (rates), changes to Coalcliff/Scarborough beach lifeguard services, Community facilities – demolish Coalcliff hall, exit the Crematorium and halving the cadets, apprenticeships and trainee (CATs) program were also opposed by participants.

Table 2: Key themes on service changes

Recommendation	Agree	Disagree
Lakeside Leisure Centre, close and sell land	9	659
Unanderra Library – close	10	1,111
Ocean rock pools – run to fail 2-3	6	1,926
Coalcliff/Scarborough beach season reduce	4	214
Removal of pensioner exemptions (rates and waste)	1	66
Demolish Coalcliff Hall	0	59
Exit Cremator	5	28
Halve CATs program	4	69

Note: this data has been compiled from submissions and petitions to Steps 3 and 4, including late submissions to Step 3.

Changes to funding sources

Throughout these engagement steps we have talked to the community about changes to two possible funding sources: rates and fees and charges.

Fees and charges

The Citizens' Panel report recommended changes to a number of fees and charges and opportunities for additional review of up to \$1.7 million per year. The top items the community commented on were a gold coin donation for community pools, increasing sports field fees and car parking fees. The majority of respondents were against these recommendations. During Step 4 when we asked the community to comment on three funding scenarios that suggested changes to fees and charges, responses focussed more broadly on user pays (N=53) with less comment on specific fees.

Rates

The Citizens' Panel report recommended a rate increase of between 7-7.5% over three years. Whilst a small number of participants wrote in to say they preferred a rate increase to losing services (N=24), a large number of form letters and other submissions (N=151) were received opposing any rates increase. During Step 4 engagement again provided the community with information about the problem we are facing of a backlog of ageing infrastructure. We prepared three options based on achieving a \$12 million per year surplus to be spent on maintain our budgets. In responses to the scenarios presented in the Step 4 engagement the majority of participants expressed a willingness to pay higher rates: 78% of the 800 participants chose one of the three scenarios, whilst only 4% specified that they did not support any of the options presented. 10.25% specified a preference to pay higher rates and maintain or increase services.

Summary of Each Engagement Step

Step 1: Community survey and submissions (20 September to 8 October 2013)

Council wanted to have a conversation with the community around some options regarding efficiency savings, priority services, service levels and funding sources. Council's engagement webpage included an online survey form and a discussion forum. The comments were in response to the question: "what are the top two things you want the Citizens' Panel to think about?" The community also wrote open submissions to express their views.

Submissions received during September and October, to the Citizens' Panel included 11 open submissions, 14 participants in an online discussion forum and 167 online surveys.

Key themes included:

- The majority of survey participants indicated a preference for existing service categories to remain the same. In the instances of Environmental Services and Natural Area Management, there was a marked preference for increasing the level of service to these areas.
 - There was a secondary preference for an increase in service areas of: (i) aged and disability services; (ii) botanic gardens and nursery; (iii) community programs; (iv) cultural services; and (v) transport services to increase.
 - There was a secondary preference for a decrease in the following services: (i) city centre management; (ii) corporate strategy; (iii) financial services; (iv) governance and administration; (v) human resources; (vi) leisure services; (vii) public relations; and (viii) tourist parks.
- The open ended survey responses suggest there are mixed attitudes in the community towards: (i) streamlining staff efficiencies and projects; (ii) conditional rate rises; (iii) user pays; (iv) environmental sustainability; (v) cultural community and arts development; (vi) the tourism and visitor economy; (vii) commercialisation partnerships and linkages; (viii) maintaining or changing services and assets; (ix) the involvement of community in projects and communications; (x) State and Federal Government funding; and (xi) supporting and attracting local business and volunteers.

Step 2: Deliberative Citizens' Panel (26 September to 27 October 2013

Council convened a representative group of 34 randomly selected community members to participate in a deliberative Citizens' Panel. The Citizens' Panel met across two evenings and two weekends during September and October 2013. They were given access to comprehensive information about Council service levels, costs and revenue sources. The results of the Step 1 community survey and submissions process were presented to the panel. They were led through a deliberative process by engagement consultants from Straight Talk Consulting.

As the Panel membership needed to be representative of the Wollongong community Council prepared a social demographic profile and hired an independent agency, Taverner Research, to recruit between 30-40 residents. Taverner Research used the following indicators to ensure the panel was a mini-public, representing the broad demographics of the city. Current and former Councillors, state and federal MPs and current Council staff were the only exclusions from the panel. Neither Council staff nor Councillors selected the Panel members.

The overall engagement process and the community's opportunity to be involved were publicised through Council's website, through bookmarks distributed through Council facilities including libraries, leisure centres, pools, tourist parks, community and youth centres, as well as Neighbourhood Forums. Bookmarks were also made available in a wide variety of community meeting places across the local government area. Media briefings, media releases and Council's social media channels were used to broadly disseminate information. In early October 2013, a Council newsletter about the Securing our Future project was delivered to more than 80 000 households in the local government area. Advertisements were placed in The Advertiser throughout the project.

The engagement page on Council's website:

www.wollongong.nsw.gov.au/securingourfuture

included survey and submission forms, background information, the fact sheets and community asset maps supplied to the panel participants and online discussion forums. During Step 1 and Step 2 engagement this page had **10,279** visits.

Step 3: Exhibition of Panel Report (5 to 20 November 2013)

Step 3 submissions **667** included **333** open submissions, **43** participants in an online discussion forum and **291** submissions via an online form. Four petitions were received with **600** (against closing Lakeside Leisure Centre), **13** (against closing Coalcliff Pool), **423** (against closing Unanderra Library), and **1416** (against closing Gentleman's Pool) signatories respectively.

Table 3: Step 3 Submission Key Themes

Recommendation	Agree	Disagree			
Service level changes					
Lakeside leisure centre, close and sell land	3	39			
Petition against:		600			
Unanderra Library – close	4	55			
Petitions against:		423			
Coalcliff/Scarborough beach season reduce	4	190			
Playgrounds, centralise	3	39			
Community pools reduce season	3	31			
Ocean rock pools – reduce and run to fail	3	401			
Petition against closing Coalcliff Pool		13			
Petition against closing Gentleman's Pool, Wollongong		1,416			
Community facilities – demolish Coalcliff Hall	0	56			
Efficiencies	1	1			
Russell Vale Golf Course - outsource	2	12			
Tourism increase investment in assets/reduce marketing	6	13			
GM & executive reduce	15	0			
Human resources – reduce staffing levels	16	15			
Library – shift to e-books and reduce book vote	7	17			

Revenue sources	Agree	Disagree
Community pools – gold coin donation	9	23
Sports fields increase fees	5	19
Car parking increase fees	14	46
Rate rise	24	151

Note: this table incorporates late submissions that were not reported to Council in December 2013.

A number of participants N= 23 stated they would support a rate rise, in some instances higher than that proposed, as long as services were improved.

Step 4: Exhibition of options, draft Resourcing Strategy and draft Delivery Program (13 December 2013 to 5 February 2014)

Step 4 submissions totalled **800** which included **234** open submissions, **268** participants in an online quick poll, **20** hardcopy survey forms and **278** submissions via an online form. One **(1)** petition was received with **580** signatories.

Table 4: Step 4 Submission key themes

Support Option 1	Support Option 2	Support Option 3	Don't support any option	Don't specify an option	
N= 178	N= 184	N= 260	N= 31	N= 141	
22.5%	23%	32.5%	4%	18%	
Themes			Ag	ree	
Prefer to pay mo	ore rates to main	tain services	3	32	
Support user pa	ys		Ę	53	
Don't support a	rate rise		7	70	
Support outsour	cing		45		
Don't close Unanderra Library			Ę	53	
Don't close Lake	Don't close Lakeside Leisure Centre			20	
Keep rock pools			95		
Concerned about effect on employment			37		
Don't agree with Council's infrastructure			71		
choices					
Council needs to	be more efficie	nt	15	52	

Where to from here?

This Engagement Summary will form part of a report to Council at its meeting of 17 February 2014. If Councillors opt for a rate rise, Council will submit an application to the Independent Pricing and Regulatory Tribunal (IPART).

Based on Council's decision, the draft Annual Plan, Capital Works program, Budget and Fees and Charges will be prepared and go on exhibition during April-May 2014.

Background to Project

Wollongong City Council commenced engaging with the community to create a Community Strategic Plan in June 2011. Through a comprehensive engagement process Council and the community held conversations around visions, goals and strategic objectives. We learnt about the community's priorities for their city, namely to make our city a vibrant, engaging and connected place that our community and visitors can enjoy and be proud of. The long-term vision reflected these goals and the community's love of place:

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

Our Community Strategic Plan, Delivery Program and Resource Strategies were adopted in June 2012. We engaged more people in this process than ever before in a strategic management plan exhibition. The engagement process was varied and widespread and included:

- a community reference panel held in 2011 to understand how the community wanted to communicate and engage with Council;
- · vision surveys of children and adults;
- · community conversations at markets and fairs;
- a series of Town hall talks with experts on aspects of the quadruple bottom line to inspire thoughts of future change;
- a two day community summit where the vision was written and first draft goals prepared;
- · refining workshops with community and agency representatives; and
- exhibition of the draft documents.

Through the 2012-2022 Resource Strategy we commenced a conversation around the next challenge we as an organisation and community need to meet: "to decide if we should, and can, provide enough funding to renew long lived assets used in providing existing levels of service." (*p6) We stated that if "not funded in this way, concession needs to be made that the existing services may not be possible in the future without significant impact on a future generation." (*p7)

Three scenarios were introduced in the Resource Strategy:

- **Scenario 1** forecasts how to continue existing services and revenue as a base line.
- **Scenario 2** includes rates increases to move to a targeted surplus operating budget.
- **Scenario 3** suggests a mix of changes including rate and revenue increases, increased productivity savings program, sale of property and reductions in services. (*p13).

The exhibition of the Annual Plan 2013-14 engaged the community in confirming our actions in moving towards achieving the 5 year Delivery Program.

^{*}Wollongong City Council, Resource Strategy 2012-2022 Summary

Through the engagement process which commenced in September 2013 Council is seeking to make a decision informed by community feedback, about how to deliver a sustainable financial position for Council.

A mix of operational and efficiency improvements, changes to service levels and changes to funding sources will be considered.

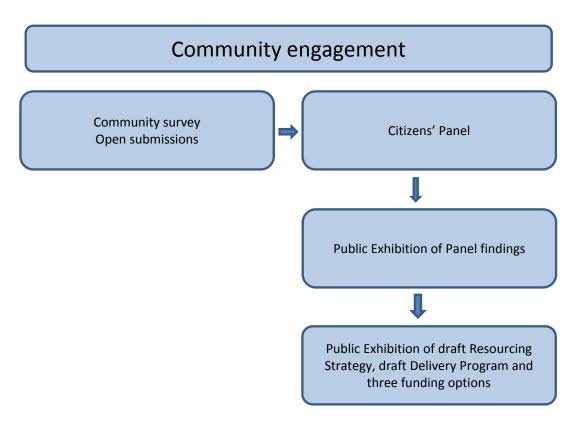
The community engagement objective in the Securing our Future Program is to:

 Seek feedback from the community in identifying priority services, service levels and funding sources.

The engagement process for Step 1 involved three groups of stakeholders:

- 1 The **community** of whom Council asked the following questions:
 - a What are the priority services for Council to deliver and to what level should Council deliver these services? (Service and service level reviews)
 - b How should Council fund the delivery of these services to the desired level? (Funding sources).
- 2 **Staff** of whom Council asked:
 - a What are the opportunities to achieve operational and efficiency improvements?
 - b What are the priority services for Council to deliver and to what level should Council deliver these services? (Service and service level reviews)
 - c How should Council fund the delivery of these services to the desired level? (Funding sources)
 - d What are the opportunities to increase Council revenue?
- 3 Councillors of whom Council asked:
 - a What are the opportunities to achieve operational and efficiency improvements?
 - b What are the priority services for Council to deliver and to what level should Council deliver these services? (Service and service level reviews)
 - c How should Council fund the delivery of these services to the desired level? (Funding sources)
 - d What are the opportunities to increase Council revenue?

Summary of Engagement Plan: Community



Step 1 Engagement

Methodology - September & October, 2013

Council resolved to undertake a financial sustainability review to address Council's long term finances and the city's ageing infrastructure. In the past five years we have been able to improve Council's operational expenditure and put the \$20.3 million we have saved into the improvement of assets like roads, footpaths, buildings and drains. However, this is not enough and, as some of our roads, footpaths, storm water drains and buildings get older, we need to fund renewal and replacement work.

Council wanted to have a conversation with the community around some options regarding efficiency savings, priority services, service levels and funding sources.

Table 5: Engagement activities Step 1

Activity	Target Audience	Schedule
Open submissions	Residents	October 8,
		2013 (closing
Online survey		date)
Online discussion forum		

The community were asked to make submissions to the panel. The community could do this via open submissions, an online survey, and/or an open discussion forum. The survey asked participants to rate whether services should be maintained, reduced or increased. It also provided an opportunity to suggest efficiencies and possible ways to increase revenue. The online discussion board asked: "What are the top two things you want the Citizens Panel to think about?" All survey, forum and submission results were collated and given to the Citizens' Panel to help inform their discussions.

Stakeholders

The engagement strategy identified the key stakeholders of the project as: residents of the entire LGA, Neighbourhood Forums, community action groups, licenced community operators of Council owned facilities, Surf Life Saving Clubs, clubs and service organisations and Council Reference and Advisory Groups.

The call for submissions to the Citizens Panel opened on 20 September and closed on 8 October.

Promotional Materials

Information Package

Information packs were produced and distributed at a number of Council sites throughout the Local Government Area. The packs consisted of Frequently Asked Question Sheets and bookmarks that encouraged the community to view information about securing our future on the Council website. The information packs were distributed to all Council libraries, Beaton Park and Lakeside Leisure Centres, Bulli, Corrimal, and Windang Tourist

Parks, Wollongong You Centre, council pools, and a range of Neighbourhood, Youth and Community Centres throughout the LGA. Neighbourhood Forum convenors met with Straight Talk around the Citizens panel and community submission process. They were shown the website and asked to pass out bookmarks.

Community Newsletter

Council's October newsletter was dedicated to the Securing our Future project with three of the pages outlining the engagement process in both text and diagrammatical form, why we are going through this review process, background information including statistics and results of the Community Survey 2012. This newsletter was distributed to more than 80, 000 households during the first week of October 2013.

Media Activities

Print and Broadcast Media

A media release was produced and sent through to local media outlets on 10 September announcing the Securing our Future project, and a further media release issued on 20 September launching a call for submissions to the Citizens Panel. Additionally, the call for submissions was promoted in the Council pages in *The Advertiser* on 25 September.

Online Media

The use of online media supported the engagement process. The Council website hosted a page for Securing Our Future and all promotional materials, including a survey, videos and discussions boards were available on the webpage. The link to the Securing our future webpage has been extensively shared and promoted via Council's Facebook page and Twitter feed.

Step 1 Results

The following section presents the results of the engagement strategies undertaken as part of Step 1. Table 6 below provides a summary of strategies and activities undertaken, participants involved, and the number of participants attending or interacting at each engagement activity.

Table 6: Submissions received Step 1

Engagement Focus	Activity	Stakeholders	Number of Participants (N)	Close Date
Submissions to the panel	Open submissions	Community	N=11	October 8
	Online survey	Community	N=167	October 8
	Online discussion forum	Community	N=14 (19 comments)	October 8

Open Submissions

There were 11 open submissions to the Citizens' Panel from forums or associates. All of these submissions were directly supplied to the Citizens' panel to help inform their discussions and decision making. The submissions were made by:

Neighbourhood Forum 8; Neighbourhood Forum 4; Friends of the Botanical Gardens; Save our Services; and 7 individual members of the community.

Survey Submissions to the Panel

A community survey was created to gather data on resident and key stakeholders' ideas about the Securing our Future project. The survey was comprised of both rating scales in relation to the Council's services as well as three open ended questions. One hundred and sixty seven participants completed the survey. The results of the survey were given to the Citizens' panel to help inform their discussions and decision making. The following analysis is broken into quantitative and qualitative analysis.

Quantitative survey analysis

Participants could select only one option out of four as their response from: (i) do not run service at all; (ii) decrease the level of service; (iii) maintain the current level of service; and (iv) increase the level of service. Table 7 below outlines the percentage of participants who responded to each of the rating options.

Table 7: Survey ratings for level of service categories Step 1

	Do not	Decrease	Maintain the	Increase	No
	run	the level of	current	the level	answer
Service Category	service at	service %	level of	of service %	%
	all %		service %	Service %	
Aged and Disability Services	1.89	4.72	51.42	27.83	14.15
Aquatic Services	0.47	5.66	66.04	15.06	12.74
Botanic Gardens and Nursery	0.00	7.55	52.83	26.89	12.47
City Centre Management	1.89	23.58	46.23	16.04	12.26
Community Facilities	0.94	10.38	57.08	18.40	13.21
Community Programs	4.27	13.68	44.81	23.11	13.68
Corporate Strategy	3.30	23.11	53.77	5.19	14.62
Crematorium and Cemeteries	7.08	12.26	63.21	3.30	14.15
Cultural Services	3.77	17.45	40.57	24.53	13.68
Development Assessment and	0.00	5.19	66.51	14.62	13.68
Certification					
Economic Development	2.36	19.34	46.23	17.92	14.15
Emergency Management	0.94	8.02	67.45	8.49	15.09
Environment Services	0.94	5.19	35.85	46.23	11.79
Financial Services	1.89	20.75	57.55	3.30	16.51
Governance and Administration	1.42	27.36	54.25	2.36	14.62
Human resources	0.47	24.53	54.72	6.13	14.15
Information and Communications	3.30	13.21	61.79	6.13	15.57
Technology					
Infrastructure Planning and	1.42	14.62	64.15	4.72	15.09
Support					
Integrated Customer Service	0.47	13.68	66.51	4.25	15.09
Land Use Planning	0.00	6.60	62.74	17.45	13.21
Leisure Services	6.60	20.28	46.23	13.21	13.68
Library Services	0.94	11.32	55.19	18.87	13.68
Natural Area Management	0.47	5.66	33.02	47.64	13.21
Parks and Sports Fields	0.00	14.15	60.38	11.32	15.14
Public Health	0.94	4.72	70.28	8.96	15.09
Public Relations	2.36	33.49	41.98	5.66	16.51
Regulatory Controls	0.00	10.85	57.08	17.92	17.92
Stormwater Services	0.00	3.30	63.21	17.45	16.04
Tourist Parks	12.74	21.23	44.34	7.55	14.15
Transport Services	0.94	6.60	53.30	26.42	12.74
Waste Management	0.47	4.25	65.09	16.98	13.21
Youth Services	5.19	11.79	46.70	22.17	14.15

The participant rating data outlines the percentage of participants who rated each of the four options in their responses. Participants could choose only one option. In the table, the most common response across the four options is highlighted in bold font. For the most part, the most common rating for changes to services was to 'maintain the current level of service'. There were two exceptions to this, where the majority of participants selected to 'increase the level of service'. These two service categories were Environmental Services and Natural Area Management. What is interesting here, is the interrelated nature of these two service areas and the investment participants have in seeing an increase in the level of service for environmental protection.

Based on these results, what is also interesting and relevant to Securing our Future is where there were more responses scaled towards either increasing or reducing a particular service. This offers an indication as to how palatable changes may be in a more specific area. There are a few services with notable differences in participant preferences after the preferred option to maintain the service. Service areas with over 20% of support for increasing the level of service included:

- Aged and disability services (27.83%)
- Botanic gardens and nursery (26.89%)
- Community Programs (23.11%)
- Cultural Services (24.53)
- Transport services (26.42%).

Services that had 20% or more support for a decrease included:

- City Centre Management (25.38%)
- Corporate Strategy (23.11%)
- Financial Services (20.75%)
- Governance and Administration (27.36%)
- Human Resources (24.53%)
- Leisure Services (20.28%)
- Public Relations (33.49%)
- Tourist Parks (21.23%).

Qualitative survey analysis

There were three open-ended survey questions that prompted participants to consider in more detail their ideas for the efficiencies and services of Wollongong. These three questions are referred to as Q1, Q2 and Q3:

- Q1. Do you have any ideas about how we can work smarter to improve any of the service areas listed above?
- Q2. There are three possible funding sources for each service. These are rates, grants and user pays. Are there any reasonable opportunities for how council might increase funding for any of the 33 service areas listed in the previous section?
- Q3. Do you have any additional comments about the Securing our Future project?

The following table provides an overview of the themes that emerged from the open ended survey responses. For Q1, 12 overarching themes emerged. The number of instances where a theme was mentioned across the participants' responses is captured in the right sided columns of the table. The number includes any references to the theme including varied attitudes and beliefs. For instance 'rates' includes both participants who were for or against a rate rise. Therefore the table provides an overview of the key areas that participants referred to in their responses rather than an indication of their preferences.

Table 8: Qualitative themes and number of responses per question Step 1

	Theme	Q1	Q2	Q3
1	Streamline processes, staff efficiency and	24	9	7
	projects			
2	Rates (either increase or decrease)	4	21	6
3	User Pays (pro or against)	4	26	6
4	Environmental Sustainability	13	4	7
5	Cultural, Community and Arts Development	9	6	6
6	Tourism and visitor dollars	4	4	8
7	Commercialisation	15	12	8
8	Maintain or change services, assets or	31	18	24
	infrastructure			
9	Communication and involvement of	8	3	17
	community in council projects and events			
10	Relationships between local and State	7	11	6
	Governments			
11	Local business support and employment	14	5	1
12	Other	13	12	20
13	Revenue Opportunities	0	40	12
14	Spending	0	5	0
15	Efficiencies	0	3	4
16	Questions	0	0	0

The responses of the table are now explored in more depth in relation to each of the three questions.

Table 9: Do you have any ideas about how we can work smarter to improve any of the service areas listed above?

Overarching Code	Thematic Codes	Examples and key themes and improvements	No. of overall
Streamline processes, staff efficiency and projects	Administration, staff and project efficiencies and spending	 Communication between management and councillors Coordination of departments and units New skills and strategies, consolidate middle management positions Rationalise similar services, manage projects within budget Reduce costs and waste Reduction in upper middle management pay Respond to community questions faster 	19
	Other	 Linkages to local businesses Merge communications on projects e.g. council clean up and resource recovery 	2
Rates	Yes	- In favour of a rate rise	3
	No	- Preference for user pays	1
User Pays	Yes	 For pools, child care and beaches For developers and subdivision fees 	3
Environmental sustainability	Environmental protection	 Strategic regeneration of bushland areas Reduce landfill Energy efficient buildings Management of natural resources and areas Stormwater management Bushcare and natural area restoration 	11
	Long-term planning	Always consider long-term implications'Be visionary'	3

Overarching Code	Thematic Codes	Examples and key themes and improvements	No. of overall responses
Cultural, Community and Arts Development	Community and cultural development	 Celebrate cultural diversity Good urban design, people friendly facilities Create more community spaces Collaborative vibrant city centre Sporting and cultural events 	8
	Public art	- Encourage local artists	1
Tourism and Visitor Dollars	Attract tourism	 New events interest in the city Grand Pacific Drive Attract more tourism 	4
	User pays	- Parking and beach usage	2
Commercialisation	Partnerships and linkages	 Increase linkages with local businesses Licence facilities to communities and groups Have paid concerts at the Botanical Gardens and on public sites 	8
	Outsourcing and contracting	 Contract outdoor work Contract all non-core services Provide tenders to Wollongong based companies 	5
	Privatisation	Lease recreational assets to private companies	1

Overarching Code	Thematic Codes	Examples and key themes and improvements	No. of overall
Maintain or change services, assets or infrastructure	Maintain or enhance	 Access to council funded gyms and youth services Maintenance of assets including Mt Keira Community liaison and neighbourhood forums Bike paths, dog beaches, community halls Funding of arts City facelift Good design and publicity for Wollongong Transport hubs and cycling facilities Community spaces Assistance to retail sector Beach rubbish removal on the weekends 	20
	Cut or reduce services and/or funding	 Care, culture leisure and health Golf clubs Street cleaning Mall updates Upgrade of shopfronts Council car fleet Cultural services High risk shares CCTV cameras Underutilised services 	17
Communication and involvement of community in projects	Improvements to communications	 Improve communication between council and rate payers Modernise PR practices Take advice from neighbourhood forums Improve the representation of council Advertising of events ahead of time 	9
Relationship between Local and State Governments	Funding from State or Federal governments Local government	 Reduce duplication with State and Federal governments Reduce services that are better provided by other levels of government Don't spend on big projects that should be State funded Merge with Shellharbour 	1

		council	
Overarching Code	Thematic Codes	Examples and key themes and improvements	No. of overall responses
Local business support and employment	Attract local business Utilise volunteers	 Outsource some services to local business Attract business to the area Support small businesses Support ethical and local businesses Employ more citizens Leverage volunteer grants Contract to volunteers Employ local disadvantaged groups 	8
Other	Ideas & Comments	 Follow Sydney City Council in waste collection and renewable energy systems Invest in a positive story about Wollongong Future fund for assets 	13

Table 10: There are three possible funding sources for each service. These are rates, grants and user pays. Are there any reasonable opportunities for how council might increase funding for any of the 33 service areas listed in the previous section?

Overarching Code	Thematic Code	Examples and key themes	No. of
			responses
Streamline processes, staff efficiency and projects (n=24)	Administration and project efficiencies and spending	 Services and project delivery costing Reduce labour costs More accurate project cost estimations Run construction more effectively 	9
Rates	Yes	 Indexed to CPI Small rate rise (n=4) Rates should provide for services rather than cut 	12
	No	Rates already too highShould be user pays	5
	Conditional	 Higher rates for tourism providers and business Rates specific to property services For developers and high income earners 	6
User Pays	Yes	Libraries, beaches, pools (leisure services)Only for non-residents	16
	No	Already too high Impacts equitable access	5
	Conditional	 For leisure services Not youth services or services that benefit lower-socio-economic groups. Carefully selected services Parking and camping areas Rubbish dumping and tree removal Income relative Non-resident parking Commercial fitness providers 	15
Environmental sustainability	Environmental protection	 Developers should be responsible for environmental costs Natural area management Reduce household waste 	4

Overarching Code	Thematic Code	Examples and key themes	No. of
Cultural, Community and Arts Development	Community and cultural development	Run youth services Assist community involvement Assist local clubs and	responses 4
	Public art	organisations - Support art and placemaking	1
Tourism and Visitor Dollars	Attract tourism	Assist marketing to bring tourism to the area	1
	User pays	 User pays non-resident parking 	3
Commercialisation	Partnerships and linkages	 Join with Landcare Community based agriculture and local food production Commercial retail sector gains Rates for tourism providers 	4
	Outsourcing and contracting	Council owned assets and tourist parksLeisure services	3
	Privatisation	- Sell caravan parks	3
	Resistance	Limit consultants and outsourcing	1
Maintain or change services, assets or infrastructure	Maintain and enhance	 Pools (non-fee paying) (N=4) Maintain what are exceptional services and increase rates Creek lines and reserves Community groups Council youth services Public art and place making Equitable access Environmental sustainability 	11
	Cut or reduce services and funding	 Cultural and sporting activities Low priority services New projects such as the Blue Mile or projects not within budget Caravan parks Shopfront upgrades Underutilised libraries and services 	8

Overarching Code	Thematic Code	Examples and key themes	No. of
		_	responses
Communication and involvement of community in projects	Yes	 Community partnerships Communicate improvements and community benefits in proportion to rate increase Mobilise community responsibility and decision making 	3
Relationship between Local and State Governments	State and Federal Governments	 Refuse to fund projects that are State or Federal governments responsibilities Limit cost shifting from State government Community groups awareness of state and federal funding 	8
	Other	Better alignment in grant prioritiesApply for grants for NGOs	3
Local business support and employment	Assist community groups and grants	Encourage community and volunteer groupsAssist community groups	4
Revenue Opportunities	Opportunities	 Increase rates for larger businesses Income relative user pays Developers charged for environmental costs User pays for waste services Fines for illegal dumping Sell caravan parks Charge commercial public fitness providers more Outsources services and tourist parks 	30
	Grants	Apply for more grant fundingFederal and State Government funding	11
	User pays	User pays for businessesSmall amountServices usage	5
	Rates increase	Small or minimal rate rise One off rate for infrastructure upgrades	9

Overarching Code	Thematic Code	Examples and key themes	No. of responses
Spending	Ideas	 More for volunteer programs Environmental levies Use section 94 for public art Assist groups that apply for grants that benefit council services and facilities 	5
Other	Ideas & Comments	 Need for equitable access to services Deploy fundraisers for specific projects No need to increase funding for any WCC service 	O

Table 11: Do you have any additional comments about the Securing Our Future project?

Overarching Code	Thematic Code	Examples and key themes	No. of
Streamline processes, staff efficiency and projects (n=24)	Administration and project efficiencies and spending	Better communication between divisions and units Reduce staffing	7
Rates	Yes	- Wouldn't want to change services	3
	No	- Against rate increase	1
	Conditional	 As a last resort Based on what the owner can afford rather than land value Resent rates going to services 	3
User Pays	Yes	- In preference to a rate rise	1
	No		0
	Conditional	Weekend beach visitors parkingPort businessesParking fines	5
Environmental sustainability	Environmental protection	 Ecological outcomes maintained Creek lines and natural area management Integrate environmentally sustainable practices 	4
	Long-term planning		2

Overarching Code	Thematic Code	Examples and key themes	No. of
			responses
Cultural, Community and Arts Development	Community and cultural development	 Creative and sustainable city cannot be compromised Thriving city centre, accommodation and dining venues 	6
	Public art		1
Tourism and Visitor Dollars	Attract tourism	 Upgrade Mt Keira lookout Thriving city, beaches and parks and gardens to attract visitors Commercial opportunities for tourism 	7
	User pays	- Charge beach visitors	1
Commercialisation	Partnerships and linkages	More accommodation and dining options in the Illawarra	1
	Outsourcing and contracting	- External financial review	1
	Privatisation	 Generate new revenue from tourism Sell off properties Lease gateway centre 	3
	Resistance	Use existing staff knowledge rather than outsourcing	3
Maintain or change services, assets or infrastructure	Maintain and/or enhance	 Local government functions and infrastructure Managed funds and shares Creek lines and natural areas Development of a strong and vibrant community Services delivering ecological outcomes Community, youth and arts/culture Commercial confidence in Wollongong Public facilities, pools, lakes and gardens Community consultation Environmentally sustainable practices Equitable distribution of resources and services Maintain assets Upgrade Mt Keira lookout and natural attributes 	19

Overarching Code	Thematic Code	Examples and key themes	No. of responses
	Reduce and/ or cut services	 Extra or new projects Services that run at a loss Items that are not 'core business' Big projects such as the Mall and Blue Mile Car fleet (lease or buy smaller cars) 	10
Communication and involvement of community in projects	Yes	 Appreciation for asking for opinions and the quality of the consultation (n=6). Consider the extensive consultation of the Community Strategic Plan Ambitious project and possibly too few people to support it Make decisions within council rather than non-experts Panel review places stress on the public 	17
Relationship between Local and State Governments	State and Federal Governments	 Lobby State and Federal funding -Turn responsibilities to State government 	2
	Other	Cooperate with other councils Obtain grants where possible	2
Local business support and employment	Local jobs	- Create more jobs in the Illawarra	1
Revenue Opportunities	Opportunities	 Beachside parking fees for non-residents Selling off property Attract tourism and the visitor dollar (N=5) 	11
Other	Ideas & Comments	 Appreciation for Council's efforts and foresighted approach to Securing our Future and asking community for their opinions Detailed process that is difficult for public to digest Reductions in wages including Councillors and Lord Mayor 	19

Demographic Data

The final part of the survey asked participants for their demographic data including gender, age bracket and suburb of residence. These were non-compulsory survey questions. The responses are presented in Tables 12 to 14:

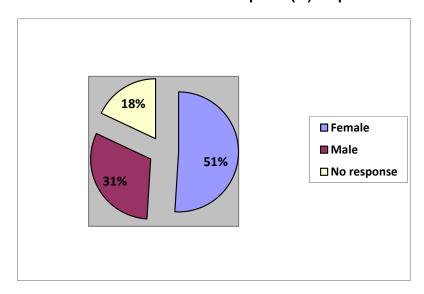


Table 12: Gender of Participants (%) Step 1

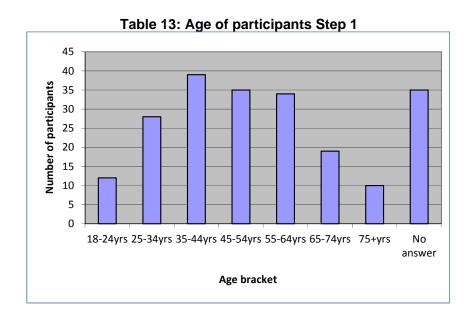


Table 14: Participants' Suburb of Residence Step 1

Ward 1 - Suburb	Number	Ward 2 – Suburb	Number	Ward 3 - Suburb	Number
Austinmer	5	Coniston	1	Berkeley	3
Balgownie	5	Cordeaux Heights	0	Brownsville	0
Bellambi	2	Cringila	0	Dapto	5
Bulli	9	Fairy Meadow	5	Flinders	1
Coalcliff	1	Farmborough	4	Horsley	2
		Heights			
Coledale	7	Figtree	8	Kanahooka	1
Corrimal	9	Gwynneville	0	Koonawarra	0
Fern Hill	0	Keiraville	8	Lake Heights	1
Helensburgh	1	Mangerton	6	Penrose	0
Otford	1	Mt Keira	1	Port Kembla	3
Russell Vale	1	Mt Kembla	0	Primbee	0
Scarborough	0	Mt Ousley	3	Warilla	0
Stanwell Park	0	Mt Pleasant	2	Warrawong	0
Stanwell Tops	0	Mt St Thomas		Windang	0
Tarrawanna	0	North Wollongong	2		
Thirroul	8	Unanderra	4		
Towradgi	1	West Wollongong	2		
Wombarra	3	Wollongong	12		
Woonona	12				
TOTAL number of	65		58		16
participants per					
ward					
TOTAL % of	46.8		41.7		11.5
population per ward					
waiu					

Online Discussion Forum

As well as the online surveys there was the opportunity for community members to write a comment on the public discussion forum. The comments were in response to the question: "what are the top two things you want the Citizens' Panel to think about?" Nineteen comments were submitted from fourteen people. The comments are summarised below in Table 15. The number of online users who clicked on the 'agree' or 'disagree' button is captured in the right columns.

Table 15: Online discussion forum comments and popularity Step 1

	Summarised comment	Agree	Disagree
1	Operational efficiencies and accountability for	4	0
	performance.		
2	Property asset sales.	4	0
3	Criticism of Council employees as 'rats'.	2	3
4	Grow small business and a vibrant engaged	1	3
	community. The mall refurbishment does not contribute		
	to this.		
5	New vision for Wollongong in 20yrs. Make tourism	0	3
	more appealing through artwork at the information		
	centre.		
6	Mall was too expensive and ugly.	1	2
7	Individuals with a background of civic activity should be	1	4
	selected for engagement rather than a randomised		
	community panel.		
8	Serviceability of assets is understated and commercial	2	1
	and aesthetic considerations of lifecycle should be		
	taken into account. Redirect any new capital works		
	projects funding to asset renewal.		
9	Invest in green infrastructure e.g. street lights. Reduce	2	0
	golf courses.		
10	Northern Lagoon and Creek at Stanwell Park was	3	1
	poorly modified and blocked the creek.		
11	Commercialise Bulli Tops.	3	1
12	Sell Council assets.	3	0
13	Businesses that lease near Lagoon should be	0	0
	responsible for maintaining area.		
14	Secure local employment opportunities.	0	0
15	Expand Wollongong as a tourist destination, save legal	0	2
	fees by employing lawyers, investment in		
	commercialisation of assets such as light house and		
	kiosk.		
16	Citizens panel is a good idea and should not attract so	0	0
	much criticism.		
17	Maintain public assets as public assets and resist privatisation.	0	1
		N=21	
Total agree and disagree clicks N=26			
Total number of page views			
			1

Step 2 Engagement

Methodology – September & October, 2013

In September, a Citizens' Panel was formed to deliberate over the issues and provide recommendations on how Council could manage the financial gap into the future.

Deliberative engagement is a process whereby participants develop a position over time as a group, through learning about the technical aspects of the topic and hearing differing perspectives from 'expert' stakeholders and other participants. It differs from other forms of engagement where participants assert the view they already hold.

Deliberative processes seek value in collective wisdom. Deliberative engagement seeks to work with a representative sample of the community that includes a variety of views so that all voices are heard and discussions are not dominated by one participant, interest or pre-determined position. Deliberative techniques are heavily structured in order to reduce conflict between different interests. They build community capacity as representatives are given access to a detailed understanding of organisational processes, constraints and can help create opportunities and varied solutions. They also offer the organisation an opportunity to learn what information the community feels is valuable and how opinions may change. Council chose to convene a Citizens' Panel as an internationally recognised deliberative technique.

As the Panel membership needed to be representative of the Wollongong community Council prepared a social demographic profile and hired an independent agency, Taverner Research, to recruit between 30-40 residents. Taverner Research used the following indicators to ensure the panel was a mini-public, representing the broad demographics of the city:

- Varied location by Ward (north, central, south) with equal representation from each area
- Income
- Gender
- Age
- Tenants and home owners
- Language other than English.

Current and former Councillors, State and Federal Members of Parliament and current Council staff were the only exclusions from the panel. Neither Council staff nor Councillors selected the Panel members.

Table 16: Demographic profile of panel membership

Categories	Description	Demographic profile	Participa	ant profile
		Percentage	Number	Percentage
Service age groups	18-24 years (Tertiary / independent)	13.4% of 18 years+	5	13.9%
	25-34 years (Young workforce)	16.2%	5	13.9%
	35-49 years (Parents / homebuilders)	26.0%	9	25.0%
	50-59 years (Older workers / pre-retirees)	16.3%	6	16.7%
	60-69 years (Empty nesters retirees)	12.9%	6	16.7%
	70+ years (Seniors / elderly)	15.3%	5	13.9%
Ward	North – ward 1	N/A – Council wanted	13	36.1%
	Central - ward 2	the Panel to evenly	11	30.6%
	South – ward 3	represent all three wards	12	33.3%
Home tenure	Own/buying	64.4%	27	75.0%
	Renting	29.3%	9	25.0%
Gender	Male	49.5%	21	58.3%
	Female	50.5%	15	41.7%
Ethnicity	Speaks only English	79.4%	28	77.8%
	Speaks another language (NESB) (and English well/ very well/ not well/ not at all)	17.6%	8	22.2%
Qualifications	No education above high school	43.9%	13	36.1%
	Advanced diploma / diploma / vocational certificate	28.7%	14	38.9%
	Bachelor / higher degree	16.8%	9	25.0%

[•] This profile excerpted from the Citizens' Panel Report Appendix B

Thirty-four Panel members met on four occasions to formulate, discuss and consider Council services, revenue and budget. The Panel was led by independent facilitator Lucy Cole-Edelstein of Straight Talk, who led a similar process for Canada Bay Council in 2012. The Panel members were given detailed information on each of Council's services. Presentations were heard from members of Council's Executive and Senior Management Teams. The Panel was presented with the results of the Step 1 engagement surveys and submissions to consider as part of their deliberations.

These submissions and the fact sheets and maps prepared by Council were made available to the community on Council's community engagement page.

Table 17: Engagement Activities Step 2

Engagement Activity	Audience	Timeframe
Citizens Panel	Selection of Citizens' representative	26 September
	of the wider WCC electorate.	2 October
		12-13 October
		26-27 October

Step 2 Results

The Citizens' Panel produced a report including demographics, methodology and recommendations against each of the key review areas: Service levels, Efficiencies and Revenue. This report was compiled by Straight Talk with input and direction from the Citizens' Panel to outline the Panel's recommendations for review by the community and Councillors.

The Panel report describes their process as follows:

"Members of the Panel were everyday citizens who committed to spend a significant amount of time learning about issues affecting Council's budget. They were no more, or less, politically motivated that average citizens and unlike active citizens or representatives of special-interest groups, who routinely lobby Council, they had no vested interests. They worked together as a group, and not as individuals, to identify recommendations that would serve the common good and minimise impact on the community as a whole."

A full copy of the Report is attached as Appendix B.

Step 3 Engagement

Methodology - 5-20 November, 2013

Following the release of the Citizens' Panel final report on 5 November 2013, the report was placed on exhibition from the 5 November 2013 to the 20 November 2013. The Citizens' Panel final report included the Citizens' Panel overall findings and recommendations, and highlighted that such recommendations were necessary in order to secure future financial sustainaibility. Specific recommendations were made in three areas; service level changes, efficiencies and revenue sources. The community was asked to provide feedback on the report generally, and the recommendations specifically.

The key engagement tool for Step 3 engagement was an online submission form on the 'Have your say' website. This survey invited feedback from community members regarding: the overview of the Citizens' panel findings and recommendations, recommended service level changes, recommended efficiencies and recommended revenue sources. The online submission closes with an option to provide any other feedback.

Community members were also invited to email or write to Council to provide feedback. While these submissions did discuss a number of Citizen Panel recommendations, they also often discussed issues or concerns that were not part of the Citizens' Panel report. These issues and concerns were registered and included in 'other comments'.

On the 7 November 2013 Council staff convened a meeting with Neighbourhood Forum Convenors to discuss the process of the Citizens' Panel and their report, requesting members consider the recommendations and provide feedback.

Council staff were at Viva La Gong on Saturday 9 November 2013 to distribute promotional material, answer questions and invite further feedback.

Table 18: Engagement Activities for Step 3

Activity	Distribution	Target Audience	Schedule
Step 3	Information kiosk at Viva	Community	9
	Distributed promotional material		November
	Provided opportunity for feedback &		2013,
	information to stakeholders.		11.00am-
			1pm
	Neighbourhood Forum Convenors meeting	Neighbourhood	7
	 Information sharing session 	Forums	November,
		Community	6-7.30pm
	Information pack		
	Consisted of a cover sheet explaining	Residents	Distributed
	background and how to have a say, the	Service users	by 6
	Citizens' Panel report, poster and		November
	promotional bookmarks.		2013
	 Distributed to all Council libraries, 		
	community centres, Youth Centre,		
	leisure centres & tourist parks.		

Stakeholders

The engagement strategy identified the key stakeholders of the project as: residents of the entire Local Government Area, all members of Council's Reference Groups, members of health services, community, sporting, education, business and surf lifesaving groups, and Neighbourhood Forums. Internal stakeholders were identified in order to maximise distribution of the report and promotion of the exhibition period to networks throughout the Wollongong area. Email lists and databases developed through ongoing engagement processes, including community groups and networks were used to promote the engagement and online opportunity to have a say.

Promotional Materials Information Package

Information packs were produced and distributed at a number of Council sites throughout the Local Government Area. The packs consisted of a cover sheet explaining the background to the project and how to have your say, the Citizens' Panel's report, a poster and promotional bookmarks. The information pack was distributed to all Council Libraries, Beaton Park and Lakeside Leisure Centres, Bulli, Corrimal and Windang Tourist Parks, Wollonong Youth Centre, Council pools and a range of other youth and community centres throughout the local government area.

Media Activities

Print and Broadcast Media

A media release was produced and sent through to local media outlets on 5 November. Advertisement inviting the community to read the Citizens' Panel Report and make a submission to Council appeared on 6, 13 and 20 November in The Advertiser.

A number of news articles have appeared in both print and broadcast media during the exhibition period, including use of the Illawarra Mercury's online comments facility.

Online Media

The use of online media supported the engagement process during the exhibition period. The Securing our Future webpage was updated with messages about the process of the Citizens' panel as well as copies of key documents, a discussion form and submission process. The link to the Securing our future webpage has been extensively shared and promoted via Council's Facebook page and Twitter feed.

Step 3 Results

The following section presents the results of the various engagement strategies undertaken, detailing the responses gained from the results of the survey. Table 19 below provides a summary of strategies and activities undertaken, participants involved, and the number of participants attending or interacting at each engagement activity.

Table 19: Attendance at Engagement Activities

Activity	Stakeholders	Number of Participants (N)	Date
Information Kiosk at Viva	General community	65	9 November
Neighbourhood Forum convenors information session	Neighbourhood Forum members	7	7 November
Online discussion forum	General community	745	24 - 28 June
Web hits	General community	10,279	21 November

Table 20: Number of submissions received

Туре	Number of Submissions (N)
Online submission form	292
Open letters or emails	333
Petition 1: Don't close Lakeside Leisure Centre	488
Petition 2: Don't close Coalcliff pool	13
Petition 3: Don't close Unanderra library	423

Open Submissions

There were 15 open submissions to the Step 3 engagement from forums or groups.

The submissions were made by:

Coalcliff Community Association

Illawarra Cricket Association

Multicultural Reference Group

National Trust, Illawarra Shoalhaven Branch

Neighbourhood Forum 3

Neighbourhood Forum 5/6

Neighbourhood Forum 8

Nutrition Australia NSW Division

Otford Protection Society

Russell Vale Golf and Social Club

Save our Services

Scarborough-Wombarra Surf Life Saving Club

Surf Life Saving Illawarra

United Services Union

Wollongong City Surf Life Saving Club

318 individual members of the community made open submissions.

Online discussion forum

An online discussion forum was launched on 5 November 2013 to provide an opportunity to engage in discussion with fellow community members and ask questions of Council. The following question framed the discussion:

Following four workshops and a process of intense deliberation the Citizens' Panel has prepared a report for Council on their recommendations. Do you have any comments on their recommendations?

The forum provided an opportunity for community members to provide their own comments, as well as respond to other participants' comments. Table 21 summarises the comments posted, and whether other participants agreed or disagreed with such comments.

Table 21: Online Forum Participant Comments Step 3

	Summarised comment	Agree	Disagree
1	Have commercial tenants in Southern Gateway	4	1
	Centre		
	Which pools will be 'run to fail?' - we need more		
	pools		
	Cut Viva La Gong		
2	Questioning of the panel members and the spread of	7	1
	income level, suburb and gender		
	Appalling suggestions to cut public services.		
	Especially ocean pools as part of healthy		
	communities		
3	Consider land usage fees (for indigenous people)	2	7
4	Unclear response	0	2
5	Access to services that benefit the whole community	0	1
	(pools and libraries).		
	Resistance to private usage		
6	Do not cut tidal ocean pools servicing. All surf clubs	12	0
	use the tidal pools for training and they are needed		
	for safe swimming.		
7	Libraries can go, pools to stay.	0	1
8	Concerns about land use entitlements	0	0
9	Extended response included as open submission instead	3	1
10	Against rate increases.	0	1
	Mt Keira Rd needs urgent upgrade and Summit Park		
	needs to be leased.		
11	Wollongong has a brief to promote healthy lifestyle,	8	0
	promote tourism and bring jobs to the Illawarra -		
	therefore maintain playgrounds, pools and libraries		
	Rock pools are one of Wollongong's greatest assets		
	- historically, socially and health giving		
12	Closing children's playground is not a solution.	12	0
13	Extended response included as open submission	2	5
	instead.		
14	Reduce waste on capital works and hours of labour	5	0
	e.g. weekends		
	Close small parks that are underutilised		
	Consolidate libraries but provide mobile access		
15	Retain council management of Russell Vale Golf Club	0	2

	Summarised comment	Agree	Disagree
16	Do not charge access to healthy living facilities - they	10	0
	bring social, health and equal access to the		
	community		
17	Utilise green space opportunities	1	1
18	Generally happy with citizens panel (cp)	3	3
	recommendations		
	Develop Puckey's Estate Reserve and lease out		
19	Concern for the legitimacy of Citizens' panel.	8	1
	Changing services or assets in the community is a		
	short sighted approach		
20	Set affordable rates for rental of community halls.	0	1
21	Generally happy with CP recommendations	2	0
	Need lifecycle cost analysis for future projects		
	Councillors need to report back to the panel		
	Charities burdened already with illegal dumpers		
	Divestment in council land assets		
22	Council postage costs are \$274,00 - therefore use email/ electronic forms instead	12	0
23	Leasing of property	0	0
24	Unclear response	0	0
25	Unclear response	0	0
26	Unclear response	0	0
27	Questions about the payment of Citizens' panel members	2	1
28	Lakeside Leisure Centre is important asset to a healthy and vibrant community as well as servicing the changing needs of the community	3	1
29	Sell Lakeside	0	1
30	Keep the rock pools - they are a unique asset to the Illawarra	6	0
31	The Bulli Pool is used as part of Bulli High's PE and sport programs and fundamental to this continuing	10	0
32	Pools are needed for children and lifesaving programs	10	0
33	Ocean pools are a national treasure and draw tourism	10	0
34	The pools are a unique asset to Wollongong – both egalitarian and positive for social wellbeing	6	0

	Summarised comment	Agree	Disagree	
35	Criticism of council processes and promises about	5	0	
	projects e.g. Bald Hill			
	Concerns about tender processes and costs as well			
	as road repair costs and management			
36	Remove department inefficiencies	0	0	
37	The ocean pools add considerable value to the Illawarra – locals and tourists.	6	0	
38	Unclear response	1	0	
39	While democratic, the CP does not represent the	0	0	
	community			
40	Have road levies for heavy rigid class trucks	2	0	
	Undertake works that are community requested			
	rather than imposed			
41	Recreational and community assets are essential	1	0	
	(pools, parks, beaches, libraries). Maintain beaches,			
40	parks and escarpment	4		
42	Lack of trust that the comments from this forum will be taken notice of by Council	1	0	
43	It is short sighted for ocean pools to disappear - they	1	0	
	are unique and attract visitors			
	Develop sustainable long term solutions			
44	Question the integrity of the online survey process	1	0	
45	Lakeside is essential to community health including	0	1	
	seniors and disability classes		<u> </u>	
46	Contract all essential services to the private sector	1	0	
47	User pays should be introduced for localised services	0	0	
48	Unclear response	0	0	
49	Send industry elsewhere	0	0	
50	Businesses should be charged more	0	0	
	_			
51	Efficiencies of council are questioned	0	0	
	Total agree and disagree clicks	N=156	N=32	
	Total number of page views N=745			

Submissions

Feedback from both open and online submissions has been collated into the following tables. The tables are arranged by the headings provided in the Citizens' Panel Report. The Panel's recommendations have been summarised below so this section should be considered alongside a copy of the original report to ensure full clarity.

A strong response to the report was that participants felt that: there was insufficient detail in the Citizens Panel Report to comment on specific changes or recommendations; that the Step 3 engagement period was too short; that Panel members had done the work of elected representatives; and that there needed to be greater transparency and communication surrounding the process, the recommendations and the information used in the deliberative process.

While a number of participants provided highly emotive responses, there was quite a significant amount of detailed information provided in the submissions. Some of the more noteworthy comments were not specific to any of the recommendations, but instead took a large scale approach. Participants claimed that they had concerns around increased levels of unemployment that might arise from outsourcing and/or efficiencies, and that decreased staff levels could lead to poor service provision. There was disagreement between participants on whether the recommendations would work, and the extent to which Council should be able to make a profit from commercial services if they were run more efficiently.

The impact on the city, in terms of both cleanliness and image of Wollongong on the one hand, and tourism and economic development on the other, was highlighted in the responses from participants. Participants felt that without sufficient services, the city would become less attractive, and affect Wollongong's capacity for economic development. Tourism was highlighted as a potential growth area, but one that is underpinned by service delivery.

Finally, questions of social inclusivity, liveability and the health of the community were raised throughout the submissions. In this sense, a number of submissions asked that social costs be considered before economic costs.

Question 1: Do you have any comment on the Citizens' Panel's findings and recommendations?

While many participants did not provide comments on this section, there was positive support for the principles underpinning the Citizens' Panel process and report. In particular, N=26 supported that Council follow the principle 'spend the community's money wisely', and N=38 agreed that Council should do everything possible to avoid a rate rise, including tightening the belt via efficiencies and service level changes. In the context of support for such principles, N=125 disagreed with the recommended rate rise of a maximum of 7-75% over three years.

Table 22: Do you have any comments on the recommended Service Level Changes?

Recommendation	Agree	Disagree	Indicative Comments
Lakeside Leisure Centre – close and sell land	3	39 Note: Petiti	 Treat the same way as Beaton Park – increase income from third party operators. Lakeside provides many services that other fitness centres don't such as child minding, squash, tennis, group classes. Needs to be promoted better to increase utilisation.
Pensioner interest	1	N=488 22	It is a low act to hit pensioners with higher
Unanderra Library - close	4	49	 fees. The hours have recently been extended to meet community demand. Service the area with a mobile instead. This is a low-socio-economic area that needs a library. fon received against proposal, see below.
		N=423	on received against proposal, see below.
Coalcliff/ Scarborough reduce beach season	4	185	 There is a strong risk of death if patrolled hours are reduced. The beaches are remote and it will take too long for help to come if someone is in trouble. Shift the patrolled time to later in the day out of the harshest sun in the middle of the day. For much of the season, a three hour Lifeguard Service, from 1430 to 1730, would be sufficient at Coalcliff. A full service should be maintained from mid-December to mid-February.
Events reduce fireworks/ reduce Viva contribution	20	17	 These events bring tourist dollars to the area. Wollongong needs more events, no less.
Urban renewal and civic improvement	2	7	Out city looks old and tatty, we need it to be vibrant.

Recommendation	Agree	Disagree	Indicative Comments			
Playgrounds – centralise and reduce small Community pools	3	39	 We need to be able to walk to a park, not just drive. Larger parks are too crowded and small children can't enjoy the experience. What is being suggested here? 			
- reduce season			 Is this in alignment with the pool users' survey? It is hard to get to the pool when you work full-time. 			
Community pools Berkeley reduce hours	1	22	 Is this in alignment with the pool users' survey? It is hard to get to the pool when you work full-time. 			
Ocean rock pools reduce	3	Note: P	 The rock pools are icons and part of the Illawarra's cultural heritage. These beaches are dangerous places to swim in the open oceans. The pools increase safety. The pools are actively used by clubs, nippers and schools. Reduce costs by multi-tasking staff – lifeguards could also clean the pool. It doesn't make sense to close Coalcliff pool after upgrading the toilets. These pools feature in all our tourism and advertising campaigns so surely that shows they are important. Note: 61 specifically opposed closing Coalcliff pool, and 126 specifically opposed closing Northern Beach's Tidal Pools 			
Community facilities rationalise	5	19	 These are important community meeting places. The community built them so they belong to us. The fees are too high to encourage usage. 			

Recommendation	Agree	Disagree	Indicative Comments
Community facilities Coalcliff Hall demolish	0	51	 Treat the same way as Beaton Park – increase income from third party operators. The fees are too high to encourage usage. The hall is used as emergency accommodation. Let the community run it instead.
Pensioner waste exemptions remove	0	19	It is a low act to hit pensioners with higher fees.This will encourage illegal dumping.
Charitable waste exemptions remove	2	13	This will encourage illegal dumping
Learning and development reduce CATS program	4	23	Council is a major employer in the area. This will affect training opportunities for young people.
Crematorium - exit	2	19	Manage the business better to make a profit.
Parks reduce number of small	6	29	Some parks are currently unusable because they are not maintained.
Mechanical street sweeping reduce	4	14	 I didn't know you did it now. Consider the image of the city and its impact on tourist dollars.
Community engagement reduce	4	9	 This is unwise, we don't get enough now. Residents need to be engaged more not less.
Crown Street façade – one off program	5	5	
Community development review	2	2	What does this mean?
Environmental programs and partnerships review	2	4	Yes, a review should take placeThis is an excellent program.
Environmental assessment and compliance review	1	1	With climate change, increased risk of bushfire and flood this should not be reduced.
Social planning reduce	2	1	Agree.

Recommendation	Agree	Disagree	Indicative Comments
Footpaths expand	5	6	People will hurt themselves.
lifespan			
Overall comments	N/A	N/A	A lot of money seems to be spent on
			unnecessary projects.
			Concern about cuts to services that affect
			families, the elderly and disabled.
			The proposed cuts seem to be targeting
			people trying to be fit and healthy.
			Council should spend money on parks,
			playgrounds and roads before upgrading
			shopping areas.
			Consider the effect on tourism that
			downgrading and closing services will
			create.
			Don't centralise services.

Note: the recommendation has been summarised in this table. Please refer to Citizens' Panel report for full recommendation and explanatory notes. Not all participants answered this question.

A number of participants expressed that they could not comment on specific service cuts as there was insufficient detail to formulate a view.

Petition to save Lakeside Leisure Centre

A petition of 488 signatures was received. The following statement was provided:

"Wollongong City Council have decided to close Lakeside Leisure Centre in Dapto as a COST CUTTING MEASURE, There is NO other facility in our area that offers such a wide range of fitness services for young and old, Governments are constantly telling us how overweight and unfit we are....DON'T LET THEM CLOSE OUR CENTRE, Your voice can also be heard on the "COUNCILS HAVE YOUR SAY www.wollongong.nsw.gov.au"

Petition to save Coalcliff Rock Pool

A petition of 13 signatories from Stanwell Park Primary School was received. The petition expressed their love of the pool and how upset they were to hear the pool may close.

Petition to save Unanderra Library

A petition of 423 signatories was received. The following statement was provided:

"Keep Unanderra Library open – please don't ignore our needs.

Unanderra residents implore Wollongong City Council to retain and maintain current operational hours and staff of Unanderra Library. This Library is a hub of local community who frequent this highly valued, hospitable and professional service, to gain access to information, resources and IT facilities and of course for GENERAL LOAN OF BOOKS. Failure to provide this service would deny access and equity to local community needs. Local transport precludes access to either Wollongong or Dapto libraries with NO DISABLED ACCESS at Unanderra station. This extends to aged, injured, parents with young children and prams, others with various mobility issues".

Table 23: Do you have any comments on the recommended efficiencies?

Recommendation	Agree	Disagree	Indicative Comments
Beaton Park	6	1	• If you increase fees you will decrease usage.
increase income			Great idea, why isn't this idea applied to
			other services?
			The fees are already higher than other
			places.
Russell Vale Golf	2	12	This is mostly run by volunteers already.
Course outsource			
Tourist parks	3	7	You might save money but you will also lose
outsource			revenue.
			 You should be able to run this at a profit.
			Outsiders won't run these as well as staff do.
Supply	4	0	
management			
reduce			
Community	1	3	It is online already.
development			
reduce production			
of directories			
Community safety	1	11	Removing this would have a negative effect
and graffiti reduce			and increase unsightly areas of Wollongong.
staff			I am happy to pay higher rates to keep this
			service.
			Couldn't Council use offenders to clean up
			graffiti?
Community	1	9	What does this mean?
development			
reduce/review	_		
IPAC/Town Hall	5	3	This shouldn't be considered Council
integrate			business anyway.
management			
Environment	2	3	This is an excellent program that should be
community			kept.
programs review	4		
Legal services	1	1	
review		40	
Tourism increase	6	13	We need to promote tourism more.
investment in			Consider the effects of other service
assets/reduce			decreases on tourism.
marketing			Are we going to make our city undesirable to
			tourists?

Recommendation	Agree	Disagree	Indicative Comments
Nursery reduce staff	0	6	Provide positive support to the Botanical Gardens, an important space in Wollongong
BA 1 ()			Wollongong needs to be more green
Marketing, sign	3	3	Sign shop offers potential for making money
shop, printery			
outsource			
Infrastructure	2	3	
information and			
systems support			
reduce, review Design and	1	2	
technical services	1	2	
reduce			
Roads and	3	5	Job losses will increase the city's
bridges outsource,	3		unemployment.
reduce			unemployment.
Customer service	4	4	Improve efficiencies.
reduce			mprovo emolenoles.
Corporate and	3	1	Apply an efficiency target.
Councillor support			, , ,
reduce			
Vehicles	4	0	Reducing operational vehicles is fine but
reduce/review			keep community transport.
			Wouldn't taxis be cheaper for short trips?
GM & executive	15	0	Cutting these wages would help lessen the
reduce			burden on the community.
			Consider cutting numbers and wages across
			middle management.
Human resources	16	15	Fewer staff dealing with more work won't
reduce			improve services.
			Council staff stand around anyway.
			If outsourcing work to other companies can
			reduce costs, there is a problem with
			Council's management.
			Retrain staff to multi task and fill vacancies.
			This will increase Wollongong's
			unemployment problem.
			Casuals and contractors are expensive
			because of turnover and having to retrain all
<u> </u>			the time.
Economic	2	1	
development			
reduce]	

Recommendation	Agree	Disagree	Indicative Comments
Public toilets	2	4	They won't be kept as clean as now.
outsource			This will increase unemployment.
cleaning			
Enterprise	4	3	•
agreement change			
Library – reduce	7	17	We still want paper books.
book vote, more e-			Not everyone has/can afford an e-reader.
books			E-books are expensive licences.

Note: the recommendation has been summarised in this table. Please refer to Citizens' Panel report for full recommendation and explanatory notes. Not all participants answered this question. A number of participants expressed that they did not believe that these changes would result in the projected savings.

Table 24: Do you have any comments on the recommended revenue?

Recommendation	Agree	Disagree	Indicative Comments
Commercial	6	15	Raising fees will lower usage.
heated pools			The community built these pools.
increase fees			
Community pools	9	23	It will get stolen.
gold coin donation			Charge visitors not locals.
			No-staff at pools is a safety issue.
			Administering the charges will out cost the
			donation.
			We already pay rates.
			Disadvantaged people won't be able to get
			exercise.
			Apply this model to other programs and
			events, eg Gallery, Library activities.
Gleniffer Brae	6	5	You couldn't rent it when you tried before.
integrate with			• It is the community's, not Council's.
garden, seek			
rental return			
City gallery	3	6	Gallery used to attract large amounts of
reduce, increase			sponsorship.
revenue			Needs better promotion and more travelling
			exhibitions.
Sports fields	5	19	These important community services often
increase fees			have tight budgets.
			Don't disadvantage kids and families.
			They are important for our sense of
			community.

Recommendation	Agree	Disagree	Indicative Comments	
Fitness trainers	9	6	Fitness trainers should be charged an	
increase fees			appropriate amount for using council	
			facilities.	
			 Charge large businesses but not small 	
			operators.	
Youth services –	1	3	What does this mean?	
revenue				
Libraries –	4	6	That's a good idea.	
increase late fees			People won't bring the books back.	
Environmental	3	0		
assessment and				
compliance				
review, increase				
fees and charges				
Car parking,	14	46	Introduce parking meters at crowded	
extend, increase			beaches.	
fees			Ensure large developments put in adequate	
			parking.	
			Increase parking infringement fines.	
			You will drive people away from the city.	
			Need more ranger patrols.	
			Move parking meters from the CBD to the	
			hospital.	
Rate rise	24	151	Happy to pay a rate rise if services also	
			improve N=22 online.	
			The rate rise should be for all, no	
			exemptions.	
			Would rather pay a higher rate rise and not	
			lose any services.	
			I don't accept a rate rise, you should have	
			planned better.	
Other suggestions			Get rid of a number of council owned	
			properties or lease them out.	
			Reduce money spent on receptions.	
			Seek more sponsorship/ business	
			partnership opportunities.	
			Charge large companies like mines whose	
			trucks damage the roads higher rates for the	
			repair.	
			Look at internal savings first before reducing	
			services.	

Note: the recommendation has been summarised in this table. Please refer to Citizens' Panel report for full recommendation and explanatory notes. Not all participants answered this question.

Table 25: Do you have any other comments on the recommendations?

Theme	Participants	Indicative Comments
Step 3 Engagement	181	Panel has done the work of, and/or replaced the
Process		role of the Councillors.
		Lack of information pertaining to the process.
		Engagement period needed to be longer for
		informed participation & submissions.
		Panel doesn't reflect the demographics and
		diversity of the Wollongong community.
		Panel lacked the necessary financial expertise to
		make such decisions and/or recommendations.
		Information provided to the Panel needed to be
		publicly available to the community as well.
Focus on improved	55	Council should prioritise improving planning,
efficiencies and		processes and waste reduction
savings, before		Benchmark services to ensure greater efficiency
cutting services		Focus on efficient use of rates
		Use rates for existing asset renewal, rather than the
		development of large scale and new projects
Objection to selling,	17	Tenderlink doesn't improve efficiency.
outsourcing &		Lowest tender creates a reduction in quality.
privatising		Introduce more efficient tendering processes.
		Outsourcing causes more problems with delivery,
		and increases costs.
		Selling assets reduces Council's capacity for
		revenue raising in the future.
		Outsourcing can lead to a loss of jobs in the local
11	00	area.
Happy to pay	22	Some participants claimed they would be happy to
increased rates in order to maintain		pay greater rates in order to maintain existing
service levels		service delivery levels.
SCIVICE IEVEIS		Other participants claimed they would be happy to pay higher rates or food for a position participality.
		pay higher rates or fees for a specific service, in
		order to maintain that specific service (in particular
		Ocean rock pools).

Note: the recommendation has been summarised in this table. Please refer to Citizens' Panel report for full recommendation and explanatory notes. Not all participants answered this question.

Open Submissions Received Late

A total of 32 open submissions were received late. These submissions were not included in the report presented to Council on 10 December 2013.

The submissions focused on the three key issues of services, efficiencies, and rates and revenue.

In terms of services, the results were as follows:

- N=18 spoke against the recommendation to close northern ocean pools.
- N=6 were against the closing of Unanderra library.
- N=2 were against the proposal to reduce lifeguard patrol hours at Coalcliff/Scarborough beach.
- N=1 submission spoke against the proposal to close the Coalcliff Community Hall.
- N=1 submission was supportive of the need to review services with low utilisation rates.

Additionally, 23 open submissions were received from the Stanwell Park Primary (Year 6 class). N=23 were against the closing of Coalcliff ocean pool, N=4 against the sale of the Coalcliff Community Hall and N=3 against the reduction of lifeguard patrol hours at Coalcliff-Scarborough beach.

Only 2 submissions focused on internal efficiencies with n=2 specifically mentioning the need to reduce or eliminate the car pool and n=1 suggesting a reduction in Lord Mayor and General Manager salaries. N=2 submissions spoke out against the Crown Street Mall redevelopment project.

With regard to rates and revenue, the following results were identified. In terms of rates:

- N=1 in support of increasing rates in order to maintain existing service levels.
- N=1 indicated a lack of support for a rate rise.

In terms of revenue, the following results were found:

- N=1 submission spoke strongly against the introduction of fees to access Port Kembla pool.
- N=1 submission suggested ending the sister city program.
- N=1 submission showed support for outsourcing.

Petition to save Lakeside Leisure Centre

Additional late pages were received for the petition to save Lakeside Leisure Centre. The late pages contained a petition of 112 signatures, featuring the following statement:

"Wollongong City Council have decided to close Lakeside Leisure Centre in Dapto as a COST CUTTING MEASURE, There is NO other facility in our area that offers such a wide range of fitness services for young and old, Governments are constantly telling us how overweight and unfit we are....DON'T LET THEM CLOSE OUR CENTRE, Your voice can also be heard on the "COUNCILS HAVE YOUR SAY www.wollongong.nsw.gov.au"

Petition to save Wollongong Rock Pool

A petition of 1,416 and 385 comments was received, via the online petition site change.org. The following statement was provided:

"Put an end to any ideas of demolishing the rock pool situated next to the Continental Baths in Wollongong".

Demographic Data

Table 26: Participants' Suburb of Residence Step 3

Ward 1 - Suburb	No.	Ward 2 – Suburb	No.	Ward 3 - Suburb	No.	Outside LGA	No.
Austinmer	13	Coniston	3	Berkeley	2	Peakhurst	1
Balgownie	2	Cordeaux Heights	4	Brownsville	1	Engadine	1
Bellambi	0	Cringila	0	Dapto	11	Epping	1
Bulli	20	Fairy Meadow	5	Flinders	1	Randwick	1
Clifton	2	Farmborough Heights	1	Horsley	7	Berowra Heights	1
Coalcliff	45	Figtree	16	Kanahooka	8	Margaret River	1
Coledale	21	Figtree Heights	0	Koonawarra	1	Oak Flats	1
Corrimal	13	Gwynneville	0	Lake Heights	1		
East Corrimal	2	Keiraville	8	Penrose	1		
East Woonona	5	Mangerton	1	Port Kembla	3		
Fern Hill	2	Mt Keira	2	Primbee	1		
Helensburgh	19	Mt Kembla	4	Warilla	0		
Otford	11	Mt Ousley	1	Warrawong	0		
Russell Vale	1	Mt Pleasant	0	Windang	0		
Scarborough	11	Mt St Thomas	0				
Stanwell Park	20	North Wollongong	0				
Stanwell Tops	4	Unanderra	4				
Tarrawanna	0	West Wollongong	2				
Thirroul	12	Wollongong	15				
Towradgi	4						
Wombarra	27						
Woonona	13						
TOTAL							
number of participants per Ward	247		66		37		7

Step 4 Engagement

Methodology - December 2013-February 2014

On 9 December 2013 Council considered a report on the findings of the Step 1, 2 and 3 engagement and resolved to exhibit the draft Resourcing Strategy 2012-2022 (revised 1 December 2013) and draft Delivery Program 2012-17 (revised 1 December 2013) and options based on three financial scenarios. The exhibition commenced on 11 December 2013 and closed on 5 February 2014.

The community were asked to consider the options and indicate their preference as well as review and comment on the draft strategies which explain the impacts of each option. We explained to the community that the three options reflect the diversity of opinion obtained from the first round of consultation on the Panel's report.

We asked for feedback on different combinations of the following elements:

- Efficiencies including possible outsourcing and staff level changes
- Service changes including possible cuts, closures or privatisation
- Fees and charges increases
- Rates increases of varying levels.

The options are summarised on the survey as follows:

- Option 1: Citizens' Panel recommendations including service cuts and outsourcing, moderate fee rise, small rate rise.
- Option 2: Limited service cuts, moderate fee and rate rise, efficiencies including some outsourcing.
- Option 3: More significant rate rise, efficiencies with low impact on services and staff.

The purpose of this Step 4 engagement was to measure both the community's views of acceptable levels of service, and community capacity and appetite for a potential rate rise.

Table 27: Step 4 Engagement Activities

Activity	Distribution	Target Audience	Schedule
Step 4	Submissions	Residents	5 Feb 2014
	Open submissions		(closing date)
	Hard copy survey		
	Online survey		
	Online quick poll		
	Kiosks	Residents by Ward	
	Friday markets, Crown Street Mall (Ward 2)		13 Dec 2013
	Dapto Library and community centre (Ward 3)		20 Jan 2014
	Thirroul Library and community centre (Ward 1)		21 Jan 2014
	Friday markets, Crown Street Mall (Ward 2)		24 Jan 2014

How to have your say?

The community were offered a number of ways to provide feedback to Council during this engagement process. A quick poll was available on Council's engagement hub asking participants to choose from the three Options on exhibition. A survey form was available online and in hard copy format asking participants to specify their preference for Options 1-3 and the reason for their choice. The form also asked for feedback on both the revised draft Resourcing Strategy and the revised draft Delivery Program. The community were also invited to provide feedback as emails, letters and phone calls.

Stakeholders

The engagement strategy identified the key stakeholders of the project as: residents of the entire LGA, Neighbourhood Forums, community action groups, licenced community operators of Council owned facilities, Surf Life Saving Clubs, clubs and service organisations and Council Reference and Advisory Groups.

Promotional Materials

Information Package

In addition to the exhibition materials for Steps 1, 2 and 3, Step 4 featured updated Frequently Asked Questions, an information brochure outlining options and how to have your say, and the draft Resourcing Strategy 2012-2022 (revised 1 December 2013) and draft Delivery Program 2012-17 (revised 1 December 2013).

Information packs were produced and distributed at a number of Council sites throughout the Local Government Area including all Council libraries and Customer Service Centre. All information has been made available on Council's engagement web page.

Brochure and Fact Sheet

The abovementioned brochure was distributed to more than 80,000 households in the Wollongong LGA commencing 13 January 2014. The brochure (Appendix C) outlined each of the three options including average rates impact per household, an outline of the problem Council is faced with and what we have done so far to find a solution. Finally the brochure explains the many ways the community can get involved in having their say and what happens when this Step concludes in early February.

A Fact Sheet was created in January and distributed at kiosks to explain in more depth what the rating options on exhibition mean. Comparative data is given from baseline and rate peg across each option. It also explains rating categories other than residential.

Media Activities

Print and Broadcast Media

A full page advertisement appeared in The Advertiser newspaper on 18 December 2013, 22 and 29 January 2014 and in the Illawarra Mercury on 18 January 2014. This detailed out spelt out the problem and the three options on exhibition.

Online Media

The use of online media supported the engagement process. The Council website hosted a page for Securing Our Future and all promotional materials, including a survey, videos and discussions boards were available on the webpage. The link to the Securing our future webpage has been extensively shared and promoted via Council's Facebook page and Twitter feed.

Community Information Kiosks

Four community information kiosks were held during the exhibition period, allowing for one kiosk for Ward 1 and Ward 3, with two kiosks held at the Crown Street Mall markets located in Ward 2, in the heart of the city. The kiosks were largely focused on the provision of information regarding the Securing our Future project to a wider range of residents throughout the Local Government Area. However, anecdotal conversations between Council officers and residents were significant in that they provided a sense of the community's response to the three options exhibited.

Across a number of conversations, Council officers ascertained that in order to maintain existing service levels community members were initially supportive of Option 3. However, interestingly, upon conversations with Council officers around the need to review services in terms of service delivery overlap, utilisation rates and community need, community members shifted support towards service review. Additionally, community members reflected that efficiencies within Council's internal operations were extremely important within the project at large, and in terms of ongoing financial sustainability.

Step 4 Results

The following section presents the results of the engagement strategies undertaken as part of Step 4. Table 28 below provides a summary of strategies and activities undertaken, participants involved, and the number of participants attending or interacting at each engagement activity.

Table 28: Engagement participation

Engagement Focus	Activity	Stakeholders	Number of Participants
Submissions	Open submissions	Community	234
	Hard copy surveys	Community	20
	Online survey	Community	278
	Online Quick poll	Community	268
Awareness	Kiosks	Community	
	Friday markets, Crown Street Mall, Dec		25
	Dapto Library & community centre, Jan		22
	Thirroul Library & community centre, Jan		26
	Friday markets, Crown Street Mall , Jan		38
	Web hits	Community	8,242

One petition of **580** signatures against the closure of Unanderra Library was received.

Both online and hard copy surveys were made available to the community to make it easy to make a submission. The same questions were asked in both formats. The responses from both are summarised in Table 29 below.

Table 29: Feedback against funding options Step 4

Support Option 1	Support Option 2	Support Option 3	Don't support any option	Don't specify an option
N= 178	N= 184	N= 260	N= 31	N= 141
22.5%	23%	32.5%	4%	18%

Note participants were not asked if they did not support any of the options. The numbers in the table above reflect where participant comment indicated a lack of support for options. The above table includes online feedback form, paper feedback form and open submission results. Note not all participants indicated a preference for any of the three options.

The following table summarises the key themes expressed in submissions received.

Table 30: Key themes from submissions Step 4

Key themes		N=	Indicative Comments
Rate	Support minimal rate rise	178	 Rates are high enough, increase user pays. We are being asked to pay higher rates because of inefficiency and poor management. We need to make some tough decisions about services. This option has the lesser increase in rates and focuses more on cutting waste and duplication of services based on tradition, development of efficiencies within council and that the user pays. We already pay more than other areas.
	Support moderate rate rise	184	 Good balance between rates and other fee increases, good compromise. It is fair to spread costs across rates and services.
	Prefer higher rate rise to keep services	82	 Tourism brings money, we need to provide good services and facilities to attract tourists. Chose option 3 because it retains Lakeside Leisure Centre. Maintaining services is very important as it enhances quality of life for citizens. I want services expanded, not reduced. Saves jobs and still provides services we need in Wollongong. Best long-term plan. My rates are already high yet I would prefer to pay more than see council sell off or outsource the running of assets, reduce its community investments and cut lifeguard hours. Council services are mostly quite essential. They make for a healthy, more amenable place to live and visit.
	Do not support any rate rise	70	 Why can't Council manage with the rates they have now? The cost of living is high enough without rates going up. I can't see what Council does for us now.

Key themes	N=	Indicative Comments
Council should increase efficiency of its operations	152	 Invest in energy efficiency, waste reduction and recycling, and renewable energy generation. Conduct a detailed analysis of Council
Concerns about transparency, accountability and budget management	18	business including financial audits and benchmarking. • Council should only be involved in core-
Wasted resources in project management	38	business.Council should push back against the creep of business from State and Federal
Enterprise agreement – change Don't change	7 1	agencies.Cut overheads and mismanagement.It appears that if one or two people make
Staff wages too high	10	lots of noise requesting something the Council wastes lots of money on it! Council should cut spending and staff
Concerns about non-wage benefits	11	wages before raising rates. • Use more up-to-date technology and
Staff numbers – reduce Maintain skills	20 5	business practices. • Keeping existing staff is more efficient than
Perceptions of productivity	19	 outsourcing. Perception that outdoor staff do not work hard or efficiently.
Benchmark for efficiency General comments supporting efficiency/efficiency targets	6	nara or emolernly.
Outsourcing Support Don't support	45 12	 I don't support outsourcing as all the evidence shows that it saves money largely by paying lower wages relative to direct employment of staff. Competitive tendering is required for a range of council services. On some occasions outsourcing to groups who specialise in services can be the most efficient and effective way to achieve outcomes. I think outsourcing some services is a good idea. Finding efficiencies in council through productivity gains and bench marking and out sourcing services that can be provided in a more financially sensible way is common sense. Outsourcing of services is essential for the achievement of necessary efficiencies.

Key themes	N=	Indicative Comments
People can't afford to pay more	25	 Pensioners & people on fixed incomes have no way of increasing their income to pay the rate increase so if services have to be cut so be it. Don't remove the Pensioner rebate.
Support Don't support	53 5	 More "user -pay", smaller increase in rates per household system is fairer. People need to understand things cost money. It is always the residents/property owners of the municipality who should pay for these things when it is the actual users who should pay. I use the pools and other facilities and have no problem with gold coin donation or other small fee. Tourist and renters all use the services but only rate payers pay for their upkeep. User pays means we don't have to pay for services we don't need. Services aimed at tourists needs to be user-pays including tourist parks and car parking at beaches.
Don't impact employment rates		 Human resources are an invaluable asset for council and the retention of this valuable asset is a cost efficiency for Council from a financial and a risk management perspective. Prefer option 3 because it does not impact jobs or the work that local people do. Losing jobs in a town that is already overburdened with long term unemployment is bad. There is efficiency involved in retaining experienced staff. Do not wish to see the cadet, apprenticeship or trainee program halved as unemployment is already too high in this area, with opportunities for young people is very limited. In this economic climate I feel that public projects and maintenance should continue or increase to assist further employment.

Key themes	N=	Indicative Comments
Infrastructure choices Don't support Support	71 12	 Don't agree with choices Council makes over renewing infrastructure for example Crown Street Mall, Blue Mile, Gateway Centre Bulli tops, Towradgi toilet block, footpaths are a mess. Council shouldn't spend all its capital money in the city centre, but the whole Council area. Can't stop development and capital works.
Specific services	20 6	Lakeside Leisure Centre Keep open Close
	95 3	Rock pools Keep Don't keep
	53 580 6	Unanderra Library Keep open Petition to keep Unanderra Library open Close
	9	Cremator Keep open Close
	5 8	Mechanical street sweeping Keep in place Reduce/rationalise
	16 15	Parking meters Increase fees Place at beach and charge visitors (N=12) Don't increase fees Don't want them in CBD (N=6)
	11 13	Crown Street Façade program Continue Discontinue

Additional comments

The following table outlines ideas raised in submissions for increasing revenue, saving money or adding new services.

Table 31: Additional ideas and comments from submissions Step 4

Build a multi-purpose hub including South Coast Writers Centre	N= 3
Introduce local currency as an economic development strategy	N= 1
Enhance the visitor economy	N= 5
Use volunteers at the Wollongong Art Gallery	N=1
Save money through increased sustainability	N=6
Sell land and building assets that are not needed	N=5
Pay for use of the Green Bus	N=1
Amalgamate with neighbouring Councils	N=4
Establish emergency housing	N=1
Set up Botanic Garden as commercial garden	N=1

Petitions

Petition Unanderra Library

A petition of **580** signatures was received. The following statement was provided: Cause of Petition: KEEP UNANDERRA LIBRARY OPEN- DON'T IGNORE OUR NEEDS

Unanderra residents implore Wollongong City Council to retain and maintain current operational hours and staff of Unanderra Library. This Library is a hub of local community who frequent this highly valued, hospitable and professional.

Table 32: Quick Poll results Step 4

Online participants were asked: Please indicate your preferred option for funding Wollongong's long-term financial sustainability.

Option	Number of respondents
Option 1: Citizens' Panel recommendations including service cuts and outsourcing, moderate fee rise, small rate rise.	N= 78
Option 2: Limited service cuts, moderate fee and rate rise, efficiencies including some outsourcing.	N= 67
Option 3: More significant rate rise, efficiencies with low impact on services and staff.	N= 121

Open Submissions

There were 14 open submissions to the Step 2 engagement from forums or groups.

The submissions were made by:

Coalcliff Community Association

Environment and Sustainability Reference Group

IBC: Illawarra Business Chamber

Illawarra Forum

KU Childrens' Services

National Trust, Illawarra Shoalhaven Branch

Neighbourhood Forum 4

Neighbourhood Forum 5/6

Neighbourhood Forum 7

NIRAG: Northern Illawarra Residents Action Group

Property Council, NSW

Save our Services

Scarborough-Wombarra Surf Life Saving Club

220 individual members of the community made open submissions.

Demographic Data

The final part of the survey asked participants for their demographic data including gender, age bracket and suburb of residence. These were non-compulsory survey questions. The responses are presented in Tables 33 to 35 below.

Table 33: Gender of Participants (%)

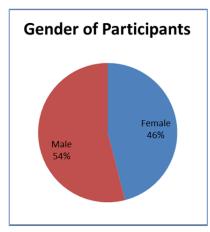


Table 34: Age of participants (%)

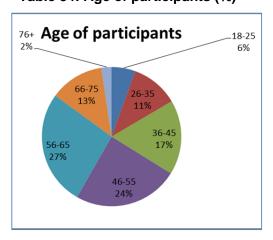


Table 35: Participants' Suburb of Residence

Ward 1 -	Number	Ward 2 –	Number	Ward 3 -	Number
Suburb		Suburb		Suburb	
Austinmer	11	Coniston	2	Berkeley	2
Balgownie	7	Cordeaux Heights	5	Brownsville	0
Bellambi	2	Cringila	0	Dapto	13
Bulli	16	Fairy Meadow	5	Flinders	0
Clifton	1	Farmborough Heights	4	Horsley	7
Coalcliff	3	Figtree	14	Kanahooka	7
Coledale	3	Figtree Heights	1	Koonawarra	0
Corrimal	16	Gwynneville	3	Lake Heights	2
East Corrimal	1	Keiraville	6	Penrose	0
East Woonona	1	Mangerton	5	Port Kembla	0
Fern Hill	1	Mt Keira	0	Primbee	1
Helensburgh	11	Mt Kembla	1	Warilla	0
Otford	1	Mt Ousley	5	Warrawong	0
Russell Vale	2	Mt Pleasant	1	Windang	2
Scarborough	2	Mt St Thomas	1		
Stanwell Park	3	North Wollongong	2		
Stanwell Tops	2	Unanderra	9		
Tarrawanna	2	West Wollongong	3		
Thirroul	19	Wollongong	37		
Towradgi	7				
Wombarra	8				
Woonona	22				
TOTAL					
number of	141		104		34
participants	141		104		34
per ward					

Out of LGA submissions:

Minnamurra = 1 Oak Flats = 1

Appendices

Appendix A – Frequently Asked Questions

Securing Our Future - Frequently Asked Questions

This information was provided on the online engagement page.

What is financial sustainability all about?

Simply put, when we're talking about financial sustainability we're talking about ways to make sure Council can fund its services and responsibilities in the future.

Each year, we have to balance the books on a \$243.6 million budget, and with much of our post-war infrastructure starting to show its age, we need to find a balance between funding our services as well as meeting the cost of the maintenance and renewal of assets.

By having this conversation now, we're able to plan ahead for the future.

Why is Council talking about this now?

This is not a new topic for Council. We've been speaking about our financial future for a number of years as part of our ongoing community consultation and planning. Finances, for example, formed a significant part of our Wollongong 2022 Community Strategic Plan.

The financial future of all NSW Councils was also discussed in the NSW Government's report 'Financial Sustainability of the New South Wales Local Government Sector'. Right now, we're in a planning phase. We want to assure the community that we're not broke, and we're financially strong in the short term. However, in the long term, our financial sustainability isn't as rosy. In the past five years we have been able to improve Council's operational expenditure and put the \$20.3 million we've saved into the improvement of assets like roads, footpaths, buildings and drains.

However, this is not enough and, as some of our roads, footpaths, storm water drains and buildings get older, we need to balance our books as well as fund renewal and replacement work. By asking you what you value, we're able to evaluate what are our priorities and to look for solutions to bridge this financial gap.

By working together we can decide if we should and can provide enough funding to renew ageing assets. Otherwise, all of our existing services may not be possible in the future without significant impact on a future generation.

Why does it concern me?

Council's responsibilities stretch far beyond the mantra of roads, rates and rubbish. The three 'R's' are a big part of what we do, but it's not all we do. As Council explores ways to improve our financial future, we want to know what you, as residents of our city, think.

We want your views on Council services such as libraries and community centres. We need to know how you rate programs offered through the Wollongong Botanic Gardens, Volunteering Illawarra or at Wollongong Youth Centre. All of these things are integral to what Council does, and are part of a broader discussion about our city's future.

Does this mean Council rates will rise?

It's too early to speculate about rate rises. Council rates are certainly one of the areas under evaluation, but this is joined by service levels, operational improvements in Council, or revenues and funding options.

What will happen next?

Over the coming weeks we will be talking with the community about the different forms of engagement this process will involve.

This includes the formation of a Citizens Panel, which will be independently selected and facilitated. We anticipate this Citizens Panel will meet several times in October.

We will be putting more information up on this site and be encouraging the community to make submissions which will be considered by the Citizens' Panel. We'll also be hosting online discussion forums.

The recommendations from the Citizens Panel will be provided to Council, and go back to the community for further comment and feedback later this year.

Appendix B – Citizens' Panel Recommendation Report

Wollongong City Council Financial Sustainability Review Citizens Panel Report

This report has been compiled by Straight Talk with input and direction from the Citizens Panel to outline the Panel's recommendations for review by the community and Councillors.

The sections of this report written in bold have been added by Straight Talk to provide further explanation for the Panel's recommendations.

This report will form the basis of consultation with the community during November. Submissions and comments on the Panel's recommendations will be considered by Councillors prior to making a decision about whether to adopt the recommendations or not.

Background and context

On 24 June 2013 Wollongong City Council determined to undertake a financial sustainability review that included comprehensive community engagement. In August Council agreed to convene a Citizens Panel to provide advice to Councillors and the community on how to find \$21 million a year to ensure Council is financially sustainable over the long term.

The Panel was tasked with providing recommendations in response to the following three questions:

- 1 What are the priority services for Council to deliver and to what level should Council deliver these services?
- 2 What are the opportunities to achieve operational improvements?
- 3 How should Council fund the delivery of these services to the desired level?

The Panel comprised 34 individuals who were randomly selected by a third party, Taverner Research, a specialist market research firm, to provide a representative sample of the Wollongong community in terms of age, gender, geography, level of education, cultural background and housing tenure.

Categories	Description	Demographic profile	Participa	ant profile
		Percentage	Number	Percentage
Service age groups	18-24 years (Tertiary / independent)	13.4% of 18 yrs+	5	13.9%
	25-34 years (Young workforce)	16.2%	5	13.9%
	35-49 years (Parents / homebuilders)	26.0%	9	25.0%
	50-59 years (Older workers / pre-retirees)	16.3%	6	16.7%
	60-69 years (Empty nesters retirees)	12.9%	6	16.7%
	70+ years (Seniors / elderly)	15.3%	5	13.9%
Ward	North – ward 1	N/A – Council wanted	13	36.1%
	Central - ward 2	the Panel to evenly	11	30.6%
	South – ward 3	represent all three Wards	12	33.3%
Home tenure	Own/buying	64.4%	27	75.0%
	Renting	29.3%	9	25.0%
Gender	Male	49.5%	21	58.3%
	Female	50.5%	15	41.7%
Ethnicity	Speaks only English	79.4%	28	77.8%
	Speaks another language (NESB) (and English well/ very well/ not well/ not at all)	17.6%	8	22.2%
Qualifications	No education above high school	43.9%	13	36.1%
	Advanced diploma / diploma / vocational certificate	28.7%	14	38.9%
	Bachelor / higher degree	16.8%	9	25.0%

The Panel met four times, as follows:

- Meeting 1 26 September 2013 (3 hours) Focused on the group coming together to understand the task and the panel process
- Meeting 2 2 October 2013 (3 hours) Focused on understanding the issues affecting Council's financial sustainability
- Meeting 3 Weekend of 11 & 12 October 2013 (11 hours) Focused on reviewing technical information and identifying preliminary recommendations
- Meeting 4 Weekend of 26 & 27 October 2013 (11 hours) Focused on reviewing and refining recommendations and reaching agreement as a group.

Panel meetings were independently facilitated by Straight Talk, a specialist community engagement firm.

Council's Executive team provided support and information to the Panel but did not lead any of the discussion sessions.

All information provided to the Panel has been made publicly available by Council and can be accessed from their Internet site (http://haveyoursaywollongong.com.au/projects/financial-sustainability). Only one fact sheet was not provided publicly based on the commercial in confidence nature of the information it contained.

Securing financial sustainability is an important public issue that will, to some extent, impact everyone in Wollongong, however, Council could not undertake in-depth consultation with the whole community. As part of an extensive community consultation program that involves multiple opportunities for the wider community to provide feedback, Council opted to appoint a smaller diverse, but representative, randomly selected group of citizens and give them time and support to review information and deliberate together to enable them to provide considered and informed feedback about service delivery and associated options for financial sustainability.

Members of the Panel were everyday citizens who committed to spend a significant amount of time learning about issues affecting Council's budget. They were no more, or less, politically motivated that average citizens and unlike active citizens or representatives of special-interest groups, who routinely lobby Council, they had no vested interests. They worked together as a group, and not as individuals, to identify recommendations that would serve the common good and minimise impact on the community as a whole.

Panel's findings and recommendations

We the Panel encourage the community to review the information located on Council's Have Your Say page, http://haveyoursaywollongong.com.au/projects/financial-sustainability in order to understand issues affecting Council's financial sustainability and our decisions.

We encourage the community to read our report and provide comment to Council on our recommendations.

We identified the following principles to guide us in making our decisions, and for Council to follow to ensure financial sustainability going forward:

- Spend the community's money wisely
- Do everything possible to avoid a rate rise 'Tighten the belt' through efficiencies and service level changes
- Focus on maintaining existing assets before building new assets
- Focus investment on assets for highest and best use
- Make decisions that benefit the whole community over vested localised interests
- Make financially responsible decisions
- Ensure staff and Councillors are accountable to the community
- Ensure staff and Councillors are competent
- Ensure staff and Councillors do not engage in corruption.

Our decisions were made based on the information and time made available to us. Council staff and Straight Talk staff had no untoward influence over our decisions. We did everything possible to identify savings and efficiencies to minimise the impact on rates.

The Panel reached consensus on the following recommendations for changing the level of service, improving the efficiency and/or changing the way specific delivery streams are funded. They were aware that some of these recommendations may be unpopular and may impact groups in the community who use the services, but in reviewing services the Panel realised there is no easy way to find millions of dollars in savings without an impact. Accordingly, the Panel made its recommendations in an effort to minimise the impact on the least number of people and to mitigate the impact on rates.

Notwithstanding this, our recommendations include that Council:

- Implement a minimum of \$10 million (of the \$13 million identified by the Panel) of suggested savings within three years.
- Cap a rate rise at a maximum of 7-7.5% (excluding CPI), to be introduced over three years.
- Challenge Council to bridge the gap by stretching for further efficiencies and savings.

The Panel recognise that there is a gap and have set this 'stretch target' so Council can continue to demonstrate to the community how it is doing its bit to minimise impacts of a rate rise on the wider community.

- Maintain good faith with the community and not renege on the Panel's recommendations or be influenced by special interest groups or political affiliations.
 The Panel made its recommendations because it believed they were the fairest way for everyone to do their bit to ensure Council's long term financial sustainability.
- Ensure they do not get into this position again:
 - Ensure that depreciation of capital expenditures is fully funded
 - o Change the financial strategy to maintain the budget to break-even or better in each financial year.
- Communicate transparently to the community about the impact on rates express the rate rise as a percentage and in dollars (both in terms of increase per year and per week) and clarify that the increase is on top of the expected Consumer Price Index (CPI) rise to be announced shortly by NSW Government.
- Negotiate a more cost effective Enterprise Agreement for new staff that is more in line with the market with regards to wage/salary levels and terms/conditions.

- Ensure all savings and funds generated through the Panel's recommendations, and the rate rise, are fully directed to renewal of assets.
- Ensure Councillors are fully accountable and report back to the Panel on the implementation of recommendations and savings, in particular recommendations that are not implemented. The Panel would like Councillors to meet with Panellists, as a group, if they are going to change or not implement any or all of its recommendations.

We reviewed all of the services provided by Council including the 117 delivery streams. It should be noted that we have not eliminated any services outright, but instead have reviewed service levels in order to identify savings.

Specific recommendations and associated savings are listed below. In total the Panel identified approximately \$13 million in savings through a mix of reduction to service levels, service delivery efficiencies and increased user fees and charges. It should be noted that the magnitude of savings is an estimate only and has not been tested or verified with detailed costing analysis. The estimates represent those amounts that were available to the Panel at the time.

<u>Service level changes = anticipated up to \$4.351 million (recurrent annually)</u>

- Lakeside Leisure Centre close centre and sell land \$300,000 due to utilisation and availability of other providers
- Pensioner interest remove interest exemption for full payment by May from Pensioner Policy \$50,000
- Unanderra Library close due to proximity to other services and level of utilisation \$200,000
- Coalcliff/Scarborough beach season- due to level of visitation reduce from 7 to 3 hours per day \$40,000
- Events- reduce to 1 night of fireworks per year \$20,000, and reduce Viva La Gong contribution by \$50,00
- Urban Renewal and Civic Improvement- halve the current program \$300,000
- Playgrounds- move towards improved centralised facilities rather than lots of little ones - minimum 10% reduction across 151 playgrounds based on utilisation, location and condition \$105,000
- Community Pools- reduce pool season by 2-4 weeks \$67,000 \$133,000
- Community Pools- Berkeley pool reduce from 96 hours per week to 55 hours per week due to level of utilisation \$60,000
- Ocean Rock Pools- reduce those close to other aquatic facilities and run to fail Average \$45,000 depreciation per pool \$135,000 (2-3 pools)
- Community Facilities rationalise 10-15% (reduce or sell) existing assets with a focus on those that are underutilised - move towards improved centralised facilities rather than lots of little ones, average \$30,000 depreciation per building \$120 – 150,000
- Community Facilities Coalcliff Hall due to level of utilisation demolish \$33,000

- Pensioner waste exemptions remove exemption \$200,000
- Charitable waste exemptions remove exemption \$200,000
- Learning & Development- halve the Cadet, Apprenticeships and Trainee program \$1 million
- Crematorium exit
- Parks- divest in small parks reduce number by 10% based on utilisation, location
- Mechanical Street Sweeping reduce level of service
- Community Engagement reduce \$50,000
- Crown Street Façade no further work beyond existing applications with current commitment \$300,000 for 2 years (note: one off savings, not a recurrent program)
- Community Development review
- Environmental Programs & Partnerships review
- Environmental Assessment & Compliance review
- Social Planning- reduce \$25,000
- Footpaths- expand lifespan to 80 years saving \$1 million.

Efficiencies- anticipated \$7 million (recurrent annually)

Direct budget minimum reduction across the organisation of 5% of discretionary operational spend (excluding assets) - which may include, or be in addition to the following:

- Beaton Park- increase income from third party operators- \$25,000
- Russell Vale Golf Course -outsource \$150,000 (temporary option to increase fees \$33,000)
- Tourist Parks- lease- outsource all \$1 million saving
- Supply Management- reduce- \$600,000 and potential for further efficiency in service areas
- Community Development- reduce production of service directories \$20,000
- Community Safety & Graffiti- reduce staff \$50,000 reduction
- Cultural development- reduce/review spend \$20,000 reduction
- IPAC/Town Hall integrate management \$50,000 saving
- Environment Community Programs & Partnerships- review- \$20,000 mix of revenue and budget reduction
- Legal Services- review- \$20,000 reduction
- Tourism Increase investment in tourism assets but reduce tourism marketing \$100,000
- Nursery- conservation focus, reduce staff x 1 \$80,000
- Marketing, sign shop, printing- outsource- requires market testing. Reduce \$20,000 advertising
- Infrastructure Information & Systems Support- reduce staff numbers, cut waste-\$80,000 reduce staff x 1 and review systems
- Design & Technical services reduce staff apply efficiency target

- Roads & bridges- outsource- reduce staff- apply efficiency target
- Customer Service reduce apply an efficiency target
- Corporate & Councillor support- reduce- apply an efficiency target
- Vehicles reduce non-operational vehicles, explore hire vehicles
- General Manager & Executive- reduce efficiency
- Human Resources reduce staffing levels across the organisation (indoor and outdoor staff) - shift to more temporary less permanent staff, do not replace staff that exit the organisation - average cost per employee between \$80,000 - \$100,000
- Economic Development- reduce efficiency
- Public Toilets outsource cleaning
- Enterprise Agreement change
- Library shift to more electronic books efficiency reduce annual book vote contribution by \$200,000.

Revenue sources-anticipated \$1.7 million (recurrent annually)

- Commercial Heated Pools- Increase fees by 10% over next 3 years \$44,000
- Community Pools gold coin donation at entry (non-staffed) \$800,000
- Gleniffer Brae- integrate with Botanic Gardens- seek rental return on Gleniffer Braepotential rental \$50,000
- City Gallery- reduce- \$20,000 increase in revenue- could also review
- Sports fields 25% increase in fees \$87,000
- Fitness Trainers 25% increase fees
- Youth Services revenue
- Libraries- increase late fees
- Environmental Assessment and Compliance- review- increase tree permit fees and charges \$25,000
- Car parking- extend metered parking- all day Stewart Street car park \$80,000, increase parking fees in City Centre by 50% \$600,000.



\$13.051 million/\$21 million

None of the Panel welcomed a rate rise, but given that the magnitude of savings was not sufficient to ensure financial sustainability, the majority of Panellists accepted a maximum 7 – 7.5% rate rise over 3 years on condition that a minimum of \$10 million in savings as identified by the Panel were achieved and that Council delivered further efficiencies. The rate rise would generate \$8.4 million in additional funds. It was noted that City Centre and Heavy Industrial rate payers already pay high rates as a result of special levies and that they should be exempt from further rises given the current economic climate.



\$13.051 million + \$8.4 million = \$21.451 million

Appendix C - Promotional Collateral

Promotional bookmark



We want to know what you think of Council's services, how we deliver them and what you might change. Now's the time to have your say ...

Recently there's been a lot of talk about Council's long term financial sustainability. With ageing roads and buildings we need to think about how we're going to manage infrastructure renewal in the future. That's why we want to hear from you. Log on to Council's website for loads of background information, and have your say through surveys, submissions and discussion boards.



Not sure what to do? Scan the QR code or contact our Customer Service Team on (02) 4227 7111 and they'll point you in the right direction.

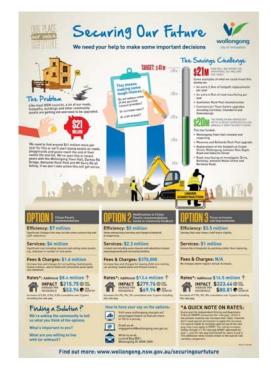
www.wollongong.nsw.gov.au/securingourfuture

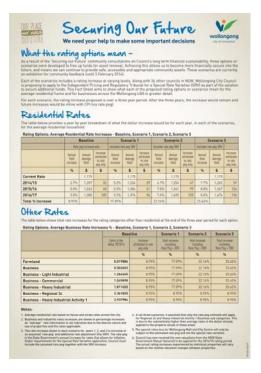
Community newsletter October 2013





Advertisement and Fact sheet





Brochure







FINANCIAL STRATEGY COUNCIL POLICY

ADOPTED BY COUNCIL: [TO BE COMPLETED BY CORP SUPPORT]

OBJECTIVE

The objective of this Strategy is to provide direction and context for decision making in the allocation, management and use of Wollongong City Council's financial resources. The Strategy will guide Council in the development of a ten year financial plan and determine financial boundaries for delivery of operational and capital plans.

Council will use ratepayer's money, together with other funding available, wisely to provide prioritised services and improve financial sustainability and asset management.

POLICY STATEMENT

Introduction

Wollongong City Council's Financial Strategy provides a clear direction and context for decision making that guides the allocation, management and use of its financial resources. It aims to ensure that Council remains financially stable while giving focus to financing key Council priorities through strong financial management. It acts as the catalyst for improving efficiency and releasing resources to improve frontline services and continuity.

The Financial Strategy sets the parameters within which Council agrees to operate in order to maintain accepted financial outcomes and should be viewed as an enabling Strategy that aims to provide financial stability, affordability, delivery, and value for money, over the short, medium and longer term.

Challenges

Over the next 5-20 years, Wollongong City Council will face many challenges that will require strong financial leadership and creative solutions to meet its aspirations. The key challenges faced over this period include:

- Addressing Council's medium to long term shortfall in funding the renewal and maintenance of assets used to deliver our services.
- 2. Delivering organisational change to improve efficiency and assist in meeting the current financial challenge.
- 3. Meeting expectations from all areas including community, service users and government by ensuring standards across key services keep pace with demand and in balance with the capacity to fund these operations.
- 4. Financial risk associated with significant growth and development of new infrastructure and services in the West Dapto area.
- 5. Demands associated with the management of climate change.

The following aims and parameters are designed to assist Council in achieving financial stability, affordability, focus and efficiency:

Stability

Available Funds

Council will aim to maintain Available Funds (the unallocated portion of all future 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 flexibility to take advantage of opportunities that may arise.

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

Debt

Council will remain a low debt user by maintaining a debt service ratio (principal and interest repayments compared to operational revenue) below 4 %.

Council will only use debt to fund capital expenditure. The term of any debt shall not exceed the life of the asset it is used to fund.

Debt will be considered as part of the Capital Budget process and will only be approved where there is an agreed economic, social, or environmental benefit from a project and other sources of funding are not available.

Council currently has a low level of debt reflected by a current debt service ratio of 1.71% (June 2013). Industry norms for non-growing councils suggest that the debt service ratio should remain below 10%. The debt levels permitted under this Strategy would add flexibility to future programs where warranted.

Operational Result [pre capital]

Council will develop actions, in consultation with its community, to move towards and maintain small surplus budgets in the future.

The operating result [pre capital] is considered to be one of the main indicators of the long term financial viability of Council. In broad terms, a deficit from operations indicates that Council is not earning sufficient revenue to fund its ongoing operations (services) and continue to renew the assets, which are an integral part of that service, when required. The indicator includes accounting and engineering estimates relating to the consumption of long lived assets (depreciation) which is used in determining this result. Council has improved, and will continue to refine, its estimating process to provide even greater accuracy of the result. Council will plan based on the best information available.

Affordability

Total Funds Result

Council's annual allocations to operational and capital budgets will generally not exceed anticipated cash inflows. Where Available Funds level are above minimum requirements, consideration will be given to the allocation of funds to deferred asset renewals or investments that reduce future operational costs.

While Council has an operating deficit, it has been able to ensure that its funds result (cash inflows compared to cash outflows) has remained in balance. Short term stability requires the annual budget is affordable and cash is 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. Until an operating surplus is achieved, additional funds should be directed towards deferred asset renewals or investments that are able to reduce future operational costs.

Capital Expenditure

The full life cost of capital expenditure will be considered before capital projects are approved. 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.

Rates, Fees & Charges

Following deliberation with the community, Council will propose a Revenue Policy as part of its 2014-15 Annual Plan to achieve a financially sustainable outcome by balancing the level of rates and other revenues required with the cost of services agreed to be delivered.

Business rating structures and differential pricing between categories will be considered as part of the Annual Revenue Policy development.

Council's pricing methodology will be applied consistently for all fees and charges. Fees & Charges will be reviewed on a cyclical basis to ensure compliance.

Council's revenue strategies will be considered as part of the longer term financial planning in accordance with this strategy. General rates increases are determined by the Minister for Local Government through a 'rate pegging' mechanism that has generally been in line with increases in costs to local government. Rate variations beyond this level will be linked to community aspirations for service which will be considered in conjunction with other revenue options and cost reduction opportunities.

Investment of Surplus Cash

Council will invest surplus cash in accordance with its Investment Policy.

Returns on externally restricted cash will be transferred to restricted assets and treated as capital revenue where required.

Investment of surplus funds provides additional resource to Council and assists in maintaining the real value of restricted funds held. Council, in its Investment Policy, carefully weighs up its stewardship role and prudent investment risk to optimise returns. Events in past years have highlighted the need to remain vigilant in securing public monies and making appropriate risk reward decisions.

Returns from investments vary significantly from year to year based on interest rates and the level of cash held. From a planning perspective, it is deemed prudent to ensure that Council's investment returns are not funding ongoing operations which would be a risk when returns reduce. For this reason, it is considered reasonable to apply these funds to capital (or one off projects) that do not impact on future operational costs. It is also important to understand that predicted future returns may not be realised and funding may not be available as expected.

West Dapto

Increased annual rate revenue created from subdivision in West Dapto will be restricted and only allocated to operational expenditure as the area develops. In the interim period, the annual revenue should be made available to meet infrastructure or planning requirements in the area.

West Dapto is the last significant 'green fields' development in Wollongong. It will have significant financial impacts over a period of time. It is anticipated that there will be substantial developer contributions and capital expenditure. The management of the Section 94 Plan has inherent risks due to the external pricing limits, estimating, scoping, and timing variables. Rate revenue will usually precede operational demand and assets built will require little renewal or maintenance for 7 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 a longer term view of additional revenue is given, and appropriate long term provisions are made from the commencement of the development.

Focused Delivery

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 Wollongong 2022 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.

Grant Funding and other Capital Contributions

Council will actively pursue grant funding and other contributions to assist in the delivery of core services.

Operational grants and contributions for specific purposes currently provide around 3% of Council's revenue [pre capital]. Continued effort in obtaining and improving Council's success in targeted grant funding is vital to future performance and stability.

Capital Funding

Council will develop actions in consultation with its community to move towards creating annual operational funds available for capital equal to depreciation.

Council will achieve its expenditure targets for capital renewal by programming these works with sufficient flexibility to allow re-phasing, deferral and/or the introduction of other deferred renewal works as required.

Council will apply at least 85% of Operational Funds Available for Capital to the renewal of existing assets.

Technically, full funding of depreciation should mean that all existing assets will be able to be renewed at existing service levels when their life has expired. In practice, it will be unusual for many assets to be used and replaced along a planned lifecycle. In many instances, assets built today may not be required in future years, or use may change over their lives. In other instances, associated third parties may be responsible for contributing to the renewal of assets that are held in ownership by Council. For this reason, it is expected that full depreciation funding for renewal may not be required. While this is the case, it is also recognised that many assets replaced will require some component of augmentation to meet existing standards or enhance service level. Capacity is built into future resourcing to manage this inevitability.

Efficiency - Value for Money

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.

It is intended that all services be reviewed on a cyclical basis over a period of time. During each review of service the service budget will be zero based in line with the agreed service levels.

Council will deliver procurement savings through improved strategic procurement and collaboration with other authorities and agencies.

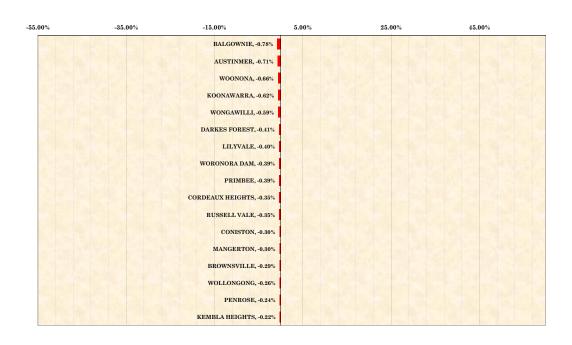
SUMMAR	Y SHEET
Responsible Division	Finance
Date adopted by Council	[To be inserted by Corporate Governance]
Date of previous adoptions	[To be inserted by Corporate Governance]
Date of next review	[List date, eg July 2015]
Prepared by	[Position title only]
Authorised by	Manager Finance



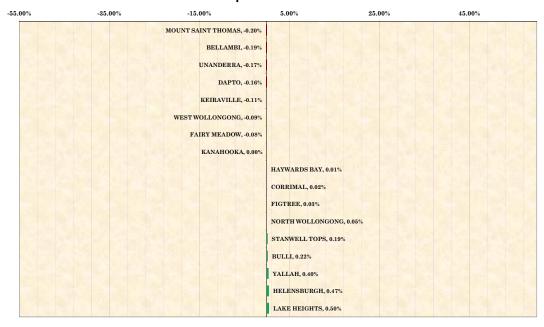
RECOMMENDED SCE	NARIO - Additi	ional Revenue	allocated to ca	pital renewal	works					
BUDGET AREA -										
Renewal/										
Replacement of	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022	2022/2023	2023/2024
Public Transport										
Facilities (bus shelters etc)	\$22,000	\$59,000	\$95,000	\$95,000	\$98,000	\$101,000	\$104,000	\$107,000	\$110,000	¢112 000
Roadworks - road	322,000	\$39,000	\$33,000	\$95,000	\$38,000	\$101,000	\$104,000	\$107,000	\$110,000	\$113,000
resurfacing	\$543,000	\$1,380,000	\$1,895,000	\$1,905,000	\$1,960,000	\$2,017,000	\$2,075,000	\$2,136,000	\$2,198,000	\$2,256,000
Roadworks - road										
reconstruction	\$721,000	\$2,220,000	\$3,969,000	\$4,390,000	\$4,518,000	\$4,649,000	\$4,784,000	\$4,922,000	\$5,065,000	\$5,201,000
Bridges, Boardwalks and Jetties	\$111,000	\$295,000	\$474,000	\$476,000	\$490,000	\$504,000	\$519,000	\$534,000	\$549,000	\$564,000
Footpaths	\$2,657,000	\$2,655,000	\$4,264,000	\$4,286,000	\$4,410,000	\$4,538,000	\$4,670,000	\$4,805,000	\$4,944,000	\$5,077,000
Cycle/Shared Paths	\$100,000	\$331,000	\$853,000	\$857,000	\$882,000	\$908,000	\$934,000	\$961,000	\$989,000	\$1,015,000
Carparks	\$55,000	\$148,000	\$237,000	\$238,000	\$245,000	\$252,000	\$259,000	\$267,000	\$275,000	\$282,000
Community Buildings including Cultural Centres (IPAC,										
Gallery, Town Hall)	\$1,462,000	\$3,863,000	\$5,801,000	\$5,429,000	\$5,586,000	\$5,748,000	\$5,915,000	\$6,086,000	\$6,263,000	\$6,430,000
Public Facilities (Shelters, Toilets etc)	\$71,000	\$189,000	\$303,000	\$305,000	\$314,000	\$323,000	\$332,000	\$342,000	\$352,000	\$361,000
Crematorium/Cemet ery Facilities	\$11,000	\$30,000	\$47,000	\$48,000	\$49,000	\$50,000	\$52,000	\$53,000	\$55,000	\$56,000
Play Facilities	\$120,000	\$319,000	\$512,000	\$514,000	\$529,000	\$545,000	\$560,000	\$577,000	\$593,000	\$609,000
Recreation Facilities	\$106,000	\$283,000	\$455,000	\$457,000	\$470,000	\$484,000	\$498,000	\$513,000	\$527,000	\$542,000
Sporting Facilities	\$78,000	\$207,000	\$332,000	\$333,000	\$343,000	\$353,000	\$363,000	\$374,000	\$385,000	\$395,000
Aquatic Facilities (Pools etc)	\$155,000	\$413,000	\$663,000	\$667,000	\$686,000	\$706,000	\$726,000	\$747,000	\$769,000	\$790,000
Total	\$6,212,000	\$12,392,000	\$19,900,000	\$20,000,000	\$20,580,000	\$21,178,000	\$21,791,000	\$22,424,000	\$23,074,000	\$23,691,000

Residential Rate Average Percentage Increase/Decrease By Suburb Impact of Revaluation



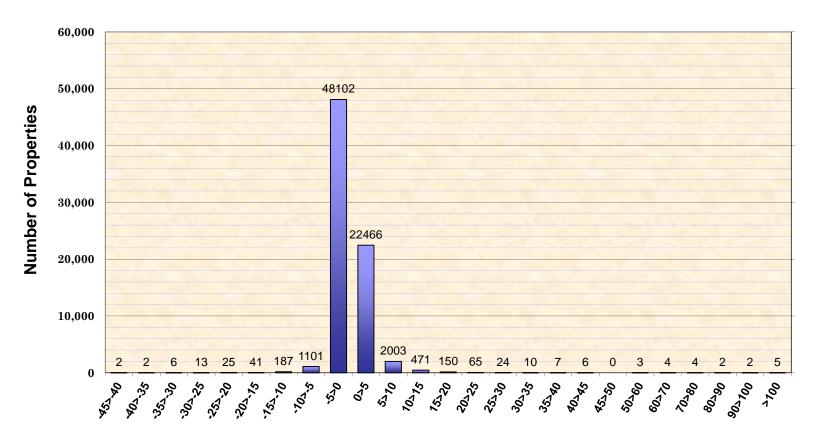


Residential Rate Average Percentage Increase/Decrease By Suburb Impact of Revaluation





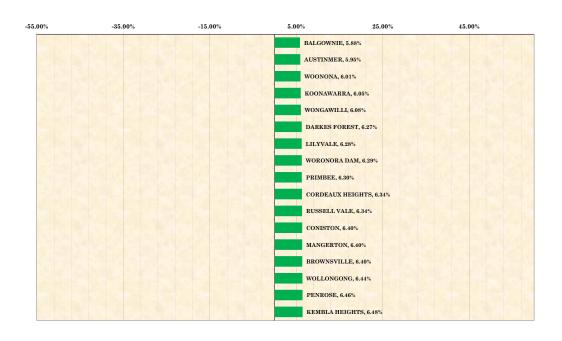
Residential Rates Increase/Decrease Impact of Revaluation



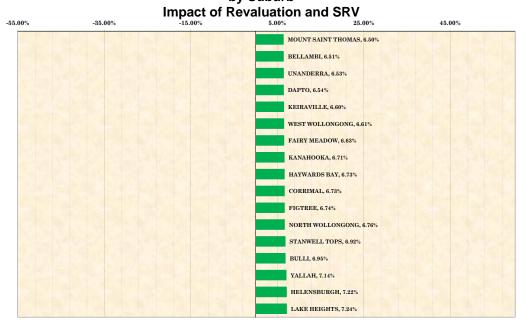
Percentage Variance

Residential Rate Average Percentage Increase/Decrease by Suburb Impact of Revaluation and SRV



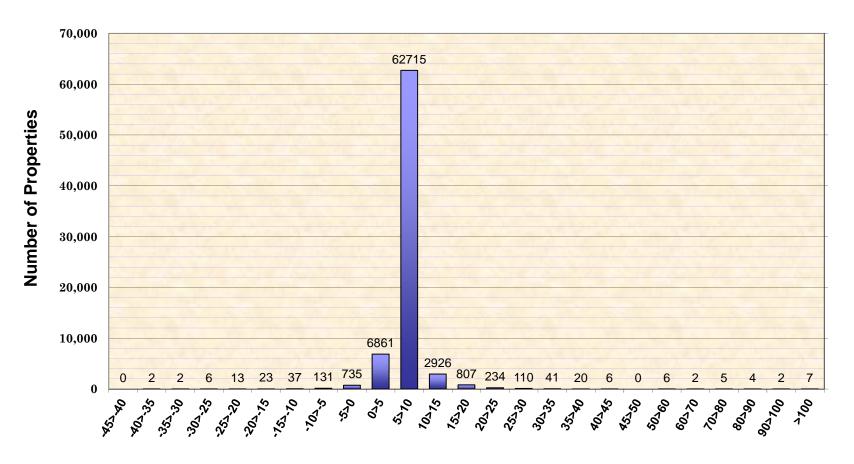


Residential Rate Average Percentage Increase/Decrease by Suburb





Residential Rates Increase/Decrease Impact of Revaluation and SRV



			10 Year Fi	UNCIL nancials			KLOC		ED SCEN	AIXIO
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000
		INCOME	& EXPEN	SE STAT	EMENT					
EXPENSES FROM ORDINARY ACTIVITIES										
Employee Costs	107,298	110,698	114,570	118,625	122,818	125,390	129,555	133,856	138,351	142,326
Borrowing Costs	3,918	3,754	3,581	3,385	2,916	2,404	2,336	2,155	2,073	1,770
Materials, Contracts & Other Expenses	91,690	95,775	102,043	106,318	111,958	118,951	125,939	131,966	138,252	146,268
Depreciation, Amortisation + Impairment	61,808	62,659	63,522	64,394	65,266	66,149	67,045	67,954	68,875	69,809
Internal Charges (labour)	(10,579)	(10,807)	(11,067)	(11,416)	(11,775)	(12,146)	(12,507)	(12,880)	(13,264)	(13,652)
Internal Charges (not labour)	(1,804)	(1,782)	(1,954)	(2,036)	(2,118)	(2,158)	(2,236)	(2,260)	(2,335)	(2,381)
Efficiency Improvements	(1,000)	(2,000)	(4,000)	(4,000)	(4,104)	(4,211)	(4,320)	(4,433)	(4,548)	(4,666)
Service Reductions	0	(200)	(400)	(500)	(513)	(526)	(540)	(554)	(568)	(583)
Total Expenses from Ordinary Activities	251,332	258,096	266,294	274,771	284,446	293,853	305,272	315,805	326,834	338,891
REVENUES FROM ORDINARY ACTIVITIES										
Rates and Annual Charges	165,633	175,675	187,141	193,470	200,585	207,920	214,395	221,733	229,017	236,771
User Charges and Fees	33,311	34,841	37,171	38,919	40,919	42,868	44,716	46,931	49,271	51,352
Interest and Investment Revenues	4,965	4,485	4,375	4,216	4,067	4,869	5,101	5,294	5,741	4,415
Other Revenues	8,823	9,067	9,315	9,566	9,826	10,091	10,361	10,639	10,928	11,045
Grants and Contributions - Operating	28,211	28,735	29,233	29,740	30,254	30,762	31,275	31,797	32,255	32,959
Profit/Loss on Disposal of Assets	0	0	0	0	0	0	0	0	0	C
Additonal Revenues	120	370	500	500	513	526	540	554	568	583
Revenues [pre capital]	241,064	253,172	267,734	276,411	286,164	297,037	306,388	316,948	327,780	337,126
NET SURPLUS (DEFICIT) [Pre capital]	(10,268)	(4,924)	1,440	1,640	1,718	3,184	1,116	1,143	946	(1,765)
Capital Grants & Contributions	11,201	9,397	11,118	7,308	7,619	7,650	7,690	7,279	7,279	7,279

WOLLONGONG CITY COUNCIL RECOMMENDED SCENARIO 10 Year Financials 2014/15 2015/16 2016/17 2017/18 2018/19 2019/20 2020/21 2021/22 2022/23 2023/24 **Forecast Forecast Forecast Forecast Forecast Forecast Forecast** Forecast **Forecast Forecast** \$'000 \$'000 \$'000 \$'000 \$'000 \$'000 \$'000 \$'000 \$'000 \$'000 **FUNDING STATEMENT** 9,337 Surplus (Deficit) [pre capital] 933 4,473 12,557 8,948 10,833 8,806 8,422 8,225 5,514 Add back: 80.673 83.589 84.798 92.671 - Non-cash Operating Transactions 79.502 82.136 86.015 87,731 89.387 91.198 8,684 10,790 13,221 13,722 - Restricted cash used for operations 8,047 9,639 11,967 14,182 14,646 15,225 - Income transferred to Restricted Cash (30,875)(28,508)(30,906)(27,591)(28, 257)(28,047)(28,662)(28,402)(29,051)(28,915)- Payment of Accrued Leave Entitlements (10,131)(10,430)(10,737)(11,054)(11,380)(11,715)(12,061)(12,418)(12,785)(12,955)- Payment of Carbon Contributions (508)(730)(982)(1,238)(1,494)(1,762)(2,052)(2,362)(2,689)(3,033)**Funds Available from Operations** 46,969 54,163 61,707 63.444 64.971 68,546 67,485 68.809 69,544 68,508 0 Advances (made by) / repaid to Council (135)0 0 0 0 0 0 0 0 (5.557)0 Borrowings repaid (4,778)(4,892)(5,153)(5.280)(5,415)(2.808)(2.966)(2.481)**Operational Funds Available for Capital** 49,271 59,556 64,677 **Budget** 42,056 56,554 58,164 62,989 65,842 67,063 68,508 CAPITAL BUDGET (78,484)(74,675)(69,550) (79.026)(74,521) Assets Acquired (87, 162)(75,111) (72,022)(76, 269)(79,730)Transfers to Restricted Cash 0 0 0 0 0 0 0 0 0 0 Funded From :-- Operational Funds 42,056 49,271 56,554 58,164 59,556 62,989 64,677 65,842 67,063 68,508 - Sale of Assets 2.208 2.008 1.522 755 200 1.751 800 900 750 2.300 - Internally Restricted Cash 10.319 5.550 1.883 3.653 676 1.057 2.607 3.386 3.427 3.444 0 - Borrowings 0 0 0 0 0 0 0 0 0 - Capital Grants 6.600 700 709 1.850 1.350 1.200 400 780 1.100 980 2,501 2,871 2,529 - Developer Contributions (Section 94) 6,660 9,079 11,300 8,274 6,468 10,774 3,140 - Other Externally Restricted Cash 16.488 8.821 2.490 2.448 1.400 1.275 750 700 980 1.184 - Other Capital Contributions 100 300 500 150 150 250 500 300 500 400 TOTAL FUNDS SURPLUS / (DEFICIT) (2.731)(2.756)283 183 249 270 213 258 80 226

WOLL	ONGO		10 Year Fi	RECOMMENDED SCENARIO						
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000
		E	BALANCE	SHEET						
CURRENT ASSETS										
Cash Assets	80,581	73,612	77,432	78,035	83,956	84,417	92,216	98,100	103,561	108,14
Investment Securities	8,953	8,179	8,604	8,671	9,328	9,380	10,246	10,900	11,507	12,01
Receivables	18,803	19,747	20,883	21,560	22,321	23,169	23,898	24,722	25,567	26,29
Inventories	8,941	8,941	8,941	8,941	8,941	8,941	8,941	8,941	8,941	8,94
Other	929	955	981	1,006	1,032	1,059	1,087	1,115	1,144	1,17
TOTAL CURRENT ASSETS	118,207	111,434	116,841	118,213	125,579	126,965	136,387	143,777	150,719	156,57
NON-CURRENT ASSETS Non Current Cash Assets	0	0	0	0	0	0	0	0	0	(
Non Current Investment Securities	0	0	0	0	0	0	0	0	0	(
Non-Current Receivables	5.109	5,109	5.109	5,109	5,109	5.109	5,109	5.109	5,109	5,109
Investments Accounted for using Equity Method	984	984	984	984	984	984	984	984	984	984
Investment Property	4.045	4.211	4.382	4,558	4,738	4.923	5,109	5.294	5,479	5.479
Intangible Assets	364	364	364	364	364	364	364	364	364	364
Property, Plant & Equipment	2,406,245	2,419,986	2,429,618	2,439,579	2,443,664	2,454,789	2,458,886	2,464,553	2,471,197	2,478,818
TOTAL NON-CURRENT ASSETS	2,416,746	2,430,654	2,440,456	2,450,593	2,454,858	2,466,168	2,470,450	2,476,303	2,483,132	2,490,752
TOTAL ASSETS	2,534,953	2,542,088	2,557,297	2,568,806	2,580,436	2,593,133	2,606,837	2,620,080	2,633,851	2,647,325
CURRENT LIABILITIES										
	00.000	00.000	00.007	04.700	05.000	00.147	07.475	00.400	00.445	00.500
Current Payables Provisions < 12 Months	22,620 9,713	23,229 9,980	23,967 10,249	24,729 10,516	25,600 10,789	26,447 11,070	27,475 11,357	28,422 11,653	29,415 11,956	30,500 12,266
Provisions < 12 Months Provisions > 12 Months	33,145	34,057	34,976	35,885	36,818	37,776	38,758	39,766	40,800	41,860
Current Interest Bearing Liabilities	4.892	5.153	5,280	5.415	5.557	2.808	2.966	2.481	40,800	41,000
TOTAL CURRENT LIABILITIES	70,370	72,418	74,472	76,545	78,765	78,100	80,556	82,322	82,170	84,627
TOTAL CORRENT LIABILITIES	70,370	72,410	14,412	76,345	76,765	78,100	80,556	62,322	82,170	04,027
NON-CURRENT LIABILITIES										
	26,829	22,548	17,998	13,150	7,984	5,380	2,616	338	541	541
Non Current Interest Bearing Liabilities Non Current Provisions	26,829 52,167	22,548 57,061	17,998 62,208	13,150 67,543	7,984 72,784	5,380 77,917	2,616 83,123	338 88,456	541 93,950	541 99,453
Non Current Interest Bearing Liabilities	- 71					- 1				
Non Current Interest Bearing Liabilities Non Current Provisions TOTAL NON-CURRENT LIABILITIES	52,167	57,061	62,208	67,543	72,784	77,917	83,123	88,456	93,950	99,453
Non Current Interest Bearing Liabilities Non Current Provisions TOTAL NON-CURRENT LIABILITIES TOTAL LIABILITIES	52,167 78,996 149,365	57,061 79,609 152,027	62,208 80,206 154,678	67,543 80,694 157,239	72,784 80,768 159,533	77,917 83,297 161,396	83,123 85,739 166,295	88,456 88,794 171,115	93,950 94,491 176,661	99,453 99,99 4 184,621
Non Current Interest Bearing Liabilities Non Current Provisions TOTAL NON-CURRENT LIABILITIES	52,167 78,996	57,061 79,609	62,208 80,206	67,543 80,694	72,784 80,768	77,917 83,297	83,123 85,739	88,456 88,794	93,950 94,491	99,453 99,994
Non Current Interest Bearing Liabilities Non Current Provisions TOTAL NON-CURRENT LIABILITIES TOTAL LIABILITIES NET ASSETS EQUITY	52,167 78,996 149,365	57,061 79,609 152,027	62,208 80,206 154,678	67,543 80,694 157,239	72,784 80,768 159,533	77,917 83,297 161,396	83,123 85,739 166,295	88,456 88,794 171,115	93,950 94,491 176,661	99,453 99,99 4 184,62 1
Non Current Interest Bearing Liabilities Non Current Provisions TOTAL NON-CURRENT LIABILITIES TOTAL LIABILITIES NET ASSETS	52,167 78,996 149,365	57,061 79,609 152,027	62,208 80,206 154,678	67,543 80,694 157,239	72,784 80,768 159,533	77,917 83,297 161,396	83,123 85,739 166,295	88,456 88,794 171,115	93,950 94,491 176,661	99,453 99,994 184,621 2,462,704
Non Current Interest Bearing Liabilities Non Current Provisions TOTAL NON-CURRENT LIABILITIES TOTAL LIABILITIES NET ASSETS EQUITY Accumulated Surplus Surplus (Deficit) for period	52,167 78,996 149,365 2,385,588	57,061 79,609 152,027 2,390,061	62,208 80,206 154,678 2,402,619	67,543 80,694 157,239 2,411,567	72,784 80,768 159,533 2,420,903	77,917 83,297 161,396 2,431,737	83,123 85,739 166,295 2,440,543	88,456 88,794 171,115 2,448,965	93,950 94,491 176,661 2,457,190	99,453 99,99 4 184,621
Non Current Interest Bearing Liabilities Non Current Provisions TOTAL NON-CURRENT LIABILITIES TOTAL LIABILITIES NET ASSETS EQUITY Accumulated Surplus Surplus (Deficit) for period Asset Revaluation Reserve	52,167 78,996 149,365 2,385,588 (1,084,687) (933) (1,226,811)	57,061 79,609 152,027 2,390,061 (1,090,245) (4,473) (1,226,811)	62,208 80,206 154,678 2,402,619 (1,090,334) (12,557) (1,226,811)	67,543 80,694 157,239 2,411,567 (1,102,466) (8,948) (1,226,811)	72,784 80,768 159,533 2,420,903 (1,105,167) (9,337) (1,226,811)	77,917 83,297 161,396 2,431,737 (1,114,234) (10,833) (1,226,811)	83,123 85,739 166,295 2,440,543 (1,116,886) (8,806) (1,226,811)	88,456 88,794 171,115 2,448,965 (1,119,508) (8,422) (1,226,811)	93,950 94,491 176,661 2,457,190 (1,122,060) (8,225) (1,226,811)	99,453 99,994 184,621 2,462,704 (1,125,744 (5,514 (1,226,811)
Non Current Interest Bearing Liabilities Non Current Provisions TOTAL NON-CURRENT LIABILITIES TOTAL LIABILITIES NET ASSETS EQUITY Accumulated Surplus Surplus (Deficit) for period	52,167 78,996 149,365 2,385,588 (1,084,687) (933)	57,061 79,609 152,027 2,390,061 (1,090,245) (4,473)	62,208 80,206 154,678 2,402,619 (1,090,334) (12,557)	67,543 80,694 157,239 2,411,567 (1,102,466) (8,948)	72,784 80,768 159,533 2,420,903 (1,105,167) (9,337)	77,917 83,297 161,396 2,431,737 (1,114,234) (10,833)	83,123 85,739 166,295 2,440,543 (1,116,886) (8,806)	88,456 88,794 171,115 2,448,965 (1,119,508) (8,422)	93,950 94,491 176,661 2,457,190 (1,122,060) (8,225)	99,453 99,994 184,621 2,462,704 (1,125,744 (5,514

WOLLONGONG CITY COUNCIL RECOMMENDED SCENARIO 10 Year Financials 2014/15 2015/16 2016/17 2017/18 2018/19 2019/20 2020/21 2021/22 2022/23 2023/24 Forecast Forecast **Forecast Forecast Forecast Forecast** Forecast **Forecast** Forecast Forecast \$'000 \$'000 \$'000 \$'000 \$'000 \$'000 \$'000 \$'000 \$'000 \$'000 **CASH FLOW STATEMENT** CASH FLOWS FROM OPERATIONS Receipts 174.730 186,005 192,793 199.824 236.042 Rates and Annual Charges 163.865 207,072 213.665 220,909 228.172 User Charges & Fees 33,311 34,841 37,171 38,919 40,919 42,868 44,716 46,931 49,271 51,352 Investment Incomes 4.965 4,485 4,375 4.216 4,067 4.869 5.101 5.294 5,741 4,415 Grants & Contributions 39.412 38.132 40.351 37.047 37.873 38.412 38.965 39.076 39.534 40.238 Other Operating Receipts 8,760 9,245 9,618 9,865 10,133 10,406 10,689 10,980 11,282 11,599 **Payments Employee Costs** (94,517)(97,588)(101,060)(104,657)(108,386)(110,482)(114,179)(117,998)(121,995)(125,471)Materials & Contracts (88,413)(91,184)(94,951)(99,019)(104,352)(111,209)(117,815)(123,772)(129,807)(137,553)**Borrowing Costs** (1,192)(1,077)(957)(829)(695)(552)(402)(243)(75)Other Operating Payments 2,288 2,042 2.000 1.970 1,961 1,960 1,956 1,949 1,945 1,901 NET CASH PROVIDED BY (OR USED IN) **OPERATIONS** 68,480 73,626 82,550 80,306 81,344 83,343 82,695 83,125 84,068 82,524 CASH FLOWS FROM INVESTING ACTIVITIES Receipts 774 (424)(509) Sale of Investment securities 2,139 (67)(658)(51)(867)(654)(607)Proceeds from Sale of Property, Plant & Equip 2.208 2.008 1,522 755 200 1,751 800 900 750 2.300 Repayments from Deferred Debtors Λ 0 0 0 0 0 0 0 0 Ω Purchase of Property Plant & Equipment (87,162)(78,484)(74,675)(75,111) (69,550)(79,026)(72,022)(74,521)(76,269)(79,730)Advances to Deferred Debtors (135)0 NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES (75,702)(76,126)(82,950)(73,578)(74,423)(70,008)(77,326)(72,089)(74,275)(77,939)CASH FLOWS FROM FINANCING ACTIVITIES Receipts Proceeds form Borrowings and advances 0 0 0 0 0 0 0 0 0 0 (4,778)(4,892)(5,280)(5,557)(2,808)(2,966)(2,481)0 Repayments of Borrowings and Advances (5,153)(5,415)**NET CASH PROVIDED BY (OR USED IN)** FINANCING ACTIVITIES (4,778)(4,892)(5,153)(5,280)(5,415)(5,557)(2,808)(2,966)(2,481)0 **NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS HELD** (19.248)(6.969)3.820 603 5.921 460 7.799 5.884 5.461 4.585 99,829 73,612 77,432 78.035 83,956 84.417 92.216 98.100 103,561 Cash at Beginning of Period 80,581 CASH & CASH EQUIVALENTS AT EOY 80,581 73,612 77,432 78,035 83,956 84,417 92,216 98,100 103,561 108,146 PLUS other investment securities 8.953 8.179 8.604 8.671 9.328 9.380 10.246 10.900 11.507 12.016 **TOTAL CASH & INVESTMENTS** 89,535 81.792 86.036 86.706 93.285 93.796 102.462 109.000 115.068 120,162 **TOTAL CASH & INVESTMENTS PER B/S** 80,581 73,612 77,432 78,035 83,956 84,417 92,216 98,100 103,561 108,146

WO	LLONG	SONG	CITY (CIL			BA	SELIN	1E
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000
		INCOME	& EXPEN	SE STAT	EMENT					
EXPENSES FROM ORDINARY ACTIVITIES										
Employee Costs	107,298	110,698	114,570	118,625	122,818	125,390	129,555	133,856	138,351	142,326
Borrowing Costs	3,918	3,754	3,581	3,385	2,916	2,404	2,336	2,155	2,073	1,770
Materials, Contracts & Other Expenses	91,690	95,775	102,043	106,318	111,958	118,951	125,939	131,966	138,252	146,268
Depreciation, Amortisation + Impairment	62,808	63,659	64,522	65,394	66,279	67,176	68,085	69,008	69,943	70,891
Internal Charges (labour)	(10,579)	(10,807)	(11,067)	(11,416)	(11,775)	(12,146)	(12,507)	(12,880)	(13,264)	(13,652
Internal Charges (not labour)	(1,804)	(1,782)	(1,954)	(2,036)	(2,118)	(2,158)	(2,236)	(2,260)	(2,335)	(2,381
Total Expenses from Ordinary Activities	253,332	261,296	271,694	280,271	290,076	299,617	311,173	321,845	333,018	345,222
REVENUES FROM ORDINARY ACTIVITIES										
Rates and Annual Charges	160,543	165,855	172,141	178,470	185,135	192,007	198,004	204,850	211,628	218,913
User Charges and Fees	33,311	34,841	37,171	38,919	40,919	42,868	44,716	46,931	49,271	51,352
Interest and Investment Revenues	4,965	4,485	4,375	4,216	4,067	4,869	5,101	5,294	5,741	4,415
Other Revenues	8,823	9,067	9,315	9,566	9,826	10,091	10,361	10,639	10,928	11,045
Grants and Contributions - Operating	28,211	28,735	29,233	29,740	30,254	30,762	31,275	31,797	32,255	32,959
Profit/Loss on Disposal of Assets	0	0	0	0	0	0	0	0	0	(
Revenues [pre capital]	235,854	242,982	252,234	260,911	270,201	280,597	289,458	299,511	309,823	318,684
NET SURPLUS (DEFICIT) [Pre capital]	(17,478)	(18,314)	(19,460)	(19,360)	(19,875)	(19,020)	(21,715)	(22,334)	(23,195)	(26,537)
Capital Grants & Contributions	11,201	9,397	11,118	7,308	7,619	7,650	7,690	7,279	7,279	7,279
NET SURPLUS (DEFICIT)	(6,277)	(8,917)	(8,343)	(12,052)	(12,257)	(11,370)	(14,025)	(15,055)	(15,916)	(19,259)

WC	LLONG	ONG	CITY (CIL			BASELINE				
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000		
		FU	NDING ST	TATEMEN	IT							
Surplus (Deficit) [pre capital]	(6,277)	(8,917)	(8,343)	(12,052)	(12,257)	(11,370)	(14,025)	(15,055)	(15,916)	(19,259)		
Add back:												
- Non-cash Operating Transactions	80,502	81,673	83,136	84,589	85,811	87,042	88,772	90,441	92,266	93,753		
- Restricted cash used for operations	8,047	8,684	9,639	10,790	11,967	13,221	13,722	14,182	14,646	15,225		
- Income transferred to Restricted Cash	(30,875)	(28,508)	(30,906)	(27,591)	(28,257)	(28,047)	(28,662)	(28,402)	(29,051)	(28,915)		
- Payment of Accrued Leave Entitlements	(10,131)	(10,430)	(10,737)	(11,054)	(11,380)	(11,715)	(12,061)	(12,418)	(12,785)	(12,955)		
- Payment of Carbon Contributions	(508)	(730)	(982)	(1,238)	(1,494)	(1,762)	(2,052)	(2,362)	(2,689)	(3,033)		
Funds Available from Operations	40,759	41,773	41,807	43,444	44,391	47,369	45,693	46,385	46,470	44,817		
Advances (made by) / repaid to Council	(135)	0	0	0	0	0	0	0	0	0		
Borrowings repaid	(4,778)	(4,892)	(5,153)	(5,280)	(5,415)	(5,557)	(2,808)	(2,966)	(2,481)	0		
Operational Funds Available for Capital Budget	35,846	36,881	36,654	38,164	38,976	41,812	42,886	43,419	43,989	44,817		
CAPITAL BUDGET												
Assets Acquired	(80,952)	(66,094)	(54,775)	(55,111)	(48,970)	(57,849)	(50,231)	(52,098)	(53,195)	(56,039)		
Transfers to Restricted Cash	0	0	0	0	0	0	0	0	0	0		
Funded From :-												
- Operational Funds	35,846	36,881	36,654	38,164	38,976	41,812	42,886	43,419	43,989	44,817		
- Sale of Assets	2,208	2,008	1,522	755	200	1,751	800	900	750	2,300		
- Internally Restricted Cash	10,319	5,550	1,883	3,653	676	1,057	2,607	3,386	3,427	3,444		
- Borrowings	0	0	0	0	0	0	0	0	0	0		
- Capital Grants	6,600	700	709	1,850	1,350	1,200	400	780	1,100	980		
- Developer Contributions (Section 94)	6,660	9,079	11,300	8,274	6,468	10,774	2,501	2,871	2,529	3,140		
- Other Externally Restricted Cash	16,488	8,821	2,490	2,448	1,400	1,275	750	700	980	1,184		
- Other Capital Contributions	100	300	500	150	150	250	500	300	500	400		
TOTAL FUNDS SURPLUS / (DEFICIT)	(2,731)	(2,756)	283	183	249	270	213	258	80	226		

WO	LLONG		CITY (CIL			BA	SELIN	ΙE	
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000	
		=	BALANCE	SHEET							
CURRENT ASSETS											
Cash Assets	81,109	74,587	78,958	79,569	85,533	86,037	93,882	99,813	105,323	109,953	
Investment Securities	9,012	8,287	8,773	8,841	9,504	9,560	10,431	11,090	11,703	12,21	
Receivables	18,397	18,953	19,674	20,351	21,076	21,887	22,578	23,362	24,166	24,85	
Inventories	8,941	8,941	8,941	8,941	8,941	8,941	8,941	8,941	8,941	8,94	
Other	929	955	981	1,006	1,032	1,059	1,087	1,115	1,144	1,174	
TOTAL CURRENT ASSETS	118,387	111,722	117,327	118,708	126,085	127,483	136,918	144,321	151,276	157,14	
NON-CURRENT ASSETS		, ,,,	, ,	,			,	,			
Non Current Cash Assets	0	0	0	0	0	0	0	0	0	(
Non Current Investment Securities	0	0	0	0	0	0	0	0	0	(
Non-Current Receivables	5,109	5,109	5,109	5,109	5,109	5,109	5,109	5,109	5,109	5,10	
Investments Accounted for using Equity Method	984	984	984	984	984	984	984	984	984	984	
Investment Property	4,045	4.211	4.382	4,558	4,738	4.923	5.109	5.294	5,479	5,47	
Intangible Assets	364	364	364	364	364	364	364	364	364	364	
Property, Plant & Equipment	2,399,035	2,399,386	2,388,118	2,377,079	2,359,571	2,348,492	2,329,758	2,311,948	2,294,451	2,277,299	
TOTAL NON-CURRENT ASSETS	2,409,536	2,410,054	2,398,956	2,388,093	2,370,765	2,359,872	2,341,322	2,323,698	2,306,385	2,289,23	
TOTAL ASSETS	2,527,923	2,521,776	2,516,283	2,506,801	2,496,850	2,487,355	2,478,241	2,468,019	2,457,661	2,446,375	
CURRENT LIABILITIES											
Current Payables	22,800	23,517	24,453	25,224	26,107	26,966	28,006	28,966	29,972	31,070	
Provisions < 12 Months	9,713	9,980	10,249	10,516	10,789	11,070	11,357	11,653	11,956	12,26	
Provisions > 12 Months	33,145	34,057	34,976	35,885	36,818	37,776	38,758	39,766	40,800	41,86	
Current Interest Bearing Liabilities	4,892	5,153	5,280	5,415	5,557	2,808	2,966	2,481	0	(
TOTAL CURRENT LIABILITIES	70,550	72,706	74,958	77,040	79,272	78,618	81,087	82,865	82,727	85,19	
NON-CURRENT LIABILITIES											
Non Current Interest Bearing Liabilities	26,829	22,548	17,998	13,150	7,984	5,380	2,616	338	541	54	
Non Current Provisions	52,167	57,061	62,208	67,543	72,784	77,917	83,123	88,456	93,950	99,45	
TOTAL NON-CURRENT LIABILITIES	78,996	79,609	80.206	80,694	80,768	83,297	85,739	88,794	94.491	99.99	
	149,545	152,315	155,164	157,734	160,040	161,915	166,826	171,659	177,218	185,19	
TOTAL LIABILITIES	149,343	102,010	.00,.0.								
	2,378,378	2,369,461	2,361,119	2,349,067	2,336,810	2,325,440	2,311,415	2,296,360	2,280,443	2,261,18	
NET ASSETS				2,349,067	2,336,810	2,325,440	2,311,415	2,296,360	2,280,443	2,261,18	
NET ASSETS EQUITY	2,378,378	2,369,461	2,361,119	, ,	, ,	, , , ,	,, , , ,	,,,	, , ,		
NET ASSETS EQUITY Accumulated Surplus	2,378,378	2,369,461	2,361,119 (1,069,734)	(1,060,965)	(1,042,667)	(1,030,140)	(1,010,590)	(990,380)	(969,455)	(948,998	
NET ASSETS EQUITY Accumulated Surplus Surplus (Deficit) for period	2,378,378 (1,084,687) 6,277	2,369,461 (1,083,035) (8,917)	2,361,119 (1,069,734) 8,343	(1,060,965) 12,052	(1,042,667) 12,257	(1,030,140) 11,370	(1,010,590) 14,025	(990,380) 15,055	(969,455) 15,916	(948,998 19,259	
NET ASSETS EQUITY Accumulated Surplus Surplus (Deficit) for period Asset Revaluation Reserve Restricted Assets	2,378,378	2,369,461	2,361,119 (1,069,734)	(1,060,965)	(1,042,667)	(1,030,140)	(1,010,590)	(990,380)	(969,455)	2,261,185 (948,998 19,255 (1,226,811 (104,636	

	WOLLC	JNGOI _	NG CII 10 Year Fi		UNCIL _				BASE	LINE
	2014/15 Forecast \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000	2017/18 Forecast \$'000	2018/19 Forecast \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000
		CASI	H FLOW S	STATEME	NT					
CASH FLOWS FROM OPERATIONS				_		-		-		
Receipts										
Rates and Annual Charges	159,181	165,299	171,419	177,793	184,410	191,196	197,313	204,066	210,823	218,22
Jser Charges & Fees	33,311	34,841	37,171	38,919	40,919	42,868	44,716	46,931	49,271	51,3
nvestment Incomes	4,965	4,485	4,375	4,216	4,067	4,869	5,101	5,294	5,741	4,4
Grants & Contributions	39,412	38,132	40,351	37,047	37,873	38,412	38,965	39,076	39,534	40,23
Other Operating Receipts	8,640	8,875	9,118	9,365	9,620	9,879	10,149	10,426	10,714	11,0
Payments										
Employee Costs	(94,517)	(97,588)	(101,060)	(104,657)	(108,386)	(110,482)	(114,179)	(117,998)	(121,995)	(125,47
Materials & Contracts	(89,233)	(93,276)	(99,153)	(103,510)	(108,957)	(115,934)	(122,663)	(128,746)	(134,911)	(142,78
Borrowing Costs	(1,192)	(1,077)	(957)	(829)	(695)	(552)	(402)	(243)	(75)	
Other Operating Payments	2,288	2,042	2,000	1,970	1,961	1,960	1,956	1,949	1,945	1,90
NET CASH PROVIDED BY (OR USED IN)										
PERATIONS	62,857	61,732	63,263	60,315	60,812	62,215	60,955	60,754	61,048	58,88
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Sale of Investment securities	2,080	725	(486)	(68)	(663)	(56)	(872)	(659)	(612)	(51
Proceeds from Sale of Property, Plant & Equip	2,208	2,008	1,522	755	200	1,751	800	900	750	2,30
Repayments from Deferred Debtors	0	0	0	0	0	0	0	0	0	
Payments										
Purchase of Property Plant & Equipment	(80,952)	(66,094)	(54,775)	(55,111)	(48,970)	(57,849)	(50,231)	(52,098)	(53,195)	(56,03
Advances to Deferred Debtors	(135)	0	0	0	0	0	0	0	0	(00,00
NET CASH PROVIDED BY (OR USED IN)										
NVESTING ACTIVITIES	(76,799)	(63,362)	(53,739)	(54,424)	(49,433)	(56,154)	(50,302)	(51,857)	(53,057)	(54,25
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Proceeds form Borrowings and advances	0	0	0	0	0	0	0	0	0	
•	U	Ü	O	U	o o	O	O	U	· ·	
Payments	(4.770)	(4.000)	(5.450)	(5.000)	(5.445)	(5.553)	(0.000)	(0.000)	(0.404)	
Repayments of Borrowings and Advances	(4,778)	(4,892)	(5,153)	(5,280)	(5,415)	(5,557)	(2,808)	(2,966)	(2,481)	
NET CASH PROVIDED BY (OR USED IN)										
FINANCING ACTIVITIES	(4,778)	(4,892)	(5,153)	(5,280)	(5,415)	(5,557)	(2,808)	(2,966)	(2,481)	
NET INCREASE (DECREASE) IN CASH &										
ASH EQUIVALENTS HELD	(18,720)	(6,522)	4,371	611	5.964	504	7,845	5.931	5.510	4,63
Cash at Beginning of Period	99,829	81,109	74,587	78,958	79,569	85,533	86,037	93,882	99,813	105,32
ASH & CASH EQUIVALENTS AT EOY	81,109	74,587	78,958	79,569	85,533	86,037	93,882	99,813	105,323	109,95
PLUS other investment securities	9,012	8,287	8,773	8,841	9,504	9,560	10,431	11,090	11,703	12,2
TOTAL CASH & INVESTMENTS	90,121	82,874	87,731	88,410	95,037	95,597	104,313	110,903	117,025	122,17
OTAL CASH & INVESTMENTS PER B/S	81,109	74,587	78,958	79,569	85,533	86,037	93,882	99,813	105,323	109,95

Changes in Operating Income and Expenditure

MAJOR VARIATIONS compared to Draft Budget \$'000s			Net by
	Surplus	Deficit	type
EXPENSES FROM ORDINARY ACTIVITIES			
Employee Costs			
Various minor changes	25		25
Materials, Contracts & Other Expenses			
Various minor changes		(31)	(31)
Internal Charges			
Various minor changes		(11)	(11)
REVENUES FROM ORDINARY ACTIVITIES			
Rates & Annual Charges			
Ordinary Rates			
Application of revised rate peg & new properties		(473)	
Reduction in provisions for abandonments	272		
Reduction mandatory pensioner rebate - partially offset by subsidy	170		
Reduction in voluntary pensioner rebate due to natural attrition	107		
Special Rates		(7)	
Domestic Waste			
Reduction mandatory pensioner rebate - partially offset by subsidy		(75)	
Reduction in voluntary pensioner rebate due to natural attrition	33		27
User Charges & Fees			
Various minor changes	11		11
Other Revenue			
Various minor changes		(6)	(6)
Grants & contribution - Operating			
Reduction in Library per capital grant & special projects funding		(36)	
State Government subsidy for mandatory pensioner rebate - rates		(94)	
State Government subsidy for mandatory pensioner rebate - DWM	42		
Social Services grants	30		
Reduction in multicultural & seniors grants		(57)	
Various minor changes		(11)	(126)
Operating Variation [pre capital]	690	(802)	(113)
			Net by
MAJOR VARIATIONS compared to Draft Budget (cont) \$'000s			type
	Surplus	Deficit	
Capital Grants & Contributions		(2.2.2)	(1.10)
Operating Variation [post capital]	690	(802)	(113)
FUNDING STATEMENT			
Non Cash Expenses			
Various minor changes	21		
Restricted Cash Used for Operations			
Application of grant funds & contributions for transport program	232	(F)	
Various minor changes		(5)	
Income Transferred to Restricted Cash			
Transfer on net impact of pensioner rebate & subsidy on DWM	1	(00)	
Increase in transfer to reflect increased Social Services grant income	044	(30)	219
OPERATIONAL FUNDS AVAILABLE FOR CAPITAL	944	(837)	106
Not improvements applied to increase in capital program		(104)	(10/)
Net improvements applied to increase in capital program	944	(106)	<u>(106)</u> 0
TOTAL FUNDS SURPLUS/(DEFICIT)	944	(943)	