

Ordinary Meeting

Meeting Date: Tuesday, 24 April, 2018
Location: St Georges Basin Community Centre, St Georges Basin
Time: 5.00pm

Membership (Quorum - 7)
All Councillors

Addendum Agenda

Reports

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Confidential Reports

CCL18.7	Tenders – Woollamia Industrial Estate Stage 5 Civil Works <i>Local Government Act - Section 10A(2)(d)(i) - Commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.</i> <i>There is a public interest consideration against disclosure of information as disclosure of the information could reasonably be expected to reveal commercial-in-confidence provisions of a contract, diminish the competitive commercial value of any information to any person and/or prejudice any person's legitimate business, commercial, professional or financial interests.</i>	
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CL18.99 Amendment to POL16/202 Revenue Pensioner Rates and Charges - Arrears and Interest

HPERM Ref: D18/111697

Group: Finance Corporate & Community Services Group
Section: Finance

Attachments: 1. Proposed POL16/202 Revenue Pensioner Rates and Charges - Arrears and Interest [↓](#)
 2. Proposed Amendments to Revenue Hardship Policy [↓](#)

Purpose / Summary

POL16/202 Revenue – Pensioner Rates and Charges – Arrears and Interest allows an interest free period to eligible pensioners with no arrears provided they pay their current rates and charges before the end of May each year. It will not be possible to replicate Council's policy in the new corporate business system. An alternative to the "interest free period" provision is proposed.

Recommendation

That Council:

1. Agree to the removal of the Interest Free Period provision from POL16/202 Revenue – Pensioner Rates and Charges – Arrears and Interest, effective 1 July 2018
2. Adopt the amended policy POL16/202 Revenue – Pensioner Rates and Charges – Arrears and Interest
3. Adopt the expanded hardship assistance policy, POL16/200 Revenue Hardship Policy, attached to this Report

Options

1. Resolve as recommended and adopt the amended policies.

Implications: Additional support will be provided to eligible pensioner rate accounts who are experiencing hardship.

2. Adopt the amended POL16/202 Revenue – Pensioner Rates and Charges – Arrears and Interest policy and the alternative option to compensate for the removal of the Interest Free Period.

Implications: Rather than providing relief only to eligible pensioners experiencing hardship, all eligible pensioners will receive a benefit resulting in an additional cost to Council that is unfunded.

3. Not adopt the recommended changes and continue with the extended grace period for eligible pensioner accounts.

Implications: This option has an extreme risk of transactional error occurring with rate accounts. This is due to manual processing "work arounds" being required prior to each interest processing run completed after each instalment payment date has passed and such will necessitate the manipulation of system generated data. The additional workload in processing concession adjustments between billing periods will require

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additional resourcing to ensure entitlements are accurately applied. Such an option should not be adopted without first referring to the Risk & Audit committee for comment.

Background

In 2000, Council adopted a policy allowing eligible pensioners an interest free period should they not pay their rates by the due date(s) but pay any arrears before the end of May each financial year, POL16/202 Pensioner Rates and Charges – Arrears and Interest. This approach contrasts with that taken to general residential ratepayers. To prevent interest being raised, the latter must pay their rates in full by 31 August each year or opt to pay their rates by the due date for each of four instalments (31 August; 30 November; 28 February; 31 May).

The interest free period is currently accommodated within Council's existing Fujitsu rates system. However, it will not be possible to replicate Council's policy in the new corporate business system without significant manual workarounds. Any workarounds have attendant resource implications associated with extract, transform and load (ETL) processes and introduce the risk of error at each stage of that process.

Given that the OneCouncil solution from TechnologyOne is not able to split due dates for specific rate account groups, an analysis was performed to determine the number of eligible pensioners who take advantage of the interest free period, the financial implications of the policy and any income derived from overdue interest charges.

Analysis

For the 2016/17 rating period, of the 57,090 rateable assessments, there were 10,844 eligible pensioners (18.9% of the total) comprising:

1. 605 eligible pensioners (5.6%) who had not made a payment by the end of May. These pensioners obtain no benefit from the interest free period and are either pensioners who became eligible prior to 1 July 2015 and can defer their rates or are potential hardship cases whose account accrues interest on outstanding rates and charges
2. Approximately 2,000 eligible pensioners (18% - 19%) who take advantage of the interest free period
3. The remaining eligible pensioners who pay within the normal payment terms.

The estimate of foregone income resulting from the application of the interest free period differs between quarters as a result of changes to the number of pensioners eligible for the concession in that quarter and the take-up rate of the interest free period. In addition, payment can occur at any time over the interest free period but the analysis only applies as at the due date for each instalment. In accordance with section 566(3) of the Act, the maximum rate of interest payable on overdue rates and charges was 7.5% per annum in 2016/17 (simple interest calculated on a daily basis).

For 2016/17, the analysis shows:

	Instalment 1	Instalment 2	Instalment 3
Total owing	\$481,433.85	\$536,596.81	\$623,928.68
Assessments	2,085	1,977	2,015
Interest days for the quarter	91	90	92
Estimated interest	\$9,002.15	\$9,923.37	\$11,794.82
Estimated interest per pensioner	\$4.32	\$5.02	\$5.85

CL18.99

The interest earned from eligible pensioners who did not pay their rates by the due date(s) and did not pay any arrears before the end of May was \$2,024 in 2016/17 for the first three instalments.

In considering the removal of the interest free period, there are three main considerations:

1. Providing support to pensioners experiencing hardship
2. Maintaining assistance to pensioners currently taking advantage of the interest free period
3. Administrative efficiency

These considerations are the basis of the two options presented below.

Options

Implementing a new corporate business system has presented Council an opportunity to review the effectiveness of previously adopted practices. The above analysis shows that the interest free period benefits a relatively small percentage of ratepayers (approximately 3.5% of all rateable assessments).

With the implementation of the new corporate business system, it is proposed to remove the interest free period and apply the same process to eligible pensioners as to other ratepayers; that is, interest will accrue to accounts if payment is not received in full by 31 August each year or by the due date for each of the quarterly instalments.

As an offset for this change, two options are proposed based on greater weight being given to one or other of the first two considerations noted above:

1. Expanded hardship assistance

The current interest free provision does not distinguish between eligible pensioners who need additional time to pay their rates and charges and those who choose to delay payment of their rates to the last possible date without penalty. Nor does the provision support those eligible pensioners not able to pay their rates by the end of May and, thereby, incur interest on arrears.

Councillors would be aware of the provisions of POL16/200 Revenue Hardship Policy. Council has the option of writing off full or partial accrued interest on rates and charges under Section 567 (c) of the Local Government Act 1993. Assistance under the Hardship Policy is available to all ratepayers for the current rating period. The interest free period offered is, generally, between three (3) to six (6) months, but may extend to twelve (12) months. In any event, the person(s) experiencing hardship is required to meet an agreed payment plan and interest is only waived at the end of each financial year if the agreed payment plan is adhered to.

Note that interest will be charged from 31 August 2018 on any overdue amount on the annual notice run and communicate details about the revised Revenue Hardship Policy in the Neighbourhood News

Use of the hardship policy, in lieu of the interest free period, is a feasible option. POL16/200 Revenue Hardship Policy could be amended to include the following provisions:

- Details of the Hardship Policy and an Application for Hardship Relief form will be sent to eligible pensioners with the 4th Instalment Notice
- If a pensioner can show they are experiencing hardship, then any interest accrued on their rates and charges for that rating year will be waived at the end of each financial year, on the condition of compliance with an agreed payment plan.
- Arrangements for regular payments on the account are put in place for affected pensioners

- Community-based support options to help with financial counselling are provided

2. "No disadvantage"

The maximum foregone amount of interest for each eligible pensioner who takes advantage of the interest free period can range from about \$5 to just over \$15, and is estimated at \$30,720 in 2016/17. Given it is not possible to estimate the average or modal outcome for eligible pensioners using the interest free period, the mid-point of \$10 is suggested as the level of a voluntary rebate to the cohort of all eligible pensioners, funded 100% by Council. This rebate is in addition to the maximum rebate of \$250 available to eligible pensioners on their rates/domestic waste bill under Section 575 of the Local Government Act 1993, funded 45% by councils and 55% by the State Government. The additional cost of this option to Council is estimated to be \$78,000, resulting in a total cost to Council of \$108,720.

Council would be aware that there has been no increase to the rebate available under Section 575 of the Local Government Act for many years and, therefore, an additional Council rebate is considered a positive outcome for pensioner account holders.

Community Engagement

It is proposed to remove the interest free period for eligible pensioners as indicated in this report. Council is able to include inserts with each quarterly instalment notice to ratepayers and it is intended to undertake an information campaign over the next two billing quarters to highlight the changed arrangements. If the recommendation is adopted by Council, details about the revised Revenue Hardship Policy will be included in the Neighbourhood News.

Policy Implications

It will be necessary to adopt the amended *POL16/202 Revenue – Pensioner Rates and Charges – Arrears* and Interest attached to this report. Depending on the Option supported by Council, it may also be necessary to adopt the amended *POL16/200 Revenue Hardship Policy*, also attached to this report.

Financial Implications

If all the pensioners currently utilising the interest free period successfully applied for hardship consideration, the result would be cost neutral. If they paid each instalment on the due date, then using a 3% interest rate, indicates a potential net benefit of approximately \$12,000 using the amounts included in this report.

The proposed removal of the interest free period may generate additional interest income from unpaid accounts. Under Option 2, this has been offset by the introduction of a voluntary rebate to all eligible pensioners. The net additional cost of this option to Council is estimated to be \$78,000, resulting in a total cost to Council of \$108,720. This is not funded in Council's 2018/19 budget and is not part of the Long Term Financial Plan,

If council opts to provide additional financial relief to pensioner ratepayers another expenditure item should be reduced to offset that cost.



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For more information contact the Finance Corporate & Community Services Group

Revenue - Pensioner Rates and Charges - Arrears and Interest

Policy Number: POL16/202 • **Adopted:** Various Dates • **Reaffirmed:** 6/05/2009, 23/11/2012 • **Amended:** 23/06/2015, 21/07/2015, 15/08/2017 • **Minute Numbers:** MIN89.282, MIN89.534, MIN95.1314, MIN01.15, MIN09.558, MIN12.1286, MIN15.421, D15/211230, MIN17.701 • **File:** 1972E • **Produced By:** Finance Corporate & Community Services Group • **Review Date:** 1/12/2020

1. PURPOSE

To articulate Council's position in relation to the charging of interest and collection of arrears of pensioners' rates and charges and ensure the Revenue Management Unit has clearly documented guidelines.

2. STATEMENT

This policy statement is based on Council Minute 15.421 and replaces previous minutes of Council 89.282, 89.534, 95.1314, and 01.15. In accordance with the minute 15.421 Council will allow the recovery of rates and charges for pensioners who became eligible on or after 1 July 2015 in conjunction with Council's Revenue - Debt Recovery Policy.

In this policy, **eligible pensioner** has the same meaning as that defined in the Local Government Act 1993 and Local Government (General) Regulation 2005:

"eligible pensioner", in Division 1 of Part 8 of Chapter 15, in relation to a rate or charge levied on land on which a dwelling is situated means a person:

- (a) who is a member of a class of persons prescribed by the regulations, and*
- (b) who occupies that dwelling as his or her sole or principal place of living.*

134 Eligible pensioners for the purpose of determining pensioner concessions – prescribed classes

For the purposes of paragraph (a) of the definition of "eligible pensioner" in the dictionary of the Act, the following classes of persons are prescribed:

(a) persons who receive a pension, benefit or allowance under Chapter 2 of the Social Security Act 1991 of the Commonwealth, or a service pension under Part III of the Veterans' Entitlements Act 1986 of the Commonwealth, and who are entitled to a pensioner concession card issued by or on behalf of the Commonwealth Government,

(b) persons who receive a pension from the Commonwealth Department of Veterans' Affairs as:

Shoalhaven City Council - Pensioner Rates and Charges - Arrears and Interest

- (i) a war widow or war widower within the meaning of the Veterans' Entitlements Act 1986 of the Commonwealth, or*
- (ii) the unmarried mother of a deceased unmarried member of the Australian Defence or Peacekeeping Forces, or*
- (iii) the widowed mother of a deceased unmarried member of the Australian Defence or Peacekeeping Forces,*

and do not have income and assets that would prevent them from being granted a pensioner concession card (assuming they were eligible for such a card),

(b1) persons who receive a lump sum mentioned in section 234 (1)(b) of the Military Rehabilitation and Compensation Act 2004 of the Commonwealth or are receiving a weekly amount mentioned in that paragraph, and do not have income and assets that would prevent them from being granted a pensioner concession card (assuming they were eligible for such a card).

(c) persons who receive a general rate of pension adjusted for extreme disablement under section 22 (4) of the Veterans' Entitlements Act 1986 of the Commonwealth, or a special rate of pension under section 24 of that Act,

(d) persons who receive, or who at some point in their life have been eligible for, a Special Rate Disability Pension under the Military Rehabilitation and Compensation Act 2004 of the Commonwealth.

3. PROVISIONS

3.1. Interest on Arrears of Rates and Charges

Eligible pensioners are charged interest in accordance with Council's policy 'Revenue – Overdue Interest Rate'. Council commenced charging interest on outstanding rates and charges for properties owned by eligible pensioners from 30 June 1989.

Interest is not payable on any rates or charges that were outstanding as at 30 June 1989, provided that the property (in respect of which the rates and charges were outstanding at that time) was owned by an eligible pensioner as at 31 December 1988.

In the case of eligible pensioners experiencing hardship, relief may be available under the provisions of POL16/200 Revenue Hardship Policy.

3.2. Interest Free Period

~~Council will permit eligible pensioners with no arrears an interest-free period until the end of May each year to pay their current rates and charges.~~

3.3.3.2. Deferment of Payment

Eligible pensioners who became eligible before 1 July 2015 are permitted to continue to defer payment of their rates and charges in accordance with previous Council Policy (POL12/142 version 3). However, interest will accrue in accordance with clause 3.1

Pensioners who became eligible for a pension rebate on or after 1 July 2015 will be required to pay rates and charges levied annually.

*Shoalhaven City Council - Pensioner Rates and Charges - Arrears and Interest***3.4.3.3. Action to Recover Outstanding Rates and Charges**

Council will commence action to secure outstanding rates and charges from eligible pensioners who have deferred their rates and charges in accordance with clause 3.3. Such action to secure overdue rates and charges will only commence after seventeen (17) years and will include issuing a Statement of Claim followed by Default Judgment.

Debt recovery action may be taken against pensioners who became eligible on or after 1 July 2015. Recovery action taken will be in accordance with Council's Revenue - Debt Recovery Policy.

Any pensioner who becomes eligible after 1 July 2015 will receive two Reminder letters and one Final Notice letter prior to the commencement of legal action. Legal action will not commence without the approval of Council by way of a Council Report.

4. IMPLEMENTATION

The Finance Corporate & Community Services Group has responsibility to administer this policy.

5. REVIEW

This policy will be reviewed within one year of the election of every new Council.

6. APPLICATION OF ESD PRINCIPLES

None applicable.



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For more information contact the Finance Corporate & Community Services Group

Revenue Hardship Policy

Policy Number: POL16/200 • **Adopted:** 1/05/2008 • **Reaffirmed:** 23/04/2013 • **Amended:** 21/07/2015, 15/08/2017 • **Minute Number:** MIN13.363, D15/211230, MIN17.701 • **File:** 20962E • **Produced By:** Finance Corporate & Community Services Group • **Review Date:** 1/12/2020

1. PURPOSE

Shoalhaven City Council recognises that financial hardship can arise with some ratepayers and will consider application for financial relief in some instances.

2. STATEMENT

This document is to be used as an internal practice and guideline for administering rate hardship provisions.

3. PROVISIONS

Council has the option of writing off full or partial interest on rates and charges under Section 567 (c) of the Local Government Act 1993. Under Section 601 of the Local Government Act 1993, Council has a discretion to waive, reduce or defer the payment of the whole or part of the increase in the amount of the rate payable by the ratepayer experiencing hardship resulting from certain valuation changes.

The following criteria apply:

- a) A confidential statement must be submitted by the debtor as evidence that the payment of the outstanding rates and charges would cause hardship to that person(s).
- b) The confidential statement must be on Council's prescribed form and must be signed as a Statutory Declaration of the person's circumstances.
- c) Financial Hardship will only be applied to the primary place of residence.
- d) Financial hardship will not be applied to:
 - *Investment properties
 - *Commercial or Industrial properties
 - *Vacant land
 - *Small Lot Rural Subdivisions on which building is not permitted
- e) Pensioners who became eligible prior to 1 July 2015 have access to deferral of rates and, therefore, they may only apply for hardship if, in the Hardship Committee's opinion, extreme hardship exists. Interest will only be waived if the full year rates and charges are paid within the current 12 month rating period.

Shoalhaven City Council - Revenue Hardship Policy

f) ~~The outstanding amount must exceed \$1,500 or be at least twelve (12) months overdue.~~

g) An application covers the current rating period from 1 July to 30 June only. A new application is required to be lodged for each rating period. Applications will not be accepted for a part of a rating year.

Details of the Hardship Policy and an Application for Hardship Relief form will be sent to eligible pensioners, as defined in POL16/202 Pensioner Rates and Charges – Arrears and Interest, with the 4th Instalment Notice.

For the application to be given full consideration, evidence of hardship must be supplied by the person(s). This evidence may take the form of Social Security information, tax return or Workers Compensation details, etc.

If full disclosure is not made by the person(s) or it is found that incorrect disclosures were deliberately made, Council reserves the right to cancel the agreement and collect any interest previously waived.

Personal information will be treated confidentially and all assessments will be made on a case by case basis by the Hardship Committee. The Hardship Committee consists of the Revenue Management Supervisor, Accounts Receivable Officer, Debt Recovery Officer and Chief Financial Officer.

If Council, after review of the application, deems that the payment of any rates or charges would cause financial hardship, Council has the option of writing off full or partial interest on rates and charges under Section 567(c) of the Local Government Act 1993 for a specified period of time as determined by the Hardship Committee.

The interest free period is generally between three (3) to six (6) months, ~~only~~ but may extend to twelve (12) months. In any event, the person(s) must maintain a strict regime of regular payments. The interest is only waived at the end of the period specified in order to ensure that the payments were/are maintained.

If an eligible pensioner can show they are experiencing hardship, then any interest accrued on their rates and charges for that rating year will be waived at the end of each financial year, on the condition of compliance with an agreed payment plan. Arrangements for regular payments on the account are put in place for affected pensioners and community-based support options to help with financial counselling will be provided.

If Council, after review of the application, deems that the payment of any rates or charges would cause financial hardship, Council, under Section 601 of the Local Government Act 1993, has a discretion to waive, reduce or defer the payment of the whole or part of the increase in the amount of the rate payable by the ratepayer experiencing hardship resulting from certain valuation changes for the current rating year.

Upon receipt of the Hardship Application, a letter of acknowledgment is to be sent to the person(s) advising that a meeting will be scheduled in the near future. A report is then prepared for submission to the Hardship Committee and, upon determination, a letter is sent to the person(s) advising of the Hardship Committee's determination.

Shoalhaven City Council - Revenue Hardship Policy

The Hardship Committee's determination is then entered onto Council's rating system, coded as 'Hardship' along with the account review date for monitoring by the Debt Recovery Officer.

3 IMPLEMENTATION

The Finance Corporate & Community Services Group will administer these guidelines.

4 REVIEW

The Finance Corporate & Community Services Group will review this Policy within one year of the election of every new council or earlier should circumstances arise to warrant revision.

5 APPLICATION OF ESD PRINCIPLES

Apply Council's ESD principles in determining hardship applications with regard to unemployment, low income households, pensioners and residents who are suffering financial hardship.

6 RELATED POLICIES

- Revenue - Pensioner Rates and Charges – Arrears and Interest
- Rates Revenue – Overdue Interest Rate
- Rates and Other Monies – Delegation of Authority to Write Off
- Small Lot Rural Subdivisions – Transfer of Land in Lieu of Dealing with Unpaid Rates and Charges
- Jerberra Payment Relief Policy

7 ATTACHMENTS

Application for Hardship Relief.

Shoalhaven City Council - Revenue Hardship Policy

APPLICATION FOR HARDSHIP RELIEF

Council has the option of writing off interest on Rates and Charges under the Local Government Act. The following criteria must apply for this to occur:

1. Payment of such accounts in full is made difficult because of reasons beyond the ratepayers control
2. Payment of such accounts in full would cause the person hardship
3. The property concerned is the applicant/s **primary** place of residence
4. The completion in full of this application form
5. Provision of proof of income/expenses
6. **Suitable** arrangements for **regular** payments on the account

Privacy Notification

Shoalhaven City Council, for Hardship Relief purposes, is collecting the information requested on this form. The information will be used solely by Council officials for the purpose mentioned or a directly related purpose and will not be disclosed to any other parties. The applicant understands that this information is provided on a voluntary basis and they may apply to Council for access or amendment of the information at any time.

<p>My application is for the payment of \$ _____ per week/fortnight/month toward reduction of the outstanding amount.</p> <p>You should ensure you contact Council promptly if your circumstances change. This will ensure that Council does not take action to recover the amount outstanding if you do not adhere to the arrangement. Additionally, you may not be entitled to relief under the new circumstances. If any information supplied is found to be false or misleading this agreement becomes null and void.</p> <p><i>When answering the following questions please use block letters and tick the appropriate box.</i></p>

Assessment Number _____

Name: _____

Address: _____

Postal Address: _____

Telephone: Home: _____

Work: _____

Mobile: _____

Email: _____

Property Address: _____

(if different to above)

Shoalhaven City Council - Revenue Hardship Policy

Do you own the property?

- ☐ By Yourself
- ☐ With another person/s (spouse etc)
List any other people who reside with you _____
- ☐ Other - Please indicate details _____

Is the property:

- ☐ Residential Home
- ☐ Vacant Land
- ☐ Rural Land
- ☐ Your Sole or Principal Place of Living Since: _____
- ☐ Other - Please indicate details _____
- Value of House\Land \$ _____
- Mortgage \$ _____

Do you have interest in any other properties?

Details including any rental collected _____

Are you currently employed?

- ☐ No. Go to next question
- ☐ Full time
- ☐ Part time/casual _____ hours per week
- ☐ Name of employer _____

Do you receive a pension or benefit?

- ☐ No. Go to next question
- ☐ Yes
- Pension Number _____
- Pension Type _____

Do you have a health benefits card?

Shoalhaven City Council - Revenue Hardship Policy

☐ No. Go to next question

☐ Yes

Card Number _____

Do you have any dependants?

☐ Yes. How many and what ages

Income Details

Wages/Salary after Tax	\$ _____	per week
Pension/Benefit	\$ _____	per week
Income (Spouse)	\$ _____	per week
Pension/Benefit (Spouse)	\$ _____	per week
Maintenance received	\$ _____	per week
Family Allowance	\$ _____	per week
Other (Give details)	\$ _____	per week
	\$ _____	per week
	\$ _____	per week

Total: \$ _____ per week

Bank/Building Society Accounts

Name of Bank/Branch	Balance
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Total \$ _____

Regular Expenses

Mortgage repayments	\$ _____	per week
Rent/Board	\$ _____	per week
Food	\$ _____	per week
Electricity	\$ _____	per week
Rates (Council & Water)	\$ _____	per week
Repayments Total (A)	\$ _____	per week
Vehicle expenses inc petrol	\$ _____	per week
Private Medical Insurance	\$ _____	per week
Telephone	\$ _____	per week
Maintenance payments	\$ _____	per week
School expenses	\$ _____	per week
Insurance/Superannuation	\$ _____	per week
Other	\$ _____	per week
	\$ _____	per week
	\$ _____	per week

Total: \$ _____ per week

Surplus/Deficit \$ _____ per week

Debts/Liabilities

(Personal loans, credit cards)

Owing To:	Balance:
_____	\$ _____ p/w \$ _____
_____	\$ _____ p/w \$ _____
_____	\$ _____ p/w \$ _____
_____	\$ _____ p/w \$ _____
_____	\$ _____ p/w \$ _____
Total (A)	\$ _____ p/w \$ _____

Please give details of reasons or circumstances that have led you to make this application:

Shoalhaven City Council - Revenue Hardship Policy

The information provided in this application is strictly confidential and will not be disclosed to any other organisation.

Shoalhaven City Council - Revenue Hardship Policy

Statutory Declaration
OATHS ACT 1900, NSW, EIGHTH SCHEDULE

I, do solemnly and sincerely declare that
[name of declarant]

that the information contained in this application is true and correct

and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the *Oaths Act 1900*.

Declared at: on
[place] [date]

.....
[signature of declarant]

in the presence of an authorised witness, who states:

I, a
[name of authorised witness] [qualification of authorised witness
– JP number if applicable]

certify the following matters concerning the making of this statutory declaration by the person who made it: [* please cross out any text that does not apply]

1. *I saw the face of the person OR *I did not see the face of the person because the person was wearing a face covering, but I am satisfied that the person had a special justification for not removing the covering, and
2. *I have known the person for at least 12 months OR *I have not known the person for at least 12 months, but I have confirmed the person's identity using an identification document and the document I relied on was
[describe identification document relied on]

.....
[signature of authorised witness]

.....
[date]

CL18.100 Investment Report - March 2018

HPERM Ref: D18/123380

Group: Finance Corporate & Community Services Group
Section: Finance

Attachments: 1. Shoalhaven Monthly Investment Report - March 2018 (under separate cover)

Purpose / Summary

Under Section 625 of the Local Government Act 1993 and Clause 212 of the Local Government (General) Regulation, it is a requirement to provide a written report to Council

Recommendation

That the Report of the General Manager (Finance, Corporate and Community Services Group) on the Record of Investments for the period to 31 March 2018 be received for information.

Options

1. The Report on the Record of Investments for the period to 31 March 2018 be received for information.

Implications: Nil

2. Further information regarding the Record of Investments for the period to 31 March 2018 be requested.

Implications: Nil

3. The report on the Record of Investments for the period to 31 March 2018 be received for information with any changes requested for the Record of Investments to be reflected in the report for the period to 30 April 2018.

Implications: Nil

Background

Please refer to the attached monthly report provided by Council's Investment Advisor – CPG Research and Advisory Pty Ltd.

CPG Research and Advisory Pty Ltd includes a section of Council's investment in institutions who fund the fossil fuel industry (see page 12). There was an increase in Council's fossil fuels exposure due to the drawdown of loans into the TCorp fund, this will drop as the loan funds are spent on the REMS project.

The investment interest earned to the month of March was \$4,056,640.23, 77% of the full year budget though it should be noted that General Fund is tracking slightly under budget.

Fund	Budget	Actual	%
General	\$3,114,058	\$2,293,721	73.66%
Water	\$1,066,000	\$917,873	86.10%
Sewer	\$1,080,000	\$845,047	78.25%
Total	\$5,260,058	\$4,056,640	77.03%

The investment interest earned for the month of March was \$455,584, which was \$8,839 above budget.

Fund	Monthly Budget	Actual	Difference
General	\$264,482	\$262,055	-\$2,427
Water	\$90,537	\$112,627	\$22,090
Sewer	\$91,726	\$80,902	-\$10,824
Total	\$446,745	\$455,584	\$8,839

CL18.100

RECORD OF INVESTMENTS

Cash and Investment Balances

	March 2018	February 2018
Cash And Investments Held		
Cash at Bank - Transactional Account	\$4,917,676	\$8,862,048
Cash at Bank - Trust Fund	\$1,240	\$1,240
Cash on Hand	\$32,320	\$46,270
Other Cash and Investments	\$214,191,478	\$167,442,056
	\$219,142,713	\$176,351,614
 Fair Value Adjustment	 \$241,508	 \$241,508
Bank Reconciliation	\$13,401	\$225,298
	\$254,908	\$466,805
 Book Value of Cash and Investments	 \$219,397,622	 \$176,818,420
 Less Cash & Investments Held In Relation To Restricted Assets		
Employee Leave Entitlements	\$8,135,913	\$8,135,913
Land Decontamination	\$1,556,490	\$1,561,748
Critical Asset Compliance	\$2,353,580	\$2,357,124
North Nowra Link Road	\$473,216	\$475,594
Other Internal Reserves	\$7,315,299	\$6,817,419
Section 94 Matching Funds	\$340,808	\$340,808
Strategic Projects General	\$1,965,109	\$1,820,496
Industrial Land Development Reserve	\$6,237,762	\$5,973,856
Plant Replacement	\$1,449,950	\$1,566,611
Financial Assistance Grant	\$1,477,804	\$1,477,804
S94 Recoupment	\$864,924	\$864,924
Commitment To Capital Works	\$5,574,221	\$5,655,640
Property Reserve	\$1,308,106	\$1,349,964
Total Internally Restricted	\$39,053,182	\$38,397,902
 Loans - General Fund	 \$508,640	 \$1,010,862
Self Insurance Liability	\$1,418,724	\$1,398,946
Grant reserve	\$7,128,757	\$5,714,468
Section 94	\$31,536,496	\$31,393,797
Storm Water Levy	\$509,861	\$458,786
Trust - Mayors Relief Fund	\$77,793	\$77,793
Trust - General Trust	\$3,629,314	\$3,575,522
Waste Disposal	\$5,433,139	\$5,891,889
Sewer Fund	\$73,927,069	\$25,125,039
Sewer Plant Fund	\$1,969,370	\$1,973,983
Section 64 Water	\$17,887,448	\$17,868,076
Water Fund	\$25,052,887	\$25,185,178
Water Communication Towers	\$547,178	\$548,866
Water Plant Fund	\$1,477,691	\$1,379,076
Total Externally Restricted	\$171,104,366	\$121,602,280
 Total Restricted	 \$210,157,548	 \$160,000,183
 Unrestricted Cash And Investments		
General Fund	\$9,240,073	\$16,818,237

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The table below lists the major movements

Total Cash and Investments	+\$42,579,202	
Unrestricted cash	-\$7,578,164	Not a rates instalment month
Loans – General Fund	-\$502,222	Expenditure on projects
Grant Reserve	+\$1,414,289	Refer March Council resolutions adopting various grants
Sewer Fund	+\$48,802,030	Drawdown of REMS loan

Certification – Responsible Accounting Officer:

I hereby certify that the investments listed in the attached report have been made in accordance with Section 625 of the Local Government Act 1993, clause 212 of the Local Government (General) Regulations 2005 and Council's Investments Policy number POL18/8.

Michael Pennisi

Michael Pennisi
Chief Financial Officer

Financial Implications

It is important for Council to be informed in regard to its investments on a regular basis. Revenue from interests forms a vital part of Council's revenue stream.

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CL18.101 Future of the Shoalhaven River Festival

HPERM Ref: D18/123958

Group: Finance Corporate & Community Services Group
Section: Human Resources, Governance & Customer Service

Purpose / Summary

Representatives of the Shoalhaven River Festival have approached Council to discuss current challenges faced by the Committee and the potential for Council to provide a higher level of support and assistance. The purpose of this report is to seek Council's position regarding its ongoing involvement in the Shoalhaven River Festival.

Recommendation

That Council

1. Accepts this report for information.
2. Continues to provide the following support to the Shoalhaven River Festival Committee:
 - a. Continue to provide \$20,000 funding and support in line with what Council originally resolved on 21 June 2013.
 - b. Council (included Elected Members) assist the Committee in promoting the event through broader community and industry networks to assist in increasing volunteer numbers and local business support.
 - c. Council staff continue to work with and provide advice to the Committee to improve the sustainability of the event through the review of the ongoing format of the event to identify potential revenue opportunities and manage event costs.

Options

1. As recommended above

Implications: Further active involvement of Elected Members and Staff to promote event to community and industry networks to increase support for the event.

2. That Council:

- a. Accepts this report for information;
- b. Resolves to increase its resources to support the Shoalhaven River Festival;
- c. Resolves to include additional funding for an amount determined by Council as part of the 18/19 budget for the Shoalhaven River Festival.

Implications: If council increases either staff resources or monetary contributions, offsetting funding reductions to other services/works should be made. Further it may result in other community groups seeking further assistance/ support from Council for community events and such support is currently unfunded.

Background

The Shoalhaven River Festival commenced in October 2013 as an initiative of the Shoalhaven Tourism Board.

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A report was put to the 27 May 2013 Shoalhaven Tourism Board recommending that Council:

- (a) *Establish a Management Committee formed under Section 355 of the Local Government Act to progress and deliver the Shoalhaven River Festival*
 - a. *The Committee be named the Shoalhaven River Festival Committee*
 - b. *The membership of the Committee be formed from the Shoalhaven Tourism Board and co-opted community members as required*
 - c. *The Tourism Manager act as Executive Officer of the Committee and report to the Shoalhaven Tourism Board on the activities of the Committee*
- (b) *Allocate \$20,000 to the Shoalhaven River Festival Committee from the Event Strategic Projects Reserve for planning, Development Application and other fees and charges for running of the event.*
- (c) *Provide support in-kind in the form of a dedicated promotional website, secretariat, meeting space and event liaison assistance.*

As per the report of the 27 May 2013 to the Tourism Board, it was proposed to establish the Shoalhaven River Festival Committee as a Committee of Council under Section 355 of the Local Government Act so that the event could be covered by Council's insurance.

The Shoalhaven Tourism Board recommended the above to the Ordinary Meeting of Council on 21 June 2013. Council subsequently resolved:

That Council:

- a) *Establish a Management Committee formed under Section 355 of the Local Government Act to progress and deliver the Shoalhaven River Festival*
 - i. *The Committee be named the Shoalhaven River Festival Committee*
 - ii. *The membership of the Committee be formed from the Shoalhaven Tourism Board and co-opted community members as required*
 - iii. *The Tourism Manager act as Executive Officer of the Committee and report to the Shoalhaven Tourism Board on the activities of the Committee*
- b) *Allocate \$20,000 to the Shoalhaven River Festival Committee from the Strategic Projects Reserve for planning, Development Application and other fees and charges for the running of the event*
- c) *Provide support in-kind in the form of a dedicated promotional website, secretariat, meeting space and event liaison assistance*

The Shoalhaven River Festival has grown significantly since its inception in 2013 thanks to the hard work of the Committee with the assistance of Council staff and is now a two-day event which has also meant that event costs have increased. A report was tabled at the 19 December 2017 Ordinary Meeting providing an update on the 2017 River Festival and seeking that Council vote an additional \$15,500 in the December budget review to cover the event's budget over runs. That report is taken as read for the purposes of this report. However, the reasons for the short-fall provided in the report were as follows:

- (i) Fireworks – \$1,000 increase
- (ii) Traffic Management –\$3,000 increase
- (iii) Investment in a mobile stage –\$13,750 increase (rather than using a truck as donated on previous years)
- (iv) Eurogliders - nearly double the expense of prior year act
- (v) Hire of Marquee for 'Event Office' as prior facilities used not available.
- (vi) Portable toilets - in past years these were part of a Sponsorship arrangement

- (vii) Marina - the festival did not have the same number of boats on the pontoons
- (viii) Sponsorship - there was a slight drop in sponsorship. Many businesses have been sponsors since the beginning of the Festival and it is probably safe to assume that some of these businesses may drop their sponsorship contribution or move their money to other activities. There are lots of events seeking sponsorship in the Shoalhaven.

Shoalhaven City Council's support for the event has also increased over time and for the 2017 River Festival provided the following support:

Shoalhaven City Council – normal funding	\$20,030
Shoalhaven City Council – additional funding	\$15,500
Shoalhaven Water – Sponsorship	\$11,000

\$46,500 (32% of total event revenue)

In addition, Council provided the following in-kind support for the 2017 Festival:

Department	Activity	Details	Cost
Aquatics	Meeting Room Hire	Artists performing on Saturday	\$362
Aquatics	Additional costs	Extension of operating hours	\$2,011
IT/ Tourism	Resident notification letters	Staff resources	\$158
Tourism	Various tasks (outside normal event approval)	Event Liaison Role	\$901
Tourism	Various tasks to assist Lynn and the committee	Events and Investment Specialist x 105 hrs	\$4,906
Records	Mail out to residents	608 letters sent	\$608
Reserves	Hire Fee Waiver	Shoalhaven River Foreshore	\$1,007
Environment	Food Stall Fee Waiver		\$187
Environment	Working with organisers re requirements	Staff resources	\$560
Park Maintenance	Extra maintenance	Garden mulching - 8 hours with 2 crews	\$2,000
		TOTAL	\$12,700

Further in 2016 Shoalhaven Tourism funded an Event Management Plan, costing \$7,000, with the aim of assisting the committee to run the event more efficiently and ensure future committee members had a clear direction.

The total revenue for the 2017 Shoalhaven River Festival was close to \$145,000 made up of the following:

Sponsorship Income		
Shoalhaven City Council (incl additional funding)	\$35,500	24.5%
Shoalhaven Water	\$11,000	7.5%

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Other sponsors/ donations (11 sponsors; 4 'Friends')	\$40,830	28.2%
On-Off funding (grant) – 'Flood Market' Project	\$20,000	14%
Street Parade Entrants (20)	\$450	0.2%
Marina Exhibition	\$1,725	1.2%
Markets (91)	\$22,239	15.4%
Fireworks Dinner	\$8,025	5.5%
Other	\$4,938	3.5%

As you will note from the table and comments above Council's combined financial support made up 32% of the total event revenue and when combined with the one-off grant funding equated to 46% of the total revenue raised. As noted in the report tabled at the December 2017 Ordinary Meeting referred to above the Committee is finding it challenging to grow sponsorship and is heavily reliant on a small number of organisations that have loyally supported it throughout.

The River Festival Committee is heavily reliant on volunteers to be able to organise this event on the current funding available. Two key members of the Committee, Lynn Locke and Chance Hanlon have advised that their involvement in the Committee going forward is changing. The current Chair, Lynne Locke, has advised that she is stepping down from the Chair position and Chance Hanlon (Vice Chair) is stepping down from the Committee. To date no one has been found to replace these two key positions and as a result Lynne Locke and Chance Hanlon have approached Council on behalf of the Shoalhaven River Festival Committee seeking additional support and assistance from Council given:

- No one has stepped forward to Chair the Committee to organise the 2018 Shoalhaven River Festival;
- It has been difficult for the Committee to find new volunteers to join the Committee;
- There has been a drop-in sponsorship, possibly due to a reliance on the same sponsors year on year and the lack of support /sponsorship from the CBD for the event.

Specifically, the following support/ assistance from Council was sought:

- dedicated staff member/s to run the event and / or additional financial resources
- A commitment to support the event from all departments of Council

Council is currently not resourced to run such a community event. As Council will recall an event organised was contracted (part-time for 5 months) to assist with organising the Queen's Baton Relay event this year. Staff have estimated that Council would need to provide a budget as follows if it takes on full responsibility for organising the event.

Staffing	\$60,100*
Event Operation	\$146,200**
Less: Councils current support (already budgeted for)	
Shoalhaven Council	(\$20,000)

Shoalhaven Water	(\$11,000)
Additional budgeted expense	\$175,300
Revenue projection based on 2017	*** \$78,200
Net additional budget	\$97,100

Given potential revenue risk it is suggested to allow budget of \$110,000

- * Assuming community volunteers still come forward to assist with organising the event and on the day.
- ** Assuming current event format and based on 2017 event costs.
- *** Approx. \$40,000 is sponsorship which is not guaranteed given Committee's prior comments having difficulty sustaining sponsorships.

As noted above there are a number of concerns regarding the ongoing sustainability of the event in its current form and Council staff have previously made the following recommendations to the Committee to help address the increasing costs of the event:

- Friday evening and Saturday event, finish with fireworks on Saturday - save Sunday road closure costs.
- No parade through Nowra – not supported by CBD, limited revenue generated to cover traffic management costs and significant potential savings on traffic management.
- Friday night event could be based around a boat show, this could be a ticketed event on/ around the pontoons.
- Ski Racing NSW could be part of Saturday events, save on water entertainment costs.
- Markets bump in early on Saturday morning and event starts at 9am. Focus is kept on the river during the entire event.
- More user paid events to be a part of the free event and add to the entertainment eg: teams enter to race across the river in boats they have made or a blow-up kids activity area. This could also attract more sponsors.

As noted previously in this report, survey results indicate that 90% of the event participants are locals and therefore in its current form this event does not drive tourism and therefore any support is on the basis of it being a community event.

Directly organising community events is not core business of Council. Council's role to date has been to enable community groups and other organisations (through sponsorships, donations or other support) to run community events, with the exception of event programs at the Regional Gallery or Shoalhaven Entertainment Centre. The relevant priority within the Community Strategic Plan is Priority 1.2 - Activate communities through arts, culture and events. The Delivery Program identifies the following 3 strategies to deliver this priority:

- 1.2.01 Bring the Arts to the community
- 1.2.02 Provide cultural facilities that meet the needs of the community
- 1.2.03 Recognise and protect our cultural heritage

In deciding what level of support Council is willing to provide to the Shoalhaven River Festival Council needs to be cognisant that there are other community events for example, Blessing of the Fleet, New Year's Eve Fireworks, SeeChange Arts festival, and the potential

increased expectations that may be created in relation to Council's support for other community events.

It is recommended that the Riverfestival remains a grassroots community run event and Council does not take over the direct organising of this community event. Council could continue to support the Shoalhaven River Festival Committee in the following ways:

- (i) Council continue to provide \$20,000 funding and support in line with what Council originally resolved on 21 June 2013.
- (ii) Council (included Elected Members) assist the Committee in promoting the event through broader community and industry networks to assist in increasing volunteer numbers and local business support.
- (iii) Staff continue to work with and provide advice to the Committee to improve the sustainability of the event through the review of the ongoing format of the event to identify potential revenue opportunities and manage event costs.

Financial Implications

If Council decides to increase its support for the Shoalhaven River Festival it will need to provide additional funds as part of the 18/19 budget. As noted above it is estimated that a additional budget of approximately \$110,000 would need to be provided if Council was to take on a direct organising role. An offsetting expenditure reduction in another service/works should be made.

Risk Implications

If Council increases its support provided to the Shoalhaven River Festival it may create expectations in relation to increased support for other community events.

CL18.102 Tenders - Woollamia Industrial Estate Stage 5 Civil Works

HPERM Ref: D18/128684

Group: Assets & Works Group

Purpose / Summary

To inform Council of the tender process for the Woollamia Industrial Estate Stage 5 Civil Works.

In accordance with Section 10A(2)(d)(i) of the Local Government Act 1993, some information should remain confidential as it would, if disclosed, prejudice the commercial position of the person who supplied it. It is not in the public interest to disclose this information as it may reveal commercial-in-confidence provisions of a contract, diminish the competitive commercial value of any information to any person and/or prejudice any person's legitimate business, commercial, professional or financial interests. This information will be considered under a separate confidential report.

This report is submitted directly to the Ordinary Council Meeting pursuant to Clause 3 of Council's "Acceptance of Tenders – Reports to Council" Policy.

Recommendation

That Council consider a separate confidential report in accordance with Section 10A(2)(d)(i) of the Local Government Act 1993.

Options

1. Council accept the recommendation as presented.

Implications: A separate report will consider commercial information

2. Council amend the recommendation.

Implications: This may delay these important works.

Details

Council called Tenders for the Woollamia Industrial Estate Stage 5 Civil Works on 13 February 2018 and closed at 10:00am on 8 March 2018. Ten tenders were received at the time of closing.

Tenders Received

Tenders were received from the following:

Tenderer	Location
Cleary Bros Bombo	Port Kembla 2505
DruceDP	North Nowra 2541
Hisway Earthmoving	South Nowra 2541

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JBG Contractors (NSW)	South Nowra 2541
Josa Holdings Group	Emu Plains 2750
Lynch Civil contractors	South Nowra 2541
RD Miller	Greendale 2550
Stefanutti Construction	Unanderra 2526
Western Earthmoving	Seven Hills 2147
Z & S Earthmoving	Woonona 2517

Details relating the evaluation of the tenders are contained in the confidential report.

Community Engagement:

The industrial subdivision was advertised prior to sub division consent. The industrial estate is an acknowledged commercial centre in Woollamia / Huskisson area and creates a range of employment opportunities at a range of businesses. Growth in the area is strong and existing lots have all been sold.

Financial Implications:

Sufficient funds have been allocated in the Industrial Land Development Reserve budgets for 2017/2018 and 2018/2019. Land sales from this stage of the development will be allocated to the reserve for future industrial land developments.

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