

## Ordinary Meeting

**Meeting Date:** Tuesday, 26 September, 2017  
**Location:** Council Chambers, City Administrative Building, Bridge Road, Nowra  
**Time:** 5.00pm

**Membership** (Quorum - 7)  
All Councillors

## Addendum Agenda

### Committee Reports

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AA17.16	Additional Item - Amend the Terms of Reference and Membership	
AA17.17	Membership Request - Natalie Lloyd	

### Reports

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## CL17.270 Report of the Aboriginal Advisory Committee - 11 September 2017

HPERM Ref: D17/315091

**Attachments:** 1. Aboriginal Advisory Committee Terms Of Reference - Proposed Amendment [↓](#)

### AA17.16 Additional Item – Amendment of the Terms of Reference and Membership

#### Recommendation

That:

1. The Terms of Reference be amended to reflect that if members haven't attended 3 meetings without an apology that a reminder/courtesy letter be sent advising that they have missed 3 meetings and their membership will lapse if they do not confirm their membership in writing;
2. The Terms of Reference be amended to reflect the membership being a total of 21 members made up of the following:
  - a. 13 Aboriginal Community members, including 2 youth members
  - b. 1 NPWS Representative (Valda Corrigan)
  - c. 3 LALC's – Nowra LALC, Jerringa LALC and Ulladulla LALC
  - d. 3 Councillors
  - e. General Manager or nominee

### AA17.17 Membership Request - Natalie Lloyd

#### Recommendation

That Council thank Natalie Lloyd for her interest in the Aboriginal Advisory Committee and welcome Natalie to attend the meetings as a non voting participant.

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**City Administrative Centre**  
Bridge Road (PO Box 42), Nowra NSW Australia 2541 - DX 5323 Nowra  
Phone: (02) 4429 3111 - Fax: (02) 4422 1816

**Southern District Office**  
Deering Street, Ulladulla - Phone: (02) 4429 8999 – Fax: (02) 4429 8939

Email: [council@shoalhaven.nsw.gov.au](mailto:council@shoalhaven.nsw.gov.au)

Website: [www.shoalhaven.nsw.gov.au](http://www.shoalhaven.nsw.gov.au)

For more information contact the Finance Corporate & Community Services Group

## Aboriginal Advisory Committee - Terms of Reference

**Policy Number:** POL17/83 • **Adopted:** 16/08/2016 • **Amended:** 28/02/2017 • **Minute Number:** MIN16.656,  
MIN17.149 • **File:** 1209E • **Produced By:** Finance Corporate & Community Services Group • **Review Date:**  
1/12/2020

### 1. PURPOSE

To provide appropriate and considered advice to Council on all relevant issues affecting Aboriginal and Torres Strait Islander people within the Shoalhaven LGA, and to influence Council's support & intent in achieving their objectives for the current Statement of Commitment 2010 (SoC) and the Shoalhaven City Council Community Strategic Plan 2023 (SCCSP).

### 2. STATEMENT

Shoalhaven Local Government Area (LGA) is made up of many unique communities with a diverse range of people, lifestyles and cultures. It comprises 49 towns and villages and a key role of Shoalhaven City Council within that is to work in partnership with organisations, services, government agencies and individuals to build strong, resilient, cohesive and creative communities.

Shoalhaven City Council established the Aboriginal Advisory Committee (AAC) in 1997 to advise Council on the needs of Aboriginal people living in the Shoalhaven Local Government Area. This advisory committee provides an opportunity for Council to develop both a structure for effective consultation and communication with Aboriginal communities and the opportunity for Aboriginal people to participate in Council's decision-making process to achieve mutually co-operative responses for their cultural, environmental and economic wellbeing.

### 3. PROVISIONS

The Shoalhaven City Council maintains, in its Statement of Commitment 2010, to strongly support the work of the AAC and sees it as serving an important role in providing the specialist and professional guidance to achieve positive outcomes for local Aboriginal people.

*Aboriginal Advisory Committee – Terms of Reference*

#### 4. TERMS OF REFERENCE

##### 4.1. Relationship to Council

The committee is an Advisory Committee, administered by Council to discuss relevant issues and recommend solutions specifically associated to local government and their Aboriginal & Torres Strait Islander communities.

##### 4.2. Role of the Advisory Committee

All members are encouraged to become actively involved in the business of the AAC and to be an advocate between community and Council. The role of the Committee is:-

- To advise Shoalhaven City Council on necessary issues relating to Aboriginal communities in the LGA.
- Promote and increase knowledge & understanding of Aboriginal society, history & culture in the LGA.
- Facilitate access and accessibility to services and facilities for Aboriginal people.
- Advise on the development and implementation of the Shoalhaven City Council Community Strategic Plan.
- Develop strong collaborative partnerships between Aboriginal communities and Shoalhaven City Council.
- Maintain strong links between Council and Aboriginal communities throughout the Shoalhaven to accomplish the relationships and outcomes required for genuine reconciliation.
- Foster and safeguard a spirit of mutual trust and respect which allows the AAC and Shoalhaven City Council to work together in their commitment towards intelligent, well informed decision making processes that are sensitive to all Aboriginal issues.
- Recognise, support & uphold past and present local cultural heritage and its place in future Council directions.
- Remain a meaningful 'place' for the communication of messages and information from Aboriginal community voices that identify local needs for services, facilities and activities.
- Support and promote significant celebrations and events within the Shoalhaven Aboriginal and Torres Strait Islander community.

##### 4.3. Membership

Representatives must live in the Shoalhaven Local Government area (LGA) area and/or work with Aboriginal communities of the Shoalhaven on a full-time or part-time basis. The composition will be:

The Group will have a total membership of up to 19-21 positions which include:

- Up to 132 local Aboriginal community representatives being either Elders, Youth or Government/Non-Government agencies/organisation delegates (including 2 Youth members).
- One (1) NPWS Representative
- Three (3) members being a representative from each Local Aboriginal Land Council
- Three (3) Councillors be nominated by the elected Council
- The General Manager or nominee.

It is important for the AAC to take broad community advice from those Aboriginal organisations with a capacity to provide professional guidance to its members to enable them to make sound decisions. The following is a suggested list of Aboriginal organisations:

*Aboriginal Advisory Committee – Terms of Reference*

- South Coast Aboriginal Medical Service
- Local Aboriginal Land Councils
- Local Aboriginal Education Consultative Groups

These organisations and agencies working in the sector ~~who~~ may be invited to attend the Advisory Committee meetings but will have no voting privilege.

Community representatives that do not attend three (3) meeting without an apology will be sent a reminder/courtesy letter advising that their membership will lapse unless they confirm their membership in writing.

**4.4. Community Member Appointments**

- Nominations for Local Aboriginal Community Members should be advertised throughout the community.
- Appointment to the Advisory Committee can be for a maximum four (4) years with a set commencement and finish date and standing members may re-nominate for an additional term.
- Vacancies will be advertised locally via media and Council communication networks.
- Council will manage the application process in consultation with the Aboriginal Community Development Officer.
- An interview panel will consist of a Council staff member, the Chair of the Aboriginal Advisory Committee and one (1) Aboriginal committee representative to assess the applications and make recommendations for appointments to the Advisory Committee.

**4.5. Term Of Office**

- Local Aboriginal Community membership will be renewed every 4 years and ideally during the midterm of the elected Council.
- Councillor membership will be renewed at following normal Council elections.
- Should there be a Local Aboriginal Community membership vacancy it may be filled upon the resignation of a Local Aboriginal Community member and will align with set fixed finish dates.

**4.6. Sub Committees/Working Groups/Represented Delegation**

If representing the AAC on an identified working group/party your role is to represent the Committee's commitment and purpose.

The Advisory Committee will have the right to establish sub groups as deemed appropriate to assist in fulfilling their role and purpose.

**4.7. Meeting Practices and Procedures**

- The administrative provisions of Council's adopted Code of Meeting shall apply subject to any amendment by this Advisory Committee.
- The Chair of the Committee will be limited by a four (4) year tenure and is open to all members of the Committee.
- Where a Councillor is elected as Chair an Aboriginal Committee member representing the community will be appointed by the Aboriginal Committee members as Co-Chair to liaise, assist and advice the Councillor on cultural matters.

*Aboriginal Advisory Committee – Terms of Reference*

- Where a Committee member is elected as Chair a Councillor will be appointed as Co-Chair by the Committee members to liaise, assist and advise the Aboriginal member on the requirements of local government.
- Councillors who have an interest in forming a relationship with the committee should consider their ability to commit for the term of that Council.
- Committee members who are absent for three (3) consecutive meetings of the AAC without tendering an apology will be requested in formal correspondence from Council to confirm their intention regarding their membership of the committee. Failure to respond may result in removal from this committee.
- Formal meetings will be held quarterly depending on demand and also allowing Committee member's time for consultations.
- Meetings are held at Shoalhaven City Council Administrative Building or can be negotiated with Committee Members.
- A quorum will consist of five (5) members of the Committee.
- If a quorum is not present within 30 minutes of the time appointed for the commencement of the Advisory Committee meeting, the meeting shall lapse.
- Each Committee meeting shall be properly recorded by the taking of minutes by the Governance Unit.
- The minutes of the Advisory Committee meeting will be submitted to the next available Council Meeting
- Where possible, members are encouraged to reach a consensus; decisions will normally be made through modified consensuses.
- The Chair of the Committee should facilitate a meeting that is run on a consensus decision making model rather than rely on the formal structures of a simple majority plus one.
- If however there are times when a position cannot be reached, despite open and thorough exploration of the issues and options, the Chairperson will ask for a vote.
- All formal members of the committee are entitled to a vote
- In the event of a tied vote, the Chair can exercise a casting vote.
- Agenda and minutes from previous Advisory Committee meetings will be circulated to members at least seven (7) days prior to the meeting.
- Advisory Committee members must declare in writing any interest in any report tabled at the meeting covered by the Code of Conduct and Pecuniary Interest.
- Informal Advisory Committee meetings, special meetings that may discuss specific portfolio matters will be held as and when required or set by the Advisory Committee.
- Planning and costs associated with conducting meetings will be borne by Council.
- Advisory Committee recommendations which are determined to be purely or substantially 'operational' in nature, will be dealt with by the relevant council officer and any action or lack thereof reported to the Advisory Committee.
- Progress towards the outcomes of Council's Community Strategic Plan 2023 and Statement of Commitment will be reported to Shoalhaven City Council at Council meetings and corporate management meetings, where appropriate, throughout the year. Progress against actions arising from AAC Minutes will be reported on a quarterly basis at each consecutive AAC meeting.

#### **4.8. Code Of Conduct**

Meetings be conducted in an informal manner, but still within Council's 'Code of Conduct' Policy which all members are required to observe.

*Aboriginal Advisory Committee – Terms of Reference*

- Advisory Committee members should act in a professional, responsible and respectful manner with the information they obtain as a member, as the Advisory Committee require openness and honesty to function well.
- Advisory Committee members must at all times respect other members when expressing their opinions and views. Members should feel free to express their opinions and views without fear of recrimination.
- It is essential for Advisory Committee members to accept collective responsibility, and remain loyal to decisions of the Advisory Committee, even where they may not have agreed with the final decision.

**4.9. Confidentiality and Privacy**

Members may have contact with confidential or personal information retained by Council. If so, members are required to maintain the security of any confidential or personal information and not access, use or remove any information, unless the member is authorised to do so.

**4.10. Communication**

- All issues must be clearly communicated including priorities, limitations and benefits to community.
- Care needs to be undertaken to ensure that all participants fully understand mutual issues under discussion and that there are no false expectations created. It is important that all members' views are given weight during discussions.
- Members of the Advisory Committee are not permitted to speak to the media as representatives of the advisory committee unless approved by the chairperson
- Where approval has been given by the Chairperson, views and opinions expressed are those of the Advisory Committee and not of Shoalhaven City Council.
- Where endorsement is required from Shoalhaven City Council, approval must be sought through the formal processes.
- The Chair of the Advisory Committee is the point of contact for communication between Advisory Committee members and Council staff.

**4.11. Council Staff Attendance**

Shoalhaven City Council will provide administrative Council staff who are normally required to attend the meetings of the Advisory Committee to carry out the following tasks:

- Collate and distribute Business Papers.
- Organise meetings.
- Minute taking, storage and distribution of minutes and associated documents.
- Providing administrative support to the Community Development Officer to distribute information between the Committee and the Aboriginal Community Development Officer.

Other staff at the relevant Group Directors' discretion or at the Advisory Committee's request can attend meetings as required. Staff have no voting privileges.

**4.12. Expectation Of Advisory Committee Members**

- Advisory Committee members will undertake the prescribed Induction process.
- Pecuniary Interest Returns may be required on appointment and annually as required by the Office of Local Government and Council.

*Aboriginal Advisory Committee – Terms of Reference***4.13. Responsibility Of Council**

- Council at its discretion may review and change the Terms of Reference, Role and Structure of the Advisory Committee.

**5. REVIEW**

After every Council election.



## CL17.271 Investment Report August 2017

**HPERM Ref:** D17/307300

**Group:** Finance Corporate & Community Services Group  
**Section:** Finance

**Attachments:** 1. Shoalhaven Monthly Investment Report August 2017 (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 on a monthly basis setting out details of all money that Council has invested.

### Recommendation

That the Report of the General Manager (Finance Corporate and Community Services Group) on the Record of Investments for the period to 31 August 2017 be received for information.

### Options

1. The report on the Record of Investments for the period to 31 August 2017 be received for information.

Implications: Nil

2. Further information regarding the Record of Investments for the period to 31 August 2017 be requested.

Implications: Staff will need to prepare a further report to provide any information that is required.

3. The report on the Record of Investments for the period to 31 August 2017 be received for information with any changes requested for the Record of Investments to be reflected in the report for the period to 30 September 2017.

Implications: Nil

### Background

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

CPG Research and Advisory Pty Ltd have included a section on Council's investment in institutions who lend to fossil fuels (see page 12).

The interest earned for the month of August was \$466,966, which was \$51,961 above budget.

## RECORD OF INVESTMENTS

### Cash and Investment Balances

	August 2017	July 2017
<b>Cash And Investments Held</b>		
Cash at Bank - Transactional Account	\$8,081,441	\$15,725,434
Cash at Bank - Trust Fund	\$1,240	\$1,240
Cash on Hand	\$60,000	\$40,150
Other Cash and Investments	\$198,520,316	\$180,462,163
	<b>\$206,662,997</b>	<b>\$196,228,987</b>
Fair Value Adjustment	\$199,518	\$199,443
Bank Reconciliation	\$580,077	\$225,404
	\$779,595	\$424,847
<b>Book Value of Cash and Investments</b>	<b>\$207,442,592</b>	<b>\$196,653,834</b>
<b>Less Cash &amp; Investments Held In Relation To Restricted Assets</b>		
Employee Leave Entitlements	\$8,135,913	\$8,620,913
Land Decontamination	\$1,568,532	\$1,562,941
Critical Asset Compliance	\$2,379,251	\$2,377,326
North Nowra Link Road	\$489,453	\$650,735
Other Internal Reserves	\$4,723,758	\$2,442,061
Section 94 Matching Funds	\$340,881	\$341,106
Strategic Projects General	\$4,665,630	\$5,921,674
Industrial Land Development Reserve	\$5,391,125	\$5,529,440
Plant Replacement	\$1,755,851	\$2,372,512
Financial Assistance Grant	\$4,433,416	\$0
S94 Recoupment	\$1,713,461	\$1,733,604
Commitment To Capital Works	\$6,068,897	\$6,257,004
Property Reserve	\$3,104,415	\$3,220,858
<b>Total Internally Restricted</b>	<b>\$44,770,583</b>	<b>\$41,030,173</b>
Loans - General Fund	\$4,032,951	\$9,394,126
Self Insurance Liability	\$1,411,797	\$1,200,720
Section 94	\$29,157,677	\$28,994,363
Storm Water Levy	\$727,237	\$511,019
Trust - Mayors Relief Fund	\$77,793	\$79,111
Trust - General Trust	\$5,013,339	\$4,976,584
Waste Disposal	\$10,263,506	\$8,607,770
Sewer Fund	\$50,318,246	\$53,289,074
Sewer Plant Fund	\$1,693,090	\$1,854,193
Section 64 Water	\$16,829,130	\$16,329,113
Water Fund	\$22,017,836	\$22,706,805
Water Communication Towers	\$314,072	\$1,336,736
Water Plant Fund	\$1,043,420	\$1,104,476
<b>Total Externally Restricted</b>	<b>\$151,746,351</b>	<b>\$150,384,090</b>
<b>Total Restricted</b>	<b>\$196,516,934</b>	<b>\$191,414,263</b>
<b>Unrestricted Cash And Investments</b>		
General Fund	\$10,925,658	\$5,239,571

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The table below lists the major movements:

Total Cash and Investments	+ \$10,788,758	
Unrestricted General Fund Cash	+ \$5,686,087	Receipt of the first Financial Assistance Grant and rates instalments
Other Internal Reserves	+ \$2,281,697	Receipt of the first rates instalments for the special rate variation
Strategic Projects	- \$1,256,044	Expenditure on projects
Financial Assistance Grant	+ \$4,433,416	Recognition of advance payment less one instalment
Loans	- \$5,361,175	Correction of opening balance due to new loans in 2016/17 financing the 3 year bullet loan
Waste Disposal	+ \$1,655,736	Receipt of rates instalment
Sewer Fund	- \$2,970,828	Expenditure on REMS
Water Fund	- \$1,022,664	Expenditure on Projects

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 POL16/186.



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 interest on investments forms a vital part of Council's revenue stream.

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## CL17.272 Pathways to financial sustainability

**HPERM Ref:** D17/308897

**Group:** Finance Corporate & Community Services Group

**Section:** Finance

**Attachments:**

1. Budget cut and revenue options [↓](#)
2. New capital works [↓](#)
3. Councillor Presentation: Resources Issues (under separate cover) [⇒](#)

### Purpose / Summary

To review and determine Council's financial sustainability strategy (FSS) in light of the IPART decision to only part approve Council's SRV application.

Council's FSS must meet the OLG FFTF benchmarks.

### Recommendation

That Council adopt Option 1 which will retain existing services, allow modest "new" asset spend, move towards meeting all FFTF benchmarks and stage the further rate increase required over the next three years.

### Options

1. That Council prepare a revised DP/OP to reflect the proposed SRV application, under S508A of the Local Government Act 1993, to retain the 13.2% special variation approved as a one-off increase in 2017/18 as a permanent increase and for additional special variations (inclusive of a rate peg of 2.5% pa) of 5% in 2018/19, 5% in 2019/20 and 5% in 2020/21. **(This is the recommended option)**

Implications: Council will have the capacity to adequately maintain, renew and replace Council assets and meet community service expectations. While the application to IPART is for a multi-year special variation, Council is able to adopt lesser rate increases each year according to prevailing conditions. Council acknowledges there will be an impact on ratepayers and will continue to assist members of the community who experience hardship. Staff will need to revise the Delivery Program, Operational Plan and Long Term Financial Plan in line with the adopted recommendations and report back to an extra-ordinary meeting of council for endorsement prior to public exhibition.

2. Council chooses cost-cutting (service reductions) and/or revenue raising options from the lists attached to this report together with a lesser SRV (if needed) in order to achieve Council's performance benchmarks

Implications: Each \$600K improvement to Council's Operating result is roughly equivalent to a 1% rate increase. Council will need to consider a target for significant service level adjustments (not related to infrastructure maintenance or renewal) to maintain a pathway to financial sustainability. Reducing service levels, in consultation with the community, can manage part of the funding gap; however, it is likely that Council will continue to operate with an annual deficit without some form of SRV.

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3. Council adopts SRV levels that will allow it to meet the asset renewal target of 100% by 2026/27 – this requires rate increases to lock in the current 13.2% increase plus addition of 5% p.a. for the next seven years followed by a 3.4% increase in 2025/26.

Implications: This is the optimum level for asset management but is likely to attract substantial public objection because of the higher rate increase required.

4. Council does not adopt the recommendation (“do nothing”)

Implications: This would be a financially irresponsible pathway. Council will not meet its operating performance ratio target over the planning horizon and there will be a deterioration in the asset renewal ratio. The average cash deficit over the period amounts to \$2.8M pa. which will quickly deplete council cash reserves. The Operating Deficit starts at \$9.2M in 2018/19 and reduces over time to an average of \$3.8M over the planned period. Any decision that does not meet the Fit for the Future targets increases the risk of some form of Ministerial direction and discussions would need to be held with the Office of Local Government to understand the implications.

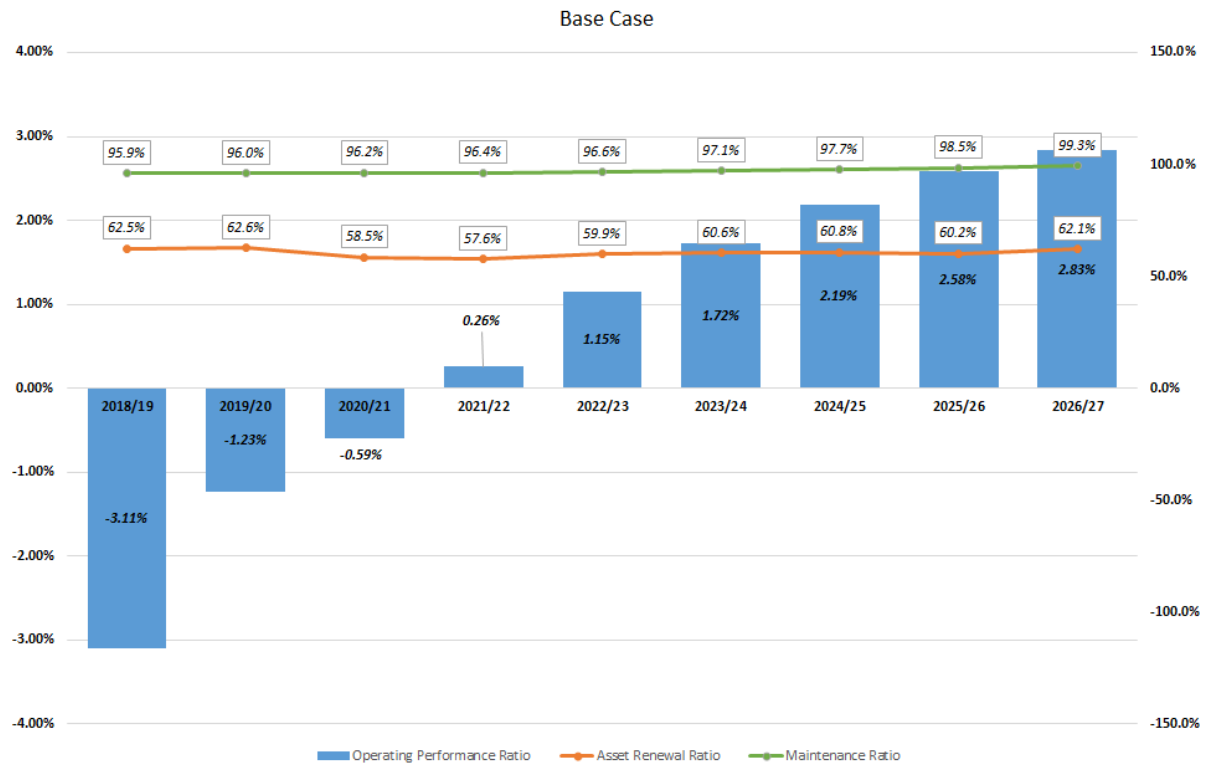
## Background

In February 2017, Council applied to IPART for 13.2% and 14% general rates income increases for 2017/18 and 2018/19, including known and projected rate pegs, to fund new infrastructure investment, reduce infrastructure backlog and improve financial sustainability. Of the 2017/18 proposed increase, 0.2% was to enable Council to take out a loan of \$2M for development of road infrastructure for Verons Estate. IPART approved a one-year temporary increase of 13.2% for 2017/18 in May 2017. The one year approval was given as IPART determined Council had not updated and advertised its Integrated Planning & Reporting documents for its special variation proposal. In its determination, IPART commented “Overall, we consider on balance the community was adequately consulted, despite the IP&R documentation not discussing the full extent of the rate rise.”

As part of the Councillor Budget Workshop held on 31 August 2017, a number of cost cutting and revenue raising initiatives were discussed. This report provides:

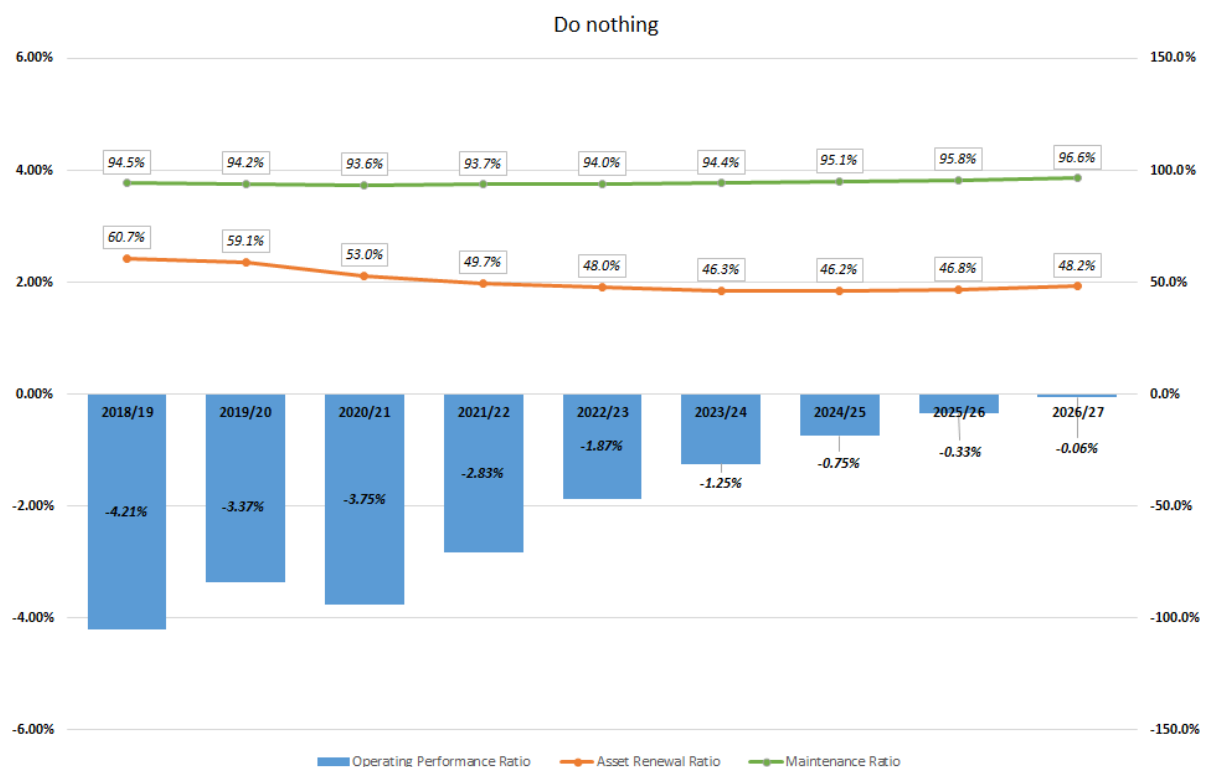
- a number of cost cutting and revenue options for consideration
- further details about one of the Long Term Financial Plan scenarios presented at the Workshop to allow Council to adopt a position on its revenue roadmap over the planning horizon.

However, it is up to Council to determine its funding priorities. At the Councillor Budget Workshop, options were discussed to reduce costs by adjusting service delivery and increase revenue through additional fees and charges. If adopted, the impact of these changes was estimated to be \$600,000 pa, leaving a funding gap of, approximately, \$11.2M pa, once expected increases to electricity charges and operational costs associated with the Shoalhaven Indoor Sports Centre are factored into Council’s Base Case scenario from 2019. While continuation of the 2017/18 special variation as a permanent increase reduces the funding gap to \$4.1M pa, it does not allow Council to adequately address asset renewal requirements over the 10 year planning horizon - as can be seen in the following chart:



The operating performance ratio exceeds the target of 0% by 2021/22, a year later than required under Fit for the Future. The asset maintenance target is 100% and Council moves toward this target over the planning horizon. An average of \$15.5M pa over the planning horizon is needed to bring the Building and Infrastructure Asset Renewal Ratio up to the benchmark level of 100%, all other things being equal.

The Base Case contrasts strongly with a scenario where the 13.2% increase is not retained as a permanent increase to Council's rate base:



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In this case, Council will not meet its operating performance ratio target over the planning horizon and there is a deterioration in the asset renewal ratio.

While this report recommends applying for further special variation increases over the next three years, a list of cost-cutting measures and other revenue raising initiatives is presented in this report for Council's consideration.

#### *Cost Reduction and Revenue Increase Actions*

There are several actions that would reduce the reliance on a SRV.

1. Operational service reductions and revenue opportunities: These are identified at Attachment 1. Option 2 (in Options) requests Council to consider cuts to operational budgets and increases in revenue to reduce the need for rate rises. Council could identify a number of cost reductions and revenue increases from this attachment, however there are some serious outcomes that would arise, particularly relating to reduced services, increased complaints and delays. Each \$600,000 identified will decrease the need for a rate rise by approximately 1% and improve the Operating Performance Ratio.

However, benchmarking from the LG Professionals and PwC report, 'Local government operational and management effectiveness report', Office of Local Government comparative data and a range of internal indicators, indicate that:

- a. Total administration costs as a percentage of operating costs; and
- b. Staffing levels in corporate services (finance, customer services, IT & HR) and DA assessment

are already below industry levels, i.e., staff levels should actually increase in some areas to meet workloads and community expectations (see section on Resourcing Issues below).

Further reductions would lead to staff dissatisfaction and increased turnover, adding costs for recruitments, reduced productivity and increased absenteeism.

2. Reduce capital expenditure by removing new, unfunded asset works, including any budgets to produce masterplans, complete detailed design works and the like. A list of such works is in Attachment 2 and savings (cuts) up to \$750K may be possible. Again, there are serious implications and community expectations will not be met. By reducing CAPEX for "new works", such as new community pathways etc., it will free up funds for renewal and maintenance works or simply improve the cash deficit position.
3. Target further operational productivity improvements. The LTFP includes a salary savings target of \$233,900 in the 2017/18 budget and this is escalated over the forward years in line with projected award increases. The salary savings target could be increased to, say, \$500,000. To achieve this target requires a deliberate delay in replacing/recruitments when a vacancy occurs. This results in a loss of capacity to undertake works, more pressure on other staff members and potential for service complaints. In addition, savings in non-salary items (materials and contracts and other expenses) expenditures are budgeted at the rate peg and below CPI. For the 2016/17 budget, this was quantified at \$1.8M in savings. Substantial "productivity" savings were also factored into the 2014/15 and 2015/16 budgets as part of the Transformation Program and further reductions will have a real impact on operations.
4. Procurement savings. Continue to budget for savings from procurement. The estimated savings for 2017/18 is \$60K.

There are diminishing returns from tendering activities as fewer existing contracts are available to be market tested or negotiated as part of the Illawarra Shoalhaven Joint Organisation (ISJO), together with Council's existing use of large panel arrangements.

Favourable price reductions may not be achieved due to changes in exchange rate, utility costs, interest rate rises, etc.

5. Reduce fees paid to Councillors. Council currently pays the maximum fees allowable for the Regional Rural category (\$19,310 pa) but could pay a lesser fee (the lowest fee in the approved range is \$8,750 pa) – overall a potential saving of \$94,440. In addition, Council could reduce the travel “mileage” rate allowance to the same level as the LG Award or ATO rate, as the current rate is above these.

However, it is arguable that Councillors are not paid enough in recognition of their workload now, so any reduction would make it more difficult to attract quality Councillor candidates at the next election and existing Councillors are less motivated to work as hard.

6. In major corporate cost reduction programs other measures have included:
  - a. Salary & wage freeze – this is not possible under the existing Award provisions;
  - b. New technology – contract negotiations are almost complete with Tech 1 to commence implementation of new systems which will have a two year completion time frame;
  - c. Sell underperforming assets – the Ross Report highlights some opportunities however this will be an involved community engagement process and early indications have not been supportive;

### *Resourcing Issues*

At a Councillor Briefing (as part of the senior staff contractual matters committee meeting) on 24 August 2017 (Attachment 3), a number of resource challenges for Council were identified:

- Increasing community expectations
- Workload from a growing local economy and increased development
- Ageing workforce
- Competitiveness - ability to attract and retain the right people
- Performance against service delivery benchmarks

The Briefing identified approximately \$3.8M of ongoing resourcing needs. However, only \$2M of additional expenditure (approx. 50% of needs), phased over two years, is included in the financial modelling over the planning horizon.

### *Revenue Options*

At the Budget Workshop on 31<sup>st</sup> August, three options were explored to increase revenue:

1. Apply “user pays” principle to a broader range of services provided by Council; for example, paid parking during peak periods, fees and charges for the use of sports grounds, spectator fee to access swim and fitness facilities. The attachment contains further details about the last two possibilities. Paid parking requires the development of a business case to ensure that benefits will be greater than the lifecycle cost.
2. Make a special levy.

The option of an Infrastructure Levy was raised at the Budget Workshop to address the asset renewal shortfall.

It is noted that a fixed annual charge, under section 501 of the Local Government Act 1993, can only be levied for purposes specified in the Act and those prescribed by regulation. Under the Act, Council may impose annual charges only for water,



sewerage, drainage and waste services. Therefore, a levy can only be made and levied legally as either ad valorem, ad valorem with a base amount or ad valorem and a minimum amount, and is indistinguishable from making a special rate. A portion of the special levy that was discussed has been included in the proposed rate increase for 2018/19 (+1%).

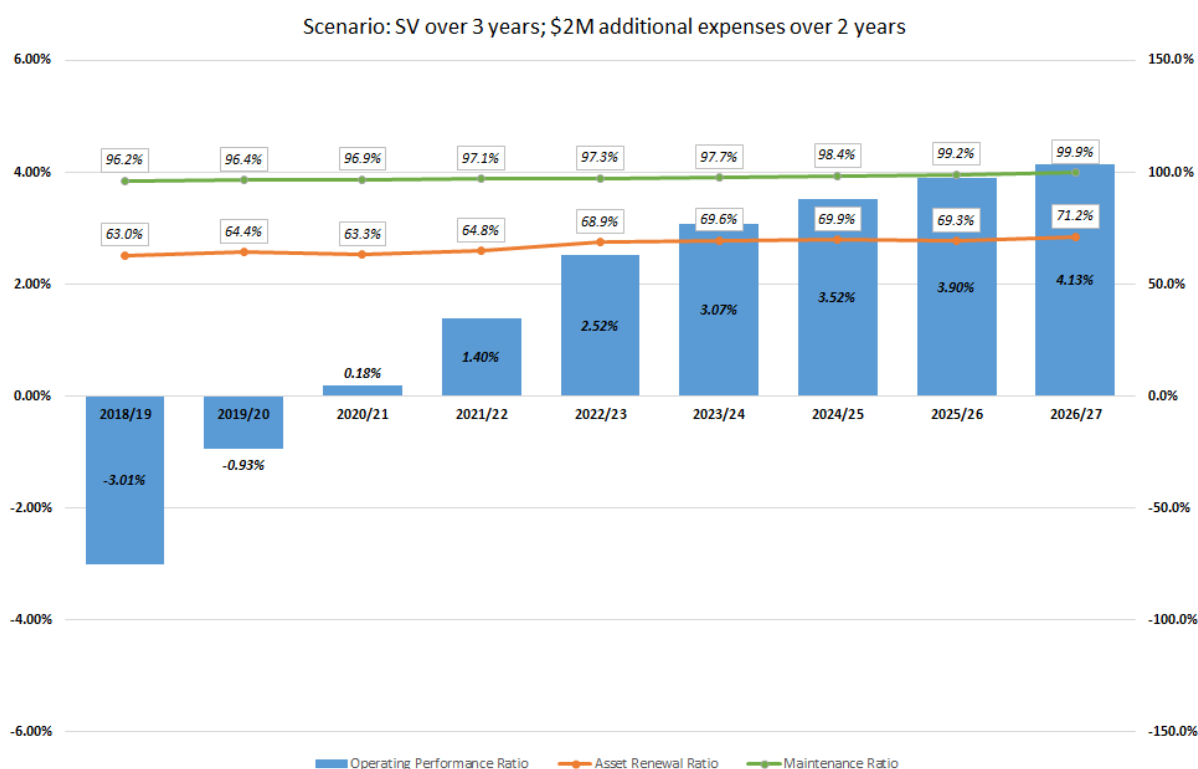
### 3. Make a Special Rate

To limit the impact on the community, address some of the resourcing issues at Council and progress toward the benchmarks for the three key Fit for the Future indicators (operating performance ratio; building and infrastructure asset renewal ratio; maintenance ratio), the following multi-year special variations are proposed:

- 5% rate increase (including the rate peg of 2.5%) in 2018/19
- 5% rate increase(including the rate peg of 2.5%) in 2019/20
- 5% rate increase(including the rate peg of 2.5%) in 2020/21

This means that there will be a cumulative increase of 15.8% over the 2017/18 rate base (assuming the 13.2% special variation is retained as a permanent increase), which is 4% lower than council's original 14% SRV for 2018/19. The increase will, however, allow Council to meet its Fit for the Future targets but at a slower rate.

The chart shows the projected impact on the key financial indicators of this proposal:



To achieve the asset renewal target of 100% by 2026/27, requires rate increases of 5% pa for the next seven years followed by a 3.4% increase in 2025/26.

### Community Engagement

Community engagement in relation to proposed special variations has been ongoing since November 2016. If the recommendations in this Report are adopted by Council, a revised Delivery Program and Operational Plan, containing an additional chapter detailing the

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revisions, together with an updated Long Term Financial Plan, needs to be prepared for Council to adopt by mid-October 2017.

The community will, then, have an opportunity to make submissions to Council regarding the setting of rates for 2018/19 onward as part of the public exhibition of the revised Delivery Program and Operation Plan 2017/18 in October and November 2017. A report would be prepared for Council by the end of November 2017 and, if adopted, would allow Council to notify IPART of its intentions to lodge a special variations application in December 2017. Council would then need to make the formal application in February 2018.

The draft DPOP and related documents will be presented to Council in March 2018 and then placed on exhibition for 28 days. It is planned that Council will need to adopt the final DPOP/budget in June 2018. IPART are likely to announce its determination sometime in May 2018.

### Financial Implications

While some cost-cutting options are possible, many require balancing service delivery levels with community expectations. Irrespective of the cost-cutting options adopted by Council, there will remain a funding gap that needs to be addressed by:

- Applying to IPART to have the one-off increase allowed in 2017/18 as a permanent rate increase. This reduces the funding gap from \$11.2M pa to \$4.1M pa
- Pursuing other revenue initiatives to allow Council to better meet the community's asset and infrastructure expectations, address some of the resourcing issues at Council and progress toward the benchmarks for the three key Fit for the Future indicators (operating performance ratio; building and infrastructure asset renewal ratio; maintenance ratio).

Should the recommended option of additional special variations (inclusive of a rate peg of 2.5%) of 5% over the next three financial years not be adopted, then other ways of bridging the funding gap will need to be determined.

### Risk Implications

There are substantial risks to the financial sustainability of Council, if the existing and proposed special variations are not approved as a permanent increase or Council declines to identify how it can make budget (service) cuts or raise extra revenue. These options are set out in Attachments 1 and 2. It would have a significant detrimental impact on service levels.

If council continues a pathway of underfunding the identified asset renewal works than the risk of asset failure, inability to repair defects, or likelihood of more liability/accident claims will increase.

If Council chooses the “do nothing” option, then the likely intervention from OLG, at some stage in the future, would increase.

## Possible Operational Service Reductions/Cuts 2018/19 Budget

job number	Unit	Suggested cut	existing budget	suggested budget	budget reduction	impact on services	risks	Community Survey Matrix	Comments
<b>FCCS</b>									
28320	Tourism Visitors Services	Close the Nowra Visitors Centre on weekends when there is no show on at the SEC	\$ 516,012.00	\$ 456,012.00	\$ 60,000.00	<b>NOTE: additional saving possible from closing the café in SEC budget.</b> Nowra Weekend Visitors will have to access information online over the weekend.	Reputation damage, community backlash, loss of formal 'level 1' accreditation.	tourism promotion high importance, high satisfaction.	
28310	Tourism Marketing	Reduce spend on unspoil campaign	\$ 140,000.00	\$ 100,000.00	\$ 40,000.00	Reduction of marketing impact in domestic market. No high impact media in Sydney and Canberra for 2018.	Reduction in domestic visitor expenditure and loss of presence in the market, impacting local economy. Negative of strong relationship and opportunities with DNSV.	tourism promotion high importance, high satisfaction.	
28310	Tourism Marketing	Reduce spend on international marketing	\$ 100,000.00	\$ 60,000.00	\$ 40,000.00	Loss of growth in international markets. Loss of brand presence in market.	Negative impact on local economy, loss of brand presence in very competitive market has potential to impact more than 2018, potential impact on local reputation and business relationships.	tourism promotion high importance, high satisfaction.	
10127	Governance	Review of Donations	\$ 305,000.00	\$ 200,000.00	\$ 105,000.00	Fewer groups supported via donations program	Reputational damage - backlash from community groups, media attention; Lower number of community events	partnerships - high import, low satis; Community halls - low import, high satis	
10127	Governance	Sponsorships	\$ 30,000.00	\$ -	\$ 30,000.00	Est revenue generating organisations eg Illawarra Academy of Sport, Cancer Council - many not local organisations	Reputational damage - backlash from community groups, media attention;		
10127	Governance	Community Events	apprx \$90,000	\$ 45,000.00	\$ 45,000.00	Many run by Rotary Clubs etc that generate revenue from events	Reputational damage - backlash from community groups, media attention;		
10127	Governance	Halls & Other properties - rental/ fees assist	apprx \$65,000 (allcc)	\$ 20,000.00	\$ 45,000.00	Enforce policy regarding statutory fees etc and not provide subsidies	Reputational damage - backlash from community groups, media attention;		
10127	Governance	School Swimming Program - 1 school	\$ 10,000.00	\$ -	\$ 10,000.00	State government program - not Council business supporting school	Reputational damage - backlash from community groups, media attention;		
21648 / 21651	Swim and Fitness	Close Bomaderry and Nowra Pools weekends throughout winter	\$ 30,000.00	\$ -	\$ 30,000.00	Weekend users not able to access outdoor pool on weekends	Reputation damage from closing pools and reducing service	high satisfaction, low importance	
21610 - 21620 - 21630 - 21660 - 21670 - 21686	Swim and Fitness	Closure of all village and sea pools	\$ 500,000.00	\$ -	\$ 500,000.00	No summer swimming at village pool facilities	Reputation, potential impacts on tourism, reduced social hubs potential risk of increased obesity / sedentary lifestyles	high satisfaction, low importance	
21648	Swim and Fitness	Immediate closure of Bomaderry AC Outdoor 50m Pool	\$ 150,000.00	\$ -	\$ 150,000.00	Pool closed, swimmers can access NAP	Locals upset with closure		
21610 / 21620 / 21630 / 21660 / 21684	Swim and Fitness	Reduce outdoor village pool season from 5 months to 3 months - operate December - February inclusive	\$ 500,000.00	\$ 340,000.00	\$ 160,000.00	Swimming summer months only	Patrons may be a little disappointed, but a realistic solution	high satisfaction, low importance	
21650	Swim and Fitness	Discontinue Beach Patrol Services	\$ 280,000.00	\$ -	\$ 280,000.00	No supervision of beaches	Increased drownings Contractual liability with engaged service provider	high satisfaction, low importance	
21610 / 21620 / 21630 / 21660 / 21684	Swim and Fitness	Reduction in village season length to summer holiday period only 6 weeks	\$ 500,000.00	\$ 120,000.00	\$ 380,000.00	reduced swimming at village pool facilities	Reputation, potential impacts on tourism, reduced social hubs potential risk of increased obesity / sedentary lifestyle	high satisfaction, low importance	
21596 / 16930	Arts & Culture	Reduce / Remove funding Donation & other ad-hoc support to Lady Denman Heritage Complex / Jervis Bay Maritime Museum	\$ 132,000.00		up to \$132,000	LDHC / JBMM to determine	Future financial sustainability of LDHC / JBMM and potential reduced hours / closure of facility / community backlash directed at Council	Not identified / included in survey	
21596 / 22521	Arts & Culture	Reduce / remove funding for Arts Board Grants program	\$ 20,000.00	\$ -	\$ 20,000.00	No funding for arts based grants	Complaints - community & Arts Board members / lack of support for arts	Not identified / included in survey	
21596 / 10722	Arts & Culture	Discontinue Arts Awards	\$ 4,700.00	\$ -	\$ 4,700.00	Awards Program would Cease	Complaints - community & Arts Board members / lack of support for arts - although given lack of nominations for this year's awards, this is unlikely	Not identified / included in survey	
21030	Library Services	Close Milton Library	\$ 50,000.00	\$ -	\$ 30,000.00	Closure of service 2 days / week staff transfer to Ulladulla Library Users have to travel 6kms to Ulladulla to nearest library	Patrons may be a little disappointed, but a realistic solution	high satisfaction, low importance	
21405 / 21985	Library Services Ulladulla VIC	Close Sundays	\$ 24,000.00	\$ -	\$ 24,000.00	Reduction of tourism services. Onflowing effect would impact Café	Reduction of hours below 42 would mean lowering from Level 1 VIC	high importance, high satisfaction.	
21405 / 21985	Library Services Ulladulla Library/VIC	Close Saturdays at 12.00pm	\$ 35,150.00	\$ 11,452.00	\$ 23,691.00	Reduction of tourism services and access limited for library users who work full time/school students. Onflowing effect would impact Café	Customer dissatisfaction	Tourism - high importance, high satisfaction. Library high satisfaction, low importance	
21000 / 21040 / 21405	Library Services Nowra / S Pt	Reduce opening hours of libraries - no Saturday opening at Nowra, Sanct Pt & Ulladulla Libraries S Pt - Closed the Library on a Saturday morning - 9.30am - 12 non + 2 staff. Save 5hrs of staff hours + weekend penalty rates @ G6			\$ 50,000.00	This will allow no provision of library services at weekends to those who work full-time and who are only able to use library services outside of work hours and reduce opportunities for full-time working parents to use the library with their children. the library is a safe community space for many customers ie. students doing homework.	Complaints due to lack of access	high satisfaction, low importance	

job number	Unit	Suggested cut	existing budget	suggested budget	budget reduction	impact on services	risks	Community Survey Matrix	Comments
21000 / 21040 / 21405	Library Services Nowra	Close Nowra Library at 5pm, rather than 7pm for part or all of the week			\$10,000-\$20,000	This will restrict the use of libraries for those that work full-time and are unable to use library services during normal working hours and reduce the opportunities for full-time working parents to use the library with their children. It also reduces available community space for various functions to be held and limits the library and its users to day time activities, services and functions.	Complaints due to lack of access	high satisfaction, low importance	
21599	Community Development	Discontinue Youth Week Grants Program	\$ 4,000.00	\$ -	\$ 4,000.00	Grant Program would Cease	Reputation damage, community backlash	Not identified / included in survey	
21592	Community Development	Discontinue Youth Development Grants	\$ 10,000.00	\$ -	\$ 10,000.00	Grant Program would Cease	Reputation damage, community backlash	Not identified / included in survey	
<b>GM/Exec</b>									
	Governance?	Delete financial support to CCB's	\$ 12,000.00	\$ -	\$ 12,000.00	reduced capacity for CCB's to undertake their community communications etc	that some CCB's may close reducing some opportunity of community engagement	Community engagement is showing with a lower satisfaction rating and on that basis service levels should actually increase NOT decrease	
	Executive Strategy	Reduce community engagement and/or communications to a bare minimum by: Remove online "Get Involved"	\$ 30,000.00	\$ -	\$ 30,000.00	reduces engagement processes	less feedback opportunity for the public	Community engagement is showing with a lower satisfaction rating and on that basis service levels should actually increase NOT decrease	
		Remove community education budget	\$ 25,000.00	\$ -	\$ 25,000.00	reduces engagement processes	less feedback opportunity for the public	Community engagement is showing with a lower satisfaction rating and on that basis service levels should actually increase NOT decrease	
		Remove promotions budget	\$ 20,000.00	\$ -	\$ 20,000.00	reduces engagement processes	less feedback opportunity for the public	Community engagement is showing with a lower satisfaction rating and on that basis service levels should actually increase NOT decrease	
	Org Structure changes	Close Ulladulla Office and have an online, customer kiosk at the Civic Centre			Not quantified	major reduction to traditional customer service at Ulladulla	backlash from public, staff & Unions		
	Advertising	Merge Tourism & Economic Development General reductions, say 10%	\$ 300,000.00	\$ 270,000.00	\$ 30,000.00	reduce display advertising and have more reliance on council website & social media to get messages to community	some public may rely solely on newspaper advertising		
<b>Assets and Works</b>									
22012	Parks	Suspend Feral Animal Control Program	\$ 14,757.00	\$ -	\$ 14,757.00	No longer provide support to community to manage feral animals	No comply with Land Owner obligation to manage feral animals	Medium satisfaction, medium importance	
49025	Parks	Suspend Privet Control Program - non recoverable	\$ 32,237.00	\$ 22,237.00	\$ 10,000.00	Only undertake works that is recoverable from property owners	Not meet expectations to control weeds on Council land	Medium satisfaction, medium importance	
22116	Parks	Reduction of public bins by 20%	\$ 961,512.00	\$ 769,206.60	\$ 192,302.40	Park users to take rubbish with them	Increased litter	High satisfaction, medium importance	
Various	Various	Reduce internal hire rates to cover operating costs and replacement schedule to reduce plant reserve to \$1m			\$ 200,000.00	Nil	Reduced capacity to manage fluctuation in fleet replacement program	N/A	Reputational damage - backlash from community groups; media attention;
	Waste	Remove the two annual no charge vouchers	Included in Domestic Waste Charge (DWC)	Included in Domestic Waste Charge (DWC)	\$ 2,840,000.00	Residents to pay costs of waste disposal at the 'gate'	Increased legal dumping	High satisfaction, medium importance	Will assist with 'affordability' for residents to offset increasing rates
	Waste	Stop providing the Green and Bulky waste pick up service	Included in Domestic Waste Charge (DWC)	Included in Domestic Waste Charge (DWC)	\$ 160,000.00	Residents to take bulky waste to a waste facility	Dissatisfaction from residents with out the resources to manage bulky waste	High satisfaction, medium importance	Will assist with 'affordability' to offset increasing rates
Various	Asset Management	Close 9 public amenities	\$ 40,000.00	\$ -	\$ 40,000.00	Less accessibility to public amenities	Complaints	Low satisfaction, medium importance	Saving in capital costs for renew not included
<b>PD&amp;E</b>									
15263	Strategic Planning	No longer support Local Heritage Grants	\$15,000	\$ -	Reduce by \$15,000	Nil really - would just be a small grant scheme that Council no longer participates in	Community reaction - heritage grants are small but have been well received over a long period	high satisfaction/low importance (heritage values?)	
15380	Strategic Planning	Discontinue ID Population & Forecast Websites	\$35,000	\$ -	Reduce by \$35,000	Council staff would still be required to provide population data - create a new time consuming workload	Reputational damage as we no longer provide a high level of demographic data for our area to community, developers, investors etc.	high importance/low satisfaction (informing the community)	
	Development Services								

job number	Unit	Suggested cut	existing budget	suggested budget	budget reduction	Impact on services	risks	Community Survey Matrix	Comments
24040	Subdivision /Development	Change approach to litigation	Variable		Significant	Considerable - Instead of using Barristers, Council could use solicitors and not engage Barristers. It could also elect to take a less rigorous approach to defending appeals and seek to resolve matters in the LEC with respect to Class 1 matters via section 34 conferences. Council would have to instruct staff or resolve that the matter should be pursued and properly defended but to reach agreement as quickly and cheaply as possible.	Adverse community reaction. Loss of reputation. Complaint. Adverse media. The use of s34 for matters that have a low profile would be entirely reasonable. However the resolution of matters that have had significant community compliant and involvement would potentially result in considerable criticism of Council by way of example.	Adverse satisfaction (low importance but high satisfaction)	
24020	Development	Off-site records storage	TBA		Approximately \$5k per month	Another alternative facility or Council building would be required.	New building costs or alterations to building to ensure appropriate storage.	Staff impacts. Low importance low satisfaction.	
11710	Building & Compliance Ranger Services Unit	Reduce parking officers x 2	\$ 129,014.00	\$ -	\$ 129,014.00	Increase of complaints from public and Chambers of Commerce due to reduced parking space availability. Considerably reduce revenue generated through penalty infringement notices	Increase risk of motor and pedestrian accidents as a result of illegal parking. Time restricted parking would not be monitored which results in limited parking being provided in these zones. Increase risks at school zones due to lack of compliance enforcement. Reduced revenue. Negative impact from Chamber of Commerce. No Council enforcement presence on weekends.	Car parking is an area of dissatisfaction. Council responsiveness is important to the community and the lack of a physical presence would not be well received. High impact low importance	
11700	Ranger Services Unit	Remove weekend work for Rangers Services (2 Rangers and 1 Parking Officer each weekend - 8.5 hour day for both Saturday and Sunday)	\$ -	\$ -	\$ -	No Council enforcement presence on weekends.  No staff to investigate matters on behalf of other sections. Call outs would be necessary for emergencies such as dog attacks, and livestock on roads. Call outs have the potentially to be more costly than roster weekend work	No staff to investigate matters on behalf of other sections. Call outs would be necessary for emergencies such as dog attacks, and livestock on roads. Call outs have the potentially to be more costly than roster weekend work. Loss of income.	Council could be perceived as not be responsive. High satisfaction low importance	
11700	Ranger Services Unit	Discontinue with Ranger Traineeship	\$ 62,043.85	\$ -	\$ 62,043.85		Community expectation that Council is a leader and works with the community building skills and providing employment opportunities.	negligible impact however potentially high importance with respect to the Council responsiveness to needs and expectations. (low impact low importance)	
11700 - refer to MIN17.267 Ord Council 28/3/2017	Ranger Services Unit	Not provide traffic control and Ranger services at Hyams Beach and Huskisson during peak periods	\$50,000		\$50,000	This item relates to ranger services in Peak holiday season for Hyams Beach and Huskisson. Council has over the past 2 years provided traffic control and ranger services to deal with peak holiday peaks in popular tourist destinations.	The programme has been of considerable benefit to the residents of Hyams Beach in particular and to the CBD of Huskisson. Looking after tourists has been welcomed and assists in boosting the tourist dollar in the LGA. If Council chooses to cut expenditure and this service, which includes tourism information and waste management in the \$50,000 figure, the impacts on these popular holiday destinations will be significant. These will include traffic problems, illegal parking, resident and tourist dissatisfaction, unlawful waste disposal and adverse environmental impacts in a sensitive world renowned beach destination. This would reflect poorly on the Shoalhaven both locally and potentially internationally.	Significant impact on Community satisfaction and of considerable importance to the community. High satisfaction low importance	
15900 18815 & 15900 25642	Environmental Health	Water Quality Monitoring & Water Quality Buoys. Cease water quality monitoring of waterways and	\$ 26,000.00		\$ 26,000.00	loss of communication of Shoalhaven positives - good water quality. Loss of data collection into the future.	Impact on local industry - oyster farmers and tourism operators which rely upon good water quality to survive	Medium satisfaction and high importance	
15986 10905	Environmental Health	BeachWatch - Cease Beachwater water sampling over summer months.	\$ 4,800.00		\$ 4,800.00	loss of communication of Shoalhaven positives - good water quality	Loss of positive message to residents and tourists	Med satisfaction High importance	
	Environmental Health	Reduce Environmental Health Services - Do not vacant EHO position and do not respond to public health and neighbourhood nuisance complaints	\$80,000		\$80,000	Public health or environmental incident which affects public health/safety and environment not responded to.	Council not meeting legislative obligations	Medium satisfaction and high importance	
15913	Natural Resources & Floodplain Unit	Coastal Maintenance - Reduction in beach access ways, viewing platforms and servicing	\$205,000	\$180,000	\$25,000	Reduced beach access for the community and usability inability to respond to coastal erosion	Impact on tourism satisfaction and emergency beach access, community dissatisfaction and poor press and increase in resources for consultation with COE's	Low importance High satisfaction	
75742, 75401	Natural Resources & Floodplain Unit	Coastal Management - Reduction in coastal erosion control and estuary management	\$67,000			Reduced ability to respond to coastal erosion and implement the Estuary Management Plan	Limits access to OEH funding, loss of coastal assets, tourism impact	Low importance High satisfaction	
15901	Natural Resources & Floodplain Unit	Flood Mitigation Maintenance - Stop maintenance on flood mitigation (agricultural) drains on private land with no public benefit	\$167,000	\$ 80,000.00	\$ 87,000.00	No maintenance of flood drains on private land. Maintain drains only for drainage purposes of Council assets and urban areas	Landowners complaining about inundation	Low importance medium satisfaction	

Water	Job number	Unit	Suggested cut	existing budget	suggested budget	budget reduction	Impact on services	risks	Community Survey Matrix	Comments
	17925-22914	Shoalhaven Water	Reduce event sponsorship	\$ 50,000.00	\$ 25,000.00	\$ 25,000.00	reduce the amount provided to each event or further limit the sponsorship to less events	If the amount is reduced and the same number still sponsored, nil obvious impact.		
	17925-17550	Shoalhaven Water	Reduce marketing and education expenditure	\$ 140,000.00	\$ 115,000.00	\$ 25,000.00	As per above	As per above. Hold off water filling station instal for 12 months.		
	78202	Shoalhaven Water	Meter Replacement (water fund)	\$ 200,000.00	\$ 150,000.00	\$ 50,000.00	Reduce but extend the current replacement program over further years	Some risk of reduced income from failing meters (not quantifiable).		

#### Operational - Income/Revenue Opportunities

	SIP - Sports Grnds	Introduce Fees & Charges for use of sports Grounds		\$ 300,000.00		Potential to improve quality of sports grounds if proportion of the fees re-invested in improving facilities		
	Swim & fitness	Introduce a Spectator Fee \$1 per person (not participants)		\$ 200,000.00		Objections from customers who have previously had free access to facilities when accompanying other participants	Reputation Adverse publicity Customer complaints	
	Council wide / Property	Application of Policy and do not reduce / waive lease / licence / occupancy fees or offer as peppercorn rents						
	Community Facilities	Reclassify land so that commercial activities can be undertaken or are leased for commercial use - e.g., offices / businesses within the facilities - e.g., pathology services						
	Council wide / Property / various SCC assets	Sale of assets as per CISP		Require valuation			Possible objections from some sectors in the community	
	Business & Property	Sale of Milton Library				Potential one-off income from sale of Property to go into Strategic Property Reserve		high satisfaction low importance
12300	Environmental Health	Food premises inspection - In lieu of improvement notices fines can be issued in the first instance (20 - 16/17)			\$10,000	Existing food businesses impacted by financial penalty	Council's relationship with food businesses deteriorates.	High satisfaction low importance
		In lieu of warning letters (260 - 16/17) fines are issued in the first instance.			\$ 100,000.00	Existing food businesses impacted by financial penalty	Council's relationship with food businesses deteriorates.	High satisfaction low importance
15927	Natural Resources & Floodplain Unit	Flood Program - Increase the cost of flood certificates to come into line with surrounding councils fee structure (\$140 instead of \$55-71)	2016/17 income \$7000		\$ 21,000.00	Increased cost to customer	Complaints and dissatisfaction.	Low importance medium satisfaction
15990	Environmental Assessment	Biodiversity Assessment - institute a fee for review of Biodiversity Assessment Reports			TBC	Increased cost to customer	Complaints and dissatisfaction.	High importance and medium satisfaction

**Attachment 2: New capital works not currently funded**

	Project	2017/18	2018/19 budget	Suggested	Saving	Comment
1	Berry Toilets		150,000	0	150,000	Delay one year
2	Additional Disk Storage	80,000	89,800	50,000	39,000	Reduce budget
3	IT Network Equipment	45,000	60,200	40,000	20,200	Reduce budget
4	Sportsfields Shade Provision	30,000	38,800	0	38,000	Cut for one year
5	Sports Capital Works Partnership Program	152,000	155,000	100,000	55,000	Reduce budget
6	Sportsfield Irrigation Program	50,000	95,300	0	95,300	Cut for one year
7	Cont To Ratepayers Adv	15,000	15,300	0	15,300	Cut for one year
8	Village Identification Signage		50,000	0	50,000	No work for one year
9	Footpaths/Cycleways - New		164,000	0	164,000	No work for one year
10	Cycleways - community projects	110,589	110,000	0	110,000	No work for one year