Strategy and Assets Committee

Meeting Date: Tuesday, 19 September, 2017
Location: Council Chambers, City Administrative Centre, Bridge Road, Nowra

Attachments (Under Separate Cover)

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Sportsgrounds and Community Facilities Fees Policy

Draft

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Adopted: [Click here to enter date]
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1. PURPOSE

To provide:

- A fair and equitable system for allocating and charging for the use of Community infrastructure such as but not limited to use of reserves, community halls, recreation centres, sportsgrounds and associated facilities, to ensure maximisation of community use.
- Consistency and transparency in how fees are calculated
- Better allocation of Council's resources
- Recovery of some or all of the costs of operating (including maintenance, utilities and depreciation) sportsgrounds and associated facilities from users
- Guidance to staff, councillors and sporting organisations on the use of Council's owned and managed sportsgrounds and facilities, as well as any financial assistance contribution from Council.

2. STATEMENT

This policy does not apply to facilities with an occupancy agreement in accordance with Council's "Occupation of Council Owned or Managed Land" Policy.

Council is committed to providing the highest standards of sportsgrounds and facilities based upon the following principles:

- Social equity
- Participation
- Accessibility
- Environmental sustainability
- Financial affordability
- Partnerships and;
- Transparency of process

This will provide a fair and equitable system for allocating and charging for the use of sportsgrounds and facilities, whilst encouraging utilisation of the same.

Users of all sporting facilities will be charged on an "even playing field" to help offset maintenance costs.

2.1. DEFINITIONS

Approvals – means an approval that is in force under the Local Government Act or Crown Lands Act.

Casual User – a person, group of persons or organisation who hires a Council facility less frequently than once per calendar month or 10 times per calendar year, where hire fees must be paid prior to usage.

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Child/children – relates to a person under the age of 18 or still attending secondary school and/or over the age of 2.

Concession Card Holders – relates to a person over the age of 18 who is the holder of a government concession, pension and/or full time student card.

Commercial User – a corporate or business group who will be hiring the Council facility with the intention to make money or profit from the activity directly or indirectly.

Community/Sporting Group – Organisations which are community based and may or may not be incorporated, which exist for purposes other than profit or private gain. ie Not for profit.

Council Land – Council owned or managed land.

Family – relates to a family of up to two adults and up to 3 children

Medical Referral – relates to a person who provides evidence of a medical referral letter from a medical practitioner, for casual swimming for a period of up to 12 months.

Regular User – where a user hires a facility more than 12 times per year and who is required to pay any hire fees in advance of the hire period.

Sportsground Seasonal Allocation – A booking for 6 months in relation to either a summer or winter season which only use Council land for a defined period or season. A seasonal allocation does not provide clubs with exclusive use of sports facilities. Summer season commences August/September and finishes March/April and Winter season commences in March/April and finished in August/September (specific dates vary year to year), where hire fees are paid in advance.

Sportsgrounds and facilities – Council managed sportsgrounds located on Council or Crown land including canteens, amenities, goalposts, other fixtures, grandstands and scoreboards. These grounds are specifically for the purpose of conducting formal sport or encouraging informal recreation activity.

Subsidy – the reduction in fees payable as a result of means testing and application of social equalisation principles.

Supervising Non-swimming Responsible Person – refers to a person over the age of sixteen, entering a facilities in order to supervise a child, concession or medical referral concession user.

3. PROVISIONS

3.1. EXCLUSIONS

In instances where the use of the sportsground is irregular or ad hoc, not through a registered sporting organisation/club and less than 50 players are involved and no notification to Council, no fee will be charged. This is due to the irregularity of occurrence along with the prohibitive costs to police sportsgrounds and administer fee collection. Where a group requires exclusive use of the sportsground they must make an application and pay the relevant fee.

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3.2. PRICING FRAMEWORK

In developing a pricing framework the following four roles of pricing have been considered:

- Equity - those who benefit pay, equity across all diverse groups
- Revenue production - Council does not have sufficient general funds from rates to deliver user facilities to the level desired.
- Efficiency – to ensure that what is delivered is done as efficiently as possible and provides accountability for scarce resources and value for money
- Income redistribution – similar to taxes, variable pricing can positively favour certain groups, demographics or types of venues.

Further consideration has also be given to:

- The type of Facility
- Who pays for ongoing maintenance and upgrades to the facility
- Ability of the facility to meet the requirements of the user group
- Cost of providing the facility, service or program
- The practicality of administering and collecting the fees and charges
- The capacity of the user to pay
- Whether the service is supplied on a commercial basis

Under Section 610D of the *Local Government Act 1993*, Council can determine the amount of a fee for a service based on:

- The cost to council of providing the service – the full cost pricing method is used as a benchmark in this instance
- The price suggested for that service by a relevant industry body or in a schedule of charges published from time to time by the Office of Local Government
- The importance of the service to the community – this would need to be considered in determining any potential community service obligation under a Partial Cost Pricing or Zero Cost Pricing method, but could also apply to services where other pricing methods were used
- Any factors specified in the regulations – this would be applicable to the Legal Requirements Pricing method but may also affect other pricing arrangements

Table 1 below provides guidance on the level of contribution which users should make towards funding (private) compared to what Council (public) is expected to provide.

Criteria	Funding Continuum	
	Public Funding ⟹	Private Funding
Ability to control access to service	Consumption cannot be withheld eg path	Consumption can be withheld eg swimming pool
Impact of Activity	Low impact eg walking in a park	High Impact eg car parking

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Capacity to Pay	Low capacity of user to pay	High capacity of user to pay
Willingness to pay	Low willingness to pay eg paths	High willingness to pay eg childcare
Scale of benefit	Low benefit eg swim at beach	High benefit eg swimming lesson at aquatic centre
Community Benefit	High Community benefit resulting from the activity eg Community Sports Gala Day	Low community benefit eg Corporate Training Day

Table 1

Council will cost fees and charges based on the following two components:

- Transparency – all costs associated with any activity will be calculated and the total amount of subsidy for sporting facilities (including social inclusion, equalisation and deficit) will be clearly shown as the difference between the total cost of holding the facility offset by any income received.

- Consistency - A consistent charging mechanism for commercial and community hires.

Council will work with Management Committees responsible for sportsgrounds and facilities to ensure a consistent approach for setting fees and charges.

It should be noted that the method for calculation of fees will improve with further sophistication of systems.

3.2.1. SPORTSGROUNDS

Commercial hire fees will be determined based on full cost recovery and include the following components.

- Building Charges

Building charges based on the depreciation expense of the assets associated with the sporting fields as per Council's financial records.

- Land Charges

Land Charges based on a Rental component consisting of 2% of the land value of the sportsground.

- Ground and Building Maintenance and Operation Charges

A maintenance and operation fee based on the size of the playing field utilised, and the period of use. The maintenance cost will be the difference between the cost to maintain a recreation surface and the cost of maintaining a sportsground to the standard required for the sport. This will be calculated on a $/square metre basis and multiplied by the total square metres hired.

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Community hire fees will be at a reduced rate based only on the Ground and Building Maintenance component of the Commercial rate.

This will ensure that Sporting Groups will only pay for cyclical and regular maintenance and operational charges, allocated to a sportsground or associated facility, over and above that which would be incurred for a park or reserve.

There will be no charge for Land Rental, given services provided by the sports club are open and accessible to the community, all ages, genders and cultures.

There will also be no charge for Depreciation for community hire.

3.2.2. HALLS AND FACILITIES

Commercial hire fees will be determined based on full cost recovery and include the following components.

- Building Charges

Building charges based on the depreciation expense of the assets associated with the sporting fields as per Council's financial records.

- Land Charges

Land Charges based on a Rental component consisting of 2% of the land value of the sportsground.

- Facilities Maintenance and Operation Charges

A maintenance and operation fee based on the total cost to maintain and operate the facility, along with any staff/supervision costs, converted to an hourly rate. Costs will be allocated based on the size of the room utilised, and the period of use.

Community hire fees will be at a reduced rate based only on the Facilities Maintenance and Operations component of the Commercial rate.

There will be no charge for Land Rental, given facilities are open and accessible to the community, all ages, genders and cultures.

There will also be no charge for Depreciation for community hire.

3.2.3. PRICING CATEGORIES

Below is Table 2 which relates to aquatics, arts and any other facility where discounts are applied based on the type of user category. (Note: Not all user categories will be applicable for Halls) The table shows the different pricing based on the category of user and is relative to the full advertised fee:

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Type of User	Explanation	% Recovery
Commercial	Where the user is a commercial operator with the main objective to run at a profit then the recovery should include a market mark-up component	Market Rate or Recommended Retail
Not for Profit	Where the user is an organisation working in the interests of a Not for Profit initiative and are registered as such then the hire rate should be at a reduced rate	50% of advertised fee
Adult	Where a user is an adult over the age of 18	100% of advertised fee
Child	A person under the age of 18 or still attending secondary school and/or over the age of 2	65% of adult
Concession	A person over the age of 18, who is the holder of a concession, pension and/or full time student card	65% of adult
Medical Referral (Swim and Fitness only)	A person who provides evidence of a medical referral letter from a medical practitioner, for casual swimming for a period of up to 12 months.	50% of advertised fee
Family	Relates to a family of up to two adults and up to 3 children	3 x 100%
Additional child	Additional children of the same family	65% of advertised fee
Supervision non-swimming responsible adult (Swim and Fitness only)	A person over the age of 16 only entering aquatic facilities in order to supervise a child, concession or medical referral concession user.	0%

Table 2

Draft

3.3. CHARGING FOR SCHOOLS AND NON PROFIT ORGANISATIONS - SPORTSGROUNDS

Council recognises the importance of children's participation in sport and recreation activities, as such, the following apply to school use of sporting facilities:

(Excluded from the following charges are aquatic centres, basketball and tennis courts, which will be charged the full casual hire rate).

- Primary and Secondary Schools – PUBLIC and PRIVATE – from within the LGA

No ground fees are payable for Shoalhaven City Council schools where sport is played in normal school hours, during school term. Fees may apply to schools for activities outside normal school hours at a subsidy of 65% of the commercial rate.

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- Primary and Secondary Schools – PUBLIC and PRIVATE – from outside the LGA

For Public and Private schools from outside the Local Government area, Council will apply a fee based on the commercial hourly rate for the ground with a 50% subsidy.

3.4. CHARGING FOR CASUAL USE OF SPORTSGROUNDS AND FACILITIES

Charges for casual users will be applied as per Council's Schedule of Fees and Charges as determined through the annual review. Suitability of use will be considered dependent upon the nature of the intended use, potential community benefit and the resultant impact on the seasonal use and /or the community.

The pricing differential between regular and casual hirers, equates to a 10% discount for regulars (based on regular hirers having over 10 bookings per year.)

3.5. SUBSIDIES AND REPORTING

3.5.1. SUBSIDY GOVERNANCE AND REPORTING

Fees and Charges as adopted by Council cannot be waived or reduced without delegation from Council or being given Council approval. To ensure that adequate controls are in place, segregation of duties is implemented and a consistent methodical approach is taken for all subsidy and waiver requests, the governance of all fee reductions will be managed by a committee led by the Finance Section of Council and will be reported to Council on a quarterly basis.

3.5.2. SUBSIDY REQUESTS

For sporting groups and hirers where a subsidy over and above the Community rate is requested a Fee Waiver Application as per the Fee Waiver, Subsidies and Support Procedure will be required.

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4. INSURANCE

Insurance requirements are shown in the Terms and Conditions of Hire.

5. RISK MANAGEMENT

All hirers and users of Council properties of all and any type must undertake appropriate inspection of the sportsgrounds and facilities before use to ensure that they are safe for their intended use, all requirements are in the Terms and Conditions of hire.

All hire arrangements require notification of all and any incident, injury or damage to Council, regardless of the circumstances giving rise to any incident. The notification should be completed as soon as practical after the incident.

6. IMPLEMENTATION

This Policy is to be implemented by the Finance and Corporate Community Services Group in conjunction with other relevant Council Groups and appropriate external professionals.

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The Policy for Fees Waivers, Subsidies and Support should be referenced before any waivers, subsidies or fee support are granted.

7. REVIEW

The Finance, Corporate and Community Services Group will review this policy:

- Within 12 months of the date of the election of every new Council
- Every four years, or
- As directed by Council, or
- As a result of a review in legislation that affects this policy.

The fees and charges as documented in this Policy will be reviewed on an annual basis as part of the budgeting process and will be placed on Public Exhibition for a period of 28 days for Community feedback.

8. APPLICATION OF ESD PRINCIPLES

Council recognises the importance of sustainability comprising social capital, local cultural identity, organisational, financial and environmental sustainability including energy efficiency, waste minimisation, and the impact of different activities/sports on playing surfaces and facilities.

All arrangements for the occupation of Council property are to make provision to ensure occupants operate in an environmentally responsible manner that is consistent with the principles of Council's Ecologically Sustainable Development (ESD) – Guidelines for Integrating the Principles of ESD into Shoalhaven City Council.

9. RELATED POLICIES

This document should be read in conjunction with the following documents:

- Local Government Act 1993
- Community Infrastructure Strategic Plan 2017-2036
- Crown Lands Act 1989
- Fee Waivers, Subsidies and Support Policy (POL 16/183)
- Management Committee Policy (POL12/185)
- Management Committee Guidelines
- Asset Management Strategy
- Occupation of Council Owned or Managed Land Policy (POL16/150)
- Reserve Naming Policy (POL12/233)
- Sportsground Management Policy (POL17/15)
- Temporary Storage (shipping) container on Public Land Policy (POL16/218)
- Sports Grants Program (POL16/219)

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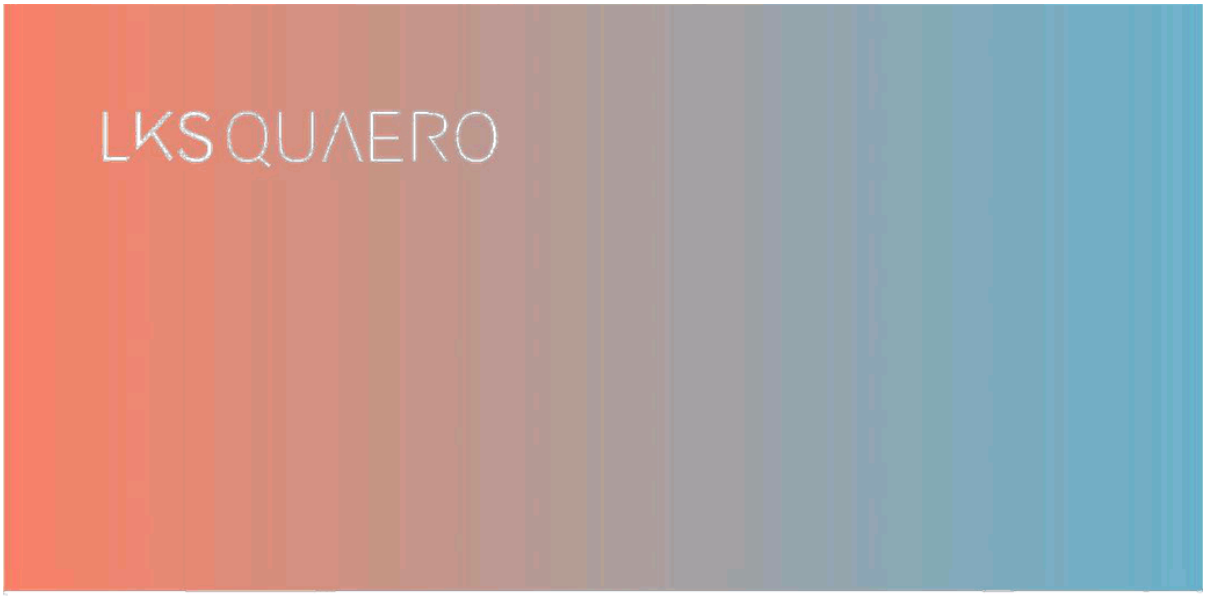

Fees and Charges Review – DRAFT

Shoalhaven City Council

18 May 2017

First draft: 23 September 2016

LKS QUAERO

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LKS QUAERO

Version	Date	Comment
3	31/01/2017	Updated with new comment, detail on proposed model
4	21/04/2017	Updated following further feedback from SCC
5	12/05/2017	Updated following further feedback from SCC
6	18/05/2017	Updated following further feedback from SCC

Executive Summary

LKS Quaero was engaged by Shoalhaven City Council to conduct a detailed investigation and analysis of Council's Fees and Charges. This project was to include a current state analysis, development of the future fees and charges structure, the methodology for costing and determination in the future, and the means of communicating changes to stakeholders. LKS Quaero was also to identify additional means of recovering costs and increasing revenue.

This report presents the outcomes of this project, providing Council with options for changes that will help build Shoalhaven's long term financial sustainability and capacity.

Key Findings

Current State and Comparative Analysis

There is currently limited transparency and the lack of an observable overriding rationale in how fees and charges are calculated. The first stage in any change is to adopt and implement an overriding rationale. Development of the rationale will require community consultation, detailed modelling and a long implementation period.

A historic lack of trust between sporting groups and Council in particular was evident and many sporting group representatives indicated that any introduction of fees will be strongly rejected. A related concern is the strong perception among sporting groups that Council has not implemented the *Sportsground Strategic Plan*.

While it is not possible to provide any broad conclusions about Council's fees and charges relative to Council benchmarks as no significant trends emerge from the benchmarking, there may be scope to raise the level of fees in several key areas, as well as simplify fee arrangements. Decisions to make changes to fees and charges need to be made in the context of an overriding rationale and balanced by the costs and benefits of making the change.

Governance and Implementation

A reporting format for all managers of Council facilities needs to be adopted, including the number of users/participants, concession given, income and expenditure statements, occupancy rates, and capital works undertaken and required. Such a structure would allow for more effective governance than is currently in place.

Inclusion of such data is important to enable the proper and accurate assessment of fees.

Councils' fee collection processes should be underpinned by the unambiguous authority by Council officers to collect authorised fees and charges without external influence. There needs to be a clear and transparent methodology that allows end users to easily understand the relevant fees and charges prior to undertaking an activity. Collection processes should be supported by a clear system of management controls including debtor management and tracking of receipts through the financial system.

The successful implementation of the framework will depend on the ensuring there is good communication with all stakeholders, in particular voluntary groups. This will require Council to provide adequate human resources to implementing the new framework.

Simplifying Process and Transparency

There is broad support within Council to streamline fees and charges as well as reduce the number of variants that can be used in each service area. There is concern among Council staff and the community, particularly Sporting Groups, about the capacity of the community to pay for any increase to fees and charges.

Simplification or rationalisation of the fees and charges should be accompanied by the move for the Council to be more transparent in the rationale and methodology it uses to establish fees and charges to users. Likewise, any subsidies and discounts provided should be made publicly clear.

The implementation and use of the proposed framework for the setting of fees will assist in the Council being able to demonstrate to itself and the end users that each fee and fee category assessment is derived from:

- an overriding rationale,
- Council policy,
- and all relevant information about the service, facility and users' circumstances have been considered.

1. Introduction

1.1 Review Objectives

Council has sought a broad-ranging approach to the review, including current state analysis, development of a future fees and charges structure, methodology for costing and determination, and a communication strategy to stakeholders. This broad range extends to the identification of additional means of recovering costs and increasing revenue, which may, for example, include commercialising current assets and facilities or service sharing with other agencies. The review will enable Council to take options for changes to the community, ensuring Council's long term financial sustainability and capacity.

This report includes:

- Documentation of Shoalhaven's current means of setting, assessing, and collecting fees and charges, including the levels of financial support provided by Council
- An analysis, assessment, and review of Shoalhaven's current schedule of fees and charges against the private market, where applicable, and benchmarked against selected like Councils
- Options for increasing or changing the scope of existing fees and charges as well as a model and calculator for future fees and charges

1.2 Methodology

This report has utilised the following methodology to develop its final justification and recommendations:

Stage One: In depth analysis of the identification of existing fees and charges, including the community context

Stage Two: Development of different options and models for changes to fees and charges

Stage Three: Development of a methodology for assessing and calculating future fees and charges

Stage Four: Identification of issues for implementation and a high level plan

In the course of this project, three community workshops were held at Nowra Showground, the Bay & Basin Leisure Centre, and the Ulladulla Civic Centre. Approximately 50 people attended these workshops, with the majority of attendees identifying themselves as representatives of community sporting groups or facility management committees. LKS Quaero also consulted with many Council employees, the Sports Board, and community groups. The consultants are grateful to all participants for their valuable contributions.

In addition, we undertook site visits to more than 70 Council-owned facilities, which allowed for the consultants to better understand the environment, the condition of the facilities, and the context of facilities in relation to the community.

1.3 Project Limitations

The consultants encountered a number of challenges during the course of this project.

Limited data was available on sporting groups' finances and player numbers. Additionally, many sporting groups were reluctant to engage in a discussion on how fees and charges could be applied to sporting fields.

Limited venue utilisation data was available. Additionally, appropriate venue benchmarking partners were selected in consultation with Council staff and there were limits to this due to the variety of venues as well as their locations, sizes, quality, and available services.

It was not always possible to reconcile the areas of review listed in the brief with the fees and charges document itself due to discrepancies between the two documents. While this was overcome where possible, as a consequence, some areas of the benchmarking were undertaken at a high level.

LKS Quaero has made every effort to mitigate these challenges in consultation with Council staff on a case by case basis.

2. Stage 1: Current State Analysis

2.1 Current Demographics and Future Projections

Shoalhaven's natural environment draws many people to the area. The increasing presence of tourists, sea changers, and retirees means that Shoalhaven has a population that fluctuates with tourism seasons. The age profile of its population also changes throughout the year. While Shoalhaven covers 4660km², most of the population is concentrated near the water, particularly in the Nowra, Milton/Ulladulla, and Bay and Basin areas.

The NSW Department of Planning and Environment's 2014 population projections for Shoalhaven predict a 2016 population of 99,800 (comprising 42,600 households), increasing to 108,150 in 2031 (comprising 47,750 households). During that time, the largest age group, 65-69 year olds, is expected to increase from 7,750 to 8,950, while the 20-24 and 25-29 age groups are expected to decrease almost as substantially. According to the Australian Bureau of Statistics, in 2011, the median age was 46, compared to the Australian median of 37.

The average household size is 2.28 and the most popular household structures are, in descending order, couple only, lone person, and couple with children. This is projected to remain fairly consistent, with a bigger increase in lone person and couple with children households.

2.1.1 Socio-economic factors

The average Shoalhaven household income in 2011 was $822 per week, compared with the Australian median of $1,234. The local government area's (LGA) 2011 Socio-Economic Indexes for Areas (SEIFA) ranking was 955 on the SEIFA Index of Advantage and Disadvantage, coming in at the disadvantaged end of the rankings.

Averages are useful indicators, but not necessarily illustrative of what is common in all areas. It is also useful, then, to further break down the economic considerations for Shoalhaven's households.

In 2011, the most common earning bracket was $400-$599/week (15.6% households). By way of comparison, 9.9% of Kiama residents and 11.5% of

Shellharbour residents fall into this bracket. The most common bracket for both of those Councils was $1500-$1999.

35% of Shoalhaven households fall into the lowest quartile group for equivalised household income (a measure that levels out differences in household sizes). By way of comparison, 21% of Kiama residents and 28.6% of Shellharbour residents fell into this group. While all other quartiles grew by about 360 households from 2006 to 2011, the lowest quartile grew by 714 households. Compared with regional NSW, Shoalhaven has a much higher number of households in the lower two quartiles.

The following table, which is derived from Shoalhaven's .id profile data, shows the largest income groups in Shoalhaven by area, and therefore gives an indication of how income levels vary across Shoalhaven.

Area	Income quartile with the largest number of households
Bangalee - Cambewarra and Surrounds	Medium highest
Berry and Surrounds	Medium lowest
Bomaderry	Medium lowest
Burrill Lake - Lake Tabourie and Surrounds	Lowest
Callala Bay - Currarong and Surrounds	Lowest
Coastal Mid	Lowest
Coastal South	Lowest
Culburra Beach - Orient Point	Lowest
Greenwell Point - Terara and Surrounds	Lowest
Huskisson - Tomerong and Surrounds	Medium lowest
Milton	Lowest
Mollymook - Narrawallee and Surrounds	Medium lowest
North Nowra	Medium lowest
Nowra	Lowest
Rural Balance	Lowest
Sanctuary Point	Lowest
Shoalhaven Heads	Lowest
St Georges Basin - Basin View	Lowest
Sussex Inlet - Cudmirrah and Surrounds	Lowest
Ulladulla	Lowest
Vincentia - Erowal Bay and Surrounds	Lowest
West Nowra - South Nowra and Surrounds	Medium lowest
Worrigee	Medium highest

2.1.2 Implications of demographic trends for fees and charges

The demographic trends identified above imply the following considerations for setting fees and charges:

- Increasing fees and charges in respect of facilities for which there are no adequate local alternatives would likely be viewed unfavourably, particularly where facilities use is dominated by individuals, couples, and families with relatively low levels of disposable income[1]
- Those people who migrate to the region during the tourist seasons are likely to have a greater capacity to pay and the implications of this for setting fees would need to be considered carefully, balancing considerations of equity across all user groups
- The setting of fees and charges should be understood in the context of the future growth trends of the region and the alignment of Council's vision for the community it intends to facilitate. In other words, the setting of fees and charges is an important component in the nexus of considerations that form community views and, ultimately, trends and patterns of behaviour

Council should consider the setting of fees and charges as one driver that can support Council in pursuing its strategic intent for developing the community of the region.

2.2 Consultation

LKS Quaero carried out a consultation process in order to understand and then document the views of the community and staff in relation to Council's current approach to fees and charges. Lists of consultations are appended.

[1] Based upon desktop analysis, site visits, and community consultation, the quantum of sporting fields and their utilisation indicates that the region, on a per head of population basis, is well provided. While the ground on some facilities is significantly damaged due to overuse, the utilisation rate is minimal for other facilities given the single sport use of some grounds and the reluctance to open the grounds for passive use. More detail is provided in the *Utilisation* section of this report.

2.2.1 Internal consultation

The consultants met with Council Directors, line managers, and staff involved in the day to day implementation and application of current fees and charges. In summary, the following was drawn from these meetings:

- There needs to be a template for setting fees and charges and a consistent approach
- Subsidies and concessions need to be clearly identified and recorded rather than embedded within the discounted income item
- In some areas, for example, outdoor dining, there needs to be flexibility in fees to encourage start-ups
- Where appropriate, any new fees and charges should be hypothecated to costs associated with the area they are to cover
- The use of bonds should be reviewed in line with risk versus cost of administering
- Generic licence agreements need to be developed so that administration costs can be minimised
- A reporting format for all managers of Council facilities needs to be adopted, including the number of users/participants, concession given, income and expenditure statements, occupancy rates, and capital works undertaken and required
- Many staff commented in favour of streamlining of fees and charges and a reduction in the number of variants that can be used in each service area
- Improved collection methods are required in a number of areas, but any improvements need to take place alongside proper audit and governance procedures
- There needs to be a governance process in place whereby fees can be altered
- There needs to be clear separation of responsibilities between the Administration and the Elected Members in relation to the setting of fees and offering fee waivers
- A movement from manual to automated fee paying and booking processes is needed
- The fees and charges document does not always make it clear which fee applies to a particular situation and a clearer structure is needed in future documents
- In general, more consistency and transparency is required around all fees and charges, which are currently mostly set on a historical basis

- Many staff were concerned about potential increases to fees due to capacity to pay issues in the local government area

2.2.2 External consultation

Three public meetings were held at the following locations:

- Nowra Showground
- Bay & Basin Leisure Centre
- Ulladulla Civic Centre

Those attending included representatives of sporting groups, Management Committee representatives, and local user groups. The comments, concerns, and requests of those who attended the meetings are summarised as follows.

Most Management Committees are happy with the autonomy they have to run their facilities, but many attendees were concerned with the state of maintenance of the facilities and have current requests for maintenance that they would like to be carried out. Ambiguity exists with the categorisation between commercial and community hirers and, despite reporting to Council, there appears to be little accountability for fees charged. Some Committees do not necessarily apply the same fees and charges that are listed in the official Council fees and charges document.

A historic lack of trust between sporting groups and Council in particular was repeatedly remarked upon and many sporting group representatives indicated that they will reject any introduction of fees. Many concerns centred on the perception that the *Sportsground Strategic Plan* has not been implemented. There were also concerns as to the cost, safety, and quality of several works undertaken, especially where the sporting groups contributed to the cost. These groups also questioned the role of the Sports Board, although this has been reviewed.

There were also comments from other users of other sporting facilities who feel there is a lack of equity in the way fees and charges are levied with users of aquatic facilities, basketball stadiums, hockey fields, and tennis courts paying fees, while sporting field users only pay for lighting charges at most ovals and may receive free maintenance. Some non-sports group attendees also expressed resentment towards sporting groups that don't "pay their way".

Sporting groups also raised the issue of a lack of communication between Council and the users. In particular, there were complaints concerning instances

of repeated maintenance requests and overwritten bookings. There appears to be a significant turnover of staff with whom they liaise.

A positive comment from sporting groups was that they were keen to continue to work with Council on capital upgrades to facilities and ovals, with the need for documentation of past contributions. Sporting groups also requested assistance in applying for grants for ground improvements so that they could get better value for the funds they raise.

Sporting groups also commented that, given the demographics of the region, any new charges may exclude some children from participating in sport if the charges were to be passed on to the players. There was a recognition that Council has finite resources, but attendees wanted to ensure that current expenditure was being effectively spent before introducing any new charges.

The consultations also identified the diversity of approaches to maintenance, with some facilities being managed by a committee with a small subsidy from Council, while others are directly maintained by Council. Some users, all of whom belonged to groups using facilities that are directly maintained by Council, expressed that they have a positive relationship with Council.

Maintenance is an area that should be explored in greater depth as there may be cost savings if maintenance were to be handed to the groups to undertake, although any such decision should be subject to a major risk analysis. It should be noted that many Management Committees rely on aging and decreasingly mobile volunteers to conduct their maintenance. Some sports groups wanted a maintenance plan produced in conjunction with Council, should the appropriate accountabilities be put in place.

There were many further concerns particular to individual groups or facilities, for example, there were complaints that a dividing fence at St Georges Basin, built with funds raised by a club, was bulldozed and not replaced.

In general, external consultations revealed that there needs to be:

- More and better communication between committees/groups and Council
- A consistent, accurate understanding of responsibilities and accountabilities for all relevant parties
- A clear sportsground strategy articulated to users and reported upon annually
- Clear guidelines around contributions towards capital upgrades from sporting groups which can be documented

2.3 Financial analysis

2.3.1 Introduction

The NSW *Local Government Act* provides guidance on the setting of fees and charges, providing Council with a means to set fees and charges with reference to, for example, the cost of providing the service, the price set by a relevant industry body, and the importance of the service to the community. In essence, the regulatory regime provides a wide scope for Council to set its own fees and charges.

2.3.2 Cost analysis

Council provides a large range of recreation facilities, using various arrangements. Each of the arrangements involves the organisation of financial arrangements in slightly different ways. This, along with limitations of the previous finance system, has made the collation of financial information difficult. Without this information, it will be difficult to effectively manage financial outcomes of the sports and recreation facilities.

The analysis carried out as part of the "Report on Fees and Charges Review" (Transformation Project No 3.6 4737/6) found that Council provided the following financial support in 2013/14.

	$'000
Leisure Centres	1,759
Aquatic Centres	1,120
Village Pools	411
Sea Pools	106
Tennis Courts	371
Community Halls	1,608
Sports Fields	3,818
Total	***9,193***

In 2015/16, Council reported that it spent the following sums on Sports and Recreation activities (inclusive of asset maintenance).

	$'000
Sports Grounds	55
Pools	2,755
Parks and Gardens	6,397

	$'000
Other Sport & Rec	160
Total	***9,367***

The figure for Parks and Gardens includes expenditure on passive and active recreation facilities.

In addition to recreation facilities, Council also provides financial support for cultural activities, with expenditure in 2015/16 reported to be:

	$'000
Libraries	1,880
Art Galleries	349
Community Halls and Centres	3,046
Entertainment Centre	1,558
Total	***6,833***

These figures were obtained from Council's 2015/16 Financial Statements, Schedule 1, page 127.

Finally, in 2015/16, Council calculated that it provided rental subsidies equalling $1.3M to local organisations that occupied Council properties. It included support to the following categories of tenants:

	$'000
Community Groups (43)	586
Men's Sheds (8)	14
Golf Clubs (1)	65
Preschools/Childcare/Playgroups (16)	561
Sports Groups (4)	11
Meals on Wheels (5)	49
Telcos (Community/Gov) (14)	47
Total	***1,333***

Whilst there could be some overlap of figures due to the different data sources and different financial years, it is clear that Council provides a significant level of support for sporting and cultural activities. This level of support would total in the vicinity of $17M per year.

This is a very significant level of investment into this function.

An examination of the financial statements of the Management Committee-operated facilities showed that they generally run their facilities with a cash surplus, but had very small cash reserves and would be unable to fund any significant level of renewal expenditure.

There are two issues raised by this description. One is that the level of subsidy is not visible and has only been able to be calculated as a result of significant and non-routine effort by staff within the finance department. In Stage 2 of this report, a description of a method of internal charging is described that would make evident the level of support for sporting and recreation.

The other issue this table raises is whether the subsidy is an appropriate amount. The sporting clubs would consider this figure is not sufficient, but a non-user ratepayer they may have a different view. Stated in bald figures, without an understanding of the rationale and desired outcome for the provision of such a level of subsidy, it is not possible to have a discussion on and for the Council to defend the appropriateness or otherwise of the subsidy.

Stage 2 of this report contains a method for considering the appropriateness of the fees currently charged. It must also be kept in mind that these activities are but one part of Council's responsibilities and that financially they have to fit into a strategic framework. This strategic framework will provide the financial envelope into which the programme must operate.

2.3.3 True costs of providing services

2.3.3.1 Cost allocation method

Currently, there are a number of processes that support the development of cost based pricing within Shoalhaven City Council. They are principally the:

- Overhead allocation model
- Fee Waiver, Subsidies and Support Policy
- Public Program Calculator
- Fees and charges register

The Overhead Allocation model is a mature proportional cost allocation model. It has a high, but not unnecessary, degree of complexity that provides a good analysis of the cost drivers within Council. The results of the model are transferred into the finance system by a monthly journal that provides transparency and relevant financial information. During our interviews with Council staff, there was a high degree of recognition of the output from this model.

POL15_57 Fee Waivers, Subsidies and Support Policy sets out the pricing methodologies used to determine fees and charges, these being:

- Full Cost Recovery

- Partial Cost Recovery
- Rate of Return
- Market Pricing
- Legal Requirements
- Refundable
- Free (Zero Cost Recovery)

These pricing categories and this cost structure are reproduced in the fees and charges register and are applied to each fee.

The policy describes the costs that should be included in the calculation of costs and lists the cost drivers that are to be used in the allocation of overhead costs. It then describes how the subsidies or waivers should be applied to the fees and references a subsidy calculator. The policy also states that all subsidies are listed in a central register of fee waivers maintained by Finance.

The Fee Waiver Policy does not seem to have any direct relationship to the fee waivers that occur elsewhere in Council. Interestingly, it also does not directly identify income (i.e. concession holders) as a possible criterion for reduced fees, whereas this criterion is used commonly through Council as a reason for reducing fees.

If strictly applied, the policy could lead to a duplication of fee reductions, as a partial cost recovery fee could be applied on the basis of community welfare and this fee cost could then be subject to a subsidy using the subsidy calculator.

Recommendation 1:
That the Pricing Policy is extracted from the Fees Waiver Policy. Remove the cost allocation system description from any other subsequent policy.

2.3.3.2 Fees & Charges Register

The Fees & Charges Register is a comprehensive Microsoft Access database that enables the decentralised recording of fees and the centralisation of the management of the register.

Every fee is listed, and includes the costing/pricing methodology and percentage of the cost recovered. This level of subsidy appears to be so similar that this indicates it is based on an educated guess by the staff members rather than any detailed calculations. At times there are inconsistencies (i.e. community casual hire is 100% full cost recovery at $12.30 per hour and commercial casual hire is full cost recovery at 100% at $14.90 per hour). Additionally, it is not clear if the

level of subsidy is calculated prior the application of subsidies and waivers or subsequent to their application.

There is no statutory requirement to identify the level of subsidy for each fee. However, it would show more transparent pricing. The inconsistent application of the subsidy percentage shown in the Fees & Charges Register needs to be corrected by either removing it or by clarifying its application. It is recommended that its use be continued and the that the level of subsidy be calculated as:

For Community Facilities	Amount of subsidy divided by full cost
For other fees	Value of fee waiver divided by full cost

It may be possible to include provision for the numerator and denominator to be included in the fees and charges database, with display of the resulting percentage.

Recommendation 2:
Assess whether the percentage recovery column in the Fees & Charges Register can be made more accurate; if not, it should not be included in the register.

2.4 Utilisation

Utilisation is the extent to which something is used and is commonly calculated as a percentage and is found by dividing total capacity by the extent of use (i.e. the capacity available divided by different quotients such as headcount, frequency or time). As is typically the case with most Councils, consistent and reliable methodology for calculating full capacity does not currently exist, and there is no data collection system for calculating use in a way that can be matched against total capacity.

From site visits, internal and external consultation, and perusal of available documentation (particularly the *Sportsground Strategic Plan 2008-2036*), there is potentially an oversupply of facilities and venues of all types, although these are not necessarily equal in quality or allocation across the local government area. It appears that there is capacity that is not being used, while some facilities and venues are overutilised, in that the facilities are overbooked or waiting lists exist, in

an 'ad-hoc network of under-utilised community infrastructure' (draft Community Strategic plan, p. viii).

The consultants did have access to cashier receipts data and summary financial information. Potentially this could have been a surrogate for utilisation data. However, the cashier receipts data aggregated much of the information (e.g. data accumulated by zones for sporting clubs) which made it impossible to refer back individual properties to assess utilisation. The summary financial information too was at a high level and ultimately proved not useful for providing insight into utilisation levels.

2.5 Benchmarking of Fees and Charges

The following basis was used for benchmarking:

- 2015/2016 non-statutory Council fees and charges were benchmarked against those of Kiama, Great Lakes, and Shellharbour Councils where possible
- Otherwise, as appropriate, fees and charges were benchmarked against other OLG Group 5 Councils or against competitors as identified by LKS Quaero or in conjunction with Council staff
- The exceptions to this were those meeting rooms and open spaces for which an internal benchmarking approach is appropriate for the reasons explained below

The detail of the analysis of fees and charges levied by Council is appended. Benchmarking was conducted on a facility by facility, service by service basis, subject to the limitations outlined above. There are no significant trends arising from the benchmarking and generally Council is in line with the benchmarked Councils' fees and charges, reflecting similar structural issues among all the Councils.

Also appended are our recommendations in relation to fees and charges that emerge from the benchmarking analysis. Implementation of these recommendations will bring Council into line with neighbouring and like Councils, raising the level of fees in several key areas and also simplifying fee arrangements.

Recommendation 3:
Review fees that have been identified as diverging from benchmark Councils.

2.5.1 Fee setting practices and considerations among similar Councils

In one sense or another, the selected benchmark and OLG Group 5 Councils all make publicly available reference to how fees and charges are set, whether incidentally or through a pricing policy. The fee setting bases in the following table are all drawn from the Councils' 2015/16 fees and charges documents.

Council	Fee setting bases
Coffs Harbour	• Economic cost: 'Total cost of providing services for private good' • Community service: 'Services considered to have a level of benefit to the community. Generally, benefits are not solely confined to users. Partially funded by rates' • Regulated charges: 'Federal or State government set charges' • User pays principle: 'Services under this category are such that individual costs can be determined and met by the user of the service' • Market forces: 'Services which Council operates in a competitive market and needs to fix charges similar to other providers' • Cost plus: 'Services provided on a commercial basis with an amount of risk profit included' • Section 94 (developer contributions): 'Items are priced at the level determined by the adoption of Council's Section 94 Plan. The Section 94 Plan provides for quarterly increases in these fees based on Consumer Price Index (CPI) increases'
Great Lakes	• Zero cost recovery: 'There is no price charged for this good or service. All costs associated with this good/service are met from general income' • Minimal cost recovery: 'The price for this service is set to make a minimal contribution to the cost of providing the service. The majority of costs of this service are met from general income' • Operation cost recovery: 'The price for this good/service is set to recover the annual operating and maintenance costs. The cost of consumption of the asset (depreciation) is expected to be met by developer contributions or grants' • Full cost recovery: 'The price of this service is set to recover annual operating and maintenance costs, and to make a contribution to the cost of replacement of the infrastructure assets utilised in providing the service' • Rate of return: 'The price of this good/service is set to generate an appropriate rate of return on the capital invested' • Reference price: 'The price of this good/service is set by reference to prices charged for similar goods/services provided by like councils or competitors' • Regulatory price: 'The price charged for this good/service is a statutory charge set by regulation'
Kiama	• Statutory • Cost recovery • Market rate • N/A
Lake Macquarie	• Partial cost recovery: '(a) the benefits from provision of the service accrue to the community as a whole as well as individual users; (b) charging prices to recover full cost may result in widespread evasion; (c) the service is targeted to low income users or a differential service fee is charged according to the classification of users to maximise access to the service; and/or (d) the service promotes or encourages local economic activity'

SA17.232 - Attachment 2

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Council	Fee setting bases
	• Full cost recovery: '(a) the service benefits particular users, making a contribution to their individual income, welfare or profits or a private benefit being provided without any broader benefits to the community; and (b) Council has a monopoly over the provision of the service and there are no community service or equity obligations. The fee or charge is calculated on the full recovery of annual and maintenance costs, on-costs and overheads. This would also include any debt servicing costs associated with the provision of the service' • Market competitive: '(a) the service provided is in competition with that provided by another Council or agency (private or public) and there is pressure to set a price which will attract adequate usage of the service; and/or (b) the service is a profit making activity and the price paid by users should recover an amount greater than the full cost of providing that service' • Statutory: '(a) the service is a regulatory or statutory service and where the fee is determined by Council in accordance with a pricing principle prescribed in regulations (eg a maximum price). (b) the amount of the fee is prescribed in regulations or determined by the Director General of the Department of Local Government or another authorised authority. Council has no discretion to determine the amount of the fee for a service when the amount is fixed by regulation or by another authority' • Demand management: 'The fee or charge is determined at a level greater than the direct cost of the service to provide a disincentive, or to recognise indirect costs associated with the provision of the service' • No charge: 'The service is provided at No Charge or has been specifically excluded from any cost recovery'
Maitland	• Reference to 'marketing determination' and 'cost recovery' for some fees
Newcastle	• Full cost recovery: 'Council recovers all direct and indirect costs of the service (including depreciation of assets employed)' • Partial cost recovery: 'Council recovers less than the Full Cost. The reasons for this may include community service obligations, priorities legislative limits' • Statutory requirements: 'Price of the service is determined by Legislation' • Market pricing: 'The price of the service is determined by examining alternative prices of surrounding service providers' • Zero cost: 'Some services may be provided free of charge and the whole cost determined as a community service obligation' • Rate of return: 'This would include Full Cost Recovery as defined above in addition to a profit margin to factor in a return to Council for assets employed. Council's policy for determining fees to be charged is that all Council fees and charges not subject to statutory control are to be reviewed on an annual basis, prior to finalisation of the annual operating budget'
Port Macquarie-Hastings	• *Barring minor typographical differences, Port Macquarie-Hastings has identical bases to Coffs Harbour*
Shellharbour	• Statutory: 'Council has no discretion in setting the prices for these services. The prices charged are prescribed by State or Federal Government regulations' • Minimal cost recovery: 'The pricing for these services is set below the financial cost of providing the service. The fees received are expected to make a minimal contribution towards the cost provision, with the balance being met from general revenues. This balance will be greater than 50% of the overall cost to provide the service. The principles associated with this pricing category may include the following:

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Council	Fee setting bases
	○ expected to benefit the community as a whole; ○ benefit of service may be spread across a large number of users including unrelated third parties; and ○ objective is to enable maximum access to the service, particularly keeping lower income users in mind' • Substantial cost recovery: 'The pricing for these services is set below the financial cost of providing the service. The fees received are expected to make a significant contribution towards the cost provision, with the balance being met from general revenues. This balance will be less than 50% of the overall cost to provide the service. The principles associated with this pricing category will be similar to the ones identified for the Minimal Cost Recovery category, but to a lesser extent' • Full cost recovery: 'The pricing for these services is expected to recover the full cost of providing the service, including all direct, indirect and any capital costs. The principles associated with this pricing category may include the following: ○ the user of the service obtains the full service benefit; and ○ the service is not provided under commercial conditions' • Market pricing: 'The pricing for these services is expected to recover the full cost of providing the service along with generating an appropriate rate of return. The principles associated with this pricing category may include the following: ○ the service is provided under commercial conditions; and ○ prices will be set to compete with other market competitors, but not to unfairly price others out of the market'
Tweed Shire	• Significant partial cost pricing: 'The price for this good/service is set to make a significant contribution towards the cost of providing the service. The remainder of the costs is met from general purpose income' • Statutory pricing: 'The price charged for this good/service is a statutory charge set by government regulation' • Minimal partial cost pricing: 'The price for this service is set to make a minimal contribution to the annual operating and maintenance costs of the facility. The remainder of the costs is met from general purpose income' • Rate of return pricing: 'The price for this service is set to make a contribution towards the cost of replacing the infrastructure assets utilised in the provision of the service' • Full cost-recovery pricing: 'The price for this good/service is based on the full cost of providing the service' • Reference pricing: 'The price for this good/service is set by reference to prices charged for similar goods/services provided by like councils'
Wollongong	• Full cost pricing: 'Fees are set to enable the recovery of all direct and indirect costs involved in the provision of a service' • Subsidised pricing: 'Fees and charges are set at a level that recovers less than the full cost incurred in service delivery. In effect some level of subsidisation is factored into the price' • Rate of return pricing: 'Fees and charges are set to enable the recovery of all direct and indirect costs involved in the provision of a service plus a profit margin' • Market pricing: 'Fees and charges are based on current market fee structures. The market price is usually determined by examining competitors' prices and may have little relationship to the cost of providing the service'

LKS QUAERO

Council	Fee setting bases
	• Statutory pricing: 'Fees and charges are set to comply with statutory legislation'

Not all Councils necessarily specify which of the above applies to all their fees (which is reflected in the appended benchmarking analysis). The Councils evidently articulate the bases of their fee setting to different degrees and using somewhat differing language, but similar underlying principles and similar categorisation emerge as a whole.

Experience indicates that it is unlikely that a full understanding of all the attendant costs of providing all goods and services informs the setting of fees and charges for each Council. In many or most cases, this is likely to be estimated or not take into account all direct and indirect costs. Implementation of the proposed fee model will enable Shoalhaven to not only ensure that its fee setting bases are in line with other Councils, as is currently the case, but also to move a step ahead of general practice and accurately and deliberately reflect Council's costs and strategic decisions.

Shoalhaven's Pricing Policy is well set out in the Fees and Charges Register and in the Fee Waiver Policy. Whilst it is more detailed than many Pricing Policies, it provides clear guidance for contributors and readers alike.

3. Stage 2: Development of the Models

3.1 Pricing for Services

Fees and charges are different to rates (i.e. taxes) or legislated fees in that the receiver of the services has a choice in whether they consume the product or not. Sometimes, they may not have any choice about which product they can use, but rarely are the services sold or provided by Council mandatory. Council is responding to the demand for services that it has deemed should not be paid for in part or totally by general revenue.

The amount that is charged for these services sends important signals. It indicates the relative cost of a service: renting a room at a community hall has a lower cost than renting a space at the Shoalhaven Entertainment Centre. It provides an indication of the relative value of the service: there are different costs to swimming at the beach (free), during pool general admission, and during lane sessions. Prices also assist in the allocation of scarce resources. If photocopying were free, the costs of providing this service would be a lot higher.

This simple supply and demand philosophy about the allocation of goods is complicated by the relative financial ability of residents to pay, the belief that Council exists to provide services to residents, and Council's historic attachment to the provision of some public goods and support for some activities. These are all valid and real reasons why the market or costs alone are not only basis for charging for the use of some Council services or facilities.

Pricing has four roles:

- Equity (i.e. those who benefit pay, equity amongst different groups)
- Revenue production (i.e. Council does have enough money to deliver facilities users desire?)
- Efficiency (i.e. method for rationing resources, provides accountability for scarce resources)
- Income redistribution (i.e. variable prices can positively discriminate in favour of particular groups)

Establishing the correct fee for a service is complex. The matrix below provides guidance on what contribution users should make to the cost of the service and how much it is reasonable to expect Council to fund.

The setting of fees for services that council provides to the community requires council to make decisions about benefits the services provided to the community and the costs of those services. The table below can be used to assist in determining what proportion of the cost of a service is borne by the user.

Each criterion can be assessed as to whether it indicated more public funding or more private funding.

Criteria	Funding continuum	
	Public funding ⟹	Private funding
Ability to control access to service	Consumption cannot be withheld (e.g. footpath)	Consumption can be withheld (e.g. enclosed swimming pool)
Impact of activity	Non alienating (e.g. walking in a park)	Alienating (i.e. car parking)
Capacity to pay	Low capacity of user to pay	High capacity of user to pay
Cost to recover fees	High cost to recover fees	Low cost to recover fees
Willingness to pay	Low willingness to pay	High willingness to pay
Scale of benefit	No premium utility (e.g. swim at the beach)	High benefit (e.g. private swimming lesson at swimming pool)
Community benefit	High community benefit resulting from the activity (e.g. skate board park seen to reduce anti-social behaviours)	Low community benefit

A good discussion on the theory of setting local government charges can be found in *Financial Local Government's Contribution to Community Development*, South Australian Centre for Economic Studies, July 2002.

The matrix above provides guidance on the source of funding for different activities.

By way of example, two commonly provided services in Australian Councils will generally illustrate the outworking of the matrix.

Criteria	Footpath in residential area	Swimming pool
Ability to control access to service	Low	High
Impact of activity	Non alienating	Non alienating if demand is managed

Criteria	Footpath in residential area	Swimming pool
Capacity to pay	Depends on location	Depends of location, incentives can be provided for the socially disadvantaged
Cost to recover fees	High	Low
Willingness to pay	Low	Accepted
Scale of benefit	Low	High (as compared to say swimming at a beach)
Community benefit	Low	Depends on location and alternative recreational facilities

Thus it can be seen why footpaths almost always, though not exclusively, are paid for by public funds and swimming pools are funded largely by the users of that facility.

Councils in New Zealand have been required by legislation to identify the beneficiaries of services and clarify how each service is to be funded.

We recommend that a similar process be undertaken by Council to validate its funding policy for each group of services it provides to ensure that its fee philosophy is appropriate.

Council, as a manager of public funds, has a responsibility to ensure that it efficiently provides services. If it provides a service that costs more than the benefits provided by that service, Council should be questioning whether that service continues to be provided in the current form.

Council has recently commissioned a community infrastructure review. This draft document identifies areas of undersupply and areas of oversupply in the provision of sporting and recreation facilities. Once full consideration is given to this document, it will be possible to develop a future financial plan for the operation of these facilities, including what Council considers to be an appropriate contribution by the users of the facilities.

Recommendation 4:
Review appropriateness of user contributions for all major fees groups.

Recommendation 5:
Develop financial plan for Sporting & Recreational facilities.

Pricing can encourage behaviour and Council needs to ensure that the way it charges fees supports its other strategic goals.

Information from Council's Transformation Project summarised the income and expenditure from various sporting and recreation facilities. Income, as a percentage of expenditure for each category, is summarised below.

	Aquatics	Tennis Courts	Community Halls	Sporting Fields	Total
Income	3,563,614	143,671	298,846	380,470	4,386,601
Expenses	6,974,384	514,842	1,906,485	4,198,238	13,593,949
Surplus (Deficit)	(3,410,770)	(371,171)	(1,607,639)	(3,817,768)	(9,207,348)
Income as percentage of Expenditure	51%	28%	16%	9%	32%

Source: Appendix B, C, D & E Report on Fees and Charges Review, 2013/14 figures

These figures are only the financial transactions recorded by Council and do not include financial contributions made directly by the users of some facilities. However, they do show the public monies that are applied to these facilities.

For some groups of facilities, the level of contribution by users is particularly low. Sporting fields are an example, with only a 9% contribution to the cost of the facilities. When you drill down further in to this group, no income is recovered by Council from facilities that are not operated by Management Committees. If an objective review was undertaken of the public versus private benefits of the facilities, it is unlikely that no private or chargeable benefit would be identified.

This indicates that the income being received by Council from these facilities is less than would be reasonably expected. The draft Community Infrastructure Strategic Plan makes the following statement regarding sporting grounds/facilities:

> *Following investigations into a range of fees employed by local governments, it is recommended that Council look at a figure of eventually between 20%-50%. This figure is only indicative and should be determined through a detailed review of the current fees and charges currently employed to ensure the ongoing viability of community sport and recreation organisations and an adequate return on Council investment in the maintenance of sporting parks.* [p. 63]

The following pages set out a funding and pricing rationale for the Council. This outlines some key strategies and a philosophy that, if applied, would significantly improve some of the current inequities in the current system. There is also a draft policy of fees and charges for sporting and recreation that could easily be edited to fit into Council's strategic framework.

However, the implementation of these methodologies requires Council to decide on the amount of income it believes the community considers appropriate to be applied to these services. It is also linked, as described in the quote above, to the management and investment in sporting facilities.

All of the following is not meant to be prescriptive, but more descriptive regarding how a more comprehensive framework on fee and charges can be developed. Within the framework are a number of decision points for Council and these will need to addressed by Council and/or Council staff. These decision points are described further on in this report.

The precise amount of resource will dependent upon the scale of changes that Council decides to implement and what internal resources may be able to reassigned to assist.

3.1.1 Underpinning rationale

A difficulty in implementing change at the current time is the limited transparency and the lack of an observable overriding rationale in how fees and charges are calculated.

The first stage in any change is to adopt and implement an overriding rationale. The rationale will require community consultation, detailed modelling, and a long implementation period. A good rationale will provide improved transparency and it is through this transparency that all parties will be able to make improved decisions regarding the allocation of scarce resources.

The recommended rationale has two components: transparency and a consistent charging mechanism. These are described in the following pages.

3.1.2 Transparency

Below are a series of options that Council can consider in any future fees and charges model. The underlying principle is transparency: that all costs associated with any activity are calculated and disclosed.

For facilities, each discrete unit should have its own cost centre to which all the income and costs are distributed for that unit. It is recommended that three sets of internal costs allocations are established for subsidies.

- Social inclusion subsidy — Records the value of social inclusion subsidy paid to each facility and the total for Council.
- Equalisation subsidy — Records the value of equalisation subsidy paid to each facility and the total for Council. The value of equalisation subsidy would reduce over a period of years as the fees from the facilities increase.
- Deficit subsidy — This is the amount required to "balance" the income and expenditure budget for each facility. Unless there were changes in the number of facilities, this amount would be relatively stable over the years.

When these internal cost transfers are used, Council will see a total in its budget for Social Inclusion, Equalisation, and Deficit subsidies and it can make plans to see them change over time, in accordance to its strategic plan for sporting and recreation facilities.

The table below illustrates how this would be reported to Council over a period of years. The figures use actual 2013/14 figures and assume a gradual increase in user fees for some sporting facilities over five years.

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Income	4,386	4,458	4,530	4,602	4,674	4,746
Expenses						
Facility costs	13,593	13,593	13,593	13,593	13,593	13,593
Social inclusion subsidy	(750)	(750)	(750)	(750)	(750)	(750)
Equalisation subsidy	(360)	(288)	(216)	(144)	(72)	0
Deficit subsidy	(8,097)	(8,097)	(8,097)	(8,097)	(8,097)	(8,097)
Total expenditure	**4,386**	**4,458**	**4,530**	**4,602**	**4,674**	**4,746**
Surplus / (Deficit)	**-**	**-**	**-**	**-**	**-**	**-**

Using a financial reporting format such as this, Council and the community can see:

- The total amount it spends of Council money to support sporting and recreation each year. For year 0, it is a total of $9.2M
- Income slowly increasing over the five years and the subsidy reducing

If Council made a decision to increase subsidies for a particular group, then this would be reflected in the budget figures.

Similarly, these figures would be reflected at a facility level and users of that facility would be able to see the level of subsidy Council currently provides to their particular facility.

This accounting framework can be applied to all recreation and sporting facilities.

The exact amount of any subsidies would need to be calculated after Council has determined its strategic plan for sporting and recreation facilities and its pricing rationale and structure.

Recommendation 6:
Implement a financial management system that identifies cost of providing services.

3.1.3 Structural, governance and management considerations

In relation to Management Committees, these are operated under the *Local Government Act* and are effectively part of Council. They are run by dedicated volunteers committed to maintaining a local facility. Section 355 Committees are cumbersome to operate because Council needs to ensure that they operate within the legislative framework of Council, and yet these groups generally desire to have significant operational independence.

Consideration should be given to implementing a programme that moves these groups from a section 355 Committee to an incorporated association. These new bodies can have the same responsibilities they have now. In some Councils where this has occurred, ownership of the facilities has been transferred to these new bodies as well. This recognises the historical connection the local community has to the facilities and enhances the sense of

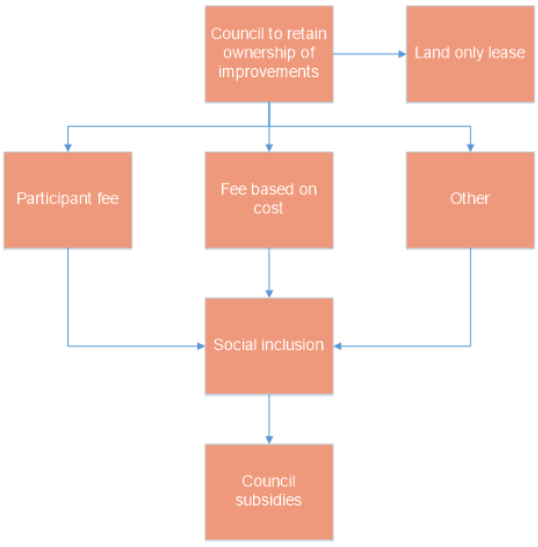
community ownership. This would have the added advantage of redesigning Council's depreciation expense and therefore its operating expenditure.

Alternatively, long term leases could be offered; depending on Council's policy, these leases could be land only or for the land and buildings. Where there are multiple occupiers, a head lease could be established with one group and sublet to other occupiers.

If Council relinquished its effective control over the properties through divestment or leases, a suitable grants program should be established to assist local organisation to fund capital works.

3.1.4 Fees and Charges Framework

Where Council leases or licenses facilities such as a showground, sporting ground, tennis court, or hall to a third party, the following decision matrix can be used to determine an appropriate policy framework. Council has yet to determine the rationale for holding assets and respective expectations of a return on investment. Consequently, we can find no reason to recommend a differing approach to fee determination where Council is asset owner as opposed to reserve trust manager.



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Land Only Lease	Many Councils, particularly those with a large number of small rural buildings, have entered an active program to either transfer the land or more commonly to offer land only leases to community organisations. A land only lease then vests care and control of any improvements with the lease holder. This encourages local custodianship of the facility.
Lease / Licence Fee	Broadly, lease fees fall into one of four categories: 1. A participant or activity fee, which could be a fee per player and/or a fee per team. This type of fee charges for activity and is not related to the cost of the activity. This type of fee is easily understood, but does not encourage efficient use of facilities. 2. A fee based on the cost to operate the facility. Generally, the users are charged all the costs associated with operating the facility. It is a more complicated system and requires a series of adjustments to maintain equity. Focuses attention on the costs associated with the facility. 3. Negotiated fee. Usually based on precedent and in many Councils is subject to political or other arbitrary adjustments. 4. No fee.
Social Inclusion	The cost of maintaining equitable access to services should not be borne by the deliverer of the service, but by the Council. Arguably, the cost of redistributive income services should not be paid for Council at all, but there is community expectation that this take place, and it is unlikely that the other tiers of government will see it as their responsibility. Currently, this redistributive or equity subsidy offered to individuals and group is funded by the facility manager[2]. Some facilities with a higher number of disadvantaged members are negatively impacted upon. This would effectively be an expansion of Council's Fees and Waivers Policy, which does not currently apply to leased property. The biggest challenge with administering redistributive income is finding a method that is both fair and simple to administer. Data on socially disadvantaged groups could be obtained from an annual return and social inclusion "credits" could be updated every three years, or sooner if there was a significant change in activities. Council should develop a policy on how it supports organisations to fund their social inclusion policies. Council may choose to incorporate any social inclusion benefit in the overall subsidy or it may choose a more open approach that provides an incentive for clubs to provide services to the socially disadvantaged.
Council Subsidies	If fees are based upon costs, there may be a need to provide some level of financial assistance to facility managers. A subsidy can be based on a

[2] Facility Manager is a term used to describe a group or person who has responsibility in part or in total for managing a community facility.

	number of criteria. The important principle with a subsidy is that it demonstrates Council's assistance towards the particular facility.

Using these decision points, it is possible to develop a number of options for a comprehensive fees and charges policy.

LKS Quaero has developed a scenario below to demonstrate how this could be applied. The model below develops a fee model for a managed sporting club facility, a Council operated facility, and a Council provided service using a cost based fee.

The model develops a price using the following process.

Each of the components are explained below.

Full cost of activity	Each activity will have its full cost that Council incurs identified. This will include the following components: • Land • Building • Maintenance • Contribution of corporate overhead • Operating costs These costs will be distributed to the appropriate costs centre in Council.
Community use	Some facilities will be able to be used by the community when not being used by the management committee. For instance, for sporting fields, it they are accessible to the community when not being used, then this community access/use will be recognised. The Council will also make a contribution to all recreation and sporting facilities the cost of administering the sporting and recreational program. This, and any related indirect costs or corporate overhead, will not be charged to the facility managers (Council managed pool, entertainment centre).
Council use	When Council uses a facility for its own purposes, this use will be recognised as if it were commercial/external use. This it to ensure that facilities which are regularly used for Council activities are not disadvantaged by not "receiving" income for these

	activities. The different pricing of facilities will encourage the appropriate use of facilities.
Social inclusion	The cost of the redistribution of income to encourage and support the use of facilities by those who have a limited ability to pay will be borne by Council. It will not be the responsibility of individual groups to have to find the funds to provide equitable access to Council facilities. This system of subsidies could be as simple or as complex as Council believes is appropriate. Complexity usually increases the cost of administration and can be difficult for the unfamiliar to understand. Simplicity can result in inappropriate targeting of benefits. In the example provided later in this report a simple method of subsidy provision has been illustrated. This subsidy will be based on an estimate of the number of disadvantaged users who pay for use/access to the facilities each year.
Subsidy	This is an amount that, in the first instance, is to identify the amount of subsidy each group is receiving above and beyond the calculation of what the new policy indicated they should be paying (i.e. ensuring that no group is worse off). This subsidy, in total, will reduce over an implementation period. The first step in developing a more equitable system would be the equalisation of subsidies amongst like groups (i.e. inequities between similar facilities will be reduced). The second step will be the reduction of subsidies across groups of like users. There is also the opportunity for individual groups to seek special subsidies. The use of a subsidy is an important tool that will enable Council, over time, to implement policy changes. For example, it can be used to encourage the amalgamation of facilities, the direction of funds to more passive recreation, or the support of particular activities.

Recommendation 7:
Adopt updated community and sporting clubs fee policy.

3.1.5 Council management of sporting and recreational facilities

As described earlier, once this system has been implemented, Council will be able to know the different cost components of providing sporting, recreation, and cultural facilities within its community. Importantly, the community will also know what it costs them.

The information that will be readily available will be:

1. Cost of administering the program: the salaries, direct, indirect and overhead costs associated with the provision of these facilities
2. Cost of community access to facilities: this is the cost of provision and maintaining passive recreation areas and open space throughout the local government area
3. Council use: the cost of using Council-owned facilities will consistently be borne by the Council areas that use those facilities. There will be transparency in the usage of facilities
4. Redistribution/equity: Council and the community will see the amount that Council contributes to making its facilities equitably available to the community
5. Subsidy: How much it costs Council to keep the current arrangements going. This is the cost to the community of having these activities operate in the Council area

Each of these items should be budgeted for. Each organisation will agree before each financial year, and probably in 3 year cycles, the level of assistance they will receive from Council.

3.1.6 Application to specific activities

The following tables illustrate a worked example of a fee structure using the methodology recommended above. The methodology explained below is for sporting grounds, but could easily be adapted to Management Committee facilities and Community Centres facilities.

A draft policy has been prepared to support this model and is appended.

The amount of subsidy can be adjusted to meet Council's strategic objectives.

Sporting and Recreation Ground Management Committees		
Full cost of activity	Land rental	Calculated using the following formula: Size of playing surface x average value / square metre x 2%
	Ground maintenance	Calculated using the following formula: Average size of playing surface per sporting code x square metres 'differential cost'

Sporting and Recreation Ground Management Committees		
		Differential cost is the difference between the cost of maintaining a recreation surface and sportsground to the standard required for the sport.
	Building rental	Based on the depreciation expense for the building as per Council financial records. No rent will be charged on any equity that can be apportioned to the group. Groups maintenance responsibilities will be clearly set out. They will be charged for additional or "catch-up" maintenance performed by Council.
Community use waiver		100% subsidy provided on land rental if: • Ground is freely available to the community when not being used by the club; or • Membership and/or access to facilities must be open to all members of the community and available for hire to the community
		Not available to clubs that have more that 50% of members residing outside the local government area or to businesses or commercial activities.
Council use	Usage fees	Council activities will be charged at commercial rate and borne by the department that uses the facility.
Social inclusion	Junior and Aged	If clubs charge a discounted fee for juniors and aged participants, they will be entitled to a discount based on the following formula: Total adult fees x Percentage of aged and junior usage x 25% Each year the club will submit a return showing facility usage, which will include usage of junior and aged persons.
	Other priority programs	This will be subject to separate submission by the club, addressing the following criteria: • Socially disadvantaged • Council priority support areas (if any) • Women • Culturally and linguistically diverse groups • People with disability Subject to annual funding cap each year.
		Not available to clubs that have more that 50% of members residing outside the local government area.

Sporting and Recreation Ground Management Committees		
Special subsidy	Equalisation	If current rent is more than 25% higher than proposed rent, the amount can be equalised over 5 years.
	Hardship	Where a club is experiencing hardship due to extraordinary circumstances, the committee can negotiate an additional subsidy.

Below is a worked example.

	Sporting and Recreation Ground	Fee
Land rental [3]	Calculated using the following formula: Size of playing surface x average value / square metre x 2% Average value is $16.50m^2 Playing surface area is 7,300 m^2 Value of playing surface ($16.50 x 7,300) is $120,450 2% of this is $2,409. The playing field is available to the public when not in use for organised sports. Therefore, this fee is waived. .	nil
Ground maintenance [4]	Calculated using the following formula: Average size of playing surface per sporting code x square metres 'differential cost' Differential cost is the difference between the cost of maintaining a recreation surface and sportsground to the standard required for the sport. Cost of maintaining open space $0.28m2 Cost of maintaining playing service to AA standard $0.73m2 Cost difference ($0.73 - $0.28) is 0.45m^2$ 7,300m^2 x $0.45 per m^2 is $3,285. One season is 50% These costs are actual costs that have been calculated and applied by another local government authority. Shoalhaven City Council will need to undertake its own calculation of these costs.	$1.642.50

[3] Should Council form a view that this venue is surplus to their strategic requirements it would not be appropriate for Council to bear the opportunity cost of continuing to hold this property and it may choose to gradually introduce a land rental fee for the total site area.
[4] A group may decide to maintain the playing services itself. Subject to it meeting an agreed standard and showing how it can undertake this work it could undertake this responsibility and not have to pay this fee.

	Sporting and Recreation Ground	Fee
Building rental	Based on the depreciation expense for the building as per Council financial records. No rent will be charged on any equity that can be apportioned to the group. Assume building value of $200,000 Club contributed $50,000 to extensions Net value is $150,000 assume average deprecation rate of 2.5%. Soccer club has sole use of the building. Groups will be responsible for the day to day maintenance of their building and they will be required to perform maintenance to a set standard. They will be charged for additional or "catch-up" maintenance performed by Council.	$3,750
Community use waiver	100% subsidy provided on land rental if: • Ground is freely available to the community when not being used by the club; or • Membership and/or access to facilities must be open to all members of the community and available for hire to the community 100% subsidy applied above	nil
	Not available to clubs that have more that 50% of members residing outside the local government area or to businesses or commercial activities.	
Council use usage fees	Council activities will be charged at a commercial rate and borne by the department that uses the facility. No Council use of facility.	nil
Social inclusion Junior and Aged[5]	If clubs charge a discounted fee for juniors and aged participants, they will be entitled to a discount based on the following formula: Number of junior and aged members of the club multiplied by $25[6] Assume 100 juniors are member of the club. $25 x 100 Each year the club will submit a return showing facility usage, which will include usage of junior and aged persons.	($2,500)

[5] Council could apply its current fee waivers policy to calculate an appropriate fee waiver if it thought a broader definition of supported activities was beneficial. LKS Quaero chose not to use this in as it adds a level of complication and ambiguity when applied over a six or twelve-month period.
[6] This amount is the estimated usual fee reduction for concession holders. The fee should be reassessed after consultation with clubs.

	Sporting and Recreation Ground	Fee
Other priority programs	This will be subject to separate submission by the club, addressing the following criteria: • Socially disadvantaged • Council priority support areas (if any) • Women • Culturally and linguistically diverse groups • People with disability Subject to annual funding cap each year. No specific priorities relevant to club.	nil
	Not available to clubs that have more that 50% of members residing outside the local government area.	
Equalisation	If current rent is more than 25% higher than proposed rent, the amount can be equalised over 5 years. Fee without subsidies is (1,642.50 + 3,750 -2,500) is $2,892.50. [1 + 0 (number of years equalisation has been in place)] / 5 equals This is introduced over 5 years. Equalisation credit is calculated as the fee before equalisation subsidy multiplied by one plus number of years equalisation has commenced divided by 5.	($2,314)
Hardship	Where a club is experiencing hardship due to extraordinary circumstances, the committee can negotiate an additional subsidy. Assume no hardship subsidy required.	nil
	Total annual fee year 1	**$578.50**

3.1.7 Invoicing of fees

Fees should be invoiced regularly. Large fees, for instance over $1,000, should be invoiced in four instalments. We have found that collection rates can be significantly improved if the amount and timing of the instalments is discussed with the organisations. Often, organisations will find it easier to pay their fees during their peak activity, for instance, if they are a winter based sport, they may wish to be invoiced in April, June, August, and October.

Overdue accounts should be followed up with a letter and a phone call. It is important to maintain good communications with the club though personal communications. If the overdue amount cannot be paid immediately, a payment arrangement should be negotiated. If there is no substantive response, a "breach" notice or similar should be issued.

It is important for Council and for the staff to understand that the follow up of overdue accounts is a task that can be very labour intensive. It is generally better to invest in maintaining open communications with organisations before there is a problem so that any future problem can be resolved more easily.

3.1.8 Pricing

This report provides a pricing methodology for community owned assets. The rationale is that these facilities are to have their fixed costs and incremental costs paid for by the users of the facilities, to the extent that they are able to pay.

Council has a wide range of services for which it charges. These could be for discrete services or for entry into events or facilities. Local government is obliged to set prices on a competitively neutral basis. In practice, this means that prices should be set at above avoidable costs (i.e. the costs that can be avoided if a good or service is not produced). If you cannot sell your service at more than avoidable costs, this means that you are making a loss and consideration should be given to withdrawing from the provision of this service. Price, except in a competitive market, should not be set above full cost. In a competitive market, you can set your price at what the market can bear, but at full cost.

The price that can be charged for an item is based on a range of factors, some of which are illustrated below.

Where there are suppliers of similar goods or services, Council should only set its prices at less than the market price where it can demonstrate that the price is covering the full cost of providing the good. If it were to price its good below cost, Council would be open to criticism that it is cross-subsiding its competitive services to the detriment of other providers.

Where Council is the only supplier of a service, the full cost of the providing the service should be recovered.

Recommendation 8:
All costing calculations to be referred to Finance department for review.

3.1.9 Proposed definitions of user categories

The following definitions are in line with Shoalhaven's current user categories in order to provide consistency for users. The attendant definitions and notes supplement this, based on best practice drawn from the benchmark Councils and the OLG Group 5 Councils as well as a selection of other organisations (National Museum of Australia, City of Melbourne, City of Sydney, City of Brisbane, and Burwood Council). Fee recommendations are taken from a review of the current Council fees and charges document and the fee structures of other Councils.

User category	Definition	% of full fee	Notes
Adult (non-concession)	A person over the age of sixteen not eligible for concession	100%	
Child	A person under the age of eighteen and over the age of two	66%	
Concession	A person over the age of sixteen who is a concession, pension, and/or full time student card holder	66%	Concession cards must be shown and the concession only applies to card holders themselves. Eligible concession cards may be supplied by Centrelink (including health care cards), the Department of Veterans' Affairs, the Seniors Card scheme, or an educational institution[7]

[7] See, for instance, *Shellharbour City Council Fees & Charges 2015/2016*, p.51, for a similar articulation.

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User category	Definition	% of full fee	Notes
Family	Generally 2 adults, 2 children or 1 adult and up to 3 children[8]	3 adult	Additional passes must be purchased for additional family members
Medical referral concession (Swim and Fitness Centres only)	A person who provides evidence of a medical referral for use of the facility (ie a letter from a medical professional)	50%	
Supervising non-swimming adult (Swim and Fitness Centres only)	A person over the age of eighteen only entering aquatic facilities in order to supervise a child, concession, or medical referral concession user	0%	

Group pricing is generally set at a discount between 20% and 30% for between groups of 5 or 20. Group pricing should be at the discretion of the facility manager but should only be offered if a group price can be demonstrated to provide a benefit for Council. This benefit could be in the form of increased income, market positioning, or reduced transaction costs. The level of discount should be commensurate with the level of benefit. Before a reduction in fees is offered, the opportunities to value add should be explored, for instance, free locker hire for groups of 10 or more.

It should be specified that there is no charge for children under the age of two. LKS Quaero also recommends, if companions of Companion Card holders are eligible for free entry, that this be made explicit.

There is potential for Council to expand similar user categories to other facilities in future, such as tennis courts, but this is not recommended in the short term so as to retain consistency for the community.

3.1.10 Capital upgrades

The provision of capital for capital renewals and upgrades is a vital part of the support Council provides to local clubs; it is another part of the subsidy they

[8] An alternative definition could be a family sharing the same Medicare card number or who can provide similar evidence of a family unit (Lake Macquarie follows this practice and Shellharbour a variation upon it; see their 2015/16 fees and charges documents). This would ensure that all users of this category are those intended for it and provide a broader definition of family, but could also cause potential occasional greater cost to Council.

provide. It is recommended that Council develop a clear capital support programme that has an annual budget. This budget will be determined by Council and will need to be assessed against other strategic priories of Council.

Initially, the funds could be obtained by diverting current capital expenditure allowances from the existing program used to fund capital expenditure on community facilities.

All requests for capital funds would be assessed annually by a central board that would report back to Council.

Recommendation 9:
A central board should review capital project requests from sporting and recreation organisations.

Funding would be available for building or facility upgrades or renewal that would result in:

- Consolidation of assets
- Current legislation compliance
- Higher usage levels of fewer assets
- Multiple use of facilities
- An increased range of activities, services, and programs being offered
- Increased participation particularly by target groups (children and teenagers, aged, people with disability, women, people from culturally and linguistically diverse backgrounds)

Where a substantial upgrade or new facility is to be developed, clubs should be asked to demonstrate social and financial sustainability. Submissions for building upgrades must include:

- A statement of community benefit
- Analysis of relevant trends in population, recreation, and sport
- An assessment, by the peak bodies of the relevant sporting codes, of the future building and sport facility requirements (for the codes involved) within the local government area over the next 20 years
- Assessment of the financial capacity of the clubs involved (including audited financial statements for the preceding three years of operation)
- A five year forward Business Plan, including financial projections

Council would assess each application against the relevant strategic polices.

In programming building upgrade works and considering requests for building upgrades, Council will work with Clubs to ensure that upgrades are financially, environmentally, and socially sustainable.

Recommendation 10:
A set of guidelines to be established for capital funding of sporting and recreation facilities, by way of which Council and clubs can work together to ensure financial, environmental, and social sustainability as well as strategic alignment.

3.2 Integration of systems

With the introduction of the new finance system, there would be benefit in integrating Council's various systems with the fees and charges register and with the asset management systems.

The fees and charges register could have a number of fields added to it to improve its functionality. It could include a field that relates to the relevant receipting code used in the finance system. This would make it easy to extract reports to ensure that the finance system and fees and charges register are synchronised. It may be possible to import fees from the register into the finance system.

A field could also be inserted into the fees and charges register to denote if the fees are to be used for brochures or publicity. These would be the most common fees. Again, this would make it easy to update promotional material each year by providing the relevant staff with a summary of charges and not the whole register.

There would be an opportunity to review the *types* of fees and charges with a view to improving their uniformity. This needs to be undertaken by giving consideration to the other corporate systems to ensure that any linkages between systems are optimised. It would be no use to remove a particular charge only to find that that charge is required for another purpose.

Additionally, it is important that common property definitions are used in the different systems to ensure consistency of information.

Recommendation 11:
Review options for the better integration of systems.

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4. Stage 3: Methodology for Future Fees and Charges

4.1 Fee Setting Calculator

A fee setting model/calculator has been developed that enables the Council to have a consistent and transparent approach to its assessment of fees and charges. It ensures through its five level model that consideration of the complex policy and direction issues is given due weight. It illustrates a practical and straightforward means of implementing the analysis, commentary, and recommendations in section 3 of this report.

LKS Quaero has developed individual calculators for:

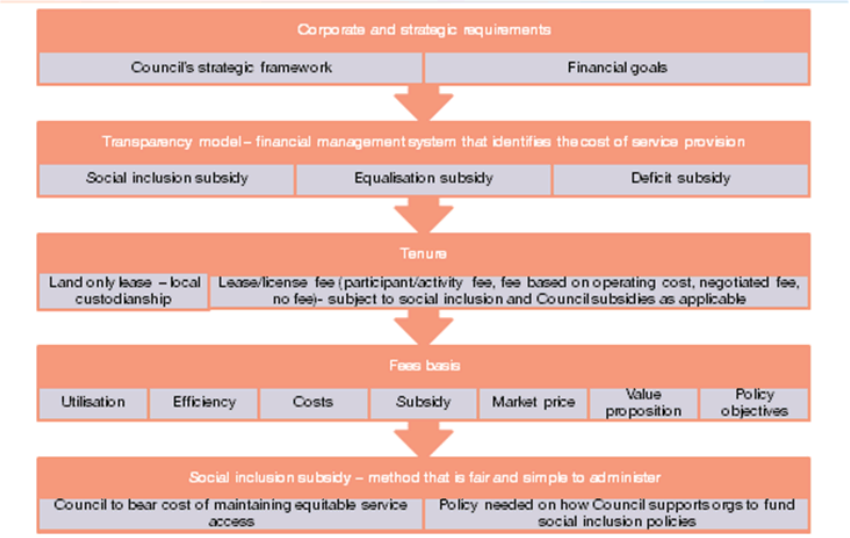
- Sporting facility fees
- Hall and room fees
- Program fees
- Service costing – simple and complex calculators (including advice on how to apply the calculator to Government Business Undertakings)

Several of these calculators are accompanied by ancillary staff costs and asset costs calculators. Flow charts are included in the Fee Model Calculator to assist users regarding:

- Determining the correct calculator to use
- Determining the correct pricing type to use
- Conducting a pricing review to confirm the appropriateness of preferred pricing

A copy of the Fee Model Calculator is included with this report in Excel format. It is designed in line with the principles articulated in this report: it centres transparency and forethought, compelling users to consistently make explicit and evident decisions regarding how subsidies are allocated, how costs are determined, and how much money Council wants to make (or not) from a given activity. Instructions for using the calculator are appended.

The five levels are detailed below.



The policy foundation is a clear link to Council's corporate and strategic framework and financial goals (level 1). The financial management system identifies and discloses the full cost of service provision under a transparency model (level 2). This is followed by consideration of tenure type: occupancy at will, licence, or lease (level 3). The fee basis relates the means of fee setting to the type of facility or service, with consideration of factors such as utilisation and costs (level 4). Finally, there is consideration to social inclusion subsidy (level 5). The policy ensures consistency in fee setting. This policy does not take away the need for a final level of judgement by Council and the individual fee setter in determining each fee, but rather enables this judgement to be evidence based.

4.1.1 Level 1: Corporate and Strategic Requirements

In light of sector reform, particularly the Fit for the Future program, and as a part of Council's Transformation Program, Council has highlighted fees as an area of interest in ensuring Council's long term financial sustainability.

- Council's 2014 "Report on Financial Sustainability" highlighted a number of financial pressures on Council, such as cost shifting, decreasing funding, forecast deficits, an increasing infrastructure backlog, and economic

pressures on the community. Reviewing fee structures was a recommendation arising from this report

- IPART's finding that Shoalhaven is financially sustainable ("Assessment of Council Fit for the Future Proposals," October 2015) was contingent on an assumed special rate variation of 21% over two years and included a caveat that Council may not meet the required operating performance ratio in 2019-2020. Fees and charges are a source of revenue for Council, while also representing ways that Council subsidises various financial burdens on the community
- While fees and charges are not primarily levied for the purposes of a separate revenue stream for the Council, they should not place a greater impost on general rates revenue, nor compete unfairly with Shoalhaven's businesses

Fees and charges ought to be geared to:

- Meet these financial sustainability challenges; avoiding inadvertent subsidies;
- Minimise the burden on ratepayers already facing economic pressures; and
- Ensure that equity is achieved and covert cost shifting from users to the general ratepayer is avoided.

Council's approach to fees and charges also needs to be closely aligned with its corporate planning framework, consistent with Council's mission to enhance the community, environments, and economy through 'strategic leadership, effective management, community engagement, and innovative use of resources'. The core principles underlying the Community Strategic Plan have a bearing on the policy and structural considerations for the recommended changes to fees and charges:

- Clear rationale and accounting for user contribution and Council subsidy to foster **sustainability**
- Equitable, consistent framework aligned with **social justice principles** to engender **customer service excellence**
- Adherence to a transparent model for **effective governance**
- An articulated means of rationing and granting equitable access to community owned assets to all sectors of that community

4.1.2 Level 2: Transparency Model

See section 3.1.2 of this report.

4.1.3: Level 3: Tenure

This refers to categories of land and property tenure offered by Shoalhaven City Council to:

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- Individuals
- S355 Management Committees
- Incorporated bodies
- Unincorporated bodies

Occupancy at will (may be granted informally)

- Gives access and use to a Council facility or land
- Not exclusive access or use, generally for a short period of time (hours)
- May be regular or irregular
- Council retains control of the facility, responsible for all maintenance, cleaning, security at all times
- Council gives prior approval for the activity that is proposed to occur in the facility or land and may prescribe restrictions that if breached, would result in revocation of the occupancy
- The occupancy can be revoked at will by the Council

Formal Licence (in writing)

- Council grants access and use to an individual, body or Committee
- Grants non-exclusive use of the facility for the specified period of the licence
- Council gives prior approval of the activity that is proposed for the facility and may also prescribe restrictions
- The use of the facility can only be used for the activity for which the Council has given prior approval as detailed in the licence
- Council remains responsible for specified items ie maintenance repair and replacement of roof, floor (excluding floor coverings), external walls, brickwork, structural steel, metalwork facades, exterior doors and doorframes (excluding locks); resealing of carpark surfaces, structural defects and repair; fencing replacement
- Licencee responsible for several specified items ie exterior painting, defects/damage in structure due to fault/negligence on the part of the licencee, internal paint and plasterwork, fixtures and fittings, plumbing, electrical equipment and fixtures, internal doors and door hardware, security and fly screens, exterior lighting and security equipment, air conditioning equipment, acts of vandalism/malicious damage to any part of building excluding structural work, water coolers and fountains, tiling and mirrors, and other specified items
- Licence cannot be revoked at will during the period of the licence unless in the case of breach of a licence term

Lease (formal deed)

- Formal instrument from Council to individual, Committee or incorporated body that sets out the agreed terms of use, which may include:
  - A fixed period of tenure, usually of greater than 12 months' duration
  - The rental is specified. It may be a fixed sum or percentage of any fees and charges levied by the lessee
  - Maintenance, cleaning and security is the responsibility of the lessee
  - Obligations of the Council during the period of the lease in respect of capital upgrades are specified
  - The lessee may sub-let the facility or grant licences for the use of it with the prior approval of the Council

4.1.4 Level 4: Fees Basis

Type / category of facility or service fee	How Council will set the fee
Statutory fee (i.e. a fee which is determined by legislation)	As stipulated in legislation. Subsets are as follows: • Fee is set by legislation • Activity is mandatory/regulatory, but the fee amount is discretionary
Use of sports grounds	Size of playing area, average value, land rental charge, net ground maintenance cost x area x proportion of the year used, building depreciation.
Use of community facilities e.g. Community centres, public halls, school of arts	Facility costs (cleaning, repairs, maintenance, utilities, administration), staff costs, indirect costs (labour oncost, statutory fees, depreciation, internal overheads), commercial rate of return, income (grants, fee waiver, other).
Government Business Undertaking	Must include full cost attribution plus tax equivalent pricing. Council to determine level of subsidy. Costs for discrete services should also include consideration of direct costs (eg marketing, invoicing, planning, materials, travel), indirect costs (labour oncost, statutory fees), return on capital and commercial rate of return.

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Type / category of facility or service fee	How Council will set the fee

Other Services	Prices are to be set at the cost of providing the service; this would involve the following processes:
	
	• Document activities associated with the service, for instance:
	  ○ Planning
	  ○ Taking orders
	  ○ Marketing and promotion
	  ○ Travel
	  ○ Performing service
	  ○ Report preparation
	  ○ Invoicing and collecting payments
	  ○ Internal administrative processes
	• Cost each activity. Overheads, profit, and cost of capital to be included
	
	Subject to a pricing review sense check:
	
	• Commercial users will be charged at a Commercial Return rate (I.e. direct costs, indirect costs, return on capital and commercial return)
	• Community users will be charged at User Pays (DCO) (i.e. direct costs and indirect costs)

Other considerations include:

- Evasion: Should a significant reason for the fee be to dissuade certain actions (eg dumping), the highest possible fee would be charged and this would be User Pays (Commercial Return) (i.e. direct costs, indirect costs, Return on Capital, Commercial Return)
- Full subsidy: the Pricing Policy sets out a number of reasons why no fee may be charged, including public good (eg internal access), encouraging use (eg free car parking), compassionate grounds (eg memorial services), and practical constraint. The full cost must be established and then the policy applied to ensure that the full subsidy can be applied and reported upon in a transparent manner

4.1.5 Level 5: Social Inclusion Subsidy

See sections 3.1.2 and 3.1.4 of this report.

4.2 Recommendations to Improve Fee Collection

Council should consider moving towards a process of the collection of fees and charges that has the following characteristics:

- The unambiguous authority by Council officers to collect authorised fees and charges without external influence
- A clear and transparent methodology that allows end users to easily understand the relevant fees and charges prior to undertaking an activity
- A collection process that is supported by a clear system of management controls including debtor management and tracking of receipts through the financial system
- Regular reporting of venue utilisation that provides a layer of accountability against recorded receipts

It is recommended that Council work toward the implementation of the above criteria in the context of the recommendations of this report.

Recommendation 12:
Implement a standard fees calculator and collection and reporting processes.

4.3 Governance Structure for Setting and Collecting Fees

It is recommended that a project team manages the implementation of the recommendations that emerge from this report. The project team should work within a clear project charter document that establishes the authorities of the project team and clear lines of reporting to a Council officer with appropriate delegated authority to implement changes to fees and charges as well as initiate and conduct consultation. The project team should comprise a range of perspectives, including representation of Council staff with direct contact to the community and able to provide feedback on the practicality of any proposed changes.

On an ongoing basis, we recommend that Shoalhaven appoints a role dedicated to implementing the new framework on at least a part time basis that would:

- Assess current capability to implement the framework
- Design and deliver or organise training to fill skills gaps

- Act as a conduit between Finance and the rest of the organisation, in particular explaining the practical application of the model to operational staff and providing real time support and assistance
- Gather evidence of the savings and revenue being generated by the application of the model
- Communicate to the organisation about the benefits and outcomes of the new framework
- Support communication to external stakeholders in relation to the new model and its framework and its benefits
- Conduct a regular review of Council's fees and charges
- Assist with the pre-population of data, including adjustments in line with market, salary, and other changes that occur year on year

Recommendation 13:
Establish a project team to oversee the implementation of the recommendations from this report and appoint a fees and charges "owner" on an ongoing basis.

4.4 Simplifying the Fees and Charges Structure

The public fees and charges document is over 150 pages long and is structured broadly according to Council's internal organisational structure. The document has the look and feel of an internally focused document, rather than a document that supports clear expectations of pricing by the community. There is also an excess of detail that is likely to invite unnecessary concern rather than support clarity.

The following changes are recommended that can be implemented quickly:

- Remove reference column "Pricing Policy", "Recovery" and "GST Incl." (and note that prices are GST inclusive unless otherwise stated)
- Combine the "Fee Description" and "Purpose" sections into a single "Fee Description" column using primary and secondary headings where appropriate, for example on p15 of the document:
  - Primary Heading: Advertising in Shoalhaven Information Booklet and Shoalhaven Your Holiday Escape
    - Secondary Heading: Production Costs
      - Back page (19 cm x 25 cm)
      - Inside Cover (19 cm x 25 cm) etc
- Introduce version control for the document in order to improve transparency of variations to fees

The structure of the document should better reflect the users of fees and charges rather than Council's internal structure. Fees and charges for high volume facilities and discrete activities should also be included in separate marketing documents for ease of reference for end users.

More specific recommendations to simplify the fee structure and reduce the overall number of fees are included below:

Area	Recommendation	Result	Comment
Tourism	Group all advertising/campaigns fees together	Same number of fees with more logical framework that is easier to follow and administer	
	Consumer Shows - Single operator participation fee	Reduction of 1 fee	See comment about subsidy levels following this table
	E Commerce - Remove the various commission for online booking fees, instead listing a single, percentage-based commission fee	Reduction of 3 fees	Potential loss of revenue or else participants if an operator previously was charged less; also potential increase in revenue and participants due to increased ease of doing business with Council
	Events, Conferences, and Conventions – combine these into one category and replace fees with single statement that all sponsor, exhibitor, advertising, participant, spectator, and delegate fees will be determined on an occasion by occasion basis	Reduction of 18 fees	Simplification of document with no material effect on fees, which are all negotiated and not listed as dollar amounts
Community Services	Family Day Care (FDC) – eliminate wifi fees	Reduction of 2 fees	The fee is not worth the administrative effort and cost
	Family Day Care (FDC) – remove room hire fees, to be brought into line with generic Council room hire fees	Reduction of 4 fees	It would be appropriate to leave a comment against the FDC section directing users to the Council-wide room hire fees if they wish to hire FDC rooms
	Libraries – "general" items should be delineated by categories, eg photocopying, sales, etc	Same number of fees with more logical framework that is easier to follow and administer	

Area	Recommendation	Result	Comment
	Libraries – establish single sale of withdrawn items fee, commenting that there is a $1 discount on the sale of three items	Reduction of 1 fee	Eliminates the ambiguity of two fees that are not grouped together
	Libraries – eliminate Temporary Member deposit	Reduction of 1 fee	Eliminates the administration cost and encourages library use
	Libraries – apply single Internet Training fee	Reduction of 2 fees	Increases ease of reading; involves no reduction in income as cost for all current categories is the same
	Libraries – remove room hire fees, to be brought into line with generic Council room hire fees	Reduction of 11 fees	It would be appropriate to leave a comment against the Libraries section directing users to the Council-wide room hire fees if they wish to hire library space
Swim and Fitness Centres	Casual swimming fees – only offer adult, child, concession, supervising non-swimming adult, family pass, and medical referral concession fees, also specifying a percentage discount for the purchase of 10 passes for any single one of these options. Include a comment that fees do not apply to children 2 years and under	Reduction of 8 fees	Consider renaming these as "casual aquatic fees" so as to cover non-swimming use of aquatic facilities
	Casual fitness fees – only offer adult day pass, concession day pass, group fitness program adult, group fitness program concession, child pass (only to be used by teens), 30 minute personal trainer session, fitness assessment options, and fitness promotion. Specify a percentage discount for the purchase of 10 passes for any single one of these options except the last two	Reduction of 8 fees	
	Child minding pass – adjust 20 visit fee to 10 visit fee, applying a percentage-based discount	Same number of fees with more logical framework that is easier to follow and administer	This will bring this fee into line with the other recommendations for Swim and Fitness

Area	Recommendation	Result	Comment
	Memberships – Offer total access membership adult (1 month), adult (1 year), concession (1 month), and concession (1 year). Also offer fitness and aquatic memberships according to the same categories. Retain current corporate categories.	Reduction of 6 fees	Consider renaming "complete fitness" to "total access" so as to reduce ambiguity (some users might not understand that it is different from the fitness membership). Direct debit and payment methods should be removed from the document and discussed in policy documentation
	Meeting room hire – remove room hire fees, to be brought into line with generic Council room hire fees	Reduction of 12 fees	It would be appropriate to leave a comment against this section directing users to the Council-wide room hire fees if they wish to hire centre space
Arts Centre	Membership fees – while a firm recommendation cannot be made as some of the fees are suspended, a general member fee and a subsidised volunteer fee are in principle appropriate	Potential reduction of 2 fees	
	Workshop/Meeting Room Hire fees – remove fees, to be brought into line with generic Council room hire fees. Specify gallery space fees separately	Reduction of 9 fees, more logical framework that is easier to follow and administer	It would be appropriate to leave a comment against this section directing users to the Council-wide room hire fees if they wish to hire centre space
	Miscellaneous – subsume room hire fees under the Council-wide fees	Reduction of approximately 8 fees	
Public Reserves, Recreational Areas and Other Public Places	Parks, Reserves and Other Public Places commercial/community activities/function fees – apply three generic reserve hire fees (numerically defined small, medium, and large activities) on a per day basis. A single generic per hour option should also be offered, to be capped at two hours	Reduction of 11 fees	Where subsidies/community rates apply, these should be specified in the policy, not in the fees and charges document. The per hour option allows a flexible, cost-effective option for small scale users
	Club rooms – apply generic Council meeting room fees	Reduction of 4 fees	It would be appropriate to leave a comment against this section directing users to the Council-wide room hire fees if they wish to hire clubroom/kitchen facility space
	Establish single bond, tea-making facilities fee, cleaning	Reduction of	See benchmarking analysis for more detail.

Area	Recommendation	Result	Comment
Public Buildings and Facilities	fee, and election fee. Establish either single kitchen fee or 5 hour function fee that includes kitchen use. Establish hourly rate for main hall and hourly rate for meeting room hire – potentially two tiers of these fees depending on quality of facility. Include whole of facility fee for the hiring of both (again, potentially in two tiers). Maintain specific fees for offerings unique to facility eg bain marie	217-219 fees, ease of following and administering simplified framework, increased likelihood that underutilised facilities will be seen as viable options	The maintenance of separate piano hire fees for the various pianos allows for the fees to reflect the unique quality and cost of maintaining each piano.
	Berry School of Arts – fold into above public buildings and facilities fees in line with the recommendation immediately above, including removal of school formal fee and maintenance of venue-specific offerings eg commercial art exhibition, piano hire	Reduction of 22 fees	
	Nowra School of Arts – in recognition of the unique nature of this facility, different fee amounts to those of the above public buildings and facilities are merited, with the fees to be set according to the same structure outlined above. Specifically: whole of School hire fee, hourly rate for the hall, hourly rate for the smaller rooms (with potential separate fees for the gallery and annex), cleaning fee, and function or kitchen fee as above, with maintenance of venue-specific offerings such as piano hire	Reduction of up to 24 fees	
	Ulladulla Civic Centre - in recognition of the unique nature of this facility, different fee amounts to those of the above public buildings and facilities are merited, with the fees to be set according to the same structure outlined above. Specifically: whole of Centre hire fee, hourly rate for the hall, hourly rate for the smaller rooms (with potential	Reduction of up to 46 fees	

Area	Recommendation	Result	Comment
	separate fees for the meeting room and lower level), cleaning fee, tea-making facilities fee, and function or kitchen fee as above, with maintenance of venue-specific offerings such as the piano, equipment, use of power box fee (which is currently included in both daily and hourly versions – the former should be removed)		
Showgrounds	Apply the following consistent fee categories where they apply a given facility: daily hall hire rate, hourly hall hire rate, meeting room hourly rate, main oval hourly rate, main oval day rate, pavilion/ground, designated area hire daily rate, all facilities use daily rate, camping daily rate per van/tent (powered site), camping daily rate per van/tent (unpowered site) stabling/agistment daily rate per animal, bar/kiosk/barbeque daily rate, floodlight rate, power use, and bond. The bond, camping, and meeting room rates should be consistent across all facilities, but the other fees should reflect the unique nature of each facility, as should unique fees eg sports mat use	Reduction of approximately 42 fees	
Tennis Courts	Key replacement fee – establish a single consistent fee	Reduction of 14 fees	
	Grass courts – establish single casual day use, casual night use, regular day use, and regular night use fees for all facilities	Reduction of 13 fees, alignment of the fee reduction for regular users across facilities, opening up of more user categories	This would bring into line fees that are already fairly similar and will encourage use of underutilised facilities. Alternatively, fees can be determined on a basis that accounts for the different quality of facilities, ie two sets of fees, leading to a reduction of 9 fees
	Hard courts – establish single casual day use, casual night use, regular day use, regular	Reduction of 42 fees, alignment of the fee reduction for	This would bring into line fees that are already fairly similar and will encourage use of underutilised

Area	Recommendation	Result	Comment
	night use, and competition fees for all facilities	regular users across facilities, opening up of more user categories	facilities. Alternatively, fees can be determined on a basis that accounts for the different quality of facilities, ie two sets of fees, leading to a reduction of 37 fees
Shoalhaven Entertainment Centre	Auditorium, Studio, Foyer, Whole Centre, Function, Marketing – specify single set of fees, not differentiating on commercial/community basis, specified on an hourly basis	Reduction of 15 fees	Where subsidies/community rates apply, these should be specified in the policy, not in the fees and charges document
	Meeting Rooms and Kitchen Hire – apply generic Council meeting room fees or, taking into account the unique nature of the facility, calculate facility-specific fees using the same fee unit/time bases	Potential reduction of 10 fees	If this is put in place, it would be appropriate to leave a comment against this section directing users to the Council-wide room hire fees if they wish to hire Entertainment Centre room space
Property	Leases – separate out lease and license items under different subtitles	Same number of fees with more logical framework that is easier to follow and administer	
	Group A-Board, advertising, merchandise display, and use of Council owned or managed land fees under single subtitle, using fee descriptions that will be clear to the end user (ie no legislation references in the fee description itself)	Same number of fees with more logical framework that is easier to follow and administer	It is noted that these are separated into two categories in the 2016/17 fees and charges document. This provides greater clarity than the corresponding section in the 2015/16 document, but the "'A' Board Signs and Advertising Displays on Public Land" subtitle only describes one of the fees in that section. It is considered simpler to simply join these two sections
Infrastructure and Asset Management	Advertising Structures Located Within the Road Reserve – remove "General" subtitle	Same number of fees with more logical framework that is easier to follow and administer	As the "General" fees are the only items in this section and as this is immediately followed by another section titled *General*, removal of this subtitle will eliminate confusion
	General – replace/split this section with two sections: "Parking and Traffic" and "General"	Same number of fees with more logical framework that is	

Area	Recommendation	Result	Comment
		easier to follow and administer	
	Huskisson Public Wharf Usage Fee – this daily fee should be grouped with the annual fee	Same number of fees with more logical framework that is easier to follow and administer	The inclusion of one Public Wharf fee under Property and the other under Infrastructure and Asset Management is likely to confuse: they should be grouped under one section or another
Works and Services	Comerong Island Ferry Toll – include in separate section, visible in contents page, at the start or end of the Works and Services fees	Same number of fees with more logical framework that is easier to follow and administer	This is already partly in place in the 2016/17 document
Total fee reduction: 558			

No specific rationalisation or structural change recommendations are made for fees and charges not in the table above. In particular, there is little that is discretionary in relation to the Planning and Development Group's fees and charges and therefore no rationalisation is recommended. However, there are broad recommendations in respect of all fees and charges, which are factored into the fee reduction calculations in the table. These recommendations are:

- *Display fee categories by alphabetical order* within a particular area. For example, Arts Centre should precede Information Technology Services
- *Remove comments that are repeated and/or not relevant to the end* user eg 'Print advertising is harder to achieve - reducing the costs will provide more advertising and create a better brochure' under Tourism
- *Group all related fees together* under appropriate titles and subtitles. For example:
  - "Parks, Reserves and Other Public Places" under Tourism only has one sub-category, "Film & Still Photography". As this is at the start of the document, a casual user might be left with the impression that there are no other parks, reserves, and other public places fees. A clearer structure might be "Film & Still Photography in Parks, Reserves and Other Public Places," eliminating the need for a subtitle
  - On a similar basis, Property's "Leases" section is confusing as it also includes licenses. The title of "Leases and Licenses" would clarify this
  - Some Library fees are on page 9, while the rest begin on p 11
- *Ensure that the nature of the fee is always obvious* eg the purpose of the Section 138 (Roads Act) fees is not immediately evident and neither the purpose or description of the Section 139A fee are clear

- *Specify one fee per item*. Levels of subsidy for particular groups are to be calculated according to approved policy and separate versions, such as distinct community and commercial versions, should not be listed for each item in the fees and charges document

The table includes recommendations for Council-wide facility hire fees and charges to be applied to several public buildings and facilities as well as meeting rooms. While it is not appropriate for the same fees to apply to all facilities, the same fee structure (eg meeting room hire on an hourly basis) should be used for all. These fees and charges should be placed towards the beginning of the fees and charges document and include any fees and charges that are unique to a particular venue. This will simplify hiring as well as encourage broader awareness and use of all of Council's venues and facilities.

In terms of the visual aspects of the layout of the fees and charges, best practice includes high contrast use of colour, spaciousness, a landscape layout, and clear differentiation of different fee areas (ie beginning a new section on a new page, marking titles in a different colour). Kiama's and Blue Mountains' fees and charges documents both combine elements of these. Shoalhaven has an opportunity to combine all these factors to produce a still more visually appealing and navigable document.

There is a moderate risk that the combination of these factors may result in a somewhat lengthy document, but readability is a more important component. The document should also be easily navigable by screen reader users and should be tested with this in mind.

Recommendation 14:
Implement changes to simplify the fees and charges document.

5. Stage 4: Implementation Plan and Issues

5.1 Development of the Implementation Plan

The following draft Implementation Plan has been developed in the context of the recommendations in this report. It is subject to review by Council officers following consideration of the proposed model and can be better synchronised with Shoalhaven's budget process.

Date	Steering Group / Council staff	Council	Community	Facility Users
2017				
Phase 1 – Decide on Strategic Framework				
February	Consider Draft Report Workshop and Internal Consultation			
March/April				Consultation with Sporting Board
		Workshop		
	Make recommendation on options, develop strategic framework	Adopt Framework		
			Consultation of Strategic Framework[9]	
		Consider outcome of consultation of Strategic Framework		
Phase 2 – Develop Detailed Framework				
April/May	Develop detailed procedures and policies to support			

[9] The initial consultation should be with the whole of the community and not just those directly affected. It is the ratepayers who pay for the current services and they should have input into the revised model.

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Date	Steering Group / Council staff	Council	Community	Facility Users
	Strategic Framework[10]			
	Detailed modelling of new system[11]			
				Commence detailed consultation with users[12]
	Develop implementation plan			
		Progress report		
Phase 3 – Commence Implementation				
April/May	Update systems. Finance, Assets[13]			
May	Implement changes to Fees & Charges Register			
Phase 4 – Commence Implementation				
June				Introduce changes
October	As part of the updating of the Long Term Financial Plan, build in changes to the level of subsidy that is required to meet strategic objectives			
December				Advise organisations of future changes in subsidy levels

[10] A review of all relevant policies would need to be undertaken and these would need to be updated and implemented at the appropriate time.
[11] A model that is based on the charging of full costs less a subsidy has the ability to change the subsidy over time. This can then be used to drive desired outcomes. This can only be achieved over several years and requires forward planning.
[12] This would include training on the new system and how it is expected to operate and what it may mean for the club.
[13] The finance and asset systems will need to be able to identify the full costs of each facility and the subsidies provided to them. This is likely to require changes to the structure and data collection of the finance system and asset system.

Date	Steering Group / Council staff	Council	Community	Facility Users
2018				
April				Confirm subsidy levels for the coming financial year
Phase 5 –Continue Implementation – this phase is continually repeated				
September	Review previous 12 months			
October	As part of updating of the Long Term Financial Plan, build in changes to the level of subsidy that is required to meet strategic objectives			
December				Confirm organisations of future changes in subsidy levels
2019				
April				Confirm subsidy levels for the coming financial year

The successful implementation of the framework will depend on ensuring there is good communication with all stakeholders, in particular voluntary groups. This will require Council to provide adequate human resources to implementing the new framework. The groups will benefit from assistance in:

- Business planning
- Marketing
- Financial management

5.2 Development of the Stakeholder Messages

The following draft key stakeholder messages are recommended to form part of a communications strategy that will support the effective implementation of the model and framework.

Stakeholder	Why / How Affected	Likely Response	Key Message
Internal			
Elected Members	The recommendations will need to be incorporated into Council's long-term strategic and financial management policies.	The elected members will be interested in the benefits of and reasons for adopting the recommendations.	• The Council will have a strong rationale to explain and justify its fees and charges to external stakeholders. • The recommendations will lead to improved financial management and sustainability. • The recommendations will improve Council's efficiency, revenue raising capacity, and resource allocation.
Staff	Implementation of the recommendations will require new work methods and potential upskilling.	Staff may expect training guidance for new systems such as the Fee Calculator.	• The transition period will require the development of new skills. • In the long-term, processes will be more efficient and integration between divisions will be enhanced.
Managers	Fees and charges for each Manager's department, as well as the overall revenue base, will be affected by the report recommendations.	Managers will be concerned with how their department's finances be impacted by the new fees and charges policy.	• The recommendations will increase revenue by enhancing the utilisation of Council facilities and resources and through increasing the collection of under-collected and non-collected fees. • The recommendations will also enhance integration across departments within the Council.
External			
Sporting groups	The report recommendations will affect Council funding for sports facilities as well as	Any increase in fees charged for facility use will likely be met with some resistance, and claims that this will deter	• Subsidies will serve to make funding for groups and facilities more equitable, as well as reduce the cost

Stakeholder	Why / How Affected	Likely Response	Key Message
	the fees charged for use of these facilities.	sports participation among the community. The sporting groups will also likely be concerned with perceived inequities related to unequal funding across different facilities.	burden on sporting groups. This will be alongside newly clear and consistent accountabilities concerning maintenance and capital works. • The highly transparent and detailed pricing approach will ensure fees charged are fair and reasonable.
Users of Council facilities and services	These users will be affected by any increases or structural changes to fees and charges.	These users may question the reasons behind any fee and charge increases or other changes.	• The new transparent framework for fees and charges removes inequities in the current system and ensures there is an objective, fair approach to setting fees. • The Council has reviewed its subsidy policies to ensure services remain affordable to the community.
Socially disadvantaged groups	These users will be strongly affected by any increases to fees and charges.	These users may express concern over capacity-to-pay issues.	• Fair redistribution and removing inequities has been central to establishing the new fees and charges framework. • The Council has reviewed its social inclusion subsidies to ensure the affordability of services and facilities. • A review of concession discounts has been conducted to assist eligible members of the community.

Stakeholder	Why / How Affected	Likely Response	Key Message
Facility management committees	The report recommendations will affect Council funding for facility management committees.	These committees may perceive inequities in funding distribution and resist any funding cuts.	• The new framework aims to address existing inequities in facility funding. • The framework establishes a transparent approach to fees and charges that ensures there is an objective approach to setting fees with equalisation of funding among like groups. • The framework will enhance the utilisation of facilities and thus raise facility revenue.
Media	Provides a platform to explain the report recommendations to the general public.	The media may side with certain affected groups (eg sporting groups) and undermine public support for the report recommendations.	• The new transparent framework for fees and charges removes inequities in the current system and ensures there is an objective, fair approach to setting fees. • The recommendations will enhance the utilisation of Council resources and facilities and enhance the financial sustainability of Council while ensuring that the most vulnerable Shoalhaven residents have affordable access to quality community facilities.
Community groups	These groups will be affected by changes to fees and charges such as facility hire and usage.	They may resist any increases in fees and charges	• The new transparent framework for fees and charges removes inequities in the current system and ensures there is an objective, fair approach to setting fees. • The recommendations will enhance the utilisation of Council resources and facilities and enhance the

Stakeholder	Why / How Affected	Likely Response	Key Message
			financial sustainability of Council while ensuring that the most vulnerable Shoalhaven residents have affordable access to high quality community facilities.
Ratepayers and local population	Ratepayers will have an interest in which services and facilities their rates are being invested in.	They may have concerns regarding excessive subsidy provision.	• The new transparent framework for fees and charges removes inequities in the current system and ensures there is an objective, fair approach to setting fees. • The recommendations will enhance the utilisation of Council resources and facilities and enhance the financial sustainability of Council while ensuring that the most vulnerable Shoalhaven residents have affordable access to high quality community facilities.
Private service providers	Increased subsidies may make private service providers uncompetitive in the market.	These private business may fear unfair competition from Council providing services at a subsidised rate.	• The proposed framework ensures Council does not compete unfairly by only providing Public Good services or by charging at the market rate where there is private competition.

5.3 Recommendations for Policy Development

Over the many years Council has existed, a large range of different charging methods have developed. This is reflected in the detailed explanations in this report and in the great length of the Fees & Charges Register published by Council each year. Due to the nature of many of the services provided, many of the services carry with them a range of public expectations.

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This report makes a number of suggestions about how fees and charges should be applied in the future. The recommendations are based upon clear and coherent policy drivers. These drivers provide a transparent process for the setting of fees and establishes clear expectations for all parties.

Engagement with the community on both the policy drivers and the implementation of them is important. Use of Council services and facilities is of interest within the wider community, not just current users and it needs to be satisfied that resources are being appropriately applied to this part of Council's activities; they are the ones who currently subsidise many of these activities.

The transition to the new fees and charges system will be challenging. The success of the transition will depend on the quality of the relationship Council can develop with the affected groups. It is evident that such an initiative will require project management discipline and be actively led. There are internal projects related to costing, reporting, and management as well as the need to communicate and engage with external stakeholders. Overall, there are broad policy issues that need the approval of the Council before the detailed and fine grained activity of setting and collecting fees for each service and facility can be undertaken.

The table below provides a road map for the key decisions that need to made during the implementation of the recommendations of this report.

The initial process is ensuring there is integration and coordination of the recommendations of the Community Infrastructure Plan with the recommendations of this report. This needs to be considered within Council's strategic framework to ensure any actions are consistent with the strategic directions of Council, as per the model and calculator recommended above.

The options within this report need consideration within Council and as part of the consultative process.

5.3.1 New Revenue Opportunities

The following observations are made for consideration by Council in order to improve the efficiency and effectiveness of fee setting and collection. Bolstering Council's governance and collection of fees in relation to the current fees and charges framework will likely lead to the collection of currently under-collected or non-collected fees.

- Driving demand for services to increase income does not always result in increased profit if the process is flawed and the cost structure is not viable
- There must always be a standing question that the administration challenges itself on "who can do it best?" Use can be made of Section 355 of the *Local Government Act* to delegate responsibilities
- There is a need to rationalise facilities and perhaps replace some with multifunctional buildings

Council should consider whether additional income can be generated by undertaking a study on parking in major tourist areas to ascertain if some form of paid parking is possible.

6. Summary Recommendations

There is the need for the adoption and implementation of an overriding rationale for the setting of fees and charges. The rationale will require community consultation, detailed modelling and a considered implementation period.

To improve oversight and transparency as well as improve Council information on levels of utilisation of facilities, a reporting format for all managers of Council facilities needs to be adopted, including the number of users, concessions given, income and expenditure statements, occupancy rates, and capital works undertaken and required.

Council's fee collection processes should be underpinned by the unambiguous authority by Council officers to collect authorised fees and charges without external influence. There needs to be a clear and transparent methodology that allows end users to easily understand the relevant fees and charges prior to undertaking an activity. Collection processes should be supported by a clear system of management controls including debtor management and tracking of receipts through the financial system.

The fees and charges document should be streamlined in order that the document reflects the needs of users and is as clear and unambiguous as possible.

Council needs to regain the trust of community groups through the way in which it engages them in implementing the overriding rationale and, ultimately, any changes to fees and charges.

While it is not possible to provide any broad conclusions about Council's fees and charges relative to benchmarks as no significant trends emerge from the benchmarking, there may be scope to raise the level of fees in several key areas as well as to simplify fee arrangements. Decisions to make changes to fees and charges need to be made in the context of an overriding rationale and balanced by the costs and benefits of making the change.

In addition to the introduction of management reporting arrangements to increase accountability and transparency for fees and charges collection, Council should consider the potential for increasing its revenue with reference to the options provided in this report.

The successful implementation of the framework will depend on ensuring there is good communication with all stakeholders, in particular voluntary groups. This will require Council to devote adequate human resources to implementing the new framework.

The table below is a summary of the recommendations made within the report. An assessment of each recommendation has been made and a priority has been assigned to each. In making these assessments, consideration was given to the proposed implementation plan, the resource requirements and dependencies for each recommendation, and Council's normal administrative activities.

A high (H) priority recommendation should be undertaken within 6 months, a medium (M) priority recommendation within 9 months, and a low (L) priority recommendation beyond 9 months.

	Recommendation	Page no	Priority
1	That the Pricing Policy is extracted from the Fees Waiver Policy. Remove the cost allocation system description from any other subsequent policy.	14	M
2	Assess whether the percentage recovery column in the Fees & Charges Register can be made more accurate; if not, it should not be included in the register.	15	M
3	Review fees that have been identified as diverging from benchmark Councils.	23	M
4	Review appropriateness of user contributions for all major fees groups.	23	M
5	Develop financial plan for Sporting & Recreational facilities.	27	H
6	Implement a financial management system that identifies cost of providing services.	32	M
7	Adopt updated community and sporting clubs fee policy.	38	H
8	All costing calculations to be referred to Finance department for review.	40	L
9	A central board should review capital project requests from sporting and recreation organisations.	41	L
10	A set of guidelines to be established for capital funding of sporting and recreation facilities, by way of which Council and clubs can work together to ensure financial, environmental, and social sustainability as well as strategic alignment.	42	L
11	Review options for the better integration of systems.	49	L
12	Implement a standard fees calculator and collection and reporting processes.	49	L
13	Establish a project team to oversee the implementation of the recommendations from this report and appoint a fees and charges "owner" on an ongoing basis.	50	H
14	Implement changes to simplify the fees and charges document.	58	M

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	Recommendation	Page no	Priority
15	Use the model to continue to progress toward a fair and equitable fees and charges framework that is based on the cost of provision and transparency.	2, 8-9, 21, 25-26, 29-32, 39, 45, 48-49, 62	H

Appendix A: Consultations

Appendix A.1: Internal Consultations

Date	Participant name	Topic	Title
Several	Jane Lewis	Several	Recreation, Community & Culture Manager
29 February 2016	Nicole Lonesborough and Jess Newton	Libraries	Collections & Resources Manager and Customer & Community Resources Manager
29 February 2016	Beth Britton and Donna Sullivan	Public Halls & Community Centres; Schools of Arts; Public Reserves	Facilities Officers
29 February 2016	Ruth Woodbridge	Showgrounds	Administration Support and Booking Officer
29 February 2016	Pam Gokgur	Finance	CFO
29 February 2016	Kelie Low	Planning and development	Environmental Services Manager
29 February 2016	Brad Davis, Donna Sullivan, Beth Britton	Tennis courts	Facilities Officers and Asset Strategy Manager
29 February 2016	Kevin Norwood, Jaimie McLean, Kate Baric, Tracy Dell, Darrin Marshall	Pools and gyms	Aquatics Manager and coordinators
29 February 2016	Gordon Clark	Strategic planning	Strategic Planning Manager
29 February 2016	Pam Gokgur and Vanessa Phelan	Finance	CFO and Financial Accountant
29 February 2016	Colin Wood	Building and Compliance	Building and Compliance Manager
29 February	James Haigh	OSSM	OSSM staff
1 March 2016	Shane Pickering	Environmental Health	Environmental Health Unit Manager
1 March 2016	Mary-Lou Harris	Property	Property unit staff
1 March 2016	Alan Blackshaw & Helen Waterhouse	Family Day Care	Nominated Supervisor, Shoalhaven Family Day Care and Community Development Coordinator
1 March 2016	Pam Gokgur and Sharon Marsh	Finance	Finance staff
1 March 2016	Eliza McCabe & Vicki Hoskins	UCC Centre and Libraries	Centre Manager UCC and Librarian
1 March	Scott Galbraith	Noxious Weeds	Noxious weeds staff
1 March 2016	Steve Donelly, Shane Spencer, Kerrie Mackey, Rae Studdert	Shoalhaven Entertainment Centre	SEC staff

Date	Participant name	Topic	Title
2 March 2016	Anne Lee	Sanctuary Point Library	Librarian
3 March 2016	Bronwyn Coulston and Brigitte Carter	Arts Centre	Unit Manager Arts and Culture and Arts Administrative Assistant
3 March 2016	Sonia O'Reilly	Events	Events Liaison Officer
3 March 2016	James Harris, Glen Elliott, Ruth Woodbridge	Public Reserves and Recreation Areas	Social Infrastructure Officer, Administration Support and Booking Officer, and Social Infrastructure and Planning Manager
4 March 2016	Coralie Bell	Tourism	Tourism Manager

Appendix A.2: External Consultations

Meeting details	Attendee	Affiliation
29 February 2016 Management Committees Meeting – Nowra Showground Pavilion	Barry Taylor	Callala Beach Community Hall
	Tony Weston	Culburra Beach Community Centre
	Jack Kerr	Culburra Beach Community Centre
29 February 2016 Sporting Groups Meeting – Nowra Showground Pavilion	Wilma Klein	Shoalhaven Netball Association
	Helen McGuire	Shoalhaven Netball Association
	Tim Bricklebank	North Nowra Cambewarra Cricket Club
	Maree McMillan	Shoalhaven Netball Association
	Dan Smith	Nowra Bombaderry Jets RLFC
	Gary Girdlestone	Shoalhaven District Football Association
	Les Ison	Nowra Cricket Club
	Craig Howson	Shoalhaven Ex-Servicemen's Cricket Club
	Lisa Loveday	Culburra Football Club
1 March 2016 Management Committees Meeting – Ulladulla Civic Centre	Jim Mison and fellow representatives	Milton Showground Management Committee
	Julie Warn	Milton Pony Club
	Representatives	Shoalhaven Model Flying Club
2 March 2016 Sporting Groups	Bill O'Reilly	Huskisson Vincentia Football Club
	Nathan Knott	Huskisson Vincentia Football Club

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Meeting details	Attendee	Affiliation
Meeting – Bay & Basin Leisure Centre	Chris Duff	Huskisson Vincentia Football Club
	Sam Cockrem	Shoalhaven District Football Association
	Sue Malley and fellow representative	Jervis Bay Netball Club
	Dave Sim	St Georges Basin Football Club
	Dave Brown	St Georges Basin Football Club
	Trevor Southward	St Georges Basin Football Club
	Chris Firth	Resident

There were no attendees at the 1 March sporting groups meeting at the Ulladulla Civic Centre. There were further attendees at the 2 March Bay & Basin management committees and sporting groups meetings whose full names and affiliations are unknown.

Appendix B: Benchmarking

Appendix B.1: Recommendations Arising from Benchmarking

Corporate and Community Services

Arts & Culture

Recommendation:

Due to the uniqueness of the Arts Centre as a facility, no changes are recommended except in relation to the commission charges on sale of artwork during exhibitions. Based on standard industry practice[14] and experience, a fee of 20% is recommended for when hirers are present and 35% when they are not, with some rebate on the general hire fee if sales exceed a certain amount.

Community Services – Family Day Care

Recommendation:

Retaining an annual Educator Registration fee is considered appropriate for encouraging small business and maintaining manageable costs, given the area's demographics. The tiered approach for processing late attendance records is recommended to be maintained. The charges should be reviewed in light of the true cost of providing the service. Following the review, the Hourly Administration Levy and Daily Childcare fee should be reviewed to ensure that there is full cost recovery. Given the commercial nature of childcare, it is not appropriate for Council to subsidise these services.

Libraries

Recommendation:

The representation of the library fees in the fees and charges document needs to be adjusted for ease of reading, for example, items listed under general should be split into fax/print/scan, fines, items for sale, etc. Meeting room hire fees should be brought into line with the public buildings' meeting room hire fees, including removing the varying definitions of a half day and variations for categories of user groups. Based on staff interviews, the fee for damaged items should be charged on a similar standard basis as the cost for processing any new book is approximately standard.

[14] For instance, see Cumberland, Georges River, Rockdale, Eurobodalla, Gosford, Coffs Harbour, Wagga Wagga, and Hawkesbury Councils.

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More broadly, however, these fees are minor in nature and do not generate any significant income. Following a review of the real cost of charging these fees (staff costs to collect), Council should determine if they should remain. However, the hourly charge for search services should be reviewed to ensure full cost recovery with discounts for students.

Temporary Member Deposit: It is recommended that this fee be removed as the cost to administer would far outweigh any income received.

Public Facilities and Buildings

Public Halls and Community Centres – Council Managed and Management Committee Managed recommendations:

There is scope:

- For a single bond per booking, to be applied using a common set of criteria. In the case of the smaller bonds for regular users, this is likely to increase administrative costs for little gain and should be replaced with the single bond to be held until the relationship/agreement with the user ends. In some instances, it may be more appropriate to remove the necessity for a bond altogether and get a credit card number on a form that would be processed if any damage occurred or additional cleaning is required
- To apply a consistent fee structure across all facilities, with categories for regular community users, regular commercial users, casual community users, and casual commercial users applying to all fees where practicable. At present, one facility might offer meeting room hire at a community regular rate, but not a community casual rate
- To set a consistent basis for the determination of fees, for instance, a set hourly rate that does not differ depending on the day/time of booking
- To set the same charges for particular fees at similar facilities. Some charges are already reasonably closely aligned across facilities, such as community regular hire for meeting rooms
- To set a consistent flat tea-making facilities fee
- To set a consistent kitchen facilities fee, to include crockery and cutlery use. Alternatively, Council may wish to set up a standard 5 hour function fee, inclusive of kitchen, crockery, and cutlery, with any additional time to be charged at a set hourly rate
- To set a generic cleaning fee that can be applied at any facility, if necessary. Given that the exact cost to Council will depend on the contactor, it is suggested that Council list a generic cleaning fee to be charged “at cost”
- To maintain some facility-specific hire fees (eg bain marie hire at Callala Bay Community Centre) and eliminate or absorb others into general hire fees (eg the $10 hire of garden area hire fee at the same facility)

- To set a consistent election hire fee

It should also be noted that the Kioloa/Bawley Point Community Centre has a sporting field for hire and its fees are set on a different basis to those of the other sporting fields. Council should consider aligning these.

Ulladulla Civic Centre recommendations:

Staff with whom LKS Quaero consulted reported difficulties with the structure of the fees and charges as most other venues were able to give a per head rate. The current fee structure has a number of charges that need to be put into the quotations, such as lighting and cleaning, and a single inclusive hire fee would be easier to administer and for hirers to understand.

This needs to be reviewed in line with the real cost of providing this space, particularly electricity and other outgoings such as cleaning, and compared to any income the group might achieve.

Showgrounds recommendations:

It is not possible to recommend any major changes to these fees and charges, but there should be a review of the users to ensure that the correct fees are being charged. In other words, there should be a check that hirers are genuine community groups and not quasi commercial operators and also a financial review of the hirers for areas such as markets to ensure that Council is receiving a fair share of the income raised from users.

Public Reserves, Recreational Areas and Other Public Places

Recommendations:

There needs to be a thorough review of the cost of administering fees and charges collected for use of reserves as there is not full cost recovery. As there is a dedicated officer administering these fees, it should be determined whether these duties should be centralised into the customer service centre where savings may be made. A review of what bonds should be charged should also be undertaken with alternate processes considered.

Shoalhaven Entertainment Centre

Recommendations:

Council needs to adopt a policy whereby all use of the centre by the Council is charged at an appropriate rate back to the cost centre of the user. This will ensure that staff think about whether there are alternative cheaper options for hosting events and meetings.

Shoalhaven Swim & Fitness Centres

Recommendations:

With the introduction of competitors in the gym space, it is important that staff continually scan the market and respond to any marketing initiatives aimed at their customers.

A further review of the subsidies provided to these centres should be undertaken following the adoption of a costing model by Council.

Sports Grounds – Council Managed and Management Committee Managed

Recommendations:

There is a general discussion around sporting fields fees and charges above. However, any review of these fees or the establishment of new fees should be based on the following:

- A percentage of cost recovery
- Number of members in sporting clubs
- Willingness to contribute to capital upgrades
- For all venues, an additional fee should be applied to commercial hirers

Tennis Courts

Recommendation:

The standard of the courts varies from centre to centre and the methods of management are also varied, with fees collected by shopkeepers and others dropped into a box and collected regularly. This is not an accountable system and needs to be reviewed. Council needs to collect utilisation data, compare that within the region, and then aim to tighten the management of the courts through the adoption of a leasing of tennis court policy that sets out maintenance responsibilities, capital repairs, etc.

Events Management

Recommendation:

Of the 19 events, conference, and convention fees charged by Council, there are no equivalents at other Councils. These fees need to be analysed on a cost recovery basis.

Planning and Development Group

Building and Compliance and Development Services

General recommendations in this area are:

- A Development Application fee calculator should be introduced along with policies around substantiating the cost of works
- A full review of the cost of each service should be undertaken, especially where full cost recovery is available
- Online fee payments should be available for all billing types to reduce the administrative workload in both generating and collecting the fees

Environmental Services

Flood Certificates recommendation:

There is some scope for higher fees for more complex cases; see the benchmarking for detail.

Strategic Planning

Dwelling Search Entitlements recommendation:

A two level fee structure similar to Kiama's approach; see the benchmarking for detail.

Planning Proposals recommendations:

There are two trains of thought in relation to fees for planning proposals. The first is that it should be kept low to encourage applications and hopefully generate employment. The second school of thought suggests that the fee should be significant given the development return any approval may generate. It is suggested that a sliding scale should be developed with applicants requested to nominate the end value of approved planning proposal. A maximum fee of $50,000 should be set with a sliding scale.

Development Control Plan Preparation recommendations:

These fees also need to be reviewed as they are not consistent with the benefit that any approval may provide the applicant. A maximum fee of $20,000 is recommended

alongside a sliding scale developed based on end value and complexity of the application.

Voluntary Planning Agreements recommendations:

In general, voluntary planning agreements run with planning proposals and any fees should align with those for the planning proposal. However, there is often substantial administrative cost associated with ensuring the legality of the agreement and protecting a Council's interest. Therefore, a fee should be set covering general administrative costs and a reimbursement for legal and consultants' expenses.

Asset and Works Group

Business & Property

Outdoor Dining recommendations:

It should be noted that Council currently waives Outdoor Dining fees. This practice is out of line with the practice of most Councils and a review of fees should be undertaken to create a fee structure based on location. While there is benefit to the community as it contributes to the vibrancy of an area, it is also of considerable commercial benefit to the café or restaurant owner. A balance should be struck between the community benefit and commerciality.

It is also recommended that Council look to introduce a rent free period for new outdoor dining applications, which would assist in any initial cash flow problems for the business. A maximum period of 6 months is recommended.

Appendix B.2: Summary of Fees and Charges Analysis[15]

Corporate and Community Services

Arts & Culture

The Arts & Culture fees centre on the Arts Centre. As it is a unique facility within the region, there is no real single equivalent against which to benchmark its fees.

As a facility that provides meeting spaces, its main competitors are within Council, particularly the Nowra Library. As such, the meeting room fees were compared with the Library meeting room fees (the Library community fees being charged on an unknown partial cost recovery basis and the commercial fees being charged at the market rate):

- There is no equivalent for the weekly hire fees, the side gallery fees, or the hourly fees, although the Family Day Care section may be seen for a discussion of hourly fees for Council meeting rooms
- NFP/community hire fee (per half day) (partial cost recovery at 50%): at $50, this is significantly above the library options of $16 for regular users and $24 for casual users (although it should be noted that the library considers a half day to be 3 hours for NFP/community users, while the Arts Centre considers it to be 4 hours)
- NPF/community hire fee (per full day) (partial cost recovery at 50%): at $68, this is significantly above the library options of $32 for regular users and $48 for casual users
- Commercial hire fee (per half day) (full cost recovery): at $68, this is significantly above the library fee of $32 (both charged on a 4-hour basis)
- Commercial hire fee (per day) (full cost recovery): at $90, this is significantly above the library fee of $64

As a facility that provides Arts & Cultural Services, there are no other spaces with the same options in the region.

[15] While some internal findings are presented in table format below for ease of reference, most of the findings are included in narrative and dot point format as the clearest presentation of the analysis (with a tabulated summary where possible at the end of this appendix). This was due to the need to weigh unlike fee structures, names, and types across Councils rather than an "apples to apples" approach; the singularity of Shoalhaven's role as a provider of particular services in the region; and findings that cut across part or all of a service area's fees rather than one in particular.

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Community Services – Family Day Care

There are no other Family Day Care services in the region. None of the benchmark Councils list Family Day Care in their fees and charges and, of the OLG Group 5 Councils, only Lake Macquarie City Council lists Family Day Care fees. An analysis was therefore conducted against Lake Macquarie, which determines the below fees on a market basis.

- Shoalhaven charges an Educator Registration fee of $31 per annum (based on full cost recovery of the State Government Licencing fee), where Lake Macquarie charges a once off fee of $270
- Shoalhaven's Family Enrolment fee is $25 (unknown partial cost recovery basis), compared to Lake Macquarie's at $70
- The Administration Levy for Family Day Care users is $0.90/hour (partial cost recovery basis) at Shoalhaven. It is $1.30/hour at Lake Macquarie
- The Administration Levy for Family Day Care Educators $16/educator/week (30% partial cost recovery), whereas Lake Macquarie charges $10
- Lake Macquarie only notes its training fees as being subject to the scope of the training
- Late attendance records:
    - Shoalhaven has three fees for processing late attendance records and timesheets (on a full cost recovery basis, $11.80/week for late attendance records; same for late timesheets; and, on an unknown partial cost recovery basis, $5.70/record for late attendance records)
    - Lake Macquarie has a generic fee of $13 that covers these possibilities

Lake Macquarie does not list Family Day Care room hire fees. Shoalhaven charges $21.50/hour for commercial users and $16.25 for NFP users (both at unknown partial cost recovery):

- This is above the benchmark for the meeting rooms in Council's public buildings, which mostly charge approximately $12.50-$21 for commercial users and $11 for casual community users (various bases)

There is no equivalent at Lake Macquarie to the Educators Fees Schedule Variation fee.

Libraries

- Purchase of USB Memory Stick: at $10 (market rate) this fee falls between Kiama's ($12) and Shellharbour's ($5), both charged at a market rate
- Replacement of membership card: at $5 (full cost recovery), this fee is at the benchmark
- Family history search: at $25/hour (unspecified partial cost recovery), this fee is below the benchmark of $40
    - Of note is the fact that Kiama also offers family history classes ($42/class) and talks to public groups ($10/person)
- Local Studies search: Only Shellharbour also offered this, at $56/hour (full cost recovery), which is significantly more than Shoalhaven's $25/hour fee (known partial cost recovery)
- There is no equivalent to the newspaper search fee
- Printing costs (all market rate):
    - There is no equivalent to the Screen print: $6/printout fee or Print out from Reader / printer - Local Studies fee ($0.20)
    - The benchmarks for general printing costs are $0.30 for black and white A4 printouts and $1.50 for colour A4 printouts
- Photocopying (all market rate):
    - Black and white A4: at $0.20/sheet, this is the standard across benchmark Councils, although Great Lakes charges $0.40
    - Colour A4: at $1.50/sheet, this is above the benchmark of $1.20
    - Black and white A3: at $0.40/sheet, this is slightly below the benchmark of $0.50
    - Colour A3: at $3/sheet, this is above the benchmark of $2.40
- Scanning ($0.20/page for a maximum 10 pages): no other Council determined their scanning fees on a similar basis, although it should be noted that Kiama charges $3/first page and $0.50/additional page (all market rate)
- Faxing:
    - No other benchmark Council had the same set fee for sending and receiving ($1.10) (full cost recovery)
    - Kiama differentiates on the basis of location instead, charging between $1.40 and $5.50 (market rate)
    - Shellharbour uses the same basis for both sending and receiving, charging $5/first page and $1/subsequent page (market rate)

  - Great Lakes charges $1/received page and, for sent pages, $4/first page and $1/subsequent page (full cost recovery)
- Reservation charge: this $2.50/item fee (partial cost recovery) is above the benchmark of $1.70 (various bases)
- Inter Library Loan request: At $6 plus the lending institution's charges (full cost recovery), this fee is in line with the benchmark (various bases)
- Sale of items withdrawn from the collection $1/item (5% cost recovery): while it was not common for the benchmark or other OLG Group 5 Councils to charge this, the standard appears to be market price
- Charge for lost/damaged items (cost plus 25% (market rate)): while Shellharbour specifies only the actual cost and Great Lakes lists this charge as subject to managerial determination, Kiama specifies the market rate replacement cost as well as a $8 processing charge
- Earbuds for purchase: at $2 (full cost recovery), this is $1 below the benchmark of $3 (full cost recovery or similar)
- Library bags $3.50 (unspecified partial cost recovery): OLG Group 5 Councils tend to charge $2 (various bases)
- Charge for book requiring replacement of plastic cover: at $5/item (unspecified partial cost recovery), this is $0.50 below the benchmark of $5.50, although it should be noted that Shellharbour charges $17 for replacement of removed covers (full recovery)
- Replacement of item barcodes/RFID tags: at $5/item (unspecified partial cost recovery), this was standard, although it should be noted that Kiama charges $8 on a cost recovery basis
- Temporary Member deposit ($50/member (refundable)): only Shellharbour has an equivalent, of $100, only applied when applicants do not present a library card from their usual service (market rate)
- Attendance at events organised by Council: At Shoalhaven, this varies depending on event and is determined by cost and perceived value. Only Shellharbour has an equivalent, which ranges between $0.50-$50, based on cost recovery
- Public computer access (non-library members: $2/hour (full cost recovery)): of the other benchmark and OLG Group 5 Councils, only Port Macquarie lists this fee, specifying that this service is available to library members at no charge
- Internet training: all options are $25/hour (market rate), which is above the benchmark of $22
  - It should be noted that Kiama uses a half hour basis for its fee and Shellharbour has different charges for non-members ($22 –

substantial cost recovery), members ($17– substantial cost recovery), and concession card holders ($12 – minimal cost recovery)

- Meeting room hire: no other benchmark Council has a list of meeting room hire fees
  - The exception is Kiama's study room hire fees (market rate), which have fewer variations in terms of periods and user groups ($6.50 hour for most users, $12/hour for commercial users, no separate fees for equipment hire of cleaning)
  - Considering Shoalhaven's daily fees on an hourly basis, casual community/NFP users are charged the equivalent of $4/hour (unspecified partial cost recovery), regular community/NFP users are charged the equivalent of $6/hour (unspecified partial cost recovery), and commercial users are charged the equivalent of $8/hour (market rate), all lower than Kiama's fees

The other benchmark Councils also list separate overdue fees, for which there are several models:

- Kiama has a charge of $8/instance after second reminder (market rate)
- Great Lakes charges $0.10/day to a maximum of $15 (cost recovery)
- Shellharbour charges $1.10/week, capped at three weeks, for adults only (market rate)

Public Facilities and Buildings

Public Halls and Community Centres – Council Managed and Management Committee Managed

Public Halls and Community Centres were compared internally. The following should be noted:

- In the interests of comparing like fees and charges, Nowra Communal Hall fees, which are listed under Showgrounds, were compared alongside Public Halls and Community Centres instead
- Category B buildings include kitchen facilities in their bookings, but other facilities tend to charge separate kitchen fees
- Certain facility-specific fees could not be compared, for instance, the storage for hire fee at Callala Bay Community Centre, the children's

functions fee at Greenwell Point Memorial Community Hall, or the Meals on Wheels Preparation room weekly fee at Culburra Beach Community Centre

- There are also some facility-specific fees that have been set because of particular features of the facilities. These include the following:
  - Callala Bay Community Centre has a $60 sound system hire option that is not specific to user groups. Kioloa/Bawley Point Community Centre has a $50 option, which is listed under community casual hire
  - Only Nowra Community Hall has a canteen hire option, at $42/day and $82.50/weekend. The hall is also the only facility with a toilets only hire option, at $30/day and $58/weekend
  - Only Callala Bay Community Centre has a bain marie hire option, at $60/day
  - Use of outside power/hour: this $10.40 is only charged at Callala Beach Community Centre
  - Hire of garden area: this $10 fee is only charged for Callala Bay Community Centre
- Certain facilities also have fees only for specific user groups, for example, the Pyree site is permanently let out to several organisations on a weekly or annual basis and Manyana Hall's fee structure only allows for permanent community users. These facilities' fees could not be compared
- Most facilities' fees list a 100% recovery rate. The exceptions are Manyana Hall (71%), Sussex Inlet Community Centre (59%), and Nowra Community Hall (59%)
- On the whole, the facilities have:
  - Fee types that are more or less aligned, eg used hourly rates with a minimum 2 hour period for bookings. There were several exceptions to this, for instance, the St Georges Basin Community Centre used a 3.5 hour session basis for some of its fees. These factors were equalised and taken into account in the analysis
  - Categories for regular community users, regular commercial users, casual community users, and casual commercial users. The exceptions to this are the Sussex Inlet Community Centre, which does not differentiate on the basis of whether users are community or commercial users, and Nowra Community Hall, which has a single set of rates for all users. These factors were taken into account in the analysis

The findings were as follows:

- Bonds:
  - While all facilities cited a $2000 maximum bond policy, the Sussex Inlet Community Centre fees also state that a $460 minimum bond will be applied
  - Four facilities charge a bond for regular users (three at $100 and one at $20)
  - Callala Bay Community Centre has a $50 bond for casual hire of tables/chairs for use off site (an option that Council should consider eliminating) and both Callala Bay and Kioloa/Bawley Point Community Centres have $50 bonds for the hire of any equipment, all per booking
- Main hall bookings:
  - Some facilities have consistent charges, while others have different ones for weekdays and weekends or different times of day
  - Community regular hire: charges range between $4/hour (Kioloa/Bawley Point Community Centre) and $14/hour (Shoalhaven Heads Community Centre). Most facilities charge around $7, $10, or $12
  - Community casual hire: charges range between $8.10/hour (Callala Beach Community Centre - daytime) and $31/hour (Sussex Inlet Community Centre – night). Most facilities charge around $12 or around $16-17
  - Commercial regular hire: charges range between the equivalent of $7/hour at Sussex Inlet to $15/hour on weeknights and weekends at Greenwell Point. There is no particular consistent pattern or grouping in what facilities charge
- Meeting room fees:
  - These were reasonably consistent in construction, with the exception of Nowra Community Hall's $30/day and $90/weekend fee that is inclusive of back rooms and kitchen hire
  - Community regular hire: range from $6-8.60/hour
  - Community casual hire: range from the equivalent of about $4-$20.80/hour, although most hourly rates are around $11
- Commercial casual hire of main hall and/or meeting room:
  - Many facilities have some combination of hall, meeting room, or both available under one fee for commercial casual users and so all commercial casual hire fees were considered in conjunction

  - The range lowest amount charged per hour is $6.80 at Nowra Communal Hall and the highest is $31/hour at night at Sussex Inlet
  - Most facilities charged around $12.50, $16, $19, or $21
  - This fee category had a particularly wide range of discrepancies between facilities, with some differentiating on a day/night or weekday/weekend basis and others not
- Tea and coffee-making facilities:
  - Only Bomaderry Community Centre offer this on a community regular basis ($5.50/function)
  - On a community casual basis, two of the three facilities that offer this charge $30/day, while Greenwell Point has a $22/day charge
- Kitchen facilities:
  - The Nowra Community Hall has a daily $30 fee and $90 weekend fee that includes use of back rooms. This is applicable to all user groups
  - Sussex Inlet Community Centre and Callala Bay Community Centre also have kitchen hire fees that are not charged on a basis specific to user groups. Their kitchen hire charges per booking are $50 and $20 respectively
  - Community regular hire: this differs greatly between the facilities that offered this option: Bomaderry Community Centre has a per luncheon fee of $11 and Shoalhaven Heads Community Centre has a $8.60 use fee plus a $9.20 fee for stove use
  - Community casual hire: again, there are substantial differences, ranging from $30/booking/day to $120, with most charges grouping around the $20, $60 and $100 marks
  - Commercial casual hire: aside from the aforementioned Nowra Community hall fee, only Bomaderry Community Centre offers a kitchen hire fee, at $22/booking
- Crockery and cutlery use:
  - Some facilities charges separately for this eg Shoalhaven Heads Community Centre has a $17.30/use regular community use fee
  - Three facilities have equivalent fees for community casual users, ranging from $26-$44, although Greenwell Point also has an $11 cups and saucers use charge. Two of the three facilities have charges around the $27 mark
- Functions:
  - Some facilities have specific function fees. These dramatically differ between facilities. For instance, for community regular users,

Kioloa/Bawley Point Community Centre has a $35 daily rate and Bomaderry Community Centre has a $143 daily rate that excludes kitchen facility hire
    - Community casual users have several options. Daily charges range from $78 to $330, usually grouping around the $100 and $250 marks. There are also per night/per half day/per event function hire options at some facilities ranging between $21-$250, with no particular groupings evident. The Huskisson Community Centre also has an hourly function hire fee of $20
- Cleaning fees:
    - Two facilities charge this on a community casual basis, at $100 and $130 respectively
    - One facility charges this on a commercial casual basis, at $100
- Elections:
    - Most facilities charge $300, $315, or $330 for election hire, per booking, although Shoalhaven Heads has a $508 fee
    - 5 facilities do not have an election booking option

Ulladulla Civic Centre

This facility attached to the library is a very attractive venue that appears to be underutilised. Council recently sought Expressions of Interest for the operation of this facility and any of the following comments may not be relevant depending on the results of that EOI.

The centre operates on two levels with a number of community hirers, but also attempts to be commercially focussed on events such as weddings and parties. There are a number of other venues in the area in competition with the Centre including licensed clubs and wineries.

It was also noted that there is a large office space hired to one user group that has exclusive use and is charged a minimal fee of around $400 per annum.

Schools of Arts

The Nowra School of Arts was benchmarked against its major competitor, the Nowra Wesley Centre (fee setting basis unknown).

- The Wesley Centre charges $20/hour for the Centre hall, compared to community hire of the main School hall at $37/hour (full cost recovery basis)
- The Wesley Centre charges $10-$15 for its smaller rooms, compared to the Community Hire of Meeting Room fee at $13 (partial cost recovery basis (50%)
- It should also be noted that Wesley Centre charges $15 for kitchen use

Staff indicated that the Berry Showground hall facilities are a major competitor for the Berry School of Arts. The hall and meeting room facilities at the Showground all cost $13/hour (59% partial cost recovery basis). The School's fee structure is much more complex, including full day/half day/hourly fees differentiated by four fee structures (see the following table) as well as fees for particular amenities, functions, and exhibitions. For the purposes of this comparison, the hourly fees at the School (unspecified partial cost recovery basis) are:

	Main Hall	Meeting Room
Commercial – casual hire	$68	$20.50
Commercial – regular hire	$52	$15.50
Community – casual hire	$52	$15
Community – regular hire	$15	$10

With the exception of the meeting room community regular hire fee, the School's fees are more expensive.

Berry Showground's fees for the halls are $100 each, while the School's are much higher at $310 for community casual hire and $570 for commercial casual hire (bases as above).

Piano use fees were not compared due to the unique nature of each instrument.

Showgrounds

The Showgrounds were compared internally.

The Hazel Berry and David Berry Park (Berry Showground), Milton Showground, Nowra Showground, Osborne Park (Kangaroo Valley Showground) are all unique. It is recognised that it would be unhelpful to attempt to marry up and compare each particular fee. The below table does not attempt to falsely collapse them into equivalents, but rather to build a picture of where similar fee categories exist and what they look like for each showground. It is particularly worth noting the following:

- Differing fee structures eg camping fees per person or per van/tent, group booking options only available at some sites
- Differing, and sometimes unspecified, bases listed for cost recovery, discrepancies that are likely due to the historical basis on which fees and charges are set
- There is scope to bring the fees of similar facilities into line or at least to calculate their fees on a consistent basis

Fee	Dollar Amount and Cost Recovery Basis			
	Berry Showground	Milton Showground	Nowra Showground	Kangaroo Valley Showground
Hall hire – hour or meeting	$13/hour (59%)	-	-	$37/meeting (59%)
Hall hire – daily, session, or function rate	$100/day (59%)	-	-	• $130 (22%) for sessions • $240 (listed as 59%, actually 41%) for functions • $580.10 (100%) for weddings
Floodlight use of a main area – hourly rate	$42 (59%)	$25.50 (unspecified partial cost recovery)	$25.80-$82.50, depending on whether stage 1 or 2 and whether field only or oval (100%)	$10.80 (unspecified partial cost recovery)
All facilities use – daily rate	$2,800 (59%)	$2,275 (59%)	$1,580 for community or $3,110 for commercial (unspecified partial cost recovery). Excludes Youth Hall	$475 (59%)

Fee	Dollar Amount and Cost Recovery Basis			
	Berry Showground	Milton Showground	Nowra Showground	Kangaroo Valley Showground
Meeting room hire – hourly rate	$13 (59%)	-	-	$20 for meetings only and $70 for additional tea facilities or kitchen use (59%)
Main oval – hourly rate	-	$26 (59%)	$118.50 for community (59%) or $310 for commercial (100%)	-
Main oval – day/event rate	-	$240 (59%)	$644 for community (59%) or $1,690 for commercial (100%)	$230
Pavilion hire16	-	Hourly rate: $19.50-$32.50 (mostly unspecified partial cost recovery)	Hourly rate: $26.80- $62 (71%)	Session rate: $130 (unspecified partial cost recovery)
Camping	Per person/night: $9 unpowered site $12 powered site (59%)	Per van/tent/night: $20 powered site (unspecified partial cost recovery in document is 79% based on the recovery rate for group bookings)	Per person/night: $10.30 unpowered site $13.50 powered site (59%)	$480 per annum with stabling (unspecified partial cost recovery)
Camping – group bookings/night	Group bookings of 20 or more sites incur a 25% discount	For bookings of 5 or more vans, $15/van (59%)	-	-
Stabling or agistment - per horse/cattle	-	Agistment: $5.50 (unspecified partial cost recovery)	Stabling: $13.20 per night (59%)	Stabling: $480 per annum (unspecified partial cost recovery)
Separate fee for bar/kiosk/barbeque facilities use – event or day	-	$136.50 (unspecified partial cost recovery)	$79.50 for community use (50%) or $160 for commercial use (100%)	$73.50 (59%)

[16] The ranges represent the differences between regular and casual hire, the use of lights or otherwise, and commercial/community use, as applicable

Fee	Dollar Amount and Cost Recovery Basis			
	Berry Showground	Milton Showground	Nowra Showground	Kangaroo Valley Showground
General bond for commercial use – per event – where specified17	-	$12,495	$120 minimum for buildings	-

While these are not comparable, it is also worth noting that specific fees have been developed on an individualised basis for events and regular users that use a specific showground. These include, for instance, a $705/day fee (59% cost recovery) for Ground Use - Berry Fair / Celtic Festival / Small Farm Field Day at the Berry Showground and a $264/event fee (unspecified partial cost recovery) for the Ulladulla District Riders at the Milton Showground.

Market stall fees are offered at Kangaroo Valley Showground and also for public reserves, recreational areas, and other public places. For ease of comparison, these are addressed here and not in the Public Reserves, Recreational Areas and Other Public Places section of this document. The public reserves $241/day fee is in reasonably in line with Kangaroo Valley's $235/day fee for markets comprising under 25 stalls. However, it is not in line with Kangaroo Valley's $480/day fee for markets over 25 stalls.

Public Reserves, Recreational Areas and Other Public Places

The findings from the analysis of Council's public reserve fees are as follows:

- The General Security Bond is specified as minimum $120, determined by the booking officer. The benchmark is approximately $500
- Other Councils did not specify Plans of Management/Strategic Plans, Pre & Post Inspections for Bonds, Community Markets or contractor access fees
- Other Councils did not charge specific Provision of additional garbage bins fees, although removal of additional waste was, as at Shoalhaven, generally charged at cost
- Shoalhaven's key bond ($121), while determined on a partial cost recovery basis, was significantly higher than Kiama's ($50, cost recovery), the only other Council that administered such a fee

[17] Otherwise, this is determined by the type of booking on an individual basis.

- The $2,751 Memorial Seat fee (full cost recovery) was almost $900 higher than that of Great Lakes, the only other Council that administered such a fee (full cost recovery). Council staff advised that this fee was set at a high level to deter people from this form of remembrance and encourage the use of plaques, which have little if any ongoing maintenance cost
- Rather than determining reserve hire fees on both a commercial/community/other basis and on the basis of the size of the activity, benchmark Councils either charged:
    - A generic reserve hire fee and an administration fee (a range between $31-$155 according to the number of attendees) or charged on the basis of size only
    - Per size rather than on a commercial/community/other basis

  No other Council seems to assume capacity above 500 or multi-day events. As such, Council's fees for larger activities and multi-day events were not reviewed. Taking account of all these factors, Council's reserve hire fees (market rate) are relatively in line with those of benchmark Councils (generally market rate)

Only one benchmark Council, Great Lakes, specified wharf fees (reference price). Its fees are all many times higher than those at Greenwell Point Wharf (full cost recovery).

No other benchmark Council specified slipway fees and so these were looked at internally.

- The Greenwell Point Slipway, managed by a contractor, has a full cost recovery pricing policy, while the Ulladulla Slipway is managed by Management Committee and operates on an unspecified partial cost recovery basis
- While there was only a $2.80 difference between the Occupation of Slipway fees, there were significant differences between other fees. For example, the winch up and winch down fees were the same at Greenwell Point, but different at Ulladulla, and the winch down fee at Ulladulla was $242 lower than that at Greenwell Point
- This discrepancy is in part due to the differences between the two facilities, which also feed into the presence of unique fees e.g. a pressure washer is only available at Ulladulla

Shoalhaven Entertainment Centre

These fees have not been benchmarked externally due to the individual nature of Entertainment Centres, including seating capacity, level of equipment available and the local market conditions. One general comment is the need to have a combined all-inclusive hire fee that is easy to understand. e.g. set up/down fees need to be included in hire fee.

However, given the regional nature of the Centre, staff need clear policies on how they can utilise the fee structure to encourage use of the facility and attract users that add to the cultural activities of the city.

Staff advised that in 2016 the centre was putting on its own events. Whilst this might ensure a diversity of product offered to the community, it is not without its risk if attendance figures are not achieved. One way to offset this risk is to risk share with promoters/hirers. This would include a lower hire rate initially, but a share of income once attendance figures reaches a certain level.

Other issued raised include:

- Council use of the facility is fully subsidised in the Centre's budget, therefore there is little accountability for use and whether it is appropriate for this venue or should be hosted elsewhere
- There is insufficient funding for maintenance of the facility, which will have a long-term effect on the quality of the facility
- Catering was to go out to tender and concerns were raised regarding the ability to provide flexible service to users and also whether income would flow from the rental into the centres budget
- The centre is charged internally for IT/HR costs from the main administration, but there is no accountability over these costs. The accounting package is also not compatible with the centres and invoicing of users is clunky and slow

Shoalhaven Swim & Fitness Centres

It is difficult to compare these facilities to other centres given the diversity of each centre. Some centres have superior facilities such as water play areas and a number of pools for swimmers. An analysis of these facilities needs to be made on a full allocation of the costs of providing the facilities and what cost recovery is being achieved.

Staff indicated that they operate the centres under the Competitive Neutrality model and aim for 100% full cost recovery. Whilst some areas of the facilities can

operate at a profit (e.g. gym space and Learn to Swim), generally the centres are heavily subsidised due to the high cost of maintaining pool space.

Sports Grounds

The findings for Council's Sports Grounds were as follows:

- Shoalhaven's casual hire of facility fee for general sports grounds (non management committee) ($84/day) (unspecified partial cost recovery) was significantly lower than the benchmark of almost $200/day (various bases). Grounds run by management committees tended to charge on a per event basis (various specified and unspecified forms of partial cost recovery) and significantly higher fees, although no appropriate benchmarking partners were found for the equestrian common and pony club grounds
- The benchmark for floodlighting was anywhere from $10-$73 hour (various bases) including ground hire, depending on the facility, compared with Shoalhaven's floodlighting fee of $0.85/kw/hour (unspecified partial cost recovery)
- There is no equivalent to the hire by schools of the Nowra Netball Courts' clubroom

Tennis Courts

Council's tennis courts have been compared internally.

The Callala Bay Public Hall – Boorawine Terrace, Callala Beach Community Centre – Quay Road, Cudmirrah – Berrara Community Community Hall, Kioloa/Bawley Point Community Centre, and Lake Conjola Community Centre tennis court facilities all have a $25 key replacement fee, while the other facilities have a $37 fee. There is no clear correlation between these, or for the $37 fee facilities, in terms of their other fees.

The following table compares the grass courts. Fees and charges are set on a historical basis and there is no particular correlation between how fees are calculated across different facilities. For instance, regular users pay 25% less than the casual day use rate at Berry Tennis Courts, but regular users at Sussex Inlet pay 9.5% less.

Fee	Dollar Amount and Cost Recovery Basis		
	Berry Tennis Courts	Kioloa/Bawley Point Community Centre	Sussex Inlet Thomson Street Tennis Courts
Casual – day use	$10 (71%)	$10 (100%)	$10.50 (71%)
Casual – night use – use of lights	$13.50 (71%)	$12 (100%)	$15.50 (71%)
Regular – day use	$7.50 (71%)	$7 (100%)	$9.50 (71%)
Regular – night use	$9.50 (71%)	$12 (100%)	$13.80 (71%)

The following table compares the hard courts.

Court	Dollar Amount and Cost Recovery Basis			
	Casual – day use	Casual – night use	Regular – day use	Regular – night use
Callala Bay Public Hall – Boorawine Terrace	$7 (100%)	-	$6.50 (100%)	-
Callala Beach Community Centre – Quay Road	$10 (100%)	$13 (100%)	-	-
Cudmirrah – Berrara Community Hall	$10 (100%)	$12 (100%)	-	-
Culburra Beach (Crookhaven) Tennis Courts	$8 (71%)	$13.80 (71%)	$8 (71%)	$11.50 (71%)
Currarong Tennis Courts	$13.50 (71%)	$22.70 (71%)	$8 (71%)	$11.50 (71%)
Greenwell Point Tennis Courts	$9 (71%)	$17 (71%)	-	-
Huskisson Tennis Courts	$11.50 (71%)	$17 (71%)	$6 (71%)	$11.50 (71%)
Lake Conjola Community Centre	$10 (100%)	$15 (100%)	$8 (100%)	$12 (100%)
Manyana Yulunga Tennis Courts	$9 (71%)	$11.50 (71%)	$7 (71%)	$10.50 (71%)

Court	Dollar Amount and Cost Recovery Basis			
	Casual – day use	Casual – night use	Regular – day use	Regular – night use
Shoalhaven Heads Tennis Courts	$11.50 (71%)	$17 (71%)	$6 (71%)	$11.50 (71%)
Sussex Inlet Thomson Street Tennis Courts	$9.50 (71%)	$14 (71%)	$7 (71%)	$10.50 (71%)
Wandandian Tennis Court	$6 (71%)	$12 (71%)	-	-
West Street Tennis Courts Nowra	$8 (71%)	$11.50 (71%)	-	-

The Huskisson and Shoalhaven Heads facilities' fees are in line, indicating that there is scope to bring more of the facilities with similar features into alignment. Aside from those facilities, as with the grass courts, fees and charges are set on a historical basis and there is no particular correlation between how they are calculated across different facilities. For instance, although the Manyana Yulunga and Sussex Inlet facilities have the same regular use fees, there are discrepancies between their casual fees.

Regarding the tennis courts as a whole:

- There is scope to bring the fees of similar facilities into line or at least to calculate their fees on a consistent basis
- There are significant differences between the fees offered at different venues. For instance:
  - There are no regular user options at some of the hard courts
  - There are commercial use options at Kioloa/Bawley Point Community Centre, Callala Beach Community Centre, and Callala Bay Public Hall
- There is scope to produce consistent competition fees
  - At present, the Huskisson day and night use competition fees are both $3.50, while the Sussex Inlet day fee is $5 and the night fee is $7 (all 71% cost recovery).

The Kioloa/Bawley Point Indoor Sports Centre has no comparison point within Council.

Tourist Information Centres

Due to the individual nature of each tourism centre as well as its location and purpose, it is not considered possible to benchmark these facilities. Alternatively, they should be analysed on a full cost recovery basis and performance indicators developed so that Council can determine whether they are providing value for the dollars expended.

Events Management

Of the 19 events, conference, and convention fees charged by Council, there are no equivalents at other Councils. These fees need to be analysed on a cost recovery basis.

A substantial number of the fees and charges are set by regulation. That being said, there is an opportunity to refine the quantum of fees collected with more structure around the calculation of the value of works seeking approval. An electronic development application fee calculator would assist, but also some requirements for evidence of the value of work, either through builder's quotations or, if the work is substantial enough, a quantity surveyors report.

Another issue surrounding the collection of fees in this area is the inability to pay these fees online and submit applications online. An online payment facility may not increase the number of fees raised, but would reduce staff time chasing up outstanding payments.

One fee/service that should be deleted from Council portfolio is that of pre-purchase building reports. This is not a core activity of Council and leaves Council open to the risk of litigation.

Where fees are based on full cost recovery, an analysis of the true cost of undertaking the service needs to be undertaken with the model provided and then the fees reviewed. All non-statutory fees should move to full cost recovery and where Council is unable to compete with private providers of the service it should review its processes, stop undertaking the service, or clearly articulate in its budget the cost of providing that service. Examples where Council may elect to subsidise services include applications under the *Tree Preservation Act* to ensure that the cost is not so prohibitive that people remove trees without approval.

Another set of areas where Council needs to look at how it generates its fee structure and presents it to the public are those where private certifiers are in competition with Council. Staff have advised that the Council share of Construction Certificates (CC) has fallen from 71% in 2008 to around 45%. As Council must publish its fees, the private certifiers are able to undercut the rates. Some Councils do not publish their CC rates, specifying only that these are available upon application, which could be an option for Council.

Environmental Services

Noxious Weeds

Of the benchmarked Councils, only Great Lakes lists noxious weeds fees. Rather than specifying a particular fee, Great Lakes specifies only that the operation will be recovered at cost.

From the OLG Group 5 Councils, Lake Macquarie's spraying fee is $115.50/hour (market value), which is higher than Shoalhaven's $103/hour fee (full cost recovery). Lake Macquarie also charges a $244 administration fee (cost recovery) and a reinspection fee of $159 (market value).

Shoalhaven charges $69 for Noxious Weeds Certificates (full cost recovery). There is no clear standard for the amount charged among the OLG Group 5 Councils. For instance, Coffs Harbour charges $135 (market forces basis), Maitland charges $85 (unspecified basis), and Port Macquarie charges $37 (regulated charges basis).

Onsite Sewage Management

- The benchmark Councils do not charge application transfer or renewal fees, although Newcastle does charge a $50 fee for renewal (full cost recovery), which is below Shoalhaven's $60 charge (70% partial cost recovery)
- The benchmark Councils charge amended application plan fees (Great Lakes charges $22 and Kiama charges and $60 (both on a cost recovery basis)) and it may be worth considering something similar
- Shoalhaven charges $87.50 (70% cost recovery) for both its commercial and residential application fees
    - Kiama[18] charges $72 (cost recovery)
    - Great Lakes charges $200 for residential applications and $600 or $1175 for commercial applications, depending on size (all on a cost recovery basis)
- The benchmark Councils charge a generic inspection charge rather than several based on the number of systems being inspected. Based on the SMF Inspection Charge (1-2 systems) fee, therefore:

[18] Kiama does not differentiate between commercial and residential Onsite Sewage Management Systems.

- The residential inspection fee, at $100 (70% partial cost recovery), is on the lower end (Kiama's is $105 and Great Lakes' is $160 on top of a $75 annual approval fee (both at cost recovery))
- The commercial inspection fee, at $300 (70% partial cost recovery), is on the higher end (Kiama's is $105 and Great Lakes' is $230 on top of a $75 annual approval fee (both at cost recovery))

Environmental Health Services

Swimming Pool and Spa Inspections

Shoalhaven's Public and Semi-Public Pools Inspection Fee is $124 (20% partial cost recovery), while the benchmark Councils average $142.50 on a rate of return/cost recovery basis.

The Appointment of Council as the Principal Certifying Authority for Swimming Pools – final certificate fee is $205 (full cost recovery), while Kiama and Shellharbour both charge $330 (market rate). It should be noted that Great Lakes does not disclose its fee, with the view that disclosing it may place Great Lakes at a competitive disadvantage. Council may wish to consider the same practice.

Caravan Parks Application Assessments and Inspections

Of the Caravan Parks fees that are not statutory, only the reinspection fee ($55.50 on a 70% cost recovery basis) was shared with other Councils. Shellharbour charges $124, while Kiama charges $5.60/site and $105 in the case of manufactured homes (all on a market basis). There is no clear sector standard for this fee.

None of the benchmarked Councils had caravan-specific fees for flood-prone sites, notification of completion, or Section 82 objections.

Unreticulated Drinking Water Inspection and Testing

Kiama is the only benchmark partner that lists similar fees. While Shoalhaven charges a $66.50 Water Carters Vehicle application and inspection fee (85% cost recovery), Kiama charges $82.50 (cost recovery). While Shoalhaven charges a range of other fees, Kiama only charges a public non-reticulated drinking water supply fee of $150 per inspection (cost recovery).

Flood Certificates

At $69 per Detailed Flood Certificate and at $52.50 per Standard Flood Certificate, Shoalhaven's flood certificates are reasonably comparable with Great Lakes' $60 fee (all full cost recovery). Shellharbour charges $361 for flood certificates for complying developments (market rate).

Strategic Planning

Dwelling Search Entitlements

At $288, the Dwelling Entitlement Potential Search fee is closely aligned to Kiama's, the only other benchmarked Council that explicitly lists it, at $290. While both Councils' fees use a cost recovery basis, Kiama's fee covers the first two hours of work and there is an additional $220 fee for work completed thereafter.

Planning Proposals

- Lodgement: Shoalhaven's fee, at $4,561.50 (full cost recovery), is in the middle of the field, which ranges between $2,575 and $7,427 (various bases)
- The Preparing submission for gateway fees (full cost recovery) are broadly on par with other Councils, adjusted for the fact that Kiama uses an hourly fee structure (cost recovery basis), although it should be noted that Shellharbour's major planning proposal fee is almost $4000 lower (substantial cost recovery basis)
- The Gateway Determination fees and Post Exhibition Assessment and Finalisation fees are also on par with other Councils (all full recovery basis or similar)

Development Control Plan Preparation

At $2,731.50 for the assessment of DCPs not prepared by Council staff and at $8,211 for DCPs prepared by Council staff (both market rate, 100% recovery), Shoalhaven is significantly below what other OLG Group 5 Councils charge:

- Maitland charges $25,000 (basis unknown) or full cost for assessment/preparation
- Newcastle charges $21,000 plus $150/hour for staff time exceeding 40 hours (full cost recovery)

Voluntary Planning Agreements

Of the benchmark Councils, only Shellharbour lists this fee and states that 'costs will be determined on a case by case basis'.

Copying, Printing and Research

Of those fees that are not set by act/regulation, the findings were as follows:

- Shoalhaven's Special Cadastral plots ($147), Zoning Maps ($226), and Bushfire Prone Land Maps ($226) fees (all calculated on a full cost recovery basis) are above the benchmark, which is approximately $122 for the largest maps (various bases)
    - It should be noted that the other benchmark Councils do not differentiate between map types and that Kiama charges a blanket fee plus an hourly fee
- There is no real equivalent to the research fee, although Shellharbour has a $176 General Planning enquiry requiring detailed investigation and/or archival research fee (market rate) and Great Lakes has a $120 professional advice fee (full cost recovery)

Asset and Works Group

Business & Property

Land Information/Enquiries:

- Shoalhaven's Produce Certificates under Section 54 of the *Local Government Act* (Public Land Classification) fee is minimum $86.00 plus $41.50 per hour or part thereof after the first hour. This is significantly higher than Shellharbour's $54 blanket fee, Shellharbour being the only benchmark Council that lists a Section 54 Certificate fee (both market rate)
- No benchmark Council lists a Land Acquisition Application fee. While Shoalhaven states that the charge will be at cost (full cost recovery), Lake Macquarie specifies an administrative fee of $4,595 and a valuation fee of $1,800 (both on a cost recovery basis)
- Road Closures Applications:
    - The benchmark Councils list single road closure application fees where Shoalhaven lists three

- Shoalhaven's $976.90 fee is somewhat lower than those of Shellharbour (market) and Great Lakes (full cost recovery), which charge just over $1,100 each, although it should be noted that Kiama charges $410 (cost recovery)

Jetty and Boat Ramp Licences:

- Great Lakes' wharf use per annum is $5,586 (reference price), significantly higher than the Huskisson Wharf fee of $117.70 (unclear basis)
- There is no clear benchmark for the Jetty Licence Fee for Private structures erected in drainage reserve - broad form public liability fee
  - Shellharbour's drainage reserve rental fee is determined by market valuation

Outdoor Dining:

- The Application for Outdoor Dining Approval fee ($150/application, full cost recovery) is lower than the benchmark of $189, although it should be noted that both Kiama (cost recovery) and Shellharbour (market) charge $250 or over
- The Outdoor Dining – All areas fee ($57/m²/annum, full cost recovery) is unusual as it is more common to have a fee structure dependent on area. The other benchmark Councils' fees range from $30-$266/m²/annum (various bases)

Pleasure Craft and Other Licences:

- There is no equivalent for the short term access licence fee among the benchmark of OLG Group 5 Councils

Use of Council Road Reserve:

- Shoalhaven charges $16.60 per lineal metre/month for hoarding rental (full cost recovery). The only equivalent fee, at Great Lakes, entails a $77.50 base fee plus either a $10 or $20/m²/month fee (full cost recovery)
- Shoalhaven charges a $57.20/m²/annum occupation fee for its s.138 occupation fee for not for profit and/or non-commercial users and does not

specify its fee for commercial use (full cost recovery). Great Lakes charges $121 plus a $2,000 bond (reference price)
- Shoalhaven's s.139A vending fee is not specified (market). Shellharbour charges an application fee of $293 and annual rent of between $93 and $124, depending on the area (market)

Leases (all Shoalhaven fees set at full cost recovery):

- Shoalhaven's minimum rent – Community or Crown land fee is listed as being determined by DPI. Kiama lists this as $260/event (cost recovery) and Shellharbour lists it as market value for commercial events and according to policy for not for profit ones
- Shoalhaven lists Lease Advertisement Fee – Community or Crown Land as being recovered at cost; Shellharbour only specifies that it will be charged at the market rate
- Shoalhaven lists Lease Preparation – External – Commercial & Community as being recovered at cost; Shellharbour only specifies that it will be charged at the market rate
- The Lease/Licence Preparation – Internal – Community fee is $228.80 and the commercial equivalent is $260. Shellharbour charges a blanket $425 preparation fee (full cost recovery)
- At $194 pa, the Lease/Licence Application – Commercial, is below the benchmark of approximately $350 (full cost recovery or similar)
- The Licence Preparation – Internal – Commercial fee is in line with the benchmark. It is worth noting that Shellharbour adds an assignment and/or variation of existing agreements fee of $250 (substantial cost recovery)
- A-Board Approval: the $139.30/year approval fee is above Port Macquarie-Hastings' $105/year A-Frame Sign Application fee (user pays principle)
- Application for Footpath Approval ($110 pa): while Great Lakes, as an outlier, charges $85 (reference price), the benchmark is approximately $350 (various).
- Advertising Display Approval ($139.30 pa): there is no clear benchmark for this eg Great Lakes charges increments between $30 and $125 (reference price) while Shellharbour charges $514 (market)
- Merchandise Display Approval: no other benchmark or OLG Group 5 Council lists this fee

Comments from staff in the property area stated that they need to develop standard licence and lease agreement so that dealing with applications can be streamlined and external solicitors use reduced.

Works & Services

Kerb & Gutter Construction Contribution:

- The construction contribution fees are in line with the benchmark (full cost recovery)
- There is no equivalent of the ratepayers advance or for the ferry toll at other benchmark or OLG Group 5 Councils

Road and Footpath Restoration (all full cost recovery):

- Concrete ($901 for 2m² plus $192 per additional m²): Kiama charges $320/m² for roads and $290/m² for footpaths. Shellharbour charges $526/m² for roads and $216/m² for footpaths
- Asphaltic ($1187 for 2m² plus $207 per additional m²): Kiama charges $540/m² for roads and $270/m² for footpaths. Shellharbour charges $455/m² for roads and $352/m² for footpaths
- Sealed ($1187 for 2m², plus $207 per additional m²): Kiama charges $290/m² for roads and does not specify a cost for footpaths. Shellharbour charges $526/m² for roads and $352/m² for footpaths
- Earth ($741 for 2m² plus $144 per additional m²): Kiama charges $230/m² for roads and $170/m² for footpaths. Shellharbour charges $127/m² for unsealed footpaths
- Paver ($911.50 for 2m², plus $284 per additional m²): Shellharbour charges $100/m² for footpaths
- There is no equivalent for Reinstatement of reconstituted stone and brick paving in the Nowra CBD

Private Works – Chargeable

- Graffiti Removal fees: the benchmark Councils only specify cost recovery and no specific pricing
- Open or Close Laneways/Roadway fees: as with Shoalhaven (full cost recovery), these fees tend to be available on application or for a

"calculated fee". Port Macquarie has a $565 Stage 1 road closure application fee and $1,129 Stage 2 fee (user pays principle). Tweed Shire has a $137.80 opening fee and a closure fee of $2,110.10, plus additional fees such as the cancellation of easement ($1,055) (full cost recovery)

- Construction and Maintenance Works fees: the benchmark Councils do not specify these

Bush Fire Hazard Clearance

- Bush fire hazard reduction works: the benchmark and OLG Group 5 Councils do not specify such fees

Tree Inspections

- Application for the reinspection, following denial of previous request, for the removal of trees on Council managed and owned land: no benchmark Councils specify similar fees, although Lake Macquarie has a review of application fee of $50 for up to ten trees and a $100 fee for over ten (partial cost recovery)
- Tree Replacement: no benchmark or OLG Group 5 Councils specify similar fees

Asset Management

- Directional Panel signs fee ($746.40) and Signage installation/restoration fee ($803.4/zone) (full cost recovery): Kiama only specifies that it will recover the cost of private works, while Great Lakes charges a minimum of $330 plus GST (unspecified basis)
- The only near equivalent to Shoalhaven's Manufacture and erection of a fingerboard sign on an existing sign post or new post as required and including 5 year maintenance period ($656.60) (full cost recovery) is Tweed Shire's single-sided fingerboard sign fee of $282 and doublesided sign fee of $358.70, period unspecified (rate of return pricing)
- There is no real equivalent to the Application for Private Use of Public Parking or the Parking usage fee in areas of timed parking restrictions fees
    - Tweed Shire does offer parking lane closure (per 6 lineal metre increment) at $19.20/3 hours, $57.40/3 hours-1 day, and $76/day each day thereafter (basis unspecified)

- The only benchmark Council that specifies a traffic data provision fee is Great Lakes, whose $80/hour fee (full cost recovery) is a little lower than Shoalhaven's $92.20 fee (full cost recovery)
- The Issue of approval for private works in road reserves including driveways fee ($133) (full cost recovery) is most readily comparable with Great Lakes' $121 application/administration fee (full cost recovery)
- Huskisson Public Wharf Usage Fees (Commercial Vessels only) is $30.85 (basis unclear), compared with Great Lakes' $55 fee (reference price)

Data summary

Below is a summary of the benchmarking information that could reasonably be tabulated and is not tabulated above.

Community Services	Shoalhaven	Benchmark
Educator Registration Fee	$31 p/a	$270 one-off
Family Enrolment Fee	$25	$70
Administration Levy For Users	$0.90/ hour	$1.30/ hour
Administration Levy For Educators	$16/ educator/ week	$10/ educator/ week
Late Attendance Record Fee	$5.70 (partial cost recovery), $11.80 (full cost recovery)	$13
Libraries		
USB Memory Stick	$10	$8.50
Replacement Membership Card	$5	$5
Family History Search	$25/ hour	$40/ hour
Local Studies Search	$25/ hour	$56
Printing- A4 Black And White	-	$0.30
Printing- A4 Colour	-	$1.50
Photocopying- A4 Black And White	$0.20/ sheet	$0.20/ sheet
Photocopying- A3 Black And White	$0.40/ sheet	$0.50/ sheet
Photocopying- A4 Colour	$1.50/ sheet	$1.20/ sheet
Photocopying- A3 Colour	$3/ sheet	$2.40/ sheet
Reservation Charge	$2.50/ item	$1.70/ item
Inter Library Loan Request	$6	$6
Earbuds	$2	$3
Library Bags	$3.50	$2
Book Cover Replacement	$5/ item	$5.50/ item
Barcode/ RFID Tag Replacement	$5/ item	$5/ item
Temporary Member Deposit	$50/ member	$100/ member
Internet Training	$25/ hour	$22/ hour

Meeting Room Hire	$4/ hour (casual community / NFP) $6/ hour (regular community/ NFP) $8/ hour (commercial)	$12/ hour (commercial) $6.50 (other)
Public Places		
General Security Bond	$120 minimum	$500
Sporting Facilities	Shoalhaven	Benchmark
General Sports Grounds (Non-Management Committee)	$84/ day (casual hire)	$200/ day
Floodlighting	$0.85/hour	$10-$73/ hour
Environmental Services	Shoalhaven	Benchmark
Noxious Weed Spraying	$103/hour	$115.50/hour
OSSM Residential Inspection Fee	$100	$105-$160
OSSM Commercial Inspection Fee	$300	$105-$230
Environmental Health Services	Shoalhaven	Benchmark
Public And Semi-Public Pool Inspections Fee	$124	$142.50
Authority Certificate Fee	$205	$330
Water Carters Vehicle Application And Inspection Fee	$66.50	$82.50
Flood Certificate	$69 (Detailed) $52.50 (Standard)	$60 (General)
Strategic Planning	Shoalhaven	Benchmark
Dwelling Entitlement Potential Search Fee	$288	$290
Planning Proposals Lodgement Fee	$4,561.50	$2,575-$7,427
Preparing Submission For Gateway Fees	On par	On par
Gateway Determination Fee	On par	On par
Post Exhibition Assessment Fee	On par	On par
Finalisation Fee	On par	On par
Development Control Plan Preparation	$2,731 (assessment of DCPs not prepared by Council $8,211 (prepared by Council)	From $21,000 plus $150/hour for staff time over 40 hours to $25,000
Map Printing	$147 (Special Cadastral plot) $226 (Zoning map) $226 (Bushfire Prone Land map)	$122 (various)
Asset And Works	Shoalhaven	Benchmark
Section 54 Certificate Fee	$86 plus $41.50/hour after the first hour	$54
Road Closure Application Fee	$976.90	$410-$1,100
Application For Outdoor Dining Approval Fee	$150	$189
Outdoor Dining Areas Fee	$57/m^2	$30-$266/m^2

Council Road Reserve Rental Fee	$16.60/ lineal metre / month	$77.50 base fee plus $10-$ 20/ m²/month
Leases	Shoalhaven	Benchmark
Lease Advertisement Fee	Cost recovery	Market rate
Lease / Licence Preparation Fee	$228.80 (internal/community) $260 (commercial)	$425
Lease/ Licence Application Fee	$194	$350
A-Board Approval Fee	$139.30 p.a	$105 p.a
Application For Footpath Approval Fee	$110	$350
Works And Services	Shoalhaven	Benchmark
Construction Contribution Fee	On par	On par
Asset Management	Shoalhaven	Benchmark
Traffic Data Provision Fee	$92.20/ hour	$80/ hour
Approval For Private Works In Road Reserves Fee	$133	$121

Key: On par = in line with benchmark

School of Arts

Fee / Charge	Nowra School of Arts	Nowra Wesley Centre
Main hall	$37/ hour	$20/ hour
Meeting rooms	$10-15/ hour	$13/ hour

Roads and Footpath Restoration

Fee / Charge	Shoalhaven	Kiama	Shellharbour
Concrete	$901/ 2m² plus $192 per additional m²	$320/ m² for roads $290/m² for footpaths	$526/ m² for roads $216/m² for footpaths
Asphaltic	$1187/ 2m² plus $207 per additional m²	$540/ m² for roads $270/m² for footpaths	$455/ m² for roads $352/m² for footpaths
Sealed	$1187/ 2m² plus $207 per additional m²	$290/ m² for roads	$526/ m² for roads $352/m² for footpaths
Earth	$741/ 2m² plus $144 per additional m²	$230/ m² for roads $170/m² for footpaths	$127/m² for footpaths
Paver	$911.50/ 2m² plus $284 per additional m²		$100/m² for footpaths

Appendix C: Significant External References

Report on Fees and Charges Review
Transformation Project No. 3.6 47437E/6
City of Shoalhaven

Australian Government Charging Framework
Resource Management Guide No. 302
Australian Government Department of Finance
July 2015

Local Government Act 1993
New South Wales Government

Guidelines for Pricing of User Charges
Policy & Guidelines Paper
New South Wales Treasury
June 2001, reviewed June 2014

Pricing & Costing for Council Businesses
A Guide to Competitive Neutrality
Department of Local Government
New South Wales Government
July 1997

Methodologies of Cost Recovery for Local Government
Local Government Association of South Australia
January 2014

Principles and methodology for setting local government charges under the Building Act
Department of Infrastructure and Planning
Queensland Government
November 2000

Guide to Municipal Finance
UN Habitat
2009

In Our Hands: Strengthening Local Government Revenue for the 21st Century
John Comrie, Australian Centre of Excellence for Local Government

LKS QUAERO

February 2013

Financing Local Government's Contribution to Community Development
The South Australian Centre for Economic Studies
South Australian Local Government Association
July 2002

SA17.232 - Attachment 2

Appendix D: Sample Sporting and Community Clubs Fees Policy

Purpose

To define the contribution expected from occupiers of Council sporting and recreation facilities.

Provisions

- The extent of **Council's involvement** in delivering any service will take into account Council's legal obligations and an analysis of the social and economic benefits, community need, and relevant trends

- With projected increases in population and residential densities, sporting clubs will play an increasing role in the health of the community. Council will continue to **assist clubs** in seeking grants and identify opportunities for new or struggling clubs to share facilities and costs

- Council will **prioritise accessibility** to all Shoalhaven residents:
  - While some sports surfaces need to be protected by locked fences, these will be available to the community by way of hire or social membership
  - A commercial lease will apply to any exception, with a) the club being responsible for 100% of playing surface and surrounds maintenance costs and b) commercial tenancy principles applying for buildings and all other improvements. Where there are "fine turf" or "artificial" surfaces, clubs will receive land rent free of charge in recognition of the damage and cost that may result from an "open door" policy

- **Social inclusion**:
  - Council will provide a social inclusion subsidy for clubs providing activities for members over 60 years and under 16 years of age
  - Social inclusion incentives (in the form of rental discounts or prioritised facility upgrades) may be offered to clubs that demonstrate the following membership characteristics:
    - Resident of the city
    - Limited capacity to pay
    - Culturally and linguistically diverse
    - Disabled

- Female

- **Maximising facility usage**: Many sporting facilities are sole-purpose and/or are used predominantly during evenings and weekends. Incentives and priority will be given to assisting clubs in upgrading facilities that provide for multiple sporting and recreation activity codes and increasing membership. No new sports facilities will be constructed unless as a result of the consolidation of the existing facilities on site

- **Building facility upgrades**: Where building facility upgrades are requested by a club or required due to legislative non-compliance, clubs may jointly fund upgrades or Council may consider fully funding building upgrades that result in asset consolidation, increased asset use, and increased participation by social inclusion target groups. For substantial upgrades/new facilities, club submissions must demonstrate social, environmental, and financial sustainability. Council will also conduct an annual assessment of each facility to determine if capital projects are needed

- **Maintenance service levels** will be defined and agreed with clubs, recognising that levels may vary between sites depending on use levels, surface types, and sporting code/grades

- **Lease/licence fees** will have three components: land rental, ground maintenance, and building rental. These will be calculated using consistent formulae and will have regard to whether or not a facility is of exclusive use. They will also be subject to social inclusion discounts
    - It is recognised that the rental arrangements of some clubs may increase when placed on the new policy or following a significant building upgrade. In such situations, the new rental structure will be phased in equally over a period of five years, with the first rental being no greater than the current rental plus CPI

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Appendix E: Fee Calculator User Guide

1. Determine fee type and appropriate calculator using the 'Fee Type' tab
2. Select the relevant tab at the bottom of the spreadsheet
3. Follow instructions below for the relevant fee type

Sporting Facility / Hall & Room Fees

1. Complete all orange boxes with the required data to generate fee calculation

Service (simple) Costing

1. Direct Costs
   - Enter staff hours / cost into the orange cells
   - Complete the rest of the orange cells under Direct Costs
2. Indirect Costs, Return on Capital and Commercial Rate of Return
   - Complete the first 3 orange cells
   - For 'Depreciation on assets used', shift into the 'Assets (simple)' tab
   - Enter the relevant costs into the table and return to the 'Service (simple) Costing' tab
   - The 'Depreciation on assets used' cell and the 'Value of assets employed to deliver service' cell will now be auto-filled with the correct data
   - Complete the rest of the orange cells with the required data

Service (complex) Costing

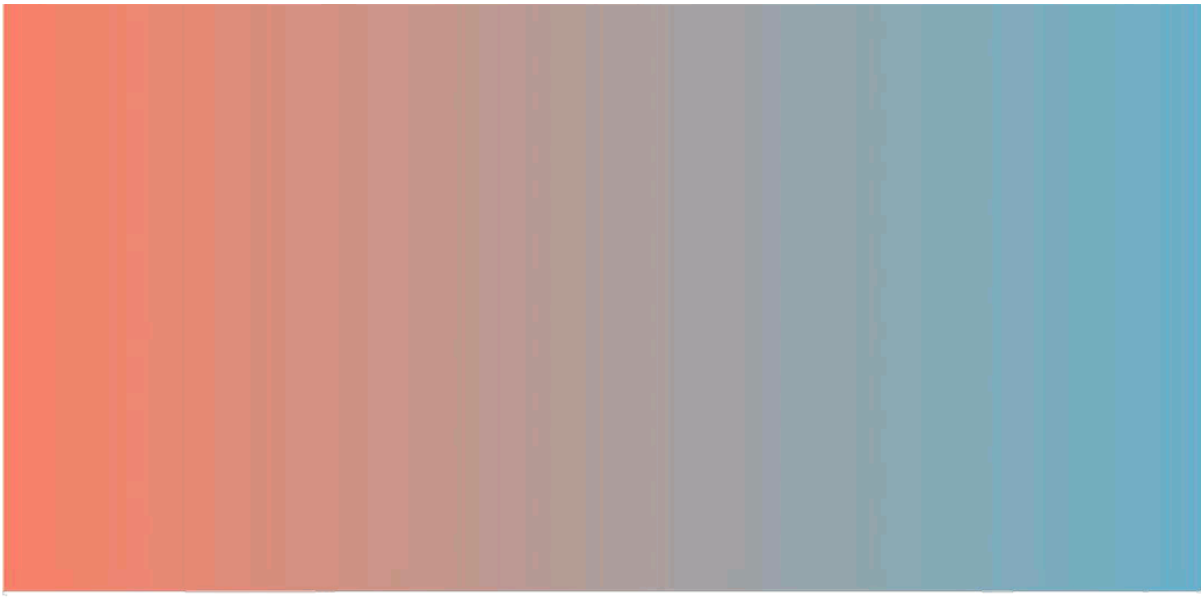
1. Direct Costs
   - For the staff costs, switch to the 'Staff Costs (complex)' tab
   - Enter the relevant hours / costs into the table then return to the 'Service (complex) Costing' tab
   - The total staff costs cell will now be auto-filled with the correct data
   - Complete the rest of the orange cells under Direct Costs
2. Indirect Costs, Return on Capital and Commercial Rate of Return
   - Complete the first 3 orange cells
   - For 'Depreciation on assets used', shift into the 'Assets (complex)' tab
   - Enter the relevant costs into the table and return to the 'Service (complex) Costing' tab
   - The 'Depreciation on assets used' cell and the 'Value of assets employed to deliver service' cell will now be auto-filled with the correct data
   - Complete the rest of the orange cells with the required data

Program Costing

1. Direct Costs
   - For the staff costs, switch to the 'Staff Costs (program)' tab
   - Enter the relevant hours / costs into the table and return to the 'Program Costing' tab
   - The total staff costs cell will now be auto-filled with the correct data
   - Complete the rest of the orange cells under Direct Costs
2. Indirect Costs, Return on Capital, and Commercial Rate of Return
   - ➢ Complete the first 3 orange cells
   - For 'Depreciation on assets used', shift into the 'Assets (program)' tab
   - Enter the relevant costs into the table and return to the 'Program Costing' tab
   - The 'Depreciation on assets used' cell and the 'Value of assets employed to deliver service' cell will now be auto-filled with the correct data
   - Complete the rest of the orange cells with the required data
3. Income
   - Complete the orange cells with the required data

Service and Program Pricing

1. Consult the guidelines in the Service Pricing tab
2. Use the data generated in the Summary of the relevant Costing tabs (Service (simple), Service (complex), or Program) to determine and calculate the preferred pricing
3. Consult the 'Pricing Review' tab to confirm the appropriateness of the preferred pricing



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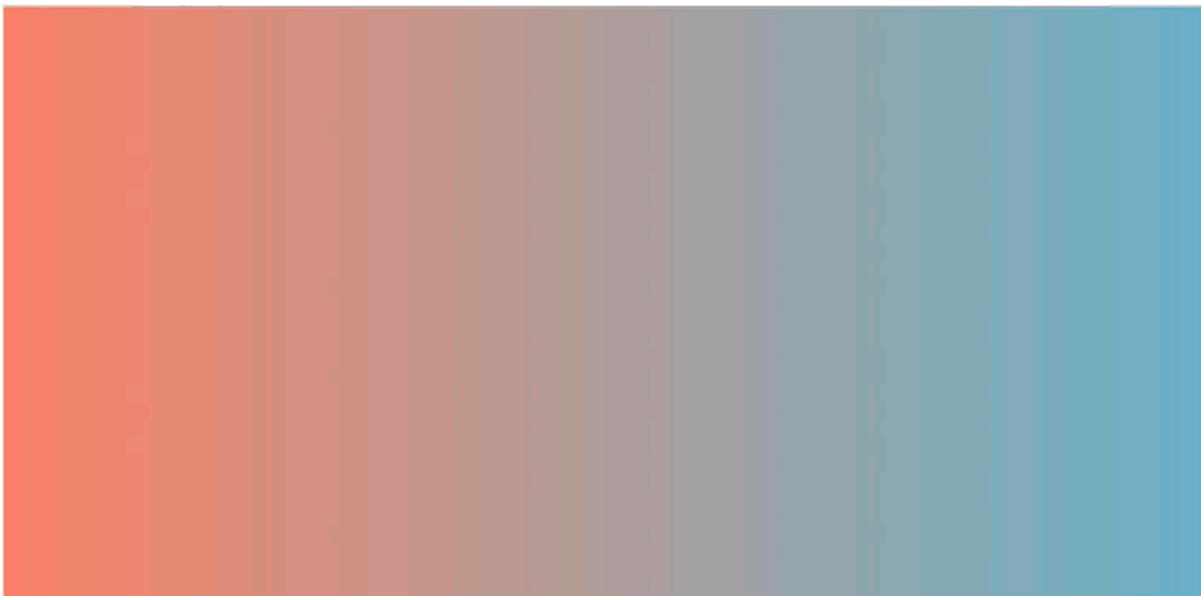

Fee Waivers, Subsidies and Support Policy

Policy Number: POL16/183
Adopted: 24/11/2015
Minute Number: MIN15.721
File: 6320E
Produced By: Finance Corporate & Community Services Group
Review Date: 1/12/2020

For more information contact the Finance Corporate & Community Services Group

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SA17.232 - Attachment 3

1 PURPOSE

This Policy aims to:

- Cover the hire of Council managed assets including public reserves, public halls, sports fields, waterways, and any other facility which Council manages (excluding the Shoalhaven Entertainment Centre and Aquatics)
- Establish a framework around calculation of all subsidies, waivers or any other form of fee relief or support, including a consistent approach to consideration of fee support requests and applications
- Ensure that any subsidies provided are equitable, transparent and effective and reduce the risk of corrupt conduct
- Ensure that any subsidies are in compliance with all known legislation, guidelines and regulations
- Define Council's criteria for the approval under delegation of any reduction in adopted fees, clearly identifying responsibility and accountability levels
- Encourage optimal use of community facilities and assets by local community organisations and recreation groups
- Recognise the social value and benefits of services and activities organised and provided by community based groups and to support these groups based on community based pricing
- Obtain a contribution from user groups towards the costs of providing facilities, services and assets
- Document the reporting requirements for subsidies given to each Community Group

2 STATEMENT

Shoalhaven City Council owns and manages a number of community facilities and assets throughout the Local Government Area. These facilities and assets allow a range of services to operate from these sites. ~~Access to these facilities is provided through a number of different arrangements:~~

- ~~An agreement~~
- ~~A lease~~
- ~~A licence~~
- ~~An application, booking or permit~~
- ~~An understanding, which includes the levying of appropriate fees and charges, along with any subsidies determined.~~

This policy will complement the Code of Conduct and Council's guidelines relating to protocols in the way in which Ccouncil officers carry out their obligations.

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This Policy applies to all applications for fee support for Council managed community facilities and assets, such as public reserves, public halls, sports fields, waterways, and any other facility which Council manages and are available for either casual or regular hire, including:

- Public parks and reserves directly managed by Council
- Public facilities and buildings directly managed by Council
- Council's Section 355/377 Management Committee community facilities, where any application for fee support goes through the Management Committee and the Facilities Coordinator

This Policy will not apply to the:

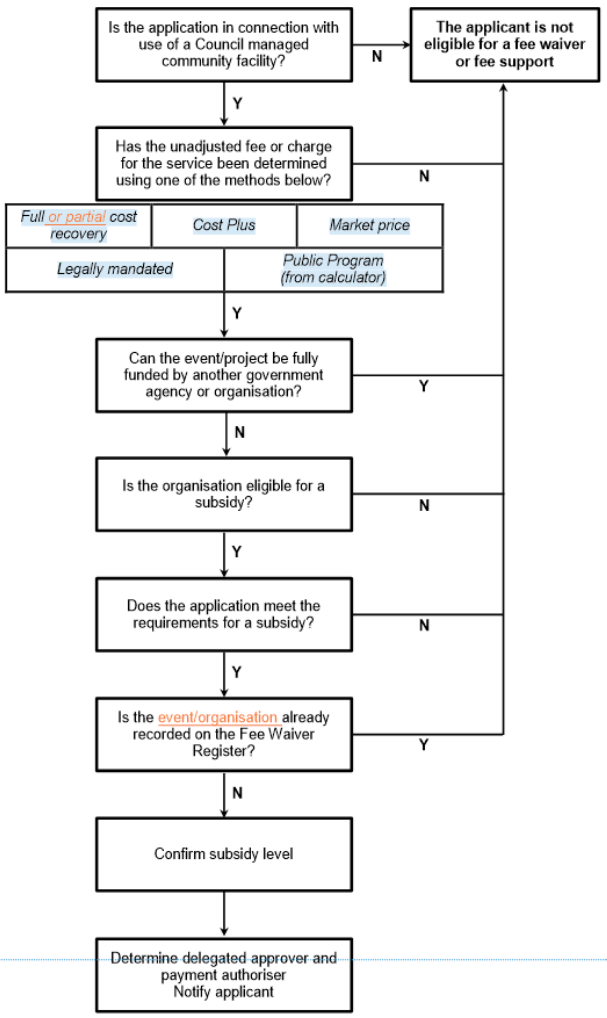
- Water or Sewer Funds, which are separately covered under the Community Service Obligation Policy consistent with the NSW Government Water Supply, Sewerage and Trade Waste Pricing Guidelines adopted by Council
- Shoalhaven Entertainment Centre, which has its own hiring policy given the different arrangements in place, but will reference this policy when waivers are being evaluated
- Lease arrangements determined by Property under Policy 15/47 Occupation of Council Owned or Managed Land, where commercial arrangements are optimised

2.1. Definitions

Commented [PG1]: Updated definitions section, previously only showed fee support, subsidy and waiver definitions

Term	Meaning
Competitive neutrality	Competitive neutrality principles require that a government agency that is engaged in a "significant business activity" must not enjoy any net competitive advantage over its private sector competitors by virtue of its public ownership. Such advantages might include immunity from certain government charges, lower capital costs or statutory immunity from regulatory compliance.
Direct cost	All costs that can be specifically and easily identified with the service being provided, including employee benefits and non-salary items
Employee benefits	Comprises salary and wages expenses together with associated on-costs (annual leave, long service leave, sick leave, superannuation, payroll tax, training, etc)
Fee support	Funds provided to help pay for a particular piece of work or for a particular right or service
Full cost pricing	Pricing that recovers the full cost of providing a service (direct cost, including employee benefits, and overheads)
Overheads	The cost of providing the physical, service and administrative infrastructure necessary to support the provision of services
Subsidy	A financial contribution to help or encourage an event to happen. A subsidy can take the form of a transfer of funds, foregone revenue.
Waiver	An approved ~~concession~~ full relinquishment granted to an eligible organisation

3 OVERVIEW



Commented [PG2]: New Section showing overview diagram

5 PROVISIONS

5.1. Fees and Charges Pricing

Fees and charges are calculated annually and exhibited for a 28 day period in line with the *Local Government Act 1993* (LGA), normally during the months of April and May each year. After the submission period, Council will adopt the final list of fees and charges, taking into consideration any submissions received. The fees and charges are then advertised on Council's website throughout the financial year. Under the LGA, Aany further changes throughout the year need to be put on public exhibition for the required period ~~under the LGA~~ and adopted by Council.

~~The cost to Council of providing a service in connection with the exercise of a regulatory function need not be the only basis for determining the approved fee for that service.~~

~~**Under Section 610D of the *Local Government Act 1993*, Council can determine the amount of a fee for a service based on:**~~

- ~~The cost to council of providing the service – the full cost pricing method is used as a benchmark in this instance~~
- ~~The price suggested for that service by a relevant industry body or in a schedule of charges published from time to time by the Office of Local Government~~
- ~~The importance of the service to the community – this would need to be considered in determining any potential community service obligation under a Partial Cost Pricing or Zero Cost Pricing method, but could also apply to services where other pricing methods were used~~
- ~~Any factors specified in the regulations – this would be applicable to the Legal Requirements Pricing method but may also affect other pricing arrangements~~

~~Other factors not covered under s610D but also to be considered are:~~

- ~~Whether the service is supplied on a commercial basis as part of a defined Council business – in this case, market pricing would be used.~~
- ~~The capacity of the user to pay – for services identified of a commercial nature, it is possible to build in a rate of return for Council assets (Rate of Return pricing)~~

~~A higher fee or an additional fee may be charged for an expedited service provided, for example, in a case of urgency.~~

Commented [PG3]: This section has been moved to the Fee Pricing Policy

In accordance with Section 608 of the LGA, Council determines fees and charges based on the following pricing methodologies:

PRICING METHOD	DEFINITION	PRINCIPLE	DETERMINATION	EXAMPLE
Full Cost Recovery	Recovery of all direct and overhead costs associated with providing a service. This includes employee benefits, other direct expenses and overheads	Private Goods	Service benefits a particular user, without any benefit to the broader community	Application for a drainage easement, Searches - historical rates valuations
		Monopoly	Where Council has a monopoly over the provision of the service and no community obligation	Abandoned vehicle - removal and storage standard fee for release
		Service sustainability	Fee set will enable Council to develop and maintain a service	Domestic Waste Management Charge
		Contribution	Charges levied to compensate the community for an increase in demand on a service or facility as a consequence of development	Section 94 Contribution Plans
		Regulatory - Non Fixed	Fees charged to cover costs incurred to fulfil legislative requirements, where no community obligation exist	Freedom of Information
Partial Cost Recovery	Council recovers less than full cost (the reasons may be community obligation or legislated limits on charging). This can be any % of the full cost recovery, depending upon the subsidy required	Shared Benefit	Benefits accrue to the community as a whole as well as individual users.	Hairdressers, beauty salons, and inspection fees
		Stimulus	A stimulus to the demand for the service is required	Asset utilisation, e.g., tennis courts
		Evasion	Charging prices to recover costs fully might lead to widespread evasion	Asbestos dumping, tree preservation orders
		Equity	The service is targeted at low income earners	Youth program fees
		Economic/Social Community welfare	Service promotes or encourages local economic or social activity	Hire of halls for community events

PRICING METHOD	DEFINITION	PRINCIPLE	DETERMINATION	EXAMPLE
Rate Of Return	Council recovers the full cost of providing the service/activity plus a profit margin	Cost plus activity	The service is profit making and the price paid should recover greater than the full cost of providing the service	Waste disposal
		Penalty	Fee charged is greater than the full cost of the service to act as a disincentive	Fines
		Utility	Fee charged for possession, occupation or enjoyment of Council land and air space by gas, electricity, water and telecommunications	Road restoration
Market Pricing	Price of the service determined by investigating alternative prices of surrounding service providers. Pricing may or not recover full costs	Market	Service provided in competition with that provided by another agency (private or public) and there is pressure to set a price which will encourage usage	Child minding, aquatic centres, cremations, communication towers
		In-house	Service provided predominantly for council use but sale to external markets may defray costs	Mechanical services
Legal Requirements	Price of the service is determined by legislation. Price may or may not recover full cost.	Regulatory - Fixed	Fixed by legislation, with no option for Council to alter	Certificates for classification of Council Land
Refundable	A Fee which is refundable to the payee after the prescribed condition is met	Bond	Bond on property or service. Once property is left in same state as found, monies are refunded; sometimes priced to deter property damage	Bond for wedding on public reserve
Free (Zero Cost Recovery), Full Subsidy	Some services may be provided free of charge and the whole cost determined as a community obligation or may be classified as a public good.	Public good	Service provides a broad community benefit and impractical to charge on a user basis	Internet - public access
		Encourage use	To encourage economic activity	Free cark parking, advertising in Shoalhaven Information Booklet
		Compassionate grounds	Personal benefit for compassionate grounds	Cremation of a stillborn
		Practical constraint	Service is a minor part of the overall operation of Council. The potential for revenue collection is so minor and is outweighed by the cost of collection	-

Commented [PG4]: This table is part of the Fees and Charges document and Fee Waiver procedure

5.2. Costing Methodology

Fees and charges should be set at a level which ensures that the full cost of providing the good or service can be covered. The social implications of applying the fee or charge should, then, be taken into consideration in determining whether a subsidy should apply. Any subsidies or concessions should be transparent and explicitly stated.

All fees and charges should take into consideration the Government's competitive neutrality requirements.

The following factors can be considered when costing fees and charges:

- Determine the purpose of the service provided
- Determine the characteristics of the service provided (e.g., number, duration, regularity/frequency, quality, accountability)
- Define the process(es) associated with providing the service
- Consider 'hard' costs such as use of equipment, staff costs, waste services, electricity, water, traffic management etc.
- Define the fee or charge clearly

In terms of full cost recovery, an overhead component should be included in the cost. This can be allocated based on either a "usage" or "benefit" approach or a pro-rata approach. In order to allocate based on "usage" or "benefit", the actual usage of resources needs to be measured. This approach results in the most accurate costing, but relies on actual measurement by direct observation or time records or on activity sampling.

Where actual resource use cannot be easily identified, the pro-rata approach is adopted. This approach allocates costs to activities on a proportional basis by using planned measures, such as number of staff involved in the process, percentage (%) of total budget or total spend, etc. This is the approach currently used by Council and a list of the allocation bases is presented below:

COST AREA	Cost Driver
Corporate Management	
General Manager	Proportional to Operating Expenditure + Capital - Depreciation
Internal Audit	
Corporate and Community Services Mgt (75%)	
Corporate Postage	
Counter Services – Nowra and Ulladulla	
Desktop Publishing	
Information Services	
Printing Services	
Legal Services	
Records Management	
Corporate Strategy and Planning	

COST AREA	Cost Driver
Corporate Services	
Personnel & Training	
Human Resources	Employee #'s
Training and Development	Employee #'s
Indigenous Traineeship	Employee #'s
Occupational Health and Safety	Employee #'s
Payroll	Employee #'s
Accounts Payable	Purchase Orders Raised
Cashiers	Receipt Lines
Accounts Receivable	Invoices Raised
Rates	Rates Assessment Lines
Purchasing	Purchase Orders raised
Warehouse	Store Transactions
Financial Services	Manual Journals
Information Tech/Communications	
IT Administration	PC numbers
Applications	PC numbers
IT support	PC numbers
Communications Admin	Telephones
Property Management	
Nowra Office Building	Space Occupied
Ulladulla Admin Building	Space Occupied
Bomaderry Depot	Space Occupied
Works Depots	Space Occupied

Capital costs are captured in one of two ways:

1. By use of an appropriate depreciation charge, captured as part of overheads
2. Recognition of the return required on funds invested by way of a return on assets calculation or opportunity cost of capital, e.g., the nominal discount rate advised by IPART.

Commented [PG5]: Moved to procedure

5.3.5.2. Fee Subsidies – Eligibility

Before any subsidies are considered with regard to a fee or charge, an approach should be made to State or Federal Government agencies or other organisations to determine if they can provide support.

Commented [PG6]: Comment moved up to emphasise importance.

There are a wide range of goods and services provided to the community for a number of social, political or economic reasons. It may be appropriate to price these goods or services to be fully or partially recovered. It is important that these fees and charges are fully costed before a decision is made as to the level of subsidy applicable based on the following:

- When benefits accrue to a wider group than direct users
- Services are provided specifically to disadvantaged groups who do not have the capacity to pay

- Council has a longer term policy objective of encouraging or supporting an activity or a specific group of people
- The proposed use of the facility or asset is consistent with the main purpose of the organisation and the event is open to the public
- The proposed use is for a non-commercial community based event, which may be for community development, education and or awareness activities

~~In order to be eligible for a subsidy, organisations will be required to provide the following information:~~

- ~~Evidence of registration as a charity or Incorporated Not For Profit organisation, registered within the Shoalhaven City Council boundary;~~
- ~~Inclusion of a local community or sporting group in Council's Community Services Directory;~~
- ~~Evidence of what is being done to provide community betterment, if a non-incorporated body or individual;~~
- ~~Details in relation to financial sustainability of the organisation, i.e., bank statements and financial reports (Profit and Loss and Balance Sheet, as a minimum);~~
- ~~Details on any previous subsidies provided or alternate funding from other sources.~~

~~Organisations that do not meet these criteria cannot be granted a fee waiver or support under delegation.~~

~~Organisations that do meet these criteria, will have a recommendation made for funding or a fee waiver, which will be approved based on delegation levels (see below).~~

~~Applications will also be checked against a central fee waiver register in Finance to ensure that there are no duplicate payments being made.~~

~~Council currently has a subsidy calculator which should be used in all instances where a subsidy or waiver is to be provided. A copy of this calculator can be found in the Procedure document related to this Policy. The calculator assesses a number of criteria to determine subsidy levels to be provided, including:~~

- ~~The level of community benefit provided by the organisation~~
- ~~The level of availability of the facility or event to the general community~~
- ~~The number and type of Service providers~~
- ~~The organisations ability to charge fees and raise income~~
- ~~Access to other sources of funding~~
- ~~Is it a commercial venture or in direct competition to a commercial venture?~~
- ~~Does the service they provide impact on Councils need to provide similar services?~~
- ~~The structure of the organisation – voluntary or for profit~~
- ~~Do they take responsibility for ongoing maintenance, if property related?~~
- ~~Do they have internal resources for administrative functions?~~
- ~~Does Council already support the organisation?~~
- ~~Is there a social benefit, e.g., service provision to low socio-economic groups?~~

Some examples of organisations or family groups which may be provided with a subsidy based on the above criteria are shown below:

- Family of a sick child
- Public school in area
- Public school outside area
- Private school in area
- Private school outside area
- Sports club
- Sports business
- Charity
- Community organisation
- Arts community

Commented [PG7]: Moved to procedure

5.4.5.3. Public Programs

From time to time, Council will introduce Public Programs which need to be individually costed with any subsidies determined being applied to the individual programs and reported to Council.

Council manages a variety of facilities that have the potential to offer an enhanced range of services to the public. Such opportunities may include 'public programs' to support initiatives at the Arts Centre and expand services in the Libraries. There is also the opportunity, in future, to develop programs in the open space / parks network and, Family Day Care and other areas of Council's operations. These may include:

- Craft workshops
- Photography courses
- Children's Art (and other) classes
- Artist Talks and Floor Shows
- Play Sessions
- Education Sessions
- Outdoor Fitness and Exercise classes (e.g., using outdoor fitness equipment)
- Cake Decorating
- Enhanced Resources for Book Groups
- Creative Writing Workshops
- e- and on-line training courses, e.g., workshops on Ancestry/Family History Research

Council will utilise the Public Program Calculator to estimate the costs of a program. This can be used in conjunction with the Subsidy calculator to determine the fee to be applied to individual programs.

Commented [PG8]: Moved to procedure

5.5.5.4. Applications

Commented [PG9]: Moved to procedure

Applications for fee support under this Policy should be made ~~in writing~~ a minimum of two (2) months prior to the date of the booking ~~on the attached form "Application for Fee Support", a minimum of two (2) months prior to the date of the booking.~~

~~No retrospective applications for fee support will be considered.~~

~~The following requirements apply to all Applicants:~~

- ~~They will need to reapply each year for further council support.~~
- ~~They will need to apply for the full extent of funding for the financial year upfront~~
- ~~They will need to provide all financial information to council in order for a decision to be made~~
- ~~They will need to show that they are financially sustainable without further support from council; and~~
- ~~They will need to recognise Council's contribution via way of promotion or advertising the event.~~

~~Applications which do not meet the defined criteria will be advised that the request is not eligible for consideration under this policy~~ and will be assessed by the Fee Waiver Committee.

~~5.6.~~5.5. Promotional and Marketing Activitiess

From time to time certain businesses within Council will offer initiatives or promotional ticketing to market an event or facility. These offers may include:

- Vouchers for accommodation in Holiday Haven
- Tickets to events at the Entertainment Centre
- Reduced pricing to events at aquatic centres

Any such offers need to be documented and captured in the fee waiver ~~register~~report.

~~5.7.~~5.6. Ineligible Waivers

Fees cannot be waived under the following scenarios:

- ~~For sportsgrounds and community facilities managed by a~~ Management Committees ~~do not have authority to waive/subsidise fees, unless agreement is sought from the Management Committee by the Facilities Coordinator. In this case, a~~An application needs to be made through either this Policy or Council's adopted Guidelines and Procedures for Annual Donations, Sponsorships and Subsidies in conjunction with Councils Donations Policy
- If other Council assistance is provided for the event
- For meetings of an organisation that are closed to the community
- For marketing, advertising or promotion of a commercial entity
- Where the event/activity can be self-funded
- Bonds ~~(may only be partially waived)~~, additional garbage or waste services or the cost of cleaning associated with the event /activity and use of the facilities (i.e.~~,~~ hard costs such as labour, electricity, etc.)

(Note: Bonds are held to reimburse Council for damage or cleaning costs, ~~therefore~~ and may be partially or~~cannot be~~ fully waived ~~but may be reduced~~ based on past dealings with the hirer or the type of activity to be undertaken. In accordance with this procedure or at the discretion of the Facilities Coordinator. If the extent of damage or cleaning exceeds the bond, then Council may seek compensation for all associated costs.)

~~5.8.~~5.7. Delegations and Authorities

Authority levels for fee waivers or subsidies for approved organisations shall be as follows:

Waiver or subsidy amount	Approver
For subsidies up to $1,000 in any one financial year	Section Manager
All subsidies over $1,000 and under $4,000	Group Director
Any subsidies over $4,000	Council

In accordance with Section 377 of the *Local Government Act 1993*, for subsidies over $4,000, the General Manager may authorise payment of ~~a~~ the donation, sponsorship or subsidy voted by Council, other than where it is a decision under Section 356(2) to contribute money or otherwise grant financial assistance to an individual. Payment to an individual must be authorised by Council resolution and following a 28 day public exhibition period, if applicable.

~~5.9.~~5.8. Reporting

A quarterly~~n annual~~ report shall be submitted to Council detailing all fee support granted under this Policy. The fee support shall be recognised in Council's Financial Statements and in the Annual Report also.

6 IMPLEMENTATION

The responsibility for the implementation and review of this policy shall be with the Director ~~of~~ Finance Corporate & Community Services Group.

7 REVIEW

The Finance Corporate & Community Services Group will review this policy:

- Within 12 months of the date of the election of every new Council
- Every four years; or
- As directed by Council; or
- As a result of a review in legislation that affects this policy

8 APPLICATION OF ESD PRINCIPLES

Non Applicable

~~10~~9 RELATED POLICIES

Description	Changes
~~Council Waterways Infrastructure – Commercial Uses~~	~~Not impacted by this Policy as only for Commercial Users~~
~~Communications site charging policy~~	~~Not impacted by this Policy~~
~~Policy on Waiving of Development Application Fees and Other Fees for Charitable Organisations and Community Groups~~	~~Not impacted by this Policy~~
Use and Hire of Community Facilities for Commercial Activities	~~Will need to add reference to the new policy~~ Has been updated to reference this Policy.
Sportsgrounds – User Group Responsibilities	~~Will need to add reference to the new policy~~ Has been updated to reference this Policy.
~~Donations – Sponsorship Policy~~	~~Not impacted by this Policy~~
Shoalhaven Entertainment Centre Hiring Policy	~~Will need to add reference to the new policy~~ Has been updated to reference this Policy.
~~Shoalhaven Entertainment Centre Sponsorship Policy~~	~~Not impacted by this Policy~~
~~Code of Conduct~~	~~Not impacted by this Policy~~
~~Donations Policy~~	~~Not impacted by this Policy~~
~~Elite Athlete Support Program Policy~~	~~Not impacted by this Policy~~
~~Community Service Obligations (CSO's) – Water Supply, Wastewater, Effluent, Trade Waste Services and Section 64 contributions~~	~~Not impacted by this Policy~~
~~Occupation of Council Owned or Managed Land~~	~~Not impacted by this Policy~~
Sportsgrounds and Community Facilities Fees Policy	New Policy which references this Policy

Application for Fee Support in **Financial Year** _____/_____

Please note – fee support is subject to budget constraints and may not be approved.
Please complete the following application form where assistance from Council is requested.
This form should be submitted a minimum of two (2) months prior to the booking. No retrospective requests will be considered.
This information is the minimum required for an application.
Date: _____

Details of Organisation/Individual:
1. Name of Applicant/Organisation responsible for the event/activity: _____
Contact person Signature: _____
2. Mailing address: _____
3. Email Address : _____
4. Phone: (Home) (Business) _____
5. Quoted Hire Fees for this event $.....
6. Amount of assistance being sought: $ _____
7. Organisation type: Non Profit/Charity/Incorporated/other *(please circle)*
(Attach documentation/certification for above)

Commercial undertaking YES/NO
Do membership fees apply YES/NO
Amount charged for membership $_____
Number of people in organisation/members _____

8. Office bearers of organisation (President, Secretary, Treasurer or Project Manager):
_____
_____
_____

9. Please provide a copy of applicant's/organisations financial statement for the previous financial year, including profit and loss, balance sheet and bank statement

Title of Event/Project

1. Please give a brief description of the event/project for which assistance is sought:
2. Is this proposed to be an annual event/project? YES/NO
3. Date/s of the proposed event/project
4. Where will the event/project take place?
5. Is the event open to the community?
6. Will an entry fee be charged?
7. Name of Public Liability Insurer
8. Amount of insurance cover $
9. Will the event/project support charities YES/NO

If YES, % events income $

Funding

1. Cost of the total event/project $
2. How much are you seeking from Council $
3. Funds available at present to go towards event $
4. How are funds to be raised?
5. Has Council previously assisted/sponsored your organisation? YES/NO
6. What was the amount (per annum) of $ the assistance from Council?
7. What were the dates for the assistance?
8. Have you applied for funding from other groups, agencies or organisations? YES/NO
9. If YES, how much has been sought $

Name of Group or organisation

10. Will this event/project be self-funding in the future? YES/NO

If NO, will the event/project be dependent on future funding from Council? YES/NO

12. Detail the Benefit to Council arising from the fee support:

.....

.....

.....

.....

13. How will you recognise and acknowledge Council's support arising from the fee support?.....

.....

.....

Council Use Only

Fee as stated in the Fees & Charges .....
Is this request over $4000 - Report to Council required? .....

Comments:

☐ Officer .....
Date.....
Comments.....
.....
.....

☐ Officer .....
Date.....
Comments.....
.....
.....

☐ Officer .....
Date.....
Comments.....
.....
.....

Finance Authority:

Subsidy information has been added to the Financial summary Yes/No .....
This payment is not a subsequent funding for this year
Yes/No.....Date.....
Previous Payment Made $.....Date .....

Comments.....
.....
Completed Yes/No .....

Comments:

Manager.....Date.....
...
Comments.....
..
Supported Yes / No

Section
Manager.....Date.....
Comments.....
...
Supported Yes / No up to $1000, no further authorisation required

Comments:

Director Dependent upon group.....Date.....
Comments.....
...
Approved / Declined up to $4,000 (otherwise report to Council)

This form is for the purpose of Shoalhaven City Council insurance requirements and for administrative purposes. The information will be used solely by Council officials for the purpose mentioned above. The applicant understands that this information is provided on a voluntary basis and they may apply to Council for access to, or amendment of, the information at any time.

Commented [PG10]: Moved to Procedure

2.2.3 User Charges

(a) Committees will control the booking of facilities subject to the schedule of fees and charges being approved or developed by Council on an annual basis. The approved Schedule of Fees is to be prominently displayed at the facility and no discounts or waiving of fees is allowable.

(b) ~~Incorporated~~ All sporting groups from within ~~in~~ the Shoalhaven ~~for the following sports~~ will ~~not~~ be subject to fees ~~, soccer, cricket, rugby league, rugby union, touch football, netball, softball, hockey, AFL, athletics~~. Fees may be charged for other users e.g. carnivals, fund raising events, sporting groups from outside the Shoalhaven at a differential rate.

(c) Fees received will be retained by committees to cover the day to day costs of running and maintaining the facility as set out in 2.3.2(b) and carrying out improvements (subject to those improvements being identified within the approved Management Plan).

(d) Floodlighting fees will be standardised across all grounds. The current fee fixed by Council is detailed in the current schedule of fees and charges. This fee should be charged by all committees.

2.2.4 Exclusive Use (Sports Facilities)

(a) A club may nominate a facility as its home ground if supported by the facility committee and if warranted by club requirements / needs. If the need for use by the club diminishes, Council may implement its powers to dissolve the committee and / or the club's home ground status.

(b) Notwithstanding the above, Council may, at its discretion, permit any sporting code within the City to develop and maintain a sporting area for its own purposes under Leasing / Licensing Agreement. Council would not normally insist on scheduling other events (other than school events) on that area.

2.3

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
Website: www.shoalhaven.nsw.gov.au
For more information contact the Finance Corporate & Community Services Group

Sportsgrounds Management Policy

***Policy Number**: POL17/15 • **Adopted**: 4/04/2017 • **Minute Number**: MIN17.245 • **File**: 5270E • **Produced By**: Finance Corporate & Community Services Group • **Review Date**: 1/12/2020*

1. PURPOSE

To provide policy guidance for the management of Council's sportsgrounds network.

2. STATEMENT

In the context of this policy a sportsground is public open space which Ccouncil maintains for active recreational use (i.e. organised sports). A sportsground is not a natural area, park, beach streetscape etc.

3. PROVISIONS

3.1. Sporting Group Communications

- Council will ~~receive~~ consider sports planning, policy and funding recommendations from Shoalhaven Sports Board.
- ~~Shoalhaven Sports Board~~Council will receive planning, policy and funding recommendations from the one Sporting Association/Peak Body based in the Shoalhaven. Sporting Clubs are requested to forward planning, policy and funding requests to their Sporting Association/Peak Body. Where a Shoalhaven sports club has no Sporting Association/Peak Body based in the Shoalhaven, the Board will ~~accept~~ consider recommendations from the appropriate representative body for that sport.
- Sporting Individuals are requested to forward planning, policy and funding requests to their Sporting Club or Association/Peak Body.
- Sporting Associations/Peak Bodies are requested to assess sporting club planning, policy and funding requests prior to forwarding their recommendation to ~~Shoalhaven Sports Board~~Council. These Associations/Peak Bodies are encouraged to formally meet at least once a year with relevant Council Officers to discuss current issues and development of their sport. Depending on the outcome of this meeting, Sporting Associations/Peak Bodies may be invited to present a report to Shoalhaven Sports Board.
- ~~Sporting Clubs are requested to forward planning, policy and funding requests to their Sporting Association/Peak Body. Where a Shoalhaven sports club has no Sporting Association/Peak Body based in the Shoalhaven, the Board will consider recommendations from the appropriate representative body for that sport.~~

- ~~Sporting Individuals are requested to forward planning, policy and funding requests to their Sporting Club or Association/Peak Body.~~
- Risk management issues associated with any sport played in or on a Council managed facility should be communicated immediately to Council.
- Sporting Clubs are requested to forward and confirm ground allocation requirements with Council before use of a ground.
- General planning, policy, legislation, funding and specific Shoalhaven based sporting information will be communicated to Associations/Peak Bodies, Sporting Clubs and sporting individuals via the Shoalhaven Sports Board. However, in some circumstances this may involve written correspondence to relevant Associations/Peak Bodies, Sporting Clubs and sporting individuals directly from Council Staff.

3.2. User Group Responsibilities

- Sportsground charges are applied as per Council's adopted Fees and Charges.
- User groups shall pay full costs associated with the lighting of sportsgrounds for the duration of their allocated use.
- User groups shall meet the cost of line marking (including the line marker/materials).
- User groups who use goal posts shall be responsible for the supply and maintenance of goal posts and seasonal removal and replacement ~~where required~~ at shared facilities, where posts are required to be removed or replaced mid-season (for example for an event), the event organiser will be responsible for the costs of removing and replacing the posts. All posts must conform to Council requirements and meet appropriate guidelines and standards for each sporting code.
- User groups shall be responsible for the maintenance and preparation of turf wickets. Synthetic wickets and ~~b~~nets are maintained by Council.
- User groups are responsible for cleaning amenity facilities (i.e. change rooms & canteen) after each use.
- Where a sportsground has a clubroom, the user group(s) is responsible for the cost associated with the maintenance of the interior of the building (i.e. cleaning, maintenance, utility accounts, general building improvements & pest control).

3.3. Glass Bottle Free Sportsgrounds

- Council prohibits the supply, sale and consumption of drinks in glass bottles or glass containers on Council managed sportsgrounds.

3.4. Sportsground Closures

- During or following wet weather, a club/user group, which has been given a specific ground allocation, is responsible for determining the suitability of a sportsground for play/training and to advise its members/participants of a sportsground closure.
- During or following wet weather Council will determine whether a sportsground should be declared closed for a casual booking.
- During prolonged and/or extreme weather, (i.e. drought or flood) Council will determine whether sportsgrounds are suitable for use and advise clubs/user groups if sportsgrounds are not available for use.
- During or following hot weather conditions a club/user group, which has been given a specific ground allocation, is responsible for determining if the ground and weather

conditions are safe for play/training and advise its members/participants of a sportsground closure.

- Where a ground is controlled by a Management Committee, the Committee may determine the suitability of the ground for play.
- Where a club/user group has determined a ground to be fit for play and excessive damage is caused to the ground, the club will be responsible for reasonable costs for repair of the ground. The Social and Infrastructure Planning Unit staff will determine if the damage is excessive.
- Council reserves the right to close any ground.

3.5. Sportsground Perimeter Fencing

- One fenced 'feature' sportsground be provided in each of the Northern, Central and Southern areas of the City by Council where an entry fee can be collected. ~~and the accessible by all legitimate hirers is not affected.~~

"Feature" grounds must be readily accessible by all legitimate hirers.

- Perimeter fencing of other sportsgrounds may be permitted in consultation with Council and where public access to the facility is not significantly affected and the fencing is provided by the Club.
- ~~"Feature" grounds must be readily accessible by all legitimate hirers.~~
- Showgrounds are excluded from this policy as perimeter fencing is needed to facilitate event usage.
- Some sportsgrounds will be protected by way of locked fencing eg synthetic surfaces, however these facilities should still be available to the community by way of hire or social membership.

3.6. Smoke Free Act

All sportsgrounds are non-smoking venues as outlined in the Smoke Free Environment Act 2000.

3.7. Priority of Use

Major events will have priority over regular events. If there are regular bookings for a fixture and a large event with significant community benefit wished to book the site, ~~Council would negotiate with~~ The ~~the~~ sporting group will relocate to another ground, to free up the venue. ~~if possible.~~ (Sporting Board recommendation Jan 2009)

3.8. Maximising Facility Usage

Many of Council's sporting facilities are used predominantly on weekends or in the evenings and most are currently sole purpose. Where sporting facilities experience downtime, it may be due to recovery time for fields to regenerate between use, ~~or~~ turnover of seasons, or renovations. Overuse of sportsgrounds may lead to significant repair costs if not managed correctly. Sporting fields during down time also provide an aesthetic outlook for the public or for schools and the public to use when required.

In line with Councils Community Infrastructure Strategic Plan 2017-2036, Council will focus on assisting clubs in upgrading facilities that provide for multiple sporting and recreation codes, shared social facilities and co-location multi-purpose venues, with a focus on increasing membership.

The only new developments in relation to sporting venues to cater to the above requirements and to meet future population and demographic/sporting needs will be by consolidation or repurposing of facilities from other sites.

4. IMPLEMENTATION

The Finance Corporate & Community Services Group will administer this policy

5. REVIEW

To be reviewed within one year of the election of a new Council.

6. APPLICATION OF ESD PRINCIPLES

Natural Capital – Encourage the use of recycled materials and low energy alternatives in sportsground facility improvements. Examples are the use of REMS water, recyclable plastics and solar heating/lighting.

Social Integrity – Encourage community involvement in undertaking sportsground improvements

Ecological Integrity – Deter litter around and on sportsgrounds.

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

Website: www.shoalhaven.nsw.gov.au

For more information contact the Finance Corporate & Community Services Group

SPORTS ~~CAPITAL WORKS PARTNERSHIP~~ GRANTS PROGRAM ~~(CAPITAL WORKS)~~

***Policy Number**: POL16/219 • **Adopted**: 27/06/2006 • **Amended**: 18/12/2007, 28/04/2009, 21/12/2009, 18/05/2010, 21/05/2013, 28/03/2017 • **Minute Number**: MIN06.778, MIN07.1842, MIN09.509, MIN09.1789, MIN10.588, MIN13.532, MIN17.247 • **File**: 5270E • **Produced By**: Finance Corporate & Community Services Group • **Review Date**:*

1. PURPOSE

To define the ~~finding~~ funding framework for sports groups to partner Council to deliver capital works projects / improvements. The funding framework allows for design and delivery of new works, or improvements to existing capital fixed assets at sporting facilities on Council managed land.

2. STATEMENT

2.1. Who does the policy apply to?

The Sports ~~Capital Works Partnership~~Grants ~~Program~~ is available to all Shoalhaven based sports groups that meet the provisions of this policy and wish to undertake design for new works or improvements to existing fixed assets on Council managed land.

2.2. Council funding

Council funding for this program is to be reviewed annually during the budget process.

Council's matching financial contribution for this program is available to eligible Shoalhaven based sporting groups on the basis of $2.00 from Council for each $1.00 contributed by sporting organisations. Eligible projects will require endorsement from the relevant sporting association.

The program also supports those Shoalhaven based sporting groups who wish to accumulate funds for strategic projects by carrying over Council's matching contribution to the next financial year. However, funds will only be carried over to match the amount collected by the sporting group for the nominated strategic project(s) which are agreed upon by the Shoalhaven Sports Board.

2.3. Capital improvements

Capital improvements to sporting facilities refer to the provision of new or improvements to existing capital fixed assets and should be in line with the Community Infrastructure Strategic Plan 2017-2036 and in accordance with the following criteria:

SA17.232 - Attachment 6

- Consolidation of assets
- Current legislation compliance
- Higher usage levels of fewer assets
- Multiple-use facilities
- Increased range of activities, services and programs being offered
- Increased participation, particularly by target groups (eg children, aged, disabled, different cultural backgrounds etc)

. Such improvements typically involve:

- Design costs for capital projects
- Lighting of sports fields
- Improvements to amenity blocks
- Spectator facilities
- In-ground drainage and/or irrigation
- Improved playing surfaces
- Car park and access road sealing
- Long cycle refurbishment of tennis courts

This does not include provision of machinery.

2.4. **Sports group involvement**

The nature of this program allows Shoalhaven based sporting groups to determine their level of involvement and their preferred methods of collection of funds to partner Council in the improvement of facilities on Council managed land. Such methods could include direct levy of participants, fundraising, sponsorship or successful grant applications.

Council's Sports Management Policy outlines the process for all communication which will take place between relevant Sporting Associations or Peak Bodies and Council.

2.5. **Criteria for prioritisation**

I. Compliance with strategic and other plans of council – 50%

II. Value of additional in-kind labour to contribute – 15%

III. Percentage of funding club is contributing – 10%

IV. The apparent "readiness" of the project to proceed – 15%

V. Benefit to other users of the ~~reserve~~ Council Managed Land – 10%

3. PROVISIONS

The following provisions apply:

3.1. This Sports ~~Capital Works Partnership~~ Grants Program applies to all sports that occur on Council managed land.

3.2. Council's matching financial contribution is available for Shoalhaven sporting groups on the basis of $2.00 from Council for each $1.00 contributed by the applicant with evidence of available funds at time of application

SA17.232 - Attachment 6

3.3. Applications are invited in April each year and must be received by 30 June for the following financial year. The Applications will be considered by the Board at its first meeting after 1 July.

Applications must include the following:

- A statement of community benefit
- Levels of participation
- An assessment, either by the local sporting group or by the peak bodies of the relevant sporting codes, of the future building and sport facility requirements within the City over the next 20 years
- Assessment of the clubs financial capacity (including audited financial statements for the preceding three years)
- A five year forward Business Plan, including financial projections
- Site plans

~~3.3.~~• Quotes in line with Councils Purchasing Procedure for the planned work

3.4. After 1 July the Shoalhaven Sports Board will consider the project priority ~~from~~ for the remaining funding pool ~~for project funding~~ based on ~~priority~~ need and the ability of the project to be delivered or part delivered in the relevant financial year. These priority projects will be reported to the Board for endorsement.

3.5. In-kind contributions may be used to value-add to projects but will not substitute for the cash contribution component.

3.6. Funds will not be carried over on a promise of raising matching funds in subsequent years and funds used to match previous Council contributions cannot be used to bid for funds in subsequent years.

3.7. Projects qualifying for the Program will be subject to a financial limit of $50,000 in matching funds.

3.8. Where there is more than one application from a sporting code, the Association must indicate its priority. Associations should provide equal access for all clubs to Council's financial allocation. Where no Association / Peak Body exists, Council will liaise directly with the sporting club.

3.9. Council's funding commitment to this Program will be reviewed annually as part of Council's annual Management Plan/Budget review.

~~3.10.~~ Once funding is approved c~~C~~ontributory funds ~~may be held~~shall be paid to Council by the Sporting Association / Peak Body (or affiliated Club) prior to the project commencing ~~or Council providing the overall project management/funding arrangements have been endorsed by the Sports Board and Council.~~ Council will provide Purchase Orders as per the successful quotes.

~~3.11.~~3.10. All projects shall be overseen by a qualified / licensed operator approved by Council. This will require the qualified / licensed operator providing Council with relevant Work Health & Safety information and Safe Work Method Statements. Council has limited capacity to assist in project delivery and this may require the funds to recover relevant staffing costs. If Council is required to provide this service, it reserves the right to recoup its expenditure from the project allocation.

~~3.12.~~3.11. After considering a staff report, the Board will recommend to Council the allocation of any unexpended funds for improvements to sports facilities.

~~3.13.~~3.12. This policy does not apply to Management Committees, other than Committees administering tennis courts or sports with lease agreements with payments contributing to a capital improvement 'sinking' funds or swimming clubs, Surf Life Saving Clubs and

skate park users that are funded from a separate annual capital works budget allocation.

~~3.14.~~3.13. Where a project has not commenced in the financial year following the year of allocation, the funding may be withdrawn and re-allocated. The sports group will be advised prior to the withdrawal of funding.

~~3.15.~~3.14. Where the total project cost is less $5,000, one quote should be sought, and over $5,000 and less than $24,999 – two written quotes should be sought and if greater than $25,000 at least three written quotes should be obtained, consistent with the Procurement procedure. Refer to this Procedure for amounts over $75,000.

3.15. Projects should be consistent with Council's Community Infrastructure Guidelines.

~~3.16.~~ All improvements or alterations to playing fields or facilities will become and remain the property of Council and cannot be removed by the hirer. Council is not required to compensate the hirer for the cost of such improvements or alterations.

4. IMPLEMENTATION

The Finance Corporate & Community Services Group will administer this policy.

5. REVIEW

To be reviewed within one year of the appointment of a new elected Council.

SA17.232 - Attachment 6

File Reference 24899	Sports ~~Capital Works~~Grants Program (Capital Works) **Project Nomination Form** Annual closing date is ~~1~~1st ~~July~~30th June	SHOALHAVEN SPORTS BOARD Ref No.

PART A: To be completed by the Club(s) nominating the project (please print)

Project name: _____

Project description: _____

Name of reserve / location: _____

Is the land managed by Shoalhaven City Council? Yes / No

Name of Club: _____

Postal address: _____

Contact person: _____

Position held: _____

Business phone: _____ Mobile: _____

Fax: _____ Email: _____

Does your club have an ABN? Yes / No If yes please supply ABN No.: _____

Is your club registered for GST? Yes / No ~~If yes please supply No.:~~ _____

Does your Club have a Business Plan? If yes, please provide a copy of your Business Plan for the next 5 years, including financial projections.~~.~~

Please provide details of any community benefit as a result of the nominated project:

_____

_____

Club user profile. Please provide a breakdown of your current Club membership:
Child (0-11yers) Male____Female____ Adults (18-49yrs) Male____Female____
Youth (12-17yrs) Male____Female____ Seniors (50+yrs) Male____Female____

Please highlight any changes to membership numbers as a result of this project

Please provide audited financial statements for the preceding three years to enable assessment of the clubs financial capacity.

Proposed project starting date: _____ Anticipated project completion date: _____

Has a Development Application (where applicable) been approved? Yes / No If no, please explain:
_____

Has a Construction Certificate been approved? Yes / No If no, please explain:_____
_____

Does the project have the support of other ground users? Yes / No If yes, please provide a list of users below? Please provide and attach letters of support?

_____

PART A Continue

Project cost breakdown (Please attach copies of all quotes)

Itemised description of all components that will make up the project	**Net Cost**	**GST**	**Total Cost**
Net Project Cost	**$**		
GST		**$**	
Total Project cost (i.e. Net Cost + GST)			**$**

Project funding breakdown (Please provide copies of all supporting details)

	Source / Brief Description	**Amount $**	**Funding verified**
Cash Funds Attach a copy of details			Yes / No
Loan Funds Attach a copy of details			Yes / No
State Government Funds Attach a copy of details			Yes / No
Federal Government Funds Attach a copy of details			Yes / No
In- Kind Donations Attach a copy of details			Yes / No
In-Kind Labour Attach a copy of details			Yes / No
Other Attach a copy of details			Yes / No
Total Funds Available (Must Include GST)		$	
User Contributions Policy Funding Request		$	
Total In-kind Donations / Labour		$	
Total Project Cost (must equal the above Total Project Cost)		$	

Signature of contact person: _____ **Date**: _____

The information requested by Council on this form may constitute personal information under the Privacy and Personal Information Protection Act 1998. Council is allowed to collect the information from you to consider this matter. Supplying this information is voluntary. However if you cannot or do not wish to provide the information, Council may not be able to consider the matter. If you need further details, please contact the Public Information Officer, Shoalhaven City Council.

PART B – To be completed by the relevant Association/Peak Body (please print)

Name of organisation: _____

Postal address: _____

Contact person: _____

Position held: _____

Business phone: _____ Mobile: _____

Fax: _____ Email: _____

Does the submitting group have a formal organisational structure (ie President, Secretary etc)? Yes / No. If Yes please provide details:

Does the proposed project meet the high priority needs of the sport. Yes / No If yes, please provide details how?

_____
_____
_____
_____

Please provide the future building and sporting facility requirements for your sporting organisation, within the City over the next 20 years.

_____
_____
_____
_____

Recommendation – If more than one application is submitted by your organisation a priority should be given to this project relative to other projects

_____
_____
_____
_____

Signature of contact person: _____ **Date**: _____

The information requested by Council on this form may constitute personal information under the Privacy and Personal Information Protection Act 1998. Council is allowed to collect the information from you to consider this matter. Supplying this information is voluntary. However if you cannot or do not wish to provide the information, we may not be able to consider the matter. If you need further details, please contact the Public Information Officer, Shoalhaven City Council.

Please send completed nomination forms to:

The General Manager
Shoalhaven City Council
PO Box 42
Nowra NSW 2541

File Reference 24899

Further Information:

Please call Council on 4429 3331

Fee comparison - Tennis courts and Halls

	Unit	Berry School of Arts	Nowra School of Arts	Average	Recommended
Category A - Facilities					
Hall Hire					
Community Regular Hire - Weekdays - Day	Hr	$ 16.25		$ 16.25	$ 16.00
Community Casual Hire - Weekdays - Day	Hr	$ 16.25	$ 40.05	$ 28.15	$ 28.00
Community Casual Hire - Functions - Half Day	6 hrs	$ 351.50		$ 351.50	$ 352.00
Community Casual Hire - Functions - Full Day	8am-12am	$ 616.50		$ 616.50	$ 617.00
Commercial - Casual Hire - Weekdays - Day	Hr	$ 22.15	$ 73.20	$ 47.68	$ 48.00
Commercial - Casual Hire - Cleaning Fee			$ 113.55	$ 113.55	$ 114.00
Bond		$ 2,080.00	$ 2,080.00	$ 2,080.00	$ 2,080.00

	Unit	Callala Beach	Callala Bay - Emmett Street	Lake Conjola & Orient Point	Bomaderry Community Centre	Culburra Beach	Huskisson	Kiola/Bawley Point	North Nowra	Shoalhaven Heads	St Georges Basin	Sussex Inlet	Average	Recommended
Category B - Facilities														
Hall Hire														
Community Regular Hire - Weekdays - Day	Hr	$ 7.25	$ 10.80	$ 14.00	$ 13.10	$ 15.60	$ 8.30	$ 4.25	$ 13.00	$ 15.10	$ 10.75	$ 7.55	$ 10.88	$ 11.00
Community Regular Hire - Weekdays - Night	Hr	$ 9.50											$ 9.50	$ 10.00
Community Casual Hire - Weekdays - Day	Hr	$ 12.50	$ 15.10	$ 17.05	$ 17.70	$ 20.80	$ 14.55	$ 11.85	$ 17.25	$ 18.70	$ 40.55	$ 9.75	$ 17.80	$ 18.00
Community Casual Hire - Weekdays - Night	Hr	$ 16.65									$ 58.25	$ 33.55	$ 36.15	$ 36.00
Community Casual Hire - Functions - Half Day	6 hrs	$ 166.50		$ 178.45			$ 156.00						$ 166.98	$ 167.00
Community Casual Hire - Functions - Full Day	8am-12am	$ 285.50	$ 468.00	$ 281.20	$ 154.65	$ 270.40	$ 312.00	$ 227.15	$ 248.75	$ 302.85	$ 265.20	$ 187.15	$ 272.99	$ 273.00
Use of Outside Power		$ 32.45											$ 32.45	$ 32.00
Community Casual Hire - Weekends - Day Hire	Hr	$ 12.50	$ 18.70										$ 15.60	$ 16.00
Community Casual Hire - Weekends - Night Hire	Hr	$ 16.65											$ 16.65	$ 17.00
Commercial - Casual Hire - Weekdays - Night	Hr	$ 14.15											$ 14.15	$ 14.00
Commercial - Casual Hire - Weekdays - Day	Hr	$ 12.50		$ 21.10	$ 20.10	$ 29.75	$ 20.80		$ 18.30	$ 29.75			$ 21.76	$ 22.00
Commercial - Casual Hire - Weekend - Night	Hr	$ 18.70											$ 18.70	$ 19.00
Commercial - Casual Hire - Cleaning Fee		$ 104.01											$ 104.01	$ 104.00
Commercial - Casual Hire - Weekend - Day	Hr	$ 16.10	$ 14.50										$ 15.30	$ 15.00
Elections		$ 364.00	$ 374.00	$ 356.95	$ 356.95		$ 324.50	$ 324.50		$ 549.45	$ 343.20	$ 324.50	$ 368.67	$ 369.00
Commercial - Regular Hire - Weekdays - Night	Hr	$ 13.50											$ 13.50	$ 14.00
Commercial - Regular Hire - Weekdays - Day	Hr	$ 10.90	$ 18.70	$ 19.25	$ 14.85		$ 14.55		$ 15.10	$ 25.90			$ 17.04	$ 17.00
Bond		$ 2,080.00	$ 2,288.00	$ 2,080.00	$ 2,080.00	$ 2,080.00	$ 2,080.00	$ 2,080.00	$ 2,080.00	$ 2,080.00	$ 2,080.00		$ 2,100.80	$ 2,101.00

	Unit	Callala Bay - Boorawine	Erowal Bay & Vincentia Community Hall	Burrill Lake Community Hall	Cudmirrah-Berrara	Greenwell Point	Manyana	Average	Recommended
Category C - Facilities									
Hall Hire									
Community Regular Hire - Weekdays - Day	Hr	$ 8.40	$ 10.60	$ 9.45	$ 6.45	$ 8.55	$ 6.50	$ 8.33	$ 8.00
Community Regular Hire - Weekdays - Night	Hr						$ 6.50	$ 6.50	$ 7.00
Community Casual Hire - Weekdays - Day	Hr	$ 10.90	$ 13.30	$ 13.10	$ 13.50	$ 13.75	$ 8.65	$ 12.20	$ 12.00
Community Casual Hire - Functions - Half Day	6 hrs				$ 108.15		$ 34.60	$ 71.38	$ 71.00
Community Casual Hire - Functions - Full Day	8am-12am	$ 98.80	$ 129.80	$ 237.95	$ 216.30	$ 297.45	$ 82.20	$ 177.08	$ 177.00
Commercial - Casual Hire - Weekdays - Day	Hr	$ 12.50	$ 13.30	$ 16.30	$ 13.50	$ 14.85		$ 14.09	$ 14.00
Commercial - Casual Hire - Weekend - Night	Hr					$ 23.80		$ 23.80	$ 24.00
Elections			$ 356.95	$ 356.95	$ 324.50			$ 346.13	$ 346.00
Commercial - Regular Hire - Weekdays - Night	Hr					$ 16.00		$ 16.00	$ 16.00
Commercial - Regular Hire - Weekdays - Day	Hr	$ 10.40		$ 13.10	$ 10.80	$ 11.85		$ 11.54	$ 12.00
Bond		$ 2,080.00	$ 2,080.00	$ 2,080.00	$ 2,080.00	$ 2,080.00		$ 2,080.00	$ 2,080.00

	Callala Beach	Callala Bay	Cudmirrah	Culburra Beach	Currarong Lease	Greenwell Point	Huskisson	Manyana Yulunga	Shoalhaven Heads	Sussex Inlet - Hard	Wandandian	Nowra - West Street Lease	Erowal Bay Lease	Kangaroo Valley Lease	Milton Lease	Average	Recommended
Surface - Hard																	
Tennis Courts																	
Regular - day hire		$ 6.95		$ 8.70	$ 8.70		$ 6.50	$ 7.55	$ 6.50	$ 7.55					$ 10.00	$ 7.81	$ 8.00
Regular - night hire				$ 12.45	$ 12.45		$ 12.45	$ 11.35	$ 12.45	$ 11.35					$ 15.00	$ 12.50	$ 13.00
Casual - day hire	$ 11.00	$ 7.55	$ 10.85	$ 9.70	$ 14.65	$ 9.70	$ 12.45	$ 9.70	$ 12.45	$ 10.30	$ 6.50	$ 8.70	$ 15.00	$ 15.00	$ 20.00	$ 11.57	$ 12.00
Casual - night hire	$ 14.00			$ 15.00	$ 24.60	$ 18.40	$ 18.40	$ 12.45	$ 18.40	$ 15.10	$ 12.95	$ 12.45	$ 15.00		$ 25.00	$ 16.81	$ 17.00
Commercial - day hire	$ 11.00	$ 9.15														$ 10.08	$ 10.00
Commercial - night use - lights	$ 14.00															$ 14.00	$ 14.00
Key Deposit	$ 27.05	$ 27.05	$ 27.05	$ 40.05	$ 40.05	$ 40.05	$ 40.05	$ 40.05	$ 40.05	$ 40.05	$ 40.05	$ 40.05				$ 36.80	$ 37.00

	Berry	Kiola/Bawley Point	Lake conjola	Sussex Inlet - Grass	Bomaderry Narang Road	Ulladulla Lease	Average	Recommended
Surface - Synthetic								
Tennis Courts								
Regular - day hire	$ 8.10	$ 7.55	$ 8.70	$ 10.30		$ 10.00	$ 8.93	$ 9.00
Regular - night hire	$ 10.30	$ 12.95	$ 12.95	$ 15.00		$ 15.00	$ 13.24	$ 13.00
Casual - day hire	$ 10.85	$ 10.85	$ 10.85	$ 11.35	$ 15.00	$ 20.00	$ 13.15	$ 13.00
Casual - night hire	$ 14.65	$ 12.95	$ 16.25	$ 16.80		$ 25.00	$ 17.13	$ 17.00
Commercial - day hire		$ 13.05					$ 13.05	$ 13.00
Commercial - night use - lights		$ 14.30					$ 14.30	$ 14.00
Key Deposit	$ 27.05	$ 27.05	$ 27.05	$ 40.05			$ 30.30	$ 30.00

ENGAGEMENT PLAN AND COMMUNICATIONS STRATEGY
New Policy – Sportsgrounds and Community Clubs Fees Policy – September 2017

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ENGAGEMENT PLAN AND COMMUNICATIONS STRATEGY

Background

In 2013 Council approved a Transformation Taskforce project to review Fees and Charges. The objectives of this project team were to complete a review of fees and charges to ensure:

- Compliance with and consistency of current policies, including delegations and authorities, along with effectiveness
- Appropriate return on investment is being realised
- Analytical review of the costs of providing sporting grounds, facilities and Community Halls
- Identification, level and reporting of subsidies
- Anomalies with regard to hiring subsidies are highlighted, and consensus reached on the process moving forward
- Council's financial capacity to support those hiring Council facilities.

A number of recommendations were made with regard to this project and this new Policy is a result of that further work.

Purpose and Aim of the Engagement Strategy

Council utilised consultants LKS Quaero for the review of fees and charges for sporting groups and council facilities. In the course of this project, three community workshops were held at Nowra Showground, the Bay and Basin Leisure Centre, and the Ulladulla Civic Centre. Approximately 50 people attended these workshops, representing either community sporting groups or facility management committees. Further consultation was also held with Council employees, the Sports board and community groups. In addition to this 70 Council Owned facilities were visited.

The topic of discussion was contentious for a number of the attendants at these session and therefore this engagement strategy document is to follow up on this work originally carried out by LKSQ and aims to ensure full communication of the new direction, ensuring opportunities for feedback on the recommendations and the proposed Policy in relation to Sportsgrounds and Community Clubs Fees.

Key Messages

Council wishes to provide:

- A fair and equitable system for allocating and charging for the use of reserves, community halls, recreation centres, sports grounds and associated amenities, to ensure maximisation of community use.
- Consistency and transparency in how fees are calculated
- Better allocation of Councils resources
- Clarify the expected financial, resource and physical contribution expected from occupiers of Council sporting and recreation facilities

- Recovery of some or all of the cost of maintenance of sports grounds and associated amenities from users
- Provide guidance to staff, councillors and sporting organisations on the use of Councils owned sports grounds and facilities, as well as any Council financial assistance contribution.
- To protect the interests of its ratepayers by ensuring priority of access to the City's residents
- Ensure that there is a practical approach to the collection of fees and determining whether it is economically viable to collect fees from users eg for casual users of park reserves it would not be viable however for users hiring sportsgrounds it would be easy to collect fees when bookings are made.

Relationship to Community Strategic Plan

The proposal to introduce this new Policy relates to the Leadership component of the Community Strategic Plan which contains the objectives:

4.2 Collaborative and rewarding partnerships and effective advocacy

4.3 A Council that is respected, professional, trustworthy and transparent

4.5 A Council that is accountable and sustainable

The proposal to introduce a more consistent approach to setting of fees and charges aligns to Activity 4.3.1 and 4.5.1 in the Delivery and Operational Plan and is a component in the preparation of the 2017/18 Budget and Long Term Financial Plan.

Relationship to the Community Engagement Policy

The project is considered a high impact, Council wide project within the Community Engagement Policy Matrix. It is recommended within the policy that the use of a targeted approach for this type of project would be appropriate and in accordance with IAP2 recommendations.

Risks

This project is a medium risk, and does need to be carefully managed, to ensure that all sporting groups are given adequate information with regard to the changes, the reason behind the proposal and that they are made aware that they still have the opportunity to have their say.

- It is vital to be very clear about the level of consultation being offered to the local community and sporting groups, and what they can and can't influence with regards to future changes.
- There is a need to remove the perception that Council has already made up its mind about what outcome will be achieved. Agreements will need to be put in place for each sporting group after considering all relevant input.
- The process needs to be transparent to ensure that community concerns of bias are removed
- Community expectation needs to be managed after the approach is approved.

ENGAGEMENT PLAN AND COMMUNICATIONS STRATEGY

Stakeholders

The following list is a summary of key stakeholders.

INTERNAL

- All staff involved in setting Sporting Ground Fees and charges
- Group Directors and General Manager
- Councillors
- Finance, Corporate and Community staff who will have to implement the Policy
- Executive Strategy who will have to assist and guide with this plan.

EXTERNAL

- Sporting Groups
- Sports Board
- Management Committees
- Sports users
- CCB's

Strategy Methodology overview

STAGE 1: COMMUNICATION TO COUNCIL

1.1 Councillor/Sports Board Briefing on options

Organise a presentation to Councillors in September prior to being submitted to the Strategy and Assets Meeting in September 2017.

1.3 Report to Council

The report in relation to the new Policy will go to Council's September Strategy and Assets Meeting.

1.4 Media Coverage

Media coverage will include updates on Councils website and Facebook pages and advertisements in Local Papers for the exhibition period.

STAGE 2: COMMUNICATION TO INDIVIDUAL SPORTING GROUPS

2.1 Communication with Sporting Groups with regard to introduction of Fees and Charges

- Letters to individual sports groups prior to Exhibition period for new Policy
- Frequently asked questions will be available on Councils website.

2.2 Communication with CCB's

Communication to all CCB's will be through the monthly newsletter.

SA17.232 - Attachment 8

ENGAGEMENT PLAN AND COMMUNICATIONS STRATEGY

Key considerations

The following key considerations in relation to rating also apply with regard to the new policy:

- The extent to which those who receive the benefits of council's services also pay for those services – the so called **"benefit principle"**
- The extent to which those who pay for council's services have the ability to pay for those services – the so called **"ability to pay principle"**

Media Coverage

- Newspaper advertising
- Updates on the Council website

Timeframe: May 2017 – October/November 2017

Sportsgrounds and Community Clubs Fees Policy timeline	
May-Aug 2017	Preparation of report
September 2017	Present to Councillors and Sports Board
September 2017	Letters to sporting groups
September 2017	Finalise Frequently asked questions
September 2017	Report to Council to approve new Draft Policy for exhibition
October 2017	Exhibition period closed
Oct/Nov 2017	Review of submissions
Nov/Dec 2017	Final Policy adopted by Council
Jan-Mar 2018	Update fees and charges in relation to new Policy

Budget

Engagement estimate:

- Advertising: $500 estimate
  (Placement of ads in South Coast register and Milton Ulladulla Times)
- Any additional costs will be covered by utilisation of existing budgets.

ENGAGEMENT PLAN
AND COMMUNICATIONS STRATEGY
Commitment

Commitment needs to be sought from Council and the proposed approach adopted to ensure that the outcomes provided will be considered and utilised in the final decision making process.

Council and staff need to commit to the method employed and provide consistent messages to the community about the necessity for the new policy to ensure consistency across all sporting groups.

Appendix B - Project Proposal Form - Road Safety Infrastructure for NSW Aboriginal Communities

Details of Community

Identified Aboriginal community: Jerrinja Orient Point Community

LGA: Shoalhaven City Council

Background:

The Jerrinja Orient Point Community was established in 1901. There are 28 residences in the community, two community centres, a children's playground and a community garden.

The population is approximately 200. There are four streets, large tracts of open grass land, bush and river frontage in the community, all of which require upkeep at the cost of the Jerrinja Local Aboriginal Land Council (JLALC). The community is quite isolated and is heavily reliant on private cars.

There are two entry roads leading into the community. The roads within the community are all private roads and were originally laid by Shoalhaven City Council in the 1970's and upgraded in the 1980's. Limited funds have resulted in all roads falling into a state of disrepair.

Fixing the roads and footpaths would address the current road safety issues, and at the same time would also help to build community capacity, and pride within the community.

The bitumen has completely degraded over the years, especially with heavy rain causing flooding and serious hazardous situations for residence and visitors.

In 2009, a NSW Police Community Road Safety Audit identified how the degradation of the roads *"presents an immediate safety risk to all those entering and living in the community and must be dealt with as a matter of urgency*". As stated in the 2009 report the condition of the roads is an extreme risk of damage and injury for emergency service vehicles that may be required to drive at speed on the roads in the case of emergency. One of the recommendations from this report stated that *'all road surfaces to be completely lifted, land levelled and roads re-laid and sealed'*.

Footpaths are non-existent within the community, forcing community members, young and old, to walk on the road creating serious safety situations. An Elder of the community claimed compensation for injuries incurred tripping in a pothole on the road.

In 2010 similar issues were identified in the review undertaken by the NSW Centre for Road Safety, and other key stakeholders. A number of actions were identified and these form the basis for this funding submission.

The road conditions have deteriorated further in the years since these reports were prepared. A number of meetings have been held recently with the NSW emergency services, NSW Aboriginal Land Council, Aboriginal Affairs NSW and other key stakeholders seeking solutions to the access and safety issues within the community. This submission to seek funding via a Safer Roads program is finally an opportunity to resolve these issues.

In November 2015 Shoalhaven City Council (SCC), on behalf of the JLALC, developed a Road Management Plan to assist in identifying the extent of the road problems and the cost for repair. The SCC plan identified that 87% of the road network is in 'Very Poor' condition, just 8% was identified as being in 'Good' condition, and 5% is in 'Fair' condition.

In 2013, JLALC received a small funding contribution from Shoalhaven City Council towards repairing potholes within the Jerrinja community.

However, in reality, this has only allowed for a 'band-aid' fix to the problems, such as filling some of the biggest potholes, and the potholes simply reappear when it rains. As illustrated in the photographs, the roads continue to deteriorate.

Paying for the cost of fixing the roads and the associated works to upgrade them from the current 'third world' standard is unfortunately well beyond the means of the JALC.

The issues and costs identified in the SCC report have helped to form the basis for this submission. In preparing this submission, JLALC has liaised with SCC and the costs identified in this submission have been confirmed as being appropriate.

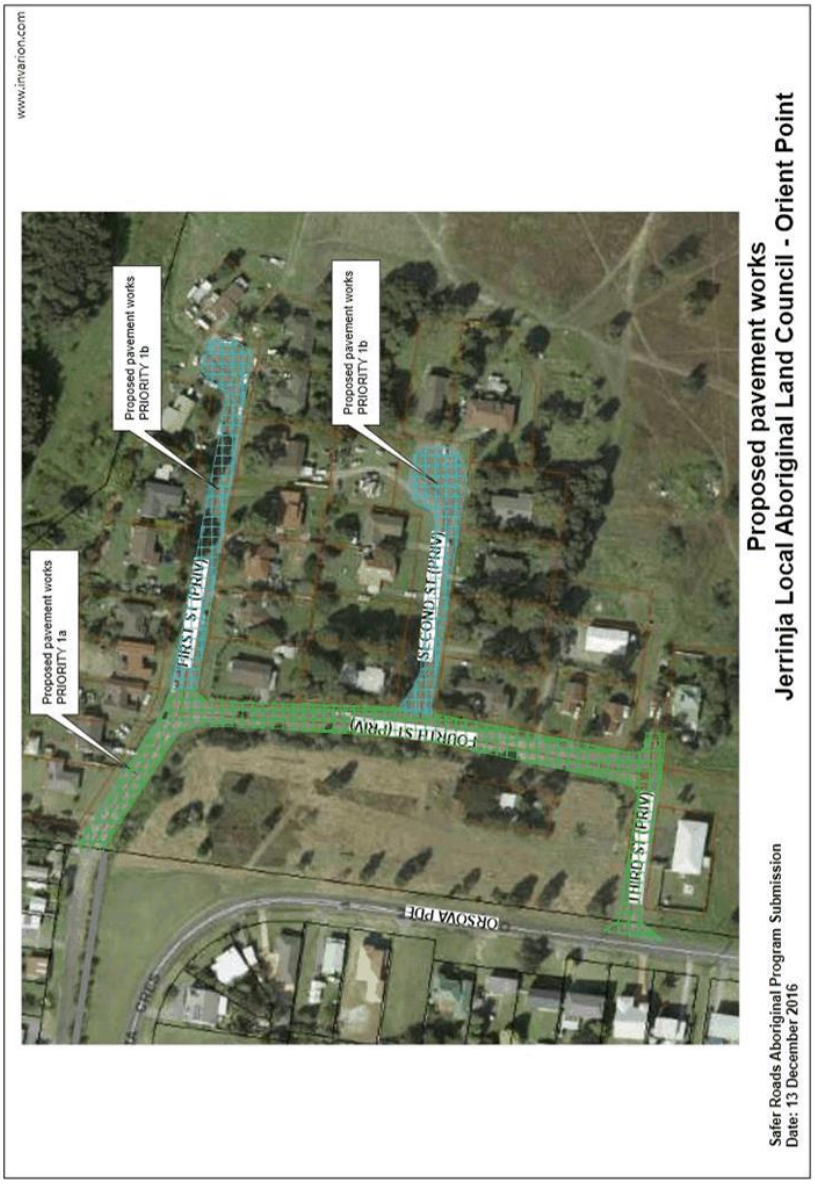
Accordingly, we welcome the opportunity to submit this funding application to Roads & Maritime Services.

Date of proposal: 16 December 2016

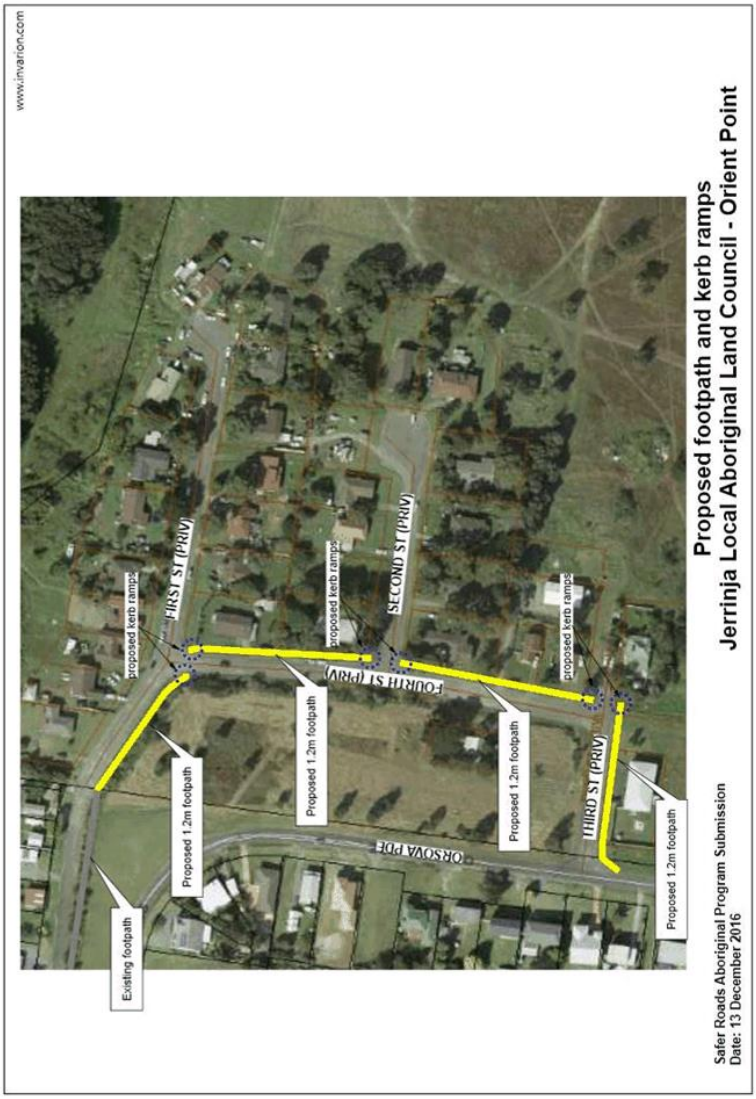
Details of location where works are proposed:

The proposed works are for the private roads at 'Roseby Park', Orient Point within the Jerrinja aboriginal community.

PRIORITY 1a & 1b: Pavement Works



PRIORITY 2: Footpath & kerb ramps



Photos illustrating the poor condition of the existing road surface

Details of proposed works:

The proposed work has been prioritised as follows:

Priority 1a Pavement Works
Stabilise (renew and rehabilitate) the road pavement across the most heavily trafficked sections of the community road network (First, Third and Fourth Streets), and replace the bituminous surface.

This will address the safety and amenity concerns within the Jerrinja community.

The current road surface is characterised by multiple potholes and poor drainage, creating road safety and trip hazards. When it rains, water can literally run off the road directly into the adjacent houses.

The existing road network is a sprayed bitumen surface over a flexible gravel pavement of limited thickness.

Priority 1b Pavement Works
Stabilise (renew and rehabilitate) the road pavement across the remaining community roads (Section of First Street and all of Second Street), and replace the bituminous surface.

This will address the safety and amenity concerns within the Jerrinja community.

The current road surface is characterised by multiple potholes and poor drainage, creating road safety and trip hazards. When it rains, water can literally run off the road directly into the adjacent houses.

The existing road network is a sprayed bitumen surface over a flexible gravel pavement of limited thickness.

Priority 2 Footpaths & Kerb Ramps
Provide footpaths along one side of each street (First, Second, Third and Fourth Streets) and to provide linkages to Shoalhaven City Council's external network.

Install pram ramps at each intersection to provide pedestrians with an alternative to walking along the road

Installing footpaths without fixing the road issues identified in Priority 1 will not address the main road safety issues within the community.

Estimated timeframe:
July 2017 – May 2018

Estimated cost:

Priority 1a Pavement Works: $195,000

Priority 1b Pavement Works: $155,000

Priority 2 Footpath & kerb ramps: $95,000

Details of any key issues likely to impact on the project:
None

Contact details
Name: Mr Alfred Wellington
Position: Chief Executive Officer
Organisation: Jerrinja Local Aboriginal Land Council
Contact number: 02 44 475 669; M: 0407 402 271
Email: jlalc@bigpond.com