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1. Acknowledgement to Country

Shellharbour City Council acknowledges the Traditional Owners and Custodians of the Land on which we are meeting.

Webcasting

Administrator's Comment

The Administrator read the usual advice regarding the webcasting of the meetings of the Council.

2. Apologies / Leave of Absence

3. Pecuniary Interest

4. Addresses to Council

5. Adjournment – Consideration of Addresses to Council

6. Administrator's Statements / Reports / Presentations

7. Administrator's Minutes

8. Reports

8.1 Draft Management Plan 2010-2013 (9302832)

To the Administrator

Division: General Manager's Division
Department: Executive Office

Manager: Brian Weir – General Manager
Author: Paul Henderson – Manager, Financial Services, Peter Masterson – Group Manager
Corporate Planning

Summary

This report presents to Council the Draft Management Plan, including the budget and revenue policy. The report recommends that Council adopt these documents and place them on public exhibition for the required statutory period of at least 28 days.

Recommendation

1. That Council adopt:

- **The Draft Management Plan**
- **The Draft Strategic Plan**
- **The Draft Budget (Operational, Balance Sheet, Capital Works & Asset Maintenance/Replacement Program)**
- **The Draft Revenue Policy**
- **The Draft Fees and Charges**
- **The Statutory New Items (shaded) totalling \$40,000 (net)**
- **The Essential New Items (shaded) totalling \$85,000 (net)**

and that these proposals be advertised for the purposes of public exhibition commencing 22nd May 2010 and closing 4.30p.m 21st June 2010, resulting in a budget surplus of \$12,994.

2. That Council acknowledge that this draft budget results in the following Rates and Charges:-

- a. **For the residential rate category, a base rate of 45% (\$440.56) and ad-valorem component of 0.26335 cents in the dollar on the base date 1 July 2009 land value of all rateable residential land determined to be in this category, in the local government area.**

- b. For the business rate category, an ad-valorem rate of 0.81698 cents in the dollar on the base date 1 July 2009 land value of all rateable land determined to be in the business category general, in the local government area.
- c. For the business category, (sub category non-urban), an ad-valorem rate of 0.19940 cents in the dollar on the base date 1 July 2009 land value of all rateable land determined to be in this category, in the local government area.
- d. For the farmland category, an ad-valorem rate of 0.17301 cents in the dollar on the base date 1 July 2009 land value of all rateable land determined to be in this category, in the local government area.
- e. A Domestic Waste Service Charge of:
- \$278.00 per annum per 240 litre bin per fortnightly service
 - \$218.00 per annum per 140 litre bin per fortnightly service
 - \$ 60.00 availability fee
 - \$395.00 per annum charge for a weekly service for special needs households in accordance with the Draft Revenue Policy
- f. A Business Waste Service Charge of:
- \$286.00 per annum per fortnightly service (garbage, recycling & green waste)
 - \$227.00 per annum per fortnightly service (garbage only)
 - \$ 75.00 per annum per fortnightly service (recycling only)
 - \$268.00 per annum per fortnightly service (garbage and recycling only)
 - \$ 80.00 per annum per fortnightly service (green waste only)
 - \$120.00 per annum per fortnightly service (two recycling bins only)
- g. A Stormwater Management Service Charge of:
- i) \$25.00 per residential assessment per annum
 - ii) \$12.50 per residential strata unit per annum
 - iii) \$25.00 per 350m² (or part thereof) per business assessment per annum capped at a maximum charge of \$150
 - iv) Business Strata Lots – pro rata per unit of business calculation per annum
- h. That the rate of interest by which overdue rates be increased for the year be 9 percent per annum, or any other percentage as permitted by the Minister of Local Government.
- i. That Council notes that rate yields and rates in the dollar (\$) may be subject to variation for any land values added to Council's rate base prior to final adoption.

3. That the amount of new loan borrowing application be \$1,400,000 with \$1,400,000 to be borrowed if required from recognised banking institutions or government authorities. This loan will be secured by a mortgage over Council's consolidated fund income and will be used for capital works at the Shellharbour Beachside Tourist Park, noting that redemption and interest repayments will be recouped by additional income generated by these works.
4. That a copy of each written public submission received by Council on the draft Management Plan and Budget, be referred to the Administrator.

Background

In setting its Management Plan and Budget, Council is planning and communicating its proposed activities and services that it seeks to provide to the community, particularly for the next financial year.

Council's vision statement is

To be a dynamic, responsive organisation working with the community to create a city we can all be proud of.

Our planning is underpinned by four key areas:- Environment, Community, Economy and Organisation.

The compilation of Council's Management Plan, which includes the budget, is one of the most important tasks carried out by any local government authority. It details how the Council intends to provide the services and facilities for its community and must be compiled in a financially responsible manner so as to achieve the aspirations of our community, but at the same time retain the Council's financial sustainability over the short, medium and long term.

The process of compiling the 2010/11 budget commenced in November last year with the close scrutinising of current spending allocations and revenue projections. There is no blanket C.P.I. indexation but allowances are made for cost increases in certain areas that are considered unavoidable, particularly statutory increases. Revenues are calculated on the basis of past history and conservative assumptions regarding future activity. Major Council plans such as the Section 94 Contributions Management Plan and the Forward Capital Works Program are factored into the budget as well.

Funding requests for new programs and services or shortages in funding allocated for existing programs and services are compiled in a New Items list (included as an attachment to this report). Each request is assigned a funding priority following assessment in conjunction with our strategic plan, past community surveys and Council's statutory and operational commitments.

Attempting to compile a budget which is financially sustainable is becoming increasingly difficult each year. After all estimates of expenditure and income had been put together for last year's budget, Council was more than one million dollars in deficit before any new items of funding were even considered. This year has seen that figure deteriorate to over

two million dollars - before consideration of new items of funding. Budget officers were required to review their estimates and reduce proposed expenditure to ensure Council starts the 2010/11 year close to a balanced budget.

Managers were required to spread any expenditure reductions across the whole organisation to minimise impacts to our community. This included salary savings via the deferral in re-filling vacant positions and the redistribution of workloads, cut backs in some services provided to the community, the postponement of some programs until the 2011/12 budget year and reductions in the voluntary financial assistance we provide to our pensioners as well as other external organisations.

On the income side, our previous conservative projections for Interest on Investment returns were upgraded by one per cent, which closely aligns with the recent movement in the Reserve Bank's cash rate.

Further details of some of these budget savings, including their impacts, are outlined later in this report.

The continual decline in Council's operating position after the preparation of preliminary estimates can be quite simply attributed to ever increasing costs and demand for services while income has either stagnated or increased at slower levels. Two of Council's main sources of income are rates and revenue from our investments. The difficulties faced by NSW Councils in a ratepegging environment have been well documented in the media of late. Councils have been restricted to increasing their main source of income by only 2.6 per cent for 2010/11, unless they submit a detailed application to the Minister for Local Government seeking permission to increase rates beyond this level. For example, the 2.6 per cent increase for Shellharbour is well short of covering the compulsory award increase for staff salaries and wages in 2010/11. Employee costs traditionally account for approximately 40% of Council's total expenditure. Expenditure increases are also occurring across the remaining 60%, for a range of reasons.

Interest on Investments is one of the other main sources of income Council relies on each year in funding its budget. Unfortunately over the last few years this income area has retracted significantly as a result of the Global Financial Crisis. During this period Council has been forced to make large reductions in its budget programs to compensate for these losses of revenue. To highlight how this income area has decreased in recent years, in 2003/04 and 2004/05, Interest on Investment revenue of \$1.38 million and \$1.54 million was received respectively. In 2007/08, Council received \$433,000 and in 2008/09 actually had a loss on its investment portfolio of \$347,000 (since recouped). Compare the return in 2004/05 to 2008/09 and Council had a decline in interest income of over \$1.8 million. Compiling budgets with funding reductions of this size is incredibly difficult.

Along with being unsustainably restricted with government ratepegging, all NSW Councils are experiencing the effects of cost shifting and additional statutory obligations. A recent example is the Government Information Public Access Act (GIPAA). Other examples include the requirement for a new LEP and Integrated Planning and Reporting. The substantial amount of additional resources required as a result of these tasks has

already consumed extensive staff time with much more expected over the next twelve months.

Day to day costs are increasing at a greater rate than the revenue we collect. Measures will continue to be introduced to minimise cost increases being experienced in non-discretionary areas like electricity and water, since further price increases are expected over the next budget year. Most of the materials used in many of our maintenance activities, including the repair of roads, have also had cost increases well in excess of ratepegging in recent years.

Compulsory superannuation costs have again played a role in the difficult budget position for 2010/11. As reported last year, the Global Financial Crisis saw most super schemes incur large investment losses on funds held. This led to all NSW Councils being advised of changes to the employer contribution obligations for the Local Government Superannuation Scheme, where Councils from 1 July 2009 were required to increase their contributions so that fund balances could be replenished. This requirement remains in place for 2010/11.

An amount of \$800,000 has been built into this budget to fund an internal loan repayment for essential Information Technology replacement costs.

One of the many difficult proposals made in compiling this budget is to commence charging for the use of sporting fields, to help offset the cost of maintaining these facilities. The Local Government Act allows Councils to charge and recover an approved fee for any service it provides. Staff are only too well aware of the apprehension this proposal may create at some local clubs as we continue to move to the "user pays" principle for some of the Council facilities used by sections of the community. Greater detail is provided later in this report regarding this recommendation.

Previous budget reports have discussed the concerning erosion of available reserves through the operation of budget deficits. The recommendation in this report is for a budget surplus of \$12,994, after the funding of a small number of essential new items. Unfortunately hard recommendations have had to be made in compiling this balanced budget which includes overall total expenditure of more than \$65 million. All efforts have been made, in identifying the necessary budget reductions, to lessen any impacts by spreading these reductions across the whole organisation. Further information on all areas of the Management Plan and Budget including new items of funding, budget reductions, changes to rating structures and new fees and charges, are expanded on later in this report.

Consultations

Internal

Directors

All Budget Responsible Officers

External

The Draft Management Plan and Budget will be exhibited for a period of not less than 28 days.

Considerations

Financial/resources implications

1. Budget Format

i. Operational budget (Green)

These documents detail all of Council's recurrent operating expenditure and income. They also contain any income that relates to items in either the balance sheet or capital works budgets (i.e. capital grants and contributions).

Budget Reductions/Savings

Regrettably some areas of funding have had to be reduced to allow for the inclusion of a limited number of "statutory" and "essential" items. The requirement remains to balance the budget. Clearly recommending such adjustments impacts on the community however the main objective remains to spread the reductions across all areas of our operations for the 2010/11 budget year. The significant adjustments are detailed as follows:

Heavy Patching, Kerb & Gutter and Footpath Maintenance – A \$100,000 reduction in these three areas will assist with the 2010/11 budget constraints. Some of the lower priority works will be deferred until 2011/12.

Parkland Mowing - Our tractor / slasher fleet will be reduced by one mower. This means we will operate six tractors instead of seven, a reduction of 14% of our mowing capabilities. This would be targeted on the larger open reserves and not the neighbourhood parks. The reduction in the level of service of the areas would mean they would get mown approximately every 6-8 weeks instead of 3-4 weeks in summer. All sportsfield mowing would be unaffected. This will result in a saving of \$70,000.

Beach Maintenance - It is proposed to reduce our Beach Maintenance allocation by \$20,000. Maintenance work will be limited to essential repairs to eliminate hazards on walkways and adjacent fencing. Grant funds will be sought to supplement the reduced allocation to carry out any additional work on the dunal system.

Street Cleaning - Council's streetsweeper currently routinely sweeps the residential streets on a 16 week cycle. It is proposed to extend this to an 18 week cycle and use the balance of the available time to undertake specific works and pit cleaning under Council's Assets Improvement Program. This will provide a saving of \$15,000.

Rural Roads Maintenance - Council has been able to seal a number of its rural roads under the Roads to Recovery Program in recent years. It is anticipated with the reduced requirement for grading of our unsealed rural roads, that this allocation can be reduced by \$30,000 next financial year.

Casual Staff at Waste Depot - Due to the downturn in the quantity of waste being received at the Dunmore Waste Depot, the casual labour requirements for litter control and landscape maintenance can be reduced by \$30,000 during next financial year.

Parks and Gardens Casual Staff - Currently, the Parks and Gardens section has a pool of casual staff, which is used to replace permanent staff on annual/sick leave and roster days. This practice will be restricted, which will mean some mowing equipment will be idle on roster days. This measure will save \$20,000 over the next year.

Fleet Management - Council currently uses an external organisation to assist with the management of Council's Pool Car and Commercial Fleet. The contract for these services will expire early in the next financial year. We will not renew this management agreement and revert to managing this service in house. The saving in the next financial year will be \$25,000.

Supervision and Administrative Charges - Due to a large number of grant funded programs that will be carried forward into the 2010/11 Capital Works Budget, there will be a "saving" of \$50,000 in supervision and administration costs. These staff book their time to these projects rather than to the general operational job numbers.

Construction & Demolition Waste to Huntley Tip - We will not be sending construction and demolition waste to Huntley Tip which will realise a saving of \$25,000 in the 2010/11 budget. The quantities currently being received are at a level that can be managed on site.

Streetlighting - An allocation of \$74,622 was originally proposed for the Streetlighting Materials budget in 2010/11. It has been identified that \$10,000 is needed for essential upgrades (single lights). This means that no large project upgrades, i.e. New Lake Entrance Road etc will be possible. This will give a "saving" of \$64,622.

Salary Savings – A adjustment of \$178,000 has been made to the overall salary budget through the temporary deferral of some existing vacancies.

Environmental Support Projects - This budget adjustment of \$10,000 will mean that there would not be any funding available for community groups to undertake environmental projects.

Interest on Investments - The original estimate for Interest on Investments was compiled in January/February this year. Since that time the Reserve Bank has increased cash rates by 0.75%. Council's investment advisors confirmed that an additional \$350,000 investment income can be achieved.

Pension Rebate – A small number of NSW Councils including Shellharbour provide a voluntary pensioner rate rebate on top of the compulsory \$250 pensioner rebate mandated under the Local Government Act, to assist pensioners with their rate obligations. Information received from other NSW Councils indicates that only about 20% provide some form of additional voluntary pensioner rebate. Shellharbour's voluntary rebate is one of the more generous pensioner rebate policies in place. It is proposed to

reduce Council's voluntary pension rate rebate from \$60 to \$45 per annum, to achieve a reduction of \$72,000.

Financial Assistance - A budget saving of \$10,000 can be achieved by reducing the annual miscellaneous and discretionary donations budget.

Shell Cove Maintenance Levy

An annual levy of \$66.80 has been charged to residents of Shell Cove to fund the costs associated with the additional landscape maintenance work carried out in the area. This extra landscape maintenance, which residents who purchase directly from Council are made aware of before the purchase of their property, is in addition to the standard level of maintenance applied across the City.

Any income raised from this levy, which isn't spent in a particular year, is "restricted" in Council's accounts. This means it is reserved for the special purpose for which it was collected.

Residents weren't charged the levy in 2009/10 as there were sufficient funds in the "restriction" to fund the annual program.

The Shell Cove Management Committee which includes representatives from both Council and Australand, have offered to pay a contribution to Council to cover the annual levy expenditure for 2010/11. The offer has been made on the basis that purchasers in choosing Shell Cove are factoring the additional landscaping benefit into their consideration to purchase within the estate.

No levy will therefore be charged to residents to fund the costs of the additional landscape maintenance work in 2010/11.

Information Technology Upgrade

The second year of the Information Technology Upgrade has been included in Council's Capital Works budget. An amount of \$500,000 has been included in the 2010/11 operational budget representing the repayment of unrestricted reserves associated with the upgrade.

Purchases of equipment and services essential to operations were made in the 2009/10 budget. A more substantial investment is required in 2010/11. The Capital Works budget provides for further equipment and services valued at around \$1.9 million. Funding for this program is to be achieved through the borrowing of unrestricted funds and repaid by four instalments of approximately \$500,000 plus interest over the next four budgets.

The \$500,000 repayment amount in the 2010/11 operating budget is in addition to the \$300,000 amount already factored in, which represents the second instalment of the three year repayment of the \$900,000 borrowed from reserves in 2009/10.

The continuation of this upgrade is essential for Council to maintain its business operations to an acceptable level of efficiency. Any decision not to replace vital, ageing

equipment will greatly increase the risk of equipment failure, which will in turn affect Council's ability to operate.

ii Balance Sheet Budget (Blue)

The Balance Sheet Budget details items of expenditure that relate to the acquisition of an asset, or capital expenditure that will extend the life of an existing asset.

Budget Reductions

The following are the major reductions identified and made in Council's draft Balance Sheet Budget for 2010/11.

Plant Replacement Program - Due to a downturn in our contract delivery work, it is proposed to replace Council's Navistar Tipper with a Mack Tipper from the Dunmore Sand / Soil operation. This will allow the Navistar Tipper replacement to be deleted from the 2010/11 Plant Replacement Programme and its sale will contribute an estimated \$30,000 of income towards Council's 2010/11 budget. These measures will provide a total saving of \$180,000 next financial year.

Playground Equipment Installation - The current allocation of \$25,000 allows Council to replace or upgrade one of its older playgrounds each year. It is proposed to defer this replacement / upgrade for 12 months. The program for the installation of soft fall areas around its playgrounds will continue as normal during the 2010/11 financial year.

Pool Car / Works Vehicle Changeovers - At present, the pool car and works vehicle changeover budget has allowed for the changeover of approximately 60 cars / works vehicles during the 2010/11 financial year. If this was reduced to 52 cars / works vehicles, this would achieve a saving of approximately \$80,000. The impact will be that some of our vehicles may have to be kept longer than the current 60,000 km / 3 years changeover period.

iii Capital Works Budget (Pink)

The Capital Works Budget contains items in the Forward Capital Works and Stormwater Service Charge Programs, which was reported to Council on the 11th May 2010. The Capital Works Budget also contains other items of a capital nature.

Budget Reductions

The following are the major reductions identified and made in Council's draft Capital Works Budget for 2010/11.

City-Wide Sportsfields and Works Funds - The annual allocation for these funds is usually \$144,000 (Sportsfields \$90k, Works \$54k). There is still Sportsfields capital funding available in the current 2009/10 budget which will be carried forward for use in 2010/11.

City-Wide Grant Matching - This annual allocation of \$180,000 is used to match grants from State and Federal Government departments. With no funding available in 2010/11, careful consideration will need to be given before accepting any grants which require matching Council contributions.

Information Technology Upgrade

As mentioned earlier in the "Operational Budget" section of this report, the 2010/11 budget contains further significant capital investment in the Information Technology area, as part of the second year of the Information Technology Upgrade. An amount of \$1.895 million has been included in Council's Capital Works budget for the purchase of various hardware, software and installation services. Funding for this program will occur through the borrowing of unrestricted funds with repayments being made by four instalments of approximately \$500,000 plus interest over the next four budgets.

iv Asset Maintenance & Replacement Program (Pale Yellow)

The Asset Maintenance & Replacement Program contains all the works identified by Council's Conquest Asset Management system. The funding for these works have been sourced via the approval Council gained in 2006/07 to increase its rating income 5.9% above the ratepegging limit. This additional funding is set aside each year for expenditure on either the maintenance or replacement of Council's asset infrastructure. The total amount of the program is adjusted each year in line with the increase in rating income Council resolved to include in its operational budget. The total allocation for the 2010/11 program is \$1.42 million, which is an increase of 2.6% (ratepegging limit) from the 2009/10 program.

2. Budget Assumptions

Below is a summary of assumptions and major variations which have been taken into account in the compilation of the 2010/11 budget:-

- A 2.6% increase for general rates and charges has been factored into the budget, which is the maximum permitted by the Minister for Local Government.
- A 4.0% increase in salary and wage estimates to cover the annual award increase along with any movements by employees through Council's salary system.
- Internally funded Capital Works and Balance Sheet budget programs.
- Expected increase in compulsory employer superannuation costs of \$300k.
- Decrease in unrestricted cash profit in Waste Depot Operations of \$340k.
- \$800k amount for internal loan repayments associated with the investment in equipment as part of the Information Technology Upgrade.

The draft 2010/11 budget contains financial assistance to the following organisations:

- | | |
|--------------------------------|-----------|
| • Sports Assistance Fund | \$ 10,000 |
| • Warilla Neighbourhood Centre | \$ 12,000 |
| • Illawarra Academy of Sport | \$ 10,000 |
| • Tourism Shellharbour | \$200,000 |

• Life Education	\$ 4,500
• Donations Working Party	\$ 15,000
• Australian Aerial Patrol	\$ 13,000
• Illawarra Children's Services	\$ 1,000
• Wollongong Rollerhawks	\$ 3,000
• Southern Stars	\$ 10,000
• Illawarra Business Chamber	\$ 8,500
• Illawarra Pipe Band	\$ 1,000
• RYDA Contribution	\$ 9,000
• Cities Service Boston Memorial	\$ 3,000
• Animal Welfare League	\$ 2,000

3. Revenue Policy/Fees & Charges

The Revenue Policy and the Draft Fees and Charges Schedule are attached.

The Revenue Policy details Council's pricing policy with respect to the provision of goods and services. It creates a framework within which responsible pricing decisions can be made. The full costs of providing goods and services will be identified, and will be used along with factors such as existing and potential markets, community service obligations, public interest and community benefit in determining the revenue structure for the provision of any given good or service.

The Fees and Charges document shows the new fee for the forthcoming financial year, as well as what the fee currently is, for comparative purposes. This has been done to display where our fees have increased or decreased.

Sportsfields Fees and Charges

Council currently charges fees for the use of sportsfields amenities and lights but not for the actual use of the playing fields. The structure of our sportsfield fees and charges, ie lighting and amenities fees, has not had a major overhaul since their introduction in 1977. The amenities fee, for example, was \$3 per day in 1977 and in 2009/2010, the amenities fee is \$35 per day.

As the City continues to develop, Council will assume the responsibility for the maintenance and upgrading of more sportsfields. In the last ten years for example Terry Reserve soccer complex and Myimbarr sporting complex have been transferred to Council management. In the next ten years we will see development of sporting fields at Bensons Basin, Tullimbar and Shell Cove. Each of these sporting facilities increases the financial responsibility on Council to ensure the facilities are established, maintained and developed to meet the needs of our Community.

Council has the responsibility to provide sportsfields and associated facilities that are safe and meet the playing standards for a diverse range of users. The cost to maintain these sportsfields is increasing annually. Funds for this service are currently provided through Council's general revenue. If Council continues to fund these cost increases to

maintain the current standard of maintenance, then funding to other community services will need to be reduced. This theme has been raised a number of times in this report.

In the 2008/2009 financial year, maintenance of sportsfields and sportsfield amenities exceeded \$655,000. The cost of maintaining facilities is increasing with additional fields coming under Council ownership, increasing safety standards and the identified need to renew or upgrade many of our older facilities.

The need for increased capital expenditure combined with increased safety and maintenance costs are placing increased pressure on Council to introduce a fairer payment system. It is considered reasonable that the users of the sportsfields be asked to make a contribution towards maintaining the facility, particularly given the increasing financial pressure on the annual budget. The proposed fees provide a more equitable approach to sportsfield charging and will ensure all user groups contribute towards the provision and maintenance of sporting facilities.

To introduce greater fairness into sportsfield charges a review of all sportsfields was undertaken. Each facility has been placed in the following categories based on standard of the facility and the highest level of competition played at the facility:

Category 1 - Regional, City wide and precinct facility

Category 2 - Highest level senior Competitions

Category 3 - Lower level senior competitions and juniors

Category 4 - Junior facilities only with limited or no amenities.

It is important to note that the category of a facility can vary depending on use. The provision of a turf wicket for example will result in a Category 2 classification for cricket. The same oval may however have limited use during the winter season. If the use is for competition and the fields are set up with goal posts the field will be classified as Category 3, however, if there are no goal posts and the field is used for training only the field will be classified as Category 4.

Council sportsfields are very well utilised by the community and any reduction of maintenance will generate complaints. An equitable system, where users contribute to the maintenance of the sporting facilities, will help address this funding shortfall.

4. Rating Structure

Council's rating structure up to and including 2008/09 has been as follows:-

Residential	25% Base Rate and Ad-Valorem Component
Business	Ad-Valorem only
Farmland	Ad Valorem only
Non Urban	Ad Valorem only

This structure remained the same since Council first adopted a base rate structure in 1993.

The recommendation of this report includes the adoption of a 45% base rate for the Residential rating category.

In setting its rates each year, Council is permitted to raise a certain amount of rating income based on the ratepegging level which is included in the recommendation, when the Management Plan and Budget are adopted. For example, the total of income raised as part of the rate levy in the 2009/10 year, can only increase by the adopted ratepegging level in 2010/11.

While the total amount of income raised cannot vary outside the adopted ratepegging level, Council can change the distribution of income collected between the three rating categories (Residential, Business and Farmland). Historically, Council has not changed this distribution with all categories increasing by the same ratepegging percentage each year. This can lead to variances with other NSW Councils in regards to average rates for each rating category.

Close analysis of the respective average rates for neighbouring (along with other similar sized) Councils has been carried out during the 2010/11 budget preparations. A decision has been made to change the income percentage distribution for each rating category to closer align our average rates with these Councils. The recommendation in this report will see a substantial decrease in the average farmland rate and the opposite to occur for the business average rate. The following numbers highlight these proposed changes.

2010/11 Average Rates and Total Income per Category Assuming **No Change**

Residential	\$920	\$21,433,000
Business	\$3,274	\$3,300,000
Farmland	\$4,354	<u>\$535,000</u>
		\$25,268,000

2010/11 Average Rates and Total Income per Category With **Recommended Change**

Residential	\$913	\$21,250,000
Business	\$3,653	\$3,682,000
Farmland	\$2,738	<u>\$336,000</u>
		\$25,268,000

As the tables indicate, a change in the average rate for each category has been achieved while the total income raised has remained the same. The result in the recommended numbers is a slight decrease in the average rate for residential rate assessments and larger variations for business and farmland assessments.

In 1989, the Council at the time made a decision not to take the full permissible accumulated rates increase, which had not been taken up over previous years. This loss

has then carried forward to subsequent rating years and becomes larger as the compounding of the rate base and interest takes effect.

For each 1% of the rate pegging increase that we do not take up we forgo approximately \$267,000 (before pensioner rebate) of income. In view of ever increasing costs and the demand for services, any decision not to take the full rates increase as prescribed by the Minister for Local Government (2.6%) cannot be justified or supported.

The recommendation of this report including the movement of the base rate to 45% and the 2.6% increase in rating income in line with the ratepegging allowance, will result in the following base rate and rate in the dollar amounts.

<u>Category</u>	<u>Base Rate</u>	<u>Ad-Valorem Amount</u>
Residential	\$440.56	0.26335 cents in the \$
Business	n/a	0.81698 cents in the \$
Non – Urban	n/a	0.19940 cents in the \$
Farmland	n/a	0.17301 cents in the \$

5. New items

The total of new items requested is included as an attachment to this report. These items have been assessed in conjunction with the Strategic Plan, IRIS Survey and Council's legal, statutory and operational commitments.

The requests have been categorised into priorities. The net total requests are as follows:

Statutory	\$ 40,000
Essential	\$ 85,000
Priority 1	\$3,775,768
Priority 2	\$ 205,400
Total	<u>\$4,106,168</u>

The recommendation to this report includes the funding of all statutory and essential new items. All items recommended for funding have been partly shaded for identification purposes and total \$125,000. This leaves items to the net value of \$3,981,168 not included in the 2010/11 budget at this stage.

Due to the budget constraints Council has faced in compiling the 2010/11 budget, only a small number of new items have been recommended for inclusion. Some of the requests which aren't proposed for funding will have a direct affect on some service levels provided to our community during 2010/11.

It is suggested that the new items attachment is closely read to gain an appreciation of all the items requested, particularly the ones which aren't recommended for funding due to budget restraints.

6. Unexpended Items 2009/10 Budget

As has been the case in previous years, there will be some items in the current financial year that will need to be carried over into the next budget period. There are various reasons for this including late notification of RTA funding, other government grant funding where the scope of the works overlaps two financial years and the requirement of approvals from government authorities for some capital works which can cause delays with their implementation.

The carry over from one financial year to the next is purely a matter of construction program timing. It is important to note that all projects have been previously approved by Council and are being funded as originally intended. All allocations for jobs to be carried over which are funded from general revenue will be restricted as at 30 June 2010 and brought into the 2010/11 budget as a restricted asset at the September Quarter Budget Review, once the 2009/10 financial year is closed and final project balances determined. This ensures that the year-end result for 2009/10 is not positively inflated due to these unexpended carry over works. When the jobs are revoted in 2010/11 there will also be no effect to the bottom line with the funding coming from restricted assets. These projects carried over are usually undertaken in the first quarter of the new financial year.

At this point in time it is difficult to predict the required funds to be carried over with what is considered the necessary level of accuracy. These will be advised when the budget is again reported to Council following the statutory exhibition period.

7. Summary

Operating Budget	926,140	
Balance Sheet Budget	2,551,478	
Capital Works Budget	3,258,160	
Asset Maintenance & Replacement Program	1,417,773	<u>8,153,551</u>
<i>Less</i>		
Non Cash items	11,474,000	
Section 94 funded items	0	
Restricted Assets	1,253,589	
Loan Funded Items	0	<u>12,727,589</u>
<i>Add</i>		
Section 94 surplus	3,239,203	
Land Sale (60:40 policy)	0	
Domestic Waste Surplus	1,003,243	
Community Transport Surplus	193,598	<u>4,436,044</u>
Surplus before new items		(137,994)
Recommended New Items		125,000
Surplus		(12,994)

8. Section 94

Council has an adopted Section 94 Contributions Management Plan. This plan details the community facilities to be provided over the next 10 years that are to be funded by both the development industry (S94 contributions) and Council. As well as having to meet a part of the construction cost, Council is also responsible for the operational and maintenance costs of these assets.

The seventh review of this plan was commenced in the latter part of 2007. This review was interrupted by the changes being proposed to the NSW Planning System. Initially the changes proposed had major ramifications to city wide facilities contained in our current plan. It now appears that these changes will not be as far reaching as first proposed, nevertheless they will still significantly affect Shellharbour's plan.

The Department of Planning have now introduced Draft Guidelines on Community Infrastructure Plans and Developer Contributions which should be finalised by June

2010. Work on drafting a new Community Infrastructure Plan will continue over the coming months.

9. Loans

Council has not had a new borrowing program for several years. In essence we have had an "internal loan" program whereby funds that were traditionally allocated to debt servicing are now funding our capital works program.

For several years Council funded its capital works program through an annual loan allocation. This practice ceased some years ago and it would be less than desirable for Council to re-establish the practice of debt funding a recurrent program.

Principles of intergenerational equity argue that financing large-scale capital works from borrowings is appropriate, as those who get the benefit of such assets pay for them. Other schools of thought suggest that an asset should only be financed from borrowings if it generates sufficient cash flow to meet the loan repayments.

This Council does not have a policy to be debt free. Debt is only one of the many options available to finance the provision of public infrastructure and Council should not limit its options in this regard. However Council must be mindful that it is facing the delivery of several large projects in its Section 94 plan and that at a future point in time it may be necessary to either fund these projects from a future loan, the rationalisation of major assets, or both.

We must also never lose sight of the fact that loans are required to be repaid and have a direct impact on future operational budgets and future services.

As part of the recommendation in this report Council is seeking to fund major improvements to the Shellharbour Beachside Tourist Park. We are proposing to apply for a low interest loan from the Department of Lands up to the value of \$1,400,000, noting that redemption and interest repayments will be recouped by additional income generated by these works.

10. Strategic Financial Management

Any Council that sets an annual budget without reference to its long-term sustainability is not paying due heed to its responsibilities to its community. The budget is a detailed annual plan as to how the Council will use its financial resources to provide services and works for the betterment of its community.

Shellharbour City Council is experiencing a period in which our costs are growing at a far greater rate than our revenue base. This is due to general costs increases, the shifting of responsibilities from other levels of government (cost shifting) and restrictions on the growth of our revenue raising ability such as rate pegging. This year the rate peg amount was only 2.6% and not adequate to cover cost increases. As a result Council will have no alternative than to review the type of services that we offer, the level to which our services are provided and to look for other revenue raising opportunities, one of which

may be a Special Variation application to vary rates above the ratepegging limit in future years.

In order to gain an understanding of Council's current financial position it is necessary to look back through past results. This will give an indication of the goals that we have been trying to achieve with Council's financial position over a ten-year period. These goals have been closely aligned to the objectives of our Strategic Plan and our Section 94 Management Plan.

Restricted/Unrestricted Funds

An important part of understanding the finances of a local authority is to recognise that there is a limit to the availability of funds to be allocated by Council for discretionary spending. Some funds are nominated as restricted: in other words they can only be utilised for the purposes for which they were collected. Tied specific purpose grants and Section 94 contributions collected from developers are good examples. Similarly Council needs a pool of unrestricted funds from which it must operate its usual cash flow requirements. At present the level of our unrestricted funds, together with our future commitments, makes the adoption of a balanced budget a vitally important financial position to take.

11. Management Plan

As Council recognises, budgets on their own are not enough. They have to be strategically applied if the community is to gain best value.

Council's Managers and Directors have worked hard to ensure that the Management Plan and Budget are in accordance with Council's Strategic Plan. The Strategic Plan remains the framework within which the management plan is developed.

Much work has been put into refining the activities of the Management Plan and the Budget and also the key performance indicators contained therein.

12. Forward Financial Plan

The forward financial plan is a series of yearly budgets that extends over a ten-year time horizon, which is based on the 2010/2011 budget.

The plan indicates an estimate of future costs and revenues and whilst that will not replace the annual budget, is a good management tool to guide financial policy making and decisions that need to be made regarding the future finances of the Council. Such decisions will have a future impact on the operations of the Council.

The plan reveals that the growth in our costs is far exceeding the growth in our revenues and that we need to trim expenditure and services, find alternative revenue growth, refine efficiencies or a combination of all of these strategies.

13. Integrated Planning and Reporting Project

All NSW Councils are now required to implement the Integrated Planning and Reporting Project. This project requires Council to produce:-

- Community Strategic Plan of at least 10 years duration
- A Resourcing Strategy which must include a long term financial plan of 10 years duration and a Workforce Management Strategy of at least four years duration
- Asset Management Strategies and Plans to support the Community Strategic Plan
- A Delivery Program that must be of a four year duration
- An Annual Operational plan

A key element of the Community Strategic Plan is the requirement for extensive community engagement and engagement with other levels of government.

Council is required to complete these new requirements by June 30, 2011

Legal & policy implications

The Local Government Act was changed substantially to reflect the requirements of the Integrated Planning and Reporting Project, with the sections that detailed the requirements of the Management Plan Process being replaced. At this point in time we are in a transitional stage and this will be the last year that the Management Plan is produced in its current format.

Public/social impact

The draft management plan will be placed on public exhibition on 22nd May 2010 with submissions closing by 4.30 p.m. on 21st June 2010.

Options

1. That Council adopt the recommendations in this report.
2. That Council formulate an alternative recommendation.

Conclusions

Compiling the Management Plan and Budget has been a complex task this year which has been made difficult by limitations placed on our revenue raising ability and cost increases that are either unavoidable or beyond our control.

The report details cuts to some areas of our services which have been necessary to arrive at a financially responsible result. Similarly we have had to recommend the introduction of fees to some areas, such as sports fields, which council has traditionally provided free of charge.

At present Shellharbour City is facing the demands of an expanding community and new infrastructure whilst being required to also manage assets that are now ageing. This

challenge stretches our resources and the ability to continue with the levels of service that were once provided. As a part of the new Integrated Planning and Reporting requirements, we will have to examine future revenue raising opportunities and also review the services that we provide and the level to which they are provided.

In summing up the Management Plan, Budget and other associated documents to Council for the purpose of being placed on exhibition for public comment.

Approved for Council's consideration:  _____

Attachments (attachments 1-9 under separate cover)

1. Draft Management Plan 2010-2013
2. Draft Strategic Plan 2010-2020
3. Draft Operational Budget
4. Draft Balance Sheet Budget
5. Draft Capital Works Budget
6. Draft Asset Maintenance/Replacement Program
7. Draft Revenue Policy
8. Draft Fees & Charges 2010/2011
9. Draft New Items for 2010/2011

9. Urgent Business

COUNCIL OF THE CITY OF SHELLHARBOUR
DRAFT INCOME STATEMENT
for the budget year 2010/11

	Budget 2010/11 \$'000
Income from continuing operations	
<i>Revenue:</i>	
Rates & Annual Charges	32,053
User Charges & Fees	12,532
Interest and investment revenue	2,543
Other revenues	1,408
Grants & Contributions provided for operating purposes	7,209
Grants & Contributions provided for capital purposes	5,023
<i>Other Income:</i>	
Net gain from the disposal of assets	0
Total income from continuing operations	60,768
Expenses from continuing operations	
Employee benefits and on-costs	26,372
Borrowing costs	374
Materials & contracts	11,638
Depreciation and amortisation	12,013
Other expenses	11,149
Net loss from the disposal of assets	148
Total expenses from continuing operations	61,694
Operating result from continuing operations	(926)
Net operating result for the year before grants and contributions provided for capital purposes	(5,949)

DRAFT OPERATIONAL BUDGET
1st July 2010 to 30th June 2011

Key Area	<u>Expenditure Estimate</u>	<u>Income Estimate</u>	<u>Net</u>
<u>1. Environment</u>			
<u>Environmental Management</u>	431,912	0	431,912
<u>Stormwater Management Service Charge</u>	122,500	(530,000)	(407,500)
<u>Greenhouse Gas Local Action Plan</u>	30,000	0	30,000
<u>Pollution Control</u>	0	(1,500)	(1,500)
<u>Waste Management</u>	8,853,136	(11,084,000)	(2,230,864)
<u>Regulation Management</u>	291,908	(100,000)	191,908
<u>Development Applications</u>	1,050,895	(686,000)	364,895
<u>Property Information Certificates</u>	155,747	(240,000)	(84,253)
<u>Building and Site Inspections</u>	589,936	(138,000)	451,936
<u>Land Use Planning Strategies</u>	672,312	(5,000)	667,312
<u>Heritage</u>	28,500	(8,500)	20,000
<u>Flooding and Dams</u>	71,740	0	71,740
<u>Section 94</u>	260,797	(3,500,000)	(3,239,203)
<u>Drainage Management</u>	391,462	0	391,462
<u>TOTAL</u>	<u>12,950,843</u>	<u>(16,293,000)</u>	<u>(3,342,157)</u>
<u>2. COMMUNITY</u>			
<u>Community Services Management</u>	443,827	(32,651)	411,176
<u>Children's Services</u>	776,867	(578,261)	198,606
<u>Youth Services</u>	294,204	(30,272)	263,932
<u>Cultural Development</u>	67,995	0	67,995
<u>Aged and Disabled</u>	869,613	(739,077)	130,536
<u>Indigenous Services</u>	94,382	0	94,382
<u>Social Planning</u>	88,548	(10,500)	78,048
<u>Community Festivals</u>	142,589	(36,210)	106,379
<u>Community Transport</u>	431,402	(625,000)	(193,598)
<u>Cycleways and Footpaths</u>	142,347	(10,000)	132,347

DRAFT OPERATIONAL BUDGET
1st July 2010 to 30th June 2011

Key Area	<u>Expenditure Estimate</u>	<u>Income Estimate</u>	<u>Net</u>
<u>Community Safety</u>	135,449	0	135,449
<u>Road Safety</u>	85,243	(39,000)	46,243
<u>Health Services</u>	0	(58,000)	(58,000)
<u>Companion Animals</u>	149,869	(62,000)	87,869
<u>Emergency Services</u>	732,852	(104,300)	628,552
<u>Cemeteries</u>	178,818	(145,000)	33,818
<u>Shellharbour City Stadium</u>	386,109	(270,000)	116,109
<u>Croom Regional Sporting Complex</u>	131,544	(26,000)	105,544
<u>Myimbarr</u>	154,282	0	154,282
<u>Albion Park Showground</u>	61,024	(7,220)	53,804
<u>Sportsfields</u>	606,848	(42,500)	564,348
<u>Parklands</u>	2,618,293	(98,000)	2,520,293
<u>Play Equipment</u>	67,192	0	67,192
<u>Tree Management</u>	89,494	0	89,494
<u>Swimming Centres</u>	1,115,810	(180,000)	935,810
<u>Surf Patrol</u>	356,724	0	356,724
<u>Beaches</u>	20,388	0	20,388
<u>Lake Illawarra</u>	48,013	0	48,013
<u>Bass Point Reserve</u>	177,890	0	177,890
<u>Blackbutt Reserve</u>	214,865	0	214,865
<u>Public Halls</u>	60,184	(20,000)	40,184
<u>Neighbourhood and Community Centres</u>	187,675	(39,972)	147,703
<u>Libraries and Museum</u>	1,308,968	(213,200)	1,095,768
<u>TOTAL</u>	<u>12,239,307</u>	<u>(3,367,163)</u>	<u>8,872,144</u>
<u>3. Economy</u>			
<u>Classified Roads</u>	129,000	(207,500)	(78,500)

DRAFT OPERATIONAL BUDGET
1st July 2010 to 30th June 2011

Key Area	<u>Expenditure Estimate</u>	<u>Income Estimate</u>	<u>Net</u>
<u>Local Roads</u>	805,011	(1,161,660)	(356,649)
<u>Rural Roads</u>	78,495	0	78,495
<u>Bridges</u>	13,373	0	13,373
<u>Car Parks</u>	37,496	0	37,496
<u>Signage</u>	92,712	0	92,712
<u>Street Lighting</u>	955,000	(76,000)	879,000
<u>Illawarra Regional Airport</u>	162,432	(340,610)	(178,178)
<u>Tourism</u>	316,350	0	316,350
<u>Property Development</u>	336,577	(149,871)	186,706
<u>Economic Development</u>	162,284	(10,000)	152,284
<u>Shell Cove</u>	682,460	(275,000)	407,460
<u>Council Business Activities</u>	667,875	(665,634)	2,241
<u>Golf Course</u>	2,270,127	(2,089,000)	181,127
<u>Sand Mining</u>	839,264	(1,670,000)	(830,736)
<u>Shellharbour Beachside Tourist Park</u>	544,916	(1,100,000)	(555,084)
<u>TOTAL</u>	<u>8,093,372</u>	<u>-7,745,275</u>	<u>348,097</u>

<u>4. Council Organisation</u>			
<u>Corporate Leadership and Governance</u>	927,903	(4,000)	923,903
<u>Financial Services</u>	2,339,576	(5,033,316)	(2,693,740)
<u>Rates</u>	444,872	(25,967,900)	(25,523,028)
<u>Administration</u>	1,707,142	0	1,707,142
<u>Communications and Events</u>	566,089	0	566,089
<u>Customer Services</u>	868,156	(75,000)	793,156
<u>Risk Management</u>	2,227,373	0	2,227,373
<u>Corporate Planning</u>	576,523	0	576,523
<u>Information Technology</u>	1,534,855	0	1,534,855

DRAFT OPERATIONAL BUDGET
1st July 2010 to 30th June 2011

Key Area	<u>Expenditure Estimate</u>	<u>Income Estimate</u>	<u>Net</u>
<u>Telecommunications</u>	220,000	(44,100)	175,900
<u>Geographic Information Systems</u>	158,269	(1,500)	156,769
<u>Organisational Development</u>	778,109	(126,815)	651,294
<u>Plant and Fleet Management</u>	(310,135)	0	(310,135)
<u>Works and Services</u>	2,241,002	(10,080)	2,230,922
<u>Operations and Services Management</u>	666,628	0	666,628
<u>Engineering Forward Planning & Design</u>	1,090,405	0	1,090,405
<u>Non-Cash Items</u>	12,374,000	(2,100,000)	10,274,000
TOTAL	28,410,767	(33,362,711)	(4,951,944)
<u>GRAND TOTAL</u>	<u>61,694,289</u>	<u>(60,768,149)</u>	<u>926,140</u>

Shellharbour City Council								
Draft Balance Sheet Budget		1 July 2010 to 30 June 2011						
<u>Item</u>	<u>Description</u>	<u>Budget</u>	<u>Trade In</u>	<u>Grants</u>	<u>Domestic Waste</u>	<u>Section 94</u>	<u>Other Contributions</u>	<u>General Revenue</u>
1	Ford Transit	65,000	10,000					65,000
2	Iveco D/Cab	65,000	15,000					65,000
3	Iveco S/Cab	60,000	15,000					60,000
4	6010 2WD	80,000	15,000					80,000
5	Sweeper	320,000	70,000					320,000
6	Woodchipper XP250	77,000	15,000					77,000
7	Walker Mower	37,000	5,000					37,000
8	Great Dane	15,000	2,000					15,000
9	Fleet Vehicles	820,000	480,000					820,000
10	Works Vehicles	670,000	390,000					670,000
11	Signage	15,000						15,000
12	Library Disability & Geographic Grant	45,000		45,000				0
13	Library Book Acquisitions	196,978						196,978
14	Play Equipment Soft Fall Area	45,000						45,000
15	Water Savings Plan Implementation	30,000						30,000
	Office Equipment							
16	Operations & Services	4,500						4,500
17	Warilla Childcare Centre Capital Equipment	6,000						6,000
		2,551,478	1,017,000	45,000	0	0	0	2,506,478

Shellharbour City Council											
DRAFT Capital Works Budget - 1st July 2010 to 30th June 2011											
Item	Description	Budget	Restricted Assets	Fin Asst Grant	RTA Grant	Other Grants	Section 94 Contributions	DWM	Entrepreneurial Reserve	Stormwater Service Charge	General Revenue
1	<u>Terry St between Daintree Drive & Ashburton Drive - Eastern Side Albion Park</u>										
	<u>Terry Street 3*3</u>										
	Labour										
	Plant										
	Materials	41,000	41,000		41,000						0
2	<u>Terry Street Regional Repair Program</u>										
	Labour										
	Plant										
	Materials	75,000	75,000	37,500	37,500						0
3	<u>Destination Albion Park</u>										
	Labour										
	Plant										
	Materials	300,000	300,000	300,000							0
4	<u>Oak Flats Streetscape</u>										
	<u>Paving between Griffiths St & Fisher St - western side Central Ave)</u>										
	Labour										
	Plant										
	Materials	42,000	42,000	42,000							0
5	<u>Recycling Bins</u>										
	Labour										
	Plant										
	Materials	36,000	36,000					36,000			0
6	<u>Waste Bins</u>										
	Labour										
	Plant										
	Materials	36,000	36,000					36,000			0

Shellharbour City Council												
DRAFT Capital Works Budget - 1st July 2010 to 30th June 2011												
Item	Description	Budget	Restricted Assets	Fin Asst Grant	RTA Grant	Other Grants	Section 94 Contributions	DWM	Entrepreneurial Reserve	Stormwater Service Charge	General Revenue	
7	<u>Green Bins</u>											
	Labour											
	Plant											
	Materials	36,000	36,000					36,000			0	
8	<u>Roads To Recovery Program</u>											
	Labour											
	Plant											
	Materials	389,660	389,660			389,660					0	
9	<u>IT Upgrade</u>											
	Labour											
	Plant											
	Materials	1,895,000	1,895,000	1,895,000							0	
10	<u>Warilla War Memorial Park GPT</u>											
	Labour											
	Plant											
	Materials	360,500	360,500							360,500	0	
11	<u>Village Green Sand Filter</u>											
	Labour											
	Plant											
	Materials	47,000	47,000							47,000	0	
	TOTAL	3,258,160	1,895,000	379,500	78,500	389,660	0	108,000	0	407,500	0	

Corporate Policy:

Revenue Policy

Policy Name: Revenue Policy	Policy Number: POL-0036
Date Adopted: To be determined	Review Date: June 2010
Policy Owner: Group Manager – Corporate Services	

Contents:

1. Policy Statement/Objective(s)

The policy creates a framework within which transparent pricing and charging decisions can be made. The full costs of providing goods or services will be identified, and will be used along with factors such as existing and potential markets, community service obligations, public interest and community benefit in determining the revenue structure for the provision of any given good or service.

2. Scope

This policy applies to the fees and charges applied by Council.

3. References

Local Government Act 1993

4. Definitions

The Act - Local Government Act 1993 (as amended)

5. Variation and Review

Council reserves the right to review, vary or revoke this policy.

6. Policy

6.1 see attached

Attachments:

N/A

Policy Authorised by:

Name: Tony Gearon

Signature: _____

Title: Group Manager Corporate Services

Date:

Revenue Policy

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Revenue Policy

PREAMBLE

The policy creates a framework within which responsible pricing decisions can be made. The full costs of providing goods or services will be identified, and will be used along with factors such as existing and potential markets, community service obligations, public interest and community benefit in determining the revenue structure for the provision of any given good or service.

ASSOCIATED POLICIES

There are no associated policies.

DEFINITIONS

The Act - Local Government Act 1993 (as amended)

POLICY STATEMENT

For the purpose of determining prices, this policy adopts a method of identifying the full cost of providing goods or services. Full costs may include costs directly incurred providing the goods or services, an allocation of indirect costs and costs of capital.

There will be instances where the full costs of providing the goods or services cannot be passed on to the end user and will need to be subsidised. Such subsidies will be recognised as Community Service Obligations (CSOs). The extent to which goods or services are subsidised will be determined individually for each type of good or service. CSOs are used to ensure there is equity in the community's access to goods and services.

Where the goods or services are provided in competition with other organisations, or where the activity is classed as a commercial one, the pricing decisions will reflect commercial strategies and may include an appropriate rate of return on capital.

Where provision of a service is regulated by legislation, the price charged would be determined by the legislation.

Where a particular fee or charge is taxable, the full 10% Goods & Services Tax will be applied.

Council will publish a Schedule of Fees and Charges for each financial year as part of its annual budget. Fees and charges do not apply to facility use by Council.

Any fee or charge may be amended subject to legislation and by resolution of the Council, which will include a minimum of 28 days public notice.

Revenue Policy

Full Cost Approach

Direct Costs

These costs can be traced and linked to a specific activity. The amount of these costs tends to vary with the level of activity, the more an activity is undertaken the higher the amount of direct costs. Examples of direct costs are wages and materials.

Indirect Costs

These costs are incurred by many activities and must be allocated to individual activities on an agreed basis; this will be done using a distribution of applicable corporate overheads. Examples of indirect costs are administration costs.

Capital Costs

These are incurred where capital is used in an activity. The rate of return on capital represents the income produced by the capital when used in an activity.

The rate of return has two components: the risk free rate and the premium. The risk free rate can be compared to the 10 Year Government Bond Rate as a fairly risk neutral way of investing capital. The premium, which reflects the risk inherent in the market place, will vary depending on the type of activity and the risks of the competing market. The higher the risk the higher the premium.

Capital costs may be utilised as a component of the charge where Council is seeking to recoup the total cost of the asset or a contribution is required towards major structural maintenance.

Section 1 - Rates Pricing

Rates are levied on all rateable property within the Local Government area in accordance with the Act.

Section 509 of the Act limits the amount by which Council may increase total rate income in a new financial year to that percentage specified in accordance with s506.

Section 497 of the Act specifies that each category of rate may either have two components, a base amount and an ad valorem amount or it may be totally ad valorem based.

Individual property rates are set based on the land value of the property and the base rate component. Each year Council specifies two things: the percentage of total rate income to be raised by application of a base amount and the categories to which it applies; and the rate in the dollar amount to be applied to different rating categories for calculating the ad valorem amount.

Revenue Policy

Section 2 – Waste Management Pricing

Domestic Waste Management

The levying of an annual charge for a domestic waste management service is provided for by s496 of the Act. The charge is to be levied on all parcels of rateable land where the service is available. Where the rateable land is vacant or is a multi-unit dwelling that has chosen not to utilise the Council waste service, an availability service charge will be levied in lieu of the full annual charge.

The annual charge is set to meet the full costs to Council of providing the service. Council subcontracts the collection service to an outside agency and manages the service. The cost of provision of the service includes annual operating costs and administrative overheads. It also covers the cost of future major works at the Dunmore Waste Depot which includes provision for a future site incorporating capitalisation and depreciation of site rehabilitation costs and interest expense on land acquisition. Income received from the annual charge is calculated so as not to exceed the reasonable cost to Council of providing the service.

Council provides the following domestic waste management collection services:

- The option of a 140 litre or 240 litre mobile garbage bin collected fortnightly
- A fortnightly kerbside recycling collection in a 240 litre mobile recycling bin
- A fortnightly kerbside green waste collection in a 240 litre mobile garbage bin
- A special weekly collection in a 240 litre mobile garbage bin for households with special waste collections needs, arising from permanent or long-term medical conditions.

Recycling Services

Shellharbour Council is committed to recycling and provides, as part of the domestic waste management service, a bin for fortnightly kerbside collection of materials suitable for recycling.

Fortnightly kerbside recycling services are also available to premises with private domestic waste management services. The cost of the recycling service is based upon recovery of reasonable costs after allowing for income from sales of some collected material.

Green Waste Collection Services

Shellharbour Council is committed to recovering and processing garden organics. A green-lidded bin for garden organics will be collected fortnightly.

The cost of the green waste collection service is based upon recovery of reasonable costs after allowing for income from sales of the processed green waste (mulch and compost).

Revenue Policy

Non Domestic Waste Collection Services

Councils may provide waste collection services to commercial premises and set an annual charge for such a service under s501 of the Act and may also levy a user pays charge under s502.

Shellharbour Council offers a commercial waste management service to business and commercial premises wishing to dispose of domestic style consumer wastes. The pricing of this collection service is based upon cost recovery including operating costs, administrative overheads and provision towards the costs of major future works at the Dunmore Waste Depot.

Dunmore Waste Depot

Charges for disposal of waste at the Dunmore Waste Depot are set out in Council's Schedule of Fees and Charges. Fees are based on cost recovery and include the NSW State Government waste levy.

Materials suitable for recycling are accepted at the Dunmore Waste Depot on a reduced fee basis.

Section 3 – Commercial Activities

Council engages in numerous commercial activities within the Local Government area. Pricing for commercial activities is based upon the principles of National Competition Policy.

Section 4 – Community Facilities

Swimming Pools

1 Heated Pool

The heated pool is provided to the users for a small fee, levied as a contribution towards operating costs. Remaining operating costs are subsidised from general revenue.

2 Non-heated Pools

Entry fees are charged to all users of the cold fresh water pools. Additional fees are charged where a booking requires the exclusive use of a pool or lane. Fees collected are used for funding capital works associated with maintaining the operations of the pools or investigative expenditure associated with the provision of a new aquatic centre. All operating costs are subsidised from general revenue.

Revenue Policy

Community Centres

1 Neighbourhood Centres & Community Halls

These facilities provide an important role in meeting Council's vision of "Communities Living in Harmony", and provide crucial support to community groups. Council provides these facilities and to ensure that there is equitable access to all members of our community.

Different pricing structures exist for the use of Neighbourhood Centres & Community Halls which reflects Council's community service obligation and the role played by many community groups in assisting Council to meet it's community objectives within our Strategic, Management and /or Social Plan.

Only Non Profit Organisations will be offered a subsidised rate. A Non Profit Organisation is defined as an organisation that is not carried on for the profit or gain of individual members. A Non Profit Organisation can still make a profit but these must be used to carry out the organisations purposes, and profits must not be distributed to an individual owner or owners, members or private persons.

If further clarification as to the non profit status of an organisation is needed to ascertain the applicable pricing category within this policy, the Australian Tax Office definition will be used.

I. Subsidised

The cost of providing the use of these facilities is subsidised by Council, reflecting Council's Community Service obligation and the important role community groups play in our city. Subsidised groups are charged under the "community function non profit" category as listed within the fees and charges document. All groups within this category are Non Profit Community Organisations. The use is reviewed annually and the groups may also have individual agreements or licences. Council may limit or cap the time usage at the subsidised rates.

II. Commercial Rates

The full cost of providing facilities is charged to private users of the facilities.

Revenue Policy

2 *Senior Citizens Centres*

These facilities are leased to senior citizens groups for a nominal annual amount. The lease also provides that the groups will undertake minor repairs and cleaning at their own expense.

The leases are reviewed and renewed every five years.

Council meets the cost for major structural repairs out of its general rate income.

3 *Child Care Centres*

These facilities provide important support for parents in the area. Council has undertaken to provide the facilities and to ensure that access to the facilities is as equitable as possible. All centres (apart from the Warilla Child Care Centre) are leased from Council and run by community based not for profit organisations.

I. *Leased Centres*

These facilities are leased for a nominal amount to “not for profit” organisations. The lease also provides that the lessee will undertake minor repairs and cleaning at their own expense.

Council meets the cost for major structural repairs out of its general rate income.

II. *Warilla Child Care Centre*

Council receives a state government contribution towards the salaries paid at the centre. The fees are set by Council to cover operating costs after allowing for the government salary contribution.

4 *Youth Centres*

These facilities are provided for the young people living in the local government area. The facilities are provided free of charge and the operating costs including staffing costs are subsidised by Council out of its general rate income. Nominal fees may be charged to deliver activities.

Revenue Policy

Sportsfields

Council has an obligation to provide these facilities and to ensure that there is equitable access to the facilities by all members of the local community.

1 *Lighting*

Floodlights are provided to users of sportsfields on a subsidised basis. Prices are set to recover direct costs such as electricity and minor repairs. Prices are not set to recover the cost of major maintenance or the original capital cost. Council subsidises the use of the floodlights out of its general rate income.

Where a new sporting organisation requests the use of floodlights for the first time a \$500 refundable deposit will apply. The deposit will be refunded after the first season of usage provided that all accounts from Council are paid. If these accounts are not paid then they will be deducted from the deposit.

If the organisation does not display a good payment record then Council will reserve the right to charge the deposit in the second and subsequent season until a good payment record is established.

2 *Playing Fields and Amenities*

A new fee structure is proposed for 2010/2011, which would see Council's sportsfields divided into four categories:

- Category 1 - Regional, city wide and precinct facility;
- Category 2 - Highest level senior competitions;
- Category 3 - Lower level senior competitions and juniors;
- Category 4 - Junior facilities only with limited or no amenities.

Under the proposal, a new sportsfield facility charge would apply to all users including schools from 1 July 2010 for Myimbarr Community Park and from the beginning of the 2010/2011 summer season for all other sportsfields. This charge covers the use of the playing fields and any associated amenity buildings. Organisations from outside the LGA, including schools and sports clubs, will be subject to an additional fee determined by the category of sportsfield used.

While the proposed structure would mean a substantial increase for some clubs depending on their level of sportsfield use, it is anticipated that the total income received will still only represent about 25% of the cost of providing and maintaining these facilities. Council will continue to heavily subsidise the sportsfield maintenance costs through general revenue.

Revenue Policy

3 *Canteen and/or Storerooms*

Canteen and/or storerooms are provided at a number of sportsfields across the city. Where organisations require exclusive use of canteens and storerooms throughout the season an additional charge will apply. Revenue received will contribute towards the direct costs of maintaining and operating the canteen and/or storerooms including water and electricity. The fee is subsidised by Council out of general revenue.

Shellharbour Links Golf Facility

Council is obliged to manage and operate the Shellharbour Links Golf facility, until such time as a competent alternative arrangement can be made for the facility. The management strategy for this facility necessarily includes a marketing strategy and budget. This budget, comprising both revenues and expenditures, is incorporated into Council's annual budget.

The Shellharbour Links Marketing strategy and budget, includes non-cash components commonly incorporated in budgets for this type of facility. Specifically, this programme allows for marketing incentives, prizes, inducements and goodwill generation through the use of complementary invitations to use facilities. Complementary golf rounds, use of carts and club facilities may be included as part of Council's strategy for building the business.

For the purposes of section 356 of the Local Government Act 1993, Council will account for all complementary use of facilities, so that a value can be placed upon this form of promotion.

Section 5 – Stormwater Management Pricing

Stormwater Management Service Charge

The levying of an annual charge for a stormwater management service charge is provided for by s496A of the Act. This charge will be used to partially fund the quantity and quality of stormwater that flows off land, and includes a service to manage the re-use of stormwater for any purpose.

Land eligible for the making of a charge will be all land that is rated in the residential and business categories for rating purposes, except vacant land.

Funds raised by the charge must be used to recover some or all of the costs of providing new or additional stormwater management services to eligible land. These services may include maintenance and capital works in areas such as drainage systems, stormwater treatment measures, stormwater harvesting and re-use projects and community and industry stormwater pollution education campaigns.

This charge is not subject to rate pegging.

Residential and business assessments will each pay a charge as is determined in the Council's Management Plan. Residential strata lots will pay 50% of the adopted charge for residential assessments. Business strata lots will pay on a pro-rata basis.

DRAFT NEW ITEMS FOR 2010/2011

Priority	Division	Manager	Description	Amount (\$)	Funded (\$)	Net (\$)	Recurrent or Single	Comments
Statutory	Operations & Services	Assets Manager	Shellharbour Links Chemical storage Facilities	8,000	8,000	0	Single	This proposal is to install three tanks to allow spray chemicals that are not used, to be pumped into a storage tank for reuse. The current practice of disposing of unused chemicals by overspraying until they are all used is uneconomical. The installation of the storage tanks will allow the safe storage of chemicals for reuse and comply with the Pesticide Act.
Statutory	Community Planning & Strategies	Group Manager Community Services and Development	Aboriginal Tool Kit	85,250	85,250	0	Single	External funding is being sought for the establishment of a Northern Illawarra (Kiama, Shellharbour, Wollongong LGAs) Aboriginal Culture and Heritage Toolkit / protocol to ensure compliance with Council's Policies and Plans, the DECC guidelines and other statutory provisions. The Toolkit has the support of neighbouring Councils, DECC, the Local Government Aboriginal Network and Southern Regions of Council Group. The Toolkit will compliment work undertaken in 2008/09 on the Aboriginal Cultural Heritage Mapping project prepared by Planning Services and addresses various compliance and development concerns raised by departments across SCC.
Statutory	Operations & Services	Group Manager Works and Services	UPSS Requirements for the Works Depot	20,000	0	20,000	Single	D.E.C.C.W. have implemented new regulations for monitoring underground Fuel Tanks to ensure there is no impact on the environment. It will require new monitoring wells to be installed and an Environmental Management Plan to be developed.
Statutory	Operations & Services	Manager Development	IDAP	20,000	0	20,000	Recurrent	The development of the IDAP was the subject of a DLG Better Practice recommendation & an outcome from the Colley Enquiry.
Essential	Operations & Services	Group Manager Works and Services	Additional operational training requirements of the RTA / Workcover	5,000	0	5,000	Recurrent	During this financial year, Workcover have formalised the training requirements for Workcover tickets to operate plant and equipment. No longer allowed to drive / operate plant with a log book under supervision. Must have formal training through a registered training organisation. Similarly the RTA no longer carry out testing for heavy vehicle licences. All applicants for MR licences and above have to be assessed by an accredited assessor at a training centre. The approximate cost for each licence / ticket will be \$700. If Council is to meet its training obligations under the salary system and apprenticeship schemes in the future, we need to allocate an additional allocation to our training budget on a recurrent basis.
Essential	Operations & Services	Assets Manager	Shellharbour Cemetery Staff Emergency Shower	5,000	0	5,000	Single	Currently there are no staff amenities at Shellharbour Cemetery. Staff have no shower facilities to wash and clean themselves or the equipment after burials. This has been highlighted as a serious health risk, particularly after staff and equipment have been contaminated during a burial. It is proposed to construct a screened outdoor shower to be used in these circumstances.
Essential	Operations & Services	Assets Manager	Albion Park Cemetery Staff Emergency Shower	5,000	0	5,000	Single	Albion Park Cemetery has toilet facilities but no shower facilities for staff. It is proposed to construct a screened outdoor shower.
Essential	Operations & Services	Assets Manager	Myimbarr Park Landscape Maintenance	20,000	20,000	0	Recurrent	Council has recently taken over the landscape maintenance of the Myimbarr Community Park. To adequately maintain this area it requires one landscape maintenance crew a minimum of 2 days per week. It is proposed subject to the introduction of amended sportsfield fees and charges, that the increased maintenance costs can be funded from this additional revenue.
Essential	Community Planning & Strategies	Group Manager Community Services and Development	Good Neighbour Scheme/Community Engagement Officer	34,800	9,800	25,000	Recurrent	A recurrent part time position is required to continue to deliver community engagement activities for Council. There is \$9,800 recurrent available in Communications budget to deliver community engagement activities - this amount combined with the additional \$25,000 will allow Council to employ a 2 day per week position to deliver community engagement outcomes (based on the Good Neighbour Scheme model). In 2008 and 2009 the externally funded Good Neighbour Scheme delivered 124 events and engaged 18,958 residents, however will not receive external funding past March 2010. The Community Engagement officer will assist all departments of Council to deliver the requirements of the community engagement policy and will respond to recommendations of the Better Practice Review.
Essential	Operations & Services	Manager Records and Document Management	Dataworks Upgrade - Software and Training	45,000	0	45,000	Single	Dataworks Upgrade - Records Management System software upgrade is essential as current software is soon to be classified unserviceable. Staff training will be essential and extensive.

DRAFT NEW ITEMS FOR 2010/2011

Priority	Division	Manager	Description	Amount (\$)	Funded (\$)	Net (\$)	Recurrent or Single	Comments
1	Operations & Services	Assets Manager	Street Sweeper Operations	30,000	0	30,000	Recurrent	Council currently operates a large mechanical street sweeper and a small mechanical sweeper. The large sweeper operates 2 shifts, 5 days per week. The small sweeper is only funded to operate 1 shift per day, 3 days per week. This is not allowing full utilisation of this machine. The additional funding will allow the smaller sweeper to be operational 5 days per week.
1	Operations & Services	Assets Manager	Shellharbour Foreshore Landscaping	58,000	0	58,000	Recurrent	Council is also proposing to construct considerable landscaping along the foreshore areas from Shellharbour to Warilla as part of the Foreshore Master Plan. These construction works will happen in the early part of 2010 and be handed over to Council for maintenance in the later part of 2010. Council has no current budget to adequately maintain these areas. One landscape maintenance crew is required at a minimum of 3 days per week.
1	Operations & Services	Assets Manager	Asset Inspector / Bush Fire Management Issues	25,000	0	25,000	Recurrent	This is a new 3 day per week position to cover operational side of the Bushfire Management responsibilities of Council. This includes the implementation of Bushfire Management Plans, securing of available routine funding, completion of onground works, the reporting of all works carried out in BRIMMS as well as the response to Rural Fire Service requests. This position is currently being carried out by our Temporary Asset Inspector, but this position is only funded until May 2010.
1	Operations & Services	Assets Manager	Automated External Defibrillators for Council Beaches, Shellharbour Ocean Pool and Shellharbour City Stadium	18,000	0	18,000	Single	Council purchased 3 AED's in 2009 to cover our 3 Swimming Pools at Albion Park, Oak Flats and Warilla. It is now proposed to purchase AED's to cover Warilla and Shellharbour North Beaches, the Shellharbour Ocean Pool and the Shellharbour City Stadium. All current First Aid training incorporates the use of an AED in emergency situations. The provision of these units will increase the effectiveness of treatment in an emergency.
1	Operations & Services	Assets Manager	Advisory Sign Maintenance	25,000	0	25,000	Recurrent	Council's current allocation of \$81,236 is inadequate to cover the work required to be funded from this allocation. The high incidence of vandalism requires the signs to be constantly replaced.
1	Operations & Services	Assets Manager	Vandalism / Reglazing Building Maintenance	15,000	0	15,000	Recurrent	Council's current allocation of \$25,000 is inadequate to cover essential glass replacement on Council Buildings which are vandalised. In 2009/10 the total cost of glass replacement due to vandalism was in excess of \$35,000.
1	Operations & Services	Assets Manager	Parkland Security	25,000	0	25,000	Recurrent	The current allocation of \$44,322 is inadequate to cover the current cost of locking gates to reserves and amenities buildings. This work is primarily carried out by a security contractor and the current annual cost is over \$70,000.
1	Operations & Services	Assets Manager	Warilla Pool - Shade structures on eastern side of 50m Pool	28,000	0	28,000	Single	There is currently no shade structures on the grassed area adjacent to the 50 metre pool. This has resulted in numerous complaints from patrons. Council has an obligation to provide shade for patrons under our Sun Protection Policy. The proposal is to install 3 shade structures similar to those installed adjacent to Albion Park Swimming Pool.
1	Operations & Services	Assets Manager	Shellharbour City Stadium - Promotional Signage	8,500	0	8,500	Single	It is proposed to install a changeable message board sign adjacent to the Shellharbour City Stadium to advertise and promote different events at the Stadium and within the Croom Regional Sporting Complex.
1	Operations & Services	Assets Manager	Turf Nursery	25,000	25,000	0	Single	A Turf Nursery is a standard part of Golf Course operations and serves as a back-up when there is either disease, vandalism or weed infestation.
1	Operations & Services	Assets Manager	Bunker reconstructions	50,000	50,000	0	Single	This is required to fully complete the bunker rebuilding program commenced in 2006. The inability of Council to reconstruct all the bunkers has come through in the member surveys as an issue of criticism against Council.

DRAFT NEW ITEMS FOR 2010/2011								
Priority	Division	Manager	Description	Amount (\$)	Funded (\$)	Net (\$)	Recurrent or Single	Comments
1	Operations & Services	Group Manager Customer & Environmental services	Procurement Manager	88,354	0	88,354	Recurrent	There has been significant improvement in the documentation needed for managing procurement. However, the work has been undertaken by staff as additional workload. There is still much work to be done and ongoing management is required to ensure good practice and governance. It is proposed that the responsibility for good procurement practice and governance be centralised with other areas using the tools provided. Necessary tasks include: development of a contractor performance appraisal system (it is essential this task be centralised), development of a procurement policy for adoption by Council, integration of existing documentation, preparation of procedures and QA documentation, training, updating of the tools and processes, management of contactors' performance, support to project managers. Amount is based on Grade 20 officer. It is possible that this position would be attached to Corporate Services.
1	Operations & Services	Group Manager Customer & Environmental services	Proportional funding of the Manager for Projects and Contracts from operational budget.	8,500	0	8,500	Recurrent	The Manager Projects and Contracts is required to assist others in the management of procurement. At present there is no operational budget for this task as the Project and Contracts team are expected to charge their time to projects. There are also occasions when the Manager Projects and Contracts has to manage work that has insufficient project management budget. An allocation of 20% is required for these two circumstances.
1	Operations & Services	Manager Projects and Contracts	Conversion of trainee position to a graduate position in the Project & Contracts team	25,000	20,000	5,000	Recurrent	Currently there is a trainee position in the Projects and Contracts team. With the need to provide an assistant for the Shellharbour City Civic Centre project, it would be opportune to make this a permanent placement in the team who could work specifically on project management. The annual budget cost for a grade 16 is \$67,000 and the current budget allocation for the trainee is \$42,000. The additional cost will be approximately 25,000. It can be anticipated that 80% of this cost will be funded from projects.
1	Operations & Services	Waste Manager	Landfill Gas Collection & Treatment System (The resulting payback period would be less than 3 years. These figures are rough estimates at this stage. We are currently seeking detailed cost estimates and will provide updated figures once they are obtained. Partly funded by the Dom Waste Management Charge.)	750,000	300,000	450,000	Single	The Federal Government originally proposed to implement a National Carbon Pollution Reduction Scheme (CPRS) from 1 July 2011 (now extended to 2013). Under the proposed Scheme, significant emitters of greenhouse gases will be required to purchase and surrender to the Federal Government a permit for every tonne of CO ₂ -e they emit. Shellharbour City Council's participation in the Scheme will be triggered by its landfill facility at Dunmore, which is estimated to generate approximately 35,000 tonnes of CO ₂ -e each year. Based on a proposed permit cost of \$10/tCO ₂ -e, we could expect a carbon liability of approximately \$350,000 in the first year of the Scheme's operation. After this time, it is proposed that the price cap on permits be removed with actual prices being determined by market demand. Most commentators suggest permit costs are likely to be in the range of \$25 to \$40/tCO ₂ -e. This could translate to an annual liability of up to \$1,400,000. An allocation of \$750,000 is requested in the 2010/11 budget to install a landfill gas collection and treatment system. It is expected that the system would reduce emissions to a level that would exempt us from partici
1	Operations & Services	Environment and Recreation/ Works & services	Environmental Training of Works Supervisors	20,000	0	20,000	Recurrent	Environmental training of outdoor staff commenced in 2003 as part of the Catchment Caretakers program. This training was funded by an EPA grant and reached less than half of the staff. The staff were very responsive to the training. Further training for Works Supervisors would ensure Environmental considerations are given in all Council construction projects. Additional funds would allow the engagement of a consultant to deliver accredited training to all outdoor supervisors and help fulfil our commitments under the Protection of the Environment Operations Act, Threatened Species Conservation Act and Council's Environment Policy.
1	Operations & Services	Manager Environment and Recreation/ Assets Manager	Shellharbour Cemetery - Upgrade existing Amenities	120,000	0	120,000	Single	The existing public amenities are inadequate and are not considered to be satisfactory. In addition, the amenities for cemetery staff have also been assessed as being inadequate. It is recommended that a new amenities building be constructed to include both public toilets and staff amenities.

DRAFT NEW ITEMS FOR 2010/2011

Priority	Division	Manager	Description	Amount (\$)	Funded (\$)	Net (\$)	Recurrent or Single	Comments
1	Operations & Services	Manager Environment and Recreation/ Assets Manager	Staged development of the Albion Park Cemetery	154,000	0	154,000	Single	Albion Park cemetery is now the main cemetery for Shellharbour City. A Master plan has been developed to allow for the staged development of the facility into the future. Funds are required for the first stage which involves the construction of main internal roadway.
1	Operations & Services	Manager Environment and Recreation	Myimbarr - Sportsfield improvements	820,000	0	820,000	Single	Lighting is required to be installed on the remaining fields at Myimbarr. In addition, as these fields are to be the main fields for senior sport, an undercover grandstand is required. Funds required are : \$320 000 for Lighting and \$500 000 for the undercover grandstand.
1	Operations & Services	Manager Environment and Recreation	Upgrade of sporting facilities	300,000	0	300,000	Recurrent	The 2007/08 audit of Council sports facilities has identified a number of areas that require capital improvements including storage, lighting and improvements to playing surfaces. Needs are identified in the Open Space Recreation and Community Facilities Study completed in 2009 and the ongoing sportsfield audits.
1	Operations & Services	Manager Environment and Recreation / Manager LGIS	Allocation to update Council's Environmental GIS Information	40,000	0	40,000	Single	The current system needs to be updated for Biodiversity, Acid Sulfate Soils and Contaminated Land. Given existing workloads the most efficient way would be through employment of temporary /casual officers.
1	Operations & Services	Manager Environment and Recreation/ Assets Manager	Develop a comprehensive management plan for Dunmore Wetlands	75,500	0	75,500	Single	A Comprehensive management plan is required to be prepared for Dunmore Wetlands. An essential first stage is the completion of a detailed investigation including baseline water quality analysis, condition assessment and detailed vegetation mapping. The management plan is essential for the effective management of the wetlands.
1	Operations & Services	Manager Environment and Recreation/ Assets Manager	Aquatics facilities Review	100,000	TBA	TBA	Single	A comprehensive review of Aquatic facilities is required to be undertaken in order to develop a long term Aquatics Strategy. There are three distinct stages in developing the strategy: A condition assessment of existing facilities (\$30,000 which has been requested by Group Manager Works & Services as a separate item), Community Survey (\$40,000) and development of the long term strategy (\$60,000). As resolved by Council this project can be partly funded by the income received from the introduction of entry fees for the cold water pools.
1	Operations & Services	Manager Environment and Recreation	Plan of Management for remnant vegetation at Shell Cove	15,000	0	15,000	Single	An extension of the Shell Cove Plan of Management is required to include the riparian corridor and stand of Illawarra Subtropical Rainforest. The plan will guide the future management of the reserve and provide detailed vegetation mapping and enable Council to fulfil its obligations under the Threatened Species Conservation Act.
1	Operations & Services	Manager Library & Customer Services	Increase salary funding to employ Museum Curator an additional 2 days each week (Increase from 2 days to 4 days per week) Amount includes 30% on costs	27,692	0	27,692	Recurrent	The Museum Curator is employed 14 hours per week, and is responsible for developing the collection, outreach programs for children, youth and elderly residents, promotional and educational materials, co-coordinating the annual themed exhibition and other events. These programs have resulted in an increase of 53% in annual visitor numbers since 2003. The Curator is also a valuable Council resource used by Development, Planning and GIS departments and Council's external heritage advisor. In order to accomplish all required work, the Curator often donates several hours a week of her own time. The collection is in need of professional cataloguing and digitisation, and this will require further work time.
1	Operations & Services	Manager Library & Customer Services	Employ Museum Assistant for two days per week. Amount includes 30% on costs	18,530	0	18,530	Recurrent	Since its inception, the museum has relied heavily upon volunteers to maintain open hours, guide visitors, perform research for the assistance of Council departments and for Council publications, perform conservation on the collection and provide varied work, including building fitment. The volunteer base has dwindled to six, of whom only three are regularly active. These three are in their eighties. The two most active will cease to drive this year, will no longer be able to collect from suppliers and will rely on public transport to reach the museum. It's possible that after this year we'll have no volunteers for the museum. It's essential that we begin training paid labour as soon as possible to replace the volunteers.

DRAFT NEW ITEMS FOR 2010/2011

Priority	Division	Manager	Description	Amount (\$)	Funded (\$)	Net (\$)	Recurrent or Single	Comments
1	Operations & Services	Manager Library & Customer Services	Database software for museum collection and access	9,000	0	9,000	Single	The museum collection consists of mostly unique artefacts and documents which are intrinsically invaluable if Council is serious about preserving city heritage. The software will provide the ability to digitally record all artefacts, including the textual content of documents, insuring against loss through disaster. Access to items will be able to be made available through Collections Australia's website and Council's own website, and research will be significantly enhanced and facilitated by linking of all related items. Currently, knowledge of related items is limited to Curator's and volunteers' memories, which poses significant risk.
1	Operations & Services	Manager Information Technology	I/T Network Support Officer	76,350	0	76,350	Recurrent	Base salary \$55,000, On Costs \$20,350, Equipment \$1,000. Current I/T staff complement is unable to service the technical workload, which has grown considerably and requires additional resourcing to allow I/T to work as it should.
1	Operations & Services	Manager Legal Services	External referrals due to GIPAA	20,000	0	20,000	Recurrent	External referrals due to GIPAA. Council <i>may</i> require external advice and assistance in management of GIPAA associated applications and implementation.
1	Operations & Services	Group Manager Development & Technical Services	Line Marking for City Wide Roads	20,000	27,800 (RTA Block Grant)	20,000	Recurrent	Funds required to supplement RTA Block Grant
1	Operations & Services	Manager Design	Floodplain Mapping	10,000	0	10,000	Recurrent	Flood mapping should be increased from \$10,000 to \$20,000. Improved field survey, cadastral review and ancillary costs will need to be funded as the Macquarie Rivulet catchment analysis will be commencing, as funding has now reached a sufficient level to begin the process, as well as Horsley Creek flood study recently reaching final draft stages and Elliot Lake / Little Lake catchment also now ready to progress to the next stage. Also the City Wide Flood study will require further refinement.
1	Operations & Services	Group Manager Works and Services	Upgrade Datafuel Fuel Management System	18,000	0	18,000	Single	Upgraded System will incorporate the Waste Depot and Golf Course into the Datafuel System via Council's Network. Will reconcile fuel inflows and outflows for the three Depots under the one reporting system. Will automate current manual process ensuring integrity of the Data and ensure an auditable trail is recorded on Council's database. Will also assist in claiming for Fuel Tax Credits.
1	Operations & Services	Group Manager Works and Services	Purchase of Zero Swing Rubber Tracked 1.5T Excavator and 2T trailer	44,600	0	44,600	Single	Currently Council hires Mini Excavator for Burials and Landscape Work on a regular basis (approx 90 days p.a). Designed for excavation work in confined areas which would otherwise require manual handling. Purchase will reduce O H & S risk and reliance on external hire.
1	Operations & Services	Group Manager Works and Services	Works Depot - Bitumen Sealing Hardstand Area	60,000	0	60,000	Single	EPA Environmental Audit of Works Depot identified the need to bitumen seal the high use plant turn around and parking areas to minimise the dust pollution and reduce the risk of sedimentation of local waterways.
1	Operations & Services	Group Manager Works and Services	Trainee Storeman / Yardman	27,000	0	27,000	Recurrent	This position will provide backup during periods of leave in the store and purchasing section. It will control Traffic sign store and be responsible for Works Depot Maintenance. Also will provide secession planning for current Purchasing Officer who is nearing retirement. Trainee Subsidy of \$1,250 available for Cert II Course.
1	Operations & Services	Group Manager Works and Services	Workshop Extension Completion	50,000	0	50,000	Single	To satisfy EPA requirements it is proposed to complete the Workshop extension at the Works Depot. This includes the following: i) Construction of Concrete Slab Floor ii) Construction of Wall Cladding iii) Provision of Electrical Services iv) Provision of Compressed Air
1	Operations & Services	Group Manager Works and Services	Additional Plant Mechanic	48,000	0	48,000	Recurrent	Employment of additional Plant Mechanic in Council's Workshop. Staff Levels remained static for 5 years whereas plant and car numbers have increased significantly. Over the last twelve months, Council's Workshop has become responsible for an additional 11 vehicles and associated small plant at the Shellharbour Links Golf Course. Ratio of trade mechanics to apprentices more suitable if extra mechanic employed.
1	Operations & Services	Assets Manager	Centamon Leisure Management System for Pools & Stadium	72,000	0	72,000	Single	Council's current booking system (RMS) is not suitable for the needs of the Stadium and Pools. The Centamon System is a computerised people counting / cash reconciliation booking system and would allow all pool passes to be electronic.

DRAFT NEW ITEMS FOR 2010/2011

Priority	Division	Manager	Description	Amount (\$)	Funded (\$)	Net (\$)	Recurrent or Single	Comments
1	Operations & Services	Assets Manager	Park Signage	30,000	0	30,000	Recurrent	The current park name signage and the signage that advises patrons of restricted or prohibited activities within our parks and reserves is substandard and requires replacement. The current signage does not comply with the recommended best practices. This allocation will allow a staged replacement of all signage.
1	Operations & Services	Assets Manager	Oak Flats Pool - New Pool Cleaner	13,000	0	13,000	Single	Current pool cleaner is 10 years old and is constantly requiring repairs. Over \$3,000 was spent on repairs in the last 12 months.
1	Operations & Services	Assets Manager	Shellharbour Links - Workshop Hoist for Maintenance Shed	10,000	10,000	0	Single	Ongoing maintenance of the turf equipment at the Shellharbour Links is required. All servicing and repair of mowers is currently done at ground level. Any maintenance done is heavily restricted by the ground clearance.
1	Operations & Services	Assets Manager	Shellharbour Links - Purchase of 'Rough' Mower	90,000	90,000	0	Single	Currently all the rough areas around the Golf Course are mown by 2 front deck mowers. These mowers are 'trade-ins' from the Park Maintenance mowing fleet. They will be disposed of prior to 30-06-10. This will leave no rough mower to service the course.
1	Operations & Services	Assets Manager	New Dam	35,000	35,000	0	Single	At the back of the course there is a site where a dam could be formed to increase golf course water storage by 3-4 megalitres. In association with this, a pump system would be required to properly convey stored water into the original 'transfer dam' nearby. A further pump unit needs to be considered for the most recently constructed dam at the back of the course in order for us to fully utilise the water supply there.
1	Operations & Services	Assets Manager	Cart Paths	75,000	75,000	0	Single	Additional cart paths to create a further 4 "full length" cart paths (to have a total of 12 on the course) would greatly improve the condition of the assets and reduce the amount of time the course is "out of action" following wet weather periods. The paths will enable less money to be spent on course repair from cart damage, ropes and signage and staff time from having to continually replace signage.
1	Operations & Services	Manager Environment and Recreation/ Assets Manager	Provision of an area for the deposition of cremated remains at Albion Park Cemetery	110,000	0	110,000	Single	Currently there are no facilities to accommodate the placement of cremated remains at Albion Park Cemetery. Increasingly, we are receiving requests for the deposition of ashes at Albion Park Cemetery. While ashes can be placed at Shellharbour Cemetery, it is important that Albion Park Cemetery offer a complete range of burial options. The fees imposed will over time recoup the cost of the installation.
1	Operations & Services	Manager Environment and Recreation	Myimbarr - Passive Recreation	495,000	0	495,000	Recurrent	Funds are required to complete the improvements identified on the Master Plan. Section 94 funds have only been allocated for development of active recreation at Myimbarr. Allocation includes pathways to wetlands, boardwalks, viewing platforms, associated landscaping and educational/interpretive signage and material for Stage 1 of the development which is essential now the sportsfields are open to the public and unrestricted access can be gained to the wetlands. (The total plan would cost in the vicinity of \$4 million.)
1	Operations & Services	Manager Environment and Recreation/ Assets Manager	Signage for Smoke Free Sportsfields / playgrounds	12,000	0	12,000	Single	Council introduced a ban on smoking on sportsfields in and 10m around children's playgrounds on 1 January 2009. Funding is required to erect signage to inform patrons of smoke free areas.
1	Community Planning & Strategies	Group Manager Community Services and Development	Aboriginal Advisory Committee	3,000	0	3,000	Recurrent	The Aboriginal Advisory Committee does not have a budget to fund projects or activities. Current expenses including committee member attendance at the NSW Aboriginal Local Government Network Conference is found within the Aboriginal Liaison Officer's budget reducing Council's capacity to deliver community development projects and events such as Reconciliation Week and Sorry Day etc.

DRAFT NEW ITEMS FOR 2010/2011

Priority	Division	Manager	Description	Amount (\$)	Funded (\$)	Net (\$)	Recurrent or Single	Comments
1	Operations & Services	Manager Library & Customer Services	Casual uniform subsidy for front line staff of Customer Service and Libraries to present corporate professional image of Council, at 0.6 EFT allowance x 15 casual staff.	3,400	0	3,400	Recurrent	Dress Code procedure states "Council has adopted a Corporate Wardrobe to promote a positive and professional image of Council. Council's Corporate Wardrobe will be promoted as the preferred dress standard." Uniform procedure states "All staff of Shellharbour City Council are required to present for work in clothing that is professional and neat. In order to assist staff in achieving this objective, Council has elected to subsidise the purchase of a corporate wardrobe for permanent and temporary staff..." The stated principle is that "The uniform presents a corporate image to members of the general public." Casual staff don't receive the uniform allowance, but may purchase it. Customer Service and libraries rely heavily on casual staff to maintain Council's front-line services. At Grade 8, and on limited hours, these staff are least able to afford to dress to the required standard and image, and yet spend many more hours representing Council in the public eye than most indoor staff.
1	Operations & Services	Manager Library & Customer Services	Implementation of strategy to photographically record Council history and development of LGA	6,000	0	6,000	Recurrent	The library has a publicly available database of historical photographs, including some up to the 1990's, on the internet and CDROM. Many more photos are held throughout Council departments and in the community, however there is no system in place to collect and organise these valuable documents, or to pictorially record the ongoing development of the LGA as it occurs. The library already has the software and staff expertise to accommodate the cataloguing and addition to the database of current photos as they require minimal research, the information about them being readily available. However, the library requires additional resourcing to collect, research, organise, store and add to the database from the most recent photos on <i>Shellharbour Images</i> to the present day. The Manager Library and Customer Services has drafted a strategy for this work, and would work closely with the Communications Department to accomplish it.
1	Operations & Services	Manager Library & Customer Services	Professional customer service training for all front-line staff	10,000	0	10,000	Single	Library and Customer Service staff are thoroughly trained in the basics of good customer service, all phone & counter operations and Council policy, however professional customer service training of the kind provided to staff of many retail and business organisations would provide polish and enhance our front-line image as a professional organisation. Such training needs to be updated every few years to refresh existing staff and to bring new staff up to the same standard.
1	Operations & Services	Manager Library & Customer Services	Promotions and investigation budget	3,000	0	3,000	Recurrent	The library is undertaking a process of grant funded replacement of fitment and display housing, and collection updating to bring the appearance and organisation of library services to current standards. Allied with this process is the grant funded development and implementation of a new library branding with signage and promotional materials. Council has allocated funds to provide some refurbishment of library buildings. A small annual allocation is required to ensure that these improvements are not wasted by being allowed to degrade over time, but can maintain currency and freshness.
1	Operations & Services	Manager Library & Customer Services	Increase to Library Acquisitions allocation	22,547	0	22,547	Recurrent	Shellharbour's expenditure per capita on library materials of \$3.53 is only 89% of the minimum NSW standard of \$3.95, and only 78% of the NSW average of \$4.55. In order to reach the minimum standard, an additional \$27,547 is required, \$22,547 of which is to be allocated to acquisitions and \$5,000 to the periodicals allocations, to accommodate increasing costs and provide additional children's and youth resources, large print, recreational materials, print-disability materials, and electronic resources.
1	Operations & Services	Manager Library & Customer Services	Increase to Periodicals allocation	5,000	0	5,000	Recurrent	Shellharbour's expenditure per capita on library materials of \$3.53 is only 89% of the minimum NSW standard of \$3.95, and only 78% of the NSW average of \$4.55. In order to reach the minimum standard, an additional \$27,547 is required, \$22,547 of which is to be allocated to acquisitions and \$5,000 to the periodicals allocations, to accommodate increasing costs and provide additional children's and youth resources, large print, recreational materials, print-disability materials, and electronic resources.

DRAFT NEW ITEMS FOR 2010/2011

Priority	Division	Manager	Description	Amount (\$)	Funded (\$)	Net (\$)	Recurrent or Single	Comments
1	Operations & Services	Manager Library & Customer Services	Warilla Library Officer in Charge, Grade 12. Amount includes 30% on costs	51,000	0	51,000	Recurrent	The minimum standard for specialist staffing for children's and youth library services for our population is one EFT. Shellharbour's Children's & Youth Librarian has been required to also perform as the Warilla team leader. As a result while children's library services are adequate, we do not provide integrated targeted library services to young people. Shellharbour has a larger proportion of 0-14 years age group than the state and national averages. Furthermore, Shellharbour staff level of 16.84 staff fails to meet the minimum standard of 21.86 for the LGA population. Shellharbour's expenditure on library salaries per capita is 75th out of 97 library services in NSW. To partially address the low staffing, and to free the C&YS Librarian to provide essential youth library services and ensure daily adequate team leadership and operational supervision to Warilla branch, a dedicated branch officer in charge is required for the Warilla branch.
1	Operations & Services	Manager Library & Customer Services	Older peoples services librarian, Grade 15. Amount includes 30% on costs	65,520	0	65,520	Recurrent	The minimum standard for specialist staffing for library services for older people (over 55 years) for our population is one EFT. Shellharbour does not have such a specialist and as a result cannot provide integrated targeted library services for older people. As does all of Australia, Shellharbour has an increasing proportion of people over 55, with an increase from 14,257 in 2006 to 16,104 in 2011. Furthermore, Shellharbour staff level of 16.84 staff fails to meet the minimum standard of 21.86 for the LGA population. Shellharbour's expenditure on library salaries per capita is 75th out of 97 library services in NSW. To partially address the low staffing, and to address the needs of an increasingly ageing population, a dedicated specialist staff member is required.
1	Operations & Services	Manager Library & Customer Services	Wireless internet access in libraries	56,575	0	56,575	Single	Requests from customers to be able to use their own laptops to access the internet in the library are increasing. I.T. standards provided in the state government's <i>Standards and guidelines for NSW public libraries</i> published in December 2009 includes "Wireless Internet provision and power outlets so that patrons can use their own personal computers in the library." Advantage to the customers includes being able to use their own software and files in the library without being limited by software available on the public PCs, or having to transfer work to and from library PCs using USB drives. Advantage to Council includes being able to provide for these customers without having to purchase and maintain the computers. The estimate to implement wireless access across all Library Branches is \$56,575. The solution that has been quoted can not only cater for the Public Access requirements but can be extended to support secure staff access to corporate network resources when required.
1	General Manager	Public Officer	Contingency for GIPAA (casual - part time officer + IT / consultancy)	50,000	0	50,000	Recurrent	IT software and hardware upgrades, sharepoint, microsoft consultancy, training - GIPAA and IT.
1	Operations & Services	Manager Information Technology	Training new IT Systems - 47 staff @ \$100	4,700	0	4,700	Recurrent	Training new IT Systems - 47 staff @ \$100
1	Operations & Services	Manager Records and Document Management	Additional Archival (external) Storage	5,000	0	5,000	Recurrent	Additional Archival (external) Storage
2	Community Planning & Strategies	Group Manager Community Services and Development	Bass Point Aboriginal Interpretive Centre Business Plan	30,000	20,000	10,000	Single	Consultancy fee to prepare a Business Plan for the establishment of an Aboriginal Interpretive Centre at Bass Point. The University of Wollongong will partner with Council to deliver a Business Plan to source external funding for the construction of the Centre. External funding to deliver the Business Plan has been unsuccessful to date and a current funding submission is pending. If successful, a \$10,000 contribution from Council is required.

DRAFT NEW ITEMS FOR 2010/2011								
Priority	Division	Manager	Description	Amount (\$)	Funded (\$)	Net (\$)	Recurrent or Single	Comments
2	Operations & Services	Group Manager Works and Services	Additional Apprentice Boilermaker	27,000	0	27,000	Recurrent	Employment of additional Apprentice Boilermaker in Council's Metal Fabrication workshop. Currently only 1 Apprentice and 2 Tradesman. Loss of productivity when Senior Apprentice replaced with 1st year Apprentice. Propose to employ Apprentices 2 years apart to minimise impacts on continuity of work.
2	Operations & Services	Assets Manager	Albion Park Pool - Additional Storage Room	14,000	0	14,000	Single	An additional storage room needs to be constructed adjacent to the plant room . This will allow separation of cleaning chemicals from small plant and fuel.
2	Operations & Services	Assets Manager	Warilla Pool - Installation of CCTV System	6,000	0	6,000	Single	There has been an increase in incidents of vandalism and aggression towards pool staff over the current swim season. While all incidents are reported to Police, a surveillance system will assist in maintaining pool security and deter acts of aggression / harassment towards staff.
2	Operations & Services	Assets Manager	Albion Park Pool - Installation of CCTV System	6,000	0	6,000	Single	There has been an increase in incidents of vandalism within and around the pool. A CCTV will assist in maintaining surveillance around the pool and deter acts of vandalism.
2	Operations & Services	Assets Manager	Oak Flats Pool - Shade Structures on north side of 50m Pool	9,000	0	9,000	Single	There are currently 2 shade structures approved for the grassed area adjacent to the 50 metre pool. Council has an obligation to provide shade for patrons under our Sun Protection Policy. The proposal is to install the 3rd shade structure similar to those installed adjacent to Albion Park Swimming Pool.
2	Operations & Services	Assets Manager	Warilla Pool - Security Lighting	6,000	0	6,000	Single	The installation of security lighting over the pool area will allow increased surveillance of pool grounds and reduce the level of vandalism.
2	Operations & Services	Assets Manager	Shellharbour City Stadium - Chairs	6,000	0	6,000	Single	The function room is designed to accommodate 50 persons. There are currently only 30 chairs which is insufficient for many user groups. The purchase of an additional 20 chairs will make the room more attractive to potential hirers.
2	Community Planning & Strategies	Group Manager Community Services and Development	Further Research based on Ageing in Place Project	15,000	0	15,000	Single	The Ageing in Place project has identified a number of areas of further enquiry and additional research and investigation is required to deliver the full outcomes of the project. External funding will be investigated to assist in the delivery of this project but is not guaranteed.
2	General Manager	Public Officer	Foyer Kiosk for GIPAA enquiries (Lamerton House and Warilla Library)	8,000	0	8,000	Single	Foyer Kiosk for GIPAA enquiries (Lamerton House and Warilla Library)
2	General Manager	Manager Executive Services / Public Officer	Follow Up Staff Survey	20,000	0	20,000	Single	Manex has agreed that Council should have a follow up staff survey (12 - 18 months after the initial survey) on the organisation as a result of the workcover improvement notices issued and dealt with last year.
2	Operations & Services	Manager Property Services	New Temporary Part Time Position - Community Halls - Marketing / Admin Officer (12 months)	41,000	0	41,000	Single	It has been identified, through the investigations undertaken for the preparation of the Community Halls Policy, that there is a lack of co-ordination and consistency in the way community centres and Council owned halls and facilities are managed and maintained by Council. A number of Council staff and departments have a responsibility in regards to these facilities, but there is no central point of co-ordination or contact. This raises some questions in regards to the financial sustainability, maintenance, legal responsibilities, safety and the utilisation of Council owned buildings. It is proposed that, by creating a temporary part-time position for a period of 12 months, this will help in the establishment of Council procedures in regards to Council owned halls and buildings and to provide support and monitoring of all Council owned community buildings. \$30,000 Base Salary, \$11,000 Overheads.
2	Operations & Services	Manager Risk	Trainee OHS Shared with HR (2 days per week)	27,400	0	27,400	Recurrent	\$20,000 Base Salary, \$7,400 Overheads.
2	Operations & Services	Web Development	Contingency for GIPAA - Web Development	10,000	0	10,000	Recurrent	Contingency for GIPAA - Web Development