

# AGENDA

<b>1. Acknowledgement to Country .....</b>	<b>3</b>
<b>2. Apologies.....</b>	<b>3</b>
<b>3. Leave of Absence.....</b>	<b>3</b>
<b>4. Confirmation of Minutes .....</b>	<b>4</b>
4.1 Ordinary Council Meeting 21 May 2019.....	4
<b>5. Declarations of Interest .....</b>	<b>4</b>
<b>6. Confidential Business (Committee of the Whole in Closed Session) .....</b>	<b>4</b>
<b>7. Condolences.....</b>	<b>4</b>
<b>8. Mayoral Statements / Reports / Presentations .....</b>	<b>4</b>
<b>9. Mayoral Minutes .....</b>	<b>4</b>
<b>10. Councillors' Statements / Reports.....</b>	<b>4</b>
<b>11. Reports.....</b>	<b>4</b>
<b>11.1 General Manager .....</b>	<b>5</b>
11.1.1 Delivery Program 2018-2021 including the Draft Operational Plan 2019-2020 and the Draft Long Term Financial Plan (11224100).....	5
<b>11.2 Council Sustainability Directorate.....</b>	<b>29</b>
11.2.1 Monthly Investment Report - April 2019 (11219149).....	29
11.2.2 Debt Write Off - Jetgo Australia Holdings Pty Ltd (11219148).....	35
11.2.3 Proposed Licence Agreement - Civic Square Café and Catering Opportunities (11219889).....	38
11.2.4 SUDU Dragon Boat Club Inc - Part Lot 462 DP 15987 and Part Lot 2 DP 596168 Deakin Reserve, Oak Flats - Proposed Licence Agreement (11219147) .....	44
<b>11.3 Community and Customers Directorate.....</b>	<b>52</b>
11.3.1 Submission to CASA regarding Energy Australia's Application to create a Danger Area around Tallawarra Power Station (11219047).....	52
<b>11.4 Amenity and Assets Directorate .....</b>	<b>60</b>
11.4.1 Tender 2019/13 Project Management Services Panel (11218932).....	60
11.4.2 Contract 2018/45 - Skiway Park Promenade Renewal (11221575).....	66
<b>12. Committee Recommendations.....</b>	<b>70</b>

---

12.1	Recommendations from the Aboriginal Advisory Committee Meeting held 14 May 2019 recommended for adoption. ....	70
<b>13.</b>	<b>Items for Information .....</b>	<b>70</b>
13.1	Item for Information: Petition to upgrade Doonside Park, Barrack Heights (11220065) .....	70
<b>14.</b>	<b>Notices of Rescission/Alteration Motions.....</b>	<b>72</b>
<b>15.</b>	<b>Notices of Motion .....</b>	<b>72</b>
15.1	Notice of Motion submitted by Cr Kellie Marsh: Mobility Scooters for the Civic Centre (11217746) .....	72
<b>16.</b>	<b>Questions on Notice (must be submitted in writing) .....</b>	<b>73</b>
16.1	Question on Notice submitted by Cr Kellie Marsh: Councils water saving measures (11220653).....	73
<b>17.</b>	<b>Urgent Business.....</b>	<b>74</b>
<b>18.</b>	<b>Committee of the Whole in Closed Session (Closed to the Public): Adjournment.....</b>	<b>74</b>
<b>19.</b>	<b>Committee of the Whole in Closed Session: Consideration of Adoption of Decisions Reached in Closed Session.....</b>	<b>74</b>
<b>20.</b>	<b>Consideration of Motions to Declassify Reports Considered in Closed Session .....</b>	<b>74</b>

## **1. Acknowledgement to Country**

Shellharbour City Council acknowledges the Traditional Owners and Custodians of the Land on which we are meeting and pays its respects to Elders past and present.

### **Webcasting and Emergency Plan Statement**

Pre-registered members of the public who address Council at the Addresses to Council Forum and those who attend Council Meetings should be aware that their image, and comments will be recorded, and broadcast live from Council's website.

It should be noted that the Addresses to Council Forum is held prior to the Council Meeting from 4.30pm to 5.30pm.

Council broadcasts live to enhance the accessibility of Council Meetings to the broader Shellharbour City Community. Recordings can be downloaded from Council's website for later viewing, or purchased from Council for viewing on a computer. For further information on Privacy, refer to the Public Gallery Conduct Standards displayed in the Chamber.

Council accepts no responsibility for any defamatory or offensive statements. Members of the gallery should also refer to the Public Gallery Conduct Standards, for appropriate standards of behaviour during Council Meetings.

Should Council need to consider confidential matters during a Council Meeting, invited members of the gallery may address the Council on the reasons why the meeting should not resolve into Committee of the Whole (Confidential Session).

Please ensure that mobile phones and other electronic devices are turned off or are in silent mode for the duration of the meeting.

In the event of an emergency, please evacuate the building using the nearest exit and follow the instructions given by the wardens. Do not use the lifts.

## **2. Apologies**

## **3. Leave of Absence**

**4. Confirmation of Minutes**

**4.1 Ordinary Council Meeting 21 May 2019**

That the Minutes of the Ordinary Council Meeting held on 21 May 2019 as circulated be taken as read and confirmed as a correct record of proceedings.

**5. Declarations of Interest**

Note: Councillors and staff who declare an Interest at the Council Meeting are also required to complete a Declaration of Interest form.

**6. Confidential Business (Committee of the Whole in Closed Session)**

**7. Condolences**

**8. Mayoral Statements / Reports / Presentations**

**9. Mayoral Minutes**

**10. Councillors' Statements / Reports**

**11. Reports**

**11.1 General Manager****11.1.1 Delivery Program 2018-2021 including the Draft Operational Plan 2019-2020 and the Draft Long Term Financial Plan (11224100)**

To the Mayor and Councillors

**Directorate:** General Manager  
**Group:** Organisational Performance

**Manager:** Elise Woods – Group Manager Organisational Performance  
Gary Grantham – Chief Financial Officer

**Author:** Terri Downton – Organisational Performance Officer  
Paul Henderson – Manager Financial Services

---

**Summary**

The purpose of this report is to seek Council's adoption of the Delivery Program 2018-2021 including the Draft Operational Plan 2019-2020 and the Draft Long Term Financial Plan. These documents were placed on public exhibition from 12 April 2019 to 10 May 2019.

Council actively engaged with the community during the public exhibition period receiving 14 submissions. A summary of the submissions and subsequent changes is included in **Attachment 1**. Other changes are included in **Attachment 2**. Carry over projects from 2018-2019 can be found in **Attachment 3**.

**Background**

The Integrated Planning and Reporting (IP&R) Framework provides Councils in NSW with the opportunity to work with their communities to determine the long term plan for their Local Government Area. The framework is a legislative requirement that forms part of the *Local Government Act 1993*.

Integrated Planning considers the long term future of Council and is directed by the Community Strategic Plan (CSP) which reflects the community's aspirations and needs for the future. The CSP is informed by relevant information relating to four key areas - Community, Environment, Economy and Leadership.

At its Ordinary Council meeting on 9 April 2019, Council resolved to:

1. Endorse for the purpose of exhibition the Delivery Program 2018–2021 including the Draft Operational Plan 2019-2020 including Draft Revenue Policy and Draft Fees and Charges 2019-2020 and the Draft Long Term Financial Plan.

2. Publicly exhibit the draft documents (Attachments 1 and 2) for the period 12 April 2019 to 10 May 2019 with submissions being accepted until 4.30pm on 10 May 2019.
3. Post public exhibition provide a report to Council with the outcomes of the public exhibition including any submissions received.

During the period of public exhibition the draft documents were advertised each week in The Advertiser and available for inspection at Council's customer service area and the libraries. Council's website and social media promoted the exhibition period with the documents available online also. Five, two-hour drop-in sessions were conducted at Warilla, Albion Park, Oak Flats and City libraries and Stockland Shellharbour. A workshop was held with the Shellharbour Youth Council.

Council communicated to committees, sporting groups and schools via email and advertising in the Sustainable Shellharbour and Shellharbour City Business Network newsletters.

## SUBMISSIONS

Fourteen submissions were received from community members and organisations during the exhibition period on the draft documents.

**Table 1. Summary of Submissions Received** includes a brief account of the submission matter and a brief summary of Council's response. Detailed matter and Council response is included in **Attachment 1**.

**Table 1. Summary of Submissions Received**

Submission Matter	Council Response
Request for permanent increase of \$100,000 to its base funding provided by Council	Council currently allocates a contribution to Tourism Shellharbour. No additional funding be allocated.
Seeking to have lighting installed at the new Croom Oval & Keith Grey Oval  (includes one petition with 311 signatures)	That \$20,000 be reallocated from within existing operating budget for detailed investigations for lighting at Croome Regional Sporting Complex.  Keith Grey Oval will be considered with the outcomes for sportsfield priorities identified with the Open Space and Recreation Needs Study.
Cycleway extension/relocation at Warilla Barrack Point Surf Life Saving Club	Detailed design of the path to be progressed within 2019-2020 Operational Plan "Footpaths and Shared Paths" program. It is estimated that a detailed design investigation would be completed in Quarter 1. Grant funding will continue to be sourced.
Replacement of existing tile roof with specified colour bond roof at Warilla Barrack Point Surf Life Savings Club	That \$10,000 be reallocated from within existing operational budget to undertake a thorough investigation of the project and to assist the Surf Club with the works currently under development.

Landcare is a non-profit organisation and strongly object to being asked to meet any charges for use of a meeting venue	No change to Fees and Charges.
Installation of lights at Shellharbour Skate Park	It is proposed that the need for lighting at all skate park areas be considered holistically as part of the Open Space and Recreation Needs Study.  This will be considered further with the outcome of the report requested by Council.
Installation of CCTV at Shellharbour Skate Park	This will be considered further with the outcome of the report requested by Council.
Ability to choose to have all small bins or a mix of bin sizes	Council will continue to monitor the mix of services offered to best fit the needs of our community. However, too many options of bin sizes across the three variants can become confusing for residents and reduce the effectiveness of the services offered.
Consideration of Frangipani Festival, in conjunction with local garden clubs and Bunnings for example	This will be considered within the annual programming cycle in line with the key priority areas outlined by the Event Strategy.
Budget and minor capital works section not clear if allocation will be used to undertake upgrades to the Albion Park Rail Community Centre	Minor upgrades are currently being planned at the Albion Park Rail Community Centre to repair issues relating to the foundation slab. The planned works are to undertake injection underpinning, similar to works successfully undertaken at the Historic Council Chambers at Shellharbour Village.
Free use of swimming pools for children during January 2020 school holiday period	A report will be provided at the 5 June Shellharbour Aquatic Facilities working Party.
There is a lot of sports and exercise equipment not frequently used by young people suggests multi-purpose facilities	That this submission is considered as part of the Open Space and Recreation Needs Study. Further consultation occur with the Shellharbour City Youth Council.
Upgrade basketball court at Warilla. Access to Croome Road netball courts so they can be used by the public	Sporting facilities are being considered as a component of the Open Space and Recreation Needs Study. This will then be used to inform planning for both Council's Asset Management and Strategic Planning.
Western areas are dull, need more works out that way	Significant playground upgrades will be undertaken in 2019-2020 at Mood Park and Frasers Reserve and other associated works with Stronger Country Community Funds.  Amenity upgrades and a masterplan are currently being undertaken at McDonald Park.
Recommend that Council endorse and support the Establishment of a Domestic and Family Violence Trauma Recovery Centre	Continue to support the establishment of a Domestic and Family Violence Trauma Recovery Centre.

Recommend that Council endorse and support the Implementation of a community-based project to change attitudes that enable Domestic Family Violence	Continue to support the project.
Condolence building at Croome Cemetery (two submissions received including two petitions 345 signatures and 116 signatures)	<p>On 12 June 2015, Council resolved to investigate the feasibility of a condolence centre/hall being incorporated within the Albion Park Cemetery Master Plan including use, location, operations and financial consideration.</p> <p>On 10 May 2019, Council resolved to investigate and prepare a report on the costs, considerations and potential timelines of constructing a condolence building at Council's Croome Road Cemetery, Albion Park Rail. In preparing the report, officers are to undertake public consultation in order to determine what type of facility is required. Funding opportunities are also to be explored and reported upon.</p> <p>Accordingly, the following steps will be taken in the 2019-2020 financial year:</p> <ol style="list-style-type: none"> <li>1. Public engagement will occur to determine the extent of community demand for the facility.</li> <li>2. The report, the subject of Council resolution will be provided to Council, which will include the outcome of that engagement.</li> <li>3. Should Council resolve to progress the condolence building, a design will be prepared which will include further public consultation on the design of the facility.</li> <li>4. Should Council resolve to construct the building, the building will be commenced in the 2019/20 financial year subject to appropriate approvals being in place and the construction being included in Council's 2019/20 Capital Works program.</li> </ol>
Council should consider outsourcing services	No action will be taken as a result of this submission.
Play Grounds and Equipment in older parts of Shell Cove are outdated and need upgrading	This submission is considered as part of the Open Space and Recreation Needs Study.
Increase of contribution to Illawarra Academy of Sport	Increase the funding by \$2,000 to be funded from within existing operating budget.

## Financial / Resources Implications

### Delivery Program 2018-2021 and Operational Plan 2019-2020

Since the public exhibition of the Delivery Program and Operational Plan, some changes have been made to the Operational Plan as detailed below. It should be noted that these changes will also flow through to parts of the Resourcing Strategy. This includes the 10 year Income Statement, Balance Sheet and Statement of Cashflow along with the seven Fit For the Future Ratios.

Table 2. Operational Program Changes 2019-2020

	Exhibited Draft Budget 2019/20 \$'000	Changes Since Exhibition	Carry Overs from 2018/19	Notes	Revised Draft Budget 2019/20 \$'000
<b>INCOME</b>					
Rates & Annual Charges	62,672	435		1	63,107
User Charges & Fees	17,743	0			17,743
Interest & Investment Revenues	2,674	(37)		2	2,637
Other Revenues	55,323	3,774		3, 4, 17	59,097
Operating Grants & Contributions	8,391	667		5, 6, 14	9,058
Capital Grants & Contributions	40,280	0			40,280
Net Gains from Disposal of Assets	117	0			117
<b>Total Income</b>	<b>187,200</b>	<b>4,839</b>	<b>0</b>		<b>192,039</b>
<b>EXPENSES</b>					
Employee Benefits & On Costs	(39,635)	0			(39,635)
Borrowing Costs	(1,291)	0			(1,291)
Materials & Contracts	(23,537)	(938)		7, 8, 9	(24,475)
Depreciation & Amortisation	(17,760)	450		10, 16	(17,310)
Other Expenses	(55,037)	(1,556)	(2)	11, 12, 13, 15, 18, 19	(56,595)
<b>Total Expenses</b>	<b>(137,260)</b>	<b>(2,044)</b>	<b>(2)</b>		<b>(139,306)</b>
<b>Net Op. Result for the year - surplus/(deficit)</b>	<b>49,940</b>	<b>2,795</b>	<b>(2)</b>		<b>52,733</b>
<b>Net Op. Result for the year before capital grants and contributions- surplus/(deficit)</b>	<b>9,660</b>	<b>2,795</b>	<b>(2)</b>		<b>12,453</b>
<i>less: Commercial Property Development</i>	<i>(887)</i>	<i>(2,642)</i>	0		<i>(3,529)</i>
<i>less: Shell Cove Joint Operation</i>	<i>(8,771)</i>	0	0		<i>(8,771)</i>
<b>Net Op. Surplus/(Deficit) before Capital</b>	<b>2</b>	<b>153</b>	<b>(2)</b>		<b>153</b>

## Notes:

1. An increase in expected Rates income of \$434,907 as a result of additional properties added to Council's rates base since the preparation of the exhibition report
2. A decrease of \$37,524 in developer contribution related interest as a result of developer funded capital expenditure being rolled forward from 2018-2019, hence the balance of Developer funds will be less than originally forecast resulting in less interest earned
3. A dividend is not expected to be received from Southern Phone
4. The income budget associated with the Civic Centre utilisation has been increased based on the level of utilisation being higher than was originally anticipated in the budget
5. Increased operating component of Developer Contributions in line with 2018-2019 forecast levels
6. Grant income relating to Macquarie Rivulet Flood Study and detention basin concept designs at Horsley Creek and Elliot Lake are now expected to be received in 2019 - 2020
7. Accelerated LED Public Lighting Rollout
8. Expenditure on Macquarie Rivulet Flood Study and Detention Basin Concept Designs at Horsley Creek and Elliot Lake brought over from 2018-2019 to 2019-2020
9. Extension of building assessment contractor due to level of development activity being experienced

10. Budget reduced for depreciation of office equipment resulting from Q3 budget review
11. Increase to Council's Emergency Services contribution based on advice received from Revenue NSW
12. Expenditure relating to the Local Priority grant brought across from 2018-2019 to 2019-2020
13. Adjustment relating to the 2017-2018 donation carryover budget being incorrectly included in the 2019-2020 exhibited budget
14. VPA non cash operating contribution relating to traffic lights on Benson Avenue
15. The contribution expense relating to the above traffic lights being handed over to RMS
16. Depreciation adjustment resulting from the 2018-19 March Quarter budget review capital program changes.
17. Land sales income brought into 2019-2020
18. Cost of land sales brought into 2019-2020
19. Carry over of unspent donations budget from 2018-2019

#### Fit For the Future Operating Performance Ratio

The changes outlined above will have the following impact on the key Fit For the Future Operating Performance Ratio:

**Table 3. Operating Performance Ratios**

	Exhibited Draft Budget 2019/20	Changes since exhibition	Revised Draft Budget 2019/20
Operating performance (\$'000)	\$9,544	\$2,792	\$12,336
Operating performance (%)	6.50%	1.63%	8.13%

#### Capital Works Program

The capital works program has increased by \$4.1m since exhibition. This increase is made up of \$2.3m of changes since exhibition which are due to a combination of adjustments coming from the 2018-2019 March quarterly budget review or changes in timing capital spend since the budget documents were exhibited. In addition to this there is \$1.8m of budgets requesting to be carried over from 2018-2019 to 2019-2020 due to funds not expecting to be spent in the current financial year.

**Table 4. Capital Program Changes 2019-2020**

	Exhibited Draft 2019/20 Budget (\$'000)	Changes since exhibition (\$'000)	Carryovers (\$'000)	Notes	Revised Draft 2019/20 (\$'000)
<b>RENEWAL PROJECTS</b>					
Plant, Equipment & Other Assets	3,068	430	20	1, 2	3,518
Buildings	6,230	1,580	425	3, 4, 5	8,235
Transport	4,148	267	302	6, 7	4,717
Stormwater Drainage	1,243	179	-		1,422
Links, Shell Cove & Airport	4,666	-45	-		4,621
Open Space / Recreational Assets	3,408	605	2	8	4,015
<b>TOTAL RENEWAL PROJECTS</b>	<b>22,763</b>	<b>3,016</b>	<b>749</b>		<b>26,528</b>

	Exhibited Draft 2019/20 Budget (\$'000)	Changes since exhibition (\$'000)	Carryovers (\$'000)	Notes	Revised Draft 2019/20 (\$'000)
<b>NEW PROJECTS</b>					
Plant, Equipment & Other Assets	130	186	-	9	316
Buildings	340	60	65		465
Transport	1,089	1,097	493	7, 10, 11	2,679
Stormwater Drainage	564	270	-	12	834
Links, Shell Cove & Airport	16,699	-2,371	250	13	14,578
Open Space / Recreational Assets	1,080	39	92		1,211
Waste Management	150	-	150	14	300
<b>TOTAL NEW PROJECTS</b>	<b>20,051</b>	<b>-719</b>	<b>1,050</b>		<b>20,383</b>
<b>TOTAL PROJECTS</b>	<b>42,813</b>	<b>2,297</b>	<b>1,799</b>		<b>46,910</b>

The material budget adjustments are:

1. An increase of \$345,000 relating to the transfer of the budget relating to the street sweeper from 2018-2019 to 2019-2020
2. An increase of \$85,000 relating to IT infrastructure brought over from 2018-2019 into 2019-2020
3. An increase of \$490,000 relating to the carry over of unspent budget for Geoff Shaw Oval and Howard Fowles Oval amenities
4. A budget of \$1,200,000 relating to the Warilla Library budget brought forward from 2018-2019 to 2019-2020
5. A budget of \$380,000 for the Oak Flats Library upgrade being brought over from 2018-2019 to 2019-2020
6. An increase of \$316,000 relating to the Ski Way Park Promenade Renewal budget brought forward from 2018-2019 to 2019-2020
7. An increase of \$300,000 relating to unspent budget for the Croome Sporting Complex to Albion Park Train Station Shared Path carried over from 2018-2019 to 2019-2020. This is split 50% to renewal and 50% new
8. An increase of \$660,000 budget for playground renewals being brought over from 2018-2019 to 2019-2020

9. A budget of \$106,000 relating to the budget for Albion Park Cemetery Improvements brought over from 2018-2019 to 2019-2020
10. An increase of \$1,044,000 related to Tripoli Way land acquisitions transferred from 2018-2019 to 2019-2020
11. A budget of \$135,000 relating to carry over of budget for the Tongarra Rd Shared Path
12. An increase of \$270,000 relating to budget for Shellharbour Rd Culvert Extension brought forward from 2018-2019 to 2019-2020
13. The capital budget for the Shell Cove Marina has been reduced by \$2,215,000 due to development delays pushing the projected spend to later years in the Long Term Financial Plan
14. A budget of \$150,000 relating to the carry over from 2018-2019 to 2019-2020 for Landfill Cell 5B

### **Accelerated Light Emitting Diode (LED) Public Lighting Upgrade Program**

One of the changes listed in the above financials is the requirement for additional funding of \$645k in 2019-2020 for the upgrade of some public/street lights in the local government area. While Council is responsible for the provision and operating cost of all public and street lighting, the lighting infrastructure is owned, managed and maintained by Endeavour Energy who is the network provider.

The Office of Environment and Heritage (OEH) has allocated \$12.5m under its Accelerated Public Lighting Program to provide financial incentives to all NSW Councils to accelerate the upgrade of mercury vapour public lighting technologies to LED lighting. On 9 May 2019, Endeavour Energy confirmed that Council had secured the OEH funding. Under the contract, Council will be required to pay Endeavour Energy a total of \$645k for the project, which will be completed within the 2019-2020 financial year. The project has a payback period of 3.9 years, with annual energy savings of \$165k after the project is complete.

In addition to the financial benefits associated with the Accelerated Public Lighting Program, it is consistent with Council's Cities Power Partnership (CPP) Pledge EE2 which aims to facilitate effective change to reduce corporate and community emissions. The program will reduce annual corporate CO2 emissions by 690 tonnes, the largest reduction in emissions from any individual energy efficiency project ever completed by Council.

Section 55 of the Local Government Act 1993 requires Councils to publicly tender for contracts where expenditure exceeds \$150k. Council's participation in the program, and access to the OEH funding, is dependent on an agreement with Endeavour Energy who is the owner of the public lighting assets. As such, in this instance extenuating circumstances exist providing an exemption to the requirements of section 55.

The recommendation of this report requests the endorsement of Council to proceed with this program.

## Other post exhibition changes to Long Term Financial Plan (LTFFP)

The LTFFP has been adjusted from 2020-2021 onwards to reflect changes in Shell Cove administration fees and proceeds from Council's planned Shell Cove businesses.

The nett impact of the above two issues is outlined in the table below.

**Table 5. Impact of Shell Cove LTFFP Changes**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Impact to the Operating Result	-1,496,942	-458,736	-867,918	-1,250,213	-1,649,464	-2,065,430	-2,627,629	-2,651,002	-2,786,435

## Shell Cove Joint Operation

The exhibited 2019-2020 Operational Plan and LTFFP included Council's 50% share of the Shell Cove project's assets, liabilities, expenses and revenues. Council staff along with Council's development partner Frasers Property Australia, along with Council's auditors are currently undertaking a further review of the financials associated with the Joint Operation. It is expected out of this review that material adjustments will be needed from what was exhibited. These adjustments are anticipated to be favourable, however will not be finalised in time for this report.

## Fees & Charges Changes Post Public Exhibition

The following are the major changes to the Fees and Charges document since exhibition:

### 1. Section 603 Certificate Fees

The Office of Local Government has recently advised that the statutory determined Section 603 Certificate fee pricing is to increase from what was exhibited (\$80) to \$85 for the 2019-2020 financial year. This change has been reflected in the Fees and Charges document.

### 2. Reinstate the availability of the 240L mixed waste bin for new properties

It is the intention of Council's Waste Strategy to re-instate the availability of 240L mixed waste bins to new properties. It is recommended that the marked text in the below charge that was exhibited be removed.

#### 31. DOMESTIC & COMMERCIAL WASTE SERVICES

##### 31.1 DOMESTIC WASTE COLLECTION

Includes fortnightly collection of garbage, recycling & weekly collection of Food Organics Garden Organics

##### RESIDENTIAL WASTE COLLECTION

Any increase in the State Waste levy will be directly passed onto users of waste collection services

240 Litre MGB – per service per annum (comprises fortnightly service of 240L garbage bin, 240L recycling bin and weekly collection of 240L Food Organics Garden Organics bin – ONLY for existing services prior to 1 July 2018)	N	\$540.00	\$555.00	2.78%	Full
This charge only applies to properties with an existing 240 Litre service					

**Carry Overs**

Each year there are projects that overlap the 30 June financial year-end. Unspent estimates associated with these projects are then required to be “carried over” to the following financial year so work can continue from 1 July.

Listed as part of **Attachment 3** to this report are the various projects requested for carry over from the 2018-2019 year. It should be noted these are estimates only with a number of weeks still remaining in the current financial year. Any material variances between the estimate and final year end position will be adjusted as part of a quarterly budget review process in 2019-2020.

To reduce the quantity of carry overs each year, Council encourages staff to transfer budgeted funds from projects that are not expected to be spent by 30 June as part of the March Quarter Budget Review.

**Legal and Policy implications**

The adoption of these draft documents is in accordance with the requirements of the *Local Government Act 1993*.

**Public / Social Impact**

The adoption of these draft documents enables Council to continue to meet community needs and provide the means to report on its achievements.

**Link to Community Strategic Plan**

The Integrated Planning and Reporting suite of documents supports the following objectives and strategies of the Community Strategic Plan:

Strategies of the Community Strategic Plan:

Objective: 4.2 Supported by a Council that is responsive, accountable and financially viable

Strategy: 4.2.1 Undertake Council activities within a clear framework of strategic planning, policies, procedures and service standards

Strategy: 4.2.3 Ensure Council is financially sustainable and continues to be transparent and accountable

## **Consultations**

### **Internal**

A Councillor Briefing was held post public exhibition.

Staff consultation occurred following the public exhibition period including the provision of a response to the submissions received.

### **External**

The Delivery Program 2018-2021 including the Draft Operational Plan 2019-2020 and the Draft Long Term Financial Plan were placed on public exhibition from 12 April 2019 to 10 May 2019.

### **Political Donations Disclosure**

Not applicable

## **Recommendation**

**That:**

- 1. Council incorporate the changes recommended to the Delivery Program 2018-2021 including the Draft Operational Plan 2019-2020 and the Draft Long Term Financial Plan.**
- 2. An ordinary rate, consisting of an Ad-Valorem Rate of zero point two nine seven two three cents in the dollar (0.29723) and a Base Amount of six hundred and ninety one dollars and sixty seven cents (\$691.67) per assessment in accordance with section 537 of the Local Government Act 1993 on all rateable land in the City of Shellharbour categorised as 'RESIDENTIAL', in accordance with Section 516 of the Local Government Act 1993, be now made for the period 1 July 2019 to 30 June 2020 and in accordance with section 543(1) of the Local Government Act 1993, this rate be named 'RESIDENTIAL'.**

**Further that the percentage of the base amount, pursuant to Section 500 of the Local Government Act 1993 is forty-five per cent (45%) of the total amount payable by the levying of the rate.**

- 3. An ordinary rate, consisting of an Ad-Valorem Rate of zero point two nine seven four six cents in the dollar (0.29746) per assessment on all rateable land in the City of Shellharbour categorised as 'FARMLAND' in accordance with Section 515 of the Local Government Act 1993 be now made for the period 1 July 2019 to 30 June 2020 and in accordance with section 543(1) of the Local Government Act, this rate be named 'FARMLAND'.**

4. **An ordinary rate, consisting of an Ad-Valorem Rate of one point one three nine four five cents in the dollar (1.13945) per assessment on all rateable land in the City of Shellharbour used or zoned for professional/commercial trade or industrial purposes and determined to be a centre of activity and categorised as 'BUSINESS' in accordance with Section 518 of the Local Government Act 1993 be now made for the period 1 July 2019 to 30 June 2020 and in accordance with section 543(1) of the Local Government Act 1993, this rate be named 'BUSINESS'.**
  
5. **A Domestic Waste Service Charge of:**
  - a. **\$555.00 per annum per 240 litre bin service (comprises fortnightly service of 240 litre garbage bin, 240 litre recycling bin and weekly collection of 240 litre Food Organics Garden Organics)**
  - b. **\$425.00 per annum per 140 litre bin service (comprises fortnightly collection of 140 litre garbage bin, 240 litre recycling bin and weekly collection of 240 litre Food Organics Garden Organics bin)**
  - c. **\$405.00 per annum per 80 litre bin service (comprises fortnightly collection of 80 litre garbage bin, 240 litre recycling bin and weekly collection of 240 litre Food Organics Garden Organics bin)**
  - d. **\$420.00 per annum per ALL 140 litre bin service (comprises fortnightly collection of 140 litre garbage bin, 140 litre recycling bin and weekly collection of 140 litre Food Organics Garden Organics bin)**
  - e. **\$690.00 per annum charge for a weekly service for special needs households**
  - f. **\$91.00 availability fee be now made for the period 1 July 2019 to 30 June 2020 in accordance with Section 496 of the *Local Government Act 1993*.**
  
6. **A Business Waste Service Charge of:**
  - a. **\$600.00 per annum per fortnightly service (garbage, recycling & organic waste);**
  - b. **\$425.00 per annum per fortnightly service (garbage only)**
  - c. **\$136.00 per annum per fortnightly service (recycling only)**
  - d. **\$166.00 per annum per fortnightly service (organic waste only)**
  - e. **\$440.00 per annum per fortnightly service (garbage and recycling only)**
  - f. **\$197.00 per annum per fortnightly service (two recycling bins only) be now made for the period 1 July 2019 to 30 June 2020 in accordance with Section 501 of the *Local Government Act 1993*.**

7. **A Stormwater Management Service Charge of:**
  - a. **\$25 per residential assessment per annum**
  - b. **\$12.50 per residential strata unit per annum**
  - c. **\$25 per 350m2 (or part thereof) per business assessment per annum capped at a maximum charge of \$150**
  - d. **Business Strata Lots – pro rata per unit entitlement of business calculation per annum (\$5 minimum) be now made for the period 1 July 2019 to 30 June 2020 in accordance with section 496A of the Local Government Act 1993.**
  
8. **An interest rate of seven point five per cent per annum (7.50% p.a.), accruing daily on rates and charges that remain unpaid after they become due and payable, be now set for the period 1 July 2019 to 30 June 2020 in accordance with Section 566 of the Local Government Act 1993.**
  
9. **The amount of new loan borrowing application be \$8,865,558 with \$8,865,558 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.**
  
10. **Mayoral and Councillor fees be increased by 2.5 per cent from 1 July 2019, in line with the determination by the Local Government Remuneration Tribunal.**
  
11. **Council with reference to section 55(3)(i) of the Local Government Act 1993, not call for tenders for a contract for carrying out the Accelerated LED Upgrade Program as it is satisfied that extenuating circumstances exist with Endeavour Energy owning the assets.**
  
12. **Council endorse entering into a contract with Endeavour Energy to deliver the Accelerated LED Upgrade Program.**
  
13. **Council delegate to the General Manager or his nominated delegate the authority to approve and sign the contract with Endeavour Energy.**
  
14. **The General Manager be authorised to make minor amendments to the adopted documents as required.**
  
15. **Council acknowledge and thank community members and organisations for their participation and feedback during the process of developing the Integrated Planning and Reporting documents.**

Elise Woods

Approved for Council's consideration: Group Manager Organisational Performance

**Date of Meeting:** 11 June 2019

**Attachments**

1. Summary of Submissions Received – *Page 19*
2. Other Changes – Delivery Program 2018-2021 and Draft Operational Plan 2019–2020 – *Page 26*
3. Carry Over Projects from 2018–2019 – *Page 27*

Attachment 1 - Summary of Submissions Received

Attachment 1 - Summary of Submissions Received

Submission Number	Submitter	Submission Matter/Issue	Response	Amendment to Documents (Yes, No or N/A- Already Included)
1	Tourism Shellharbour	Request for permanent increase of \$100,000 to its base funding provided by Council	<p>Council currently has allocated an amount of \$251,166 in the draft 2019-2020 budget as a contribution to Tourism Shellharbour.</p> <p>In addition to that annual monetary contribution, Council has also included in the 2019-2020 budget the direct funding of two full time and one part time staff positions along with a small casual salary component totalling \$193,897.</p> <p>Council also provides funding indirectly through the provision of office space on Level 3 of the Civic Centre and basement storage which approximately equates to \$3,437 per annum. Back of house services such as finance, HR, and administration are also provided by Council.</p> <p><b>No additional funding to be allocated.</b></p>	No
2	Albion Park Crows	Seeking to have lighting installed at the new Croome Oval and Keith Grey Oval (includes one petition with 311 signatures)	<p>Propose a budget is allocated to undertake a detailed investigation into lighting of outside fields within the Croome Regional Sporting Complex. This investigation would involve inputs from user groups and consider any potential impacts to the airport. It would also help establish the potential costs to provide lighting (if suitable) in this area.</p> <p>Once known, the feasibility of undertaking any future lighting upgrades will be considered with the outcomes for sports field priorities identified within the Open Space and Recreation Needs Study.</p> <p><b>That \$20,000 be reallocated from within existing operating budget for detailed investigations for lighting at Croome Regional Sporting Complex.</b></p> <p><b>Keith Grey Oval will be considered with the outcomes for sports field priorities identified within the Open Space and Recreation Needs Study.</b></p>	Yes
3	Warilla Barrack Point Surf	1. Cycleway extension / relocation	<p>Detailed design of the path to be progressed within 2019-2020 Operational Plan "Footpaths and Shared Paths" program. It is estimated that a detailed design investigation would be completed in Quarter 1. Grant funding will continue to be sourced.</p>	N/A – Already Included

Submission Number	Submitter	Submission Matter/Issue	Response	Amendment to Documents (Yes, No or N/A- Already Included)
	Life Saving Club (SLSC)	2. Replacement of existing tile roof with specified colour bond roof	<p>Council officers are actively reviewing the current progress of the works and developing an estimate for this portion of roof renewal. Should it be determined that the existing portion of the roof is renewed due to the age of the building, Council officers will review the current plans lodged as part of the Development Assessment and consider how to integrate any roof renewal works with the works being undertaken by the SLSC which are already underway.</p> <p>Due to the various unknowns with this project, any monetary contribution would be best managed via a Quarterly Review and/or Council report and only after Council has been able to determine the extent of works being delivered by Warilla Surf Lifesaving Club via the committed grants already accepted by the club and associated budget already allocated by the club.</p> <p><b>That \$10,000 be reallocated from within existing operational budget to undertake a thorough investigation of the project and to assist the Surf Club with the works currently under development.</b></p>	Yes
4	Landcare Illawarra	Landcare is a non-profit organisation and strongly object to being asked to meet any charges for use of a meeting venue	<p>Regular hirers of Community Centres and Halls receive a discount. A further 50% discount applies to the hiring fee for Government and Not for Profit Organisations. The hire cost per hour is proposed to be \$8. This represents a significant reduction from the 2018-2019 Fees and charges which range from \$15 - \$31 per hour. The group are also encouraged to apply for funding via Council's Financial Assistance process to assist in offsetting any charges.</p> <p><b>No change to fees and charges.</b></p>	No
5	Keiran Woolley	1. Shellharbour Skate Park Lighting	<p>The need for lighting at this location involves many considerations such as amenity to surrounding residents and users, community safety, operating and maintenance costs and adopted service levels.</p> <p><b>It is proposed that the need for lighting at all skate park areas be considered holistically as part of the Open Space and Recreation Needs Study.</b></p> <p><b>This will be considered further with the outcome of the report requested for by Council.</b></p> <p><b>This will be considered further with the outcome of the report requested for by Council.</b></p>	No
		2. Shellharbour Skate Park - CCTV		No

Submission Number	Submitter	Submission Matter/Issue	Response	Amendment to Documents (Yes, No or N/A- Already Included)
6	Ray Whiting	Ability to choose to have all small bins or a mix of bin sizes.	<p>Council currently provides a broad variety of bin sizes that cater for the needs of the majority of our community. The request for a smaller recycling (yellow) bin size is unusual and not considered to be reflective of the majority of Shellharbour City Council residents who are decreasing their waste volumes (red bin) and increasing their recycling and reprocessing volumes (yellow and green bins).</p> <p>In July 2018 Council added 140 litre recycling (yellow) and FOGO (green) bins to the mix of bin sizes available to residents.</p> <p><b>Council will continue to monitor the mix of services offered to best fit the needs of our community. However, too many options of bin sizes across the three variants can become confusing for residents and reduce the effectiveness of the services offered.</b></p>	No
7	Sue Moran	Consideration of Frangipani Festival, in conjunction with local garden clubs and Burnings for example.	<p>In December 2018, Council adopted the City's first Event Strategy. This document was a result of extensive community consultation and feedback and outlines the framework and direction for events across the next 3-year period.</p> <p>The following priority areas provide a base criterion for which the development and delivery of events should occur:</p> <ul style="list-style-type: none"> <li>• Events must be specific and relevant to this Place</li> <li>• Events should inspire visitation</li> <li>• Events should contribute to building and engaging communities</li> <li>• Events should be value for money</li> </ul> <p>Council is always open to new ideas to achieve our aims in art, culture and events.</p> <p><b>This will be considered within the annual programming cycle in line with the key priority areas outlined by the Event Strategy.</b></p>	No
8	Albion Park Rail Community Centre Incorporated	1. Budget and minor capital works section not clear if allocation will be used to undertake upgrades to the Albion Park Rail Community Centre	<p>Minor upgrades are currently being planned at the Albion Park Rail Community Centre to repair issues relating to the foundation slab. The planned works are to undertake injection underpinning, similar to works successfully undertaken at the Historic Council Chambers at Shellharbour Village.</p>	N/A – Already Planned

3

Submission Number	Submitter	Submission Matter/Issue	Response	Amendment to Documents (Yes, No or N/A- Already Included)
		<p>2. Free use of swimming pools for children during January 2020 school holiday period</p> <p>3. Budget allocation for the condolence centre at the Croome Road Cemetery</p>	<p>A report will be provided at the 5 June Shellharbour Aquatic Facilities working Party.</p> <p>On 12 June 2015, Council resolved to investigate the feasibility of a condolence centre/hall being incorporated within the Albion Park Cemetery Master Plan including use, location, operations and financial consideration.</p> <p>On 10 May 2019, Council resolved to investigate and prepare a report on the costs, considerations and potential timelines of constructing a condolence building at Council's Croome Road Cemetery, Albion Park Rail. In preparing the report, officers are to undertake public consultation in order to determine what type of facility is required. Funding opportunities are also to be explored and reported upon.</p> <p>Accordingly, the following steps will be taken in the 2019-2020 financial year:</p> <ol style="list-style-type: none"> <li>1. <b>Public engagement will occur to determine the extent of community demand for the facility.</b></li> <li>2. <b>The report, the subject of Council resolution will be provided to Council, which will include the outcome of that engagement.</b></li> <li>3. <b>Should Council resolve to progress the condolence building, a design will be prepared which will include further public consultation on the design of the facility.</b></li> <li>4. <b>Should Council resolve to construct the building, the building will be commenced in the 2019-2020 financial year subject to appropriate approvals being in place and the construction being included in Council's 2019-2020 Capital Works program.</b></li> </ol>	No
9	Shellharbour City Youth Council	1. There is a lot of sports and exercise equipment not frequently used by young people suggests multi-purpose facilities	<p>Multi-purpose facilities are being considered as a component of the Open Space and Recreation Needs Study. This will then be used to inform planning for both Council's Asset Management and Strategic Planning</p> <p>Council officers will consider the use of multi-purpose sporting and play equipment when undertaking works identified within the draft 2019-20 Operational Plan.</p> <p><b>This submission will be considered as part of the Open Space and Recreation Needs Study. Further consultation occur with the Shellharbour City Youth Council.</b></p>	No

Submission Number	Submitter	Submission Matter/Issue	Response	Amendment to Documents (Yes, No or N/A- Already Included)
10	Illawarra Women's Health Centre	<p>2. Upgrade basketball court at Warilla. Access to Croome Road netball courts so they can be used by the public.</p> <p>3. Western areas are dull, need more works out that way.</p>	<p>Sporting facilities are being considered as a component of the Open Space and Recreation Needs Study. This will then be used to inform planning for both Council's Asset Management and Strategic Planning.</p> <p><b>This submission will be considered as part of the Open Space and Recreation Needs Study. Further consultation occur with the Shellharbour City Youth Council.</b></p>	No
			<p>The 2019-20 Operational Plan will consider embellishment of Open Spaces in the Western areas of the city through the Passive Open Space Embellishment-City West project and routine operational activities.</p> <p>Council officers will also consider this information when investigating grant funding opportunities for future capital works.</p> <p><b>Significant playground upgrades will be undertaken in 2019-2020 at Mood Park and Frasers Reserve and other associated works with Stronger Country Community Funds.</b></p> <p><b>Amenity upgrades and a masterplan are currently being undertaken at McDonald Park.</b></p>	No
		<p>1. Recommend that Council endorse and support the Establishment of a Domestic and Family Violence Trauma Recovery Centre</p>	<p>Council is involved in a number of strategies and initiatives that aim to prevent the incidents and impacts of family and domestic violence and would endorse and support the establishment of a Domestic and Family Violence Trauma Recovery Centre.</p> <p>Council has recently received White Ribbon accreditation.</p> <p><b>Council will continue to support the establishment of a Domestic and Family Violence Trauma Recovery Centre.</b></p>	N/A – Already included

Submission Number	Submitter	Submission Matter/Issue	Response	Amendment to Documents (Yes, No or N/A- Already Included)
		2. Recommend that Council endorse and support the implementation of a community - based project to change attitudes that enable Domestic Family Violence	<p>Council staff are currently on the Steering Committee for the Community Attitudes to Domestic and Family Violence project. Staff have been playing a significant role in supporting the community based attitudinal change phase of that project and recommends the continuation of that involvement and support.</p> <p><b>Council will continue to support the project.</b></p>	N/A – Already included
11	Cr Robert Petreski	Condolence building at Croome Cemetery (includes two petitions 345 signatures and 116 signatures)	<p>On 12 June 2015, Council resolved to investigate the feasibility of a condolence centre/hall being incorporated within the Albion Park Cemetery Master Plan including use, location, operations and financial consideration.</p> <p>On 10 May 2019, Council resolved to investigate and prepare a report on the costs, considerations and potential timelines of constructing a condolence building at Council's Croome Road Cemetery, Albion Park Rail. In preparing the report, officers are to undertake public consultation in order to determine what type of facility is required. Funding opportunities are also to be explored and reported upon.</p> <p>Accordingly, the following steps will be taken 2019-2020 financial year:</p> <ol style="list-style-type: none"> <li><b>Public engagement will occur to determine the extent of community demand for the facility.</b></li> <li><b>The report, the subject of Council resolution will be provided to Council, which will include the outcome of that engagement.</b></li> <li><b>Should Council resolve to progress the condolence building, a design will be prepared which will include further public consultation on the design of the facility.</b></li> <li><b>Should Council resolve to construct the building, the building will be commenced in the 2019-2020 financial year subject to appropriate approvals being in place and the construction being included in Council's 2019-2020 Capital Works program.</b></li> </ol>	No
12	Sean Kirwan	Council should consider outsourcing services	<p>Regular reviews of services being managed in house or by contractors is ongoing, to ensure that Council, the community and customers receive value for money.</p> <p><b>No action will be taken as a result of this submission.</b></p>	No

Submission Number	Submitter	Submission Matter/Issue	Response	Amendment to Documents (Yes, No or N/A - Already Included)
13	Emma Grima	Play Grounds and Equipment in older parts of Shell Cove are outdated and need upgrading.	<p>Playground renewals and defects on all playgrounds within the Shellharbour Local Government Area have recently been identified as part of a playground asset audit. Immediate defects have been actioned first with planned upgrades currently undergoing community consultation. All other renewals will be considered via the risk based priorities established in the audit.</p> <p>Future upgrades will consider the outcomes and priorities identified from the Open Space and recreation Needs Study.</p> <p>For the 2018-2021 Delivery Program exhibition period, Council previously allocated higher amounts to both the renewal and upgrades of playgrounds in line with feedback received. Council has also allocated a budget in 2019-2020 for a new amenity building within the established Shell Cove area. No further increase to playground renewal and upgrade amounts is recommended at this stage.</p> <p><b>This submission is considered as part of the Open Space and Recreation Needs Study.</b></p>	No
14	Illawarra Academy of Sport	Request for review of funding support to Illawarra Academy of Sport	<p><b>An additional \$2,000 be reallocated from within existing operational budgets.</b></p>	Yes

## Attachment 2 - Other Changes – Delivery Program 2018-2021 and Draft Operational Plan 2019–2020

### Attachment 2 – Other Changes

#### Delivery Program 2018-2021 and Draft Operational Plan 2019-2020

Page Number	Document on Public Exhibition	Post Public Exhibition
20 - 21	Strategies and Plans	Updated to reflect the current strategies and Plans within Council
41	Action 2.3.1.1 <i>Responsibility</i> Group Manager Asset Strategy	<i>Responsibility</i> Group Manager Community Connections
42	Action 2.3.2.3	Removed from 19/20 timeframe
44	Action 2.3.4.3	Removed from 18/19 timeframe
50	Action 3.1.2.5	Removed from 18/19 timeframe
56	Action 4.1.2.3 Communicate and promote a positive image of Council through media and marketing	Communicate and promote a positive image of Council through media
58	Action 4.2.1.3 <i>Measure</i> <i>Percentage of Complaints acknowledged within 10 working days of receipt</i>	<b>Ensure Complaints acknowledged within 5 working days of receipt</b>
58	Action 4.2.1.4 <i>Measure</i> <i>95% of Informal Requests for Information dealt with within 3 weeks of receipt</i>	<b>90% of Informal Requests for Information dealt with within 3 weeks of receipt</b>
58	Action 4.2.1.4 <i>Measure</i> <i>Number of documents made available to the public under Council's Proactive Release Program</i>	Deleted
58	Action 4.2.1.4 <i>Measure</i> <i>Ensure formal access to information applications processed within statutory timeframes</i>	<b>Ensure formal access to information applications are decided within applicable statutory timeframes</b>
58	Action 4.2.1.5 <i>Responsibility</i> Executive Manager	<i>Responsibility</i> General Manager
63	Action 4.2.4.5	Removed from 18/19 timeframe
63	Action 4.2.4.6	Removed from 18/19 timeframe
63	Action 4.2.4.6 <i>Responsibility</i> Group Manager Community Connections	<i>Responsibility</i> Group Manager Business Technology and Customer Services

**Attachment 3 - Carry Over Projects from 2018–2019**

Carry Over Projects from 2018-2019

Group	Project Description	Proposed Carry Over \$ for 2018/19	Funding	Comments including why work was not completed in 2018/19	Expected cashflow timing of this expenditure
<b>OPERATING CARRY OVERS:</b>					
Community Connections	Donations budget	2,949	General Revenue	Unspent funds are required to be carried over as per Council resolution.	First Quarter
<b>TOTAL OPERATING CARRY OVERS</b>		<b>2,949</b>			

Group	Project Description	Proposed Carry Over \$ for 2018/19	Funding	Comments including why work was not completed in 2018/19	Expected cashflow timing of this expenditure
<b>CAPITAL CARRY OVERS:</b>					
Asset Strategy	Geoff Shaw Oval Amenities Renewal	360,000	SRV	Delays occurred on this project due to design changes and the discovery of asbestos on site. This project has commenced and is to be completed by contractors. Minor project management is the only Council activity required as the works have already commenced and the project will be substantially completed at end of the 2018/19 financial year.  A report on this project has previously been provided to Council.	First Quarter
Asset Strategy	Howard Fowles Oval Amenities Renewal	130,000	SRV	Delays occurred on this project due to design changes and the discovery of asbestos on site. This project has commenced and is to be completed by contractors. Minor project management is the only Council activity required as the works have already commenced and the project will be substantially completed at end of the 2018/19 financial year.  A report on this project has previously been provided to Council.	First Quarter
Asset Strategy	Tongarra Rd Shared Path	135,000	RMS Active Transport Grant	Delays occurred on this project due to a number of design issues including utility service clashes, drainage design and adjoining the site boundary of the Albion Park Rail Bypass project being undertaken by the RMS. This has required the project design to be revised and undertaken by multiple contractors. These issues have largely been resolved and will require a moderate level of project management to complete the project.  A report on this project has previously been provided to Council.	First Quarter
Asset Strategy	Cottages at Shellharbour Beachside Tourist Park	200,000	\$125k Crown Reserve Restriction, \$75k Loan	Delays occurred on this project due to Native Title considerations as the project is located on Crown Lands. This matter is ongoing though is expected to be resolved and delivered within the 2019/20 financial year.  This project has its own funding allocation restriction and is not essential for meeting renewal requirements for Fit For the Future considerations.	First Quarter
Asset Strategy	Cell 5B Design, Preparation & Construction	150,000	\$60k (40%) DWM, \$90k (60%) Tip Restriction	Delays occurred on this project due to additional time taken to validate quality control associated with the lining system. This project will require moderate project management to complete the project.  This project has its own funding allocation restriction and is not essential for meeting renewal requirements for Fit For the Future considerations.	First Quarter
Asset Strategy	Civic Centre Traffic Barriers	110,000	Loan Funding Source	Delays occurred on this project due to extensive design and consultation due to the balance of road safety implications and aesthetic requirements. These works have commenced and will be undertaken by contractors with minimal Project Management supervision requirements.	First Quarter
Asset Strategy	Ski Way Park Promenade Renewal	150,000	SRV	Delays occurred on this project due to implications associated with Native Title as the project is located on Crown Lands. This was in addition to extensive design adjustment to ensure the final use of the promenade would meet community expectations. Construction has commenced on this project and is being undertaken by contractors. This project will require a moderate level of project management to complete the project.  A report on this project has previously been provided to Council.	First Quarter

Group	Project Description	Proposed Carry Over \$ for 2018/19	Funding	Comments including why work was not completed in 2018/19	Expected cashflow timing of this expenditure
<b>CAPITAL CARRY OVERS:</b>					
Asset Strategy	Tripoli Way Project	100,000	General Revenue	This project is for the Concept Design only. Delays occurred due to revised modelling due to the implications from design changes with the Albion Park Rail Bypass design. The concept design is largely completed and will be finalised early in 2019/20.  Construction of this project is not programmed for 2019/20 in line with a previous resolution from Council.	First Quarter
Asset Strategy	Skate Park - Pioneer Park	20,000	S94 - C1.26 Passive Open Space Embellishment - City East	The funds being carried over are for minor costs associated with installation of Artistic elements at the park. The project will require minimal project management following internal consultation on the final chosen installation.  This project has its own funding allocation restriction and is not essential for meeting renewal requirements for Fit For the Future considerations.	First Quarter
Asset Strategy	Shared Path: Croome Sporting Complex to Albion Park Train Station	300,000	RMS Active Transport Grant	Delays occurred on this project due to design modifications associated with heritage land and potential private developments associated on adjoining land. This has now been resolved and a contractor engaged to undertake construction. This project will require moderate project management to complete the project.	First Quarter
Asset Strategy	Reddall Reserve Lighting	74,229	NSW Crime Prevention Grant	These funds are required to be carried over as the grant funding was announced in the third quarter of 2018/19. The project will require minimal project management to procure the lights and a suitable contractor to install. No utility relocations are required as part of this project.  This project has its own funding allocation restriction and is not essential for meeting renewal requirements for Fit For the Future considerations.	First Quarter
Business Technology and Customer Services	Major Core Software Renewals - Office & IT	20,000	General Revenue	Delays with implementation Human Resources Payroll (HRP) CiA functionality	First Quarter
Business and Investment	Shell Cove Marina Undercroft	50,000		The start of the project has been pushed back due to delays in the overall Shell Cove Project	First Quarter
<b>TOTAL CAPITAL CARRY OVERS</b>		<b>1,799,229</b>			
<b>TOTAL CARRY OVERS</b>		<b>1,802,178</b>			

**11.2 Council Sustainability Directorate****11.2.1 Monthly Investment Report - April 2019 (11219149)**

To the General Manager

**Directorate:** Council Sustainability

**Group:** Finance

**Manager:** Gary Grantham – Chief Financial Officer

**Author:** Claire Wheatley – Accounting Officer

---

**Summary**

The purpose of this report is to provide details to Council, of its current investment portfolio in terms of holdings and impacts of changes in market values since the last monthly report, and to seek a resolution to receive and note the report. This report for the month of April details investment performance against applicable benchmarks and reviews the compliance of Council's investments with policy and legislative requirements.

As part of the March Quarter Budget Review, the forecast for interest on investments to 30 June 2019 was increased by \$223K to \$2.918M. As at the end of April 2019, \$2.463M of interest revenue has been accrued.

Council is currently ahead of the budget forecast up to the end of April 2019 by approximately \$31K (forecast = \$2.918M divided by 12 months and multiplied by 10 months = \$2.432M). This is increased further by the FRN Fair Value adjustment of \$52K resulting in a favourable net position of \$83K.

**Background**

Financial Services staff monitor Council's cash flow on a daily basis, with surplus funds being invested in accordance with Council's Investment Policy, the *Local Government Act*, Local Government (General) Regulation and the Ministerial Investment Order.

Subject to these constraints, Council's objective when investing funds, is to obtain the most favourable rate of interest, whilst taking into consideration the risks and security associated with the investment and ensuring that Council's liquidity requirements are also being met. To assist with this process, Council communicates with its independent investment advisors (Imperium Markets Pty Ltd) before any investment is made. Close attention is paid to Council's Investment Policy document.

This report provides details on the performance for the month of April (**Attachments 1 & 2**). The return on investments for the month of April was 0.28% or when annualised approximately 3.36%.

This portfolio return for April compares favourably with the AusBond Bank Bill Index of 0.16% for the month and 1.92% when annualised. The portfolio year to date has returned 2.82%, which when annualised equates to 3.38%.

The market value (fair value) adjustment on Floating Rate Notes (FRN) for the month of April resulted in a positive adjustment of approximately \$52K.

### **Financial / Resources Implications**

The forecast for interest on investments to 30 June 2019 was increased by \$223K from \$2.695M to \$2.918M as part of the March Quarter Budget Review. This adjustment is mostly attributed to higher than forecast average portfolio balances as well as achieving stronger returns over the last quarter. It is also worth noting that approximately \$60K of the \$223K adjustment relates to interest on Developer Contributions and Planning Agreement funds held in restricted assets.

Council is currently ahead of the budget forecast up to the end of April 2019 by approximately \$31K (forecast = \$2.918M divided by 12 months and multiplied by 10 months = \$2.432M). This is increased further by the FRN Fair Value adjustment of \$52K resulting in a favourable net position of \$83K.

The restricted and unrestricted cash balances have significantly changed following the March Quarter Budget Review due to the changes that were resolved in report '11.2.1 Internal Restrictions' at 9 April 2019 Council Meeting. The revised split is outlined in graphical form in **Attachment 2**.

### **Legal and Policy implications**

Section 212 of the *Local Government (General) Regulation 2005*, requires Council's Responsible Accounting Officer to provide a report to Council, detailing all investments held at the end of each month. This report confirms that the investments made, have been in accordance with the Act and the regulations, along with Council's Investment Policy.

### **Public / Social Impact**

Council invests its surplus funds on the best available advice, to maximise interest returns in accordance with Council's Investment Policy. Any additional interest income achieved through the placement of investments will result in extra funds being available for expenditure in our City.

### **Link to Community Strategic Plan**

This report supports the following objectives and strategies of the Community Strategic Plan:

Objective: 4.2 Supported by a Council that is responsive, accountable and financially viable

Strategy: 4.2.1 Undertake Council activities within a clear framework of strategic planning, policies, procedures and service standards

4.2.3 Ensure Council is financially sustainable and continues to be transparent and accountable

## **Consultations**

### **Internal**

Nil

### **External**

Imperium Markets Pty Ltd

### **Political Donations Disclosure**

Not applicable.

## **Recommendation**

**That Council receive and note the attached Investment Portfolio report as at 30 April 2019.**

Gary Grantham

Approved for Council's consideration: Chief Financial Officer

**Date of Meeting:** 11 June 2019

### **Attachments**

1. Council's Investment Portfolio as at 30 April 2019 – *Page 32*
2. Council's Investment Portfolio Graph as at 30 April 2019 – *Page 33*

**Attachment 1 - Council's Investment Portfolio as at 30 April 2019**



**Shellharbour City Council Investment Report by Investment Strategy as at 30 April 2019**

The table below shows the actual performance of Council's investment portfolio. It is provided as required by the Local Govt (General) Reg 2005 (CI 212).

Issuer	Rating	Rate	Opening Balance 31/03/2019	Closing Balance 30/04/2019	Monthly Movement	Maturity
<b>Cash Funds</b>						
Commonwealth Bank	AA-	1.75	7,837,659	4,853,384	-2,984,276	T
Rabobank Australia Branch	A+	1.50	408	408	0	T
Commonwealth Bank	AA-	0.50	122,224	126,207	3,982	T
NSWTC IMCF	AAA	2.50	308,912	309,540	628	T + 3
<b>Senior Bonds</b>						
Credit Union Australia	BBB	3.68	1,500,359	0	-1,500,359	01/04/2019
Credit Union Australia	BBB	3.12	1,506,773	1,508,516	1,743	20/03/2020
Rabobank Australia Branch	A+	3.38	1,017,623	1,017,746	123	04/03/2021
AMP Bank	A-	3.24	2,010,050	2,010,814	764	24/05/2021
Westpac	AA-	3.13	2,026,806	2,029,334	2,528	07/02/2022
Newcastle Permanent	BBB	3.42	1,752,861	1,763,102	10,241	06/02/2023
NAB	AA-	2.74	4,013,140	4,024,468	11,328	26/09/2023
Westpac	AA-	2.90	2,007,830	2,013,494	5,664	16/11/2023
ANZ Bank	AA-	2.91	4,029,016	4,040,868	11,852	06/12/2023
Commonwealth Bank	AA-	2.82	2,022,388	2,029,674	7,286	11/01/2024
<b>Senior Bond Performance</b>					<b>51,529*</b>	
* Excluding sale / maturity of investments						
<b>Managed Funds</b>						
Macquarie GIOF	NR	0.00	5,519,322	5,555,175	35,853.04	T + 3
<b>Managed Fund Performance</b>					<b>35,853.04</b>	
<b>Term Deposits</b>						
AMP Bank	A-	2.70	2,000,000	2,000,000	0	30/08/2019
AMP Bank	A-	2.80	1,500,000	1,500,000	0	25/11/2019
Australian Military Bank	NR	3.01	2,000,000	2,000,000	0	28/11/2019
Auswide Bank	BBB	2.90	2,000,000	2,000,000	0	13/03/2020
Commonwealth Bank	AA-	2.85	2,000,000	2,000,000	0	03/04/2020
Rural Bank	BBB+	2.90	2,000,000	2,000,000	0	06/04/2020
Police Credit Union SA	NR	2.95	1,000,000	1,000,000	0	05/06/2020
AMP Bank	A-	3.15	1,500,000	1,500,000	0	29/06/2020
BOQ	BBB+	3.00	2,500,000	2,500,000	0	20/08/2020
BOQ	BBB+	3.00	1,000,000	1,000,000	0	21/08/2020
Westpac	AA-	3.00	2,000,000	2,000,000	0	04/09/2020
Rabobank Australia Branch	A+	3.00	2,000,000	2,000,000	0	07/09/2020
Westpac	AA-	2.93	5,000,000	5,000,000	0	07/09/2020
ING Direct	A	2.87	5,000,000	5,000,000	0	18/09/2020
Summerland Credit Union	NR	3.15	1,000,000	1,000,000	0	14/12/2020
ING Direct	A	2.90	4,500,000	4,500,000	0	14/12/2020
QBANK	BBB-	3.60	2,000,000	2,000,000	0	01/03/2021
Australian Unity	BBB	3.10	2,000,000	2,000,000	0	02/03/2021
BOQ	BBB+	3.60	2,000,000	2,000,000	0	03/03/2021
Rabobank Australia Branch	A+	3.00	2,000,000	2,000,000	0	13/12/2021
Newcastle Permanent	BBB	3.05	1,500,000	1,500,000	0	24/01/2022
Police Credit Union SA	NR	2.99	1,000,000	1,000,000	0	25/02/2022
Police Credit Union SA	NR	2.99	1,000,000	1,000,000	0	25/02/2022
AMP Bank	A-	2.75	2,500,000	2,500,000	0	11/03/2022
Newcastle Permanent	BBB	2.90	3,500,000	3,500,000	0	14/03/2022
Rabobank Australia Branch	A+	3.40	1,000,000	1,000,000	0	04/09/2023
Westpac	AA-	3.00	3,000,000	3,000,000	0	05/09/2022
<b>Total Shellharbour City Council Portfolio</b>			<b>94,175,370</b>	<b>89,782,728</b>		

\* Returns are calculated using a daily time weighted methodology. The performance figures are net of all fees.

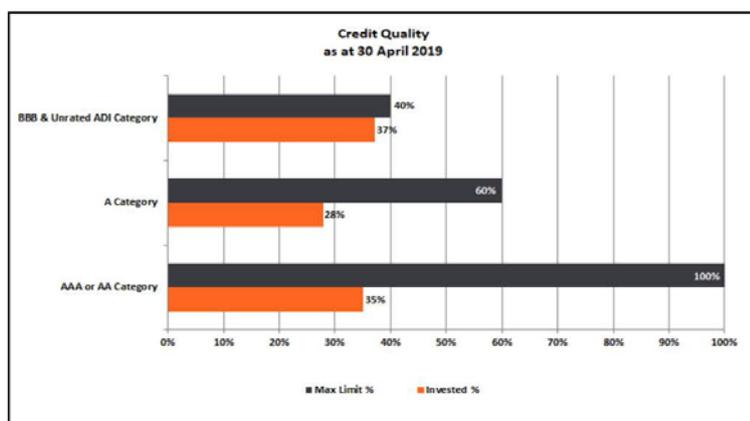
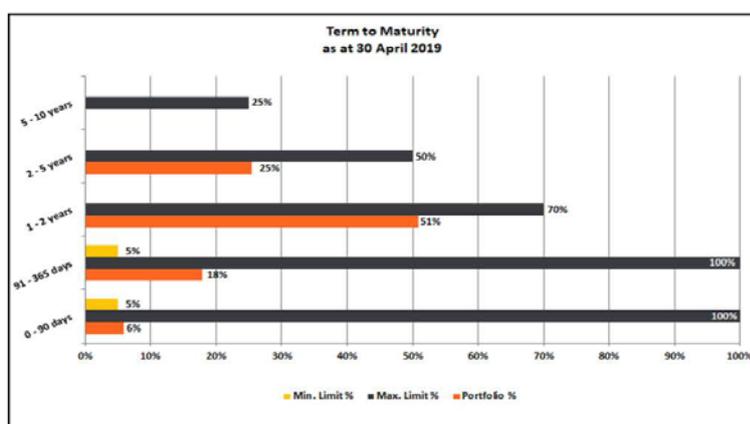
\* Council's unrestricted cash balance position as at 30 June 2018 was \$9.457 million. This will be earmarked for the ongoing budget, as part of Council's financial management strategy.

**Attachment 2 - Council's Investment Portfolio Graph as at 30 April 2019**

**Performance**

Performance	1 month	3 months	6 months	FYTD	1 year
Official Cash Rate	0.12%	0.36%	0.74%	1.25%	1.50%
AusBond Bank Bill Index	0.16%	0.50%	0.99%	1.69%	2.02%
Council's T/D Portfolio	0.25%	0.75%	1.59%	2.75%	3.35%
Council's FRN Portfolio	0.25%	0.76%	1.55%	2.63%	3.18%
Council's Macquarie GIOF	0.65%	2.23%	3.66%	4.28%	4.08%
Council's Portfolio^	0.28%	0.85%	1.71%	2.82%	3.36%
Outperformance	0.11%	0.34%	0.72%	1.14%	1.34%

*^Total portfolio performance excludes Council's cash account holdings. Overall returns would be lower if cash was included.*

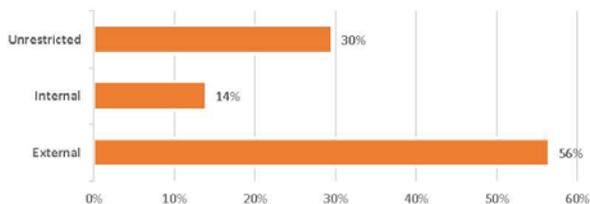


**Counterparty**

Compliant	Issuer	Rating	Invested (%)	Max. Limit (%)
✓	NSW TCorp	AAA	0.34%	40.00%
✓	ANZ	AA-	4.50%	25.00%
✓	CBA	AA-	4.48%	25.00%
✓	NAB	AA-	10.03%	25.00%
✓	Westpac (SGB)	AA-	15.64%	25.00%
✓	Rabobank Aus.	A+	6.70%	15.00%
✓	AMP	A	10.58%	15.00%
✓	ING	A	10.59%	15.00%
✓	BoQ	BBB+	6.13%	10.00%
✓	Bendigo-Adelaide	BBB+	2.23%	10.00%
✓	Auswide Bank	BBB	2.23%	10.00%
✓	Big Sky BS	BBB	2.23%	10.00%
✓	CUA	BBB	1.68%	10.00%
✓	Newcastle PBS	BBB	7.53%	10.00%
✓	QBank	BBB-	2.23%	10.00%
✓	Aus. Military Bank	Unrated	2.23%	10.00%
✓	Police CU SA	Unrated	3.34%	10.00%
✓	Summerland CU	Unrated	1.11%	10.00%
✓	Macquarie GIOF	Unrated	6.19%	10.00%
			<b>100.00%</b>	

\* In accordance with the Australian Government Guarantee Scheme introduced in 2008, the Commonwealth Government guarantees \$0.25m against large deposits for each Authorised Deposit-Taking Institution.

**Projected Year End Result: Investment Portfolio Funding Split as at March 2019 QBR**



**Breakdown by Asset Class**



**11.2.2 Debt Write Off - Jetgo Australia Holdings Pty Ltd (11219148)**

To the General Manager

**Directorate:** Council Sustainability

**Group:** Finance

**Manager:** Gary Grantham – Chief Financial Officer

**Author:** Paul Henderson – Manager Financial Services

---

**Summary**

This report seeks Council's approval to formally write off the debt amount of \$403,404.13 owing by Jetgo Australia Holdings Pty Ltd (Jetgo) for Passenger Fees and Airport Security Screening Fees. The charges were incurred as part of providing Regional Passenger Transport (RPT) services at the Illawarra Regional Airport (IRA) for the period 30 October 2017 till 31 May 2018.

The Local Government (General) Regulation 2005 states that debts over a certain amount (as determined by Council) can only be written off by resolution of Council. This report finalises the accounting treatment required to formally remove the debt from Council's financial records.

**Background**

At the Council meeting on 4 July 2017, Council resolved to endorse the draft Service Level Agreement (SLA) with Jetgo and subsequent commencement of RPT services into and out of the IRA. The SLA required the airline to pay Council passenger fees for each passenger who utilised the service along with reimbursing Council a monthly security screening fee covering contract screening costs, screening equipment maintenance and consumables. Both the passenger fees and security screening fees were to be invoiced monthly by Council with standard payment terms of 30 days from the date of the invoice.

RPT services provided by Jetgo commenced on 30 October 2017.

Jetgo breached its obligations under the SLA regarding the payment of invoices.

Jetgo entered voluntary administration on 1 June 2018 and Council terminated the SLA on the same date.

A Report to creditors was issued in September 2018 and in summary confirmed:

- That all of the company's available assets are likely to be applied towards the debt to Westpac, and there will be a shortfall to Westpac.
- Estimates of liabilities are: Westpac - \$9m; employees - \$2.5m; unsecured creditors - \$36m.

- It is unlikely that a dividend will be paid to any creditors unless the liquidator is successful in proceedings for voidable transactions and other legal recoveries or if there is a Deed of Company Arrangement.

The current status of the matter is that the liquidation process is still in progress and it could be a lengthy period of time before it is finalised. The recommendation to write off the outstanding balance owed by Jetgo does not prevent Council from receiving any funds in the future, should that occur once the liquidation process is completed. However there is no expectation that Council will receive any funds from the process.

The outstanding amount owing is \$403,404.13, made up of \$149,299.25 of landing fees and \$254,104.88 of security screening fees. It is now recommended that the full amount outstanding be written off as outlined in the recommendation of this report.

The Local Government (General) Regulation 2005 states that Council must by resolution, determine an amount above which debts owing to the Council can only be written off by resolution of the Council. Council's "Recovery of Sundry Debts" policy covers all miscellaneous debts owing to Council. This policy requires all amounts of \$10,000 and over to be considered by Council before a write off can occur.

### **Financial / Resources Implications**

In Council's 2017-2018 Financial Reports a provision was included for the amount recommended for write-off. This also resulted in a non-cash bad debt expense being reflected. This accounting treatment was confirmed by Council's auditors as part of their audit of the 2017-2018 Financial Statements. To finalise the accounting process, approval is now required to write off the amount still sitting under the debtors name in Council's debtor ledger and to reverse the provision.

As the non-cash bad debt expense was accounted for in 2017-2018, the recommendation of this report will not have any impact on Fit For the Future ratios.

### **Legal and Policy implications**

The Local Government (General) Regulation 2005 addresses the requirements for the writing off of debts owing to Council.

Council's "Recovery of Sundry Debts" policy requires all amounts over \$10,000 to be considered by Council before a write off can occur.

### **Public / Social Impact**

The bad debt expense associated with the amount outstanding identified in this report has already been accounted for in Council's 2017-2018 Financial Reports.

A new RPT operator has been in place at the IRA since 12 November 2018.

### **Link to Community Strategic Plan**

This report supports the following objectives and strategies of the Community Strategic Plan:

Objective: 4.2 Supported by a Council that is responsive, accountable and financially viable

Strategy: 4.2.1 Undertake Council activities within a clear framework of strategic planning, policies, procedures and service standards

4.2.3 Ensure Council is financially sustainable and continues to be transparent and accountable

### **Consultations**

#### **Internal**

Accounts Receivable Officer  
Business Performance & Development Manager  
Governance Manager

#### **External**

Nil

### **Political Donations Disclosure**

Not applicable.

### **Recommendation**

**That the debt listed under the name of Jetgo Australia Holdings Pty Ltd for the amount of \$403,404.13, which relates to outstanding Illawarra Regional Airport fees, be written off and Council's financial records adjusted accordingly.**

Approved for Council's consideration: Gary Grantham  
Chief Financial Officer

**Date of Meeting:** 11 June 2019

### **Attachments**

Nil

**11.2.3 Proposed Licence Agreement - Civic Square Café and Catering Opportunities (11219889)**

To the General Manager

**Directorate:** Council Sustainability  
**Group:** Business and Investment

**Manager:** Marcello Chiodo – Acting Director Council Sustainability  
**Author:** Donna Flanagan – Manager Property Services

---

**Summary**

The purpose of this report is to seek a Council resolution to commence the formal process to enter into a Licence Agreement with RHZ & ZZ Pty Ltd (the licensee) for a period of one year with a further two options of two years each to operate the Civic Square Café at the Shellharbour Civic Centre.

**Background**

The Civic Square Café is situated prominently at the main entrance to the Shellharbour Civic Centre, on the ground floor adjacent to the customer service centre, library, museum and auditorium.

The total area to be licenced for the operation of the Civic Square Café and catering opportunities is approximately 140m<sup>2</sup>. This includes café serving, preparing and seating area, accessible unisex WC and store. The Licence area is shown at **Attachment 1**.

At the Ordinary Council meeting of 30 April 2019, Council resolved:

1. **Council rescind the following resolution from 8 August 2017 Council Meeting:**  
**That:**
  1. **Council enter into a Licence Agreement with Mr Arthur Papageorge trading as Artsan Pty Ltd for a period of five years with two five year options to operate the café at the Shellharbour Civic Centre on an annual rental for the first five years.**
  2. **On each year anniversary of the commencement date Consumer Price Index (CPI) is to apply and having a market review applied prior to the anniversary of the commencement date of the fifth and tenth year.**
  5. **The Mayor and General Manager, or his nominated delegate be authorised to sign any documentation associated with the Licence Agreement under Council Seal.**
2. **The General Manager or his nominated delegate be authorised to enter into negotiations with any person (whether or not that person was a tenderer) with a view to entering into a licence agreement in relation to the operation of the Civic Square Café and catering opportunities.**

Council officers sent information in relation to the operation of Civic Square Café to 27 parties inviting them to contact Council if interested. Two parties contacted Council for further information.

Only one party (the licensee) then requested an appointment with Council staff. The other interested party advised Council that they were not a local operator and the travelling would be an issue for them.

Group Manager Community Connections and Manager Property Services met with the licensee to discuss the operation of the café. Following this meeting, the licensee requested an inspection of the café.

The licensee had two inspections of the café and then provided Council with relevant information on their business for Council officers to assess and determine if they were suitable to operate the Civic Square Cafe.

#### Assessment of RHZ & ZZ Pty Ltd Proposal

Staff assessed information provided on the following:

- Experience including their other successful commercial operations
- Ability to provide additional services to or within the Civic Centre from the Café such as catering for special events
- Financial capabilities
- Proposed operating days and hours
- Sample menu
- Details of two referees

The licensee demonstrated that they had experience collaborating with a diverse customer base, accountability in providing a structured approach, a variety of suitable food options with a changing menu and a commitment to partner with Council on events and programs being held in the Civic Centre. It is understood that the licensee will provide best quality produce and have the capacity to bring an existing customer base to the Civic Square Café.

Based on information provided, it was felt that the licensee had the ability to transition services at the Civic Centre from a coffee cart operation to a fully functional café. The licensee has acknowledged and are willing to operate within Council's Core Values and are committed to providing quality customer service to Council, Customers, the Community and Councillors.

Following this assessment, staff have decided that the licensee is an appropriate operator of the Civic Square Café.

RHZ & ZZ Pty Ltd Proposal

The licensee have anticipated that the Café will operate 7 days a week from:

- 7am to 4.30pm Monday to Friday
- 7am to 2.30pm Saturday and Sunday.

The licensee will offer coffee, tea, milk shakes, fresh juice, smoothies and other beverages, a breakfast menu from 7am to 2.30pm, a lunch menu from 11.30am to 2.30pm and a children's menu for 12 years and under. Other services they will provide will be pre-ordering lunches for staff, weekly specials and a Corporate Menu for catering.

Any changes to the above opening hours and menu will be negotiated with Council staff.

Licence Agreement between Council and RHZ & ZZ Pty Ltd

It is proposed to enter into a licence agreement with RHZ & ZZ Pty Ltd for a period of one year with a further two options of two years each. On each year anniversary of the commencement date Consumer Price Index (CPI) is to apply.

Further commercially sensitive information regarding the licence agreement is contained within **Attachment 2**.

Memorandum of Understanding (MOU)

An MOU will be entered into between Council and the licensee for the day to day operations of the café which are not covered in the Licence Agreement.

**Financial / Resources Implications**

An independent valuation commissioned by Council was undertaken for a market rental valuation. Within the documentation that was supplied to all interested parties it stated "The annual market rental will be negotiated with the successful applicant. Offers above \$475 a week plus GST will be considered. It was also stated that the rental could be negotiated.

The proposed annual rental is provided in a confidential memo to Councillors as this is a commercial arrangement between Council and RHZ & ZZ Pty Ltd. (**Attachment 2**). The licensee will be responsible for all outgoings including electricity, gas, water and waste.

It is proposed to enter into a one year Licence Agreement with a further two options of two years each. The method of review of the rent includes on each year anniversary of the commencement date, Consumer Price Index (CPI) is applied.

The licensee will be responsible for all legal fees in relation to entering into the Licence Agreement.

**Legal and Policy implications**

It is a requirement of the Local Government Act 1993 and its Regulations for there to be a resolution of Council in order to execute the documents under Seal.

The subject land is classified as Operational land and therefore there is no requirement under the Local Government Act 1993 for this proposal to be advertised.

**Public / Social Impact**

There is a significant social benefit for the community in the operation of the Civic Square Café and catering opportunities. It will provide a space for the community to meet for business and social activities. Patrons will also be exposed and able to participate in library activities and museum exhibitions.

The DA approved operating hours for the café are:

Monday to Friday	7am to 7pm
Saturday and Sunday	7am to 7pm

Any change to this will require an S96 application to amend the approved development consent.

The licensee propose to operate Monday to Friday from 7am to 4.30pm and Saturday and Sunday 7am to 2.30pm.

**Link to Community Strategic Plan**

This report supports the following objectives and strategies of the Community Strategic Plan:

Objective: 2.3 A city that is connected through places and spaces

Strategy: 2.3.6 Deliver sustainable whole of list asset management for the community

Objective: 3.2 Supports and increases employment and business opportunities within a strong local economy

Strategy: 3.2.2 Create, promote and maintain local business, job, investment and lifestyle opportunities

Objective: 4.2 Supported by a Council that is responsive, accountable and financially viable

Strategy: 4.2.2 Continually improves services to enhance the customer experience and meet customer expectations

## **Consultations**

### **Internal**

Group Manager Community Connections  
Financial Accountant

### **External**

PJC Valuers  
RHZ & ZZ Pty Ltd

## **Political Donations Disclosure**

Not Applicable.

## **Recommendation**

**That:**

- 1. Council enter into a Licence Agreement with RHZ & ZZ Pty Ltd for a period of one year with a further two options of two years each for the operation of the Civic Square Café and Catering Opportunities.**
- 2. On each year anniversary of the commencement date Consumer Price Index (CPI) is to apply.**
- 3. The Mayor and General Manager, or his nominated delegate, be authorised to sign any documentation associated with the Licence Agreement under Council Seal.**

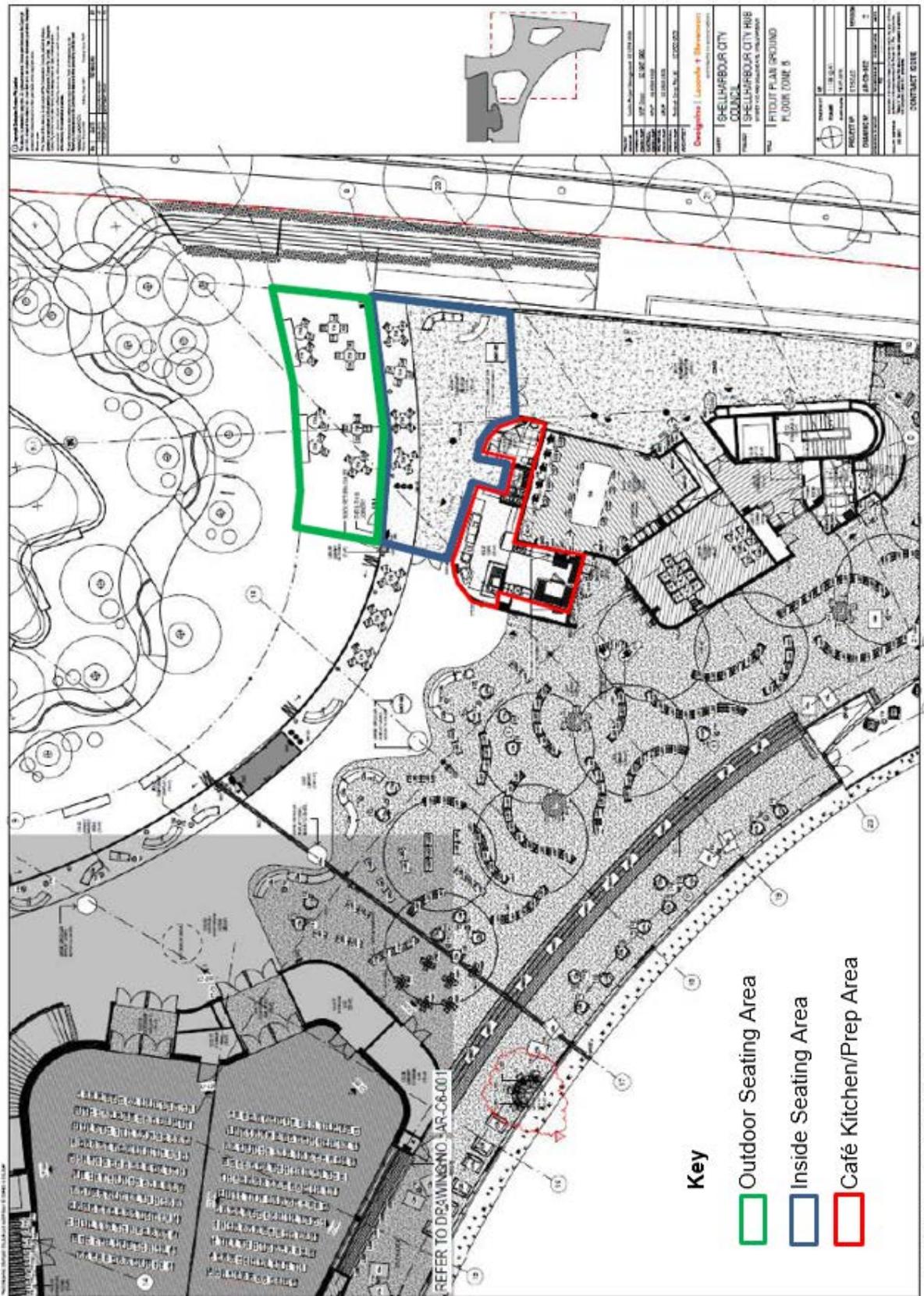
Approved for Council's consideration: **Marcello Chiodo**  
Acting Director Council Sustainability

**Date of Meeting:** 11 June 2019

## **Attachments**

- 1. Area to be licenced for the café operation – *Page 43***
- 2. Confidential Memo - Proposed Licence Agreement - Civic Square Cafe & Catering Opportunities (*issued under separate cover*)**

Attachment 1 - Area to be licenced for the café operation



**11.2.4 SUDU Dragon Boat Club Inc - Part Lot 462 DP 15987 and Part Lot 2 DP 596168 Deakin Reserve, Oak Flats - Proposed Licence Agreement (11219147)**

To the General Manager

**Directorate:** Council Sustainability  
**Group:** Business and Investment

**Manager:** Marcello Chiodo – Acting Director Council Sustainability  
**Author:** Donna Flanagan – Manager Property Services

---

## Summary

The purpose of this report is to seek Council approval to commence the formal process to enter into a licence agreement with Spirit United Determination Unlimited Dragon Boat Club Incorporated (SUDU Dragon Boat Club) for the occupation of Council land. That land being part Lot 462 DP 15987 and Part Lot 2 DP 596168 Deakin Reserve Oak Flats. The proposed licence agreement is for a period of 5 years for the purpose of storage of dragon boats, paddles and associated equipment.

The subject site is classified as Community Land as shown in **Attachment 1**.

The process of entering into the licence will need to be undertaken in accordance with Council Policy titled *Leasing and Licencing of Council Land and Buildings*.

The SUDU Dragon Boat Club has requested that the rental amount of \$770 (exclusive of GST) be subsidised in accordance with Council Policy noted above and the recommended licence fee of \$585 (inclusive of GST) be applied being the minimum annual rental fee as per Council's 2018/19 fees and charges. This recommended licence fee will ensure the longevity of the Club for a Not for Profit community service.

To enter into a licence agreement, the process will include advertising and public exhibition of the proposal, providing a period of not less than 28 days during which members of the public may make submissions or objections in relation to the proposal. In addition, public consultation will be undertaken with adjoining residents in a radius of 400 metres and through Councils 'Let's Chat' website.

## Background

SUDU Dragon Boat Club Incorporated have expressed interest to enter into a licence for the occupation of Council land being part Lot 462 DP 15987 and Part Lot 2 DP 596168 Deakin Reserve Oak Flats for the purpose of storage of dragon boats, paddles and associated equipment.

The SUDU Dragon Boat Club is nearly 3 years old, and since its inception its membership base has grown substantially, from 17 original members, to over 50 members currently. The club is locally based, has a regional focus, is stand-alone and not for profit. It has a voluntary management committee and is dependent on assistance from volunteers.

The club aims to provide a healthy sporting option for its members, local schools and the community. The clubs facilities are currently based at Police Citizens Youth Club, Reddall Parade, however this requires the club to tow its boats and associated equipment to the ramp at Skiway Park Oak Flats for training. For the club to continue to grow, and provide the service to their members and future members the club requires a home with direct water access to enable greater flexibility for training.

The SUDU Dragon Boat Club is seeking a licence agreement with Shellharbour City Council for the section of land abutting the Oak Flats Sailing/Rowing Club at Deakin Reserve. The proposed section of land is at the rear of the existing building at the reserve as shown in **Attachment 2**.

This site has been recommended as it is co-located with similar recreational activities such as sailing and rowing and has direct access to the lake with an established boat ramp and other facilities being toilets and car parking. The club have advised that their membership would increase substantially with direct water access. Direct water access will eliminate the need to tow boats and equipment to and from their existing location every session. The other users of this site have been consulted in relation to this proposal.

If granted a licence agreement, the SUDU Dragon Boat Club propose to seek approval for the erection of an 18m x 6m x 3.2m chain wire (or like to provide a secure perimeter) fence around the licence area. The total approximate area is 110 square metres. The facility would consist of the construction of a concrete slab within the fence, a colour bond structure with steel framing, and small storage sheds that will secure the club's equipment. The structure will be similar to the one shown on **Attachment 3**.

The SUDU Dragon Boat Club have advised that they have links with local schools in which they assist with recreational programs and activities. The club also supports Breast Cancer survivors in undertaking this recreational activity that has proven to be most beneficial for ongoing recovery.

### **Financial / Resources Implications**

The process of entering into the licence with SUDU Dragon Boat Club Incorporated will need to be undertaken in accordance with Council Policy titled *Leasing and Licencing on Council Public Land and Buildings*.

An independent valuation was commissioned for the required area being approximately 110 square metres. The current market value was considered to be \$770 per annum.

The SUDU Dragon Boat Club applied for a subsidy of the proposed annual rental under Council's Leases and Licences of Council Public Land and Buildings Policy which has equated their subsidy to 47.9%. If this rate of subsidy was applied, the rental amount would be lower than the current minimum rental as per Councils 2019/20 Fees and Charges which is \$585 per annum. It therefore recommended that the minimum fee be applied of \$585 per annum with the amount of \$185 being recorded as 'in-kind donation'.

In accordance with Council's fees and charges, SUDU Dragon Boat Club Incorporated will be responsible for the costs associated with the advertising of the proposal and licence agreement preparation.

### **Legal and Policy implications**

The process of entering into the Licence with the SUDU Dragon Boat Club Incorporated will need to be undertaken in accordance with Council Policy titled *Leasing and Licencing on Council Public Land and Buildings*.

As the subject land is classified as Community Land under the *Local Government Act 1993*, Council is required to advertise the proposal in accordance with Section 47 of this Act. This will allow the community to comment on the proposal within the twenty-eight (28) day advertising period. If any relevant objections are received to the proposal within the submission period, a further report will be prepared for Council's consideration outlining the objections and the proposed solution. In addition, public consultation will be undertaken with adjoining residents in a radius of 300 metres and through Councils 'Let's Chat' website.

### **Public / Social Impact**

The activities that SUDU Dragon Boat Club provides to the community are inclusive and it is a supportive environment. Membership and participation is open for all of the Shellharbour community to engage and enjoy. The club has links with local schools in which they assist with related programs and activities. The club also supports Breast Cancer survivors that has proven to be most beneficial for ongoing recovery.

### **Link to Community Strategic Plan**

This report supports the following objectives and strategies of the Community Strategic Plan:

Objective: 1.1 Vibrant, safe, creative and inclusive

Strategy: 1.1.4 Provide a liveable community that is accessible and inclusive

Objective: 1.2 Active and healthy

Strategy: 1.2.2 Provide diverse opportunities for sport, recreation and enjoyment in the City's parks, open space and facilities

- Objective: 2.3 A city that is connected through places and spaces
- Strategy: 2.3.4 Facilitate the development of the built environment to meet community needs
- Objective: 4.2 Supported by a Council that is responsive, accountable and financially viable
- Strategy: 4.2.1 Undertake Council activities within a clear framework of strategic planning, policies, procedures and service standards

## **Consultations**

### **Internal**

Director Amenity and Assets  
Team Leader Property  
Recreational Planner

### **External**

SUDU Dragon Club Incorporated  
Walsh and Monaghan Valuers

### **Political Donations Disclosure**

Not Applicable

## **Recommendation**

### **That:**

- 1. Council commence the formal process to enter into a Licence with SUDU Dragon Boat Club Incorporated for the occupation of Part Lot 462 DP 15987 and Part Lot 2 DP 596168 Deakin Reserve Oak Flats.**
- 2. Council endorse the proposal to be placed on public exhibition for a period of 28 days calling for submissions.**
- 3. If any relevant submissions are received as a result of public exhibition, or if there are substantial post public exhibition changes proposed for any other reasons, a report be submitted to Council for consideration detailing the public exhibition outcomes and with further recommendations regarding adoption.**
- 4. If there are no relevant submissions received as a result of the public exhibition, or there are no substantial post public exhibition changes proposed for any other reasons, Council enter into a licence for a term of five years with the SUDU Dragon Boat Club Incorporated for the occupation of Part Lot 462 DP 15987 and Part Lot 2 DP 596168 Deakin Reserve Oak Flats.**

5. **Council approve that the annual market rental of \$585.00 inclusive of GST be applied for the proposed licence agreement as per Council's fees and charges.**
6. **Council note the "in-kind donation" of \$185 in Council's aggregate record of donations to the community.**
7. **The Mayor and General Manager, or his nominated delegate, be authorised to sign any documentation associated with the Licence, with SUDU Dragon Boat Club Incorporated for the occupation of Part Lot 462 DP 15987 and Part Lot 2 DP 596168 Deakin Reserve Oak Flats under Council Seal.**

Approved for Council's consideration: Marcello Chiodo  
Acting Director Council Sustainability

**Date of Meeting:** 11 June 2019

**Attachments**

1. Aerial of subject site being Part Lot 462 DP 15987 and Part Lot 2 DP 596168 Deakin Reserve Oak Flats – *Page 49*
2. Proposed Licence Area – *Page 50*
3. Image of proposed structure – *Page 51*

**Attachment 1 - Aerial of subject site being Part Lot 462 DP 15987 and Part Lot 2 DP 596168 Deakin Reserve Oak Flats**



**Attachment 1 – Deakin Reserve Oak Flats**  
 Aerial of subject site being Part Lot 462 DP 15987 and Part Lot 2 DP 596168 Deakin Reserve Oak Flats

This map is supplied on the understanding that Council will not be responsible for any loss or damage which may result from any use made of such information as a result of errors or omissions contained in the map.

Copyright © NSW Spatial Services and Shellharbour City Council 2019.

Printed: 24/05/2019  
 Scale: 1:1235

Attachment 2 – Proposed Licence Area



**Attachment 2 – Proposed Licence Area**  
 SUDU Dragon Boat Club Inc – Part Lot 462  
 DP 15987 and Part Lot 2 DP 596168 Deakin Reserve Oak Flats

This map is supplied on the understanding that Council will not be responsible for any loss or damage which may result from any use made of such information as a result of errors or omissions contained in the map.  
 Copyright © NSW Spatial Services and Shellharbour City Council 2019.

Printed: 24/05/2019  
 Scale: 1:405

Attachment 3 – Image of proposed structure

IMG-1171.JPG

2/2/2019



<https://mail.google.com/mail/u/1/#inbox/FMfcgpxwBVqLXhKWmbZJSxTjqrSFcmFDi?projector=1&messagePartId=0.4>

1/2

**11.3 Community and Customers Directorate****11.3.1 Submission to CASA regarding Energy Australia's Application to create a Danger Area around Tallawarra Power Station (11219047)**

To the General Manager

**Directorate:** Community and Customers  
**Group:** City Planning

**Manager:** Geoff Hoynes – Group Manager City Planning  
**Author:** Cheryl Lappin – Senior Strategic Planner

---

**Summary**

The purpose of this report is to seek Council's approval to prepare and lodge a submission to the Civil Aviation Safety Authority (CASA) objecting to an Airspace Change Proposal Application which has been lodged with CASA - Office of Airspace Regulation by Energy Australia to create a Danger Area in the vicinity of the proposed Tallawarra B Power Station.

As the decision on Energy Australia's application may be handed down by the Office of Airspace Regulation in a short timeframe following the close of submissions it is also recommended that if the Application is approved by CASA, that Council delegate to the General Manager the authority to assess and determine whether to lodge an appeal to the decision in the Administrative Appeals Tribunal.

This report details the implications and consequences on the current and future operations of the Illawarra Regional Airport, pilot safety, and public safety should the proposed two Open Cycle Gas Turbine Power Stations and subsequent necessary airspace Danger Area be approved.

**Background**

In 2010, the NSW Department of Planning conditionally approved application No 07\_0124, Lot 109, DP 1050302, Yallah Bay Road, Yallah for the "Construction and operation of a gas-fired power station and associated infrastructure, known as the Tallawarra Stage B Gas Turbine Power Station Project" under Part 3A of the Environmental Planning and Assessment Act 1979.

Two options were applied for as part of the application, these were two Open Cycle Gas Turbine Power Stations or a single Closed Cycle Gas Turbine Power Station. The Director General's Environmental Assessment Report prepared at that time contains the following relevant statements relating to the option of two Open Cycle Gas Turbine Power Stations as opposed to the single Closed Cycle Gas Turbine Power Station option:

*The Proponent's plume rise assessment has not demonstrated, to the satisfaction of the CASA, that the open cycle gas turbine can be operated safely in terms of potential aviation impacts. Accordingly, the Department recommends that construction and operation of the open cycle option not be permitted until it can be demonstrated to CASA's satisfaction that plume rise will not have an adverse impact on aviation.*

*The CASA assessment concluded that the open cycle option will restrict IFR (i.e. Instrument Flight Rules) operations and any declaration of danger or restricted area will also affect VFR (i.e. Visual Flight Rules) operations. It indicated that bad weather operations are likely to be severely affected at the airport.*

*The proposed open-cycle configuration has the potential to result in greater plume rise impacts than the combined cycle configuration because under open-cycle operations the hot gas is released from stacks at a higher temperature than under a combined cycle configuration where the hot gases are diverted through an additional steam generation process and ultimately released at lower temperatures.*

*Shellharbour City Council has indicated that, on the basis of the CASA assessment, it does not oppose the development of a closed cycle plant. However, it is concerned about the implications of the open cycle plant for both instrument and visual air navigation in the vicinity of Illawarra Regional Airport. On this basis, it opposes the open cycle plant.*

*The revised plume rise assessment for the open cycle plant shows that, although the plume rise will be substantially lower than that predicted in the Environmental Assessment, it will still be well over double the height of the closed cycle plant plume rise prediction. At this height, the plume could significantly affect aircraft operations at the airport. Consequently, the Department does not consider it appropriate that the open cycle plant be permitted, at this stage. However, the Department's assessment has not identified any other reasons that should preclude development of the open cycle option. As such, the Department considers that the option should be provided for the Proponent to subsequently provide technical evidence to demonstrate the plume rise can be managed so that it does not have an adverse impact on aircraft operations.*

*The Department recommends a condition that any stacks are marked and lit in accordance with CASA requirements. The Department also recommends a condition that prevents the construction and operation of the open cycle gas turbine plant, unless the Proponent has submitted a report to the Director-General for approval, which demonstrates that its operation will not have an adverse impact on aviation safety. This report must be prepared in consultation with SCC, and its conclusions and recommendations must have been agreed to by the CASA prior to submission to the Director-General.*

Consequently, in order for Energy Australia to proceed with an Open Cycle system, the following condition which was placed in the project approval (07/0124) must be satisfied.

*1.6 Nothing in this approval permits the construction and operation of an open cycle gas turbine plant, unless the Proponent has submitted a report to the Secretary which demonstrates that operation of an open cycle gas turbine plant will not have an adverse impact on aviation safety. This report must be prepared in consultation with Shellharbour City Council, and its conclusions and recommendations must have been agreed to by the Civil Aviation Safety Authority prior to submission to the Secretary. The report must be approved by the Secretary before commencement of construction of an open cycle plant.*

**In January 2019 the NSW Government recognised the significance of the Illawarra Regional Airport to the region and its ability to create local jobs and grow the local economy by bringing more investment into our region by allocating \$15.97 million in NSW Government funding to Shellharbour City Council to go towards a major upgrade of the Illawarra Regional Airport in Albion Park Rail under the New South Wales Government's Growing Local Economies Fund.**

Works are proposed to include the provision of a permanent terminal building; works to taxiways and apron adjacent to the terminal; car parking; security enhancements (fencing); an Aviation Economic Development Park including access roadways, taxiways and services; and improvements and upgrades to runways.

The recognition of the airport's importance regionally and financial commitment by the State Government towards future airport operations strengthens the need to ensure that there are no adverse impacts on aviation safety or airport operations as a result of this development.

### **Current Application to operate two Open Cycle Gas Turbine plants at Tallawarra**

Council is aware that Energy Australia is now in the process of seeking approval to operate two Open Cycle Gas Turbine plants at Tallawarra and is concerned that, if approved, the safety of aircraft operators, passengers, and the community will be unacceptably compromised. The intrusion of a high velocity, high temperature plume within the circuit pattern of the Illawarra Regional Airport is also likely to impact future potential opportunities for the operation of the airport as well as existing operations.

Council's Airport Manager as well as Airport Operators Group and Council Planners have met with and written to Energy Australia and the CASA expressing concerns about the impact of an open cycle system on aviation safety. Although these concerns have been confirmed by CASA and expressed to Energy Australia, the company is continuing to pursue an approval for the Open Cycle Gas Turbine plant.

Council has previously received a copy of advice from CASA to Energy Australia dated 23 July 2018 which confirmed that the Energy Australia Open Cycle Gas Turbine (OCGT) as proposed would generate an unacceptable risk to the safety of aviation for aircraft flying in the circuit at Illawarra Regional Airport for the following reasons:

- The proposed Tallawarra B location is directly under the circuit pattern for both runways at the Illawarra Regional Airport;
- Aircraft conducting circuits at 1000 feet will be impacted by moderate turbulence created by the OCGT; and
- The risk of such exposure cannot be mitigated by a Danger Area.

Nevertheless on 10 April 2019 Energy Australia made an application to CASA - Office of Airspace Regulation requesting CASA's consideration of suitable mitigations including the introduction of a Danger Area. According to the documentation submitted with the application this is necessary due to the velocity of the exhaust plume rise, as there is potential for this to affect aircraft operating at or in the vicinity of the aerodrome. The application is currently on exhibition and public feedback is sought until 27 June 2019.

Consultation has occurred with the Airport Operators Group located at the Illawarra Regional Airport and the consensus is that the creation of a danger area to facilitate the Open Cycle Gas Turbine Power Stations will have an adverse effect on the current and future operations of the Council owned airport. In addition, should the Tallawarra B Open Cycle Gas Turbine Power Stations be approved resulting in the introduction of the proposed Danger Area then the potential adverse impact on aviation safety and public safety is highly likely.

For these reasons it is recommended that Council lodge a submission to the CASA - Office of Airspace Regulation objecting to the proposed Danger Area for the reasons outlined above.

Due to the limited time frame for the lodgement of submissions it is recommended that delegation be given to the General Manager or his delegate to prepare a submission which objects to the Airspace Change Proposal for the reasons outlined in this report.

As the decision may be handed down by the Office of Airspace Regulation in a short timeframe following the close of submissions it is also recommended that if the Application is approved that Council delegate to the General Manager the authority to lodge an appeal to the decision in the Administrative Appeals Tribunal.

Council's preferred option is the construction of a Combined (Closed) Cycle Gas Turbine plant that is similar to the existing Tallawarra A power station. If Energy Australia chooses to construct the Combined (Closed) Cycle Gas Turbine plant no further approval is required from CASA or the Secretary under the existing consent.

The Airspace Change Proposal Application was tabled at a recent NSW regional airspace and procedures advisory committee (RAPAC) meeting.

The meeting was attended by representatives of Energy Australia who presented their proposal and were seeking RAPAC support for the application. Council officers from Shellharbour City Council and Wollongong City Council also attended this meeting and presented a combined presentation on the reasons why the proposed Danger Area is not supported by both Councils and have requested that the RAPAC not give its support to the application. The minutes of the meeting were not available at the time of the finalisation of this report.

### **Financial / Resources Implications**

The constraint created by the Danger Area may affect the financial viability and effective operation of various components of the Airport from a current and future business perspective. The implications are considered to be substantial.

### **Legal and Policy implications**

If Council adopts the recommendations of this report there are legal and policy implications. In this regard the recommendation becomes a Council policy position in that it opposes the introduction of the proposed open cycle gas turbine plant and the Danger Area.

The recommendation also has a legal implication as it seeks authority for the General Manager to appeal to the Administrative Appeals Tribunal if necessary.

### **Public / Social Impact**

The Illawarra Regional Airport is a public airport that plays an important social and role in the region. The airport is serviced by regular public transport aircraft operations and it is the base for a growing light aeronautics industry, which provided maintenance and engineering services for aircraft ranging from ultralights to medium size turbo prop and jet aircraft.

The Historical Aircraft Restoration Society (HARS) Museum, a flying training and charter operation, a business jet charter operation, a Search and Rescue/Aerial Surveillance operation, a sky diving operation, The NSW Ambulance Helicopter Service, an ultralight flying training and club operations and a helicopter charter operation all currently share the aviation facilities at the Illawarra Regional Airport with itinerant visiting aircraft.

The proposed Danger Area creates a number of unacceptable risks to Council, Council's Customers and the Community. These include both financial and personal safety risks. The constraint created by the Danger Area may affect viability and effective operation of various components of the Airport from a current and future business perspective. Of critical importance are the personal safety risks to pilots and the local community which are considered to be inadequately addressed and the potential for a major incident is under estimated.

Given that the documentation fails to demonstrate that if the suggested “Danger Area” was put in place the Open Cycle Gas Turbine Power Station would not pose an unacceptable risk to aviation the question of liability should there be an accident must be addressed.

The proposed mitigation measure of the introduction of a Danger Area as shown in **Attachment 1** in proximity of the plume is not acceptable and will not ensure the safety of pilots, passengers or residents. For these reasons Council officers continue to oppose the construction of an open cycle gas turbine power station because the proponent has not demonstrated that the development will not create an unacceptable risk or potential unacceptable risk to aviation operations at the Illawarra Regional Airport.

The generation of power and energy security is also recognised as important to the region as well as the State, for this reason, a closed cycle gas turbine power station is considered to be appropriate in this location.

### **Link to Community Strategic Plan**

This report supports the following objectives and strategies of the Community Strategic Plan:

Objective: 2.3 A city that is connected through places and spaces

Strategy: 2.3.6 Deliver sustainable whole of asset management for the community

## **Consultations**

### **Internal**

Illawarra Regional Airport Manager

### **External**

Chairperson – Illawarra Regional Airport Operators Group  
Senior Development Assessment Officer – Wollongong City Council

## **Political Donations Disclosure**

Not Applicable

## **Recommendation**

### **That Council:**

- 1. Delegate to the General Manager the authority to prepare and lodge a submission to CASA the Office of Airspace Regulation which objects to the Airspace Change Proposal to create a Danger Area to facilitate the Open Cycle Gas Turbine Power Station option at Tallawarra B (Reference Number OP17/259) for the reasons outlined in this report; and**
- 2. Delegate to the General Manager the authority to prepare and lodge an appeal to the Administrative Appeals Tribunal, if the application is approved by the Office of Airspace Regulation, which objects to the Airspace Change Proposal to create a Danger Area to facilitate the Open Cycle Gas Turbine Power Station option at Tallawarra B (Reference Number OP17/259) for the reasons outlined in this report.**

Geoff Hoynes

Approved for Council's consideration: Group Manager City Planning

**Date of Meeting:** 11 June 2019

### **Attachments**

1. Location of proposed airspace danger area – *Page 59*

Attachment 1 - Location of proposed airspace danger area



**Vertical limits:** Surface to 1300FT AMSL.

**Lateral limits:** A circle of 0.20NM radius centred on S34 31 18.18 E150 48 32.70.

---

## 11.4 Amenity and Assets Directorate

### 11.4.1 Tender 2019/13 Project Management Services Panel (11218932)

To the General Manager

**Directorate:** Amenity and Assets

**Group:** Asset Strategy

**Manager:** Wayde Peterson – Group Manager Asset Strategy

**Author:** Daniel Brilsky – Manager Projects

---

## Summary

The purpose of this report is to inform Council of the tender process for the Project Management Services Panel (PM Panel) 2019/13 and recommends accepting five tenders and appoint **APP Pty Ltd, Cardno Pty Ltd, GHD Pty Ltd, Public Works Advisory and Troutman Asset Integrity Pty Ltd** to the panel for a period of two years. Additionally, the report requests to authorise the General Manager or their delegate to sign the Letters of Appointment and accept offers.

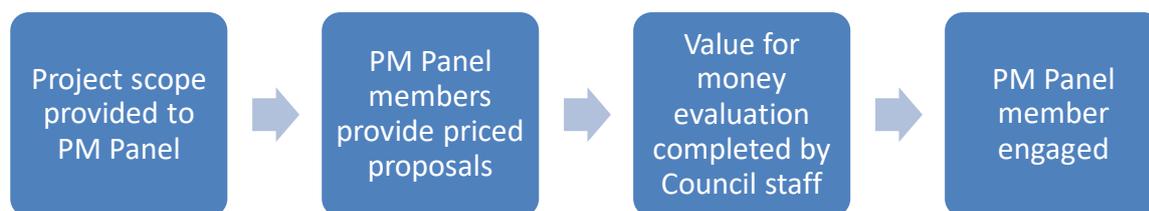
In accordance with Section 10A (2) (d) (i) of the Local Government Act 1993, some information will remain confidential as it would, if disclosed, prejudice the commercial position of the person who supplied it. This information is provided in the separate Confidential Memo 11.4.1 Tender Evaluation Summary for Project Management Services Panel – Contract 2019/13 (**Attachment 1**).

## Background

Establishing a panel of project management support services will assist with the delivery of the capital program. Council has allocated a budget of over \$42 million in capital works in 2019/20. The establishment of the panel will increase capacity to deliver projects for the Council and community during peaks in resource demand, as a result of the increased number and complexity of projects.

The proposed PM Panel is comprised of professional project management organisations who specialise in delivery of infrastructure projects. The process of utilising the panel is triggered when a review of resources identifies a requirement for additional project management support. The PM Panel will be formally requested to provide a fee proposal for the nominated project and to identify the resources proposed to undertake the scope of work. The responses received will be evaluated by Council staff and the panel member that is determined to provide the best value for money will be engaged for the delivery of the nominated project. This process is demonstrated in **Image 1**.

**Image 1:** Process demonstrating how the PM Panel will be utilised.



Requests for tenders opened on Saturday 9 March 2019 and closed at 10am on Tuesday 2 April 2019.

Eleven tender submissions were received and reviewed by the Council's Tender Assessment Panel in accordance with Council's Procurement Policies and Procedures. The Tender Assessment Panel included representatives from both the Projects and Procurement Team.

All tenders were assessed for non-price criteria by the Tender Assessment Panel:

1. Demonstrated successful experience in delivering government projects.
2. Qualifications of key personnel, experience in completing works of this nature, including key personnel's role and level of involvement and staff location.
3. WH&S System
4. Quality and Environment Management Systems

### **Confidential Tender Summary Memo**

The following confidential information relating to the assessment of tenders is not provided in the open report but is within the Confidential Tender Summary:

- Final ranking of tenderers and assessment

There was 11 complying tenderers as listed in **Table 1 in alphabetical order**;

**Table 1: List of complying tenderers received**

<b>Tender Provider</b>
APP Pty Ltd
Cardno Pty Ltd
City Coast Plumbing Pty Ltd
GHD Pty Ltd
Jerez Enterprises
ORKA
Public Works Advisory
Select Civil
Site Plus
SPG
Troutman Asset Integrity Pty Ltd

Based on the submissions received and tender assessment outcomes, it is recommended that Council appoint the top five ranked tenders to the Project Management Service Panel 2019/13. Details of the ranking of all 11 tenders is outlined in the confidential memo (**Attachment 1**).

The Tender Assessment Panel assessed the tenders and determined the preferred tenders, were the five highest ranked (shown in **Table 2 in alphabetical order**).

**Table 2: Highest ranked tenders**

<b>Tender Provider</b>
APP Pty Ltd
Cardno Pty Ltd
GHD Pty Ltd
Public Works Advisory
Troutman Asset Integrity Pty Ltd

The five highest ranked tenders were determined to provide a high level of experience and have systems in place for local government work.

The Tender Assessment Panel were satisfied that the preferred companies are capable of undertaking the works and have extensive experience related to the work. It is recommended that the Council appoint the contractors to the panel.

Alternatively, under Clause 178(3) of the Local Government (General) Regulation 2005, Council can decide not to accept any of the supplied tenders and therefore must, by resolution do one of the following:

- a. Postpone or cancel the proposal for the contract.
- b. Invite fresh tenders based on the same or different details.
- c. Invite fresh applications from persons interested in tendering for the proposed contract.

- d. Invite fresh applications from persons interested in tendering for contracts of the same kind as the proposed contract.
- e. Enter into negotiations with any person (whether or not the person was a tenderer) with a view to entering into a contract in relation to the subject matter of the tender.
- f. Carry out the requirements of the proposed contract itself.

If Council resolves to enter into negotiations, the resolution must state:

- a. The Council's reasons for declining to invite fresh tenders.
- b. The Council's reasons for determining to enter into negotiations.

### **Financial / Resources Implications**

A specific financial evaluation was not completed as part of the tender assessment.

The funding of these project management services is a component of the capital project budgets identified for 2019/20 and 2020/21. Council will require the PM Panel to provide individual fee proposals nominating specific resources for project management services based on the scope of the individual projects. The subsequent appointment will only take place after a value for money assessment is completed by Council staff based on price, skills, the resources nominated and the suitability of the proposed resources.

### **Legal and Policy implications**

All activities by Council involving the PM Panel members will be carried out in accordance with Council's Procurement Policies and Procedures. All Council officers on the Tender Assessment Panel have declared that no conflict of interest has occurred in the participation in the panel selection.

### **Public / Social Impact**

The appointment of an external panel of project managers will improve Councils ability to deliver works identified within the Operational Plan. A panel will support the delivery of community assets through appropriate resources. It supports a consistent and efficient approach to the procurement of additional resources whilst ensuring competitive pricing.

### **Link to Community Strategic Plan**

This report supports the following objectives and strategies of the Community Strategic Plan:

Objective: 3.1 Plans, builds and manages infrastructure for the community

Strategy: 3.1.1 Provide the community with a range of infrastructure delivered in a sustainable manner

Objective: 4.2 Supported by a Council that is responsive, accountable and financially viable.

Strategy: 4.2.3 Ensure Council is financially sustainable and continues to be transparent and accountable.

## **Consultations**

### **Internal**

Manager Procurement and Supply, Procurement

### **External**

Wollongong City Council

## **Political Donations Disclosure**

Nil

## **Recommendation**

**That Council:**

- 1. In accordance with Clause 178 of the *Local Government (General) Regulation (2005)*, accept the tenders for Contract 2019/13 and appoints to the Project Management Services Panel for a period of 2 years, the following Tenders: APP Pty Ltd, Cardno Pty Ltd, GHD Pty Ltd, Public Works Advisory and Troutman Asset Integrity Pty Ltd.**
- 2. Authorise the General Manager or his delegate to sign the Letters of Appointment, finalise and execute the contracts.**
- 3. Authorise the General Manager or his delegate to administer the contracts, including, but not limited to, directing, negotiating and accepting offers in accordance with the contracts.**
- 4. In accordance with the Government Information (Public Access) Act 2009, the name of the successful contractor and amount payable under the contract will be added to the contracts register.**

Wayde Peterson

Approved for Council's consideration: Group Manager Asset Strategy

**Date of Meeting:** 11 June 2019

**Attachments**

1. Confidential Memo: 11.4.1 Tender Evaluation Summary 2019/13 for Project Management Services Panel - Contract 2019/13 (*issued under separate cover*)

**11.4.2 Contract 2018/45 - Skiway Park Promenade Renewal (11221575)**

To the General Manager

**Directorate:** Amenity and Assets  
**Group:** Asset Strategy

**Manager:** Wayde Peterson – Group Manager Asset Strategy  
**Author:** Eray Erkilic – Project Delivery Officer

---

## Summary

The purpose of this report is update Council on the contract matters in relation to GPM Constructions that were awarded Skiway Park Promenade works following the resolution of Council of 30 April 2019. Due to the GPM Constructions inability to fulfil the contract obligations, this report seeks a delegation of authority to the General Manager to enter into negotiations with any party, with a view to entering into a contract, in relation to the completion of the promenade project construction at Skiway Park, Oak Flats. It is proposed to not call for fresh tenders for Contract 2018/45 Skiway Park Promenade Renewal in accordance with Section 55(3)(i) of the Local Government Act due to extenuating circumstances, and this is to primarily expedite the delivery time of this project in accordance with community expectations.

## Background

Council resolved on the 30 April 2019 to accept a tender from GPM Constructions for Contract 2018/45 Skiway Park Promenade Renewal. This decision followed a tender process that was consistent with the principles set out in the Office of Local Government Tendering Guidelines. A letter of award was subsequently provided to GPM Constructions and site establishment was undertaken. This completed the tender process in accordance with the resolution from the 30 April 2019 Council Meeting. The purpose of this report is update Council on the contract matters in relation to GPM Constructions that have led to the current situation whereby the contractor cannot deliver in accordance with Council's requirements.

Council has received advice on 22 May 2019 that the company GPM Constructions is not in a position to meet their obligations under the Contract 2018/45 Skiway Park Promenade. Council has notified GPM constructions that in accordance with the agreement the contract 2018/45 has been terminated.

It is proposed that Council does not invite fresh tenders before entering into a contract for the remaining works. It is expected by the community that this project will be delivered in a reasonable timeframe to allow the continued use of the facility. There are extenuating circumstances with the promenade renewal project that would prevent a satisfactory result being achieved through inviting fresh tenders. Council are finalising the demolition on site to reduce risk to the environment, under existing procurement delegations.

Section 55(3)(i) of the Local Government Act provides that a Council is not required to call for tenders for a contract where 'because of extenuating circumstances, remoteness of locality or the unavailability of competitive or reliable tenderers, a Council decides by resolution (which states the reasons for the decision) that a satisfactory result would not be achieved by inviting tenders.'

Council's resolution should include the reasons for the extenuating circumstances which are time delays in restoring the foreshore and promenade which would significantly impact community use in the peak season and increase the risk to the aquatic environment. It will also lead to the requirement of additional stabilisation work on the foreshore and associated costs. There was also limited interest in the recently advertised tender.

The extenuating circumstances in this instance are considered suitable as Council has already provided a fair, equitable and selective tendering process for the renewal works at Skiway Park and the circumstances for calling a new tender process are not sufficiently different. In addition the time and cost taken to invite fresh tenders, would not be in the community's best interests.

To complete the promenade project and undertake the remaining components of the work that are valued over \$500k, it is recommended Council seek offers and negotiate with companies with a view to entering into contracts. Council staff will also consider as part of the procurement options, the previous contractors and staff from the recently completed tender process.

### **Alternative Procurement Options**

Council can resolve to invite fresh tenders for the remaining promenade works, but it is likely that the same companies that Council will be selectively seeking quotes from will submit applications. The risk with this option is that the project will experience significant time delays through advertising, evaluating and reporting fresh tenders. Time delays could lead to further rework, conflicts with users during peak season demands and additional costs to stabilise the foreshore.

### **Financial / Resources Implications**

The project budget of over \$500k remains allocated within the 2018/19 and 2019/20. A financial assessment of the preferred companies will be undertaken prior to their engagement

### **Legal and Policy implications**

It is recommended that pursuant to section 55(3)(i) of the *Local Government Act 1993*, the Council resolves not to call fresh tenders for a contract for carrying out the works because it is satisfied that extenuating circumstances exist such that a satisfactory result would not be achieved by calling tenders.

**Public / Social Impact**

A renewal of the existing promenade will have a positive impact on residents and recreational user groups. The project has been well received and all parties involved are eager to complete the project to the highest quality allowing user groups to use the facility during the peak season which commences early November each year. The outcome of this project will be a community recreational area which will allow all different types of recreational groups to utilise Skiway Park.

**Link to Community Strategic Plan**

This report supports the following objectives and strategies of the Community Strategic Plan:

Objective: 1.1 Vibrant, safe, creative and inclusive

Strategy: 1.1.4 Provide a liveable community that is accessible and inclusive

Strategy: 1.1.6 Provide responsive community services and programs across the City

Strategy: 1.1.7 Provide dynamic and responsive library and museum services

**Consultations****Internal**

Manager Procurement and Supply  
Governance Manager

**Political Donations Disclosure**

Not Applicable

**Recommendation****That Council:**

- 1. Council note that the contract awarded to GPM Constructions Pty Ltd will not be delivered in accordance with the resolution number 64 of 30 April 2019.**
- 2. Delegate authority to the General Manager or his delegate to enter into negotiations with any parties for the components of the Skiway Promenade Renewal Works 2018/45 with a view to entering into contracts and not advertise and invite fresh tenders for the following reasons (extenuating circumstances);**
  - a. Significant time delays will potentially leave the foreshore exposed to erosion from the lake potentially impacting the aquatic environment**
  - b. The delays to project delivery will result in conflicts with recreational users in peak periods including power boats, kayakers, paddle boards and the dragon boat club**
  - c. Clarification of construction materials and work methods through a negotiation may reduce the prices offered**
  - d. Limited interest in the recent tender process**
- 3. Authorise the General Manager or his nominated delegate to sign the Letters of Award and execute the contracts, variations and associated documents on behalf of Shellharbour City Council.**

Approved for Council's consideration:      Wayde Peterson  
Group Manager Asset Strategy

**Date of Meeting:** 11 June 2019

**Attachments**

Nil

**12. Committee Recommendations****12.1 Recommendations from the Aboriginal Advisory Committee Meeting held 14 May 2019 recommended for adoption.**

That the Recommendations from the Aboriginal Advisory Committee Meeting of 14 May 2019 be adopted.

**13. Items for Information****13.1 Item for Information: Petition to upgrade Doonside Park, Barrack Heights (11220065)**

---

The purpose of this report is to inform councillors that a petition was received by Council regarding Doonside Park, Barrack Heights. The petition is outlined in **Attachment 1** and has collected 60 signatures.

The request has been forwarded to the Director of Amenity and Assets for appropriate action.

**Responsible Officer:** Flora Lepouras  
Executive Manager / Public Officer

**Date of Meeting:** 11 June 2019

**Attachments**

1. Petition to upgrade Doonside Park, Barrack Heights – *Page 71*

Attachment 1 – Residents' request to upgrade Doonside Park, Barrack Heights

Shellharbour City Council  
12 APR 2019  
RECEIVED AT COUNTER



RET.

11/04/2019

RE CONDITION OF DOONESIDE PARK.

RECENTLY I NOTICED THE PARK IS EMPTY EACH TIME I WALK PAST WHEN I WALK MY DOGS.

I THOUGHT SOMETHING MUST BE DONE AS THERE ARE LOTS OF KIDS IN THE NEIGHBOURHOOD.

I PHONED YOUR OFFICE, WAS TOLD TO GET A PETITION TO PUT TO COUNCIL (SEE ENCLOSED) - THE PARK NEEDS A UPGRADE - SLIPPERY CLIP, SWINGS ETC.

I TOLD PARENTS & KIDS MAYBE GET BASKET BALL SMALLER VERSION COURT/RING HEIGHTS.

I CANVASSED AN AREA ABOUT 4 BLOCKS. RESIDENTS WERE HAPPY WITH THE PROSPECT WITH UPGRADE TO PARK  
60 PEOPLE SIGNATURES      102 KIDS

I INSTALLED SOME YEARS AGO  
A BASKETBALL COURT AT HAYES PRIMARY SCHOOL  
KANAHOOKA.

Also was Group Leader  
2nd DAPTO SCOUTS

I WOULD APPRECIATE AN EARLY ~~REPLY~~ REPLY

SHELLHARBOUR CITY COUN.
Doc No. ....
12 APR 2019
Batch No. ....
Box No. ....



**14. Notices of Rescission/Alteration Motions**

Nil

**15. Notices of Motion**

**15.1 Notice of Motion submitted by Cr Kellie Marsh: Mobility Scooters for the Civic Centre (11217746)**

---

**Notice of Motion**

That Council officers prepare a report on the compatibility, management and cost of purchasing two mobility scooters for the Civic Centre for public use within the complex.

Cr Kellie Marsh

**Date of Meeting:** 11 June 2019

**16. Questions on Notice (must be submitted in writing)**

**16.1 Question on Notice submitted by Cr Kellie Marsh: Councils water saving measures (11220653)**

---

**Question on Notice**

In this drought period what water saving measures has council put in place?

Cr Kellie Marsh

**Date of Meeting:** 11 June 2019

**17. Urgent Business**

**18. Committee of the Whole in Closed Session (Closed to the Public):  
Adjournment**

**19. Committee of the Whole in Closed Session: Consideration of Adoption of  
Decisions Reached in Closed Session**

**20. Consideration of Motions to Declassify Reports Considered in Closed  
Session**