



DIRECTOR SHIRE SERVICE'S REPORT

9th August 2005

DSS6 INTEREST FREE LOANS - TENNIS CLUBS FILE: 478 (292991), 161 (299688)

SUMMARY:

Reporting on requests for Interest free loans for tennis clubs.



Correspondence has been received from the South Kempsey Tennis Club, the Stuarts Point and District Tennis Club Inc. and the Willawarrin Tennis Club requesting financial assistance to maintain tennis courts in a safe and usable condition. Funding is not available for maintenance of tennis courts or capital improvements to tennis courts in the current financial year. Tennis Clubs are able to raise funds through player fees. Council assists, where possible by supporting applications for grant funding and, in some instances, providing interest free loans.

The South Kempsey Tennis Club has requested assistance to replace lighting vandalised in December 2004. This is not covered by Council's insurance. Night tennis is the Club's main source of revenue and this money is preserved for basic maintenance of the courts. The cost to achieve repairs is \$4,316.40 including GST. Council has recently supported an application for grant funding for this work. The loan amount will be reviewed in February 2006, when the success or otherwise of the grant application is known, with the intention to request immediate repayment of an amount equivalent to the grant funding approved and to reduce the term of the interest free loan.

The Stuarts Point and District Tennis Club Inc. has requested assistance to repair a fence damaged by storms in October last year. No claim for storm damage was received by Council however the Club expressed the view that these items should be covered by Council's insurance. This does not appear to be the case. The fence is not believed to be dangerous but rather an eye sore. Quotations obtained by Council from Mid Coast Fencing and Gates offer two options to repair the fence and note that most of the fence is in fair condition. The less expensive option will likely cause issues for mowing maintenance of the area. The more expensive option is \$2,150.00 excluding GST.

The Willawarrin Tennis Club has requested assistance to resurface the tennis court. Council has recently supported an application for grant funding for this work. The Club is able to provide \$3,000 towards the total cost of \$9,328.00. The maximum amount of grant funding would be \$4,240.00. The Willawarrin Tennis Club has requested financial assistance by part finance or an interest free loan. The maximum amount required would be \$6,328.00, the minimum amount, if the grant funding application is successful, is \$2,088.00. The loan amount will be reviewed in February 2006, when the success or otherwise of the grant application is known, with the intention to request immediate repayment of an amount equivalent to the grant funding approved and to reduce the term of the interest free loan.

REPORT IMPLICATIONS:

- ***Environmental***

As the work to be undertaken involves replacing or repairing existing assets there are no environmental implications.

- ***Social***

The Clubs feel that they fulfil an important need in their local communities, as the clubs are a good meeting place for local residents in addition to providing exercise opportunities.

- ***Economic (Financial)***

The South Kempsey and Willawarrin Clubs are concerned that an inability to undertake these repairs will seriously reduce the viability of the Clubs, in addition to having safety implications for the continued use of the courts.

The financial implication for Council of the following recommendations would be to allocate up to \$12,794.40 for a period of up to five years from working funds.

- ***Policy or Statutory***

This report is in line with Council Policy C 21:14 LOANS TO SPORTING CLUBS.

- ***Director's Review***

Council is asked to support the recommendations.

RECOMMENDATION:

1. **That the South Kempsey Tennis Club be made an offer of an interest free loan of \$4,316.40 over a three year term and repayments to commence in the second quarter of the 2005 2006 financial year.**

2. That the Willawarrin Tennis Club be made an offer of an interest free loan of \$6,328.00 over a five year term and repayments to commence in the second quarter of the 2005 2006 financial year.
3. That the Stuarts Point and District Tennis Club Inc. be made an offer of an interest free loan of \$2,150.00 over a two year term and repayments to commence in the second quarter of the 2005.

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K J Finnie
DIRECTOR SHIRE SERVICES