



**KEMPSEY**  
Shire Council

## **DIRECTOR CORPORATE AND COMMUNITY SERVICES SUPPLEMENTARY REPORT**

12<sup>th</sup> June 2007

<b>DCCS16</b>	<b>LOANS 4 SHORE HOLIDAY PARKS</b>
<b>SUPP</b>	<b>FILE: 314 SJR {Folio No. 347948}</b>

### **SUMMARY:**

Reporting on an offer of loan funds from the Caravan Park Levy Committee.

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### **DESCRIPTION:**

Council resolved on 13 February 2007 -

***"That Council endorse an application to the Public reserves Management Fund for a loan of \$600,000 for the upgrade and improvement program for the Stuarts Point Holiday Park."***

The 4 Shore Holiday Parks Management Plan, previously adopted by Council, identifies the placement of an additional two cabins on the Hat Head Holiday Park in the current financial year. These cabins are to be funded from loan funds serviced from Caravan Park profits and accordingly an application for loan funding of \$150,000 for this project was also made.

The Minister for Lands has now formally offered the above loans for seven years with an interest rate of 3.5% per annum for the Stuarts Point loan and an interest rate of 5% per annum for the Hat Head loan. The interest rate of 3.5% applies to 'non income producing loans' whilst the 5% relates to loans which do produce income.

Conditions attached to the loan require:-

1. The acceptance of the offer within one month of the date of the offer, and
2. The completion of the project within twelve months.

### **REPORT IMPLICATIONS:**

- ***Environmental***

***Nil implications***

- *Social*

*Nil implications*

- *Economic (Financial)*

*Repayment of the loan is self funded from the Holiday Parks budget. The repayment of the loan will add 0.44% to the Net Debt Service Ratio in the case of the Stuarts Point loan and 0.11% in the case of the Hat Head loan.*

- *Policy or Statutory*

*Nil implications*

- *Director's Review*

*The recommendation is supported.*

**RECOMMENDATION:**

1. That Council accept the Minister for Lands offers of loan funding from the Caravan Park Levy Committee of \$600,000 over seven years at an interest rate of 3.5% pa and \$150,000 over seven years at an interest rate of 5% pa.
2. That Council authorise the affixing of the Seal to any documents relating to the raising of the above loans from the Caravan Park Levy Committee.

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**G B Snape**  
**DIRECTOR CORPORATE & COMMUNITY SERVICES**