



## **Notice of Finance Committee Meeting**

A Finance Committee Meeting will be held in the Ballina Shire Council Chambers, 40 Cherry Street, Ballina on **Thursday 16 April 2015 commencing at 4.00 pm.**

### **Business**

1. Apologies
2. Declarations of Interest
3. Deputations
4. Committee Reports

A handwritten signature in black ink that reads 'John Truman'.

John Truman  
**Acting General Manager**

## Table of Contents

1.	Apologies.....	1
2.	Declarations of Interest.....	1
3.	Deputations .....	1
4.	Committee Reports.....	2
4.1	North East Weight of Loads Group (NEWLOG)	2
4.2	Water and Wastewater - Long Term Financial Plans	43
4.3	On Site Sewage Management (OSSM) Program Review	57
4.4	Lake Ainsworth - South Eastern Precinct Upgrade Project	81
4.5	Fees and Charges - 2015/16	88
4.6	Requests for Information	97
4.7	Long Term Financial Plan - Consolidated Forecast	116
4.8	Delivery Program and Operational Plan - Exhibition	122

1. Apologies
  2. Declarations of Interest
  3. Deputations
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**1. Apologies**

**2. Declarations of Interest**

**3. Deputations**

#### **4.1 North East Weight of Loads Group (NEWLOG)**

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#### **4. Committee Reports**

#### **4.1 North East Weight of Loads Group (NEWLOG)**

**Delivery Program** Financial Management

**Objective** To provide Council with an annual update on the operations of NEWLOG.

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#### **Background**

North East Weight of Loads Group (NEWLOG) represents a resource sharing co-operative of the eight member Councils (Ballina, Byron, Clarence Valley, Kyogle, Lismore, Richmond Valley, Tenterfield and Tweed) with the objective of reducing damage to Council and classified roads and promotion of road safety, by policing of vehicle weights as prescribed in the Acts and Regulations pertinent to overloading.

Essentially all the corporate services for NEWLOG such as finance, administration, employment of staff etc are provided by Ballina Shire Council with Council then charging an overhead cost against the member contributions.

The NEWLOG group, which is not a separate legal entity, operates under a Memorandum of Agreement (MOU) with the Roads and Maritime Services (RMS) which expired 31 December 2011, but which was extended on a month to month basis.

A new agreement has been delayed pending a review by the RMS. It is understood this task has now been completed and a revised agreement has been approved by the member councils and is currently with the RMS for their approval. The revised agreement is very similar to the former agreement with changes limited to operational matters.

There is also a Deed of Agreement between member councils which expired 1 July 2012 which has been extended on a month to month basis. The new MOU will be prepared and executed following completion of the RMS MOU.

#### **Key Issues**

- Overview

#### **Information**

The latest annual report for NEWLOG is attached and provides comprehensive information on the operational and financial activities for the subject period. NEWLOG has operated effectively for many years and it is anticipated that this will continue to be the case.

#### 4.1 North East Weight of Loads Group (NEWLOG)

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One challenge that NEWLOG is confronting is a decline in fines revenues stemming from two issues. Firstly there is a higher level of compliance reflecting a reduced number of breaches. See charts on pages 9 and 10 of the attached annual report.

Since 2011/12 there has been an incline in the number of vehicles tested and a decline (in total) of the number of breaches.

Secondly a new fines structure has been put in place that has reduced the penalty for a breach. The Heavy Vehicles National Law and regulations have been in place since February 2014 and penalties have been reduced dramatically, some by up to 50%.

The declining number of breaches is, in many respects, a positive outcome. It does mean that roads are not being damaged by overweight vehicles and the purpose of NEWLOG is being achieved.

To address the declining fines revenue member councils were asked to increase their annual contribution at the commencement of the current financial year. The table below shows contributions over recent years. Member contributions increased in 2014/15 by approximately 16% to compensate for reduced fine income. A mid year review was conducted and the outcome of this review is that the changes are reporting according to forecast. On this basis it is expected increases in the contribution rate for future years will now return to the rate pegging level.

**Table One: Member Contributions - Recent Years**

<b>Council</b>	<b>2012/13 Contribution \$</b>	<b>2013/14 Contribution \$</b>	<b>2014/15 Contribution \$</b>
Ballina	22,500	23,265	27,450
Byron	22,500	23,265	27,450
Clarence	26,790	27,700	31,300
Kyogle	18,620	19,255	22,720
Lismore	26,790	27,700	31,300
Richmond Valley	18,520	19,255	22,720
Tenterfield	18,620	19,255	22,720
Tweed	26,790	27,700	31,300
<b>Total</b>	<b>181,130</b>	<b>187,395</b>	<b>216,960</b>

The following table shows the NEWLOG operating results over the last few years together with forecasts for the next few years.

## 4.1 North East Weight of Loads Group (NEWLOG)

Table Two: NEWLOG – Financial Overview 2011/12 to 2017/18

ACTUAL 2011/12	ACTUAL 2012/13	ACTUAL 2013/14	BUDGET ITEMS	ESTIMATED			
				2014/15	2015/16	2016/17	2017/18
			<b>OPERATING REVENUES</b>				
			<b>Fees and Charges</b>				
9,600	2,600	1,200	Legal Costs Recovered	6,000	6,200	6,400	6,600
96,500	96,800	87,500	Fines	90,000	92,200	95,000	97,900
			<b>Contributions</b>				
167,400	170,000	173,600	RMS Contribution	178,500	182,800	188,300	194,000
1,600	0	0	Profit on Sale Assets	0	0	0	0
			<b>Other Revenues</b>				
17,200	13,400	10,000	Interest on Investments	8,000	8,200	8,500	8,800
<b>292,300</b>	<b>282,800</b>	<b>272,300</b>	<b>Total Operating Revenues</b>	<b>282,500</b>	<b>289,400</b>	<b>298,200</b>	<b>307,300</b>
			<b>OPERATING EXPENSES</b>				
			<b>Administration</b>				
242,600	255,700	257,700	Salaries	262,500	268,800	276,900	285,300
17,200	19,100	25,200	Annual Leave	17,500	18,000	18,600	19,200
7,600	8,400	8,300	Other Leave	8,500	8,800	9,100	9,400
14,100	18,800	8,200	Sick Leave	8,500	8,800	9,100	9,400
7,100	4,800	10,700	Long Service Leave	8,000	6,200	6,400	6,600
0	600	0	State Conference Costs	1,000	1,000	1,100	1,200
12,500	10,100	8,600	Workers Compensation	12,000	12,300	12,700	13,100
20,500	21,000	26,800	Superannuation	22,000	22,600	23,300	24,000
600	0	0	Uniforms	1,000	1,000	1,100	1,200
31,600	31,900	25,300	Vehicle Running Costs	35,000	35,900	37,000	38,200
89,000	82,000	89,000	Overheads to NEWLOG	69,000	70,700	72,800	75,000
			<b>Operation Costs</b>				
1,400	200	100	Admin Costs	1,500	1,600	1,700	1,800
2,000	2,800	2,900	Audit Costs	3,000	3,100	3,200	3,300
500	500	500	Telephone	500	600	700	800
2,100	2,500	100	Legal Costs	2,500	2,600	2,700	2,800
1,000	4,300	600	Sundry Expenses	2,500	2,600	2,700	2,800
3,100	3,900	2,800	IPB Processing Fees	4,000	4,100	4,300	4,500
4,700	5,000	4,700	Insurance	5,000	5,200	5,400	5,600
2,000	3,100	6,500	Maintenance of Scales	5,500	5,700	5,900	6,100
			<b>Non-cash Expenses</b>				
0	0	0	Loss on Sale of Plant		12,000		12,500
29,900	29,900	23,900	Depreciation	30,000	30,000	30,000	30,900
<b>489,500</b>	<b>504,600</b>	<b>501,900</b>	<b>Total Operating Expenses</b>	<b>499,500</b>	<b>521,600</b>	<b>524,700</b>	<b>553,700</b>
<b>(197,200)</b>	<b>(221,800)</b>	<b>(229,600)</b>	<b>Operating Result - Surplus / (Deficit)</b>	<b>(217,000)</b>	<b>(232,200)</b>	<b>(226,500)</b>	<b>(246,400)</b>
29,900	29,900	23,900	Add Back Depreciation & Loss on Sale	30,000	42,000	30,000	43,400
<b>(167,300)</b>	<b>(191,900)</b>	<b>(205,700)</b>	<b>Cash Result - Surplus / (Deficit)</b>	<b>(187,000)</b>	<b>(190,200)</b>	<b>(196,500)</b>	<b>(203,000)</b>
175,000	181,200	187,400	Add member contributions	216,500	221,700	228,400	235,300
0	0	20,800	Vehicle replacement (net)	0	(56,000)	0	(58,000)
7,700	(10,700)	2,500	Net increase (decrease) cash reserves	29,500	(24,500)	31,900	(25,700)
301,800	291,100	293,600	Reserve Balance	323,100	298,600	330,500	304,800
<b>21</b>	<b>21</b>	<b>19</b>	Fines % of total revenue	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>
<b>37</b>	<b>39</b>	<b>41</b>	Members Cont as % of total revenue	<b>43</b>	<b>43</b>	<b>43</b>	<b>43</b>
<b>36</b>	<b>37</b>	<b>38</b>	RMS Cont as % of total revenue	<b>36</b>	<b>36</b>	<b>36</b>	<b>36</b>

NB Total revenue includes members cont.

#### **4.1 North East Weight of Loads Group (NEWLOG)**

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The statement shows that operations are forecast to remain reasonably similar to previous years with most items, including member's contributions, looking at a cost of living adjustment.

The reserve balance is predicted to remain around \$300,000 which is suitable for the scale of operations.

#### **Legal / Resource / Financial Implications**

Council contributes financially to the operations of NEWLOG as well as providing support and management of the joint venture, costs which are recovered through overhead charges.

#### **Consultation**

This report is provided for the public record.

#### **Options**

This report is largely for information, with Council also being asked to support the draft 2015/16 budget.

#### **RECOMMENDATIONS**

1. That Council notes the contents of the NEWLOG Annual Report for 2013/14.
2. That Council endorses the draft NEWLOG budget for 2015/16.

#### **Attachment(s)**

1. North East Weight of Loads Group Annual Report 2013/14



**2013/2014**

**Annual Report**





Participating Councils



**Table of Contents**

<b>Objective .....</b>	<b>1</b>
<b>Overview of Operations .....</b>	<b>1</b>
<b>Management Arrangements.....</b>	<b>2</b>
<b>Key Areas of Operations.....</b>	<b>2</b>
Staff .....	2
Vehicles .....	3
Weighing Equipment .....	3
Breach Processing .....	3
Communication .....	4
Annual Weight of Loads Conference.....	4
RMS / WOLG Consultative Group.....	4
<b>2013-2014 Enforcement Summary .....</b>	<b>5</b>
Enforcement Summary and Breach Categories .....	5
Table 1- Intercept, Load Type, and Council Area Breach Statistics .....	6
Table 2-Distribution of Patrol Hours by Council Area.....	7
Table 3- Overall Performance of Mobile and WIMO operations.....	8
Graph 1 - Vehicles Intercepted/Breaches per year (Mobile Intercepts) .....	9
Graph 2 - Vehicles Intercepted/Breaches per year (WIMO).....	10
Graph 3- Compliance per year (Mobile Intercepts) .....	11
Graph 4- Compliance by Local Government Area .....	12
<b>Financial Position .....</b>	<b>13</b>
NEWLOG Financial Analysis.....	13
Unaudited Financial Statement.....	14
Independent Auditors Report .....	34

### OBJECTIVE

Newlog operates with the objective to generally advance the aims of reducing damage to Council and classified roads and promotion of road safety, by policing of vehicle weights as prescribed in the Acts and Regulations pertinent to overloading.

### OVERVIEW OF OPERATIONS

The group operates as a resource sharing cooperative of the 8 member Councils (Ballina, Byron, Clarence Valley, Kyogle, Lismore, Richmond Valley, Tenterfield and Tweed) in accordance with its constitution, and with financial assistance from the RTA under the terms of a Memorandum of Understanding.

Its purpose is to enforce Mass Limits on heavy vehicles operating within the member councils' areas to reduce damage caused to the road network by overloading.

Ballina Shire Council is the administrative council, managing the group's operations and employing Newlog staff.

Enforcement is carried out by fixed and mobile patrols over the area's local, regional and state road network utilising mobile and static weigh operations. Weigh in Motion (WIMO) operations are carried out in selected locations based on logistic and access factors.

The inspectors operate as two crews with two inspectors in each vehicle. Processing of breaches and the associated administration is carried out by the team members.

### MANAGEMENT ARRANGEMENTS

The Group operates under a Memorandum of Agreement (MOU) with the RMS. This agreement was initially due to expire on 30 June 2011, however it was subsequently extended pending a review by the RMS of the Weight of Loads program.

RMS and the other Council's Weight of Loads Groups have been communicating regularly and the MOU is now in final draft form.

Member Councils have executed a Deed of Agreement which details the management and functions of Newlog. This Deed of Agreement expires on 1 July 2012, and has by agreement been extended on a month to month basis until the final MOU is executed with RMS.

The RMS has delegated certain functions under "The Roads Act and Road Transport (General) Acts and Regulations" to member Councils and in turn member Council's have delegated the necessary functions to Ballina Shire Council (the "Administrative Council") to undertake these functions on their behalf by Newlog.

### KEY AREAS OF OPERATIONS

#### Staff

Newlog operates with four inspection staff, one of whom also completes duties as the team leader. These staff are supported by a pool of casual relief staff. This means two patrols of two inspectors each operates each week of the year. Rosters are prepared by the Team Leader to deploy patrols to maximise impact, meet seasonal freight movement needs, ensure member coverage and respond to reported breaches from members and the public.

Most administrative tasks are carried out by the inspector teams, which include breach checking and issuing, member council liaison, breach reconciliation and RTA member reporting.

### **Vehicles**

The inspectors operate two Holden Colorado utility vehicles. These vehicles have an aluminum tray back and canopy. The separate load compartment provides for operator safety and a comfortable loading height for the scales and allows easy access to equipment through the offside doors. Standard logos and signwriting has been applied and the approved Weight of Loads Group magenta light bars are fitted.

Based on the utilization of these vehicles, replacement is due at the end of 2015.

### **Weighing Equipment**

Weighing equipment consists of two sets of six portable Haenni wheel scales (each set sufficient to weigh one rigid truck in one operation, or one semitrailer in two operations), and one set of Weigh in Motion (WIMO) scales that allow quick screening of a large volume of trucks at appropriate sites such as Kerr Street on the old Pacific Highway in Ballina, Johnson Street in Casino, Dawson Street in Lismore, Tarban Creek in Tenterfield. This means there are minimal delays for trucks that are loaded in accordance with the regulations. Due to the completion of the Ballina Bypass the Kerr Street site presents fewer vehicles for weighing and hence is now of reduced value as a weigh site.

The weight in motions scales are easy to transport and quick to deploy at suitable sites.

The two sets of six Haenni individual wheel scales are also operating effectively and providing good service, with any service issues being promptly dealt with by the agent located on the Gold Coast. The annual calibration and certification can now be carried out efficiently on the Gold Coast.

### **Breach Processing**

Newlog has entered a Service Level Agreement for a Premium Processing Service with State Debt Recovery. For a standard fee the SDRO process all breaches issued under the SEINS system and remits the fine income to Newlog and issues Court Attendance Notices for unpaid fines .After the notice is issued by the SDRO for Court elected matters, the prosecution is managed by a local solicitor.

Some breaches require the automatic issue of a Court Attendance Notice, and these too are handled by a local solicitor.

### Communication

Member councils are provided standard monthly reports by email, and a report is provided monthly to the RTA as required under the MOU with operational performance statistics.

Inspectors regularly communicate with staff from member councils regarding compliance problems in their areas.

### Annual Weight of Loads Conference

The inspectors normally attend the annual conference hosted on rotation by the Groups. The last conference was held in late August 2013 at NWWOLG headquarters in Moree. This year, Newlog will be hosting the event which will include speakers from the RMS, NHVR, and the Highway Police.

### RMS / WOLG Consultative Group

The last meeting held between RMS and the WOLG was 11 August 2014. This was held to move the MOU into prepare the new agreement. Since this meeting, teleconferences have been held to get the MOU to its final stages.

The WOLG will meet together during the Annual Weight of Loads Conference to discuss future financial models to be proposed to RMS.

### 2013-2014 ENFORCEMENT SUMMARY

#### Enforcement Summary and Breach Categories

The Road Transport Act 2013 provides for 3 levels of Mass breaches:

- a) minor risk breaches, (less than 5%)
- b) substantial risk breaches, (greater than 5%, less than 20%)
- c) severe risk breaches, (greater than 20%) Automatic Court Attendance Notice issued.

These breakpoints are defined by relating to the risk of damage to road infrastructure and risk to public safety caused by the overloading.

Additionally, Newlog issues infringements for B-Doubles off route, and breaches for exceeding posted load limits on roads and bridges.

During the 2013/2014 year a total of 138 breaches were detected, 26 less than the previous year. These included:

- 6 heavy vehicles breached for traveling "off route".
- 30 vehicles were breached for traveling on load limit restricted roads;

The remaining 102 breaches fell into the following categories:

- Minor risk breach = 36 (35%)
- Substantial risk breach = 65 (64%)
- Severe risk breach = 1 (1%)

These results appear similar to the distribution of breaches for the previous year.

## 4.1 North East Weight of Loads Group (NEWLOG)

**Table 1- Intercept, Load Type, and Council Area Breach Statistics**

The following table provides a summary of compliance, intercepts and breaches by load type and Council area.

Load Type		Council								Total
		Ballina	Byron	Clarence Valley	Kyogle	Uismore	Richmond Valley	Tenterfield	Tweed	
AGGREGATE	Stopped	86	102	122	59	162	73	82	78	764
	Breached	4	4	6	0	4	1	0	2	21
	Compliance	95%	96%	95%	100%	98%	99%	100%	97%	97%
BRICKS/TILES	Stopped	0	0	2	2	0	0	0	2	6
	Breached	0	0	0	1	0	0	0	0	1
	Compliance	100%	100%	100%	50%	100%	100%	0	100%	83%
CEMENT	Stopped	4	6	3	5	13	8	12	8	59
	Breached	0	0	0	0	0	0	1	0	1
	Compliance	100%	100%	100%	100%	100%	100%	92%	100%	98%
CONCRETE	Stopped	6	16	8	12	18	8	6	14	88
	Breached	0	0	0	0	0	0	0	0	0
	Compliance	100%	100%	100%	100%	100%	100%	100%	100%	100%
FUEL	Stopped	3	2	12	10	33	7	51	7	125
	Breached	0	0	1	0	1	0	0	0	2
	Compliance	100%	100%	92%	100%	97%	100%	100%	100%	98%
GENERAL	Stopped	73	89	113	103	264	86	239	161	1128
	Breached	3	2	1	0	1	1	3	17	28
	Compliance	96%	98%	99%	100%	100%	99%	99%	89%	98%
MACHINERY	Stopped	19	30	37	45	44	30	55	46	306
	Breached	0	0	0	0	0	0	0	3	3
	Compliance	100%	100%	100%	100%	100%	100%	100%	93%	99%
LIVESTOCK	Stopped	1	5	20	59	43	40	145	5	318
	Breached	0	0	1	3	1	0	8	2	15
	Compliance	100%	100%	95%	95%	98%	100%	94%	60%	95%
GRAIN	Stopped	3	2	3	54	17	19	31	1	130
	Breached	0	0	0	1	1	0	3	0	5
	Compliance	100%	100%	100%	98%	94%	100%	90%	100%	96%
SUGAR CANE	Stopped	0	0	106	1	0	174	0	171	452
	Breached	0	0	2	0	0	18	0	13	33
	Compliance	100%	100%	98%	100%	100%	90%	100%	92%	93%
PERISHABLE	Stopped	1	9	15	10	17	1	25	6	84
	Breached	0	0	0	0	0	0	1	0	1
	Compliance	100%	100%	100%	100%	100%	100%	96%	100%	99%
REFRIGERATED	Stopped	10	11	22	13	42	16	63	18	195
	Breached	0	0	0	0	1	0	1	4	6
	Compliance	100%	100%	100%	100%	98%	100%	98%	78%	97%
STEEL	Stopped	6	14	28	12	20	6	13	16	115
	Breached	0	1	1	0	0	0	1	4	7
	Compliance	100%	93%	96%	100%	100%	100%	92%	75%	94%
TIMBER	Stopped	9	16	26	15	32	21	20	24	163
	Breached	0	1	0	0	2	0	0	0	3
	Compliance	100%	94%	100%	100%	94%	100%	100%	100%	98%
LOGS	Stopped	0	2	42	30	4	10	2	1	91
	Breached	0	0	2	3	1	1	0	0	7
	Compliance	100%	100%	95%	90%	75%	90%	100%	100%	92%
EMPTY	Stopped	1	2	1	12	1	8	2	27	
	Breached	0	1	1	0	0	0	0	2	4
	Compliance	100%	0%	50%	100%	100%	100%	100%	0%	85%
<b>TOTAL</b>	Stopped	221	305	561	431	721	500	752	560	4051
	Breached	7	9	15	8	12	21	18	47	137
	Compliance	97%	97%	97%	98%	98%	96%	98%	92%	97%

Significant areas of non-compliance are noted as:

- tip trucks working from job sites that are loaded using equipment not fitted with load scales; and
- Sugar cane vehicles
- Logging trucks not using onboard scales
- Off Route vehicles



## 4.1 North East Weight of Loads Group (NEWLOG)

**Table 2-Distribution of Patrol Hours by Council Area**

The following table provides a summary of distribution hours between each member Council's area.

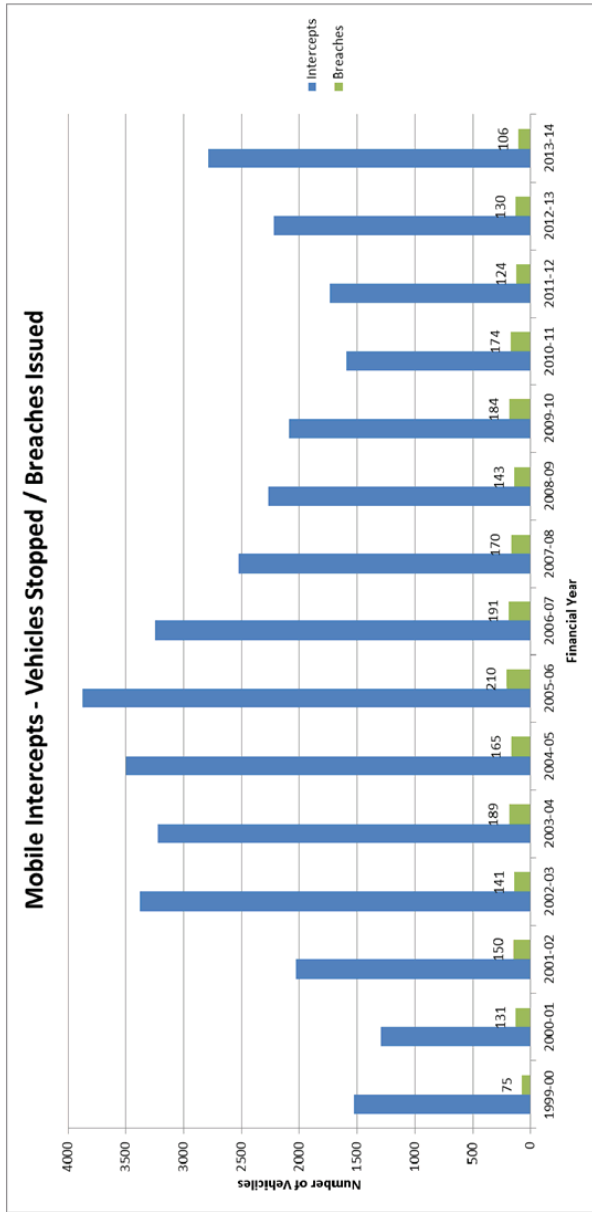
Council	Road Type	Total Hrs	By Council	Actual	Target
			(Target=60/40%)		
BALLINA (Area = 484 km <sup>2</sup> )	Classified	71.60	20%	10.58%	12.50%
	Local	290.00	80%		
BYRON (Area = 567 km <sup>2</sup> )	Classified	143.00	35%	11.93%	12.50%
	Local	264.50	65%		
CLARENCE VALLEY (Area = 10,441 km <sup>2</sup> )	Classified	186.50	38%	14.49%	14.50%
	Local	308.40	62%		
KYOGLE (Area = 3,589 km <sup>2</sup> )	Classified	218.60	67%	9.60%	10.50%
	Local	109.40	33%		
LISMORE (Area = 1,290 km <sup>2</sup> )	Classified	81.20	19%	12.66%	14.50%
	Local	351.20	81%		
RICHMOND VALLEY (Area = 3,051 km <sup>2</sup> )	Classified	152.40	34%	13.17%	10.50%
	Local	297.40	66%		
TENTERFIELD (Area = 7,332 km <sup>2</sup> )	Classified	288.10	64%	13.13%	10.50%
	Local	160.60	36%		
TWEED (Area = 1,309 km <sup>2</sup> )	Classified	150.40	30%	14.45%	14.50%
	Local	343.10	70%		
<b>TOTAL</b> (Area = 28,063 km <sup>2</sup> )		<b>3,416.40</b>		<b>100.0%</b>	<b>100%</b>

## 4.1 North East Weight of Loads Group (NEWLOG)

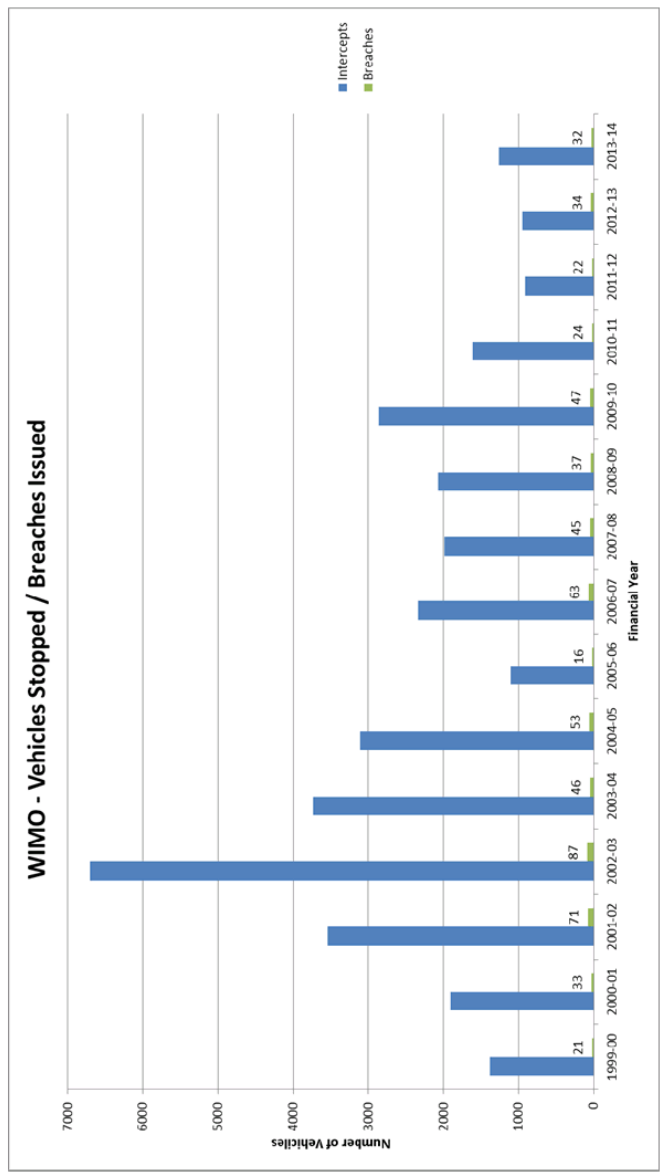
Table 3- Overall Performance of Mobile and WIMO operations

Month	No. of Trucks Stopped			No. of Breaches							Overall Compliance				
	Mobile	Wimo	Total	Mobile	Wimo	Minor	Substantial	Severe	Off Route	Load Limit	Other/Warning	Total	Mobile	Wimo	Average
July	231	149	380	17	5	9	10			3		22	93%	97%	94%
August	220	126	346	7	2	3	6					9	97%	98%	97%
September	272	139	411	9	6	4	11					15	97%	96%	96%
October	211	275	486	7	4	6	5					11	97%	99%	98%
November	257	120	377	12	4	3	3		1	9		16	95%	97%	96%
December	184	20	204	4	0	2	2					4	98%	100%	98%
January	221	107	328	3	1		2		1	1		4	99%	99%	99%
February	245	42	287	5	2	4	4			3		7	98%	95%	98%
March	265		265	11	0	4	5	1		1		11	96%	100%	96%
April	198	121	319	7	2	1	6			2		9	96%	98%	97%
May	232	130	362	12	6	3	8		2	5		18	95%	95%	95%
June	252	34	286	12	1	3	3		2	6		12	95%	100%	96%
<b>TOTAL</b>	<b>2788</b>	<b>1263</b>	<b>4051</b>	<b>106</b>	<b>32</b>	<b>36</b>	<b>65</b>	<b>1</b>	<b>6</b>	<b>30</b>	<b>0</b>	<b>138</b>	<b>96%</b>	<b>97%</b>	<b>97%</b>

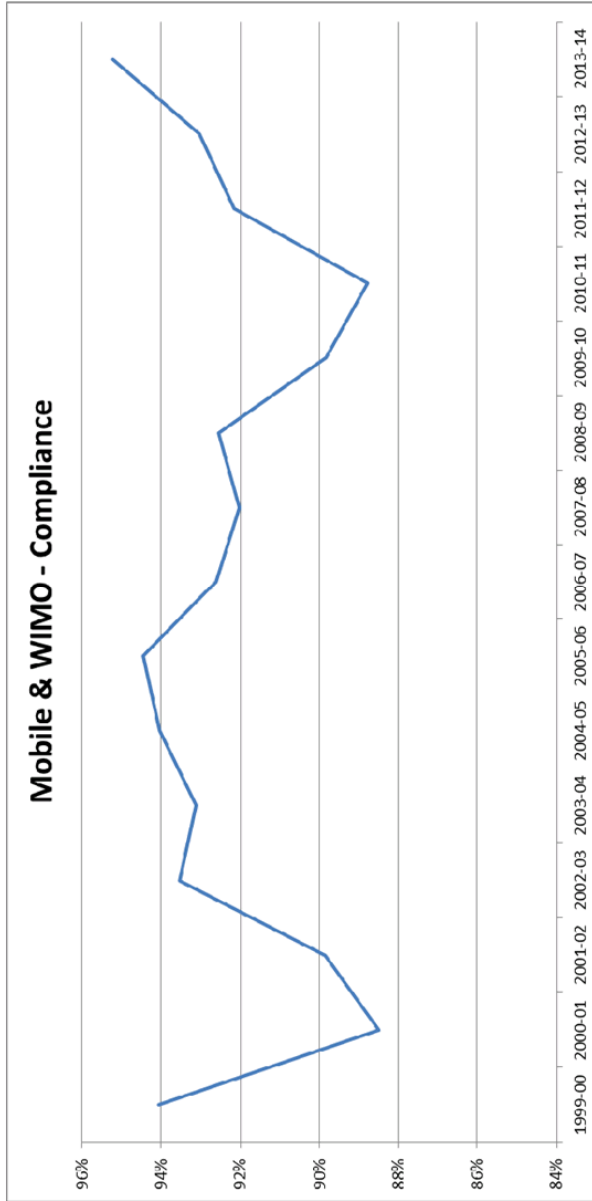
Graph 1 - Vehicles Intercepted/Breaches per year (Mobile Intercepts)



Graph 2 - Vehicles Intercepted/Breaches per year (WIMO)

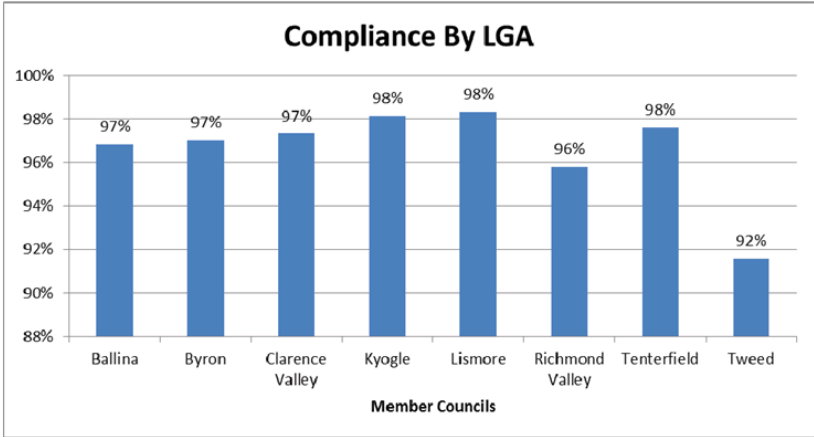


Graph 3- Compliance per year (Mobile Intercepts)



4.1 North East Weight of Loads Group (NEWLOG)

Graph 4- Compliance by Local Government Area



### FINANCIAL POSITION

#### *NEWLOG Financial Analysis*

The principal financial issue facing NEWLOG is the decline in fine revenue of \$9,265 from the previous year. It is considered that this has occurred because of:

- The implementation of the Heavy Vehicle National Law (HVNL) and Regulations (NHVR) which rolled out on 10 February 2014. A number of the previously used penalty codes have had the fines reduced dramatically (some reduced up to 50%). This has resulted in a reduction in the operational income to be received from Newlog fines.

It is again of concern that the final result has resulted in a reduction of reserve balance of \$52,952 (see note 5 attached to financial statements). This is not sustainable in the long term; however the following actions have / will occur to assist the program to continue:

- Council member contributions have been increased this financial year (approx. 18%) in order to assist in the loss of fine revenue. This loss is a result of the changes in fines from the HVNL & NHVR. Analysis showed that Newlog has the potential to lose up to 35% in fines as a result.
- The MOU with RMS is being finalized, this has involved regular communication with RMS. Part of this review will involve the WOLGs meeting in October to discuss the funding model.
- Cost monitoring is to occur on a regular basis while considering expenses, income trends and the reserve balance. This information is to be communicated regularly with Member Councils.

*Unaudited Financial Statement*

<b>North East Weight of Loads Group</b>	
<b>General Purpose Financial Report for the year ended 30th June 2014</b>	
<u>TABLE OF CONTENTS</u>	
	<u>Page</u>
Statement by Newlog Management [s 413 (2)(c)]	1
<b>Principal Financial Statements</b>	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
<b>Notes to, and forming part of, the Principal Financial Statements</b>	
Note 1 - Significant accounting policies	N1 - N4
Note 2 - Revenues from continuing operations	N5
Note 3 - Expenses from continuing operations	N6
Note 4 - Net gain or loss on disposal of assets	N7
Note 5 - Cash, cash equivalents and investments	N8
Note 6 - Receivables	N9
Note 7 - Property, plant & equipment	N10
Note 8 - Payables, Borrowings and provisions	N11
Note 9 - Reconciliation of cash flow movements	N12
Note 10 - Financial instruments	N13
Note 11 - Member contribution accounts	N14-N15
<b>Auditor's Report</b>	16 & 17



<b>North East Weight of Loads Group</b>				
<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
<b>for the year ended 30th June 2014</b>				
Original Budget 2013		Notes	Actual 2014 \$	Actual 2013 \$
<b>INCOME FROM CONTINUING OPERATIONS</b>				
18,000	Interest & investment revenue	2(a)	9,946	13,409
129,300	Other revenues	2(b)	88,763	99,439
170,000	Grants & contributions provided for operating purposes	2(c)	173,619	169,550
317,300	<b>TOTAL INCOME FROM CONTINUING OPERATIONS</b>		<b>272,328</b>	<b>282,398</b>
<b>EXPENSES FROM CONTINUING OPERATIONS</b>				
0	Net loss from the disposal of assets	4	2,273	0
313,500	Employee benefits and on-costs	3(a)	345,482	337,265
59,800	Materials & contracts	3(b)	31,519	43,981
28,000	Depreciation	3(c)	23,948	29,935
89,100	Other expenses	3(d)	100,963	92,544
490,400	<b>TOTAL EXPENSES FROM CONTINUING OPERATIONS</b>		<b>504,185</b>	<b>503,725</b>
<u>(173,100)</u>	<b>NET OPERATING RESULT FROM CONTINUING OPERATIONS</b>		<u><b>(231,857)</b></u>	<u><b>(221,327)</b></u>
0	Other Comprehensive Income		0	0
<u>(173,100)</u>	<b>TOTAL COMPREHENSIVE INCOME</b>		<u><b>(231,857)</b></u>	<u><b>(221,327)</b></u>
<b>NET OPERATING RESULT FOR THE YEAR BEFORE GRANTS &amp;</b>				
<u>(173,100)</u>	<b>CONTRIBUTIONS PROVIDED FOR CAPITAL PURPOSES</b>		<u><b>\$ (231,857)</b></u>	<u><b>\$ (221,327)</b></u>
The above Statement of Comprehensive Income should be read in conjunction with the accompanying Notes.				

## 4.1 North East Weight of Loads Group (NEWLOG)

<b>North East Weight of Loads Group</b>			
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>as at 30th June 2014</b>			
	Notes	Actual 2014 \$	Actual 2013 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	238,206	291,158
Receivables	6	<u>55,347</u>	<u>56,128</u>
<b>Total current assets</b>		<u>293,553</u>	<u>347,286</u>
<b>Non-current assets</b>			
Property, plant & equipment	7	<u>67,469</u>	<u>51,671</u>
<b>Total non-current assets</b>		<u>67,469</u>	<u>51,671</u>
<b>TOTAL ASSETS</b>		<u>361,022</u>	<u>398,957</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	8	900	0
Provisions	8	<u>173,116</u>	<u>167,489</u>
<b>Total current liabilities</b>		<u>174,016</u>	<u>167,489</u>
<b>TOTAL LIABILITIES</b>		<u>174,016</u>	<u>167,489</u>
<b>NET ASSETS</b>		<u>\$ 187,006</u>	<u>\$ 231,468</u>
<b>EQUITY</b>			
Retained earnings		<u>187,006</u>	<u>231,468</u>
<b>TOTAL EQUITY</b>		<u>\$ 187,006</u>	<u>\$ 231,468</u>

The above Statement of Financial Position should be read in conjunction with the accompanying Notes.

<b>North East Weight of Loads Group</b>					
<b>STATEMENT OF CHANGES IN EQUITY</b>					
for the year ended 30th June 2014					
	Note	2014 Retained earnings \$	2014 Total equity \$	2013 Retained earnings \$	2013 Total equity \$
Opening Balance		231,468	231,468	271,565	271,565
Total Comprehensive Income		(231,857)	(231,857)	(221,327)	(221,327)
Members contributions	11	187,395	187,395	181,230	181,230
<b>Closing Balance</b>		<b>187,006</b>	<b>187,006</b>	231,468	231,468

The above Statement of Changes in Equity should be read in conjunction with the attached Notes.

## 4.1 North East Weight of Loads Group (NEWLOG)

<b>North East Weight of Loads Group</b>			
<b>STATEMENT OF CASH FLOWS</b>			
<b>for the year ended 30th June 2014</b>			
Budget 2013 \$	Notes	Actual 2014 \$	Actual 2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
18,000	Interest received	9,946	13,409
170,000	Grants & contributions	173,619	127,163
129,300	Other operating receipts	90,444	94,208
<u>Payments</u>			
(313,500)	Employee costs	(345,482)	(338,309)
(59,800)	Materials & contracts	(25,892)	(5,918)
(117,100)	Other operating payments	(100,963)	(92,544)
(173,100)	<b>Net cash provided by (or used in)</b> <b>operating activities</b>	9(b) <b>(198,328)</b>	<b>(201,991)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
0	Sales of property plant and equipment	14,112	0
<u>Payments</u>			
0	Purchase of property plant and equipment	(56,131)	0
0	<b>Net cash provided by (or used in)</b> <b>investing activities</b>	<b>(42,019)</b>	<b>0</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts</u>			
181,230	Other proceeds (member contributions)	11 187,395	181,230
181,230	<b>Net cash provided by (or used in)</b> <b>financing activities</b>	<b>187,395</b>	<b>181,230</b>
8,130	<b>Net increase (decrease) in cash assets and cash equivalents</b>	<b>(52,952)</b>	<b>(20,761)</b>
311,919	Cash & cash equivalents at beginning of reporting period	9(a) 291,158	311,919
<b>320,049</b>	<b>Cash &amp; cash equivalents at end of reporting period</b>	9(a) <b>238,206</b>	<b>291,158</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes.

<b>NORTH EAST WEIGHT OF LOADS GROUP</b>	
<b>NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS</b> <b>For the year ended 30 June 2014</b>	
<b>Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	
The financial report covers North East Weight of Loads Group as an individual entity. North East Weight of Loads Group is a joint venture between Ballina Shire Council, Byron Shire Council, Clarence Valley Council, Kyogle Council, Lismore City Council, Richmond Valley Council, Tenterfield Shire Council and Tweed Shire Council.	
<b>1.</b>	<b>Basis of preparation</b>
<b>1.1</b>	<b>Compliance with Australian equivalents to International Financial Reporting Standards</b> These general purpose financial statements have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), the Local Government Act (1993) and Regulation and the Local Government Code of Accounting Practice and Financial Reporting.
<b>1.2</b>	<b>Historical cost convention</b> These financial statements have been prepared under the historical cost convention, as modified by the revaluation of property, plant and equipment.
<b>1.3</b>	<b>Critical accounting estimates</b> The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies.
<b>2.</b>	<b>Revenue recognition</b> The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. North East Weight of Loads Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.  Revenue is measured at the fair value of the consideration received or receivable. Revenue is measured on major income categories as follows: Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and is valued at their fair value at the date of transfer.  Contributions are recognised when North East Weight of Loads Group obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Group and the amount of the contribution can be measured reliably.  A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.
<b>2.1</b>	<b>Sale of plant, property, infrastructure and equipment</b> The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.
<b>2.2</b>	<b>Interest Revenue</b> Interest revenue is recognised on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.
<b>2.3</b>	<b>Fines revenue</b> Fines Revenue is recognised upon the issue of an infringement notice to the transport carrier.

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

#### Note 1 - Significant Accounting Policies (cont)

#### 3. Property, Plant & Equipment

All such assets are recorded in the financial statements at their fair value.

#### 3.1 Non current assets

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

#### 3.2 Depreciation of Property Plant and Equipment

All assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods are:

Vehicle	5 years
Plant & Equipment	6 to 10 years

#### 4. Employee Benefits

#### 4.1 Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and vesting sick leave expected to be settled within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and vesting sick leave is recognised in the provision for employee benefits. All other short-term employees benefit obligations are presented as payables.

#### 4.2 Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national governments bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### 4.3 Retirement benefit obligations

All employees of the Group are entitled to benefits on retirement, disability or death. The Group contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the statement of financial position, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. However, when this information is not reliably available, the Group accounts for its obligations to defined benefits plans on the same basis as its obligations to defined contribution plans (see below).

The Local Government Superannuation Scheme has advised that, as a result of the global financial crisis, it has a significant deficiency of assets over liabilities. As a result, they have asked for significant increases in contributions to recover that deficiency. The Group share of that deficiency

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS	
For the year ended 30 June 2014	
Note 1 - Significant Accounting Policies (cont)	
	cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all members' councils. For this reason, no liability for the deficiency has been recognised in the Group's accounts.
	Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.
5.	<p><b>Cash &amp; cash equivalents</b></p> <p>Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.</p>
6.	<p><b>Receivables</b></p> <p>Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are due for settlement no more than 30 days from the date of recognition.</p> <p>Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.</p> <p>The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.</p>
7.	<p><b>Payables</b></p> <p>These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.</p>
8.	<p><b>Budget Information</b></p> <p>The Statement of Comprehensive Income provides budget information of revenues and expenditures by type. Budget figures presented are those approved by the Group at the beginning of the financial year and do not include variations throughout the year.</p>
9.	<p><b>Comparatives</b></p> <p>Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.</p>
10.	<p><b>Goods and Service Tax (GST)</b></p> <p>Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.</p>

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

#### Note 1 - Significant Accounting Policies (cont)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

**11. Allocation between current and non-current assets and liabilities**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the ensuing 12 months, being the Group's operational cycle. In the case of liabilities where the Group does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

**12. Principal Place of Business and Activities**

North East Weight of Loads Group is a joint venture between Ballina Shire Council, Byron Shire Council, Clarence Valley Council, Kyogle Council, Lismore City Council, Richmond Valley Council, Tenterfield Shire Council and Tweed Shire Council. The joint venture operates from Ballina Shire Council at Cherry Street, Ballina in Australia.

The principal activity of North East Weight of Loads Group is the checking and enforcement of load weights carried by heavy vehicles on roads within the above named council boundaries.



<b>North East Weight of Loads Group</b>					
<b>NOTES TO THE FINANCIAL STATEMENTS</b>					
<b>for the year ended 30th June 2014</b>					
<b>Note 2 - INCOME FROM CONTINUING OPERATIONS</b>					
	<b>2014</b>		<b>2013</b>		
	\$		\$		
(a) <b>INTEREST AND INVESTMENT REVENUE</b>					
Interest on investments	9,946		13,409		
<b>Total Interest Revenue</b>	<u>9,946</u>		<u>13,409</u>		
(b) <b>OTHER REVENUES</b>					
Fines	87,547		96,812		
Legal fees recovered (fines)	1,216		2,627		
<b>Total Other Revenue From Ordinary Activities</b>	<u>88,763</u>		<u>99,439</u>		
	<b>OPERATING</b>		<b>CAPITAL</b>		
	<b>2013</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	
	\$	\$	\$	\$	
(c) <b>GRANTS</b>					
Roads & Maritime Services	173,619	169,550	0	0	
<b>Total Grants</b>	<u>173,619</u>	<u>169,550</u>	<u>0</u>	<u>0</u>	
<b>TOTAL GRANTS &amp; CONTRIBUTIONS</b>	<u>173,619</u>	<u>169,550</u>	<u>0</u>	<u>0</u>	

<b>North East Weight of Loads Group</b>		
<b>NOTES TO THE FINANCIAL STATEMENTS</b>		
<b>for the year ended 30th June 2014</b>		
<b>Note 3 - EXPENSES FROM CONTINUING OPERATIONS</b>		
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>(a) EMPLOYEE BENEFITS &amp; ON COSTS</b>		
Salaries and wages	237,731	233,732
Temp Staff Through Agency	19,784	22,012
Employee leave entitlements	52,506	50,145
Superannuation	26,866	21,021
Workers' Compensation Insurance	8,595	10,131
Training costs (excluding salaries)	0	224
<b>Total employee costs expensed</b>	<u>345,482</u>	<u>337,265</u>
<b>Number of full time equivalent employees</b>	<b>5</b>	<b>5</b>
<b>(b) MATERIALS &amp; CONTRACTS</b>		
Raw materials and consumables	308	2,898
Vehicle running costs	25,289	31,893
Audit and review of financial statements	2,930	2,775
Legal fees	2,992	6,415
<b>Total materials and contracts</b>	<u>31,519</u>	<u>43,981</u>
<b>(c) DEPRECIATION</b>		
Plant and equipment	23,948	29,935
<b>Total depreciation</b>	<u>23,948</u>	<u>29,935</u>
<b>(d) OTHER EXPENSES</b>		
Management, administration & supervision		
- Ballina Shire Council	89,004	85,371
Insurances	4,725	4,952
Telephone	495	496
Office accommodation rental	0	720
Other	6,739	1,005
<b>Total other expenses</b>	<u>100,963</u>	<u>92,544</u>

<b>North East Weight of Loads Group</b>		
<b>NOTES TO THE FINANCIAL STATEMENTS</b>		
<b>for the year ended 30th June 2014</b>		
<b>Note 4 - GAIN OR LOSS FROM DISPOSAL OF ASSETS</b>		
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>GAIN (OR LOSS) ON DISPOSAL OF PLANT &amp; EQUIPMENT</b>		
Proceeds from disposal	14,112	0
Less: Carrying amount of assets sold	<u>16,385</u>	<u>0</u>
Gain (or loss) on disposal	<u>(2,273)</u>	<u>0</u>
<b>NET GAIN ( OR LOSS) FROM DISPOSAL OF ASSETS</b>	<b><u>(2,273)</u></b>	<b><u>0</u></b>

<b>North East Weight of Loads Group</b>				
<b>NOTES TO THE FINANCIAL STATEMENTS</b>				
<b>for the year ended 30th June 2014</b>				
<b>Note 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS</b>				
	2014		2013	
	\$		\$	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
<b>CASH &amp; CASH EQUIVALENTS</b>				
Cash at bank and on hand	238,206	0	291,158	0
<b>Total Cash and cash equivalents</b>	<u>238,206</u>	<u>0</u>	<u>291,158</u>	<u>0</u>
<b>TOTAL CASH, CASH EQUIVALENTS AND INVESTMENTS</b>	<u>238,206</u>	<u>0</u>	<u>291,158</u>	<u>0</u>
<b>RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS</b>				
	2014		2013	
	\$		\$	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
External restrictions	0	0	0	0
Internal restrictions	173,116	0	167,489	0
Unrestricted	65,090	0	123,669	0
<b>TOTAL CASH, CASH EQUIVALENTS AND INVESTMENTS</b>	<u>238,206</u>	<u>0</u>	<u>291,158</u>	<u>0</u>
<b>Internal restrictions</b>				
Employee Leave Entitlements (a)	173,116	0	167,489	0
<b>Total internal restrictions</b>	<u>173,116</u>	<u>0</u>	<u>167,489</u>	<u>0</u>
<b>References</b>				
(a) Reserve created by resolution of Newlog to provide cash resources relating to the liability shown at Note 8.				

<b>North East Weight of Loads Group</b>				
<b>NOTES TO THE FINANCIAL STATEMENTS</b>				
<b>for the year ended 30th June 2014</b>				
<b>Note 6 - RECEIVABLES</b>				
<b>Purpose</b>	<b>2014</b>		<b>2013</b>	
	<b>Current</b>	<b>Non-Current</b>	<b>Current</b>	<b>Non-Current</b>
	<b>\$</b>		<b>\$</b>	
Fines and charges	11,559	0	14,122	0
Grants - Road & Maritime Services	44,169	0	42,387	0
<b>Total</b>	<b>55,728</b>	<b>0</b>	<b>56,509</b>	<b>0</b>
<b>Less: Provision for doubtful debts:</b>				
- Fines and charges	381	0	381	0
<b>Total receivables</b>	<b>55,347</b>	<b>0</b>	<b>56,128</b>	<b>0</b>
<b>Government Grants and Subsidies</b>				
<i>Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of grant approval, and do not bear interest. All amounts are due by Departments and Agencies of the Government of New South Wales and the Government of Australia.</i>				
<b>Other Receivables</b>				
<i>Amounts due are unsecured and do not bear interest. Although Newlog is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Newlog boundaries in the State of New South Wales.</i>				
<b>RESTRICTED RECEIVABLES</b>				
Unrestricted receivables	55,347	0	56,128	0
<b>Total receivables</b>	<b>55,347</b>	<b>0</b>	<b>56,128</b>	<b>0</b>

**North East Weight of Loads Group**

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30th June 2014

**Note 7 - PROPERTY, PLANT & EQUIPMENT**

	At 30/6/2013			MOVEMENTS DURING YEAR			At 30/6/2014		
	AT COST	ACCUM DEPN	BOOK VALUE	ASSET PURCH	WDV ASSET DISPOSAL	DEPN	AT COST	ACCUM DEPN	BOOK VALUE
Plant & Equipment	188,027	136,356	51,671	56,131	(16,385)	23,948	167,230	99,761	67,469
<b>Totals</b>	<b>188,027</b>	<b>136,356</b>	<b>51,671</b>	<b>56,131</b>	<b>(16,385)</b>	<b>23,948</b>	<b>167,230</b>	<b>99,761</b>	<b>67,469</b>

<b>North East Weight of Loads Group</b>					
<b>NOTES TO THE FINANCIAL STATEMENTS</b>					
<b>for the year ended 30th June 2014</b>					
<b>Note 8 - PAYABLES, BORROWINGS &amp; PROVISIONS</b>					
	2014		2013		
	Current	Non-Current	Current	Non-Current	
<b>PAYABLES</b>					
Accrued Wages & Salaries	900	0	0	0	
<b>Total payables</b>	<u>900</u>	<u>0</u>	<u>0</u>	<u>0</u>	
<b>PROVISIONS</b>					
Annual leave	44,387	0	38,338	0	
Sick leave	86,186	0	80,221	0	
Long service leave	42,543	0	48,930	0	
<b>Total provisions</b>	<u>173,116</u>	<u>0</u>	<u>167,489</u>	<u>0</u>	
<b>Current Provisions not expected to be settled within the next 12 months</b>	<u>121,181</u>		<u>117,242</u>		
<b>DESCRIPTION OF AND MOVEMENTS IN PROVISIONS</b>					
Class of Provision	Opening balance	Incr in provision	Payments	Re-meas'ment	Closing balance
	\$	\$	\$	\$	\$
Annual leave	38,338	25,211	19,162	0	44,387
Sick leave	80,221	8,163	2,198	0	86,186
Long service leave	48,930	4,322	10,709	0	42,543
<b>Total</b>	<u>167,489</u>	<u>37,696</u>	<u>32,069</u>	<u>0</u>	<u>173,116</u>

<b>North East Weight of Loads Group</b>		
<b>NOTES TO THE FINANCIAL STATEMENTS</b>		
<b>for the year ended 30th June 2014</b>		
<b>Note 9 - RECONCILIATION OF CASH FLOW MOVEMENTS</b>		
<b>(a) Reconciliation of Cash Assets</b>		
For the purposes of the Statement of Cash Flows, cash includes cash on hand, at bank and investments with short period to maturity which are readily convertible to cash at the investor's option and are subject to insignificant risk of changes in value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
	2014	2013
	\$	\$
Cash and cash equivalents (Note 5)	238,206	291,158
<b>Balance as per statement of cash flows</b>	<u>238,206</u>	<u>291,158</u>
<b>(b) Reconciliation of net operating result to cash provided from operating activities</b>		
Net operating result from statement of comprehensive income	(231,857)	(221,327)
Add: Depreciation	23,948	29,935
Increase in employee leave entitlements	5,627	38,063
Decrease in Receivables	781	0
Increase in Payables	900	0
Loss on sale of assets	2,273	0
	<u>(198,328)</u>	<u>(153,329)</u>
Less: Increase in receivables	0	(47,618)
Decrease in payables	0	(1,044)
<b>Net cash provided by (or used in) operating activities from statement of cash flows</b>	<u>(198,328)</u>	<u>(201,991)</u>



North East Weight of Loads Group						
NOTES TO THE FINANCIAL STATEMENTS						
for the year ended 30th June 2014						
Note 10 - FINANCIAL INSTRUMENTS						
<b>Interest Rate Risk Exposures</b>						
The Groups exposure to interest rate risk, and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below. Exposures arise predominantly from assets and liabilities bearing variable interest rates, which the Group intends to hold to maturity.						
	Floating Interest Rate	Fixed interest maturing in ≤ 1 year	> 1 year ≥ 5 years	> 5 years	Non-interest bearing	Total
<b>2014</b>						
<b>Financial Assets</b>						
Cash Assets	238,206	0	0	0	0	238,206
Receivables						
User Charges & Fees					11,178	11,178
Grants Receivable	0	0	0	0	44,169	44,169
<b>Total</b>	<b>238,206</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>55,347</b>	<b>293,553</b>
<b>Weighted Average Interest Rate</b>	<b>3.67%</b>					
<b>Financial Liabilities</b>						
<b>Payables</b>						
Other	0	0	0	0	900	900
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>900</b>	<b>900</b>
<b>Net Financial Assets/Liabilities</b>	<b>238,206</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>54,447</b>	<b>292,653</b>
<b>2013</b>						
<b>Financial Assets</b>						
Cash Assets	291,158	0	0	0	0	291,158
Receivables						
User Charges & Fees	0	0	0	0	8,510	8,510
<b>Total</b>	<b>291,158</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,510</b>	<b>299,668</b>
<b>Weighted Average Interest Rate</b>	<b>5.69%</b>					
<b>Financial Liabilities</b>						
<b>Payables</b>						
Other	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Financial Assets/Liabilities</b>	<b>291,158</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,510</b>	<b>299,668</b>
<b>Net Fair Value</b>						
All carrying values approximate fair value for all recognised financial instruments.						
<b>Credit Risk Exposures</b>						
Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of Newlog is the carrying amount, net of any provision for impairment. Except as detailed in Note 6 in relation to individual classes of financial assets, exposure is concentrated within the Newlog boundaries within the State of New South Wales, and there is no material exposure to any individual debtor.						

<b>North East Weight of Loads Group</b>				
<b>NOTES TO THE FINANCIAL STATEMENTS</b>				
<b>for the year ended 30th June 2014</b>				
<b>Note 11 - MEMBER CONTRIBUTION ACCOUNTS</b>				
	<b>CAPITAL</b>		<b>OPERATING</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>BALLINA SHIRE COUNCIL</b>				
Opening Balance	5,000	5,000	25,162	30,140
Contributions	0	0	23,265	22,500
Share of Change in Net Assets	0	0	(28,783)	(27,478)
Closing Balance	<u>5,000</u>	<u>5,000</u>	<u>19,644</u>	<u>25,162</u>
<b>BYRON SHIRE COUNCIL</b>				
Opening Balance	5,000	5,000	25,163	30,141
Contributions	0	0	23,265	22,500
Share of Change in Net Assets	0	0	(28,783)	(27,478)
Closing Balance	<u>5,000</u>	<u>5,000</u>	<u>19,645</u>	<u>25,163</u>
<b>CLARENCE VALLEY COUNCIL</b>				
Opening Balance	12,500	12,500	41,561	47,483
Contributions	0	0	27,700	26,790
Share of Change in Net Assets	0	0	(34,270)	(32,712)
Closing Balance	<u>12,500</u>	<u>12,500</u>	<u>34,991</u>	<u>41,561</u>
<b>KYOGLE COUNCIL</b>				
Opening Balance	5,000	5,000	5,856	9,981
Contributions	0	0	19,255	18,620
Share of Change in Net Assets	0	0	(23,827)	(22,745)
Closing Balance	<u>5,000</u>	<u>5,000</u>	<u>1,284</u>	<u>5,856</u>
<b>LISMORE CITY COUNCIL</b>				
Opening Balance	5,000	5,000	25,141	31,063
Contributions	0	0	27,700	26,790
Share of Change in Net Assets	0	0	(34,270)	(32,712)
Closing Balance	<u>5,000</u>	<u>5,000</u>	<u>18,571</u>	<u>25,141</u>

<b>North East Weight of Loads Group</b>				
<b>NOTES TO THE FINANCIAL STATEMENTS</b>				
<b>for the year ended 30th June 2014</b>				
<b>Note 11 - MEMBER CONTRIBUTION ACCOUNTS</b>				
	<b>CAPITAL</b>		<b>OPERATING</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>RICHMOND VALLEY COUNCIL</b>				
Opening Balance	7,500	7,500	37,943	42,088
Contributions	0	0	19,255	18,620
Share of Change in Net Assets	0	0	(23,827)	(22,745)
Closing Balance	<u>7,500</u>	<u>7,500</u>	<u>33,371</u>	<u>37,943</u>
<b>TENTERFIELD SHIRE COUNCIL</b>				
Opening Balance	5,000	5,000	(4,499)	(374)
Contributions	0	0	19,255	18,620
Share of Change in Net Assets	0	0	(23,827)	(22,745)
Closing Balance	<u>5,000</u>	<u>5,000</u>	<u>(9,071)</u>	<u>(4,499)</u>
<b>TWEED SHIRE COUNCIL</b>				
Opening Balance	5,000	5,000	25,141	31,063
Contributions	0	0	27,700	26,790
Share of Change in Net Assets	0	0	(34,270)	(32,712)
Closing Balance	<u>5,000</u>	<u>5,000</u>	<u>18,571</u>	<u>25,141</u>
<b>Total Members Equity</b>	<u>50,000</u>	<u>50,000</u>	<u>137,006</u>	<u>181,468</u>

*Independent Auditors Report*

Auditors report to be distributed at the meeting.

## **4.2 Water and Wastewater - Long Term Financial Plans**

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### **4.2 Water and Wastewater - Long Term Financial Plans**

**Delivery Program** Governance and Finance

**Objective** To present the Water and Wastewater operations long term financial plan to be included in the Draft Delivery Program 2015/16 to 2018/19, together with proposed pricing for annual charges.

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#### **Background**

Council considered a report at the February Finance Committee regarding the Water and Wastewater Long Term Financial Plans.

The resolution from that meeting is reproduced below.

1. *That Council notes the contents of this report in respect to the formulation of the water and wastewater budgets for 2015/16 onwards.*
2. *That Council supports the preparation of a preferred draft water budget for 2015/16 onwards based on a CPI increase in water charges for 2015/16 (similar to water model two or three as per this report).*
3. *That Council continue to liaise with Rous Water in attempt to reduce their forecast bulk water charges for future years.*
4. *That Council supports the preparation of a preferred draft wastewater budget for 2015/16 onwards as close to wastewater model two as possible (i.e. 6% increase in wastewater charges).*
5. *That Council also accepts that alternative models may need to be presented in respect to points two and four to ensure the long term financial sustainability of the water and wastewater operations.*

In summary the preferred options selected by Council at the February meeting were an increase aligned with a cost of living adjustment for Water charges and a 6% increase for Wastewater charges.

Staff have fine-tuned forecast incomes and expenses and endeavoured to present a plan that meets the recommendations adopted at the February meeting.

The reports presented in February were comprehensive and this report does not look to cover the same ground and therefore focuses on the preferred model only.

#### **Key Issues**

- Financial sustainability
- Affordability

## 4.2 Water and Wastewater - Long Term Financial Plans

### Information

#### Water Fund

The proposed financial model is based on a 3% increase to annual charges in 2015/16 followed by a number of years with increases of 5%. The following table shows the proposed percentage increase together with the annual charge.

**Table One: Proposed Price Increase for Water Annual Charges**

Item	14/15	15/16	16/17	17/18	18/19
% price increase		3%	5%	5%	5%
Fixed charge	\$189.00	\$195.00	\$205.00	\$215.00	\$225.00
Variable charge <350kl	\$ 2.02	\$ 2.08	\$ 2.18	\$ 2.29	\$ 2.40
Variable charge >350kl	\$ 3.04	\$ 3.13	\$ 3.29	\$ 3.45	\$ 3.63

NB Fixed charge based on 20mm meter

The forecast assumes 5% increases in Rous Water contributions for 2016/17 and beyond which is based on the latest advice from Rous. However the forecast 2015/16 Rous Water contribution is actually a decrease in comparison to the current year as per the table below, provided by Rous Water.

**Table Two: Draft 2015/16 Charging Structure Rous Water**

2013/14 Consumption for 2014/15			Supply Area	2014/15 Consumption for 2015/16			
Kilolitres	Proportion Total Sales	Cost @ \$1.5518 Cents / Kl		Kilolitres	Proportion Total Sales	Cost @ \$1.5857 c/kl	% Increase (Decrease)
3,159,178	29.78%	\$4,902,400	<b>Lismore</b>	3,238,960	30.47%	\$5,135,900	4.76%
2,394,684	22.57%	\$3,716,100	<b>Byron</b>	2,383,024	22.42%	\$3,778,700	1.68%
615,550	5.80%	\$955,200	<b>Richmond Valley</b>	616,612	5.80%	\$977,700	2.36%
3,686,227	34.75%	\$5,720,300	<b>Ballina</b>	3,592,821	33.80%	\$5,697,000	-0.41%
752,336	7.09%	\$1,167,500	<b>RW Retail</b>	799,171	7.52%	\$1,267,200	8.54%
<b>10,607,975</b>	<b>100.00%</b>	<b>\$16,461,500</b>	<b>TOTAL</b>	10,630,588	100.00%	\$16,856,600	2.40%

The water consumption in the table is based on the period from February to February and Ballina's consumption has gone down in comparison to the usage by other councils and indeed in comparison to our previous year's consumption. Hence the draft annual contribution is forecast to decrease from \$5,720,000 in 2014/15 to \$5,697,000 in 2015/16.

This is an excellent outcome in terms of the contribution to Rous however it does raise concerns about forecast revenue from consumption charges. At this time however it is considered likely that the forecast consumption income remains on track. This is because the original forecasting for 2014/15 consumption income did provide a level of tolerance as it was assumed that 2013/14 was a bumper year.

The next table highlights this point.

**Table Three: Actual and Estimated Income from Water Consumption**

Item	13/14 Actual \$000	14/15 Estimate \$000	15/16 Estimate \$000
Consumption income	6,549	6,279	6,514

Despite a price rise of 6% in 2014/15 and a forecast rise of 3% in 2015/16 estimated income remains less than 2013/14 actual. Obviously it remains to be seen what will actually transpire however it was assumed that 2013/14 consumption was abnormally high.

The preliminary information in respect to our third quarter consumption (January to March 2015) indicates that our consumption has fallen in comparison to 2013/14 however we are still on track to achieve the 2014/15 income forecast.

Other assumptions in the proposed Water Financial model for 2015/16 are:

- growth in assessments of 0.75%
- income from interest on funds invested will decline as reserves on hand are applied to capital works.
- operating income to generally behave in similar patterns to the current year including pension write off/rebate and meter connections.
- operating expenses (exclusive of depreciation) will fall by 2% in comparison to current estimates for 2014/15. The reduction is due to some items being shifted to capital as well as keeping a tight rein on spending.
- capital projects have been exhaustively assessed and the latest revision is based on the best information to hand which includes adjustments to the 2014/15 program.
- service levels will remain similar to current levels.

The next table provides a summary of the proposed financial plan for Water Fund. Details of the model are attached to this report. The proposed price increase of 3% could arguably have been lower, say 2.4% as per the IPART determination for the ordinary rate, however the 3% has been chosen as a small buffer considering the volatility of some of the assumptions in the model.

The biggest threat to the model is the forecast for water consumption income which is always difficult to predict.

**Table Four: Water Financial Model 3% Increase to Annual Charges**

Item	14/15 \$000	15/16 \$000	16/17 \$000	17/18 \$000	18/19 \$000
Op Revenues	10,495	10,900	11,394	11,940	12,501
Op Expenses	11,282	10,888	11,108	11,563	12,079
<b>Operating Result</b>	<b>(787)</b>	<b>12</b>	<b>286</b>	<b>377</b>	<b>422</b>
Less Depreciation	1,700	1,400	1,442	1,485	1,530
<b>Cash Result</b>	<b>913</b>	<b>1,412</b>	<b>1,728</b>	<b>1,862</b>	<b>1,952</b>
Plus Capital income	757	430	450	470	490
Less Capital Expense	3,406	3,884	4,023	4,752	1,751
Less Dividend	34	34	34	34	34
<b>Cash Movement</b>	<b>(1,770)</b>	<b>(2,076)</b>	<b>(1,879)</b>	<b>(2,454)</b>	<b>657</b>
<b>Reserves</b>	<b>9,132</b>	<b>7,056</b>	<b>5,177</b>	<b>2,723</b>	<b>3,380</b>

## 4.2 Water and Wastewater - Long Term Financial Plans

The model assumes that an operating surplus will be achieved in 2015/16 which is a primary target for Council to achieve. A large contributor to this improved outcome is a forecast reduction to operating expenses (mentioned earlier in the report) and it is also anticipated that depreciation will decrease by \$300,000 following the adoption of new reference rates for the calculation of replacement values. This depreciation will be applied to the 2013/14 financial year as part of the March 2015 Quarterly Financial Review, which in turn will help to improve this year's result.

As per the attachment, the approximate range per annum for capital expenditure is \$2 million to \$5 million. Over the life of the long term financial plan approximately 60% of the expenditure relates to renewals of existing assets, whilst 40% relates to new or expanded infrastructure.

Consultants have been commissioned to assess the possible path of infrastructure renewals that will be required in the short to medium term. This information will be used to inform future financial models and it may alter thinking in terms of what constitutes a satisfactory reserve balance.

It will be noted that reserves gradually decline over the next four years as accumulated funds are applied to capital works. The forecast reserve balance in 2018/19 of \$3.4 million remains more than adequate for cash flow based on current information.

However if the infrastructure modelling indicates some major infrastructure renewals will be required in say 15 years' time, it will be a matter of the quantum of reserves that should be gathered in advance to offset external borrowings required at the time of expenditure. This becomes a question of intergenerational equity which the Council will be able to consider in the future when future modelling outcomes are available.

The proposed pricing structure for Water Fund Annual Charges 2015/16 is shown in the next table.

**Table Five: Proposed Water Charges 2015/16**

Charge Type	2014/15 \$	2015/16 \$	% Increase
Water Access Charge - 20mm meter	189	195	3
Water Consumption under 350kl	2.02	2.08	3
Water Consumption over 350kl	3.04	3.13	3
Vacant Land Charge	189	195	3

### Wastewater Fund

The proposed financial model is based on a 7% increase to annual charges in 2015/16 followed by a further three years with increases also at 7%. The resolution of Council advised that Council's preferred model was to be based on a 6% increase to annual charges however point five of the resolutions accepted that alternative models may need to be presented.



## 4.2 Water and Wastewater - Long Term Financial Plans

In proposing a 7% increase every effort has been made to limit the price rise. The model put forward does include a reduction to operating expense of 3% in comparison to the current year. The reductions are spread across the board and include both operations and maintenance budgets.

It is likely that the reduced budgets for operating expense will present a challenge for staff to manage. It is possible to massage the increase to an amount slightly less than 7% however it is considered that a small buffer may be beneficial given the tight operating budgets.

Other assumptions included in the proposed 2015/16 Wastewater model are:

- growth in assessments of 0.75%.
- income from interest on funds invested will decline as reserves on hand are applied to capital works.
- user based wastewater charges have been calculated on approximately the same volume as the current year. The increase to price is assumed to be the only real change in the forecast income calculation.
- Capital projects have been assessed based on the latest information. Adjustments to the program include adjustments to forecast 2015/16 expenditure.
- Service levels will remain similar to current levels.

The next table provides a summary of the proposed financial plan for Wastewater Fund and the detailed model is attached to this report.

**Table Six: Wastewater Financial Model 7% Increase to Annual Charges**

Item	14/15 \$000	15/16 \$000	16/17 \$000	17/18 \$000	18/19 \$000
Op Revenues	15,207	16,217	17,125	18,340	19,664
Op Expenses	17,146	16,844	16,506	16,704	16,671
<b>Operating Result</b>	<b>(1,939)</b>	<b>(627)</b>	<b>619</b>	<b>1,636</b>	<b>2,993</b>
Less Dep/loan unwind	2,949	2,901	2,927	2,952	2,975
<b>Cash Result</b>	<b>1,010</b>	<b>2,274</b>	<b>3,546</b>	<b>4,588</b>	<b>5,968</b>
Plus Capital income	697	900	930	960	990
Less Loan Principal	2,495	2,613	2,741	2,879	2,909
Less Capital Expense	4,488	5,746	5,319	5,314	3,685
Less Dividend	20	20	20	20	20
<b>Cash Movement</b>	<b>(5,295)</b>	<b>(5,205)</b>	<b>(3,604)</b>	<b>(2,665)</b>	<b>344</b>
<b>Reserves</b>	<b>13,281</b>	<b>8,076</b>	<b>4,471</b>	<b>1,806</b>	<b>2,150</b>

The model predicts that an operating surplus will be achieved in the 2016/17 financial year. This is a primary target to achieve and to have it almost within reach is very promising.

A second major milestone is to achieve a cash surplus inclusive of loan capital repayments and excluding capital works. Until this position is achieved the capital portion of the loan repayment is effectively being repaid from reserves. Again the forecast is that this target will be achieved in 2016/17.

In regard to operating income the primary driver in the model is the annual charge which is forecast to increase at 7% for the next four years. In respect to operating expense, as mentioned previously, there is a net reduction in comparison to the current year. However there are further reductions forecast in 2016/17 and then again in 2018/19.

## 4.2 Water and Wastewater - Long Term Financial Plans

The logic of the forecast reductions to expense in the model is as follows;

- over the course of the model the loan repayment shifts annually such that the capital component of the repayment increases by \$128,000 annually and the interest component (operating expense) reduces by \$128,000.
- Wastewater is currently paying approximately \$495,000 to a reserve each year to assist with repayment of the BBRC grant, whereby \$25,000 is paid to eligible land purchasers. This payment ceases in 2015/16.
- forecast loan repayments have been adjusted from 2018/19. Council will renegotiate the first sewer loan (\$13 million) in 2017/18 and it is assumed that the interest rate will fall from 7.47% to 6%.

In respect to Wastewater loans staff are currently investigating the costs and benefits of breaking the existing loan agreement in respect to the 10 year loan. Council is locked in to a rate of 7.67% for 10 years. Whilst this was the best rate achievable at the time, current rates are obviously well below these margins.

Typically the break costs exceed the benefit of locking in a lower loan rate and therefore there has been no adjustment in the financial model. However it is important that the assessment is completed from time to time to ensure that the borrowing costs are as low as can be achieved.

Another important point in respect to the model is the forecast decline in reserves from \$13 million to \$2 million over the four year period. Effectively cash is applied to capital works, which average around \$5 million annually.

The reserve balance of \$2 million is considered sufficient from a cash flow point of view but it is not significant in terms of being in a position to meet major challenges that may arise in respect to managing infrastructure with a fair value of \$262 million.

As with Water Fund consultants have been commissioned to assess the possible path of infrastructure renewals that will be required in the short to medium term. This information will be used to inform future financial models and it may affect future strategies in terms what is a reasonable cash reserve.

The proposed pricing structure for Wastewater Fund annual charges is shown in the following table. The table shows current and future years over the proposed life of the 7% increases.

**Table Seven: Wastewater Annual Charges 7% Increase P.A.**

	14/15 \$	15/16 \$	16/17 \$	17/18 \$	18/19 \$
Residential Annual Charge	807.00	864.00	924.00	989.00	1,058.00
Vacant Land	608.00	651.00	696.00	745.00	797.00
Annual Non Residential Access (20mm meter) *	608.00	651.00	696.00	745.00	797.00
Annual Non-residential Usage Charge	2.05	2.19	2.35	2.51	2.69

## **4.2 Water and Wastewater - Long Term Financial Plans**

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- \* Wastewater charges for non-residential customers are based on four elements being the usage charge, access charge, water consumed and discharge factor. The element of the charge relating to access is based on meter size. It is proposed to increase the access charge for all meter sizes by 7%.

### **Consultation**

At the previous meeting, staff suggested that the development of an Integrated Long Term Financial Plan with Rous Water would be beneficial. In response to this, a meeting was arranged with Crs Meehan and Keith Johnston attending, to discuss this suggestion with Rous Water. At this meeting it was agreed to conduct a regional workshop and arrangements are in place for this to occur later this month.

### **Options**

Council may choose to adopt the proposed financial models and annual charges for the draft 2015/16 Delivery program or an alternative may be preferred. It is essential that Council choose an option for inclusion in the Draft Program and the proposed financial models have been put forward following consultations with staff and Councilors.

### **RECOMMENDATIONS**

1. That for the Water Fund, Council endorses the 2015/16 annual charges as shown in table five of this report together with the financial model summarised in table four of this report, for inclusion in the Draft Delivery Program 2015/16 to 2018/19.
2. That for the Wastewater Fund, Council endorses the 2015/16 annual charges as shown in table seven of this report together with the financial model summarised in table six of this report, for inclusion in the Draft Delivery Program 2015/16 to 2018/19.
3. That the attached schedule of capital works for Water and Wastewater be adopted, which includes budget amendments for the 2014/15 programs.

### **Attachment(s)**

1. Water Operations - Long Term Financial Plan
2. Water Operations
3. Water - Capital Expenditure
4. Wastewater Operations - Long Term Financial Plan
5. Wastewater Operations
6. Wastewater - Capital Expenditure

WATER OPERATIONS - LONG TERM FINANCIAL PLAN (2013/14 to 2024/25)														
ACTUAL 2013/14	ITEMS	ESTIMATED												
		2014/15	%	2015/16	%	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	<b>OPERATING RESULTS</b>													
10,689,100	Operating Revenues	10,494,800	(2)	10,899,600	4	11,394,200	11,939,700	12,500,700	13,423,200	14,394,400	15,367,400	16,460,500	17,131,400	17,873,600
9,218,100	Less Operating Expenses	9,582,000	4	9,486,500	(1)	9,665,000	10,076,700	10,547,700	10,957,000	11,428,100	11,918,500	12,482,600	12,807,200	13,194,900
<b>1,471,000</b>	<b>Operating Result before Capital Amounts</b>	<b>912,800</b>	<b>(38)</b>	<b>1,413,100</b>	<b>55</b>	<b>1,729,200</b>	<b>1,863,000</b>	<b>1,953,000</b>	<b>2,466,200</b>	<b>2,966,300</b>	<b>3,448,900</b>	<b>3,977,900</b>	<b>4,324,200</b>	<b>4,678,700</b>
1,859,500	Depreciation Expense	1,700,000	(9)	1,400,000	(18)	1,442,000	1,485,300	1,529,900	1,575,800	1,623,100	1,671,800	1,722,000	1,773,700	1,827,000
<b>(388,500)</b>	<b>Operating Result after Depreciation</b>	<b>(787,200)</b>	<b>103</b>	<b>13,100</b>	<b>(102)</b>	<b>287,200</b>	<b>377,700</b>	<b>423,100</b>	<b>890,400</b>	<b>1,343,200</b>	<b>1,777,100</b>	<b>2,255,900</b>	<b>2,550,500</b>	<b>2,851,700</b>
	<b>Add Capital Grants and Contributions</b>													
368,600	Capital Grants and Contributions	157,100	(57)	0	(100)	0	0	0	0	0	0	0	0	0
430,400	Section 64 Contributions Collected	600,000	39	430,000	(28)	450,000	470,000	490,000	510,000	530,000	550,000	570,000	590,000	610,000
	<b>Add Non-operating Funds Employed</b>													
0	Loan Funds Used	0	0	0	0	0	0	0	0	0	0	0	0	0
137,600	Transfer from Section 64 Recoupments BBRC	136,200	(1)	123,000	(10)	0	0	0	0	0	0	0	0	0
	<b>Subtract Funds Deployed for Non-operating Purposes</b>													
(1,827,100)	Capital Expenditure	(3,405,700)	86	(3,884,000)	14	(4,023,000)	(4,752,000)	(1,751,000)	(2,851,000)	(5,452,000)	(4,760,000)	(2,656,000)	(1,626,000)	(4,095,000)
(137,600)	Contributions - Section 64 Recoupments BBRC	(136,200)	(1)	(123,000)	(10)	0	0	0	0	0	0	0	0	0
0	Repayment of Principal on Loans	0	0	0	0	0	0	0	0	0	0	0	0	0
(34,000)	Dividends Paid	(34,000)	0	(34,000)	0	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)
	<b>Net Movement in Other Working Capital Items</b>													
(496,900)	Net Incr / (Decr) in Leave and Working Capital	0	(100)	(100)	100	0	0	0	0	0	0	0	0	0
	<b>Add Back Non-Cash Expense</b>													
1,859,500	Depreciation	1,700,000	(9)	1,400,000	(18)	1,442,000	1,485,300	1,529,900	1,575,800	1,623,100	1,671,800	1,722,000	1,773,700	1,827,000
<b>(88,000)</b>	<b>Reserves Movement - Increase / (Decrease)</b>	<b>(1,769,800)</b>	<b>1,911</b>	<b>(2,075,000)</b>	<b>17</b>	<b>(1,877,800)</b>	<b>(2,453,000)</b>	<b>658,000</b>	<b>91,200</b>	<b>(1,989,700)</b>	<b>(795,100)</b>	<b>1,857,900</b>	<b>3,254,200</b>	<b>1,159,700</b>
	<b>Movement in Reserves - Increase / (Decrease)</b>													
371,200	Water Reserves	(508,600)		(338,800)		186,400	(1,115,600)	715,500	738,200	(1,738,400)	(772,300)	1,862,900	2,651,900	1,326,400
(459,200)	Developer Contributions - Section 64	(1,261,200)		(1,736,100)		(2,064,200)	(1,337,400)	(57,500)	(647,000)	(251,300)	(22,800)	(5,000)	602,300	(166,700)
<b>(88,000)</b>	<b>Total Movement in Reserves (incl Section 64)</b>	<b>(1,769,800)</b>		<b>(2,074,900)</b>		<b>(1,877,800)</b>	<b>(2,453,000)</b>	<b>658,000</b>	<b>91,200</b>	<b>(1,989,700)</b>	<b>(795,100)</b>	<b>1,857,900</b>	<b>3,254,200</b>	<b>1,159,700</b>
	<b>Reserves - Balances as at 30 June</b>													
3,154,900	Water Reserves	2,646,300		2,307,500		2,493,900	1,378,300	2,093,800	2,832,000	1,093,600	321,300	2,184,200	4,836,100	6,162,500
7,746,500	Developer Contributions - Section 64	6,485,300		4,749,200		2,685,000	1,347,600	1,290,100	643,100	391,800	369,000	364,000	966,300	799,600
<b>10,901,400</b>	<b>Total Reserves</b>	<b>9,131,600</b>		<b>7,056,700</b>		<b>5,178,900</b>	<b>2,725,900</b>	<b>3,383,900</b>	<b>3,475,100</b>	<b>1,485,400</b>	<b>690,300</b>	<b>2,548,200</b>	<b>5,802,400</b>	<b>6,962,100</b>

WATER OPERATIONS																	
ACTUAL 2011/12	ACTUAL 2012/13	ACTUAL 2013/14	LEDGER ACCOUNT	BUDGET ITEMS	ESTIMATED												
					2014/15	%	2015/16	%	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>OPERATING REVENUES</b>																	
2,432,700	2,603,000	2,860,500	10000	Annual Charges	3,004,000	5	3,201,500	7	3,382,500	3,572,200	3,772,500	4,051,400	4,350,000	4,671,300	5,016,300	5,208,100	5,406,600
5,121,700	5,949,200	7,036,900	10010	User Charges	6,691,000	(5)	6,936,500	4	7,324,000	7,733,300	8,166,200	8,777,100	9,435,300	10,143,300	10,906,200	11,311,100	11,732,200
147,600	155,000	151,800	10003	Operating Grants	150,800	(1)	151,300	0	138,300	139,000	139,700	140,500	141,200	141,900	142,800	143,400	144,100
143,000	302,400	226,400	10011	Regulatory Fees and Fines	312,000	38	302,100	(3)	311,200	320,400	330,300	340,000	350,600	360,800	372,100	382,800	394,900
768,500	623,900	413,500	10004	Interest	337,000	(19)	308,200	(9)	238,200	174,800	92,000	114,200	117,300	50,100	23,300	86,000	195,800
<b>8,613,500</b>	<b>9,633,500</b>	<b>10,689,100</b>		<b>Total Operating Revenues</b>	<b>10,494,800</b>	<b>(2)</b>	<b>10,899,600</b>	<b>4</b>	<b>11,394,200</b>	<b>11,939,700</b>	<b>12,500,700</b>	<b>13,423,200</b>	<b>14,394,400</b>	<b>15,367,400</b>	<b>16,460,500</b>	<b>17,131,400</b>	<b>17,873,600</b>
<b>OPERATING EXPENSES</b>																	
<b>Direct Expenses</b>																	
218,900	286,800	263,700	50000	Engineering Management	339,300	29	409,900	21	422,400	435,300	488,500	462,200	476,300	490,800	555,800	521,300	537,200
313,500	277,800	355,100	50005	Administration and Customer Service	397,000	12	328,700	(17)	333,500	343,900	355,100	366,200	378,500	390,400	403,400	415,600	429,100
106,000	431,100	197,600	50005	Contribution to Works and BBRC	176,200	(11)	250,000	42	41,200	42,500	43,800	45,200	46,600	48,000	49,500	51,000	52,600
8,800	8,000	11,000	50008	Miscellaneous	11,000	0	9,300	(15)	9,600	9,700	10,200	10,300	11,000	11,000	11,800	11,700	12,600
5,034,700	5,143,400	5,419,200	50100	Purchase of Water	5,730,000	5.7	5,700,000	(1)	5,985,000	6,284,300	6,598,600	6,928,600	7,275,100	7,638,900	8,020,900	8,261,600	8,509,500
41,900	48,700	58,100	50101	Pumping Stations - Operations	55,000	(5)	15,000	(73)	15,700	16,400	17,100	17,800	18,600	19,400	20,200	21,000	21,800
36,500	50,100	54,500	50102	Energy Costs	49,000	(10)	59,600	22	61,800	64,100	66,500	68,900	71,500	74,200	76,900	79,700	82,600
46,700	68,500	62,800	50105	Reservoirs	64,000	2	60,000	(6)	61,800	63,700	65,700	67,700	69,800	71,900	74,100	76,400	78,700
69,400	80,100	153,100	50107	Water Treatment Plants - Operations	94,500	(38)	43,000	(54)	44,300	45,700	47,100	48,600	50,200	51,800	53,500	55,200	57,000
0	0	900	50107	Water Treatment Plants - Maintenance	14,000	1,456	43,000	207	44,300	45,700	47,100	48,600	50,200	51,800	53,500	55,200	57,000
209,900	218,900	192,500	50109	Mains - Operations	248,000	29	82,000	(67)	84,500	87,200	90,000	92,900	95,800	98,800	101,800	105,000	108,300
317,000	415,300	348,700	50110	Mains - Maintenance	410,000	18	585,000	43	602,600	620,700	639,500	658,800	678,700	699,200	720,300	742,000	764,300
347,300	293,400	401,000	50113	Connections - Maintenance	250,000	(38)	250,000	0	257,500	265,300	273,300	281,500	290,000	298,700	307,700	317,000	326,600
255,100	309,900	322,500	50112	Other Operations	444,000	38	246,000	(45)	253,600	261,500	269,700	278,000	286,600	295,500	304,700	314,100	323,700
73,300	101,800	69,100	50113	Other Maintenance	140,000	103	110,000	(21)	113,300	116,800	120,400	124,100	127,900	131,800	135,800	139,900	144,200
<b>Indirect Expenses - Overheads</b>																	
1,072,000	1,145,000	1,197,300	50005	Overheads Distributed	1,160,000	(3)	1,295,000	12	1,333,900	1,373,900	1,415,100	1,457,600	1,501,300	1,546,300	1,592,700	1,640,500	1,689,700
<b>Debt Servicing</b>																	
300	100	0	50010	Interest On Loans	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Non-cash Expenses</b>																	
2,266,500	1,882,900	1,859,500	50112	Depreciation	1,700,000	(9)	1,400,000	(18)	1,442,000	1,485,300	1,529,900	1,575,800	1,623,100	1,671,800	1,722,000	1,773,700	1,827,000
74,600	161,800	111,000	50112	Loss on Disposal of Infrastructure	0	(100)	0	0	0	0	0	0	0	0	0	0	0
<b>10,492,400</b>	<b>10,923,600</b>	<b>11,077,600</b>		<b>Total Operating Expenses</b>	<b>11,282,000</b>	<b>2</b>	<b>10,886,500</b>	<b>(4)</b>	<b>11,107,000</b>	<b>11,562,000</b>	<b>12,077,600</b>	<b>12,532,800</b>	<b>13,051,200</b>	<b>13,590,300</b>	<b>14,204,600</b>	<b>14,580,900</b>	<b>15,021,900</b>
<b>(1,878,900)</b>	<b>(1,290,100)</b>	<b>(388,500)</b>		<b>Operating Result - Surplus / (Deficit)</b>	<b>(787,200)</b>	<b>103</b>	<b>13,100</b>	<b>(102)</b>	<b>287,200</b>	<b>377,700</b>	<b>423,100</b>	<b>890,400</b>	<b>1,343,200</b>	<b>1,777,100</b>	<b>2,255,900</b>	<b>2,550,500</b>	<b>2,851,700</b>
2,266,500	1,882,900	1,859,500		Add Back Depreciation	1,700,000	(9)	1,400,000	(18)	1,442,000	1,485,300	1,529,900	1,575,800	1,623,100	1,671,800	1,722,000	1,773,700	1,827,000
74,600	161,800	111,000		Add Back Loss on Infrastructure Disposal	0	(100)	0	0	0	0	0	0	0	0	0	0	0
<b>462,200</b>	<b>754,600</b>	<b>1,582,000</b>		<b>Cash Result - Surplus / (Deficit)</b>	<b>912,800</b>	<b>(42)</b>	<b>1,413,100</b>	<b>55</b>	<b>1,729,200</b>	<b>1,863,000</b>	<b>1,953,000</b>	<b>2,466,200</b>	<b>2,966,300</b>	<b>3,448,900</b>	<b>3,977,900</b>	<b>4,324,200</b>	<b>4,678,700</b>
<b>Capital Movements</b>																	
3,600	3,800	0		Less Loan Principal Repayments	0	0	0	0	0	0	0	0	0	0	0	0	0
403,600	364,000	519,900		Less Transfer to Reserves	0	0	346,700	0	761,000	781,700	0	0	1,875,400	2,664,200	1,359,000	0	0
415,500	536,600	0		Add Transfer from Reserves	421,800	242,900	0	1,025,000	0	0	1,716,700	759,100	0	0	0	0	0
274,400	47,800	799,000		Add Capital Income	2,105,100	2,262,000	2,674,500	1,898,000	593,000	1,200,500	803,000	586,000	587,500	0	0	809,300	0
710,900	937,200	1,827,100		Less Capital Expenditure	3,405,700	3,884,000	4,023,000	4,752,000	1,751,000	2,851,000	5,452,000	4,760,000	2,656,000	1,626,000	4,095,000	0	0
<b>34,000</b>	<b>34,000</b>	<b>34,000</b>		<b>Cash Result after Capital Movements</b>	<b>34,000</b>	<b>0</b>	<b>34,000</b>	<b>0</b>	<b>34,000</b>	<b>34,000</b>	<b>34,000</b>	<b>34,000</b>	<b>34,000</b>	<b>34,000</b>	<b>34,000</b>	<b>34,000</b>	<b>34,000</b>

WATER - CAPITAL EXPENDITURE											
Expenditure Description	Expenditure Summary										
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Main Renewals</b>											
Main Renewal - Cherry St	25,000										
Main Renewal - Brighton St	15,000										
Main Renewal - Moon Street	15,000										
Main Renewal - Ascot Place	15,700										
Main Renewal - Smith Drive design	115,000										
Main Renewal - Smith Drive	300,000	500,000									
Main Renewal - Recurrent	412,000	506,000	678,000	634,000	706,000	784,000	937,000	958,000	1,053,000	1,154,000	1,260,000
Underbore - Ross Lane	60,000										
Pipeline Rehabilitation Study	30,000										
<b>Water Reservoirs</b>											
Recycled Water Distn and Storage	250,000										
Reservoirs - Ross Lane (New)		500,000					3,211,000				
Reservoirs - Pacific Pines						1,077,000					
Reservoirs - Access Upgrades		15,000	15,000	11,000	11,000						
Reservoirs - East Ballina Fencing		20,000									
<b>Miscellaneous</b>											
Water Fluoride Dosing Plant-Marom crk	135,000										
Fluoride Dosing Plant- Plant	105,000										
Telemetry		5,000	6,000	7,000	9,000	10,000	12,000	13,000	15,000	16,000	18,000
<b>Pressure Mgmt Zones (PMZs)</b>											
Lumley's Lane PMZ	920,000										
Southern Cross Dr PMZ	50,000										
Construct Temple Street PMZ	50,000										
Fox Street PMZ	25,000										
Temple Street PMZ	0										
Owen Street PMZ	25,000										
Basalt Court Reservoir DMA	70,000										
Silver Gull Drive DMA	60,000										
Seaview Street DMA	60,000										
Pressure Mgmt - Preliminary	60,000										
Pressure and Demand Mgmt	130,000										
Boundary Valves	80,000										
<b>Water Pump and Bore Stations</b>											
Pump Stns - Ballina Hts Booster	218,000										
Pump Stns - North Ck Rd Booster					474,000						
Pump Stns - Basalt Court Booster	12,000	170,000									
Pump Stns - East Ballina Booster	90,000	292,000									
Pump Stns - Russellton Booster				446,000							
Pump Stns - Wollongbar Booster						662,000					
Bore - Lindendale											
Bore - Ellis Road											
<b>Trunk Mains</b>											
WD01 Ballina Heights											
East Ballina Boosted PZ Aug	0	900,000									
Wardell Mains							282,000				
North Ballina Reticulation Mains								712,000			
North Ballina Distribution Mains			103,000	1,975,000				2,343,000			
Pine Ave Distribution Mains		300,000	2,314,000								
Ballina Island Distribution Mains									1,175,000		
Lennox Head Mains		100,000	618,000	424,000			232,000				
CURA B Distribution Main							330,000				
Russellton Reticulation Mains				160,000							
West Ballina Bypass Distn Main											2,428,000
Lennox Palms Dist and Reticulation				345,000				388,000			
Pacific Pine Distribution Main						238,000					
<b>Water Treatment Plant</b>											
Marom Creek WTP - Chem Storage		100,000									
Marom Creek WTP - SCADA		150,000		106,000							
Marom Creek WTP - Process				318,000							
Marom Creek WTP - Renewals	20,000	21,000	23,000	24,000	26,000	28,000	30,000	32,000	34,000	37,000	39,000
<b>Plant and Equipment</b>											
Vehicle and Plant Replacement	58,000	55,000	6,000	33,000	7,000		116,000	1,000	54,000	82,000	
Water Meter - New		200,000	206,000	212,000	219,000	225,000	232,000	239,000	246,000	253,000	261,000
Water Meter - Replacement		50,000	54,000	57,000	61,000	65,000	70,000	74,000	79,000	84,000	89,000
<b>Total Capital Expenditure</b>	<b>3,405,700</b>	<b>3,884,000</b>	<b>4,023,000</b>	<b>4,752,000</b>	<b>1,751,000</b>	<b>2,851,000</b>	<b>5,452,000</b>	<b>4,760,000</b>	<b>2,656,000</b>	<b>1,626,000</b>	<b>4,095,000</b>

WASTEWATER OPERATIONS - LONG TERM FINANCIAL PLAN (2013/14 to 2024/25)														
ACTUAL 2013/14	ITEMS	ESTIMATED												
		2014/15	%	2015/16	%	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	<b>OPERATING RESULTS</b>													
14,462,800	Operating Revenues	15,207,400	5	16,216,600	7	17,124,900	18,339,600	19,664,100	20,966,800	22,330,500	23,174,100	24,069,000	25,120,900	26,221,200
13,987,300	Less Operating Expenses	14,196,800	1	13,943,300	(2)	13,578,700	13,752,000	13,695,900	13,845,200	13,992,200	14,135,600	14,326,800	14,469,800	14,589,300
<b>475,500</b>	<b>Operating Result before Capital Amounts</b>	<b>1,010,600</b>	<b>113</b>	<b>2,273,300</b>	<b>125</b>	<b>3,546,200</b>	<b>4,587,600</b>	<b>5,968,200</b>	<b>7,121,600</b>	<b>8,338,300</b>	<b>9,038,500</b>	<b>9,742,200</b>	<b>10,651,100</b>	<b>11,631,900</b>
2,643,100	Depreciation Expense	2,600,000	(2)	2,600,000	0	2,678,000	2,758,000	2,841,000	2,926,000	3,014,000	3,104,000	3,197,000	3,293,000	3,392,000
394,000	Less Unwinding Interest Free Loans	349,000	(11)	301,000	(14)	249,000	194,000	134,000	69,000	0	0	0	0	0
<b>(2,561,600)</b>	<b>Operating Result after Depreciation</b>	<b>(1,938,400)</b>	<b>(24)</b>	<b>(627,700)</b>	<b>(68)</b>	<b>619,200</b>	<b>1,635,600</b>	<b>2,993,200</b>	<b>4,126,600</b>	<b>5,324,300</b>	<b>5,934,500</b>	<b>6,545,200</b>	<b>7,358,100</b>	<b>8,239,900</b>
	<b>Add Capital Grants and Contributions</b>													
0	Capital Grants and Contributions	0	0	0	0	0	0	0	0	0	0	0	0	0
1,351,900	Section 64 Contributions Collected	697,000	(48)	900,000	29	930,000	960,000	990,000	1,020,000	1,060,000	1,100,000	1,140,000	1,180,000	1,220,000
	<b>Add Non-operating Funds Employed</b>													
690,000	Loan Funds Used	0	(100)	0	0	0	0	0	0	0	0	0	0	0
559,600	Transfer from Section 64 Recoupments BBRC	409,000	(27)	0	(100)	0	0	0	0	0	0	0	0	0
	<b>Subtract Funds Deployed for Non-operating Purposes</b>													
(8,112,100)	Capital Expenditure	(4,488,000)	(45)	(5,746,000)	28	(5,319,000)	(5,314,000)	(3,685,000)	(6,002,000)	(6,620,000)	(6,264,000)	(1,155,000)	(1,125,000)	(1,223,000)
(559,600)	Contributions - Section 64 Recoupments BBRC	(409,000)	(27)	0	(100)	0	0	0	0	0	0	0	0	0
(2,384,800)	Repayment of Principal on Loans	(2,494,700)	5	(2,613,200)	5	(2,741,000)	(2,878,800)	(2,908,500)	(3,054,000)	(2,226,700)	(2,396,200)	(2,577,500)	(2,768,300)	(2,992,300)
(20,000)	Dividends Paid	(20,000)	0	(20,000)	0	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
	<b>Net Movement in Other Working Capital Items</b>													
468,500	Net Incr / (Decr) in Leave and Working Capital	0	(100)	(100)	100	0	0	0	0	0	0	0	0	0
	<b>Add Back Non-Cash Expense</b>													
2,643,100	Depreciation	2,600,000	(2)	2,600,000	0	2,678,000	2,758,000	2,841,000	2,926,000	3,014,000	3,104,000	3,197,000	3,293,000	3,392,000
394,000	Unwinding Interest Free Loans	349,000	(11)	301,000	(14)	249,000	194,000	134,000	69,000	0	0	0	0	0
<b>(7,531,000)</b>	<b>Wastewater Reserves - Increase / (Decrease)</b>	<b>(5,295,100)</b>	<b>(30)</b>	<b>(5,206,000)</b>	<b>(2)</b>	<b>(3,603,800)</b>	<b>(2,665,200)</b>	<b>344,700</b>	<b>(934,400)</b>	<b>531,600</b>	<b>1,458,300</b>	<b>7,129,700</b>	<b>7,917,800</b>	<b>8,616,600</b>
	<b>Movement in Reserves - Increase / (Decrease)</b>													
(8,213,900)	Wastewater Reserves	(5,689,100)		(5,301,900)		(2,020,800)	(691,600)	(653,300)	20,700	484,700	348,300	5,954,700	6,676,400	7,307,300
682,900	Developer Contributions - Section 64	394,000		95,900		(1,583,000)	(1,973,600)	998,000	(955,100)	46,900	1,110,000	1,175,000	1,241,400	1,309,300
<b>(7,531,000)</b>	<b>Total Movement in Reserves (incl Section 64)</b>	<b>(5,295,100)</b>		<b>(5,206,000)</b>		<b>(3,603,800)</b>	<b>(2,665,200)</b>	<b>344,700</b>	<b>(934,400)</b>	<b>531,600</b>	<b>1,458,300</b>	<b>7,129,700</b>	<b>7,917,800</b>	<b>8,616,600</b>
	<b>Reserves - Balances as at 30 June</b>													
15,155,500	Wastewater Reserves	9,466,400		4,164,500		2,143,700	1,452,100	798,800	819,500	1,304,200	1,652,500	7,607,200	14,283,600	21,590,900
3,420,600	Developer Contributions - Section 64	3,814,600		3,910,500		2,327,500	353,900	1,351,900	396,800	443,700	1,553,700	2,728,700	3,970,100	5,279,400
<b>18,576,100</b>	<b>Total</b>	<b>13,281,000</b>		<b>8,075,000</b>		<b>4,471,200</b>	<b>1,806,000</b>	<b>2,150,700</b>	<b>1,216,300</b>	<b>1,747,900</b>	<b>3,206,200</b>	<b>10,335,900</b>	<b>18,253,700</b>	<b>26,870,300</b>

WASTEWATER OPERATIONS																	
ACTUAL 2011/12	ACTUAL 2012/13	ACTUAL 2013/14	LEDGER ACCOUNT	BUDGET ITEMS	ESTIMATED												
					2014/15	%	2015/16	%	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
<b>OPERATING REVENUES</b>																	
9,762,700	10,570,400	11,668,700	12000	Annual Charges	12,989,000	11	13,964,000	8	15,063,800	16,260,800	17,542,800	18,741,400	20,024,700	20,790,600	21,584,900	22,406,800	23,257,400
1,110,300	1,176,400	1,475,500	12010	User Charges	1,330,000	(10)	1,405,400	6	1,492,400	1,585,100	1,678,600	1,765,900	1,858,100	1,914,200	1,972,000	2,031,500	2,092,700
162,000	149,800	150,800	12002	Operating Grants	150,400	(0)	150,000	(0)	137,300	138,200	139,100	140,000	140,900	141,800	142,700	143,600	144,500
64,700	75,600	98,400	12012	Regulatory Fees and Fines	110,500	12	97,500	(12)	100,500	103,500	106,700	110,000	113,400	116,900	120,500	124,200	128,000
1,275,100	1,703,200	968,800	12004	Interest	556,000	(43)	527,700	(5)	256,700	175,600	118,000	128,100	109,400	123,900	159,400	322,500	503,300
75,900	111,400	100,600	12014	Other Revenues	71,500	(29)	72,000	1	74,200	76,400	78,900	81,400	84,000	86,700	89,500	92,300	95,300
<b>12,450,700</b>	<b>13,786,600</b>	<b>14,462,800</b>		<b>Total Operating Revenues</b>	<b>15,207,400</b>	<b>5</b>	<b>16,216,600</b>	<b>7</b>	<b>17,124,900</b>	<b>18,339,600</b>	<b>19,664,100</b>	<b>20,966,800</b>	<b>22,330,500</b>	<b>23,174,100</b>	<b>24,069,000</b>	<b>25,120,900</b>	<b>26,221,200</b>
<b>OPERATING EXPENSES</b>																	
<b>Direct Expenses</b>																	
429,700	378,000	376,500	55000	Engineering Management	455,000	21	462,000	2	475,000	488,000	503,500	519,000	535,600	552,200	568,900	586,600	604,400
110,000	1,571,200	665,600	55002	Contributions to Works and BBRC	454,000	(32)	536,000	18	41,200	42,000	43,300	44,600	46,000	47,400	48,900	50,400	52,000
811,700	684,600	793,600	55002	Administration and Customer Service Costs	774,000	(2)	801,000	3	823,000	846,000	872,800	899,600	927,200	955,500	985,300	1,015,600	1,046,800
213,800	0	239,300	55002	Engineering and Technical Costs	196,000	(18)	0	(100)	0	0	0	0	0	0	0	0	0
72,200	97,000	74,200	55004	Other Management Costs	77,000	4	31,000	(60)	32,000	73,000	34,100	35,200	36,300	37,500	38,700	39,900	41,100
888,400	1,193,100	1,276,000	55012	Energy Costs	1,387,000	9	1,368,000	(1)	1,409,000	1,451,300	1,495,100	1,540,300	1,586,900	1,634,800	1,684,300	1,735,400	1,787,800
98,900	170,200	117,800	55011	Pumping Stations - Operations	208,000	77	195,000	(6)	200,000	206,000	212,300	218,900	225,600	232,600	239,800	247,200	254,700
1,122,400	1,030,600	1,074,700	55011	Pumping Stations - Maintenance	1,164,000	8	1,090,000	(6)	1,123,000	1,157,000	1,191,800	1,227,600	1,264,500	1,302,500	1,341,600	1,381,900	1,423,400
1,279,500	1,190,800	1,497,900	55015	Treatment Plants - Operations	1,594,000	6	695,000	(56)	717,000	739,000	761,400	784,600	808,600	833,200	858,600	884,600	911,600
132,200	186,600	198,300	55015	Treatment Plants - Biosolids	148,000	(25)	152,000	3	157,000	162,000	166,900	172,000	177,200	182,600	188,100	193,800	199,700
306,900	359,600	258,900	55015	Treatment Plants - Maintenance	275,000	6	1,055,000	284	1,086,000	1,118,000	1,151,700	1,186,500	1,222,300	1,259,100	1,297,000	1,336,100	1,376,400
522,700	501,000	463,900	55010	Mains - Maintenance	562,000	21	562,000	0	579,000	596,000	613,900	632,400	651,500	671,200	691,400	712,200	733,700
41,800	58,800	46,700	55022	Telemetry	64,000	37	15,000	(77)	15,000	15,000	15,500	16,100	16,700	17,300	17,900	18,500	19,100
0	0	0		Mains - Camera and Jetting	0	0	170,000	100	175,000	180,000	185,400	191,000	196,800	202,800	208,900	215,200	221,700
375,200	436,000	387,800	55022	Other Operations	405,000	4	377,000	(7)	383,000	394,000	406,000	418,600	431,800	445,300	459,100	473,400	488,100
<b>Indirect Expenses - Overheads</b>																	
1,302,000	1,503,000	1,729,000	55002	Overheads Distributed	1,777,000	3	1,896,000	7	1,953,000	2,012,000	2,072,400	2,134,600	2,198,600	2,264,600	2,332,500	2,402,500	2,474,600
<b>Debt Servicing</b>																	
1,173,600	3,266,700	4,766,800	55006	Interest on Loans	4,656,800	(2)	4,538,300	(3)	4,410,500	4,272,700	3,969,800	3,824,200	3,666,600	3,497,000	3,315,800	3,125,000	2,901,000
<b>Non-cash Expenses</b>																	
3,697,900	2,841,000	2,643,100	55022	Depreciation	2,600,000	(2)	2,600,000	0	2,678,000	2,758,000	2,841,000	2,926,000	3,014,000	3,104,000	3,197,000	3,293,000	3,392,000
276,000	1,596,000	20,300		Loss on Disposal of Infrastructure	0	(100)	0	0	0	0	0	0	0	0	0	0	0
474,000	435,600	394,000	55022	Unwinding Interest Free Loan	349,000	(11)	301,000	(14)	249,000	194,000	134,000	69,000	0	0	0	0	0
<b>13,328,900</b>	<b>17,499,800</b>	<b>17,024,400</b>		<b>Total Operating Expenses</b>	<b>17,145,800</b>	<b>1</b>	<b>16,844,300</b>	<b>(2)</b>	<b>16,505,700</b>	<b>16,704,000</b>	<b>16,670,900</b>	<b>16,840,200</b>	<b>17,006,200</b>	<b>17,239,600</b>	<b>17,523,800</b>	<b>17,762,800</b>	<b>17,981,300</b>
<b>(878,200)</b>	<b>(3,713,200)</b>	<b>(2,561,600)</b>		<b>Operating Result - Surplus / (Deficit)</b>	<b>(1,938,400)</b>	<b>(24)</b>	<b>(627,700)</b>	<b>(68)</b>	<b>619,200</b>	<b>1,635,600</b>	<b>2,993,200</b>	<b>4,126,600</b>	<b>5,324,300</b>	<b>5,934,500</b>	<b>6,545,200</b>	<b>7,358,100</b>	<b>8,239,900</b>
3,697,900	2,841,000	2,643,100		Add Back Depreciation	2,600,000	(2)	2,600,000	0	2,678,000	2,758,000	2,841,000	2,926,000	3,014,000	3,104,000	3,197,000	3,293,000	3,392,000
276,000	1,596,000	20,300		Add Back Loss on Infrastructure Disposal	0	(100)	0	0	0	0	0	0	0	0	0	0	0
474,000	435,600	394,000	55022	Add Back Unwinding Interest Free Loan	349,000	(11)	301,000	(14)	249,000	194,000	134,000	69,000	0	0	0	0	0
<b>3,569,700</b>	<b>1,159,400</b>	<b>495,800</b>		<b>Cash Result - Surplus / (Deficit)</b>	<b>1,010,600</b>	<b>104</b>	<b>2,273,300</b>	<b>125</b>	<b>3,546,200</b>	<b>4,587,600</b>	<b>5,968,200</b>	<b>7,121,600</b>	<b>8,338,300</b>	<b>9,038,500</b>	<b>9,742,200</b>	<b>10,651,100</b>	<b>11,631,900</b>
<b>Capital Movements</b>																	
985,000	985,000	2,384,800		Less Loan Principal Repayments	2,494,700		2,613,200		2,741,000	2,878,800	2,908,500	3,054,000	2,226,700	2,396,200	2,577,500	2,768,300	2,992,300
19,277,900	239,300	0		Less Transfer to Reserves	0		0		0	0	0	51,100	493,600	358,300	5,989,700	6,737,800	7,396,600
0	6,638,900	8,669,200		Add Transfer from Reserves	5,992,100		5,582,100		1,932,800	639,200	645,300	0	0	0	0	0	0
45,569,200	18,800,000	1,351,900		Add Capital Income	0		523,800		2,601,000	2,986,000	0	2,005,500	1,022,000	0	0	0	0
28,856,000	25,354,000	8,112,100		Less Capital Expenditure	4,488,000		5,746,000		5,319,000	5,314,000	3,685,000	6,002,000	6,620,000	6,264,000	1,155,000	1,125,000	1,223,000
<b>20,000</b>	<b>20,000</b>	<b>20,000</b>		<b>Cash Result after Capital Movements</b>	<b>20,000</b>	<b>0</b>	<b>20,000</b>	<b>0</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>





<b>WASTEWATER - CAPITAL EXPENDITURE (continued)</b>											
<b>Asset Description</b>	<b>Expenditure Summary</b>										
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
<b>Wastewater Mains - Renewals</b>											
Gravity Pipe Rehabilitation	30,000										
Main Renewals	200,000	422,000	435,000	448,000	461,000	475,000	489,000	504,000	519,000	535,000	551,000
Ballina Gardens											
SP2301 - Pipework											
SP2014 - Pipe Replacement											
<b>Service Connections</b>											
New Wastewater Connection (Gravity)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
New Wastewater Connection (E-one)	50,000	50,000	52,000	53,000	55,000	56,000	58,000	60,000	61,000	63,000	65,000
<b>Plant and Equipment</b>											
Telemetry Installation	70,000	15,000	15,000	16,000	16,000	17,000	17,000	18,000	18,000	19,000	20,000
Plant Replacement Sewer	111,000	87,000	0	27,000		126,000	118,000	141,000	113,000	51,000	52,000
<b>Other Miscellaneous Works</b>											
Backlog											
<b>Wastewater Strategy - Technical</b>											
Recycled Water - Design	70,000										
Recycled Water - Consultants											
<b>Reuse Program</b>											
Project Management	95,000										
Ross Lane Dual Reticulation Reservoir							1,556,000	1,602,000			
Ballina Heights Boosted Pump Stn Recycle	218,000										
Lennox Palms Estate Reticulation Mains			197,000								
Pacific Pines Distribution Mains							250,000	258,000			
Hendersons Farm Distribution Mains							264,000	272,000			
Meadows Distribution Main							61,000	63,000			
Greenfield Grove Distribution Mains							158,000	162,000			
Lennox Head Distribution Mains							176,000	181,000			
Fig Tree Hill Distribution Mains							230,000	236,000			
CURA B Distribution Mains								2,336,000			
CURA B Distribution Mains		5,000	5,000								
Kings Court	180,000										
Reuse Williams Reserve	40,000										
Reuse Saunders Oval	50,000										
Recycled Water Comms	50,000	100,000	52,000								
Connection Audits	20,000	10,000				51,000					65,000
Alstonville Recycled Water	40,000	40,000	41,000	42,000	44,000	45,000					
OSR Reuse Skennars Head											
<b>Total Capital Expenditure</b>	<b>4,488,000</b>	<b>5,746,000</b>	<b>5,319,000</b>	<b>5,314,000</b>	<b>3,685,000</b>	<b>6,002,000</b>	<b>6,620,000</b>	<b>6,264,000</b>	<b>1,155,000</b>	<b>1,125,000</b>	<b>1,223,000</b>

### **4.3 On Site Sewage Management (OSSM) Program Review**

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### **4.3 On Site Sewage Management (OSSM) Program Review**

**Delivery Program** Environmental and Public Health

**Objective** Update on progress of On site Sewage Management Program

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#### **Background**

Councillors may recall a report that was prepared for the Finance Committee Meeting last year on 18 March regarding the On Site Sewage Management (OSSM) Program.

The NSW State Government mandated the role of councils in the supervision of existing OSSM and introduced new legislation requiring this in the late 1990's.

The legislation was introduced following the Wallis Lake hepatitis outbreak where it was established that 440 people had contracted the disease, one of whom died, as a consequence of eating contaminated oysters. The oyster contamination was linked to water quality. The investigation that followed ascertained that there were many failed septic tank systems in the catchment contributing to the water quality issue.

Among other provisions, the amended legislation required that the owners of on site sewage management systems needed to apply for an approval to operate their systems and that this approval was non-transferable. This means that when properties are sold, there is an obligation on the new owner to seek a new approval to operate, within two months of acquiring the property.

Councils are also required to prepare on-site sewage management policies and to undertake risk based assessments within their areas, with a view to implementing targeted audit programs.

Following last year's report the Council resolved to increase resourcing steadily over the next few years in the OSSM area and to commit additional resources to the program.

To date the additional resources have not been engaged due to the timing of the past Section Manager's retirement. The new Section Manager has commenced a review of the Section structure and a review of programs and projects undertaken in Public and Environmental Health.

The need to reinvestigate the resources available in the OSSM area and to assess whether they will be sufficient to sustain a reasonable program for Council into the future has been identified.

Consequently an OSSM Program Review was undertaken prior to deciding on the engagement of any additional resources. This Review has identified where there are deficiencies in the OSSM Program and where improvements are needed. A copy of the review is provided as the attachment to this report.

### **4.3 On Site Sewage Management (OSSM) Program Review**

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In response to the Review, this report is seeking approval to allocate additional resources to enable a permanent full time position (in place of the approved part-time 3 day/week position) to be dedicated to the OSSM Program and to be funded within existing budget allocations and through fee recovery.

#### **Key Issues**

- Complexity of the program
- Work demands and current resources available
- Follow up work on notices and orders
- Complaint Investigation
- Backlog of regulatory compliance work

#### **Information**

Council adopted its On Site Sewage and Wastewater Management Policy (the Strategy) in 2001 and an OSSM risk map was prepared at this time. The last review of the Strategy was conducted in 2008.

Council's program has now been running for over a decade inclusive of an audit program. Expectations that we might have been able to review the estimated 3,000-3,500 systems in the Shire over a 10-12 year period have not been met due to the sheer enormity of the task.

The OSSM Program has been operating unsustainably due to the overwhelming volume of work that has arisen from applications for Approval to Operate, which have identified a high failure rate of inspected systems.

The current OSSM officer cannot sustain the OSSM Program by conducting new OSSM audit inspections, while also attempting to address a large number of non-complying systems that have outstanding Notices or Orders.

Consequently, a decision was made two years ago to stop new OSSM audit inspections and to only carry out crucial inspections; for example customer requests (complaints), OSSM approvals to operate with sale of property applications, installations and development application referrals.

The numbers of unresolved defective systems have built up over time to a level that has not been able to be managed. It has become an operational necessity that the outstanding OSSM defective systems that have not been actioned for three years (>80 systems) be postponed to be reinvestigated when additional resources have been allocated to the Program.

The recent Review has highlighted 15 key areas that need to be addressed to improve the effectiveness and efficiency of the Program.

Consequently, the Review has identified that the program requires additional resources, to those the have already committed and funded in 2014/2015 (being funding sufficient to employ a part-time officer for three days per week). The resources required to sustain a minimum service level in the OSSM area is considered to be a full time position five days per week.

### **4.3 On Site Sewage Management (OSSM) Program Review**

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To finance this position it is proposed to increase over the next two years the OSSM annual fee issued on rates notices from the current fee of \$40 to \$50, with a \$5 increment each year for the next two years.

The cost of the additional two days per week is estimated at approximately \$27,000 per annum. For the 2015/2016 period funding is available as the recruitment in 2014/15 did not occur and the position can be funded fully in the first year and thereafter the position may be funded at the required level through the income generated by the proposed increased fees.

The full-time five days a week position is considered to be a good balance in that it will ensure a reasonable level of support to the existing works program and at the same time enable work on the 15 key areas and the recommendations from the OSSM Program Review to be commenced.

#### **Legal / Resource / Financial Implications**

The OSSM Program was developed and is based on a risk model to comply with the NSW Government directive for local councils to supervise on site sewage systems in their Shires. Considerable progress has been made through the adopted program however the high level of failure and/or defective systems has resulted in the program not meeting targets as originally set by Council.

Whilst changes can be made through business process improvements to streamline some processes, the significant backlog of regulatory action will continue to require improvements to the program to be deferred unless additional resources are committed.

Council needs to identify additional resources and this can be achieved through the increase in OSSM fees, in particular through the annual management fee placed on rates notices of properties that contain an OSSM system.

#### **Consultation**

Consultation has only occurred internally. Comparisons have been undertaken of other local councils OSSM fee structures. This confirms that with the adoption of the proposed fees Ballina Council will be within the range of fees set by other local Councils as at 2015.

Following the increase in the fee that occurred in 2014/2015, minimal concerns were raised by community members, this was unexpected given that the rural community has been previously sensitive and critical of costs resulting from the OSSM Program.

#### **Options**

The Council has the following options available to it:

1. That Council endorses the increase in fees over a two year period to enable the progression of the OSSM Program and the allocation of an additional two days per week to the new O.S.S.M. position making it full-time five days per week; or,

### **4.3 On Site Sewage Management (OSSM) Program Review**

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2. That Council endorses the fees to remain the same for 2015/2106 period and acknowledge that the OSSM Program will not advance as per the original Strategy and commence the recruitment process for a part-time three day a week OSSM position.

#### **RECOMMENDATIONS**

1. That Council notes the contents of this report in respect to the progress of the OSSM Program
2. That Council acknowledges the existing resource limitations in respect to the Program and endorses the increase in the OSSM fee over a two year period from \$40 to \$50 commencing 2015/2016 to enable additional resources to be committed to advance the Program.
3. That Council supports the findings of the review of the current Program and the OSSM Strategy and endorses the employment of a full time OSSM Officer from the additional revenue raised.

#### **Attachment(s)**

1. OSSM Program Review Report - April 2015

## OSSM Program Review – Report

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Review by  
OSSM Officer – John Bruce  
April 2015 – V2.0

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## 4.3 On Site Sewage Management (OSSM) Program Review

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OSSM Program Review - Report – April 2015 V2.0

### Contents

Purpose: .....	3
Scope: .....	3
OSSM Program Review - DEHG Internal Stakeholders: .....	3
Deliverables: .....	3
OSSM Program Background:.....	3
OSSM Program Status:.....	4
OSSM Officer – Outstanding Authority Tasks – January 2015.....	4
OSSM Inspections Performed – 2011- 2014 .....	5
OSSM Program Review: .....	6
1. Council’s Role in OSSM Approval to Install Applications .....	6
2. Key Performance Indicator .....	6
Table 1: - OSSM Program Relationship to Community Strategic Plan - Themes & Outcomes .....	8
3. Administrative Support .....	10
4. OSSM Hard Copy Documents Archived or Destroyed .....	10
5. OSSM Approval to Operate Application - Current Process – (sale of property applications) ..	11
6. OSSM Approval to Operate - Proposed New Process – (sale of property applications) .....	12
7. Quality Assurance/Control – Documentation, Processes & Procedures .....	12
8. Communication & Education .....	13
9. OSSM Model – Sizing Effluent Land Application Areas.....	13
10. Resources .....	14
11. On-Site Sewage & Wastewater Management Strategy.....	14
12. List of OSSM Designers’ and AWTS Services Agents.....	16
13. Monitoring the Servicing Intervals of AWTS.....	16
14. Development Services - DA Referrals .....	16
15. Dwelling Alterations & Additions - Existing OSSM Systems.....	17
Outcomes.....	17
Table 2 – Summary of OSSM Program Review Recommendations .....	18



## 4.3 On Site Sewage Management (OSSM) Program Review

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OSSM Program Review - Report – April 2015 V2.0

### Purpose:

A review of the On-Site Sewage Management (OSSM) Program is needed to ensure:

- That the Program is achieving its objectives;
- Continual improvement of the Program;
- Operations are effective and efficient;
- Is resourced to perform operations and achieve key performance indicators;
- That the On-Site Sewage & Wastewater Management Policy (Strategy) is reviewed as required for each new term of local government.

### Scope:

The OSSM Program Review will include an assessment of the on-site sewage and wastewater management strategy, current program operations, and discussions with relevant internal stakeholders.

### OSSM Program Review - DEHG Internal Stakeholders:

Position	Officer
DEHG – Group Manager	Rod Willis
Public & Environmental Health – Manager	Kerri Watts
Building Services – Manager	Vince Hunt
Plumbing & Drainage Inspector	Neil McCowan
OSSM Officer	John Bruce

### Deliverables:

1. An initial Draft Review is to be completed for the OSSM Program Review and is to be presented to the Development Environment Health Group – Internal Stakeholders, for discussion and assessment.
2. The final report will identify where there are OSSM Program deficiencies and where improvements are needed.
3. The final report will provide recommendations to correct these deficiencies, propose changes to improve the operation of the OSSM Program and will be presented to MANEX for its information and consideration.

### OSSM Program Background:

Amendments to the NSW Local Government Act and Regulations introduced in 1998 required Councils to provide improved supervision of on-site sewage management systems.

Ballina Shire Council adopted its On-Site Sewage & Wastewater Management Policy (Strategy) in 2001 and an OSSM risk map was prepared. The Council's first On-Site Sewage Management Officer was appointed in 2003 and the last review of the Strategy was conducted in 2008.

Page 3 of 20

## 4.3 On Site Sewage Management (OSSM) Program Review

OSSM Program Review - Report – April 2015 V2.0

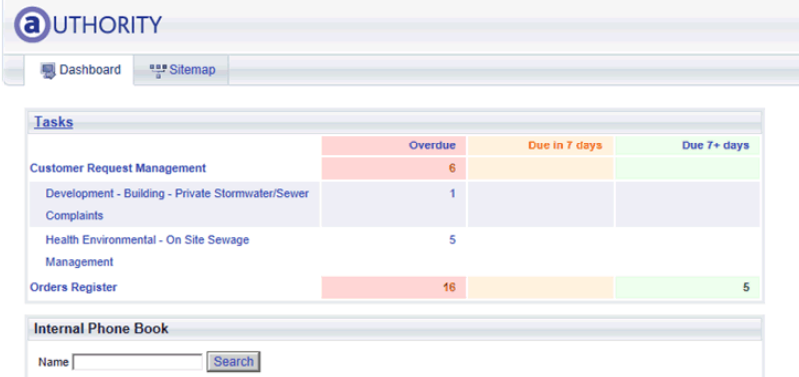
### OSSM Program Status:

The OSSM program has been operating un-sustainably due to the overwhelming volume of work that has arisen from applications for Approval to Operate, which have identified a high failure rate of inspected systems.

The OSSM officer cannot sustain the OSSM Program by conducting new OSSM audit inspections while still attempting to resolve a large number of non-complying systems that have outstanding "Notices" or "Orders". Consequently, a decision was made two years ago to stop new OSSM audit inspections and only carry out crucial inspections i.e. customer requests (complaints), OSSM approval to operate - sale of property requests, installation and development application referrals.

The high amount of un-resolved defective OSSM systems has built up over previous years to a level that has not been able to be managed. It is become an operational necessity that the outstanding OSSM defective systems that have not been actioned for three years (>80 systems) be postponed to be re-investigated when additional resources have been allocated.

### OSSM Officer – Outstanding Authority Tasks – January 2015



The screenshot shows a web interface for 'aUTHORITY'. It includes a navigation bar with 'Dashboard' and 'Sitemap' links. Below this is a 'Tasks' section with a table summarizing task counts by status. The table has columns for 'Overdue', 'Due in 7 days', and 'Due 7+ days'. The rows list various task categories: Customer Request Management (6 overdue), Development - Building - Private Stormwater/Sewer Complaints (1 due in 7 days), Health Environmental - On Site Sewage Management (5 due 7+ days), and Orders Register (16 overdue, 5 due 7+ days). Below the tasks section is an 'Internal Phone Book' section with a search box labeled 'Name' and a 'Search' button.

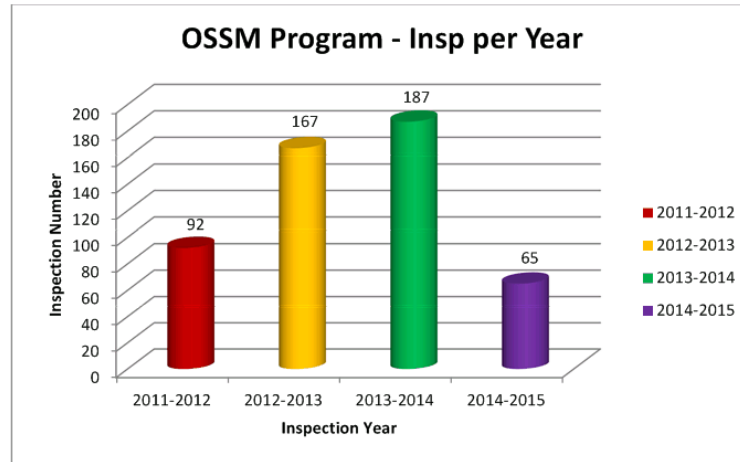
	Overdue	Due in 7 days	Due 7+ days
Customer Request Management	6		
Development - Building - Private Stormwater/Sewer Complaints	1		
Health Environmental - On Site Sewage Management	5		
Orders Register	16		5

Page 4 of 20

## 4.3 On Site Sewage Management (OSSM) Program Review

OSSM Program Review - Report – April 2015 V2.0

### OSSM Inspections Performed – 2011- 2014



**Note:**

- 2011-2012 – New OSSM Officer was appointed, only 10 months of year in attendance;
- 2014-2015 – Statistics only up to end of November 2014, officer on leave in December.

OSSM Program Review - Report – April 2015 V2.0

### **OSSM Program Review:**

The method used for the Review is to highlight specific areas within the OSSM Program that need attention and then include recommendations for each of these areas.

#### **1. Council's Role in OSSM Approval to Install Applications**

Council's role in approving OSSM applications needs to be clarified and a section included in the revised Strategy.

##### **Recommendation:**

Include a section in the Strategy with the following key points.

- Advice that Council's role is to ensure that the applicant provides to Council the necessary information as prescribed in Local Government (General) Regulation 2005 - Section 26, Council's On-Site Sewage & Wastewater Management Strategy, and any additional information that may be needed to enable council to make a determination of the OSSM application;
- Council is not the applicant, designer or installer nor is it responsible for the roles that these people perform;
- Council will, in general, communicate with the applicant/owner/designer/installer and other parties as needed about further information requests, application assessment or the issuing of approval documentation;
- The applicant/installer/owner is responsible for ensuring compliance with the approval conditions;
- The Installer is required to certify that the installation has been carried out in compliance with the OSSM approval and conditions; and
- The distinction between each person's role and responsibilities is needed to ensure that there is no confusion and a satisfactory outcome is achieved.

#### **2. Key Performance Indicator**

There are approximately 2600 OSSM systems installed within the Ballina Shire. Since the OSSM Program inception the rate of OSSM non-compliance has remained at approximately 40-50%. There are a few hundred properties within the Shire that haven't had an initial Council OSSM inspection to determine if their system is performing satisfactory or to set a corresponding OSSM risk level.

The OSSM Program has a key performance indicator of 250 inspections to be performed each year with quarterly status reports provided to council.

There have been three significant factors impacting on the workload of the OSSM Officer that make this key performance indicator un-achievable.

- 1) The creation of a Development Compliance Section, which now has two officers, has increased the workload on the OSSM Officer due to the amount of referrals for non-complying development/buildings in non-sewered areas that have an associated non-complying OSSM system;

## 4.3 On Site Sewage Management (OSSM) Program Review

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OSSM Program Review - Report – April 2015 V2.0

- 2) The Rous Water – Emigrant Creek Drinking Water Catchment Area Project, which fast tracked the OSSM inspections within this area and provided funds for an additional OSSM officer for a limited period. Unfortunately the additional OSSM officer could not finalise all the non-complying OSSM systems identified during this project timeframe and subsequently there has been numerous outstanding actions to be completed by the permanent OSSM officer;
- 3) The key performance indicator, of 250 inspections per year, only indicates that the OSSM inspections have been performed but it does not indicate that the non-complying OSSM systems have been rectified. Consequently, this approach has created an accumulating number of un-resolved defective OSSM matters. This is neither a sustainable process for current resources nor an indicator presenting a true reflection of the Community Strategic Plan Themes & Outcomes.

**Recommendation:**

- That the key performance indicator/s and OSSM strategies be changed to have a clear link back to the Community Strategic Plan – Themes and Outcomes and have realistic sustainable target/s set for appropriate OSSM activities, focus on education and customer satisfaction (nominate a couple KPIs only).

See Table 1 for the OSSM Program relationships with Council's Community Strategic Plan Themes and Outcomes.

## 4.3 On Site Sewage Management (OSSM) Program Review

**Table 1: - OSSM Program Relationship to Community Strategic Plan - Themes & Outcomes**

Community Strategic Plan - Themes	Community Strategic Plan - Outcomes	OSSM Relationship to Themes & Outcomes – (Actual and/or Proposed OSSM Strategies & Actions)
Connected Community (CC)	CC2 We feel connected to the community	OSSM educational & communication plan to be developed and implemented.
	CC2.2 Create events, strategies and activities that promote interaction and education, as well as a sense of place	<ul style="list-style-type: none"> <li>• Conduct OSSM Forums with local wastewater industry, designers, plumbers, manufacturers;</li> <li>• Develop OSSM homeowners education course – work with TAFE or RTO to deliver course, budget funding required, commitment;</li> </ul>
Healthy Environment (HE)	HE1 We understand the environment	On-Site Sewage & Wastewater Management Strategy, Rous Water On-Site Wastewater Management Guidelines, Desktop Study Information i.e. Priority Oyster Aquaculture Areas, Drinking Water Catchment Mapping, Soil Maps etc
	HE1.2 Promote initiatives that improve our natural environment	OSSM risk based audit inspections for compliance, education of stakeholders on application requirements etc.
	HE2 We use our resources wisely	Inspections performed based on the OSSM risk level in designated local areas for effective and efficiency reasons.
	HE2.1 Implement total water cycle management practices	Ensure water conservation measures/facilities/taps conditions are applied for all applications (inc existing dwellings) and installed within dwelling before any OSSM approval to operate certificate issued.
	HE3 Our built environment blends with the natural environment	On-Site Sewage & Wastewater Management Strategy
	HE3.2 Minimise negative impacts on the natural environment	OSSM audit inspections, compliance enforcement process, education of all stakeholders on application requirements and responsibilities.
Engaged Leadership (EL)	EL1 Our Council works with the community	Community & stakeholders given opportunity to comment on OSSM Strategy revisions,

### 4.3 On Site Sewage Management (OSSM) Program Review

OSSM Program Review - Report – April 2015 V2.0

Community Strategic Plan - Themes	Community Strategic Plan - Outcomes	OSSM Relationship to Themes & Outcomes – (Actual and/or Proposed OSSM Strategies & Actions)
	EL1.1 Facilitate and develop strong relationships and partnerships with the community	<ul style="list-style-type: none"> <li>• OSSM stakeholder group established to provide input into Strategy;</li> <li>• Partnership with TAFE for education course/s;</li> </ul>
	EL1.2 Involve our community in the planning and decision making processes of Council	<ul style="list-style-type: none"> <li>• OSSM stakeholder group established to provide input into Strategy;</li> </ul>
	EL3 We are all valued citizens	Customer service satisfaction
	EL3.1 Provide prompt, knowledgeable, friendly and helpful advice	<ul style="list-style-type: none"> <li>• KPIs for correspondence responses, telephone calls;</li> <li>• Continual training of officers in technical aspects and customer service delivery;</li> </ul>
	EL3.2 Deliver responsive and efficient services	Customer satisfaction surveys to be conducted, council marketing section to be involved, KPIs' on service and satisfaction.

### 3. Administrative Support

There are inefficiencies in the utilisation of the administrative support resource and how it is provided to the OSSM Program. The inefficiencies have been or are as follows:

- Previously, administrative support has been sent emails or hard copy paperwork documents requesting that an admin officer prepare OSSM correspondence (letters/notices/orders, certificates), book inspections, record inspection results, and other general duties. This was (and is not) an effective and efficient way to utilise resources as it is double handling of a task, which can (and is) being performed by the OSSM officer effectively, efficiently and via a paperless process;
- There is no administrative support utilised by the OSSM Program as the process of writing correspondence, booking and recording inspections etc can be carried out by the OSSM officer, via the Authority Program, in a professional manner, saving time and resources;
- Telephone calls are a double handling of a task and cause an interruption to the officer's workflow and effectiveness. Streamlining this process is needed.

#### Recommendation:

- To train administrative support officers to perform alternative services that are not double handling of processes e.g. process & issue OSSM Approval to Operate Certificates and being responsible for this task, permanent Quality Control officer, link new parcel numbers, created by subdivisions to old numbers in registers, education & communication assistance, administer customer satisfaction surveys etc;
- Telephone enquiries as a first port of call are to go to the main switch then the relevant officer's phone message bank (if not in office), bypassing the need for admin officers to take technical officers' telephone calls. The call is then responded to by the technical officer at a specific time of the day, along with other telephone enquiries e.g. 3:00 – 4:00pm. Unless the administration officers' are going to be trained to handle OSSM enquiries then this is an additional step that is not needed.
- Training of fellow DEHG staff/sections so double handling & inefficiency is identified and rectified so that administrative support resources are available to all sections.

### 4. OSSM Hard Copy Documents Archived or Destroyed

Over the years there has been a profuse amount of hard copy OSSM archival documentation placed in boxes and filing cabinets at the Administration Centre. A significant amount of these boxes & cabinets have been reviewed and relevant information recorded in TRIM and non-relevant information destroyed. However, several boxes still remain and need to be reviewed, recorded or destroyed.

#### Recommendation:

- An administrative officer is to be trained to review the OSSM documentation contained in these boxes and relevant content recorded in TRIM or, if it is non-relevant, destroyed.

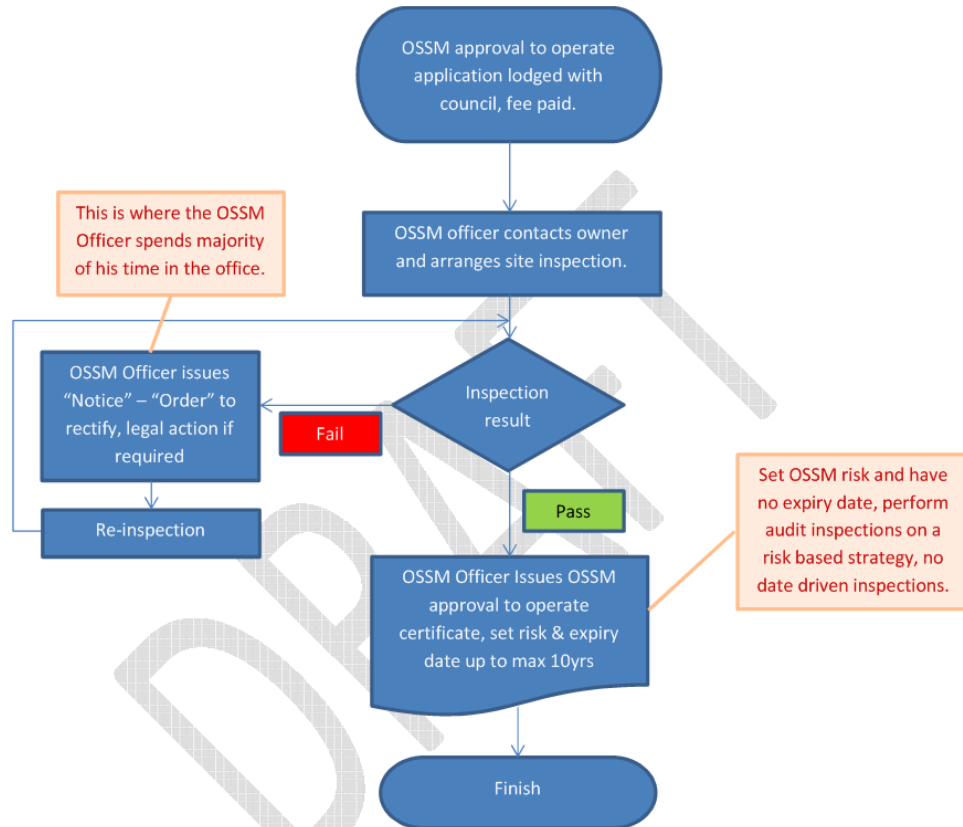


## 4.3 On Site Sewage Management (OSSM) Program Review

OSSM Program Review - Report – April 2015 V2.0

### 5. OSSM Approval to Operate Application - Current Process – (sale of property applications)

In general the current OSSM approval to operate process operates is as set out below:

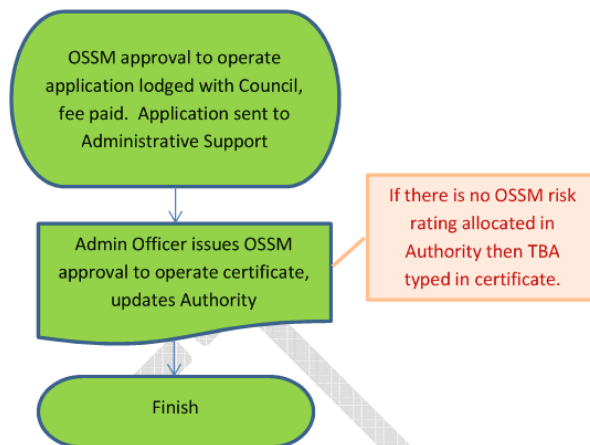


**Note:** This process & particular application is created when a sale of property has occurred, which is the majority of OSSM approval to operate applications. The development, plumbing & drainage applications and compliance matters that involve an OSSM have a separate approval process and that process does not need to be changed other than by removing the expiry date from the certificate.

## 4.3 On Site Sewage Management (OSSM) Program Review

OSSM Program Review - Report – April 2015 V2.0

### 6. OSSM Approval to Operate - Proposed New Process – (sale of property applications)



#### Recommendation:

- That the proposed new OSSM approval to operate application process (sale of property applications) be implemented and that administrative support staff allocated and be trained to take responsibility for performing this task;
- That no expiry date is included in the OSSM Approval to Operate Certificate or in Authority. Or, alternatively, state that the OSSM approval to operate is renewed each year, which occurs for all property owners' via the payment of the OSSM Program fee at rates time (no need for inspection or to issue a new certificate until change of ownership occurs, the payment of fee confirms renewal);
- The OSSM Approval to Operate Certificate template be modified to suit this new process and procedure;
- All OSSM audit inspections are to be performed based on a risk based strategy and available resources. The inspections are not to be a date driven requirement or sale of property request. Prior to the sale of a property homeowners' or purchasers are to arrange for pre-purchase inspection with an appropriate professional. Council to educate stakeholders of this important step and possibly include this as a mandatory requirement in the revised Strategy.

### 7. Quality Assurance/Control – Documentation, Processes & Procedures

The OSSM officer has developed and upgraded application & certification forms, created educational facts sheets, provided desktop information for OSSM designers', procedure flow charts and OSSM webpage upgrades etc. Quality control is critical to ensure a minimum standard is achieved and maintained for the OSSM Program and to provide an effective and efficient service e.g. reducing the

Page 12 of 20

OSSM Program Review - Report – April 2015 V2.0

time in assessing applications and the number of non-complying applications. The continual improvement and quality control of documents is a significant on-going process.

There have been high level processes and procedures documented for the OSSM Program and user friendly flow charts created for a number of the OSSM Officer duties (e.g. applications and DA referrals).

**Recommendations:**

- Review & complete all OSSM Officer processes & procedure flow charts;
- Quality control of all documentation, formatting etc;
- Resources for permanent Quality Control officer, who carries out or assists in creation of work processes and procedures, updates documents for financial year changes and conducts reviews/audits to ensure the procedures are being followed and amended when necessary.

**Note:** Currently Public and Environmental Health Officers' perform the majority of their own changes to document templates due to the limited availability and priority given for this resource and service. Web helpdesk provides a service (webpage updates, formatting forms and fact sheets etc) but this service is limited in its scope and resource and falls short of a total quality control program.

### 8. Communication & Education

A wastewater industry forum was conducted in January 2013, which was well supported by the industry and requests have been made by the industry for more forums to be conducted in the future. Unfortunately it is not possible to perform additional forums at present due to the considerable time and effort needed to organise these events, the current focus of operational strategies and limited resources.

**Recommendation:**

- Develop an OSSM Program communication and education plan and implement;
- Operational strategies be amended to include this plan;
- Resources to be allocated to deliver the plan activities;
- Section budget to make allowance for appropriate funds to deliver the plan;
- Council marketing/communication officer to be utilised.

### 9. OSSM Model – Sizing Effluent Land Application Areas

Currently Ballina Shire Council's On-Site Sewage & Wastewater Management Strategy has effluent land application sizing tables to provide guidance to designers on sizing these areas based on wastewater volumes and Ballina's specific soil landscapes. Council needs to be cautious of the information that it provides so that it is not placed in a potential liable position in regard to these sizing tables.

Neighbouring councils such as Lismore, Byron and Clarence have engaged the services of suitably qualified professionals to develop an effluent land application sizing software model for their

## 4.3 On Site Sewage Management (OSSM) Program Review

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OSSM Program Review - Report – April 2015 V2.0

particular conditions. If Ballina Shire Council is to provide any effluent land application sizing assistance then it should follow its neighbouring Councils' approaches.

**Recommendation:**

- Remove current effluent land application sizing tables from the Strategy;
- Allocate funds to develop a Ballina Shire Council OSSM effluent land application sizing software model program. (Cost estimate \$15,000), or; alternatively, require water balance & nutrient balance calculations for each report, the parameter which equates to the largest area is to be nominated and a suitable effluent land application system designed to suit;
- BOM Climate data for the Ballina area to be included in the revised Strategy, we would need coast, north, south and plateau data.

**Note:** We need to discuss and determine if water balance is to be the critical factor in sizing effluent land application area/s and if a nutrient balance buffer (additional land only, no trenches or irrigation, provided around the effluent land application area or downstream of area) will suffice and be an acceptable risk. This decision could reduce the overall cost of an OSSM system for the homeowner, in most cases, as less trenching and irrigation areas are usually required for water balance only calculations compared to installing these systems over the total nutrient balance area.

### 10. Resources

Council has approved an increase in the OSSM Program yearly fee from 27\$ to \$40 per year, which will enable the employment of an additional resource - OSSM Officer on a part time basis (i.e. 3 days per week).

**Recommendation:**

- That the position description be developed for the part time OSSM Officer, consider objectives, strategies, activities, roles and responsibilities, communication and education etc;
- That the advertising of the part time OSSM Officer is to be carried out as soon as possible, once the position description is completed;
- That staff location, desk, phone, inspection tools, equipment, etc. be obtained & confirmed;
- Administrative support roles and responsibilities for the OSSM Program to be clarified and provided.

**Note:** If council is to employ a part time officer and that officer shares duties in another council role to make up full time employment then the allocation of time to each position will need to be clear and monitored.

### 11. On-Site Sewage & Wastewater Management Strategy

The Strategy is due to be reviewed and considerable changes are proposed for example:

- The aims, objectives and strategies of the "Strategy" are to be consistent and show a direct link with the Community Strategic Plan;

Page 14 of 20

OSSM Program Review - Report – April 2015 V2.0

- Streamline the Strategy so that the main content provides information on the OSSM approval process, design information and the OSSM Audit Program operations. All education information is to be removed from the main body of the document and provided in appendixes or separate document/s. All sizing tables and technical drawings are to be removed. If any sizing and technical drawing information to be provided then reference be made to Australian Standards or other Industry accepted documents for this information and inclusion;
- OSSM Program audit inspections are to be risked based not expiry date driven, further development of risk mapping required, methodology to determine inspections, notification (advertising, letter to owners' etc);
- The OSSM Program emphasis should be on a proactive educational Program and less on reactive compliance to provide more value for the resources available and more impact in achieving compliance. Currently The majority of the officer's time is spent in front of computer and on phone following up a small number of defective systems;
- Include new sections in Strategy for >10EP OSSM systems (application info, in-situ effluent quality testing validation and verification, operation and management requirements etc) and priority oyster aquaculture areas requirements. Fact sheets already exist for these items but they need to be formalised in the Strategy. Refer to Interim NSW Guidelines for Management of Private Recycled Water Schemes for guidance on >10EP systems;
- Include a section for effluent land application area minimum setback distance requirements from site features, which are to comply with the AS/NZS 1547 (latest version). When setback distances do not comply then the designer is required to utilise the AS/NZS 1547 Appendix R as a guideline/method for justifying a lesser setback distance. Also the viral die-off calculation can be used to further support the nominated setback distance;
- Refer to Sydney Catchment Authority – Designing and Installing On-Site Wastewater Systems Manual for OSSM effluent land application techniques, technical design requirements, and construction installation information. Also consider adopting this manual's installation and inspection checklists. We already have a link to the document on Council's OSSM webpage (Note: Manual states that you must have professional indemnity insurance to do work in Sydney Catchment Authority);
- Benchmark the Ballina Shire Council's On-Site Sewage & Wastewater Management Strategy with the Victorian Land Capability Assessment Framework January 2014 and neighbouring Councils' OSSM Strategies for site & soil assessment process, designing, sizing and selecting an OSSM.

**Recommendation:**

- That the On-Site Sewage & Wastewater Management Strategy is reviewed and appropriate time and resources are allocated to perform this task. Timeframe for the review e.g. six months – i.e. 30 days to prepare draft (benchmarking other councils', revision of current document, stakeholders group created), 30 days to finalise document – workshop with stakeholders and make necessary changes, 42 days from first exhibition of document (advertisement) to allow for public feedback, 60 days to make any final changes and prepare report to Council for adoption of revised Strategy, then communicate to the industry & stakeholders the revised Strategy;
- A stakeholder's consultative group is to be established to assist in the Strategy review, input and feedback. This is needed to ensure that the document becomes best practice and

Page 15 of 20

OSSM Program Review - Report – April 2015 V2.0

accepted by industry and to satisfy the intent of Community Strategic Plan Themes & Outcomes;

- Request assistance from Council's communication officer with the revised Strategy advertising and promotion etc.

### 12. List of OSSM Designers' and AWTS Services Agents

The creation of a list of suitably qualified persons' to design OSSM systems was instigated over three years ago, but unfortunately this initiative was withdrawn as it was not supported by the local plumbers & drainers. It is time to re-visit this initiative as I believe it is an essential strategy. The withdrawing of this initiative was due to misinformation and misunderstanding and with further explanation the support from the plumbing & drainage fraternity may change.

There is a clear need to provide a list of suitably qualified people to homeowners', real estate agents, solicitors etc. It is a common request received by council for this information.

#### Recommendation:

- That a list of suitably qualified people/firms to design OSSM systems and service aerated wastewater treatment systems be proposed to the plumbing & drainage and wastewater industry;
- If supported, then a list of suitably qualified persons be created for designing OSSM systems and servicing aerated wastewater treatment systems and made available at customer service, Council website etc.

### 13. Monitoring the Servicing Intervals of AWTS

It is unknown if the Aerated Wastewater Treatment Systems (AWTS) installed within the Ballina Shire are being serviced at the required intervals as determined by their accreditation from NSW Ministry of Health.

To overcome this situation the Authority system needs to be updated to include the appropriate fields to record the AWTS servicing history and provide a reporting mechanism to identify systems that are overdue with their compulsory servicing requirements. An appropriate officer would need to enter AWTS servicing data, run reports at appropriate intervals and issue letters/notices to property owners' that are overdue with servicing their system.

#### Recommendation:

- That Authority system is updated to include the appropriate fields and reporting mechanism to identify systems that are overdue with their AWTS servicing requirements;
- That appropriate resources (i.e. administrative support) are provided to perform these additional functions of reviewing service reports, entering servicing data, running reports, issuing letters/notices etc.

### 14. Development Services - DA Referrals

The OSSM Officer receives Development Application (DA) referrals from planning officers when a development is proposed in non-sewered areas i.e. subdivision or boundary adjustment. This

Page 16 of 20

OSSM Program Review - Report – April 2015 V2.0

process needs to be reviewed, clear responsibilities determined and application requirements stipulated.

It is common to receive consultants' reports where they have not inspected the existing OSSM system/s on the subject property and determined if it is performing satisfactory nor have they confirmed if the existing OSSM system needs to be upgraded and if the proposed development or boundary adjustment will or will not be affected by any upgrades.

**Recommendation:**

- That the On-Site Sewage & Wastewater Management Strategy document includes a section for DA referrals and stipulates requirements for applications in non-sewered areas and application information;
- Ensure strategic planning documents are reviewed and updated if needed with the latest OSSM information, document references & requirements;
- Clarify the Council internal referral roles and responsibilities between sections and to the development industry, consultants etc;
- Address the issue of creating new parcel numbers, when a new subdivision is approved, and the need to update Authority registers (linking to the old parcel numbers with the new numbers). Resources & responsibilities for this task are required.

### 15. Dwelling Alterations & Additions - Existing OSSM Systems

Council receives development and/or plumbing & drainage applications to carry out dwelling alterations & additions in non-sewered areas, which have an existing OSSM system. There is confusion as to what is required for these particular scenarios, this needs to be clarified both internally with Council officers' and externally to the public.

**Recommendation:**

- That the On-Site Sewage & Wastewater Management Strategy document include a section for dwelling alterations & additions involving existing OSSM systems;
- There will be a requirement to provide a report from a suitably qualified person to assess if the existing OSSM system is operating satisfactorily, confirm what the wastewater volume the existing OSSM system was designed and installed to treat, indicate if there is any potential increase in wastewater volume with the proposed alterations & additions and assess if the existing OSSM system cope with this increase. If there is an increase in wastewater volume and the existing OSSM system was not designed and installed to treat this increase in volume then the existing system will need to be upgraded in accordance with current requirements. The same upgrade requirements will apply for failing systems, whether there is an increase in wastewater volume or not.

### Outcomes

- That there is unanimous support from the Development Environmental Health Group - Internal Stakeholders for the OSSM Program Review Report & recommendations;
- That all of the recommendations are adopted;

## 4.3 On Site Sewage Management (OSSM) Program Review

OSSM Program Review - Report – April 2015 V2.0

- That Development Environmental Health Group - Internal Stakeholders support the resources & funding required to deliver the recommendations;
- That time and resources are provided to allow the OSSM Officer to revise the On-Site Sewage & Wastewater Management Strategy as soon as possible.

**Table 2 – Summary of OSSM Program Review Recommendations**

OSSM Items	Recommendations
1. Council's Role in OSSM Approval to Install Applications	<ul style="list-style-type: none"> <li>• Council's role is to ensure that the applicant provides to Council the necessary information as prescribed in Local Government (General) Regulation 2005 - Section 26, Council's On-Site Sewage &amp; Wastewater Management Strategy, and any additional information that may be needed to enable the Council to make a determination of the OSSM application;</li> <li>• Council is not the applicant, designer or installer nor is it responsible for the roles these persons perform;</li> <li>• Council will, in general, communicate with the applicant/owner/designer/installer and other parties as needed about further information requests, assessments or the issuing of approval documentation;</li> <li>• The applicant/installer/owner is responsible for ensuring compliance with the approval conditions;</li> <li>• The Installer certifies that the installation has been carried out in compliance with the OSSM approval and conditions;</li> <li>• The distinction between each person's role and responsibilities is needed to ensure that there is no confusion and a satisfactory outcome is achieved.</li> </ul>
2. Key Performance Indicator	<ul style="list-style-type: none"> <li>• That the key performance indicator/s and OSSM strategies be changed to have a clear link back to the Community Strategic Plan – Themes and Outcomes and have realistic sustainable target/s set for appropriate OSSM activities and customer satisfaction (nominate a couple KPIs only).</li> </ul>
3. Administrative Support	<ul style="list-style-type: none"> <li>• To train administrative support officers to perform alternative services that are not double handling of processes e.g. issue OSSM Approval to Operate documentation and being responsible for this task, permanent Quality Control officer, link new parcel numbers, created by subdivisions, to old numbers in registers, education &amp; communication assistance, customer satisfaction surveys etc;</li> <li>• Telephone enquiries as first port of call are to go to the main switch then the relevant OSSM Officer's phone message bank (if not in office), bypassing the need for admin officers to take technical officers' telephone calls. The call is then responded to by the technical officer at a specific time of the day, along with other telephone enquiries e.g. 3:00 – 4:00pm.</li> <li>• Training of fellow DEHG staff/sections so double handling &amp; inefficiency is identified and rectified so that administrative support resources are available to all sections.</li> </ul>
4. OSSM Hard Copy Documents Archived or Destroyed	<ul style="list-style-type: none"> <li>• An administrative officer is to be trained and task allocated to review the OSSM documentation contained in these boxes and relevant content recorded in TRIM or if it is non-relevant destroyed.</li> </ul>
5. N/A	N/A
6. OSSM Approval to Operate – Proposed New Process – (sale of property	<ul style="list-style-type: none"> <li>• That the proposed new OSSM Approval to Operate Application process (sale of property applications) be implemented and that administrative support staff are to be trained to take responsibility for performing this task;</li> <li>• That no expiry date is included in the OSSM Approval to Operate Certificate or in Authority. Alternatively state that the OSSM Approval to Operate is renewed each</li> </ul>

Page 18 of 20



## 4.3 On Site Sewage Management (OSSM) Program Review

OSSM Program Review - Report – April 2015 V2.0

OSSM Items	Recommendations
applications)	<p>year, which occurs for all property owners' via the payment of the OSSM Program fee at rates time (no need for inspection or to issue a new certificate until change of ownership occurs, the payment of fee confirms renewal);</p> <ul style="list-style-type: none"> <li>•The OSSM Approval to Operate Certificate Template be modified to suit this new process and procedure;</li> <li>•All OSSM audit inspections are to be performed based on a risk based strategy, available resources and are not be a date driven requirement or sale of property request. Prior to the sale of a property the homeowners' or purchasers' are to arrange for a pre-purchase inspection with an appropriate external professional. Council to educate stakeholders of this important step and possibly include this as a mandatory requirement in the revised Strategy.</li> </ul>
7. Quality Assurance/Control – Documentation, Processes & Procedures	<ul style="list-style-type: none"> <li>•Review &amp; complete all OSSM Officer processes &amp; procedure flow charts;</li> <li>•Quality control of all documentation, formatting etc;</li> <li>•Resources for permanent Quality Control officer, who carries out or assists in creation of work processes and procedures, updates documents for financial year changes and conducts reviews/audits to ensure the procedures are being followed and amended when necessary.</li> </ul>
8. Communication & Education	<ul style="list-style-type: none"> <li>•Develop a OSSM Program communication and education plan and implement;</li> <li>•Operational strategies to be amended to include this plan;</li> <li>•Resources to be allocated to deliver the plan activities;</li> <li>•Section budget to make allowance for appropriate funds to deliver the plan;</li> <li>•Council communication officer to be utilised.</li> </ul>
9. OSSM Model – Sizing Effluent Land Application Areas	<ul style="list-style-type: none"> <li>•Remove current effluent land application sizing tables from the Strategy;</li> <li>•Allocate funds to develop a Ballina Shire Council OSSM effluent land application sizing software model program. (Cost estimate \$15,000), or; alternatively require water balance &amp; nutrient balance calculations for each report, the parameter which equates to the largest area is to be nominated and a suitable effluent land application system designed to suit;</li> <li>•BOM Climate data for Ballina regions are to be included in the revised Strategy, we would need coast, north, south and plateau data.</li> </ul>
10. Resources	<ul style="list-style-type: none"> <li>•That the position description be developed for the part time OSSM Officer, consider objectives, strategies, activities, roles and responsibilities, communication and education etc;</li> <li>•That the advertising of the part time OSSM Officer position is to be carried out as soon as possible, once the position description is completed;</li> <li>•That staff location, desk, phone, inspection tools, equipment, etc. be obtained &amp; confirmed;</li> <li>•Administrative support roles and responsibilities for the OSSM Program to be clarified and provided.</li> </ul>
11. On-Site Sewage & Wastewater Management Strategy	<ul style="list-style-type: none"> <li>•That the On-Site Sewage &amp; Wastewater Management Strategy is reviewed and appropriate time and resources are allocated to perform this task. Timeframe for the review e.g. six months – i.e. 30 days to prepare draft (benchmarking other councils', revision of current document, stakeholders group created), 30 days to finalise document – workshop with stakeholders and make necessary changes, 42 days from first exhibition of document (advertisement) to allow for public feedback, 60 days to make any final changes and prepare report to council for adoption of revised Strategy, then communicate to the industry &amp; stakeholders the revised Strategy;</li> <li>•A stakeholder's consultative group is to be established to assist in the Strategy</li> </ul>

Page 19 of 20

## 4.3 On Site Sewage Management (OSSM) Program Review

OSSM Program Review - Report – April 2015 V2.0

OSSM Items	Recommendations
	<p>review, input and feedback. This is needed to ensure that the document becomes best practice and accepted by industry and to satisfy the intent of Community Strategic Plan Themes &amp; Outcomes;</p> <ul style="list-style-type: none"> <li>Request assistance from Council's communication officer with the revised Strategy advertising and promotion etc.</li> </ul>
12. List of OSSM Designers' and AWTS Services Agents	<ul style="list-style-type: none"> <li>That the list of suitably qualified people to design OSSM systems and service aerated wastewater treatment systems be proposed to the plumbing &amp; drainage and wastewater industry;</li> <li>Following this a list of suitably qualified persons is to be created for designing OSSM systems and servicing aerated wastewater treatment systems and made available at customer service, Council website etc.</li> </ul>
13. Monitoring the Servicing Intervals of AWTS	<ul style="list-style-type: none"> <li>That the Authority system is updated to include the appropriate fields and reporting mechanism to identify systems that are overdue with their AWTS servicing requirements;</li> <li>That appropriate resources (i.e. administrative support) are provided to perform these additional functions of reviewing service reports, entering servicing data, running reports, issuing letters/notices etc.</li> </ul>
14. Development Services - DA Referrals	<ul style="list-style-type: none"> <li>That the On-Site Sewage &amp; Wastewater Management Strategy document includes a section for DA referrals and stipulates requirements for applications in non-sewered areas and application information;</li> <li>Ensure strategic planning documents are reviewed and updated if needed with the latest OSSM information, document references &amp; requirements;</li> <li>Clarify the Council's internal referral roles and the responsibilities between sections and to the development industry, consultants etc;</li> <li>Address the issue of creating new parcel numbers, when a new subdivision is approved, and the need to update Authority registers (linking to the old parcel numbers with the new numbers). Resources &amp; responsibilities for this task are required.</li> </ul>
15. Dwelling Alterations & Additions - Existing OSSM Systems	<ul style="list-style-type: none"> <li>That the On-Site Sewage &amp; Wastewater Management Strategy document includes a section for dwelling alterations &amp; additions involving existing OSSM systems;</li> <li>There will be a requirement to provide a report from a suitably qualified person to assess if the existing OSSM system is operating satisfactorily, to confirm the wastewater volume the existing OSSM system was designed and installed to treat, to advise whether there is any potential increase in wastewater volume with the proposed alterations &amp; additions and if the existing OSSM system can cope with this increase. If there is an increase in wastewater volume and the existing OSSM system was not designed and installed to treat this increase in volume then the existing system will need to be upgraded in accordance with current requirements. The same upgrade requirements will apply for failing systems, whether there is an increase in wastewater volume or not.</li> </ul>

This OSSM Program Review has highlighted key areas that need to be addressed to improve the effectiveness and efficiency of the Program. As with all Programs there is a need for a continuous improvement commitment and an ongoing requirement for further reviews at appropriate intervals.

**John Bruce**  
 OSSM Officer  
 Development and Environmental Health Group

Page 20 of 20

#### 4.4 Lake Ainsworth - South Eastern Precinct Upgrade Project

#### 4.4 Lake Ainsworth - South Eastern Precinct Upgrade Project

**Delivery Program** Engineering Works

**Objective** To determine the works to be completed for the budget currently available for this project.

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#### **Background**

At a recent Reserve Trust meeting, the Trust resolved the following in relation to the plan to improve the Lake Ainsworth South Eastern Precinct.

1. *That Council, as Reserve Trust Manager, reaffirms the Council's December 2014 decision to close the eastern road to all vehicular traffic, excluding emergency vehicles.*
2. *That Council, as Reserve Trust Manager, authorises the General Manager to negotiate with Crown Lands and North Coast Holidays Parks Trust to determine whether a road to the west of the caravan park including some funding, can be forthcoming as an alternative to using Council's road reserve and that a land swap be considered as part of those negotiations.*

In response to this resolution, a letter has been sent to the NSW Crown Lands requesting their consideration of the Trust's decision including changing the location of the road to service the western side of the Lake. At this point in time no response has been received to our letter.

Currently there are insufficient funds available to complete all the works proposed in the upgrade plan. Therefore, now that the direction of the Trust is determined in respect of traffic management, the Council is required to determine the works to be completed under the current budget allocation.

#### **Key Issues**

- Priority ranking for works.

#### **Information**

The report to the Reserve Trust listed the following budget and project works information.

<b>Description</b>	<b>Amount (\$)</b>
<b>Construction</b>	
Lake Ainsworth Southern Foreshore (Road works /Drainage/Car Parking/Landscaping)	896,000
Ross Street Road Works	286,000
Camp Drewe Road (Ross St – Unsealed Section)	257,000
Camp Drewe (unsealed section to Sport and Rec)	714,000
Pacific Parade	50,000
Eastern Road (Stage 1 – Road closure with Offset Car parking)	587,000
Eastern Road (Stage 2 – Option 1)	78,000
<b>Design/Development</b>	
Lake Ainsworth Precinct - Stage 2 (DA/Approvals)	50,000

#### 4.4 Lake Ainsworth - South Eastern Precinct Upgrade Project

Description	Amount (\$)
New Surf Club Development - Stage 2 (DA/Approvals)	100,000
<b>Miscellaneous</b>	
Disabled access, BBQ's Picnic Shelters	97,000
<b>Total</b>	<b>3,115,000</b>
<b>Available Budget</b> * [No contribution from Crown Lands]	1,436,000
<b>Deficit</b>	<b>1,678,000</b>

In addition to the costs in the above table, the following needs to be taken into consideration.

##### Eastern Road

The report to the Reserve Trust advised of three options for the arrangements for the Eastern Road once it was closed to traffic. The option in the budget above was the least expensive and essentially retained the road in its current configuration to support the emergency access requirements. However, of the three options presented, staff understood the preference of the Trust was for Option Three which requires an additional \$270,000; i.e.

##### *Option 1 - Retain (narrow) existing road surface - emergency access*

This would involve the mill out of the edges of bitumen and car parking areas and revegetation. The estimate for this work is \$ 78,000.

##### *Option 2 - Concrete Shared Path - 2.5m wide*

This option includes the mill out of existing bitumen, revegetation and a swale for water sensitive drainage initiatives. The estimate for this work is \$312,500.

##### *Option 3 - Pervious Pavers - 2.5m wide*

As for option two, except with paved surface. The estimate for this work is \$350,000.

##### Contribution from North Coast Holiday Park Trust

The previous report advised of an offer from the Holiday Park Trust to contribute to certain works. An extract from their letter is reproduced below.

*...“formalise the existing roads as an access to the Lake and Camp Drewe Road, on the condition that the road through the middle of the park is closed and transferred to form part of the Holiday Park Crown Reserve”.... Should the Council agree with Crown Lands proposal, and the road through the holiday parks is closed to form part of the park, the Trust will contribute \$218,000 toward the Southern Precinct upgrade including the drainage swales.”*

This offer was intended to support the costs to improve the drainage and parking for the area immediately south of the Lake and adjacent to the Park if this area was also used for the western access. While the use of this area for access is no longer needed as the Trust has acceded to the Park's request regarding the closure of the public road through the Park, it can be assumed their offer still stands.

#### 4.4 Lake Ainsworth - South Eastern Precinct Upgrade Project

Once the western road is completed, the southern access making the connection to Camp Drewe Road will also no longer be required. With the termination of that connection, staff would still recommend the retention of the southern access for parking, however it is understood this may not represent the majority position of Council.

If the parking area is retained, drainage and other works could be implemented to improve the function of this area and better support the environmental protection of the Lake. For the purposes of this report, the previous estimate for southern foreshore works has been retained in the project budget notwithstanding the addition of the western road.

However it also needs to be acknowledged that the western road may not proceed for a variety of reasons and if this is the case then it is assumed the Council will still wish to place the road through the caravan park. In this event, the contribution from North Coast Holiday Park Trust would not be available.

##### Western Road

The additional length of the Western Road adds to the cost of the project. The preliminary estimate for these additional costs is \$510,000 above the \$257,000 cost to seal a link between Camp Drewe Road and Ross Street. Our letter to NSW Crown Lands included a request for the additional costs to be met by the Crown on the basis that this decision supports the preference of the Holiday Park Trust.

It is also noted a separate project is listed within the program to seal Camp Drewe Road and this is not included in the costs for the western road.

##### **Legal / Resource / Financial Implications**

Therefore, based on the information above, the table from the previous report has been adjusted to the following.

<b>Description</b>	<b>Amount (\$)</b>
<b>Construction</b>	
Lake Ainsworth Southern Foreshore (Road works /Drainage/Car Parking/Landscaping)	896,000
Ross Street Road Works	286,000
Camp Drewe (unsealed section to Sport and Rec)	714,000
Pacific Parade	50,000
Eastern Road (Stage 1 – Road closure with Offset Car parking)	587,000
Eastern Road (Stage 2 – Option 3)	350,000
Western Road	767,000
<b>Design/Development</b>	
Lake Ainsworth Precinct - Stage 2 (DA/Approvals)	50,000
New Surf Club Development - Stage 2 (DA/Approvals)	100,000
<b>Miscellaneous</b>	
Disabled access, BBQ's Picnic Shelters	97,000
<b>Total</b>	<b>3,897,000</b>
<b>Available Council Budget</b> (no contribution from Holiday Park Trust)	<b>1,436,000</b>
<b>Deficit</b>	<b>2,461,000</b>

The options section of this report discusses the recommended works program from this list of works.

### Consultation

No consultation has been undertaken in preparing this report. Previous reports provided information regarding the public exhibition and other consultation undertaken during the development of this project.

### Options

The attachment to this report provides the basic concept design and cost estimates.

In looking at a preferred program of works the construction of the parking to replace the capacity no longer available after the closure of the eastern road is recommended to be the first project to be completed as this will facilitate the orderly roll out of the plan. It is impractical to close the eastern road until at least the replacement car parking is provided to avoid increased traffic concerns.

Based on this priority the following table is suggested as the preferred option for Council in respect of allocating the funds currently available. The works deferred under this option are the works proposed for the southern foreshore area, disabled facilities and picnic shelters, the sealing of Camp Drewe Road and the western road (\$2.461m in total).

Description	Amount (\$)
<b>Construction</b>	
Ross Street Road Works – Formalise Parking and Road Capacity	286,000
Pacific Parade	50,000
Eastern Road (Stage 1 – Road closure with Offset Car parking)	587,000
Eastern Road (Stage 2 – Option 3)	350,000
<b>Sub Total</b>	<b>1,273,000</b>
<b>Design/Development</b>	
Lake Ainsworth Precinct - Stage 2 (DA/Approvals)	50,000
New Surf Club Development - Stage 2 (DA/Approvals)	100,000
<b>Total</b>	<b>1,423,000</b>
<b>Available Council Budget</b>	<b>1,436,000</b>
<b>Balance</b>	<b>13,000</b>

There is simply insufficient funding for the southern foreshore works and works related to Camp Drewe Road at this point in time.

**RECOMMENDATIONS**

1. That Council adopts the following table as its preferred program of works for the funds currently available for the Lake Ainsworth Improvement Project.

Description	Amount (\$)
<b>Construction</b>	
Ross Street Road Works – Formalise Parking and Road Capacity	286,000
Pacific Parade	50,000
Eastern Road (Stage 1 – Road closure with Offset Car parking)	587,000
Eastern Road (Stage 2 – Option 3)	350,000
<b>Sub Total</b>	<b>1,273,000</b>
<b>Design/Development</b>	
Lake Ainsworth Precinct - Stage 2 (DA/Approvals)	50,000
New Surf Club Development - Stage 2 (DA/Approvals)	100,000
<b>Total</b>	<b>1,423,000</b>
<b>Available Council Budget</b>	<b>1,436,000</b>
<b>Balance (small contingency)</b>	<b>13,000</b>

2. That Council endorses the project required to be completed first under this program is stage one of the eastern road closure.

**Attachment(s)**

1. Lake Ainsworth Background Information

Southern Foreshore & Proposed Car Parking mark-up.

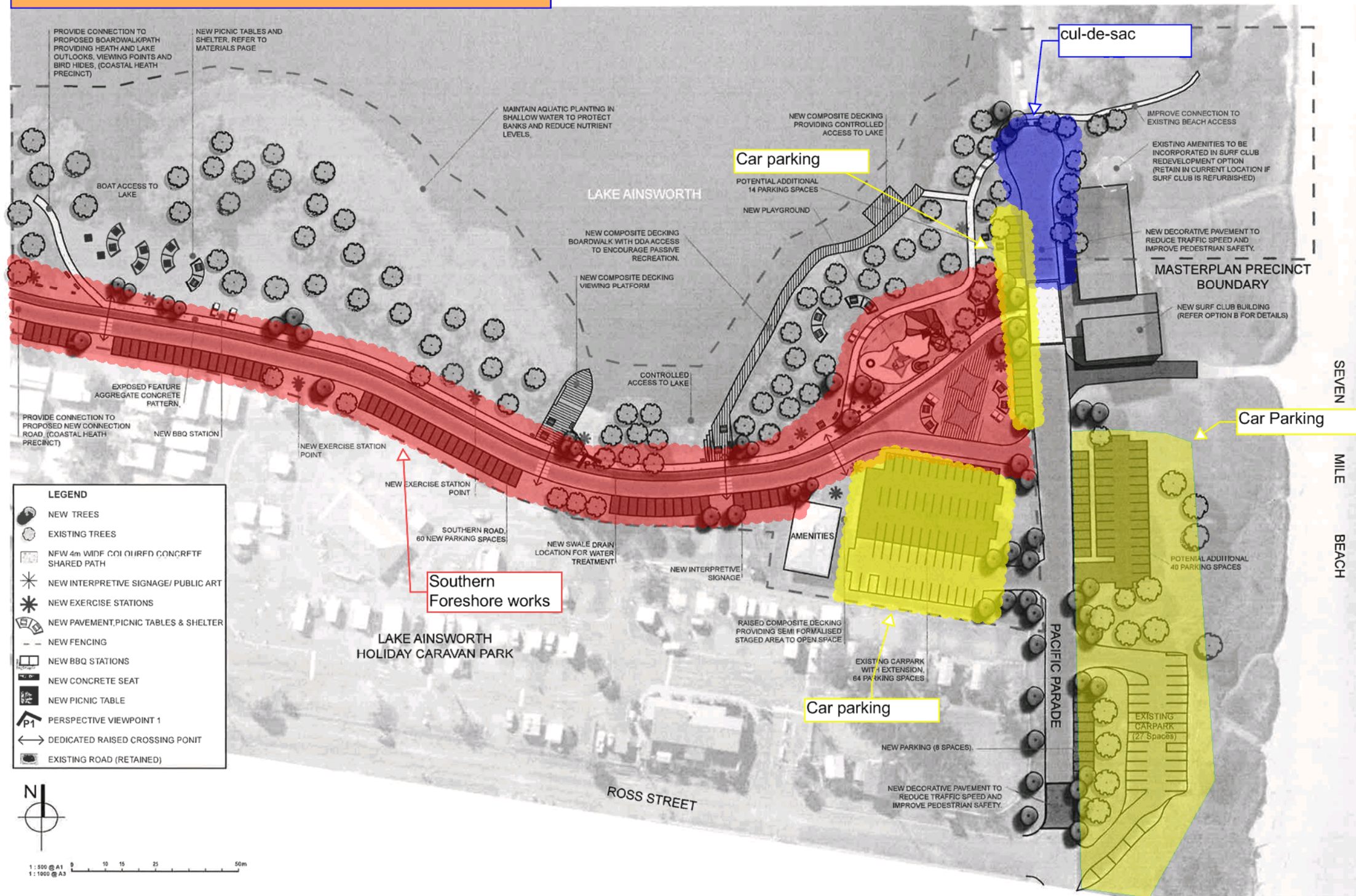


Figure 07 Precinct Plan



4.4 Lake Ainsworth - South Eastern Precinct Upgrade Project

Lake Ainsworth Southern Foreshore (Road/Drainage/Car Parking/Landscaping)	Units	Quantity	Rate	Amount
Demolition - Modification to existing end of road to allow for staging	PC			\$ 25,000
Road rehabilitation & realignment to eastern end (Length 290m)	m2	2030	\$ 125	\$ 253,750
Car Parking (pervious paving, 60- 70 car spaces)	m2	1300	\$ 195	\$ 253,500
Drainage Swale	m2	600	\$ 50	\$ 30,000
Shared Path (2.5m 100mm thick)	m2	1420	\$ 150	\$ 213,000
Demolish existing landscape and revegetate new trees & shrubs	PC			\$ 40,000
Contingency		1	10%	\$ 81,525
				<b>\$ 896,775</b>
<b>Road Works</b>				
<b>Ross Street - refer attachment 2</b>				
Pavement/drainage (240m)	m2	1680	\$ 125	\$ 210,000
Carparking spaces - 24	m2	330	\$ 150	\$ 49,500
Contingency		1	10%	\$ 25,950
				<b>\$ 285,450</b>
<b>Camp Drewe Rd (Ross St to Unsealed section) refer attachment 2</b>				
(includes AC wearing surface - approx 200m)	m2	1400	\$ 130	\$ 182,000
Contingency		1	10%	\$ 75,290
				<b>\$ 257,290</b>
<b>Camp Drewe Rd (Unsealed section to Sport &amp; Rec entrance) Refer attachment 2</b>				
(wearing surface - 2 coat seal - approx 1200m)	m2	8400	\$ 85	<b>\$ 714,000</b>
<b>Pacific Parade</b>				
Raised transition - Surf Club	m2	220	\$ 150	\$ 33,000
Raised transition - south end of Pacific Parade	m2	109	\$ 150	\$ 16,350
				<b>\$ 49,350</b>
<b>Eastern Road - Stage 1 Road closure related works (refer attachment 1)</b>				
Cul-de-sac	PC			\$ 185,000
Signage	Unit	10	\$ 250	\$ 2,500
<b>Car Parking - various</b>				
Pacific Parade - west (40 new parking spaces)	m2	1375	\$ 150	\$ 206,250
Pacific Parade - west (14 parking spaces)	m2	252	\$ 150	\$ 37,800
Pacific Paade - south east of exg surf club (21 parking spaces)	m2	500	\$ 150	\$ 75,000
Pacific Paade - east (8 parking spaces)	m2	144	\$ 150	\$ 21,600
Pacific Paade - east (13 parking spaces)	m2	267	\$ 150	\$ 40,000
* (includes 5% contingency for car parking)				<b>\$ 587,183</b>
<b>Eastern Road - Stage 2 Road closure related works</b>				
<b>Option 1 - Retain (narrow) existing road surface - emergency access</b>	m2	8	\$ 1,000	\$ 8,000
Millout edges of bitumen and car parking areas. Revegetate /plant	PC	1	\$ 70,000	\$ 70,000
			sub	<b>\$ 78,000</b>
<b>Option 2 - Concrete Shared Path - 2.5m wide</b>	m2	750	\$ 150	\$ 112,500
Mill existing bitumen, revegetate and turf	PC	1	\$ 170,000	\$ 170,000
Swale - Water sensitive drainage initiatives	m2	600	\$ 50	\$ 30,000
			sub	<b>\$ 312,500</b>
<b>Option 3 - Pervious Pavers - 2.5m wide</b>	m2	750	\$ 200	\$ 150,000
Mill existing bitumen, revegetate and turf	PC	1	\$ 170,000	\$ 170,000
Swale - Water sensitive drainage initiatives	m2	600	\$ 50	\$ 30,000
			sub	<b>\$ 350,000</b>
<b>Miscellaneous</b>				
Disabled access Ramps	Item	1	\$ 10,000	\$ 10,000
BBQ's	Unit	4	\$ 9,000	\$ 36,000
Picnic shelters	Unit	6	\$ 8,500	\$ 51,000
			sub	<b>\$ 97,000</b>
<b>Option 1 - Total</b>				<b>\$ 175,000</b>
<b>Option 2 - Total</b>				<b>\$ 409,500</b>
<b>Option 3 - Total</b>				<b>\$ 447,000</b>
New connections to beach	m	92	\$ 100	\$ 9,200
Place overhead power with underground servcice (Defer to new surf club build)				TBC

Lake Ainsworth Precinct Various options with Consolidated Costs	Construction Costs	Approvals/Designs Lake A precinct	Approvals/DA for Surf Club	Maintenance cost to BSC	Total	Available budget	Balance
Road thru caravan park, Camp Drewe Rd sealed, eastern rd closed with option 1 <sup>3</sup>	\$ 2,965,048	\$ 50,000	\$ 100,000		\$3,115,048	\$ 1,450,000	\$ 1,665,048
Road thru caravan park, Camp Drewe Rd sealed, eastern rd closed with option 2 <sup>3</sup>	\$ 3,199,548	\$ 50,000	\$ 100,000		\$3,349,548	\$ 1,450,000	\$ 1,899,548
Road thru caravan park, Camp Drewe Rd sealed, eastern rd closed with option 3 <sup>3</sup>	\$ 3,237,048	\$ 50,000	\$ 100,000		\$3,387,048	\$ 1,450,000	\$ 1,937,048
Excluding road thru caravan park, Camp Drewe Rd sealed, eastern rd closed with option 1	\$ 2,422,308	\$ 30,000	\$ 100,000		\$2,552,308	\$ 1,450,000	\$ 1,102,308
Excluding road thru caravan park, Camp Drewe Rd sealed, eastern rd closed with option 2	\$ 2,656,808	\$ 30,000	\$ 100,000		\$2,786,808	\$ 1,450,000	\$ 1,336,808
Excluding road thru caravan park, Camp Drewe Rd sealed, eastern rd closed with option 3	\$ 2,694,308	\$ 30,000	\$ 100,000		\$2,824,308	\$ 1,450,000	\$ 1,374,308
Road thru caravan park, Camp Drewe Rd unsealed, eastern rd closed with option 1 <sup>3</sup>	\$ 2,251,048	\$ 45,000	\$ 100,000	\$ 75,000	\$2,471,048	\$ 1,450,000	\$ 1,021,048
Road thru caravan park, Camp Drewe Rd unsealed, eastern rd closed with option 2 <sup>3</sup>	\$ 2,485,548	\$ 45,000	\$ 100,000	\$ 75,000	\$2,705,548	\$ 1,450,000	\$ 1,255,548
Road thru caravan park, Camp Drewe Rd unsealed, eastern rd closed with option 3 <sup>3</sup>	\$ 2,523,048	\$ 45,000	\$ 100,000	\$ 75,000	\$2,743,048	\$ 1,450,000	\$ 1,293,048
Excluding road thru caravan park, Camp Drewe Rd unsealed, eastern rd closed with option 1	\$ 1,708,308	\$ 25,000	\$ 100,000	\$ 75,000	\$1,908,308	\$ 1,450,000	\$ 458,308
Excluding road thru caravan park, Camp Drewe Rd unsealed, eastern rd closed with option 2	\$ 1,942,808	\$ 25,000	\$ 100,000	\$ 75,000	\$2,142,808	\$ 1,450,000	\$ 692,808
Excluding road thru caravan park, Camp Drewe Rd unsealed, eastern rd closed with option 3	\$ 1,980,308	\$ 25,000	\$ 100,000	\$ 75,000	\$2,180,308	\$ 1,450,000	\$ 730,308

<sup>1</sup> Recurrent yearly maintenance cost (with additional vehicular traffic), indicatively only at this stage \$50,000 - 75,000 pa

<sup>2</sup> Available funds include current \$1.3 m + recent Crown land grant of \$150k

<sup>3</sup> Any costs associated with the removal/adjustment of infrastructure situated within the Caravan Park (public road reserve) has not been included

## **4.5 Fees and Charges - 2015/16**

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### **4.5 Fees and Charges - 2015/16**

**Delivery Program** Financial Management

**Objective** To obtain Council approval to exhibit the draft 2015/16 fees and charges for public comment.

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#### **Background**

A key element of Council's operations is the establishment of fees and charges for the provision of works and services. The Ordinary Rates, Waste, Water and Wastewater charges are the primary income sources for Council and this report deals with the myriad of other fees and charges either required or allowed to be raised for Council services.

A listing of all these fees and charges is compiled annually and advertised for public comment as part of the draft Operational Plan. A copy of that draft document, for 2015/16, is included as an attachment to this report.

The Local Government Act and National Competition Policy also require councils to establish pricing categories to allocate against each fee and charge, with the category identifying the nature or level of cost recovery for the fee.

The Council's adopted categories are as follows, with these categories fairly standard for nearly all councils:

- Business/Commercial - Fee set in accordance with the marketplace with the fee aiming to generate a return for Council
- Full Cost Recovery - Fees set to recover the full cost of the service
- Partial Cost Recovery - Fees set at what Council considers is a reasonable cost for the user to bear. The balance of the cost of providing that service is then funded from general revenue
- Rate of return - The price is established to make a contribution towards the cost of providing the infrastructure (typically related to developer contributions)
- Fixed by Legislation - Fees set by legislation

The fees and charges document, as attached, is divided into four groups of function areas that represent the Council's organisation structure.

#### **Key Issues**

- Variations in fees
- New fees
- Opportunities to recover the cost of Council services
- Affordability
- Reasonableness

### Information

The 2015/16 year will be the second year in which fees and charges have been prepared using a new software system called 'Pulse'. The Pulse system requires each manager to take direct responsibility for assessing and entering their fees and charges.

The process takes the section manager through steps to review the fee description, pricing category, fee justification and final fee value. The Pulse system enforces a fee by fee approach (as opposed to making a directive to do a cost of living adjustment for the page), encourages justifications to be completed, assists with calculations and finally the recording of information.

There has been a focus on both the pricing category and the fee justification. This approach is ensuring that fees are reflective of the promoted nature of the fee (cost recovery, partial recovery etc) and that the fee level is appropriate in the context of both the price category and what is fair and reasonable. The fees document is extensive and the information provided relates only to new fees or where there are major changes proposed.

### Community Facilities

#### *Revised fees: Pool Fees*

Pool fees have been increased by varying amounts with some percentage rises being quite significant. These changes are identified on pages 45/46 of the fees and charges document attached.

The 2014/15 financial year was the first in which pool management was overseen by the Strategic and Community Facilities Group within Council. In preparation for setting the fees for that year consultation was undertaken with both the Ballina and Alstonville Pool contractors, as well as the previous manager of the pools at Council.

All fees were reviewed objectively as they had primarily risen by only CPI in the past and not in relation to increasing operational costs or benchmarked against other pool complexes. The methodology adopted at that time was to 'round out' the fees (both up and down) to create more simplified and customer friendly fee amounts, that would be more manageable at the point of sale, and then leave the fees unchanged until the pools were redeveloped. Given that redevelopment time frames remain uncertain, and operational costs continue to rise significantly, it has been decided to adjust fees now as opposed to waiting for the redevelopment.

Increases have been made, and rounded for point of sale management, with respect to the knowledge that many of our fees have scarcely changed in the last few years; benchmarking against other complexes knowing that our fees are still lower than most public swimming pools; the exceptional value for money of our season ticket prices; and consideration of the need to increase revenue to counter rising expenditure.

Council needs to be mindful of these changes as, if adopted, they may result in significant negative feedback considering that no redevelopment works have yet been implemented at the pools.

## 4.5 Fees and Charges - 2015/16

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### *Revised fees; Community Spaces*

Generally the fees to hire community spaces have been left at the same prices as 2014/15.

Every year since our community facilities operations became centrally administered each and every room, within each and every venue, has been reviewed to consider opportunities for increasing revenue with respect to reducing the operating deficits that these facilities generate.

In the first few years fees were increased annually however, being community facilities, the cost of hire for these facilities has found its market level, and in some instances fees were reduced last financial year.

Community groups are unable to pay more than the fees currently prescribed and to increase further would potentially lose many of our long-term regular customers, resulting in a net loss to revenue. Hence community fees continue to reflect partial cost recovery.

Where considered viable, commercial fees have increased to cover the true cost of business for room. Opportunities for value-adding services to bookings to increase revenue continue to be investigated by staff and implemented where possible.

Furthermore, strategic approaches to business planning, such as the project to improve infrastructure in the Lennox Community Centre Auditorium, aims to increase the overall revenue in our community facilities through more innovative means, whilst continuing to provide the core function of meeting rooms and spaces for community use.

### *New fees proposed: Lennox Head Cultural and Community Centre Community Events Improvements Project*

Council's Community Spaces operations were recently awarded a NSW Club Grant to the value of \$200,000 for the purpose of improving events infrastructure in the Lennox Community Centre Auditorium. It is anticipated that this project will be completed in the next three to six months.

As part of this project additional fees and charges, relating to the hire and use of this event infrastructure, will be reported to Council for endorsement.

The new fees will provide additional revenue to supplement the levelling of income being experienced holistically across the community facilities portfolio as room hire sales transfer from the Lennox Community Centre to the newer Ballina Surf Club and Club Lennox (Lennox Head Bowlo) and venues that are already at capacity (Kentwell Community Centre and The Richmond Room) lose their ability to continue increasing income.

### *Revised fees; Northern Rivers Community Gallery*

Gallery fees have been left at the same level as the 2014/15 year.

In preparation for the 2014/15 fees and charges, all gallery spaces and associated hire charges were reviewed and benchmarked against comparable community facilities of its kind.

## 4.5 Fees and Charges - 2015/16

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The review found that the existing fees were undervalued and there was significant room to increase fees.

New prices were endorsed in 2014/15 and implemented however, as the scheduling of programs takes place up to 18 months prior to exhibition, there has not yet been sufficient time to apply and assess those fees.

Subsequently, no increase has been sought this financial year.

### Planning Fees

#### *Revised fees; Planning proposals*

Staff have undertaken a review of the fee structure associated with LEP and DCP amendments based on recent experience in initiating, processing and completing this type of work.

The review also considered the fee structures of other councils in these fields.

The revised fee structure (shown below) aims to simplify the fees and better reflect the cost of undertaking the work. The structure includes provision for both minor proposals and larger scale amendments.

Fee Description	2014/15 (\$)	2015/16 (\$)
Planning proposals and LEP amendments		
Minor amendment - 50% of fee refundable pre-gateway if not supported by Council.		6,000
Commencement Fee – Stage 1 No refund provision once considered by Council.	2,700	3,500
Planning proposal preparation – Stage 2 No refund once planning proposal prepared.	2,700	5,800
Post Gateway Finalisation fees		
Minor amendment – single site or issue	At cost	6,000
Major Amendment- Major amendment for multiple sites.	At cost	12,000 plus costs
Request to amend DCP	2,700	3,500

### Airport Fees

*New fee; Airside Driver Licence* \$40

*New fee; Vehicle Permit* \$50

These are new fees authorising the use of airside areas at the airport. It is intended to restrict any unauthorised persons or vehicles from driving on the airside area of the airport. Operational guidelines will be provided as part of the authorisation process.

*New fee; Car Park Equipment Damage (minimum charge)* \$240

This charge is intended for use with the new car park management system (i.e. boom gates, ticket dispenser, pay machines) and will be used to cover any damage to the car parking equipment i.e. damaged boom gates.

## 4.5 Fees and Charges - 2015/16

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*New fee; Special Event Zone Application (SEZ) Price on application*

The SEZ application is a requirement of the Office of Transport Security for any work on 'airside' that will have a temporary perimeter fence and temporary access by construction workers. The application is time consuming and extensive and requires significant staff time to arrange and manage.

Our intention is to recover any costs associated with the development and management of the SEZ. The SEZ was used for the Fire Station, the new Non Direction Beacon, the new transformer, the RPT Apron Extension, the Runway Overlay and the new freight shed.

### **Building Fees**

*Revised fee; Construction Cert (commercial) \$216 to \$400*

Staff considered the costs to perform the service and reviewed prices levied by other councils and it was considered that a significant price increase was warranted.

### **Water and WasteWater Connection Fees**

New and amended fees are proposed in respect to drinking water and recycled water connections.

In some instances staff dig down to the main to connect the meter. This task tends to be time consuming and therefore costly. In most instances Council staff dig down to the valve to connect the meter, which is the case for connections in all new subdivisions. The connection to a valve, situated closer to the surface, is a relatively quick and efficient task.

It is proposed to split the fees between connections to the meter and connections to the valve as per the following table.

<b>Fee Description</b>	<b>2014/15 (\$)</b>	<b>2015/16 (\$)</b>
Drinking water connection 20 mm dig to main	940	1,081
Recycled water connection 20mm dig to main	940	1,081
Both drinking and recycled water connection at same property at same time	940	1081
Drinking water connection 20 mm dig to valve	940	940
Recycled water connection 20mm dig to valve	940	940
Both drinking and recycled water connection at same property at same time	940	940

The fee to dig to the main is considered to reflect only partial recovery of costs. It is proposed to elevate this fee to approximately \$1,500 over the next few years.

The fee to dig to the valve is more than covering costs at this time so it is proposed to leave this fee at the same amount for a few years.

The fee structure provides for the same fee to connect both drinking and recycled water when they are for the same property at the same time.

## 4.5 Fees and Charges - 2015/16

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This arises from the Dual Water Supply Plumbing Policy which says that the recycled water connection fee shall be free of charge. It would be very rare that there would be a recycled water connection in dual reticulation areas that did not occur at the same time as the drinking water connection.

There may be instances where a property owner wishes recycled water to be connected to an existing dwelling, and Council may require a charge to be levied for that connection. Council's Water and Wastewater section is reviewing the cost/benefits of connecting existing housing in close proximity to existing recycled water infrastructure.

One possible recommendation from that review might be for Council to waive costs for recycled water connections. Until the review is complete, inclusion of the stand-alone recycled water connection in the fees and charges quantifies the extent of the cost and provides clarity to property owners.

### **Road Purchases**

*Revised fee; Road Closure/Purchase Application* *\$320 to \$450*

The crown land procedures to process an application have changed. Additional advertising fees are required amongst other processes. The fee has been increased to reflect actual costs incurred.

### **Administration**

*Revised fee; Colour copying charges A4* *\$2.65 to \$1.70*  
*A3* *\$5.30 to \$2.50*

These charges are very rarely used as there is little demand from customers. The intent has been to set the charges higher than commercial operators as Council does not want to compete in this market.

The philosophy has not changed however a benchmarking exercise indicated that the charges were excessive and therefore unfair on the odd occasion when a colour copy was essential. The reduced charges are understood to still exceed other service providers.

### **Compliance**

*Revised fee; Compliance levy* *0.3% to 1.0%*

The percentage based fee is multiplied by the estimated value of the development to calculate the fee. The fee partially recovers the cost of auditing development consents.

The fee was benchmarked against neighbouring council's and the fee increase aligns Ballina's fee with our neighbours.

*New fee; Compliance Investigation fee* *\$180*

Council is able to levy a charge for the initial investigation associated with development compliance. These tasks include file reviews, inspections, investigations and notice preparation associated with non-compliances.

## 4.5 Fees and Charges - 2015/16

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*Revised fee; Pre-Purchase Food inspection* *\$340 to \$540*

A fee comparison has been conducted of surrounding councils including Tweed, Lismore, Coffs Harbour and Hastings and our fee has been adjusted to be consistent.

A pre purchase inspection requires the audit of existing records, the inspection of the premises by an Environmental Health Officer and a written report prepared.

Advice is also received from various sections within Council in respect to planning consent and approval, trade waste requirements and commercial use of footpath approvals.

Given the time involved from across the sections of Council it is considered approximately three hours work per normal pre purchase inspection. Therefore 3hrs x \$180 per hour professional fee equals \$540.

*Revised fee; Swimming Pools inspection* *\$77 to \$140*  
*New fee ; Pool re-inspection* *\$140*

Under the recent changes to the NSW Public Health Act, councils are now able to charge a registration and an inspection fee for public pool inspections.

A fee comparison has been conducted of surrounding councils and the proposed fee has been adjusted to be consistent with charges at other Councils. The inspection involves on site chemical and physical parameters being testing and the taking of a microbiological sample that is sent to an NATA accredited laboratory for analysis.

The fee is a partial cost recovery for the inspection, testing and administration of the Public Swimming Pool Program.

A re inspection fee is now proposed to be charged because there are a number of pools that on occasions may not comply with the Regulations and a re-inspection and sampling is required.

It is proposed to charge the main Public Swimming Pools five months out of seven for an inspection and sampling for 2015/2016 and then review fees at next year's review period as to the compliance rate and inspection time taken.

*Revised fee: Animal surrender fee* *\$75 to \$100*

A fee comparison has been conducted of surrounding councils and our fee has been adjusted to be consistent. If the animal is euthanised Council is charged by the vet a standard fee of \$100 and at times can be charged \$170 if an animal has to be sedated first.

If a new home is found for an animal, then the surrender fee covers costs associated by Council such as microchipping if not already undertaken, food and water, exercising and cleaning and maintenance. Therefore the revised fee is still only partially recovering costs.

A Draft Veterinary Expressions of Interest is being prepared and costs will be further reviewed at the 2016/17 Fees and Charges.



## 4.5 Fees and Charges - 2015/16

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<i>Revised fee; Annual licence beauty salons</i>	<i>\$90 to \$140</i>
<i>Annual licence skin penetration</i>	<i>\$90 to \$180</i>

Consideration has been given to the requirements under the Public Health Act and the risk category given to hairdressers, beauty salons and skin penetrators.

Following a risk assessment of the subject categories it is considered appropriate to charge a fee that aligns with that risk rating. The risk rating category system is utilised by many councils and the fee that is proposed to be charged is at a similar rate.

The fee also relates to the inspection time and the administration work required to manage the Commercial Premises Programs.

<i>Revised fee; Vehicle Advertising</i>	<i>\$54 to \$165</i>
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The Vehicle Advertisement fee has been set at a similar rate to the Section 68 Approval Fee for such items as on site sewerage management and 'public stand'. It involves comment from various sections within Council and is considered reasonable for the assessment and approval of such advertising. The Vehicle Sign Policy is currently being reviewed and will be reported to Council by June 2015.

### **Footpath Dining**

One issue that has arisen with some community events is that the organisers are seeking waivers for the charging of footpath dining fees for operators who do not have licences. Council only has an annual fee for footpath dining and to assist community based events it is recommended that Council include an exemption for this fee for the duration of those events. This proposal is not included in the draft fees and charges document, however it is recommended for endorsement by Council.

### **Legal/Resource / Financial Implications**

There are financial and resource issues associated with all aspects of this report. Council needs to be satisfied that the proposed fees and charges meet the requirements of the organisation.

### **Consultation**

This report has been prepared following consultation with staff across Council's entire operations. Once approved the draft document will be exhibited for public comment as part of the 2015/16 Draft Delivery Program and Operational Plan.

### **Options**

Council may approve the contents of this report or resolve to add, delete or amend the proposed 2015/16 fees and charges.

#### **4.5 Fees and Charges - 2015/16**

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In reviewing the fees Council needs to be mindful that there are many services provided at a significant cash loss. The issue is whether or not Council wishes to substantially increase fees to lessen the impact of the recurrent deficit whilst also recognising that Council rates also assist in providing these services.

Finally, the Independent Panel review into Local Government in NSW highlighted the need for councils to increase fees to reflect the value of services. Council staff have been mindful of this in reviewing the fees for 2015/16 and ideally every effort should be made to reduce subsidies where possible.

#### **RECOMMENDATIONS**

1. That Council approves the exhibition of the draft schedule of fees and charges for 2015/16, as attached, including any amendments resulting from this meeting.
2. That Council also include in the draft schedule an exemption from footpath dining fees for businesses wishing to operate during community based events.

#### **Attachment(s)**

1. Draft Fees and Charges - 2015/16 (Under separate cover)

## 4.6 Requests for Information

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### 4.6 Requests for Information

**Delivery Program** Governance and Finance

**Objective** To review outstanding matters raised to date as part of the preparation of the Draft Delivery Program and Operational Plan.

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#### **Background**

At the March 2015 Finance Committee meeting a number of recommendations were endorsed seeking further information on specific items. This report now responds to those matters.

#### **Key Issues**

- Priorities, projects and funding

#### **Information**

The various recommendations from the March Finance Committee are listed as follows along with the staff comment.

1. *Cost of completing the sealing of Tweed Street, Ballina.*

This request for information was in response to representations from Mr George Young to the A Ward Committee meeting held 10 March 2015. Mr Young has also written to Council highlighting his concerns in regards to the road condition in Tweed Street and a copy of his correspondence is attachment one to this report.

Council's technical officers advise that the scope of works required to address these concerns are:

- The road will need reshaping and the placement of a layer of shale at a minimum depth of 150mm.
- Drainage works on the western side are required to allow the water from the road surface to be directed toward the river.
- The application of an asphaltic concrete wearing surface. An asphalt surface is recommended at this location due to the cul de sac shape will mean turning vehicles.

The cost to undertake the above works is estimated to be \$25,000. This amount can be reduced by \$3,500 if a bituminous spray seal is used in lieu of asphaltic concrete.

The March Finance committee considered a recommended list of road reconstruction projects for 2015/16. These are reproduced as follows.

## 4.6 Requests for Information

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<b>Road Reconstruction</b>	<b>Amount (\$)</b>
Angels Beach Drive (Regional Road Program)	171,000
Angels Beach Drive (Roads to Recovery)	174,000
Uralba Road	300,000
Pimlico Road	297,000
Midgen Flat Road	205,000
Grant Street	360,000
Fox Street	281,000
Marom Creek Road	270,000
Houglahans Creek Road	357,000
Marsh Avenue	185,000
Cawarra Street	286,000
Wardell Road	228,000
Teven Road	220,000

The scale of these projects does not allow a direct substitute to be suggested. These projects are derived from Council's road rehabilitation program, meaning they are asset renewals.

As previously reported to Council in a number of financial reports and information in response to the NSW Government's Fit for the Future program, reducing the amount of the infrastructure backlog through asset renewal is considered essential for improving the long term financial sustainability of councils.

The previous report to the Finance Committee also provided a list of nine footpath and shared path projects for a program with a total budget allocation of \$308,000. This list is reproduced in item two of this report. These projects are generally of a similar scale to the cost estimate for this request.

The priority for the footpath projects are derived from Council's Pedestrian Access and Mobility Plan (PAMP). This program has been successful in improving the safety and amenity of residents.

To accommodate the funds required for the Boating Now program, the recommendation to the last Committee, which was supported by Council, was to reduce the footpath program by \$100,000 over the next three years. In light of this reduction, some projects were deferred outside of the four year period. Having regard to the objectives of the PAMP and the reduced funding to this program, it is not recommended that Council make a further reduction to the footpath program.

The other alternative option is to use road maintenance funds for this project. While the budget for road maintenance is a significant allocation, increasing expenses, increasing demands for service, weather conditions and so forth make this budget a challenging one for Council to manage annually. It is also noted that for 2015/16 Council has not been able to increase this funding allocation by the preferred inflation amount.

## 4.6 Requests for Information

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For these reasons, this option is also not preferred. However, it is suggested to Council that the above works do have merit and therefore the recommendation to this report suggests this be the preferred funding source if during the course of the year staff are able to identify program savings.

2. *Funding options to finalise the Sneaths Road, Wollongbar footpath from the footpath capital works program.*

The projects listed for 2015/16 funding are:

<b>Footpath Construction</b>	<b>Amount (\$)</b>
Ballina Street, Lennox Head	60,000
Robertson Street, Alstonville	15,000
Kingsford Smith Drive, Ballina	70,000
Byron Street, Lennox Head	20,000
Grant Street, Ballina	15,000
Simpson Avenue, Wollongbar	70,000
Fox St, Ballina	10,000
Park Lane, Lennox Head	12,000
Tamarind Drive, North Ballina	36,000

Staff have estimated the cost to complete the Sneaths Road project to be \$150,000.

This estimate is considered a preliminary estimate only and includes the following due to concerns in regards to the width of the available road reserve.

<b>Item</b>	<b>Amount (\$)</b>
530m x 2m (including Telstra pit adjustments)	105,000
Median to separate path from travel lane	33,000
Handrail	12,000
<b>Total</b>	<b>150,000</b>

The priority ranking for projects for the Footpaths program is informed by the PAMP.

To do this the PAMP included a qualitative assessment process which provides a score for each project.

The Sneaths Road project was not included in the PAMP, presumably because Plateau Drive was not constructed until after the last update of the PAMP.

Therefore staff have completed the qualitative assessment and based on the outcome score, the Sneaths Road Project would be ranked for funding in 2016/17.

The funding for 2016/17 is expected to be \$324,000 with eleven projects identified to be completed for these funds. This means the Sneaths Road project would consume approximately half of the available funds for that budget year, meaning several projects would need to be deferred.

## 4.6 Requests for Information

In light of this it is recommended that Sneaths Road be build and funded over the changeover of the financial years for 2016/17 and 2017/18.

This adjustment, if accepted by the Council, means the program would be as follows.

	15/16	16/17	17/18	18/19
<b>Footpaths and Shared Paths Totals</b>	<b>308,000</b>	<b>324,000</b>	<b>341,000</b>	<b>459,000</b>
Ballina Street, Lennox Head	60,000			
Robertson Street, Alstonville	15,000			
Kingsford Smith Drive, Ballina	70,000			
Byron Street, Lennox Head	20,000			
Grant Street, Ballina	15,000			
Simpson Avenue, Wollongbar	70,000			
Fox Street, Ballina	10,000			
Park Lane, Lennox Head	12,000			
Tamarind Drive, North Ballina	36,000	20,000		
Quays Drive, West Ballina	8,000			
Allens Parade, Lennox Head		55,000		
River Street, Ballina		18,000		
Martin Street, Ballina		23,000		
Horizon Drive, West Ballina		12,000		
Simpson Avenue, Wollongbar		10,000		
Fox Street, Ballina		10,000		
Compton Drive, East Ballina		80,000		
Ross Street, Lennox Head		26,000	23,000	
Sneaths Road, Alstonville		70,000	80,000	
Pine Avenue, East Ballina			40,000	
Chickiba Drive, East Ballina			22,000	
Burnet Street Ballina (Moon-Kerr) (Kerr-Temple)			147,000	
Alston Avenue, Alstonville			29,000	
Hill Street, East Ballina				12,000
Smith Lane, Wollongbar				35,000
Chickiba Drive, East Ballina				98,000
Manly Street, East Ballina				25,000
Beachfront Parade, East Ballina				77,000
Hill Street, East Ballina				30,000
Freeborn Place, Alstonville				15,000
Parkland Drive, Alstonville				15,000
Owen Street, Ballina				130,000

This results in the following projects being deferred one year compared to the current program.

- Sneaths Road, Alstonville
- Pine Avenue, East Ballina
- Chickiba Drive, East Ballina

It also results in the following projects being deleted from the four year program.

- Skinner Street, Ballina - \$80,000
- Cawarra Street, Ballina - \$40,000
- Greenfield Road, Lennox Head - \$47,000

The change to the original program due to the Regional Boating Plan also required the following two projects being deleted from the four year program.

- Commemoration Park, Ballina - 160,000
- Angels Beach Drive, East Ballina - 133,000

## 4.6 Requests for Information

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The recommendation to this report follows the assessment outcome as determined by the process within the PAMP.

3. *That the footpath construction program be revised to include Quays Drive, West Ballina (\$8,000) in 2015/16.*

The footpath program for 2015/16 is listed above in item two.

To accommodate this request, the recommendation to this report makes the following adjustment to the items below:

Ballina Street, Lennox Head	\$58,000 - reduce by \$2,000
Kingsford Smith Drive, Ballina	\$68,000 - reduce by \$2,000
Simpson Avenue, Wollongbar	\$68,000 - reduce by \$2,000
Tamarind Drive, North Ballina	\$34,000 - reduce by \$2,000

The Tamarind Drive project is allocated a further \$20,000 in 2016/17.

4. *That Council receive a report to the April Finance Committee meeting on options to fund the Lennox Head Main Street Upgrade Project in 2015/16.*

The information presented to the last Committee meeting is reproduced below.

*There has been a push from the Lennox Head Residents Association for Council to review the Lennox Head Town Centre Master Plan and Council's adopted Delivery Program for 2014/15 had this as a priority for 2016/17.*

*The Civil Services Group advise that ideally around \$30,000 would be allocated to review the plan, however there is reluctance to expend these monies if there is not a commitment to then undertake the works as community opinion and design ideas can change over time. Alternatively adopted plans can focus fund raising and grant applications.*

As funds are not allocated for these works until towards the end of the Long Term Financial Plan, the recommendation to the previous report sought Council's determination as to how they wish to manage this project.

The first program reviewed to provide a possible source of funds is the capital work funded on a non-recurrent basis. As per attachment two to this report, the projects proposed for funding are the Coast Guard Tower, Coastal Recreational Path East Stage Two, Regional Sports Centre and the Regional Boating Plan projects. Having regard to funding sources and the current status of each of these projects, none of these priority programs would appear to be a candidate for deferral or budget reduction.

It is noted that elsewhere in this report the relative priority for the Brunswick Street Boat Ramp improvements under the Regional Boating Plan is discussed, with the potential to save Council \$75,000 if the Council elected not to proceed with this project in the foreseeable future. However, this project is not expected to be delivered until the 2016/17 financial year.

## 4.6 Requests for Information

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Therefore the next option to look at is the projects proposed under the recurrent capital works program. The full list of these projects was reported to the last committee meeting. The key program areas in the recurrent capital works program are;

- Stormwater
- Street lighting
- Roads and Bridges
- Playgrounds
- Public Amenities
- Community Buildings

The stormwater program was discussed at the last Council meeting in response to a Notice of Motion regarding Alstonville Creek. The outcome of this debate was to defer the asset data collection program to enable all the other proposed capital works to proceed with the addition of the Alstonville Creek project. The capital work projects are considered essential asset renewal works and therefore it is preferred that they retain a higher priority than the Town Centre master plan project.

The street lighting program has two projects for 2015/16 being College Avenue Skennars Head (\$20,000) and River Street West Ballina (\$25,000). It is an option to defer these projects, however it is noted that the street lighting program was adopted by Council in response to the many requests received to improve street lighting in the Shire.

While the program has been running for a number of years, the project list remains extensive due to the relatively small amount of money allocated annually compared to the total costs of prioritised works that are in the plan. In part, the justification for these works is to assist Council when required to defend public liability claims.

The comment in item one above regarding the roads and bridges program is also relevant here. As such this program does not appear to offer a reasonable or preferred substitute from the perspective of staff. While this is the case, discussed later in this information is a suggestion which reduces, by a small amount, a range of projects, including some road projects.

Information regarding the footpath program is discussed above in items one, two and three. At item one, it was noted that funds have been reallocated from this program area to support the Regional Boating Plan program.

This means the planned program already now involves deferral of certain projects. However the current program, listed above in item two, includes projects in Byron Street, Lennox Head (\$20,000) and Park Lane, Lennox Head (\$12,000). The Byron Street project is to construct a retaining wall that will allow us to remove the jersey kerb that has been installed at this location for some time. This will allow the full width of the path to be used and improve the visual amenity of the area. Therefore it is preferred for these works to proceed at this point in time.



## 4.6 Requests for Information

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For Park Lane, the development of the PAMP identified the need for a pedestrian crossing in Park Lane. A Masterplan for the Town Centre should look at pedestrian connectivity and therefore deferring the works to enable the masterplan to look at this issue further could be beneficial. The works are not considered urgent and therefore deferral is a reasonable option.

The playground program was the subject of a Councillor workshop last year which highlighted the need to renew as many of these assets as we can due to issues associated with the playgrounds being at the end of their economic life and they are no longer compliant with contemporary safety standards. For these reasons, this program is not considered a source of substitute funding for a major proportion of the required funds.

The public amenities program was created by Council last year in response to the need to improve the presentation of our public facilities. The program has \$75,000 allocated to it for 2015/16 and therefore reducing this allocation by \$30,000 will have a significant impact.

If the Council concurs with the assessment above, the option that would have least impact would be to defer the Park Lane footpath project (\$12,000) and the College Avenue street lighting project (\$20,000).

As an alternative to deferring the street lighting project, the Council could consider minor deductions to a range of projects. If this is preferred, reducing the following nine allocations by \$2,000 each for the following projects is suggested.

Combined with the \$12,000 from the Park Lane project, the \$30,000 would be available for the Masterplan.

Grant Street Stormwater	\$100,000
Martin Street Stormwater	\$80,000
Fox Street Road Reconstruction	\$281,000
Marom Creek Road Reconstruction	\$270,000
Houghlans Creek Road Reconstruction	\$357,000
Marsh Avenue Reconstruction	\$185,000
Cawarra Street Road Reconstruction	\$286,000
Lennox Head Main Beach Toilets	\$55,000
Playgrounds	\$156,000

As discussed in the previous report, staff have concerns that completing the Master Plan work too far in advance of capital funds being available can result in significant rework costs and the need to reengage with the community.

There are also risks the community engagement for a planning project completed now will be reduced if the community understands that actual capital works delivery is not expected in the short term. However, the alternative position of commencing preparations early as advocated by the Lennox Head Residents Association is also reasonable.

## 4.6 Requests for Information

Therefore, the recommendation to this report follows the recommendation to the previous report which is for Council to determine its position in this matter. If the Council is inclined to fund the project now, the options discussed above are able to be incorporated into a resolution.

5. *That Council receive a report to the April Finance Committee meeting on the merits of the Brunswick Street boat ramp.*

Council has been successful during the past decade in gaining regular RMS "Better Boating Program" (BBP) grants for staged upgrades for boat moorings and boatramp facilities. These projects have included the Fawcett Park wharf and pontoons, Wardell jetty and pontoon, Fishery Creek pontoons and carparking, and Emigrant Creek boatramp, pontoon and carparking, East Wardell boatramp and carparking, Cawarra Park carparking and Richmond River Sailing Club carparking.

Our applications to this program have been supported by planning strategies such as the Ballina CBD Masterplan (Fawcett Park) and Wardell Streetscape Masterplan (Wardell jetty and pontoon) and the Lower Richmond River Recreational Boating Study (LRRRBS).

The LRRRBS has been the lead document in presenting Council's case for a prioritised approach to upgrading existing and informal boatramp facilities. The LRRRBS presented a list of existing boatramps (some informal) with a description of opportunities for upgrading.

These are presented as a summary in the following table. The table shows the status of the boatramp projects, and how upgrades of these existing facilities have been progressed through the prioritised assessment process of the LRRRBS.

Site	LRRRBS summary	Status
Cawarra Park	Small boat use, shallow. Not suitable for development.	Existing gravel carpark sealed (BBP grant)
Richmond River Sailing Club	Limited use due to sand and tide, can improve parking.	Parking improved (BBP grant)
South Ballina (RRCC drain)	Not suitable for development.	Alternative site being investigated at Keith Hall (BBP grant). Included in current Regional Boating Plan for construction.
Riverview Park - Brunswick Street	Pleasant facility, limited parking, may encroach park. Not suitable for development	Included in current Regional Boating Plan for investigation of finger pontoon.
Fishery Creek Canal	Significant opportunity for development	Upgraded with pontoons, carparking, lighting, fish cleaning table, and toilet. (BBP grants) Included in current Regional Boating Plan for investigation/upgrade for pontoon.
Faulks Reserve	Opportunities for parking, manoeuvring, and laying alongside.	Included in current Regional Boating Plan for investigation/upgrade for pontoon.
Old Burns Point Ferry (West Ballina)	Limited use due to space and adjacent facilities. Not suitable for development.	No action

## 4.6 Requests for Information

Emigrant Creek, West Ballina	Useful access, reposition ramp, provide parking and improve 'beach'	Boatramp rebuilt, carparking upgraded and pontoon added (BBP grants)
Old Ferry landing, South Ballina	Limited use due to space. Not suitable for development.	No action
East Wardell	Useful access, limited space, bridge may be constraint.	Boatramp and carpark built (BBP grant). Included in current Regional Boating Plan for investigation/upgrade for pontoon.

The inclusion of the Brunswick Street facility within the program is similar to the Cawarra Park site, or the Richmond River Sailing Club site. They are lower priority sites, not necessarily identified for expansion, however, they are existing boatramps, which may be able to be improved for ongoing small boat use. At Brunswick Street a sandy beach was previously able to be used adjacent to the ramp for boat landing and launching. This is no longer possible due to DPI (Fisheries) restrictions. The inclusion within the Regional Boating Plan is to investigate a floating finger pontoon for improved boat handling at the existing ramp.

The previous report to the Finance Committee advised Council in regards to changes by the State Government with the Better Boating Program being replaced by the Regional Boating Plan (RBP). The State Government has significant funding to assist with the implementation of the Plan.

The report to Council explained that we have received advice from Transport for NSW that we have nine projects identified as priorities for funding in the Regional Boating Plan (RBP).

Discussions with Transport for NSW officers identified that they are very keen to see the projects completed within two financial years (i.e. by 30 June 2017).

They also confirmed that the indicative funding is as follows:

### Regional Boating Plan – Likely Funding Model (\$)

Project Description	Total	Council	State
Ballina Trawler Harbour – Concept Plan	80,000	40,000	40,000
Keith Hall Lane, South Ballina - Boat Ramp and Pontoon	300,000	75,000	225,000
East Wardell, Pontoon	100,000	50,000	50,000
Captain Cook Park, Ballina – Wharf / Pontoon	300,000	50,000	250,000
Fishery Creek, Ballina - Pontoon Extension	100,000	50,000	50,000
Faulks Reserve, Ballina – Pontoon and Ancillary Facilities	175,000	75,000	100,000
Emigrant Creek, Ballina - Access Improvements	40,000	0	40,000
End of North Creek Road, Lennox Head - Boat Ramp	150,000	75,000	75,000
Brunswick Street, Ballina - Boat ramp and Pontoon	200,000	75,000	125,000
<b>Total</b>	<b>1,445,000</b>	<b>490,000</b>	<b>955,000</b>

## 4.6 Requests for Information

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The Brunswick Street project is viewed as a lower priority project, and has been accordingly listed for funding in the 2017/18 financial year.

For the reasons outlined, the project is considered a reasonable inclusion in this program. Funding this project now has the benefit of confirmed State Government assistance of more than 60% of the project cost. It is also likely that economies of scale will be achieved in completing the project in conjunction with others in the program.

However it is also recognised to realise these benefits, other capital works have been deferred. The funds required to support the above program were sourced, in part, by deferring works from the footpath and cycleways program.

On balance it is considered that the Brunswick Street project should remain.

The chief reason for this position is the Regional Boating Plan program can be considered as non recurrent works, as once this planned group of improvements is complete, Council will have in most part achieved all of the priority intentions it identified in its strategic plans.

Whilst some funds are deferred from the footpath and cycleways program, the program will continue to advance next year and is identified in Council's Long Term Financial Plan as a program to receive ongoing recurrent funds.

However it is also recognised the alternative position, that Council has invested sufficient funds in boating programs and will achieve its high priority works, is reasonable. If this is the position of Council, a request can be made to the Regional Boating Plan process to remove the Brunswick Street project as a current priority for improvement based on available funds.

6. *That Council provides its in principle support for an additional allocation of \$36,000 to the 2015/16 operational budget for the Northern Rivers Community Gallery, to provide 18 hours (3 days) of administrative and customer service support to the Gallery Co-ordinator, with these funds to be made recurrent over the long term financial plan. However the allocation of these funds is subject to a further report to Council identifying options for funding this additional recurrent cost either through savings in other programs, additional revenues or a combination of both.*

This item has now been included in the draft 2015/16 budget based on the following offsets:

<b>Item</b>	<b>Previous Budget</b>	<b>Revised Budget</b>
Economic Development Programs	15,000	10,000
Heritage Programs	15,000	10,000
Aboriginal Programs	15,000	10,000
Fair Go	14,000	4,000
Tourism Promotions	100,000	90,000
Gallery Administrative Staff	0	35,000
<b>Total</b>	<b>159,000</b>	<b>159,000</b>

## 4.6 Requests for Information

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Expenditure on the top three items varies from year to year and it is considered that these reductions are manageable, albeit that the aim in the long term financial plan will be to increase the budgets to current levels in future years. The LTFP has these budgets restored to \$15,000 by 2017/18.

In respect to Fair Go, Council did resolve to put the \$10,000 saving towards the Wollongbar Skatepark. However, as the \$10,000 is a recurrent saving it is preferable to allocate it to another recurrent expense, which is this new position. A proposal to fully fund the Wollongbar Skatepark, which is a one-off expenditure, is as per the next item.

7. *That Council receive a report for the April Finance Committee meeting whereby the skate park funding for Wollongbar be brought forward to 2015/16.*

Council has still not locked in a site for this facility or even a design therefore it is difficult to confirm an estimate for the project. Based on facilities that have been constructed elsewhere an allowance of \$350,000 is considered to be more than a generous figure.

Typically projects such as this are funded from Council's Community Infrastructure Reserve. The estimated closing balance for the reserve for 30 June 2016 is \$157,000 and it is important that we leave sufficient buffer in that reserve as community infrastructure projects have a history of going over budget as Council and the community seek more and more outcomes from these projects. Major projects funded from that reserve in 2015/16 are:

- Coastal Path - \$850,000 (Eastern Side – Skennars Head Road to Pat Morton)
- Marine Rescue Centre - \$825,500
- Regional Sports Centre - \$250,000 – Design and approval monies.

In looking at the forecast income and expenditure for this reserve for 2014/15 and 2015/16, one item that has significant variability is the Section 94 recoupments figure.

This item represents the Section 94 contributions collected during the year that Council can transfer to this reserve, as those Section 94 monies are repaying works that we have already completed and that are in the Section 94 Plans. These "recoupments" relate mainly to the Open Spaces and Community Facilities Plans, which are part of the Ballina Shire Contributions Plan 2008.

A recoupment is possible where the Section 94 Plan allows a certain percentage of the works to be funded from Section 94 contributions, however when Council completed the project all the Section 94 contributions allowed had not been collected, therefore we used our own revenue to finance that shortfall.

## 4.6 Requests for Information

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Previously completed works where we are still in the process recouping Section 94 monies include:

- Lennox Head Community Centre including library and skatepark
- Land for Sports Fields and the District Park in Wollongbar
- Skennars Head Sports Fields Land Acquisition
- Northern Rivers Community Gallery
- Kentwell Centre

The 2014/15 budget for recoupments to the Community Infrastructure Reserve has a very conservative estimate of \$103,000. With development activity having substantially increased over the past 12 to 18 months it is highly likely that this figure could be upwards of \$500,000 if not more based on contributions collected to date. This being the case there is an opportunity to increase the current estimate of \$103,000 to \$500,000 meaning that we can assume that we will have adequate funds in the Community Infrastructure Reserve to finance the Wollongbar skatepark in 2015/16. Therefore the recommendation is as follows:

*That Council approves a revision of the 2014/15 estimates for Section 94 recoupments to the Community Infrastructure Reserve from \$103,000 to \$500,000 with \$350,000 to then be allocated in the 2015/16 budget from this reserve to finance the construction of the Wollongbar Skatepark.*

8. *That Council receive a report to the April Finance Committee Meeting on options to progress the sports and event centre within the short-term.*

The March Finance Committee report on the non-recurrent community infrastructure projects highlighted that Council had little in the way of funds available in the short term to finance additional large community infrastructure projects.

The second attachment to this report is a possible cash flow to fund projects of this nature, as reported to the March Finance Committee meeting with some minor amendments, with that cash flow having the sports / events centre financed over three years from 2018/19 to 2020/21. The cash flow is based on numerous assumptions that may or may not come to fruition.

In looking at options to progress the centre, Council really needs to confirm the type of project it wishes to build, as the cash flow has a notional budget of \$8, with \$5.25m contributed by Council (assumes grants of \$2.75m).

The PDT Pty. Ltd options report in 2012 placed the following estimates on a range of options:

- 1) Two courts, retractable seating - \$5m to \$5.5m
- 2) Two courts with mezzanine level, retractable seating, tiered seating, gym and function rooms - \$8.5 to \$9m
- 3) Two courts with mezzanine, retractable seating, function rooms, gym and tiered seating - \$10.2m to \$10.7m

## 4.6 Requests for Information

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- 4) Three courts, two sets of retractable seating - \$7.8m to \$8.3m
- 5) Three courts with mezzanine, two sets of retractable seating, tiered seating, child minding - \$14.0m to \$14.5m
- 6) Four courts with mezzanine, two level gym, retractable seating, offices, consulting and function rooms, kitchen - \$18.5m to \$19m
- 7) Four courts with permanent tiered spectator seating - \$7.4m to \$7.9m

These figures also excluded a number of costs such as:

- External works, site works and landscaping
- Abnormal ground conditions
- Rock excavation and disposal
- Works associated with accommodating future extension to building fabric
- Professional fees
- Headwork charges
- Land Acquisition costs

Based on representations from interest groups Council has indicated its preference is for a four court stadium. If that remains Council's preference it is important to acknowledge that a project of that magnitude will be extremely difficult to finance within the next few years, within Council's existing budget limitations.

The March Finance Committee report emphasised that based on Council's existing rate base, and the current demand for the sale of land, both industrial and residential, it is considered that large scale projects such as the sports / events complex proposal (i.e. four courts) are currently beyond our financial capacity in the short term unless significant grant funding is obtained.

In respect to grant funds, commitments were made from the opposition parties during the State Election, however the chances of those commitments being funded are uncertain and possibly unlikely.

Therefore Council needs to determine whether it wishes to continue to delay this project until grants are obtained or alternatively proceed with a more affordable proposal.

As mentioned in the March meeting report, for example, Richmond Valley Council accepted a tender in November 2014 to build a two courts indoor sports stadium at Casino. The budget for this project was approximately \$2m. The successful tenderer was AGS All Steel Garages and Sheds.

This building is essentially the "tin shed" model sports stadium, with few amenities, but importantly the facility has a high quality sprung floor and it was affordable for Richmond Valley and is in the process of being constructed.

## **4.6 Requests for Information**

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Council could pursue something similar to this on a Council owned site such as the Southern Cross Industrial Estate, or Gallens Road, as both these locations would allow future expansion. Kingsford Smith would not be preferred as it would limit future expansion.

Council could also pursue this facility on the Old Depot Site under its current ownership, which would then result in a lease with the State Government for the area of the site used. This is no different to facilities such as the Ballina Surf Club.

Both the Gallens Road and Southern Cross sites will need filling, however it is likely that the site preparation and access costs for these sites may be less than Old Depot Site, as there are concerns that funds in excess of \$1m will be needed to address these issues at that location.

The resolution from the March 2015 Finance Committee was to consider what options there are to deliver the project in the short term.

It is considered that the only viable short term option would be to build a two court tin shed model on Council owned land. This approach would avoid land acquisition costs and for a budget of \$2.5m to \$3.0m the project could potentially be completed. The funds needed for this magnitude of project could possibly be sourced from the waste reserve, subject to Council committing not to use that reserve for other waste projects.

This type of proposal would not meet the events centre standard and in reality Council is not in a position to fund an events centre facility in the short to medium term.

The consultation on the Ballina Regional Centre Strategy is highlighting that there is significant interest in such a centre on Ballina Island, however to achieve this facility a budget of at least \$10m would be needed, along with funding to operate the centre.

The assumption with the two court tin shed facility is that there are minimal operating costs, with the facility operated largely by the sporting groups.

This assumption may not be appropriate, but as the forward financial plan has no allowance for additional operating expenses for this type of facility, it is considered that this should be the approach followed.

In conclusion Council's adopted position is for a four court sports / events centre. If that remains the adopted position the project cannot proceed until we obtain significant grant funding. If Council wants the project to proceed earlier, a far more modest facility is needed.

### **Legal / Resource / Financial Implications**

The finance and resource implications are outlined in the information section of this report.

### **Consultation**

Many of the items discussed in this report have been raised due to consultation with various members of the community.



**Options**

For each of the items listed in this report there are options to proceed or not proceed with the works / services proposed.

The recommendations that follow support the information section of this report with some items being endorsed and some noted.

Where the items are endorsed they are being included in Council's draft documents and where they are noted no further action is planned as the funding is not allocated. Therefore if any of the noted items are to be actioned, the recommendations will need to be amended.

**RECOMMENDATIONS**

1. That Council notes the contents of this report in respect to the cost of completing the sealing of Tweed Street, Ballina. Council also provides in principle support to upgrade Tweed Street, Ballina and requests the General Manager to monitor the Road Maintenance budget in 2015/16 and resubmit this item for Council's consideration in the event savings are identified during the year.
2. That the footpath program in the draft 2015/16 Delivery Program be amended to the following to reflect the inclusion of Sneaths Road in the PAMP Program, along with the inclusion of Quays drive, West Ballina in 2015/16.

	15/16	16/17	17/18	18/19
<b>Footpaths and Shared Paths Totals</b>	<b>308,000</b>	<b>324,000</b>	<b>341,000</b>	<b>459,000</b>
Ballina Street, Lennox Head	58,000			
Robertson Street, Alstonville	15,000			
Kingsford Smith Drive, Ballina	68,000			
Byron Street, Lennox Head	20,000			
Grant Street, Ballina	15,000			
Simpson Avenue, Wollongbar	68,000			
Fox Street, Ballina	10,000			
Park Lane, Lennox Head	12,000			
Tamarind Drive, North Ballina	34,000	20,000		
Quays Drive, West Ballina	8,000			
Allens Parade, Lennox Head		55,000		
River Street, Ballina		18,000		
Martin Street, Ballina		23,000		
Horizon Drive, West Ballina		12,000		
Simpson Avenue, Wollongbar		10,000		
Fox Street, Ballina		10,000		
Compton Drive, East Ballina		80,000		
Ross Street, Lennox Head		26,000	23,000	
Sneaths Road, Alstonville		70,000	80,000	
Pine Avenue, East Ballina			40,000	
Chickiba Drive, East Ballina			22,000	
Burnet Street Ballina (Moon-Kerr) (Kerr-Temple)			147,000	
Alston Avenue, Alstonville			29,000	
Hill Street, East Ballina				12,000
Smith Lane, Wollongbar				35,000
Chickiba Drive, East Ballina				98,000
Manly Street, East Ballina				25,000
Beachfront Parade, East Ballina				77,000
Hill Street, East Ballina				30,000
Freeborn Place, Alstonville				15,000
Parkland Drive, Alstonville				15,000
Owen Street, Ballina				130,000

#### 4.6 Requests for Information

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3. That Council notes the options to finance the preparation of a Lennox Head CBD Town Masterplan in 2015/16.
4. That Council endorses the contents of this report in respect to the merits of the Brunswick Street boat ramp.
5. That Council endorses the latest update of the Long Term Financial Plan included the following budget amendments to finance the Gallery Administration Assistant.

<b>Item</b>	<b>Previous Budget</b>	<b>Revised Budget</b>
Economic Development Programs	15,000	10,000
Heritage Programs	15,000	10,000
Aboriginal Programs	15,000	10,000
Fair Go	14,000	4,000
Tourism Promotions	100,000	90,000
Gallery Administrative Staff	0	35,000
<b>Total</b>	<b>159,000</b>	<b>159,000</b>

6. That Council endorses a revision of the 2014/15 estimates for Section 94 recoupments to the Community Infrastructure Reserve from \$103,000 to \$500,000 with \$350,000 to then be allocated in the 2015/16 budget from this reserve to finance the construction of the Wollongbar Skatepark.
7. That Council notes the update on options for the sports and events centre project.

#### **Attachment(s)**

1. Letter from George Young regarding Tweed Street
2. Capital Projects - Non-recurrent

## GEORGE & KATH YOUNG

11<sup>th</sup> March, 2015

The General Manager,  
Ballina Shire Council,  
Cherry Street,  
BALLINA. 2478

SUBJECT : Tweed Street Ballina (South).

REFERENCE : Unsealed section.

Dear Paul ,

I would appreciate your advice in regard to viewing Council files on the above section of Public Road.

Our family house (originally owned by J.J & M.I Young) was built in 1923 facing Tweed Street Ballina. That's 92 years ago . I realise your records may not include the early history of efforts to have the road properly formed, but would expect that records of at least the last 60 years would be preserved at least digitly in Council records.

For fifty odd years the road was mowed and kept tidy by Jack Young at his own expense, he made many requests of Council for proper formation of the street , however in his later life because of his age , was not well enough to continue.

He received frequent requests day and late at night to help bogged motorists back on the hard standing road service. I believe in the latter years this may have had an affect on his state of health.

It might also be kept in mind that this area has always been highly rated by Council and landholders in the area have contributed more than their fair share of rates , they should be entitled to the same amenities as other areas in the town.

It would appear from advice given by Cr Meehan yesterday that this portion of public road may never be on a Council works programme in at least the next 10 years as the works programme is extended only when one part of it is completed.

Her claim that the road only services two properties may be correct, but she has no knowledge of the use of this area as a public amenity and shows lit

*the interest in finding out. I cannot believe in this day and age ,  
that Council policy to leave unserviced by a sealed road ,  
the last two properties on roads because they only service two residents could be t  
aken seriously. If she were to apply this reasoning to her County Council ,  
there would be many people without water today and council would  
have lots of unsealed streets*

*What access to Council records am I legally entitled to as a ratepayer ? And h  
ow do I go about accessing this information. ?.*

*It is obvious I am getting "Nowhere" in  
this matter dealing with Council .You might advise if the matter can be taken fur  
ther and arbitrated by an independent Government Authority ?*

*I look forward to your reply , and receiving access to the records requested.*

*Yours sincerely ,  
George Young*

Non Recurrent Capital Projects Analysis

1. Projects	Total	Council	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Unfunded
Ballina Town Centre	2,100,000	2,100,000						516,000	1,584,000				0
Coastal Path (East) - Stage 2	1,700,000	850,000	850,000										0
Marine Rescue Centre	2,144,000	826,000	826,000										0
Regional Sports Centre	8,000,000	5,250,000	250,000			2,100,000	1,700,000	1,200,000					0
Skennars Head Sports Fields	1,250,000	1,250,000		1,250,000					49,000	1,650,000	1,301,000		0
Lennox Head Surf Club	5,000,000	3,000,000		325,000									0
Wollongbar Skate Park	325,000	325,000		325,000									0
Missingham Car Park	150,000	150,000		150,000									0
Lennox Head Main Street	3,000,000	3,000,000			230,000						367,000	1,687,000	946,000
Wardell Boardwalk	460,000	230,000											0
<b>Ballina Town Entry Treatments</b>													
Stage 1 - Median Strip Quays Drive to Barfows	390,000	390,000			390,000								0
Stage 2 - Landscaping etc Burns Point to Barfows	270,000	270,000				270,000							0
Stage 3 - Blisters etc Barfows to Boatharbour	120,000	120,000				120,000							0
Stage 5 - Kerr Street	170,000	170,000				170,000							0
<b>Total</b>	<b>950,000</b>	<b>950,000</b>											
<b>Regional Boating Plan</b>													
Keith Hall Lane, Boat Ramp and Pontoon	300,000	75,000		75,000									0
East Wardell, Pontoon	100,000	50,000	50,000										0
Ballina Trawler Harbour	0	0											0
Captain Cook Park - Ramp and Pontoons	300,000	50,000	50,000										0
Fishery Creek - Pontoon Extension	100,000	50,000	50,000										0
Faulks Reserve - Pontoon and Ancillary Facilities	175,000	75,000	75,000										0
Emigrant Creek - Access Improvements	40,000	0	0										0
End of North Creek Road, Lennox Head - Boat Ramp	150,000	75,000	75,000										0
Brunswick Street, Ballina - Boat Ramp and Pontoon	200,000	75,000		75,000									0
<b>Sub Total</b>	<b>1,365,000</b>	<b>450,000</b>											
<b>Captain Cook Master Plan</b>													
Laneway and Car Park - one way access	750,000	750,000		375,000									0
Public Art / Monument	50,000	50,000		375,000									0
Improved Pedestrian Entry from River Street	200,000	200,000		200,000		30,000							0
RSL Edge Landscaping	150,000	150,000		150,000									0
Open Park Land - Paths, planting, furniture	200,000	200,000		140,000		60,000							0
Public Wharf	250,000	250,000		140,000		250,000							0
Water Play Area - Drainage, equipment, plantings etc	500,000	500,000		150,000		500,000							0
Picnic Shelter - BBQs, Structures	150,000	150,000		150,000									0
Public Toilets	300,000	300,000				300,000							0
Jetty (Regional Boating Plan)	0	0											0
Landscape between activity zone and Fawcett Park	150,000	150,000		150,000									0
<b>Sub Total</b>	<b>2,700,000</b>	<b>2,700,000</b>											
<b>Total - All Projects</b>	<b>29,144,000</b>	<b>21,081,000</b>	<b>2,151,000</b>	<b>2,100,000</b>	<b>2,030,000</b>	<b>3,800,000</b>	<b>1,700,000</b>	<b>1,716,000</b>	<b>1,633,000</b>	<b>1,650,000</b>	<b>1,668,000</b>	<b>1,687,000</b>	<b>946,000</b>
<b>2. Funding Sources</b>													
<b>Forecast Property Dividends</b>													
Infrastructure - Property Dev Res			1,926,000	2,000,000	1,700,000	3,300,000	300,000	300,000	200,000	200,000	200,000	200,000	0
Infrastructure - Comm Infra Res			0	0	0	500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0
<b>Waste Dividends</b>													
Contribution to Community Infrastructure			0	0	0	0	400,000	416,000	433,000	450,000	468,000	487,000	0
<b>Other Council Revenues</b>													
Wardell Town Centre Reserve - East Wardell Pontoon			50,000		230,000								
Wardell Town Centre Reserve - Balance for Boardwalk			100,000	100,000	100,000								
Footpaths Capital - Cont to Regional Boating Plan			25,000										
Extra Comm Infra Reserve Dividend - Faulks Reserve													
<b>Loans</b>													
New Loan Funds													
<b>Grants and Other Contributions</b>													
Ballina RSL - Captain Cook Ramp and Pontoons			50,000										
<b>Total - Funding Available</b>			<b>2,151,000</b>	<b>2,100,000</b>	<b>2,030,000</b>	<b>3,800,000</b>	<b>1,700,000</b>	<b>1,716,000</b>	<b>1,633,000</b>	<b>1,650,000</b>	<b>1,668,000</b>	<b>1,687,000</b>	<b>0</b>
<b>Net Surplus / (Deficiency) in Funding</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(946,000)</b>
<b>3. Forecast Reserve Balances - 30 June</b>													
Community Infrastructure Reserve			182,000	528,400	858,200	908,700	791,500	705,200	620,300	644,400	781,300	929,100	
Property Development Reserve			1,180,800	2,367,300	2,252,900	1,731,400	1,648,200	1,555,900	1,562,800	1,570,900	1,559,300	1,535,100	
Waste Reserve			2,454,400	3,385,700	3,454,400	5,642,100	5,701,500	5,701,600	5,638,400	5,511,000	5,313,400	5,042,600	
<b>Total Reserves Balance</b>			<b>3,817,200</b>	<b>6,281,400</b>	<b>6,565,500</b>	<b>8,282,200</b>	<b>8,141,200</b>	<b>7,962,700</b>	<b>7,821,500</b>	<b>7,726,300</b>	<b>7,654,000</b>	<b>7,506,800</b>	

## 4.7 Long Term Financial Plan - Consolidated Forecast

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### 4.7 Long Term Financial Plan - Consolidated Forecast

**Delivery Program** Governance and Finance

**Objective** To provide a final update on the consolidated Long Term Financial Plan for 2015/16 onwards prior to exhibiting the information for public comment.

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#### Background

The Council budget or Long Term Financial Plan (LTFP) forms a major component of the exhibition of the draft Delivery Program and Operation Plan. Through the two Finance Committee meetings held to date, plus various other reports and adopted strategies and plans, the draft LTFP for 2015/16 onwards is now at a stage where it can be exhibited, subject to any changes that arise from this meeting.

The latest copy of the draft LTFP is included as a separate attachment to this report.

#### Key Issues

- Overall financial position
- Works and services included for 2015/16 onwards

#### Information

That attached document provides details on the various operating budgets for the Council programs along with information on capital works, capital income and reserve movements.

Council operates on a fund basis with Water and Wastewater being the subject of separate reports in this agenda therefore the focus of the balance of this report will be on the General Fund.

The latest forecast operating result for the General Fund, as per page three of the attachment is as follows.

**Table One - Forecast General Fund Operating Result (\$'000)**

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Operating Revs	48,914	50,101	51,852	53,226	54,733	56,374	58,062	59,796	61,580	63,421
Operating Exps	52,944	52,635	54,085	55,149	56,932	58,679	59,951	61,567	63,238	65,282
<b>Result (Deficit)</b>	<b>(4,030)</b>	<b>(2,534)</b>	<b>(2,233)</b>	<b>(1,923)</b>	<b>(2,199)</b>	<b>(2,305)</b>	<b>(1,889)</b>	<b>(1,771)</b>	<b>(1,658)</b>	<b>(1,862)</b>

The Fit for the Future Program is asking Council to achieve an operating surplus for the General Fund and that Program will be the subject of future reports to Council.

The main short term focus of Council in respect to the General Fund has traditionally been the working capital result and as per page three the forecast results are as follows:

## 4.7 Long Term Financial Plan - Consolidated Forecast

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**Table Two - Forecast General Fund Working Capital Result (\$'000)**

Year	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Result	(156)	(187)	(429)	(426)	(397)	(250)	(252)	(97)	(52)	(31)	115

The current forecast deficit of \$187,000 is considered manageable for 2015/16 acknowledging the overall size of the General Fund budget, along with Council being able to manage items such as office salaries during the year to assist in improving the budget.

The main issue is that major deficits are forecast for 2016/17 to 2018/19 which means that we still need to make savings in those years of around \$200,000 per annum to reduce the forecast deficit to a more reasonable figure. We continue to need to ensure that we are not adding extra costs to our operating budget to ensure that the forecast deficits do not increase.

Also the 2015/16 figures include the revenues raised from the Special Rate Variation application and if that application is unsuccessful, the working capital result will deteriorate by approximately another \$100,000.

As has always been the case it has been extremely difficult to balance the need for General Fund works and services with the revenues available and brief comments on the operating budgets and capital works are as follows.

### **Operating Budgets (Part B of Draft LTFFP)**

From an operating budget perspective (i.e. operating revenues less operating expenses), and on a cash basis which is how working capital is calculated, the major movements from 2014/15 to 2015/16 are as follows.

### ***Strategic and Community Services Group***

- Community Centres and Halls – Revenues are remaining relatively static whereas costs are increasing, resulting in the net cash cost of this program increasing by 7% (from \$381,400 to \$408,100)
- Cultural and Community Services (Northern Rivers Community Gallery) – The recurrent deficit for this program has increased as Council approved the employment of an Administration Assistant. This additional cost, which is approximately \$35,000, has been offset by reductions in expenditure in other programs.
- Swimming Pools – The cash operating deficit for this program has increased by 42% as the loan repayments for the swimming upgrades are included, however the additional rate income to finance those loan repayments is included in a separate program, being Financial Services – General Purpose Revenues.

## 4.7 Long Term Financial Plan - Consolidated Forecast

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- Tourism and Communications – The deficit for this program has increased by 6%, with the major contributor being the increase in the Festivals and Events Program from \$98,000 to \$120,000. Newly recruited staff have also had their salaries increased as they progress along Council's skills based salary system and a staff member returning from maternity leave has increased their days from three to four.

### **Development and Environmental Health Group**

- Building Services – The forecast surplus for this program has reduced by 26% as the Building Surveyor position that was placed on hold during 2014/15 is now included in the budget.
- Administration and Public Order – The net deficit for this program has increased by 7%. This is primarily due to savings in the 2014/15 program through vacant staff positions. The 2015/16 budget assumes those positions are filled.

### **Civil Services Group**

- Procurement and Building Management – The cash operating deficit has increased by 7% largely due to operating expense budgets for the swimming pools being transferred to this program from the Swimming Pool program. The strategy is to centralize building maintenance to improve programming and generate efficiencies.
- Stormwater, Roads and Bridges, Open Spaces – The operating budgets for these areas have on average only been increased by around 1%, which means in real terms the budgets are going backwards.
- Open Spaces – An allowance of \$15,000 has been included for Fig Tree management.
- Sports Fields – The deficit has increased by 4% to allow for the on-going maintenance of the new Ballina Heights fields.

### **General Manager's Group**

- Administration – The operating deficit has increased by 25% due to the inclusion of a new line item titled "IP Telephony System". The cost of this is \$135,000 in 2015/16 and approximately \$110,000 thereafter. The background to this is as follows:

*A regional project has been underway for some time involving Ballina, Byron, Lismore and Tweed Councils working together with a view to replacing ageing telephony systems in our respective organisations. The intention was to work collaboratively in an effort to secure more attractive pricing for the replacement of these systems than would otherwise be achieved by working individually. The underlying objective was to have a single platform across all participating councils, but to still be able to operate independently. This is seen as an important step in providing a "fit for the future" telecommunications platform at each of the Councils.*

*In Ballina's case, there are several compelling reasons to move in this direction :*



#### **4.7 Long Term Financial Plan - Consolidated Forecast**

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1. Council's existing PABX system located in the Council Administration Centre is nearing 25 years of age, and this represents a significant business risk in terms of future availability of parts etc. Replacement handsets are expensive.
2. The current system only services the Administration Centre, with other sites and depots operating a range of individual phones and "mini-PABX" systems with no connectivity between any sites.
3. A significant amount of money is currently spent by Council calling itself i.e. calls between the sites mentioned above are made via the Telstra network, so calls between any of these sites incur a cost; and landline calls diverting to Council mobile telephones provide improved services but these diversions also incur costs, albeit at government rates.
4. All phone systems in use by Council lack any contemporary features such as call accounting and analysis, integration with back-end systems such as email, calendars etc., integration with mobile telephony etc.
5. Council spends approximately \$75,000 per annum to maintain both the ageing system, and a large number of telephone line rentals across the organisation.

The intent of the new phone system is to provide the following:

1. Introduce a contemporary communications platform that will provide the participating Councils with a robust communications solution into the future
2. Leverage Council's existing IP-based computer network to carry phone calls alongside existing data traffic rather than pay for a multitude of telephone lines
3. Substantially improve organisational call management and reporting capabilities
4. Eventually provide a single voice and data communications platform across all network-connected Council sites
5. Significantly reduce, or eliminate, cost associated with intra-Council calls
6. Provide presence capabilities to leverage mobile technology and better manage visibility of staff
7. Move away from an ownership model to a fee-for-service model
8. Seek an off-site cloud-based solution instead of on-premise "tin box" technology.

The four Councils formed a Core Panel comprising senior IT staff from each Council, who worked together to develop a comprehensive technical specification in preparation for a formal tender process. An EOI process was conducted, with Lismore City Council being the lead Council, and this resulted in a shortlist of six solutions from five providers based on compliance with the technical specification.

A larger Assessment Panel was formed comprising four representatives from each Council (including the initial Core Panel members), and this panel attended product demonstrations with a view to further reducing the number of shortlisted vendors for the purposes of conducting a selective tender process. Tenders close on 2 April 2015.

At this point in time it is not possible to accurately quantify costs as tenders are yet to be evaluated, however it is anticipated that the estimates provided for 16/17 FY and onwards will include some funds already allocated in the recurrent budget.

## 4.7 Long Term Financial Plan - Consolidated Forecast

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*The estimates provided are based on the results of the EOI conducted late last year and do not take into consideration current operational budgets due to the heavily dispersed nature of the existing costs and the difficulty associated with collating these costs. Moving forward, it is anticipated that many of these costs will be centralised thereby improving management of same. Once the tender evaluation process has concluded and a preferred supplier selected, staff will be in a more informed position to determine more accurate costs, and a report will be presented to Council providing greater detail, and seeking approval to continue the process.*

In respect to the additional cost of \$135,000 and \$110,000 on-going, a large component of this is offset by contributions from the self-funded areas such as water, waste etc with those increased contributions included in the Financial Services Program.

To highlight those contributions, for 2015/16, the current forecast deficit improves by \$43,000 if the estimated cost of \$135,000 is deleted, which means that approximately 68% of the cost is recouped from the self-funded areas.

The need for this new service has been debated internally and somewhat reluctantly included, with the main concern being that the existing system could fail with little notice. Also the inclusion of the figures is still subject to a tender process that will be reported to Council and there appear to be benefits in taking a regional approach to this technology.

- Financial Services – General Purpose Revenues - The Financial Assistance Grant has not been indexed by CPI resulting in foregone income of around \$100,000 for the second successive year. There is a three year moratorium on indexation of this grant with 2015/16 being the second year.
- Information Services – The operating deficit has increased by 8% due to Council reinstating the vacant GIS position, which was placed on hold during 2014/15. This is an essential position to drive efficiencies throughout the organisation. Similar to the Administration Program, even though this program has increased by 8%, around 68% of the increase is charged to self funded areas such as water, waste etc, meaning the net impact on the General Fund is significantly reduced.

Overall the Council operating budget remains relatively lean with very little in the way of discretionary programs in place.

### **Capital Expenditure (Part C of draft LTFP)**

The draft budget includes an extensive capital works program with the total works for the General Fund estimated at almost \$24m.

The program largely reflects the works confirmed at the March 2015 Finance Committee meeting, subject to any changes arising from this meeting.

### **Legal / Resource / Financial Implications**

This report provides outlines the total budget.

**Consultation**

The draft document will be placed on exhibition for public comment for a minimum period of 28 days.

**Options**

Council is required to exhibit the draft document for public comment and the recommendation is to endorse the exhibition process, subject to any changes arising from this report or other reports elsewhere in this agenda.

**RECOMMENDATION**

That Council endorses the exhibition of the draft Long Term Financial Plan document for 2015/16 as attached to this report, subject to any amendments arising from this meeting.

**Attachment(s)**

1. Draft Long Term Financial Plan 2015/16 (Under separate cover)

## **4.8 Delivery Program and Operational Plan - Exhibition**

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### **4.8 Delivery Program and Operational Plan - Exhibition**

**Delivery Program** Governance and Finance

**Objective** To endorse the contents of the draft Delivery Program and Operational Plan documents for exhibition.

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The Office of Local Government's (OLG's) Integrated Planning and Reporting Framework requires councils to review the Delivery Program and prepare a new Operational Plan each financial year.

The purpose of this report is to obtain Council approval to exhibit those documents for public comment.

#### **Key Issues**

- Format and content of documents
- Ensuring the documents reflect the objectives of Council, particularly for 2015/16

#### **Information**

The OLG's Integrated Planning and Reporting Framework specifies a range of information that must be included in the Delivery Program and the Operational Plan.

A summary of the major elements for each document are as follows.

##### *Delivery Program*

- A council must have a Delivery Program, detailing the principal activities it will undertake to achieve the objectives established in the Community Strategic Plan, within the resources available under the Resourcing Strategy.
- The Delivery Program must include a method of assessment to determine the effectiveness of each principal activity detailed in the Delivery Program in achieving the objectives at which the activity is directed.
- A council must prepare a new Delivery Program after each ordinary election of councillors to cover the principal activities of the council for the four year period commencing on 1 July following the election.
- The General Manager must ensure that progress reports are provided to the council, with respect to the principal activities detailed in the Delivery Program, at least every six months.
- A council must review its Delivery Program each year when preparing the Operational Plan

## 4.8 Delivery Program and Operational Plan - Exhibition

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### *Operational Plan*

- Council must have an annual Operational Plan, adopted before the beginning of each financial year, outlining the activities to be undertaken that year, as part of the Delivery Program.
- The Operational Plan will include the Statement of Revenue Policy.
- The draft Operational Plan must be publicly exhibited for at least 28 days and public submissions can be made to Council during the period.
- The exhibition must be accompanied by a map showing where the various rates will apply within the local government area.
- Council must accept and consider any submissions made on the draft Operational Plan before adopting the Operational Plan.
- Council must post a copy of the Operational Plan on our website within 28 days after the plan is adopted

This includes details of:

- Estimated income and expenditure
- Ordinary rates and special rates
- Proposed fees and charges
- Council's proposed pricing methodology
- Proposed borrowings.

Council took the step in 2013/14 to provide a combined Delivery Program and Operational Plan to avoid unnecessary documentation and duplication. This approach has worked reasonably well and a combined document is once again submitted for 2015/16, with that document provided as a separate attachment to this report. The OLG could argue that the combined document is not within the spirit of the legislation however it is considered far more practical for Council to be exhibiting the one combined document as part of the consultation process.

The key part of the attached document is the section titled "Heading in the Right Direction" (pages 19 to 32), as this section outlines the various activities (or tasks) that are planned for 2015/16, along with activities planned for later years.

It is paramount that Councillors have their priorities included in this section of the document as it is these actions that will direct staff resources during 2015/16. Ensuring that this section accurately reflects the goals of Council then assists in ensuring that ad hoc notices of motion for the pursuit of other actions are not lodged during the year.

Notices of motion can result in the redirection of staff resources towards other projects which then impact on planned priorities. The Operational Plan should be the document that reflects the Council's goals for the year and through its public exhibition and formal adoption the community is then in a position to measure how Council is performing against those goals.

## **4.8 Delivery Program and Operational Plan - Exhibition**

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The other key elements of the document are the Capital Expenditure and Revenue Policy sections.

Capital expenditure reflects the outcomes from Council's earlier Finance Committee meetings and the Revenue policy summarises all Council's major fees and charges.

Some tables are still to be finalised as they are dependent on the final budget document and outcomes from reports included elsewhere in this agenda.

### **Legal / Resource / Financial Implications**

Council is legally required to review the Delivery Program and exhibit the Operational Plan for public comment. The documents provide an overview of how Council's resources are allocated and a summary of our finances.

### **Consultation**

Both documents will be exhibited for public comment following adoption of this meeting's minutes at the April Council meeting.

The exhibition will occur during May and early June, with the outcomes from the exhibition period then reported to the June meeting.

In respect to public meetings, in recent years Council has only held meetings in Lennox Head and Wardell and a similar approach is recommended for 2015/16.

### **Options**

Council is required to exhibit the documents therefore the options are to exhibit as presented or exhibit inclusive of any amendments arising from this meeting. The recommendation allows for any amendments to be included.

### **RECOMMENDATION**

That Council approves the exhibition of the draft Delivery Program and Operational Plan document, as attached to this report, inclusive of any changes arising from this meeting.

### **Attachment(s)**

1. Draft Delivery Program and Operational Plan 2015/16 to 2018/19 (Under separate cover)