

BALLINA SHIRE COUNCIL – MEMORANDUM

MEMO TO: Councillors
COPY: Peter Morgan
MEMO FROM: John Truman, Acting General Manager
DATE: 22 April 2015
SUBJECT: 2015/16 Fees and Charges – Item 4.5 of Finance Committee Minutes 16 April 2015 (Item 14.1 of Ordinary business paper 23 April 2015)

The purpose of this memo is to provide further information as requested by Council at the Finance Committee held on 16 April 2015 in respect to proposed 2015/16 fees and charges. The memo also reports on the budget for the Richmond Tweed Regional Library.

1. 2015/16 Fees and Charges

Airport

The fees and charges for the airport include a light parking fee. The draft Fees and Charges document presented to the Committee proposed no increase to the charge. The fee was presented in the document as per the following.

	2014/15	2015/16
Aircraft Parking; light aircraft parking fee - per night	\$15	\$15

Council has enquired whether the fee is sufficient and whether it is equitable compared to the car parking rate.

Response

Prior to 2012 the Light Aircraft (L/A) Parking area was a grassed area, which most of the time was closed due to its wet and soft surface. A hard surfaced area was provided to ensure compliant and orderly parking of aircraft. The Light Aircraft Apron provides parking for aircraft of less than 12 metre wingspan, particularly itinerant (visiting) aircraft, the size of a Cessna 182 down to Ultralight and helicopters.

The vast majority of aircraft using this area are privately owned. Very few visiting aircraft that overnight on the L/A apron are commercially or corporately owned. It is the view of Airport Management that L/A parking fees be set so as to be affordable for the private operator and to attract, not deter visiting aircraft. There is currently a very low overnight occupancy rate on the L/A Apron and it is considered that any increase to the fee would not realise any great increase in overall revenue.

Airport Management advise they prefer any increase in the fee be limited to 'cost of living' as there is little purpose to increasing the fee by a more arbitrary figure.

However, it is also open to Council to make a more substantial increase. In regards to the concern that pricing may deter visitors to Ballina and the airport, arguably a very significant price increase would be required before price would reduce demand. It is also reasonable to recognise that Council's investment in new infrastructure for this parking provides a very high level of service. On this basis, and having regard to the concerns expressed in the Committee discussion, aircraft parking should be more expensive than car parking, a fee increase is considered reasonable.

Should the fee increase be preferred by Council, a resolution is required to amend the Draft Fees and Charges document.

Four Wheel Drive Access Permits

The draft Fees and charges proposed the following for these permits.

	2014/15	2015/16
Annual	\$62	\$75
Six months	\$35	\$45
Thirty days	\$25	\$30
One day	N/A	\$10

The fee level was queried in terms whether it was too low.

Response

Council staff identified that there has been an increased cost to Council managing the compliance of 4WD's on Seven Mile Beach (rangers), repair to damage caused by 4WD (access tracks, dune revegetation) and managing the permit system. A desktop study also confirmed that prices were well below other Councils fees.

The proposed 2015/16 fees have been increased by between 20% and 29% in comparison to 2014/15. This was part of a strategy to continue increasing the fees by significant margins over the next few years to cover the increased costs, as well as introduce a new fee of a single day pass. Accordingly, if Council is willing to support an accelerated implementation of the fee increases, then this would assist our efforts to establish cost recovery sooner.

2. Richmond Tweed Regional Library

Following the Committee meeting, Council received advice of the proposed 2015/16 Budget and Fees and Charges for the Richmond Tweed Regional Library (RTRL). The proposed 2015/16 contribution by Ballina in the RTRL Draft Budget is \$1,314,800 which is a 3.25% increase in comparison to 2014/15. This compares to an estimated contribution of \$1,312,000 currently included in our Draft Delivery Program.

Council has been invited to make to make a submission to the RTRL Draft Budget and Fees and Charges. Submissions close on 15 May 2015. While the increase is above the rate peg amount, as the amount is within our budget, a submission is not proposed unless there is a further direction from Council.

It is noted here however staff are reviewing patronage during extended hours (such as 8pm closures on Wednesday and Thursday nights) to see if those hours are still warranted, with a view to possibly achieving savings within this budget.



John Truman
Acting General Manager