



Notice of Commercial Services Committee Meeting

A Commercial Services Committee Meeting will be held in the Ballina Shire Council Chambers, 40 Cherry Street, Ballina on **Tuesday 15 September 2015 commencing at 4.00 pm.**

Business

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

A handwritten signature in black ink, appearing to read 'Paul Hickey', with a long horizontal stroke underneath.

Paul Hickey
General Manager

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

1. Apologies

An apology has been received from Cr Jeff Johnson.

2. Declarations of Interest

3. Deputations

4.1 Airport - Long Term Financial Plan

4. Committee Reports

4.1 Airport - Long Term Financial Plan

Delivery Program Commercial Services

Objective To provide an update on the long term financial plan for the airport.

Background

At the July 2015 Ordinary meeting Council resolved as follows:

That Council receive a report on the airport to identify a strategy to remove the current reserve deficit.

This resolution arose from a report on the end of year financial results for 2014/15 that identified that the airport reserve balance was anticipated to be close to \$800,000, being a deterioration of over \$200,000 from the previous financial year.

As a result of the 2014/15 results our finance staff have reviewed the airport budget with airport management and the report that follows provides the latest review of the airport budget.

Key Issues

- Financial position and performance

Information

In respect to the financial position of the BBGA, table one outlines the airport's financial performance in recent years.

Table One - Airport Operating Results – 2009/10 to 2014/15

Item	2010/11 Actual (\$'000)	2011/12 Actual (\$'000)	2012/13 Actual (\$'000)	2013/14 Actual (\$'000)	2014/15 Actual (\$'000)
Operating Revenues	2,728	3,483	4,005	4,618	4,710
Operating Expenses	3,088	3,553	4,056	4,329	4,363
Operating Surplus / (Deficit)	(360)	(70)	(51)	289	347
Add Back Depreciation	735	784	831	761	771
Cash Operating Surplus	375	714	780	1,050	1,118
Less: Loan Principal Repaid	236	249	532	839	846
Add: Capital Income – Grants	500	115	2,885	0	0
Add: Capital Income – Loans	0	0	7,300	4,648	725
Less: Capital Expenditure	497	732	5,787	4995	1,129
Less: Unexpended Loans	0	0	4,648	0	0
Net Cash Movement	142	(152)	(2)	(136)	(132)
Reserve Balance (Deficit)	(302)	(454)	(456)	(592)	(724)
Balance of Outstanding Loans	3,477	3,228	9,996	9,157	9,037

4.1 Airport - Long Term Financial Plan

The closing reserve balance is now negative \$724,200, which is an improvement on the previously forecast deficit of \$800,000 as reported to the June 2015 Ordinary meeting, largely due to end of year reductions made to internal plant hire charges levied on the airport. These charges were reviewed and considered to be excessive.

Whilst the operating result is continuing to improve in Table One, capital expenditure and loan principal repayments has been exceeding the available cash reserves, resulting in the reserve balance being increasingly overdrawn.

This overdraft is funded by an internal loan from Council's property reserves, which are also reaching low levels, as property and community infrastructure works are undertaken.

It is therefore important that this overdraft be repaid as early as possible.

The adopted Council long term financial plan for 2015/16 onwards for the airport included the following financial forecast.

Table Two: 2015/16 Airport Financial Plan 2015/16 to 2024/25

Description	15/16 \$'000	16/17 \$'000	17/18 \$'000	18/19 \$'000	19/20 \$'000	20/21 \$'000	21/22 \$'000	22/23 \$'000	23/24 \$'000	24/25 \$'000
Operating Revenues	5,155	5,235	5,322	5,414	5,513	5,613	5,713	5,794	5,904	6,013
Operating Expenses	4,720	4,768	4,839	4,912	4,988	5,063	5,142	5,228	5,355	5,507
Operating Result	435	467	483	502	525	550	571	566	549	506
Add Back Deprec	860	860	886	912	940	968	997	1,027	1,058	1,089
Cash Surplus	1,295	1,327	1,369	1,414	1,465	1,518	1,568	1,593	1,607	1,595
Loan Principal Paid	971	1,024	1,082	1,143	1,205	1,272	1,271	862	207	0
Capital Expenditure	90	78	81	84	87	90	94	498	1,102	1,106
Reserve Movement	234	225	206	187	173	156	203	233	298	489
Reserve Balance	(490)	(265)	(59)	128	301	457	660	893	1,191	1,680
Loan Debt Owing	8,067	7,042	5,960	4,817	3,612	2,341	1,070	207	0	0

The reserve balance line in this table is based on the negative \$724,200 figure as at 30 June 2015.

Based on these current forecasts the reserve will not be back to a surplus until 2018/19.

In order to reduce this deficit in a timelier manner the existing financial plan has been reviewed. Table Three is the result of that review.

Table Three: Revised Airport Financial Plan 2015/16 to 2024/25

Description	15/16 \$'000	16/17 \$'000	17/18 \$'000	18/19 \$'000	19/20 \$'000	20/21 \$'000	21/22 \$'000	22/23 \$'000	23/24 \$'000	24/25 \$'000
Operating Revenues	5,115	5,193	5,280	5,367	5,456	5,547	5,639	5,709	5,807	5,914
Operating Expenses	4,635	4,706	4,777	4,848	4,923	4,995	5,072	5,156	5,281	5,431
Operating Result	480	487	503	519	533	551	567	553	526	483
Add Back Deprec	860	886	912	940	968	997	1,027	1,058	1,089	1,122
Cash Surplus	1,340	1,373	1,416	1,458	1,501	1,548	1,594	1,611	1,616	1,605
Loan Principal Paid	971	1,024	1,082	1,143	1,205	1,272	1,271	862	207	0
Capital Expenditure	90	77	4,580	82	85	87	90	492	1,095	1,098
Reserve Movement	279	271	254	233	212	190	233	256	313	507
Reserve Balance	(445)	(173)	80	313	525	715	948	1,204	1,517	2,024
Loan Debt Owing	8,067	7,042	5,960	4,817	3,612	2,341	1,070	207	0	0

4.1 Airport - Long Term Financial Plan

As per this table the reserve is now back to surplus in 2017/18 with a net improvement to the operating result of approximately \$45,000 per annum contributing to this improved forecast.

This latest review of the LTFP is included as attachment one, which includes the following information:

- Page One – The actual and estimated operating results for the period from 2002/03 to 2024/25
- Page Two – The capital movements for the business relating to capital expenditure, sources of funding for that capital expenditure, the cash balances for the airport reserve and a summary of the loan debt, including annual principal and interest repayments, along with total asset values
- Pages Three and Four – Charts summarising the operating results and the debt ratio.

In respect to the amendments for the operating result for 2015/16 the column titled “Revised” on Page One of the attachment shows the amended operating budgets as compared to the adopted budgets for 2015/16.

The amendments identified are as follows:

Item	Adopted	Revised	Impact
<i>Operating Revenues</i>			
Lessee Contributions	100,000	60,000	(40,000)
<i>Operating Expenses</i>			
Cleaning Contracts	125,000	110,000	15,000
Remainder of Movement Area	50,000	20,000	30,000
Electricity	190,000	130,000	60,000
Promotion	200,000	195,000	5,000
Plant and Equipment Maintenance	30,000	55,000	(25,000)
Net Improvement			45,000

Even with this slight improvement to the operating result the LTFP still highlights a number of key concerns for the financial viability of the airport:

- There are limited capital works in the LTFP. A provisional capital expenditure figure of \$4.5m is included in 2017/18 for the terminal upgrade, with that expenditure fully offset by grant income. This is a notional figure only to highlight that terminal upgrade works are needed. The current Regional Tourism Infrastructure Fund application for approximately \$8m may achieve this outcome, albeit that the LTFP does not provide an allowance of \$500,000 which may be required from Council to support that grant funding.
- The Airport Reserve balance remains relatively small for a number of years which limits Council’s ability to do any further capital works. This highlights the tight financial position facing the airport.

4.1 Airport - Long Term Financial Plan

Legal / Resource / Financial Implications

This report provides an overview of the finances of the Ballina – Byron Gateway Airport.

Options

This report responds to a Council resolution seeking a review of the LTFP for the airport. The revised LTFP, as attached, results in a \$45,000 recurrent improvement to the existing airport budget, and Council's finance staff believe that this budget is achievable however Airport Management must ensure they comply with the allocated funds.

Therefore the recommendation is approve the amended LTFP as per the attachments to this report.

Finally CASA has recently completed a review of the airport's operations and there may well be further cost implications arising from that review in respect to staffing levels and other related operational costs. The intention is to recoup these costs from the airlines and further reports will be provided as this review progresses.

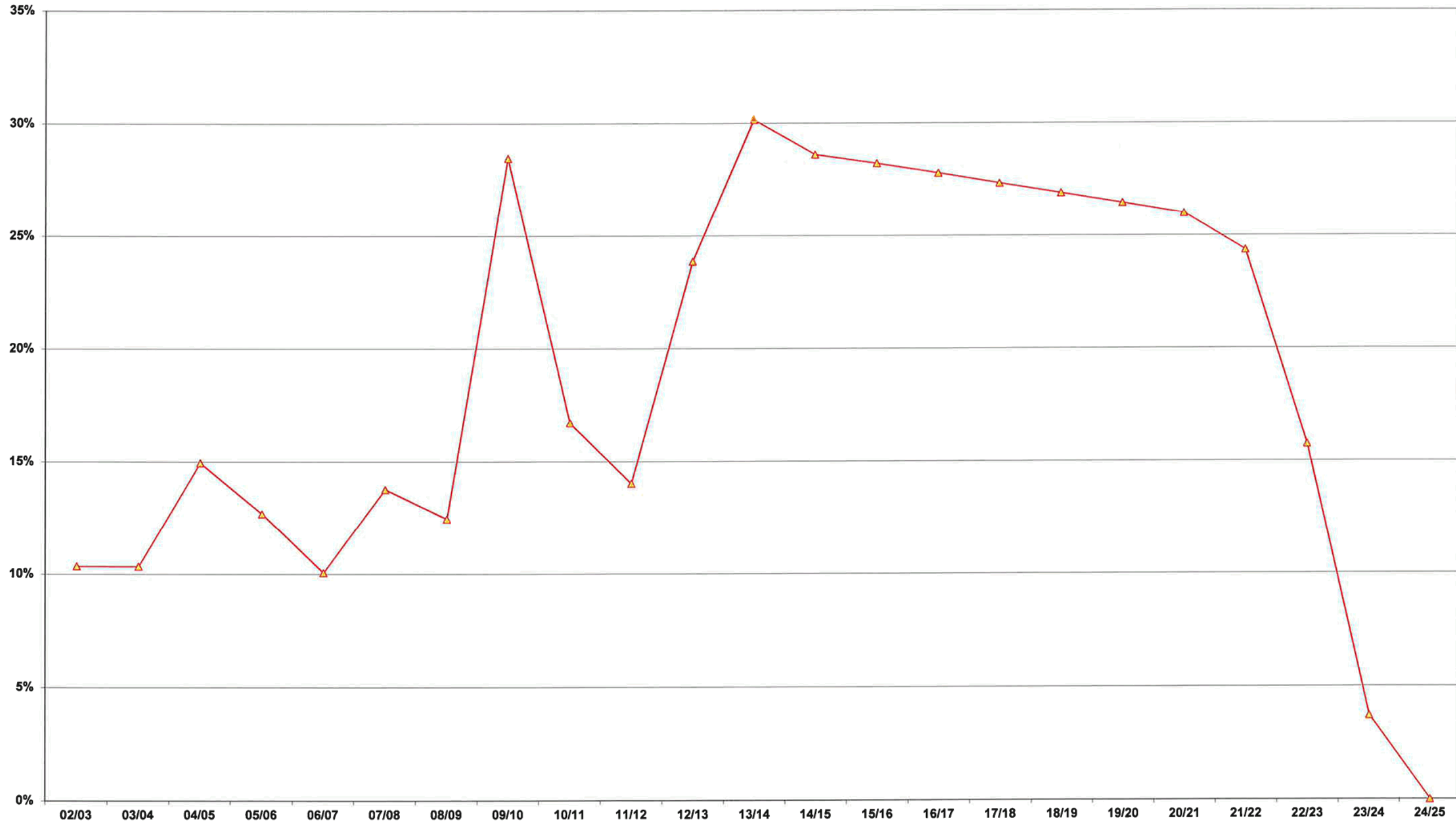
RECOMMENDATION

That Council approves the amendments to the existing Airport Long Term Financial Plan as per the attachments to this report.

Attachment(s)

1. Revised Airport Long Term Financial Plan (LTFP)

Ballina Byron Gateway Airport - Debt Ratio - 2002/03 to 2024/25



4.2 Teak Tree - Lot 5 Tectona Place Wollongbar

4.2 Teak Tree - Lot 5 Tectona Place Wollongbar

Delivery Program Commercial Services

Objective To seek Council's authority to place a building envelope restriction on the title of Lot 5 DP 1204621 Tectona Place, Wollongbar.

Background

Council has considered the future of a large teak tree on Lot 5 DP 1204621 Tectona Place, Wollongbar on four previous occasions as follows:

- Commercial Services Meeting of 18 February 2014 resolved:
“That Council accept the Aborist’s report and that the teak tree be retained and that Council receive a further report on options for the proposed lot.”
- Commercial Services Meeting of 18 November 2014 resolved:
“That Council authorises Lot 5 to be placed on the market for sale, inclusive of the teak tree.”
- Commercial Services Meeting of 17 February 2015 resolved:
*“That Council approves the placement of a restriction on the title of Lot 5, as per the contents of this report, detailing the building envelope as per the **attached** plan prepared by Newton Denny Chapelle, subject to a straightening of the restriction boundary adjacent to the building envelope (ie approximate 10 metre setback) and with the branches of the teak tree to be lopped.”*
- Commercial Services Meeting of 19 May, 2015 resolved:
That Council investigate compensatory planting in close proximity for the existing Teak tree to maximise the return on Lot 5 Tectona Place, Wollongbar.

Following on from the meeting of 19 May 2015, planning consultants Newton Denny Chapelle (“NDC”) wrote to Council’s Development and Environmental Health Group (“DEHG”) on 23 June 2015, seeking advice on removal of the teak tree and compensatory planting for same, in accordance with the abovementioned resolution. The objective of this report is to advise Council of DEHG’s response and present recommendations accordingly.

Key Issues

- Development consent conditions
- Trimming of teak tree
- Potential legal liability in not adequately disclosing specific constraints

Information

Condition 36 of DA 2013/302 notes:

"The existing Teak Tree to be retained as part of the development is to be protected with temporary fencing during construction works."

Condition 59 of DA 2013/302 notes:

"The following restrictions are to be placed on the development, in accordance with Section 88B of the Conveyancing Act 1919:

- (iii) *The establishment of an easement and restriction on use over Lots 5 & 6 in relation to the "No Build Zone" or "Tree Protection Zone for the existing Teak Tree, as shown on the approved plan."*

As noted above, NDC wrote to DEHG on 23 June 2015, seeking advice in relation to:

1. *The ratio of compensatory planting to offset the removal of the teak tree.*
2. *The level of documentation required to support removal of the teak tree.*
3. *Any other advice regarding the proposal.*

A copy of that letter is **attached** which includes a copy of Council's report to the Commercial Services Committee on 19 May 2015.

On 5 August 2015 DEHG responded (see copy of letter **attached**) advising:

"In relation to the ratio of compensatory planting, it is advised that a ratio of 5:1 would be required, taking into account the age and condition of the subject Teak Tree".

DEHG went on further to advise that:

"Chapter 2A – Vegetation Management with the Ballina Shire DCP 2012 would need to be complied with. The application would need to specifically address the requirements of sub-clause 4.2.1."

DEHG also notes that Council's suitably qualified and experienced arborist concluded that:

".....the Teak Tree is significant in the landscape and can survive in good condition in the long term (50+) years provided that the impacts within the Tree Protection Zone ("TPZ") are managed appropriately."

The concluding advice from DEHG is that:

"In this regard, it is uncertain as to how your application may be able to satisfactorily address the requirements of sub-clause 4.2.1 to justify the removal of the Teak Tree. It is not considered that the financial motivation of the developers of the land (i.e. an increase in return on the land) will sufficiently justify a recommendation for removal of the tree, based on the relevant criteria under the DCP."

4.2 Teak Tree - Lot 5 Tectona Place Wollongbar

DEHG also notes that an application (DA 2012/337) was received from the developers of Avalon Estate to remove a similar large teak tree that had a smaller TPZ located on a common boundary. The application was refused by Council in November 2012. A Section 82A Review of Determination was lodged with respect to DA 2012/337, at which the elected Council upheld the November 2012 determination of refusal.

It would appear the advice from DEHG is emphatic that consent will not be granted for removal of the teak tree. To go against such advice may set an awkward precedent for Council when considering future applications for removal of significant trees, and may also give rise to past applicants seeking to have previous decisions by Council overturned.

Furthermore, it would be fair to say that purchasers of the thirteen lots in Tectona Place assume the teak tree will remain, given the fact that it was a consent condition imposed by Council that it remain. The teak tree provides relief and amenity to the streetscape. Also, the purchaser of Lot 6 that adjoins the teak tree has never made any request that it be removed.

It is apparent that the expert advice received to date is that the teak tree be retained on Lot 5. Subsequent discussions with Council's arborist indicate that the eastern crown of the teak tree could perhaps be pruned as resolved by Council at the Commercial Services Meeting of 17 February 2015 resolved:

*"That Council approves the placement of a restriction on the title of Lot 5, as per the contents of this report, detailing the building envelope as per the **attached** plan prepared by Newton Denny Chapelle, subject to a straightening of the restriction boundary adjacent to the building envelope (ie approximate 10 metre setback) and with the branches of the teak tree to be lopped."*

The plan prepared by consultants NDC detailing the TPZ could be amended to reflect the area of the teak tree to be pruned, and the amended plan should be adopted by Council and noted on the title accordingly.

Legal / Resource / Financial Implications

Legal

As noted in the Commercial Services report of 17 February 2015, CH Law advise that to remove uncertainty in the proposed auction of Lot 5 or any subsequent transactions of the property, the building envelope should be formalised by noting it on the title of Lot 5 to avoid exposure of Council to a claim.

This is particularly relevant where Council is both vendor and consent authority. Registration of building envelopes and/or TPZs on title is not unusual. A number of lots in Greenfield Road, Lennox Head have such notations on title.

Financial Implications

As noted in CH Law's advice, failure to adequately disclose the size and location of the building envelope may adversely impact on the market value of Lot 5.

Consultation

Advice has been obtained from Council's DEHG that the teak tree cannot be removed.

Options

Council can resolve to confirm its resolution of 17 February 2015, and approve the placement of a restriction on the title of Lot 5, detailing the building envelope as per the attached plan prepared by NDC, subject to a straightening of the restriction boundary adjacent to the building envelope (ie approximate 10 metre setback) and with the branches of the teak tree to be lopped.

This option is recommended as it is consistent with advice received in regards to the teak tree.

RECOMMENDATIONS

1. That Council approves the placement of a restriction on the title of Lot 5, as per the contents of this report, detailing the building envelope as per the attached Draft TPZ Plan prepared by Newton Denny Chapelle, subject to a straightening of the restriction boundary adjacent to the building envelope (i.e. approximate 10 metre setback) and with the branches of the teak tree to be lopped.
2. Council authorises the General Manager to sign and affix the Council seal to all relevant documentation.

Attachment(s)

1. NDC letter to BSC DEHG 23 June 2015, including the report to the Commercial Services Committee on 19 May 2015
2. BSC DEHG advice to NSC 5 August 2015
3. NDC Draft TPZ Plan - Lot 5

COPY
Sent 24/6/15aw.

Date: 23 June 2015
Our Ref: 13/189

General Manager
Ballina Shire Council
PO Box 450
BALLINA NSW 2478

Attention: Ms Naomi McCarthy

Dear Madam,

Re: Teak Tree Located on Lot 5 DP 1204621, Tectona Place, Wollongbar

Newton Denny Chapelle (NDC) has been engaged by Ballina Shire Council's Commercial Services Section to complete town planning investigations with respect to the above property.

Lot 5 DP 1204621 was created via the subdivision of Lot 5 DP 1161720 as was approved via DA 2013/302 in October 2013. The proponent for DA 2013/302 was Council's Commercial Services Section on behalf of Council's Commercial Services Committee. **Plate 1** illustrates the location of the subject lot.

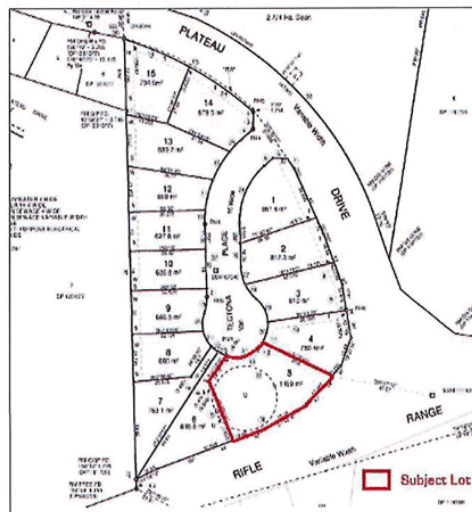


Plate 1 - Subject Lot

The subject lot contains a mature teak tree (*Flindersia australis*) which was the subject of detailed investigations as part of the preparation and assessment of the development application. **Plate 2** illustrates the subject tree.

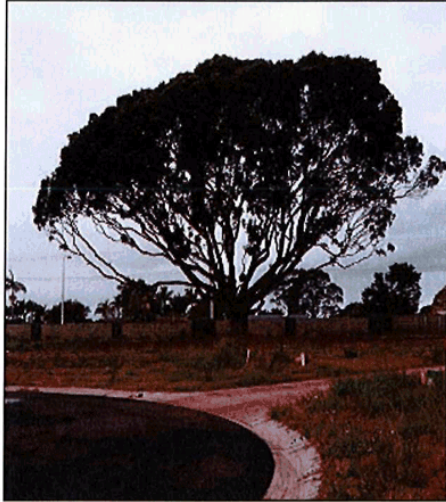


Plate 2 – Teak Tree

At this stage, the subject lot has been legally created and the 88B instrument includes a 'no-build zone' relating to the protection of the teak tree in accordance with applicable development consent conditions. The property has been withheld from sale pending the determination of the future of the tree.

At the Commercial Services Committee Meeting held on 19 May 2015, the Committee considered the option of lodging an application to remove the teak tree from Lot 5 and to "*investigate compensatory planting in close proximity for the existing Teak tree to maximise the return on Lot 5 Tectona Place, Wollongbar.*" NDC has been engaged to provide technical assistance with this matter.

Given the history approvals associated with the tree located on Lot 5, NDC is interested in ascertaining the views of Council's Regulatory Services Group concerning this matter. NDC is particularly keen to obtain advice with respect to the following:

1. The ration of compensatory planting which would normally be required to offset the removal of such a tree, given its age and condition. I have attached information concerning the health of the subject tree for Council's information;
2. The level of documentation that would be required to support the proposed removal of the tree; and
3. Any other advice concerning the proposal relevant to the advancement of a future application.

We trust this is the necessary information you require at this stage, however if you have any questions please do not hesitate contacting Ms Karina Vikstrom of this office on (02) 6622 1011.

Yours sincerely,

NEWTON DENNY CHAPELLE

A handwritten signature in black ink that reads "Damian Chapelle". The signature is written in a cursive, slightly slanted style.

DAMIAN CHAPELLE

Town Planner. BTP CPP.

4.3 Land Sale - Lot 5 Tectona Place Wollongbar

Leanne Harding

From: Lucas Salmon <lucass@ballina.nsw.gov.au>
Sent: Tuesday, 10 March 2015 9:32 AM
Subject: RE: Wollongbar Teak
Attachments: AS 4970-2009 Protection of Trees on Development Sites.pdf

Hi Paul

Following on from our on-site inspection on 3-3-15 are notes and recommendations pertaining to the Teak tree as requested.

The subject tree is a *Flindersia australis* (Australian Teak) with a Diameter at Breast Height (DBH) of 122cm.

The tree is in the maturing stage and whilst vigour is low, displays signs consistent with reasonable health overall.

In most cases Teaks display a crown cover that extends much closer to the ground than in this case. The lack of internal branches and lower crown foliage can be attributed to the dominance of the bamboo that previously existed as an understorey to the tree. This slightly unusual habit will self-adjust over time as the tree recovers.

An elongated wound on one of the eastern scaffold limbs has compromised tension wood at the base of that limb. Occlusion and recovery is slow due to relatively low vigour but decay appears limited in the wound area. This is anticipated given the robustness of the Teak's wood.

The tree has previously been subject to some substandard pruning but is showing signs of self-optimisation and recovery.

The Tree Protection Zone (TPZ) calculated for the tree is 14.6M. A list of activities restricted within the TPZ can be found on page 15 of the Australian Standard for *Protection of Trees on Development Sites – AS 4970-2009*, see attached.

Trees of this stage of maturity with low vigour are generally slow to respond to changes in surroundings. However, if managed according to the recommendations below, the subject tree should continue to grow and show signs of improvement for many years to come now that competition for water, nutrients and space is under control.

Conversely, the fact that the tree stands alone in the landscape and does not have other trees around it for protection will predispose it to greater risk of damage from storms. This is only a potential, the extent of which cannot be determined at this stage.

The tree does not require pruning or fertilising. The tree is in recovery; removal of photosynthetic material will limit the tree's ability to manufacture carbohydrates and compromise that recovery.

(Trees can be pruned for a number of reasons and there are numerous types of pruning techniques used by Arborists. The technique used will depend on the tree, its requirements and other factors. Tree pruning is high risk work and should only be carried out by suitably qualified and experienced individuals. All pruning should be carried out in accordance with the Australian Standard for Pruning of Amenity Trees – AS 4373-2007).

Recommendations include:

- removal of weed mat once weeds are under control
- the addition of organic matter to the soil from the trunk to the drip line
- maintain 150mm of organic mulch under the tree from the trunk to the drip line
- watering under the tree during dry periods

1

4.2 Teak Tree - Lot 5 Tectona Place Wollongbar

4.3 Land Sale - Lot 5 Tectona Place Wollongbar

- establishment of a TPZ and temporary fencing for the duration of work activities associated with construction

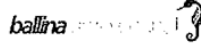
For other information on tree protection please use the AS 4970-2009 as a guide.

I hope this is suitable Paul. Let me know if you need anything further.

Regards,

Lucas.

Lucas Salmon
Open Spaces & Reserves Technical Officer
Open Spaces and Reserves



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From: Paul Tsikleas
Sent: Monday, 9 March 2015 8:56 AM
To: Lucas Salmon
Subject: RE: Wollongbar Teak

Hi Lucas,

My apologies; please find the plan attached hereto. Let me know if you require further info.

Regards

Paul Tsikleas
Commercial Services Manager
General Manager's Group



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p: 66861200 | m: 0458276362

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SECTION 4 TREE PROTECTION MEASURES

4.1 GENERAL

Tree protection measures include a range of activities and structures. Structures are used to identify and isolate the TPZ (refer to Section 3). These measures are identified in the arboricultural impact assessment and tree protection plan.

The TPZ is a restricted area usually delineated by protective fencing (or use of an existing structure such as an existing fence or wall). It is installed prior to site establishment and retained intact until completion of the works.

Some works and activities within the TPZ may be authorized by the determining authority. These must be supervised by the project arborist. Any additional encroachment that becomes necessary as the site works progress must be reviewed by the project arborist and be acceptable to the determining authority before being carried out.

Approved tree removal and pruning should be carried out before the installation of tree protection measures.

4.2 ACTIVITIES RESTRICTED WITHIN THE TPZ

Activities generally excluded from the TPZ include but are not limited to—

- (a) machine excavation including trenching;
- (b) excavation for silt fencing;
- (c) cultivation;
- (d) storage;
- (e) preparation of chemicals, including preparation of cement products;
- (f) parking of vehicles and plant;
- (g) refuelling;
- (h) dumping of waste;
- (i) wash down and cleaning of equipment;
- (j) placement of fill;
- (k) lighting of fires;
- (l) soil level changes;
- (m) temporary or permanent installation of utilities and signs, and
- (n) physical damage to the tree.

4.3 PROTECTIVE FENCING

Fencing should be erected before any machinery or materials are brought onto the site and before the commencement of works including demolition. Once erected, protective fencing must not be removed or altered without approval by the project arborist. The TPZ should be secured to restrict access.

AS 4687 specifies applicable fencing requirements. Shade cloth or similar should be attached to reduce the transport of dust, other particulate matter and liquids into the protected area.

Fence posts and supports should have a diameter greater than 20 mm and be located clear of roots.

Licensed to Ballina Council Mr Glenn on 30 Sep 2009. User personal use/licence only. Storage, distribution or use on network prohibited.

4.3 Land Sale - Lot 5 Tectona Place Wollongbar

Tree Report

Teak Tree
Plateau Rd
Wollongbar

Report compiled by
Northern Tree Care
Po Box 81, Burringbar NSW 2483.
Ph 0414186161
24th January, 2014.



Client: Blackwood Ecological
Cnr Rifle Range Rd and Plateau Rd. Compiled by Northern Tree Care. 24th January, 2014.

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4.3 Land Sale - Lot 5 Tectona Place Wollongbar

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4.2 Teak Tree - Lot 5 Tectona Place Wollongbar

4.3 Land Sale - Lot 5 Tectona Place Wollongbar

1. Introduction

Ballina Shire Council is undertaking the development of a subdivision in Plateau Rd Alstonville. A mature aged Teak *Flindersia australis* is growing in the proposed development at the corner of Rifle Range Rd and Plateau Rd. The tree is a significant tree and this report has been requested by Blackwood Ecological Services to look at the suitability of the tree for retention in the development.

The tree was inspected on 11th November, 2013 and a letter describing the tree was provided to Blackwood Ecological (see Attachment 3. Letter to Blackwood Ecological). The tree was inspected again on 22nd January, 2014.

This report was compiled by Peter Gray Dip Hort (Arb), of Northern Tree Care. Peter Gray is an arborist with over 15 years experience. He has been providing tree reports for Local Government, State Government and private clients for over 15 years and is a registered member of Arboriculture Australia. The information contained in this report is true and accurate to the best knowledge of the author. Best professional judgement was used to make the recommendations contained in this report.

The information in the report is derived from a site visit conducted on 11th November, 2013 and information provided by Blackwood Ecological. The meeting was attended by and Peter Gray from Northern Tree Care and Mark Free from Blackwood Ecological. The tree was also inspected on 22nd January, 2014 after the Bamboo and Jacarandah trees had been removed.

This report relies on this information and assumes it is true and accurate.

This report should be read as a whole.

2. Scope

Ballina Shire Council is developing land for residential living in Plateau Rd, Alstonville. A mature aged Teak tree is growing on the site.

This report describes the tree and reports on the suitability of the tree for retention in the development. The tree was inspected on 11/11/13 and again on 22/1/14.

The tree was assessed visually from the ground. The DBH was measured with a girthing tape and height of the trees was measured with an inclinometer.

Trees A ~ Z (Barrell J. 2006) was used to determine whether the tree should be considered important or not.

4.3 Land Sale - Lot 5 Tectona Place Wollongbar

3. Description

The land is flat and the soil is red krasnozem that is considered to be deep fertile soil suited to growing trees. There is a stand of Bamboo growing next to and under the tree (see Attachment 1. Aerial Photo). The tree branches at 1.5m and forms a crown low to the ground. There are 8 major branches arising from 1.5m to 3m.

At the time of the first inspection the stand of bamboo was growing around and up into the tree. At the time of the second inspection the bamboo and several Jacarandah trees had been removed from around the tree (see Attachment 2. Plate 1). The bamboo is regrowing from the roots. The removal of the vegetation surrounding the tree enabled a more comprehensive assessment of the tree carried out on 22/1/14.

The tree was measured as being 18m high with a diameter at breast height (DBH) of 1160mm and a crown spread of 20m. The Tree Protection Zone (TPZ) is given as 14m (AS 4970-2009 Protection of trees on development sites).

There are approximately 20 branches from 75 to 200mm that have died (see Attachment 2. Plate 2). It is considered likely that the competition from the bamboo has contributed to the death of the branches. There is some sunburn and decay in the tops of 3 major branches. The decay area has occluded and the damage to the branches is stabilizing (see Attachment 2. Plate 3).

There is new growth occurring in the tips of the tree following the removal of the bamboo and the tree is in good condition (Mattheck C, 2003). The increased light and decreased competition from the bamboo is likely to lead to the tree developing a more leafy canopy over time.

The tree is protected by Ballina Shire Council s Development Control Plan 2012. 2a Vegetation Management.

Large mature aged Teak trees are relatively rare and this tree provides considerable visual, ecological and historic amenity to the area.

The tree is considered to be an important tree (Barrell, 2006).

4.3 Land Sale - Lot 5 Tectona Place Wollongbar

4. Appraisal and Recommendations

The tree is a mature aged tree that is near the corner of Rifle Range Rd and Plateau Rd. It can be clearly seen at the entrance to the subdivision and is a relatively rare example of a mature aged Teak tree. It is considered that the tree can survive in good condition in the long term and up to 50 years provided that impacts within the TPZ are managed appropriately.

The tree is in good condition and is considered to be a significant important tree. It is the recommendation of this report that the tree be retained in the proposed subdivision where its retention is consistent with the objectives of the proposed development.

If the tree is retained it is recommended that the dead branches be pruned off in accordance with the Australian Standard AS 4373-2007 Pruning of amenity trees. The aesthetic appeal of the tree will be enhanced by the removal of the dead limbs. The pruning should be carried out by an arborist qualified to a minimum AQF 3. The bamboo regrowth in the TPZ should be poisoned with a herbicide that will not persist in the soil and in such a way as to minimize any damage to the root system of the tree.

It is recommended that the tree be protected in accordance with the recommendations of AS 4970-2009 Protection of trees on development sites. This would largely involve the removal of the bamboo from the TPZ and the prevention of any works in the TPZ as outlined in 5. Tree Protection below.

4.3 Land Sale - Lot 5 Tectona Place Wollongbar

5. Tree Protection

The aim of the tree protection measures is to allow for the construction of the development and retain the trees in a safe viable state. It is critically important for the viability of the trees that any damage or stress to the trees during construction is minimised. The Australian Standard AS 4970 Protection of trees on development sites makes recommendations for the protection of trees on development sites. The standard recommends that an area around the tree be protected based on the DBH of the tree calculated as 12 x DBH (Draper 2009). Encroachments may be made into the Tree Protection Zone where significant damage is not caused to the roots or canopy. The standard recommends that the roots in the Structural Root Zone not be damaged as they are required for the stability of the tree.

The area identified as the TPZ should be protected during construction works. The Australian Standard AS 4970 - 2009 Protection of trees on development sites makes recommendations for the protection of trees on development sites. Certain activities are recommended to be restricted in the TPZ. These include:

- machine excavation including trenching
- excavation for silt fencing
- cultivation
- storage
- preparation of chemicals, including preparation of cement products
- parking of vehicles and plant
- refuelling
- dumping of waste
- wash down and cleaning of equipment
- placement of fill
- lighting of fires
- soil level changes
- temporary or permanent installation of utilities and signs, and
- physical damage to the tree.

A temporary fence should be erected around the TPZ. Types of suitable fencing include chain wire mesh panels held in place with concrete feet.

The tree protection measures should be supervised by the project arborist.

4.3 Land Sale - Lot 5 Tectona Place Wollongbar

6. Disclaimer

The information contained in the report is true and accurate to the best knowledge of the author. Best professional judgement was used to make recommendations. However no responsibility is taken by the authors of this report for any action which might be taken in reliance on it.

This report remains the property of the authors and Blackwood Ecological Services. It may not be used or reprinted without their express permission.

Peter Gray agrees to be bound by the Expert Witness Code of Conduct.

7. Bibliography

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4.2 Teak Tree - Lot 5 Tectona Place Wollongbar

4.3 Land Sale - Lot 5 Tectona Place Wollongbar

8. Attachment 1. Aerial Photo

Aerial Photo of the proposed subdivision. The photo was taken before the bamboo and other trees were removed.



Client: Blackwood Ecological
Cnr Rifle Range Rd and Plateau Rd. Compiled by Northern Tree Care. 24th January, 2014.

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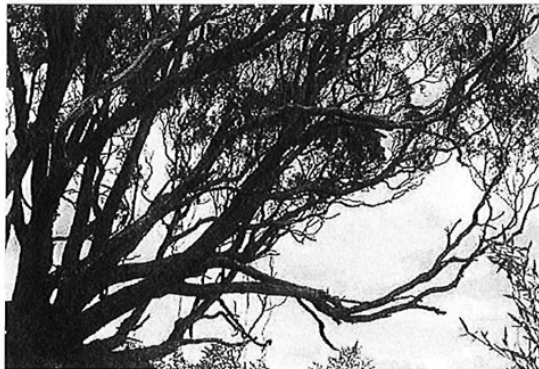
4.3 Land Sale - Lot 5 Tectona Place Wollongbar

9. Attachment 2. Plates

Plate 1 Bamboo and Jacarandah regrowth



Plate 2 Dead branches in the crown



Client: Blackwood Ecological
Cnr Rifle Range Rd and Plateau Rd. Compiled by Northern Tree Care. 24th January, 2014.

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4.3 Land Sale - Lot 5 Tectona Place Wollongbar

Plate 3 Sunburn and decay on the tops of 3 major branches



Client: Blackwood Ecological
Cnr Rifle Range Rd and Plateau Rd. Compiled by Northern Tree Care, 24th January, 2014.

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4.2 Teak Tree - Lot 5 Tectona Place Wollongbar

4.3 Land Sale - Lot 5 Tectona Place Wollongbar

10. Attachment 3. Letter to Blackwood Ecological



northerntreecare@me.com
PO Box 81
26 Plumtree Pocket, Burringbar, 2483
Ph 0266 771697 0414186161 ABN 73 674526681

Northern Tree Care
Consulting Arborist
and
Tree Surgeons
www.northerntreecare.com.au

11/7/13

Blackwood Ecological
PO Box 336
Bangalow 2479

Re: Teak tree at Wollongbar.

Dear Mr. Free,

I inspected a Teak tree *Flindersia australis* at the corner of Rille Range Road and Plateau Drive, Wollongbar today with you.

The tree is growing on land planned to be subdivided for residential housing. The land is flat with red krasnozem soil. There is a stand of bamboo growing next to and under the tree. The tree branches at 1.5m and forms a crown low to the ground. This indicates the tree grew up in the open as a 'paddock tree'.

The tree is a large old mature tree. The DBH of the tree is 1180mm, height of approximately 20m and a canopy spread of 20m. The tree is in good condition. There are a number of dead branches in the tree up to 100mm in diameter. The dead wood in this species of tree does not decay readily and the dead branches in the tree are likely to have been there for 5 years or more. A sounding taken of the trunk and branches indicated that there is little decay in the trunk and major branches of the tree. It is estimated that this tree could grow in good condition for at least another 50 years.

The Australian Standard AS 4970 - 2009 makes recommendations for the protection of trees on development sites. The standard seeks to protect an area around the tree that includes the canopy. The Tree Protection Zone (TPZ) is calculated to be 14.1m from the outside of the base of this tree.

Large mature Teak trees are relatively rare and so this tree is considered to be important in the local environment (Barnell 2006).

In our opinion the tree should be retained and protected where that is consistent with the objectives of the development. The area that should be protected is the TPZ.

If you require further information or clarification please contact Peter Gray on 0414186161.

Regards

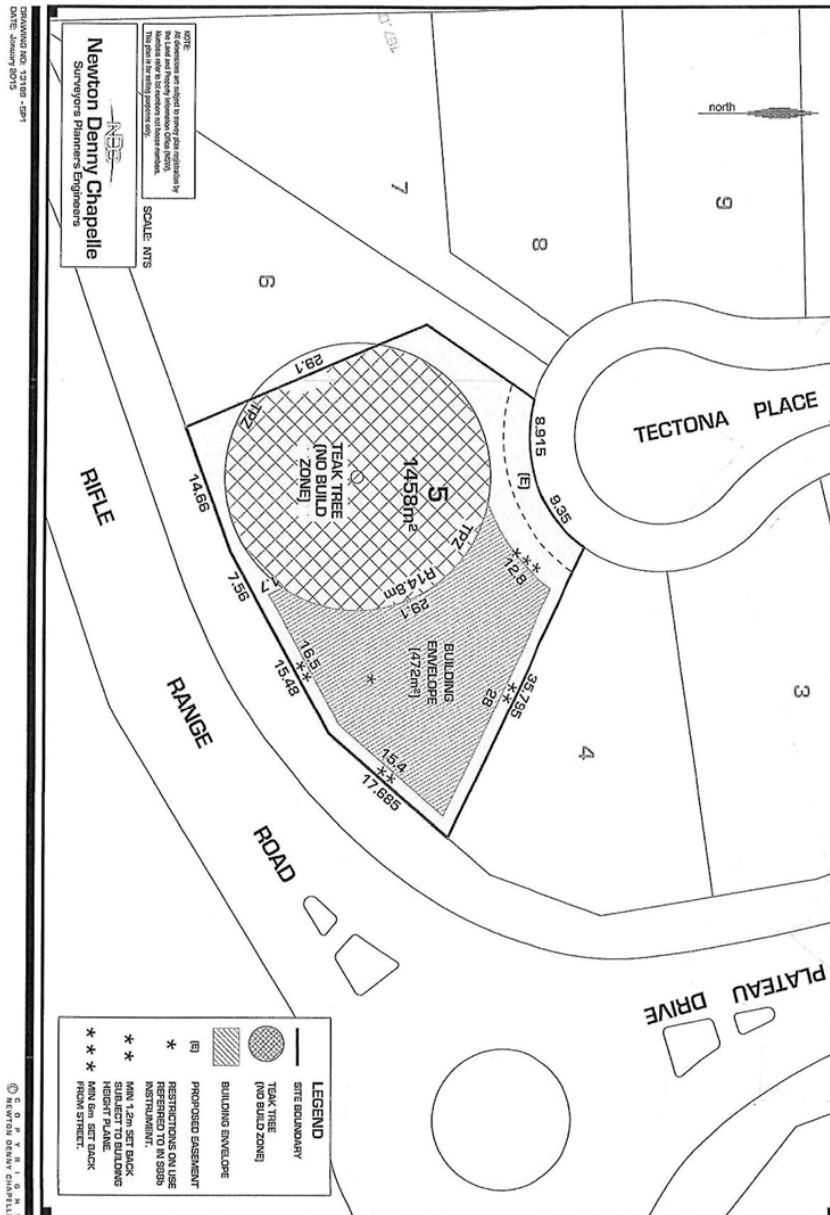
Peter Gray Dip Hort (Arb).

Client: Blackwood Ecological
Cnr Rille Range Rd and Plateau Rd. Compiled by Northern Tree Care, 24th January, 2014.

page 11 of 11

4.2 Teak Tree - Lot 5 Tectona Place Wollongbar

4.3 Land Sale - Lot 5 Tectona Place Wollongbar



enquiries refer
Naomi McCarthy
in reply please quote
Cont. 143-04

5 August 2015

Ms Karina Vikstrom
Newton Denny Chapelle
PO Box 1138
LISMORE NSW 2480



Dear Karina,

Re: Development Enquiry – Removal of a Teak Tree, Lot 5 DP 1204621, No. 9 Tectona Place, WOLLONGBAR

I refer to your letter received by Council on 26 June 2015 in relation to the existing Teak Tree located at Lot 5 DP 1204621, No. 9 Tectona Place, WOLLONGBAR.

It is understood that you are seeking advice from Council's Development and Environmental Health Group in relation to advancing the resolutions and discussions at the May 2015 Commercial Services Committee Meeting. Your letter states that the Committee has considered the option of lodging a development application to remove the existing Teak Tree from Lot 5 DP 1204621 and seek to investigate compensatory planting in close proximity for the existing Teak Tree to maximise the return on No. 9 Tectona Place Wollongbar.

Your letter states that you are specifically seeking advice in relation to:

1. The ratio of compensatory planting to offset the removal of the subject tree.
2. The level of documentation required to support the removal of the subject tree.
3. Any other advice regarding the proposal.

In relation to the ratio of compensatory planting, it is advised that a ratio of 5:1 would be required, taking into account the age and condition of the subject Teak Tree. Any offset planting would need to be proposed on public land in close proximity to the subject site. The location should also be such that the plantings can be equally compensatory from a landscape amenity perspective.

In relation to the level of documentation required, the requirements of Chapter 2a – Vegetation Management within the Ballina Shire DCP 2012 would need to be complied with. The application would need to specifically address the requirements of sub-clause 4.2.1. However, it is noted that the attachments to your 23 June 2015 letter indicate that the existing Teak Tree is significant in the landscape and can survive in good condition in the long term (50+ years) provided that impacts within the Tree Protection Zone (TPZ) are managed appropriately. These conclusions have been drawn by Council's Open Spaces and Resource Recovery Section and a qualified and experienced Arborist (Peter Gray). In this regard, it is uncertain as to how your application may be able to satisfactorily address the requirements of sub-clause 4.2.1 to justify the removal of the Teak Tree. It is not considered that the financial motivation of the developers of the land (i.e. an increase in return on the land) will sufficiently justify a recommendation for removal of the tree, based on the relevant criteria under the DCP.

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4.2 Teak Tree - Lot 5 Tectona Place Wollongbar

2.

Development Enquiry – Removal of Teak Tree from No. 9 Tectona Place, Wollongbar
5 August 2015

Also, it is noted that an application (DA 2012/337) was received from the developers of the Avalon Estate to remove a similar tree (large Teak Tree) within their Estate. The Teak Tree within the Avalon Estate has a smaller TPZ and is located on a common property boundary. The application to remove the Teak Tree was refused by Council in November 2012. A Section 82A Review of Determination was lodged with respect to DA 2012/337, at which the elected Council upheld the November 2012 determination of refusal.

I have included a copy of the report to the Council for the 82A Review of Determination for DA 2012/337, which will provide additional information as to the reasons why the removal of the Teak Tree in the Avalon Estate was not supported. This information may assist in your discussions with your client regarding the proposed removal of the existing Teak Tree from No. 9 Tectona Place Wollongbar.

Should you have any enquiries in relation to this matter, please contact Naomi McCarthy of Council's Development and Environmental Health Group on 6686 1254.

Yours faithfully



Rod Willis
Group Manager
Development and Environmental Health

8.1 DA 2012/337 - Removal of Teak Tree (S82A Review)

8.1 DA 2012/337 - Removal of Teak Tree (S82A Review)

Applicant	Ardill Payne & Partners
Property	Lots 23 & 24 DP 1162144, No.'s 13 & 15 Clovelly Place, Wollongbar
Proposal	Request for a Section 82A Review of Determination of DA 2012/337 – To Undertake the removal of one Teak Tree (<i>flindersia australis</i>) from a Common Property Boundary
Effect of Planning Instrument	The land is zoned R3 – Medium Density Residential under the provisions of the Ballina LEP 2012
Locality Plan	The subject land is depicted on the locality plan attached

Introduction

On 3 May 2013, Council received a request via Section 82A of the Environmental Planning and Assessment Act 1979 to review its determination of Development Application 2012/337 (To undertake the removal of 1 Teak Tree – *flindersia australis* from a common property boundary). On 7 November 2012, Council issued a Notice of Determination by way of Refusal for DA 2012/337. The reasons for refusal were stated as:

1. The Teak tree is in good health.
2. Building envelopes have been established on each of the allotments and it is considered that the lots are of such a suitable size and configuration to facilitate the construction of a dwelling house(s) within the building envelope without impacting on the Teak tree.
3. The removal of the Teak tree is not in the public interest.

Refer to Attachments 2 and 3 for an aerial photograph of the subject lots and a photograph of the Teak tree.

Background

On 10 December 2008, the Land and Environment Court issued consent orders to Development Application 2007/876 (Torrens Title Subdivision to Create 143 Residential Allotments, One (1) x Open Space Allotment and One (1) x Residue (Future Development) Allotment and Road and Infrastructure Works). Refer to Attachment 4 for a copy of the consent orders. In relation to DA 2007/876 and the subject Teak tree:

- The tree was shown on the development plans submitted with the DA (lodged 25 June 2007). The plans depict the tree as being retained and straddling the boundary of two proposed duplex lots.
- The stamped approved plan for the development (refer to Attachment 5) does state in relation to the subject tree, "Existing Tree to be Retained if Possible".
- The Building Control Plan (required via condition 3.9) for the Stage 1 Land Release shows the subject tree to be retained (refer to Attachment 6).

8.1 DA 2012/337 - Removal of Teak Tree (S82A Review)

Reportable Political Donations

Details of known reportable political donations are as follows:

- Nil

Report

General comments on the proposed removal of the Teak Tree

In summary, the applicant has provided the following points in support of the review of determination for DA 2012/337:

- The health of the tree is not of particular relevance to the proposed development as the proposal to remove the tree is not based/premised on its state of health.
- The proposal to remove the tree is based on its inappropriateness in the urban residential context, particularly as a consequence of its location (on the common boundary of two medium density residential lots) and its size and spread. The tree has a trunk diameter of greater than 1 metre, a spread of approximately 17 metres and a height of 27 metres and is situated on the northern side of the subject lots.
- Both lots have the ability to contain 2 x detached dwellings (dual occupancy) under the Ballina Local Environmental Plan 2012 and as approved via DA 2007/876. Building envelopes have been established on each lot and the size of such should be able to accommodate a detached dual occupancy. However, the size and spread of the tree and potential for impact into building zones and on future dwellings from the tree's overhanging branches was not previously fully realised.
- The tree will be impacted as a result of future construction activities – substantial pruning of branches, impacts upon root system from excavation and driveway construction.
- The tree will impact upon the future development of the land – boundary fencing, root damage to foundations, concrete surfaces, underground infrastructure (water and sewer pipes).
- There is no real tangible public interest issue as the tree is situated on private property and is not such that it contributes greatly to local landscape, streetscape or amenity of the subdivision or locality.
- The tree was a singular paddock tree on a cattle grazing property and was retained over the years largely to provide shade for cattle. The visual character and setting of the land has and is continuing to change and be transformed from rural to urban residential and will thus be characterised by roads, residential buildings, improvements and domestic landscaping.
- If the tree is removed and both lots are developed for dual occupancy purposes, the sites will be landscaped with more appropriate domestic type and scale vegetation and thus there will be a net floristic gain on the land in the longer term.
- The location of the tree, on the common boundary of Lots 23 and 24 has the potential to result in future on-going neighbour conflicts, due to uncertainties as to the ownership and/or control of the tree – responsibilities in relation to potential claims by impacts from falling limbs, pruning, maintenance, root damage to buildings and infrastructure will become problematic.

8.1 DA 2012/337 - Removal of Teak Tree (S82A Review)

- It is possible that there may be disputes between future residents of Lots 23 and 24 (total of 4) dwellings with a likely outcome (via the Trees (Disputes Between Neighbours) Act 2006) to remove the tree. This can be avoided if the tree is removed now.
- The tree is of much larger spread than envisaged by the Building Control Plan and the root system is likely to encroach further into the building envelope on the allotments and also Council's sewerage infrastructure traversing the front of the lots.
- The existence of the tree is contrary to the Ballina Urban Garden Guide, due to its height and location relative to 4 future dwellings, potential to block winter sun and sunlight to solar energy devices (in winter) and it is not listed as a suitable species within suburban blocks.

The applicant's submission in support of the review of determination of DA 2012/337 is provided within Attachment 7.

An assessment of the requested review of determination and the subject Teak tree has been undertaken by Council's Acting Vegetation Maintenance Officer. The following advice has been received.

Life Expectancy

The general life expectancy of Teak trees is 100 to 200 years, depending on conditions and genetics. However, given the multitude of variations, it can be difficult to define overall life expectancy. In the case of the subject Teak tree, it could have a useful life expectancy of another 100 years or more if not disturbed or damaged. The disturbance and damage applies to both the above and below ground parts of the tree.

The Australian Standard AS4970-2009 "Protection of Trees on Development Sites" contains more information regarding this including Tree Protection Zones, Critical Root Zones and incursions into these areas. The more the tree is protected and cared for, the longer its life expectancy.

Vulnerability

The tree is relatively isolated and whilst it does not have other trees around it to offer it protection from storms etc, its level of vulnerability would not necessarily lead to death. Trees are self-optimising, the Teak tree will have adjusted to its current situation since the removal of any other previous surrounding trees and will continue to adjust over time. This could possibly affect the trees lifespan, but if so, it will not be significant.

Safety Issues

Teak trees are considered very robust, with a dense, heavy wood grain, not prone to borers or decay. Teak trees are not known for high or even moderate branch failure rate. It is noted that no branches were lost from the subject tree in the January/February storms of this year. There are safety issues with all trees that exist in urban environments, but the probability of failure and level of risk, is most often extremely low. I have not seen any evidence in the subject Teak tree that would indicate an unacceptable risk. There are no pests or disease present, defects and decay are minimal, wound wood production is good and the tree shows good symmetry and balance.

8.1 DA 2012/337 - Removal of Teak Tree (S82A Review)

Contribution to Landscape

The Teak trees overall contribution to the landscape is very important. As the Alstonville/Wollongbar area becomes increasingly urbanised, and native vegetation is lost in the process, wildlife corridors and refuges are being depleted and fragmented. Mature native trees, such as this one, provide food and shelter for hundreds of birds and other animals daily.

In addition, large isolated trees in urban environments provide "stopovers" for smaller birds that range in the area. Removal of such trees can cause major disruptions in feeding, mating and travel behaviours in birds and other animals and there are trickle down effects of this in local wildlife communities. Furthermore, interpretation of the aerial photograph reveals that the tree is located between larger stands of trees to the east and to the west.

In addition, there are the other more obvious benefits that humans derive from large trees in developed areas such as shade, amenity, carbon storage, toxin and particulate filtration, reduction of glare, reduction in wind speed and a reduction in cooling costs. Given the nature of the urban environment in this area of Wollongbar and the limited amount of mature vegetation, I would consider a large healthy native tree positioned at the northern end of two blocks a fantastic asset.

Mature Vegetation in the Wollongbar Urban Expansion Area

From an inspection of the site and also from within the Avalon Estate and surrounding estates approved within the Wollongbar Urban Expansion Area (Killarney Park Residential Estate, Spring Creek Place Estate and Wollongbar Park Estate), the subject Teak tree is one of the only mature trees to be retained within the urban/residential zoned land.

It is noted that similar issues, with respect to the retention of mature trees within residential allotments, have arisen in the assessment of the development applications for the Killarney Park Residential Estate (DA 2010/453) and the Wollongbar Park Estate (DA 2009/664).

In both instances, Council staff questioned the ability to successfully retain mature vegetation within residential allotments of these estates, given insufficient buffer areas had been provided between the vegetation and the proposed building envelopes.

In the instance of DA 2009/664, the application originally sought the retention of a Teak tree located adjacent to the western boundary of the property. The tree was to be retained within two residential allotments, and the drip line (foliage) of the tree protruded into a third residential allotment.

The Teak tree's proposed buffers affected the three lots and Council staff considered that the buffers were not sufficient to afford suitable long term protection of the Teak tree and/or permit suitable dwelling envelopes to allow for the construction of a dwelling.

Council staff requested that the developers consider consolidating the allotments to enable successful long term protection of the tree, however the developers argued that this would reduce the minimum densities for the area required by Council's DCP and elected to remove the tree.

8.1 DA 2012/337 - Removal of Teak Tree (S82A Review)

This was accepted by Council staff in the determination of the application, given the extensive landscaping and rehabilitation of environmental protection areas proposed within the estate and the resulting loss of dwelling density if the allotments were to be consolidated in order to retain the Teak tree.

In the instance of DA 2010/453, the application proposed to retain a number of mature trees within the street system and within residential allotments. As part of the approval of the estate, Council staff imposed conditions upon the consent requiring the submission of a Vegetation Management Plan (VMP) prior to the issue of the Construction Certificate for Stage one of the estate.

The VMP is required to detail all native trees and shrubs of a height greater than three metres that are to be retained for amenity purposes. The plan is required to demonstrate that the retained vegetation is located sufficiently clear of all essential infrastructure and provides for an appropriately sized building envelope on each residential lot in the development in accordance with applicable Australian Standards for the protection of trees on building sites and the construction of residential slabs and footings. The requirements of these conditions are yet to be satisfied by the developers.

In relation to the Avalon Estate, the application proposed to retain three mature native trees within urban/residential zoned land, being the subject Teak tree and two Macadamia Tetraphylla (Rough Shelled Bush Nut), which are classed as threatened species. The Macadamia Tetraphylla are significantly smaller than the subject Teak tree and are located in the Avalon Avenue road reserve, adjacent to Lot 10.

The application also proposed rehabilitation and management works within the environmental protection zoned areas of the estate (along its northern boundary within Lot 141) which is to be dedicated to Council upon completion. Conditions have been imposed on the consent orders for DA 2007/876 in relation to the rehabilitation and embellishment of this area of the estate (Lot 141).

It must be noted that on 7 June 2013 Council received a Section 96AA Application to Modify Development Consent 2007/876. This proposed modification includes the consolidation of Lot 141 within three residential allotments and subsequent deletion of the requirement to rehabilitate the environmental protection zoned land.

At the time of preparing this report, the S96AA Application is still within the public exhibition phase and Council officers are undertaking an assessment of the proposed modifications.

However, should the proposed modifications within the S96AA Application be supported, the environmental protection zoned land will no longer be rehabilitated or embellished. This will result in an overall decrease the amount of native vegetation provided by the developers within the Avalon Estate.

Relevant issues to be considered in reviewing DA 2012/337

The following table provides an assessment of the relevant issues for Council to consider in its review of DA 2012/337.

8.1 DA 2012/337 - Removal of Teak Tree (S82A Review)

Arguments for Retaining the Teak Tree	Comment
<p>The subject Teak tree is one of the only mature existing trees to be retained within the approved residential estates in the Wollongbar Urban Expansion Area (WUEA)</p>	<p>In relation to the Avalon Estate, the developers have only identified two other existing trees to be retained as part of DA 2007/876, as detailed above. These trees are Macadamia Tetraphylla (threatened species) and are significantly smaller than the subject Teak tree.</p> <p>In relation to other approved residential estates in the WUEA, an existing Teak tree is to be removed as part of DA 2009/664 (given its location within residential allotments). DA 2010/453 has proposed the retention of a number of mature native trees, some of which are located within residential allotments. However, detailed justification for the retention of those trees is yet to be submitted as a condition of consent.</p> <p>It is considered that the subject Teak tree does provide an important linkage to the previous use of the land, being a paddock tree within a former grazing farm, and this is beneficial in considering the overall evolution of the landscape from a rural to an urban environment.</p>
<p>The subject Teak tree is considered to provide considerable and significant value to the urban landscape and amenity of the neighbourhood.</p>	<p>The subject Teak tree is the largest tree within urban/residential zoned land within the Avalon Estate. Its stature is impressive in the landscape and it provides relief in the overall urbanised environment. As previously stated, the existence of the tree does provide an insight into the previous use of the land and is remnant of its past life.</p> <p>As commented by Council's Acting Vegetation Maintenance Officer, the subject Teak tree has a range of benefits to humans.</p>
<p>The subject Teak tree is in good health, is not showing any signs of deterioration or decay and with care could have a life expectancy of another 100 years or more.</p>	<p>The current health of the tree is such that it has not been impacted as a result of the development of the Avalon Estate. If the tree is continued to be cared for, the tree could remain on the land for another 100 years, which speaks for the robustness of the species.</p> <p>As commented by Council's Acting Vegetation Maintenance Officer, Teak trees are not prone to borers or decay and they are not known for high or moderate branch failure rate.</p>
<p>The subject Teak tree does and would provide habitat for local birdlife.</p>	<p>As commented by Council's Acting Vegetation Maintenance Officer, mature native trees, such as the subject Teak tree, provide food and shelter for hundreds of birds and other animals daily. In addition, large isolated trees in urban environments provide "stopovers" for smaller birds that range in the area. Removal of such trees can cause major disruptions in feeding, mating and travel behaviours in birds and other animals.</p>

8.1 DA 2012/337 - Removal of Teak Tree (S82A Review)

Arguments for Retaining the Teak Tree	Comment
<p>The development of the two allotments for residential development is still able to occur.</p>	<p>The applicant/developers identified building envelopes during the assessment of DA 2007/876 and subsequent to its approval, in their preparation of a Building Control Plan (to be appended to Council's DCP). As part of their preparation of the Building Control Plan (as required via consent conditions 3.9 and 3.10), the applicant/developers were required to clearly identify building envelopes and setbacks for all residential lots. The plan was prepared on the basis of retaining the subject Teak tree and provides a 5.4m setback from the common lot boundary (in terms of the width of the tree – trunk diameter of 1 metre and a spread of 17 metres).</p> <p>Despite the developer's intention to sell and have Lots 23 and 24 developed for dual occupancy dwellings (total of 4 dwellings), this may not be achievable (depending on the size of the proposed dwellings) or even desirable by future owners, given the location and presence of the tree.</p> <p>It is noted that Lot 23 has an area of 869.6m² and Lot 24 has an area of 980.7m². As the allotments are of such a substantial size, smaller dual occupancy dwellings would be able to be located on both allotments, whilst enabling retention of the subject Teak tree.</p> <p>It is not considered that the lots are undevelopable, simply that the density of the development of the 2 lots may be less than originally proposed, or as permitted under Council's current planning instruments, given the location and size of the subject Teak tree.</p>

Arguments Against Retaining the Teak Tree	Comment
<p>The location of large mature trees within residential allotments may not be appropriate.</p>	<p>Large mature trees located within residential allotments can cause a range of problems for residents. In the case of the subject Teak tree, in hindsight it would have been better located within one larger residential allotment or within an open space (small park) lot, thereby having limited ability to cause damage to future development (or be damaged by future development) or to be requested for removal.</p> <p>It is acknowledged the subject Teak tree is very large, with a trunk diameter of greater than 1 metre, a spread of approximately 17 metres and height of 27 metres.</p>
<p>The location of subject Teak tree (on the common boundary of 2 residential</p>	<p>It is possible that the developers may not achieve their desired sale price for Lots 23 and 24 due to the presence and location of the</p>

8.1 DA 2012/337 - Removal of Teak Tree (S82A Review)

Arguments Against Retaining the Teak Tree	Comment
allotments) may impact upon the sale of the subject lots.	subject Teak tree. The retention of the Teak tree will have financial implications for the developers in this regard.
The subject Teak tree may impact upon and hinder the future development of the land.	The arguments put forward by the applicant/developers are agreed with. There is potential for the roots of the tree to (over time) damage foundations, concrete surfaces and underground infrastructure services (particularly water and sewer pipes). However this does depend on where future development is sited on the allotments (and it's size and scale).
The subject Teak tree may be impacted upon by the future development of the land.	The arguments put forward by the applicant/developers are agreed with. There is potential for future construction and building works on site to adversely impact the tree's root system. The Teak tree may require substantial pruning to enable dual occupancy dwellings to be constructed on Lots 23 and 24. Such pruning may compromise the integrity of the tree. However, as previously stated, this does depend on where future development is sited on the lots (and it's size and scale).
The subject Teak tree may cause neighbourhood disputes due to it's location on the common boundary of Lots 23 and 24.	The location of the subject Teak tree does have the potential to result in future on-going neighbour conflicts, due to uncertainties as to the ownership and/or control of the tree. The tree may lead to disputes between the future residents of Lots 23 and 24 (with potential for 2 residences on each lot) with a possible outcome of those disputes (via the Trees (Dispute Between Neighbours) Act 2006) being an order to remove the tree. The subject Teak tree is located such that it will interfere with the construction of future boundary fencing.

Conclusion

The premise of the applicant/developer's proposal to remove the subject Teak tree is that it is inappropriate in its urban residential context. This is due to the location of the tree on the common boundary between two medium density residential allotments. It is acknowledged that the tree has the ability to create problems and issues for future owners in their design and construction of future residences etc. on the land.

However, there a range of benefits in retaining the subject Teak tree as identified within this report. These include its value to the landscape, the amenity it will provide for residents in the Avalon Estate and it's value and usefulness to local birdlife. Despite the applicant/developer's argument that the health of the tree is not of particular relevance to their proposal, it must be noted that subject Teak tree is in good health, is not showing any signs of deterioration or decay and with care could have a life expectancy of another 100 years or more.

8.1 DA 2012/337 - Removal of Teak Tree (S82A Review)

It is considered that Lots 23 and 24 are still able to be developed for residential dwellings, however not in the manner that vacant/treeless allotments can be. In this regard, the allotments may not appeal to as wide a range of prospective purchasers.

Despite the developers intention to sell and have the lots developed for dual occupancy dwellings (total of 4 dwellings), this may not be achievable (depending on the size of the proposed dwellings) or even desired by future owners, given the location and presence of the tree.

As mentioned within this report, Lots 23 and 24 are of such a substantial size that smaller dual occupancy dwellings would be able to be located on both allotments, whilst enabling retention of the subject Teak tree.

It may be the preference of future owners to develop the lots for single dwellings, as been the case elsewhere in the Avalon Estate, despite their zoning and approved density.

It is and has always been the case that the developers could arrange their proposed lot sizes and boundaries to suitably address the protection of the subject Teak tree if it was, and is, their genuine intention. To date, the Council has accepted their residential subdivision on face value, as having being developed from a professional consideration of suitable designs to accommodate the retention of this major landscape element.

In view of the matters raised above, it is recommended that Council confirm the refusal of DA 2012/337.

RECOMMENDATION

That Council confirms the determination of Development Application 2012/337 (To remove one Teak Tree) at Lots 23 and 24 DP 1162144, No.'s 13 and 15 Clovelly Place, Wollongbar as **REFUSAL** for the reasons stated in the Notice of Determination dated 7 November 2012.

Attachment(s)

1. Locality Plan
2. Aerial Photograph of No.'s 13 and 15 Clovelly Place, Wollongbar
3. Photograph of subject Teak tree
4. DA 2007/876 consent orders
5. DA 2007/876 approved plan
6. DA 2007/876 Building Control Plan Stage 1
7. DA 2012/337 Applicant's submission in support of review of determination

MINUTES OF THE ORDINARY MEETING OF BALLINA SHIRE COUNCIL
HELD IN THE BALLINA SHIRE COUNCIL CHAMBERS
40 CHERRY STREET, BALLINA,
ON 25/07/13 AT 9.00 AM

8. Development and Environmental Health Group Reports

8.1 **DA 2012/337 - Removal of Teak Tree (S82A Review)**

250713/2 RESOLVED

(Cr Robyn Hordern/Cr Paul Worth)

That Council confirms the determination of Development Application 2012/337 (To remove one Teak Tree) at Lots 23 and 24 DP 1162144, Nos. 13 and 15 Clovelly Place, Wollongbar as **REFUSAL** for the reasons stated in the Notice of Determination dated 7 November 2012.

FOR VOTE - All Councillors voted unanimously.

10.7 **Surf School Licences - Allocation**

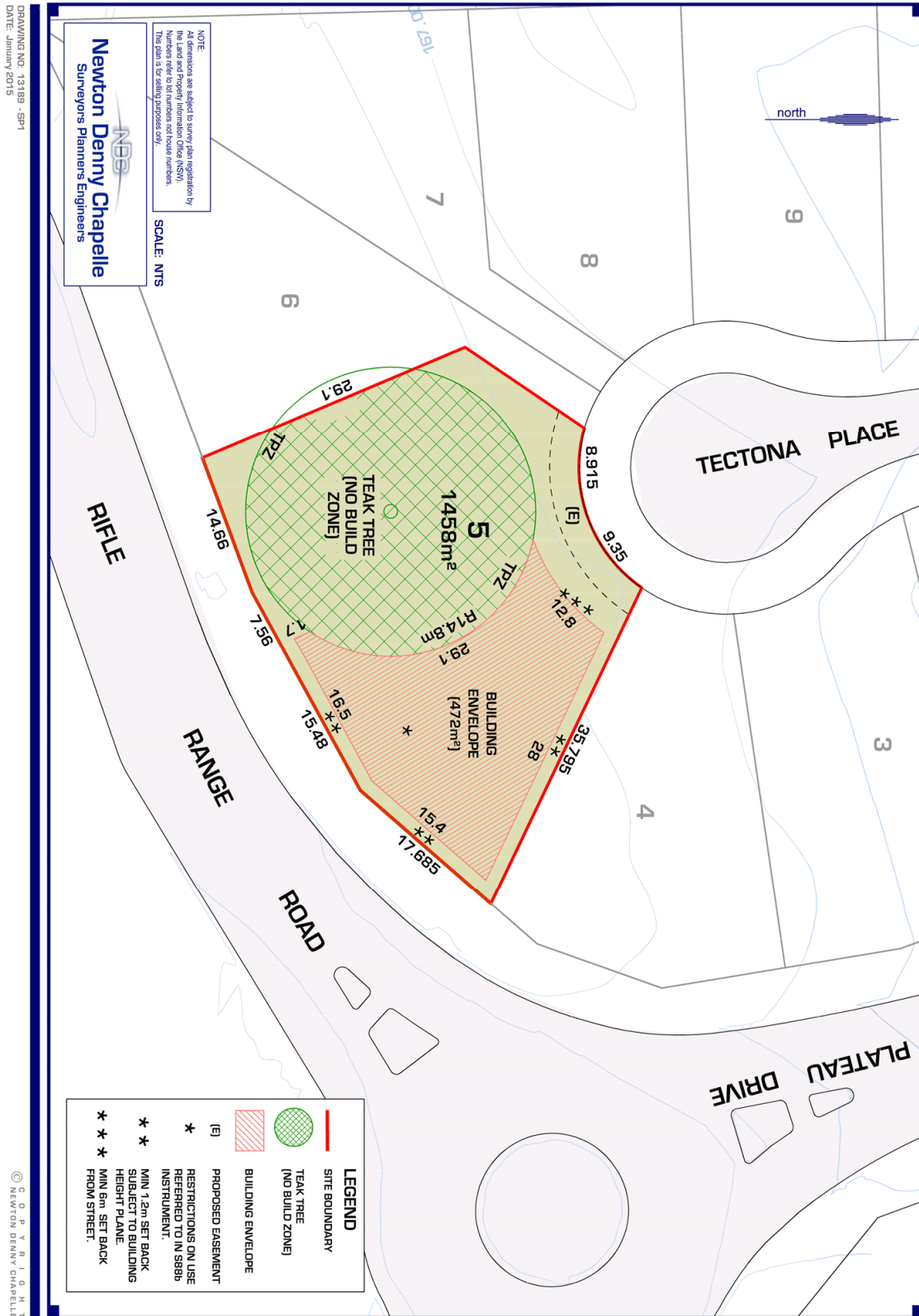
250713/3 RESOLVED

(Cr Sharon Cadwallader/Cr Jeff Johnson)

1. That Council approves the public exhibition of the following draft amendments to the existing Commercial Activities on Public Land Policy and associated guidelines:

- a) licences for the Surf Schools, Elite Coaching and Stand Up Paddle Boards, may be renewed, if requested by existing licence holders, without proceeding to tender, subject to satisfactory performance by the operator and subject to determination by Council
- b) if an existing licence holder does not wish to renew their licence or surrenders their licence during the licence period, expressions of interest (EOI) will be called for that vacant licence
- c) the term of the licences will be for a three year period, or part thereof, when a licence becomes vacant
- d) the EOI process in point b) will identify that the licence fee will remain the same as the other licences provided by Council to ensure equity in licence fees
- e) a key criterion in the EOI selection process in point b) will be for new operators to have a strong focus on direct promotional / tourism benefits to Ballina Shire
- f) the number of Elite Surf School licences available is to be increased from four to six

4.2 Teak Tree - Lot 5 Tectona Place Wollongbar



4.3 Lease Offer - Lot 2 DP 1003816 Fishery Creek Road, Ballina

4.3 Lease Offer - Lot 2 DP 1003816 Fishery Creek Road, Ballina

Delivery Program Commercial Services

Objective To provide an overview of the lease offer to Solo Waste Australia Pty Ltd and Eljo Pty Ltd for Lot 2 DP 1003816, Fishery Creek Road, Ballina.

Background

Solo Waste Australia Pty Ltd ("Solo") and Eljo Pty Ltd currently occupy Lot 2 DP 1003816, Fishery Creek Road, Ballina under a Lease agreement that expires on 12 September 2015.

Solo operates an oil and grease waste treatment facility on the site. Solo's treatment plant occupies a small footprint within the larger Ballina Wastewater Treatment Plant site. The facility accepts oil and grease waste from around the Shire and processes them so that the waste products can be disposed of safely. After removal of the oil and grease, the liquid waste component is discharged to Council's Wastewater Treatment Plan where it undergoes further treatment.

The purpose of this report is to provide an overview of the confidential report included later in this agenda which deals with the actual lease details.

Key Issues

- Lease terms and conditions

Information

Council has received a request from Solo for a new lease over Lot 2 DP 1003816 as their current lease expires on 12 September 2015.

Whilst Solo is a commercial entity, the existence of a local oil and grease plant assists the community by reducing accidental spills and illegal dumping of these environmentally damaging substances.

Lease terms and conditions have been negotiated for a new lease. Specific details are contained in a confidential report also included in this agenda.

Legal / Resource / Financial Implications

Lease terms and conditions will be in accordance with the relevant guidelines and legislation.

Consultation

Council has been negotiating with the current tenants regarding the proposed lease.

4.3 Lease Offer - Lot 2 DP 1003816 Fishery Creek Road, Ballina

Options

1. Offer Solo Waste Australia Pty Ltd and Eljo Pty Ltd (or as nominated) a new lease for Lot 2 DP 1003816 Fishery Creek Road, Ballina in accordance with the terms and conditions noted in the confidential report also included in this agenda.

This option is preferred as the proponent is a sitting tenant.

2. Not offer Solo Waste Australia Pty Ltd and Eljo Pty Ltd a new lease for Lot 2 DP 1003816 Fishery Creek Road, Ballina.

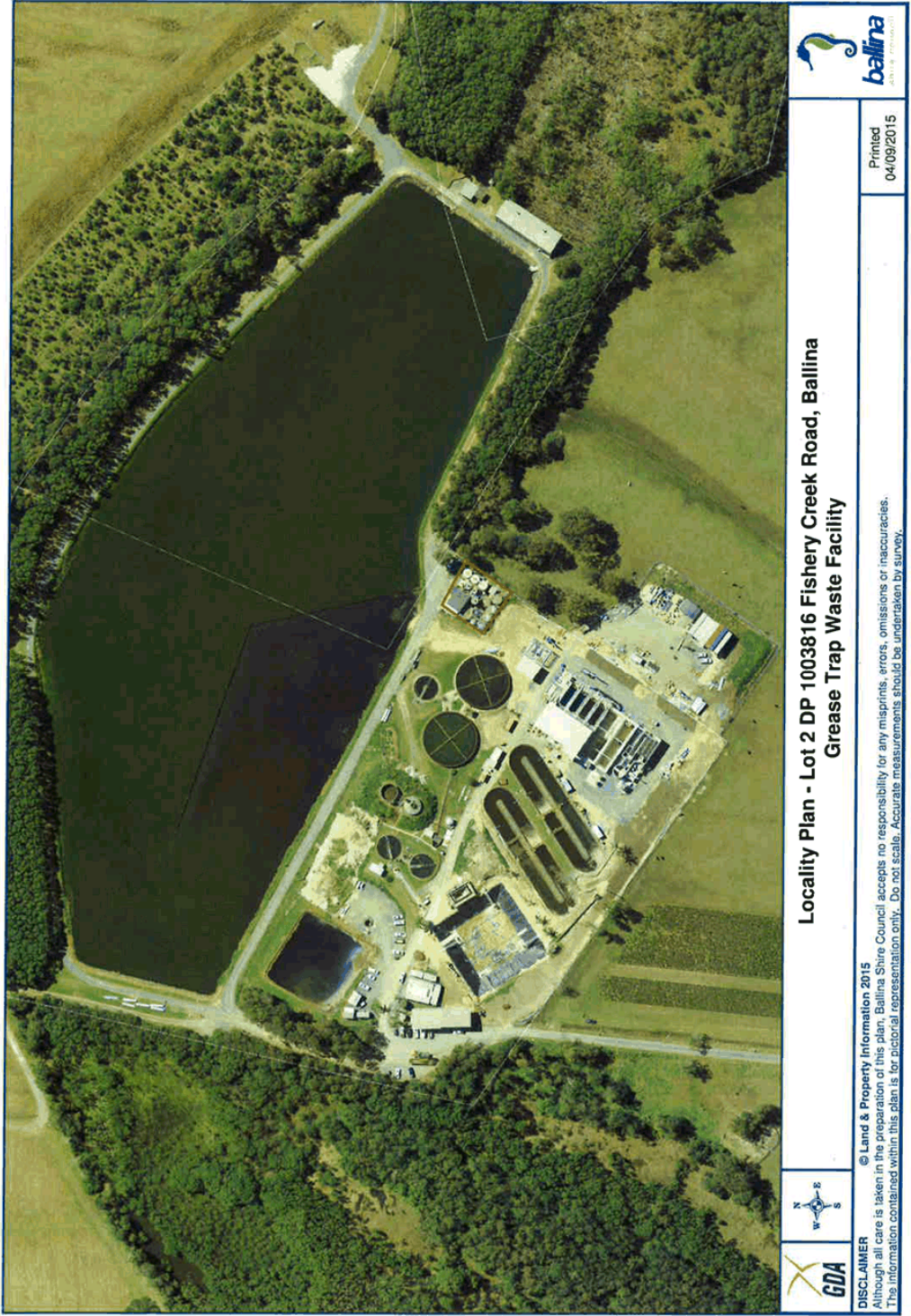
This option is not recommended as the market for this property is very thin due to the specialized nature of the use and location with the Ballina Wastewater Treatment Plant site.

RECOMMENDATION

That Council notes the contents of this report in respect to the lease offer to Solo Waste Australia Pty Ltd and Eljo Pty Ltd.

Attachment(s)

1. Locality plan



4.4 Land Sale - Lot 91 Cessna Crescent, Ballina

4.4 Land Sale - Lot 91 Cessna Crescent, Ballina

Delivery Program Commercial Services

Objective To provide an overview of the sale process for Lot 91 Cessna Crescent, Southern Cross Industrial Estate.

Background

Council staff have negotiated the sale of Lot 91 in DP 1161854, a vacant industrial site comprising an area of 1,100m². Details of the sale negotiated are contained in the confidential report elsewhere in this meeting agenda. Refer to locality plan attached. The purchaser was introduced by The Professionals Real Estate Ballina.

Key Issues

- Selling price

Information

The price negotiated is considered to be in line with recent land sales on Southern Cross Industrial Estate, as detailed in the summary schedule below, which should be read in conjunction with the aerial photo plan attached.

Lot/DP	Price (excl GST)	Area	Date of Sale	Purchaser	\$/m ²
93/1161854	\$290,000	1,100m ²	11/6/2010	Croft ANORS	\$264/m ²
89/1161854	\$424,000	1,663m ²	22/12/2010	Nasmyth P/L	\$254/m ²
95/1184435	\$533,150	2,269m ²	4/10/2012	Nasmyth P/L	\$235/m ²
97/1194043	\$570,058	2,429m ²	2/08/2012	Nasmyth P/L	\$235/m ²
92/1161854	\$270,000	1,100m ²	10/2014	Croft ANORS	\$245/m ²
Pt Lot 98 DP1194043	\$910,000	3,964m ²	2/2015	Nasmyth P/L	\$230/m ²
87/1161854	\$500,000	1,995m ²	5/2015	Walker	\$250/m ²
90/1161854	\$275,000	1,100m ²	8/2015	Astworth P/L & AJ McQueen	\$250/m ²

Legal / Resource / Financial Implications

Proceeds from the sale of this land will be directed to Council's Property Development Reserve and Community Infrastructure Reserve as per Council's Long Term Financial Plan.

Consultation

All lots have been publicly listed for sale.

4.4 Land Sale - Lot 91 Cessna Crescent, Ballina

Options

1. Council can resolve to sell the portion of operational land described as Lot 91 DP 1161854, Cessna Crescent, Ballina on the terms negotiated.

This is the preferred option as the sale is considered to be in line with recent sales of vacant industrial land on the Southern Cross Industrial Estate.

2. Council can resolve to vary the proposed sale terms and price for Lot 91 DP 1161854 however this option is not recommended.

The recommendation is to approve the sale with the price to be determined as per the confidential report.

RECOMMENDATIONS

1. That Council approves the sale of Lot 91 DP 1161854 Cessna Crescent, Ballina, as detailed within this report.
2. That Council authorises the Council seal to be attached to the contract for sale and any other related documents including sale transfers.

Attachment(s)

1. Locality Plan

4.4 Land Sale - Lot 91 Cessna Crescent, Ballina

Lot No.	Street	Zoning	Area m2	Rate \$/m2	\$ Price
91	Cessna Cres.	Industrial IN1	1,100	\$270	\$297,000
88	Cessna Cres.	Industrial IN1	1,841	\$265	\$488,000
2	Boeing Ave.	Business Development B5	23,170	\$200	\$4,634,000
3	Boeing Ave.	Business Development B5	33976	\$200	\$6,995,000

Notes:

1. All prices are exclusive of GST
2. Prices for Lots 2 & 3 Boeing Ave. assume Council completes all civil development works and registers a plan of subdivision to create the lots.




BSC Land For Sale
Southern Cross Industrial Estate, Ballina



DISCLAIMER © Land & Property Information 2015
Although all care is taken in the preparation of this plan, Ballina Shire Council accepts no responsibility for any misprints, errors, omissions or inaccuracies. The information contained within this plan is for pictorial representation only. Do not scale. Accurate measurements should be undertaken by survey.

Printed
03/08/2015

4.5 Land Sale - Lot 15 Plateau Drive, Wollongbar

4.5 Land Sale - Lot 15 Plateau Drive, Wollongbar

Delivery Program Commercial Services

Objective To provide an overview of the sale process for Lot 15 Plateau Drive, Wollongbar.

Background

At the Commercial Services Committee of meeting of 18 February 2014, it was resolved, in part, that:

1. *That Council approves the sale "off the plan", by private treaty, of the 15 lots identified in Stage One of the Wollongbar Residential Estate", as per the prices provided in the HTW report included as an attachment to this report.*

HTW attributed a market value of \$180,000 to Lot 15 DP 1204621 Plateau Drive in their feasibility assessment report presented to the Commercial Services Committee meeting of 15 October, 2013. In a subsequent report presented to the Commercial Services Committee on 18 February, 2014 an asking price of \$190,000 was attributed to Lot 15 as per HTW's advice of 9 February, 2014.

Due to a lack of market interest in Lot 15 attributed to its steep slope it was decided to undertake cut and fill works and construct retaining walls on Lot 15 to reduce its slope to 1.00%. The cost of these works inclusive of design and supervision works was approximately \$30,000. HTW reassessed the market of Lot 15 assuming the proposed works were completed at \$205,000 and recommended an asking price of \$215,000. This matter was reported to the Commercial Services Committee meeting on 18 November, 2014.

Council staff have now negotiated a sale of Lot 15 at a price detailed in the confidential report contained later in this agenda.

A lot plan identifying the subject property is **attached**.

Key Issues

- Selling price

Information

In April 2014, 14 of the 15 lots in Stage 1 of Council's Wollongbar Residential Estate were placed on the market for sale by private treaty at prices set by HTW Property Valuers and Consultants and endorsed by Council at the meeting referred to above.

To date, 13 lots have sold, Lot 15 is the only remaining lot on the market for sale. A separate report relating to Lot 5 (Teak Tree Lot) is included in this meeting agenda.

4.5 Land Sale - Lot 15 Plateau Drive, Wollongbar

A conditional contract has been negotiated on Lot 15 and is subject to the price being ratified by Council. The purchaser was introduced by First National Real Estate Alstonville.

Legal / Resource / Financial Implications

Proceeds from the sale of this land will be directed to Council's Property Development Reserve and Community Infrastructure Reserve as per Council's Long Term Financial Plan.

Consultation

All lots have been publicly listed.

Options

This report provides a summary of the confidential report contained later in this agenda. As Council has previously resolved to sell Lot 15 there is no need for a further resolution to sell.

RECOMMENDATION

That Council notes the contents of this report in respect to the proposed sale of Lot 15 DP 1204621 Plateau Drive, Wollongbar.

Attachment(s)

1. BSC Wollongbar Residential estate Stage 1 - Price List & Layout Plan

issued: 29 July 2015



wollongbar estate stage 1 - price list

lot no.	site area	price	status
1	861m2		Sold
2	817m2		Sold
3	809m2		Sold
4	780m2		Sold
5	1,458m2		On hold
6	837m2		Sold
7	775m2		Sold
8	680m2		Sold
9	666m2		Sold
10	626m2		Sold
11	627m2		Sold
12	650m2		Sold
13	890m2		Sold
14	879m2		Sold
15	798m2	\$215,000	see note 6 below

Notes

1. Prices are current as at 27 February 2014. Ballina Shire Council reserves the right to amend prices and lot sizes without notice.
2. Deposit of 10.00% of purchase price is payable upon exchange, or as negotiated.
3. All lots are fully serviced.
4. First home buyers grants of \$15,000 and free stamp duty to eligible applicants
5. Land Buyers Subsidy Scheme grants of \$25,000 available to eligible low to middle income earners.
6. Lot 15 has been cut and filled to reduce slope on site to approximately 1.00%

lot plan - wollongbar estate stage 1
overleaf →

wollongbar estate
stage 1 - lot plan

issued: 29 July 2015



General enquiries: commercial services • ballina shire council • 71 tamar street • po box 450 ballina nsw 2478 t 02 6686 1200 • w ballina.nsw.gov.au

Sales enquiries: please contact any local real estate agent.



4.6 Wigmore Arcade Complex - Leasing Update and Roof Replacement

4.6 Wigmore Arcade Complex - Leasing Update and Roof Replacement

Delivery Program Commercial Services

Objective To seek Council's concurrence to finalise a lease proposal negotiated for Shops 5, 6 and 12 Wigmore Arcade and 151 River Street, provide a leasing update and seek concurrence to call tenders to replace the roof pertaining to the Complex.

Background

Council staff have been progressing negotiations with a number of prospective new tenants for shops in the Wigmore Arcade Complex. The purpose of this report is to provide an overview of the lease proposals negotiated and also seek Council's concurrence to call for tenders to replace the roof pertaining to the Complex.

The confidential report included later in this agenda deals with the actual lease details.

Key Issues

- Lease proposals negotiated
- Roof replacement

Information

Negotiations have now concluded with prospective tenants for Shop 151 River Street and Shops 5, 6 and 12 Wigmore Arcade. Specific details are contained in a confidential report also included in this agenda. A leasing plan is included as attachment one to this report.

The issue of replacing the roof to the Wigmore Arcade Complex was previously reported to Council at the Commercial Services meeting of 15 July, 2015. The estimate of these works was in excess of \$200,000. The resolution arising from the meeting was:

"That Council authorises the General Manager to call quotations for repairs to the River Street awning for the Wigmore Arcade Complex with \$40,000 to be allocated from the Property Development Reserve to fund this work."

This reduced figure was based on limited funding being available in the Property Development Reserve.

It is considered appropriate that Council reconsider this issue once again given the continuing deterioration of the roof and the fact that the building insurer will not cover Council for damage as a result of water damage caused by leaks in the existing roof.

If these works are to proceed they would need to be funded from the Property Development Reserve.

4.6 Wigmore Arcade Complex - Leasing Update and Roof Replacement

Legal / Resource / Financial Implications

In regards to sourcing funds to replace the roof pertaining to the Wigmore Arcade Complex, a further review of the forecast cash flows for the Property Development Reserve has been undertaken as per the following table.

Table One – Property Development Reserve – Latest Cash Flow Review

Item	2015/16	2016/17	2017/18	2018/19
Opening Balance	2,536,700	1,208,500	3,356,300	4,038,200
Less Airport Overdraft	(724,200)	(444,800)	(173,400)	0
Revised Opening Balance	1,812,500	763,700	3,182,900	4,038,200
Cash Inflows				
Interest Earned on Reserve	63,000	30,000	84,000	101,000
Norfolk Homes Rental	150,000	154,500	159,100	163,900
ARC Rental (50%)	174,300	176,000	181,300	186,700
Sale – Alstonville Tennis Courts	0	1,500,000	0	0
Sales – ARC Residual	455,000	0	0	0
Sales – North Creek Road	150,000	2,500,000	0	0
Sales – Russellton Major Sales	0	0	1,500,000	0
Sales – Russellton	0	0	150,000	150,000
Sales – Southern Cross	740,000	250,000	250,000	250,000
Sales – WUEA Residential	630,000	3,960,000	4,370,000	0
Sub Total Inflows	2,362,300	8,570,500	6,694,400	851,600
Cash Outflows				
Operating Expenses – Holdings	362,000	268,100	276,300	284,800
Community Infrastructure Dividend	0	0	3,800,000	200,000
Airport Lease Evaluation	26,700	0	0	0
North Creek Road (54) - Development	736,000	300,000	0	0
Russellton – Development	20,000	1,800,000	0	0
89 Tamar Street Air Conditioning	15,000	0	0	0
Southern Cross – Development	28,000	0	1,600,000	0
Wigmore Arcade – Refurbishment	120,000	0	0	0
Wigmore Arcade – Roof	250,000	0	0	0
WUEA – Development	1,750,000	3,750,000	0	0
Dividend to General Fund	382,800	304,600	336,200	341,800
Sub Total Outflows	3,690,500	6,422,700	6,012,500	826,600
Closing Balance (Excl Airport O/D)	1,208,500	3,356,300	4,038,200	4,063,200
Less Airport Overdraft	(444,800)	(173,400)	0	0
Revised Balance (Incl Airport O/D)	763,700	3,182,900	4,038,200	4,063,200

A complete ten year forecast for this reserve is included as attachment two to this report.

Items of note in this proposed cash flow are as follows:

- The Airport Reserve Overdraft forecast is deducted from the Property Reserve opening and closing balance as the overdraft is funded from this reserve. Based on the earlier report in this agenda for the airport long term financial plan the overdraft should be repaid in full by 2017/18
- Sales revenues for 2015/16 are based on agreed sales, including items in this agenda. This means there is very little risk of these sales not being achieved this financial year.

4.6 Wigmore Arcade Complex - Leasing Update and Roof Replacement

- Riskier sales revenues such as the Alstonville Tennis Courts and future stages of the WUEA are included in 2016/17 onwards.
- Sales revenues for major developments such as the WUEA and the Russellton Estate are included in the year following development costs, again as a conservative approach.
- The North Creek Road sales item refers to the land located at 54 North Creek Road with total revenues forecast at \$2.5 million subject to development costs of \$1m. Development costs of \$736,000 (2015/16) and \$300,000 (2016/17) have been allowed for this development with \$36,000 of the \$736,000 in 2015/16 relating to funds previously approved by Council to seek development approval for this site. The remaining \$700,000 in 2015/16 and \$300,000 in 2016/17 is an indicative development cost. The \$300,000 relates to Council developer contribution funds with those monies to be paid in 2016/17.

Whether or not Council proceeds with this development will be subject to a further report to Council.

- Russellton Development – The cash flow assumes the \$1.8 million needed for the next stage of the Russellton Industrial Estate will not be expended until 2016/17.
- The expenditures for 89 Tamar Street (\$15,000), Southern Cross Development (\$28,000) and Wigmore Arcade Refurbishment (\$120,000) in 2015/16 relate to previously approved funds carried forward from the 2014/15 financial year.
- Wigmore Arcade Roof – This is a nominal allowance of \$250,000 subject to approval by Council as per this report.
- WUEA Development – The estimated cost of developing the next stage (stage two) of this development is \$2.5m with \$1.75m allocated in 2015/16 and \$750,000 in 2016/17. The \$750,000 in 2016/17 relates to Council developer contributions and the assumption is that these contributions will not be paid until 2016/17.

The balance of the expenditure in 2016/17, being \$3 million, represents the cost of developing the third stage of the WUEA, with an assumed development cost of \$120,000 per lot for 25 lots (i.e. \$3m).

Again both these stages will be subject to further reports to Council prior to proceeding.

Based on these assumptions Council is in a position to finance the Wigmore roof replacement this financial year.

Also details of the updated cash flow projections for the Wigmore Arcade Complex are as follows based on the contents of this agenda.

The gross rental income projections are estimates only and are subject to fluctuations depending upon a number of factors including market conditions.

4.6 Wigmore Arcade Complex - Leasing Update and Roof Replacement

Table Two – Revised Cash Flows for the Wigmore Arcade (\$)

Year	2014/15 (Actual)	2015/2016	2016/2017	2017/2018	2018/2019
Gross Income	280,000	481,000	598,000	610,000	623,000
Less Outgoings	152,000	157,000	161,000	164,000	167,000
Net Income	128,000	324,000	437,000	446,000	456,000

Table Three – Previous Cash Flows for the Wigmore Arcade

Year	2014/15	2015/2016	2016/2017	2017/2018	2018/2019
Gross Income	300,000	564,000	613,000	628,000	644,000
Less Outgoings	140,000	143,000	146,000	150,000	154,000
Net Income	160,000	421,000	467,000	478,000	490,000

Table Four – Figures included in the Long Term Financial Plan as presented to the 11 February 2015 Finance Committee

Year	2014/15	2015/2016	2016/2017	2017/2018	2018/2019
Gross Income	364,000	452,000	570,500	587,500	605,400
Less Outgoings	129,500	128,300	132,400	136,700	141,000
Net Income	234,500	323,700	438,100	450,800	464,400

The variance in figures for the current financial year is due to a slowdown in the take up rate for vacant shops since the previous forecast was presented to Council on 17 February, 2015. Also, the rentals negotiated are lower than forecast, however this is a reflection of market conditions. The leasing strategy adopted is to fill shops at market rates and bring a higher degree of certainty to cash flow forecasts.

On the positive side, should Council resolve to endorse the lease proposals contained in this report, only Shops 4 and 8 will remain vacant.

Consultation

Negotiations have been conducted with prospective tenants on an ongoing basis.

Options

The tenancy matters in this report are for noting purposes only with details of the tenancy agreements noted in the confidential report contained elsewhere in this agenda.

In respect to the roofing issues it is now recommended that Council approve funding for those works based on the revised cash flows for the Property Development Reserve as per Table One of this report and as per the second attachment.

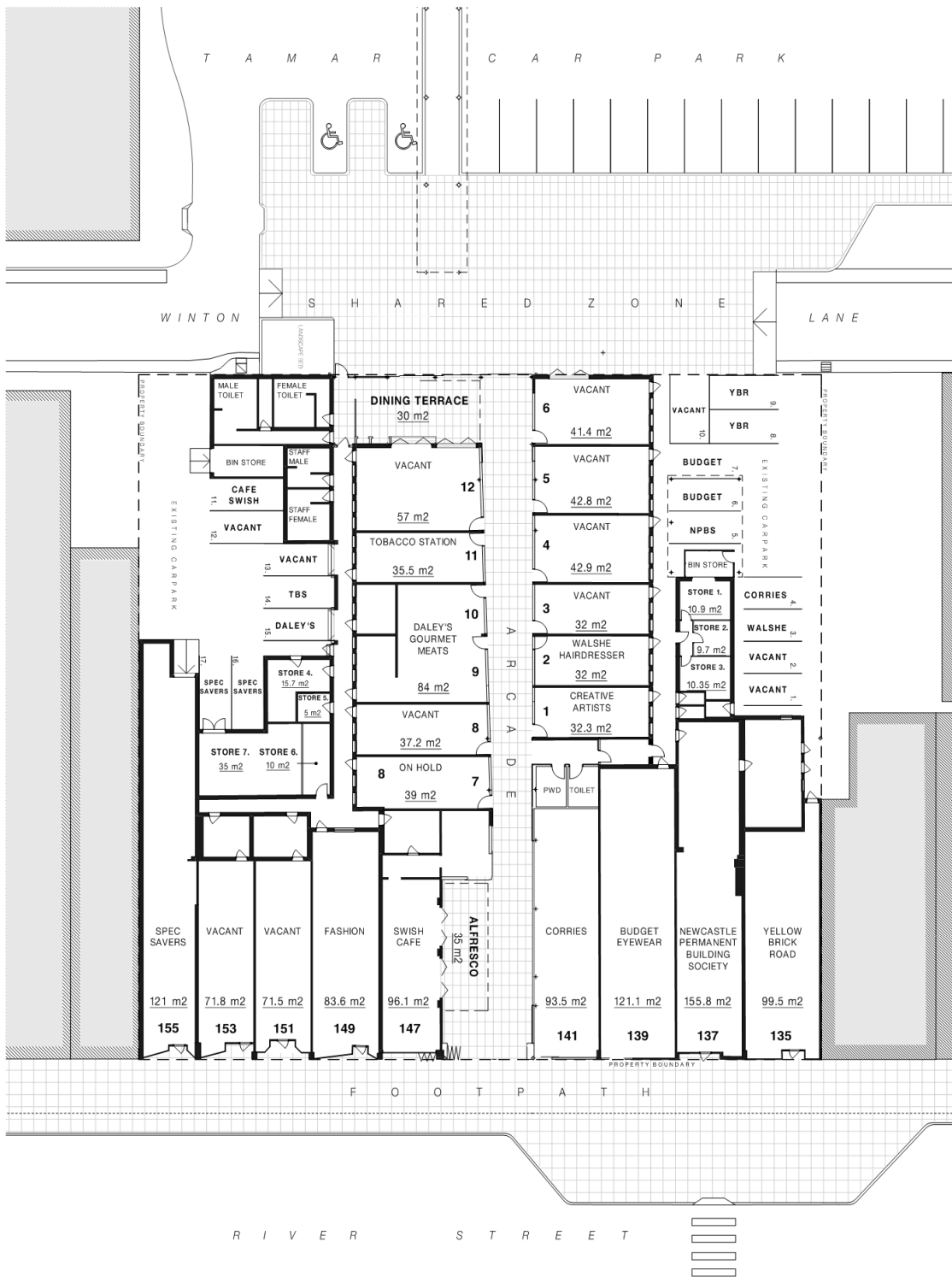
RECOMMENDATIONS

1. That Council notes the contents of this report in respect to the current lease negotiations.
2. That Council approves the amendment of the cash flow forecasts for the Property Development Reserve as per attachment two to this report.
3. That Council approves the amendment of the Wigmore Arcade cash flow forecasts in the Long Term Financial Plan as per Table Two of this report.
4. That Council authorises the General Manager to call tenders to replace the roof of the Wigmore Arcade Complex.

Attachment(s)

1. Wigmore Arcade - Leasing Plan
2. Property Development Reserve - Ten Year Forecast

4.6 Wigmore Arcade Complex - Leasing Update and Roof Replacement



WIGMORE ARCADE - COMPLEX LEASING PLAN

NOTE: NOT TO SCALE - AREAS ARE APPROXIMATE ONLY



Cash Flow - Property Development Reserve - Forward Financial Plan (as at September 2015)														
Item	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Opening Balance (Excluding Airport)	303,500	4,438,100	4,613,900	3,777,600	2,536,700	1,208,500	3,356,300	4,038,200	4,063,200	4,140,200	4,212,100	4,286,200	4,363,800	4,424,000
Less Airport Overdraft Opening Balance	(302,000)	(454,400)	(455,700)	(592,500)	(724,200)	(444,800)	(173,400)	0	0	0	0	0	0	0
Revised Opening Balance with Airport	1,500	3,983,700	4,158,200	3,185,100	1,812,500	763,700	3,182,900	4,038,200	4,063,200	4,140,200	4,212,100	4,286,200	4,363,800	4,424,000
Add: Cash Inflows														
Interest Accrued	261,000	178,000	181,200	110,000	63,000	30,000	84,000	101,000	102,000	104,000	105,000	107,000	109,000	111,000
Internal Loans Repaid - Waste	288,500	0	0	0	0	0	0	0	0	0	0	0	0	0
Rental - Norfolk Homes	133,600	136,500	140,000	143,000	150,000	154,500	159,100	163,900	168,800	173,900	179,100	184,500	190,000	195,700
Rental - ARC (50%)	156,000	158,500	163,500	169,200	174,300	176,000	181,300	186,700	192,300	198,100	204,000	210,100	216,400	222,900
Sale - Alstonville Tennis Courts	0	0	0	0	0	1,500,000	0	0	0	0	0	0	0	0
Sale - Alstonville Plaza	0	0	0	195,300	0	0	0	0	0	0	0	0	0	0
Sale - ARC Residual (50%)	0	269,000	302,500	0	455,000	0	0	0	0	0	0	0	0	0
Sale - Balance Skennars Hd	0	0	400,700	0	0	0	0	0	0	0	0	0	0	0
Sale - Ballina High School Road Reserve	0	0	0	33,600	0	0	0	0	0	0	0	0	0	0
Sale - Harvey Norman	4,246,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Sale - North Creek Road	0	0	0	0	150,000	2,500,000	0	0	0	0	0	0	0	0
Sale - Land Adjoining BP (50%)	0	0	250,000	0	0	0	0	0	0	0	0	0	0	0
Sale - Russellton (Major Sales (Two))	0	0	0	0	0	0	1,500,000	0	0	0	0	0	0	0
Sales - Russellton (Standard Lots)	0	413,000	0	0	0	0	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Sales - Southern Cross (Standard Lots)	0	0	0	210,300	740,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Sales - WUEA (Standard Lots)	0	0	0	2,250,000	630,000	3,960,000	4,370,000	0	0	0	0	0	0	0
Sub Total	5,085,100	1,155,000	1,437,900	3,111,400	2,362,300	8,570,500	6,694,400	851,600	863,100	876,000	888,100	901,600	915,400	929,600
Less: Cash Outlays														
Operating Expenditure														
Internal Overheads - Southern Cross	132,400	67,000	69,000	34,000	43,000	44,300	45,600	47,000	48,400	49,900	51,400	52,900	54,500	56,100
Internal Overheads - Russellton	60,000	80,000	66,000	32,000	40,000	41,200	42,400	43,700	45,000	46,400	47,800	49,200	50,700	52,200
Internal Overheads - WUEA	0	0	75,000	37,000	46,000	47,400	48,800	50,300	51,800	53,400	55,000	56,700	58,400	60,200
Russellton - Operating Exps	35,400	30,000	8,500	14,500	25,000	25,800	26,600	27,400	28,200	29,000	29,900	30,800	31,700	32,700
Southern Cross - Operating Exps	65,600	66,000	59,200	47,800	160,000	60,000	62,000	64,000	66,000	68,000	70,000	72,000	74,000	76,000
WUEA - Operating Expenses	7,200	15,000	10,300	43,000	48,000	49,400	50,900	52,400	0	0	0	0	0	0
Sub Total	300,600	258,000	288,000	208,300	362,000	268,100	276,300	284,800	239,400	246,700	254,100	261,600	269,300	277,200
Community Infrastructure														
Animal Shelter	0	0	370,000	0	0	0	0	0	0	0	0	0	0	0
Ballina Surf Club	0	0	228,000	0	0	0	0	0	0	0	0	0	0	0
Wollongbar Sports Fields	0	0	0	400,000	0	0	0	0	0	0	0	0	0	0
Community Infrastructure Dividend	0	0	0	0	0	0	3,800,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Sub Total	0	0	598,000	400,000	0	0	3,800,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Property Projects														
Airport Lease Investigations	0	0	0	83,300	26,700	0	0	0	0	0	0	0	0	0
ARC Residual - Selling Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bridge Club Sale Legals	42,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Lennox Head Comm Centre Legals	0	0	165,800	0	0	0	0	0	0	0	0	0	0	0
North Creek Dredging	5,000	0	0	0	0	0	0	0	0	0	0	0	0	0
North Creek Road (54)	0	0	0	14,000	736,000	300,000	0	0	0	0	0	0	0	0
Russellton - Development	60,400	0	86,000	63,700	20,000	1,800,000	0	0	0	0	0	0	0	0
89 Tamar Street Air-conditioning	0	0	0	0	15,000	0	0	0	0	0	0	0	0	0
Southern Cross - Development	198,000	115,000	0	50,100	28,000	0	1,600,000	0	0	0	0	0	0	0
Southern Cross - Masterplan	63,000	110,000	51,500	0	0	0	0	0	0	0	0	0	0	0
Wigmore Arcade - Refurbishment	0	0	219,200	1,735,900	120,000	0	0	0	0	0	0	0	0	0
Wigmore Arcade - Awning	0	0	0	0	250,000	0	0	0	0	0	0	0	0	0
WUEA - Development	0	48,000	256,700	1,229,500	1,750,000	3,750,000	0	0	0	0	0	0	0	0
WUEA - Stage Two Pre-planning	0	0	0	100,000	0	0	0	0	0	0	0	0	0	0
Sub Total	368,400	273,000	779,200	3,276,500	2,945,700	5,850,500	1,600,000	0	0	0	0	0	0	0
Dividends														
General Fund	281,500	448,200	609,000	467,500	382,800	304,600	336,200	341,800	346,700	357,400	359,900	362,400	385,900	402,400
Total Outlays	950,500	979,200	2,274,200	4,352,300	3,690,500	6,422,700	6,012,500	826,600	786,100	804,100	814,000	824,000	855,200	879,600
Closing Balance (Excluding Airport)	4,438,100	4,613,900	3,777,600	2,536,700	1,208,500	3,356,300	4,038,200	4,063,200	4,140,200	4,212,100	4,286,200	4,363,800	4,424,000	4,474,000
Net Change in Airport Overdraft Balance	(152,400)	(1,300)	(136,800)	(131,700)	279,400	271,400	173,400	0	0	0	0	0	0	0
Closing Airport Reserve Overdraft	(454,400)	(455,700)	(592,500)	(724,200)	(444,800)	(173,400)	0	0	0	0	0	0	0	0
Revised Closing Balance with Airport	3,983,700	4,158,200	3,185,100	1,812,500	763,700	3,182,900	4,038,200	4,063,200	4,140,200	4,212,100	4,286,200	4,363,800	4,424,000	4,474,000
Net Movement - Increase / (Decrease)	4,134,600	175,800	(836,300)	(1,240,900)	(1,328,200)	2,147,800	681,900	25,000	77,000	71,900	74,100	77,600	60,200	50,000

5. Confidential Session

In accordance with Section 9 (2A) of the Local Government Act 1993, the General Manager is of the opinion that the matters included in the Confidential Business Paper, and detailed below are likely to be considered when the meeting is closed to the public.

Section 10A(4) of the Local Government Act, 1993 provides that members of the public are allowed to make representations to or at a meeting, before any part of the meeting is closed to the public, as to whether that part of the meeting should be closed.

A brief summary of each of the reports recommended for consideration in confidential session follows:

5.1 Lease Offer Details - Lot 2 DP 1003816 Fishery Creek Road, Ballina

Refer to Item 4.3 of this agenda.

5.2 Land Sale Price - Lot 91 Cessna Crescent, Ballina

Refer to Item 4.4 of this agenda.

5.3 Land Sale Price - Lot 15 Plateau Drive, Wollongbar

Refer to Item 4.5 of this agenda.

5.4 Wigmore Arcade Complex - Leasing Update Terms

Refer to Item 4.6 of this agenda.

RECOMMENDATION

That Council moves into committee of the whole with the meeting closed to the public, to consider the following items in accordance with Section 10A (2) of the Local Government Act 1993.

5.1 Lease Offer Details - Lot 2 DP 1003816 Fishery Creek Road, Ballina

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(c) of the Local Government Act 1993. which permits the meeting to be closed to the public for business relating to the following:-

- c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business

and in accordance with 10D(2)(c), on balance, the discussion of the matter in an open meeting is not considered to be in the public interest due to the ongoing commercial negotiations and the release of any information could prejudice those negotiations.

5. Confidential Session

5.2 Land Sale Price - Lot 91 Cessna Crescent, Ballina

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(c) of the Local Government Act 1993. which permits the meeting to be closed to the public for business relating to the following:-

- c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business

and in accordance with 10D(2)(c), on balance, the discussion of the matter in an open meeting is not considered to be in the public interest due to the ongoing commercial negotiations.

5.3 Land Sale Price - Lot 15 Plateau Drive, Wollongbar

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(c) of the Local Government Act 1993. which permits the meeting to be closed to the public for business relating to the following:-

- c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business

and in accordance with 10D(2)(c), on balance, the discussion of the matter in an open meeting is not considered to be in the public interest due to the ongoing commercial negotiations.

5.4 Wigmore Arcade Complex - Leasing Update Terms

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(d) of the Local Government Act 1993. which permits the meeting to be closed to the public for business relating to the following:-

- d) commercial information of a confidential nature that would, if disclosed:
 - (i) prejudice the commercial position of the person who supplied it, or
 - (ii) confer a commercial advantage on a competitor of the council, or
 - (iii) reveal a trade secret

and in accordance with 10D(2)(c), on balance, the discussion of the matter in an open meeting is not considered to be in the public interest due to the ongoing commercial negotiations and the release of any information could prejudice those negotiations.