Notice of Finance Committee Meeting

A Finance Committee Meeting will be held in the Ballina Shire Council Chambers, 40 Cherry Streets, Ballina on **Tuesday 15 March 2016 commencing at 4.00 pm.**

Business

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

Paul Hickey
General Manager

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1. Apologies
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1. Apologies

An apology has been received from Cr Robyn Hordern.

2. Declarations of Interest

3. Deputations

4. Committee Reports

4.1 Wastewater Operations - Long Term Financial Plan

Delivery Program Governance and Finance

Objective To review the long term financial plan for Council's wastewater operations

Background

Council's wastewater operations have recently completed a major upgrade to existing infrastructure as well as providing new recycled water infrastructure. The upgrade has left the business with substantial debt and some uncertainties in respect to operating expenses.

For many years the price for wastewater annual charges has been on a steep incline. Initially increases were to position the business to cope with the borrowings that were on the horizon and in recent times it has been to manage borrowings, ongoing capital works and variations to operating expenses.

Modelling is indicating that price increases above CPI will be required for up to another five years, depending on the quantum of the increases.

Key Issues

- Financial sustainability
- Affordability

Information

The next table shows actual results for the previous two financial years together with the current year's estimated result to June.

Table One: Wastewater Financial Performance and Current Forecast

Description	2013/14 Actual $000	2014/15 Actual $000	2015/16 Estimate $000
Operating Revenues	14,463	15,356	16,493
Operating Expenses (include dep)	17,024	28,727	16,666
Operation Surplus / (Deficit)	**(2,561)**	**(13,371)**	**(173)**
Excl Depreciation / loss on sale	3,057	14,880	2,901
Cash Surplus / (Deficit)	**496**	**1,509**	**2,728**
Less Loan Principal	2,385	2,188	2,793
Less Capital Expenditure	8,112	4,320	3,920
Less Dividend to General Fund	20	20	20
Capital income	1,352	1,475	900
Cash Increase / (Decrease)	**(10,021)**	**(3,544)**	**(3,105)**
Reserve Balance	**18,598**	**15,054**	**11,949**

The table highlights that the operating result is particularly variable. This is because, as well as depreciation, it also includes losses on sale of assets, which typically refers to infrastructure that has been replaced (i.e: renewal of the treatment plants at Ballina and Lennox Head).

These anomalies are eliminated to calculate the cash surplus (deficit) which shows that the result has and is forecast to improve by approximately $1 million annually. This is primarily attributable to the price increases that have been applied to the annual charge to gradually get the business to a point where cash reserves are not required to meet capital expenditure and recurrent operations.

The reserves have been decreasing and this is a trend that can only continue for a limited period. The strategy going forward is to reverse this trend by minimising expenses and increasing price.

Long Term Financial Plan

The business is approaching a point where it will start to make an operating surplus, inclusive of depreciation, which is positive. The next goal is to achieve a cash surplus to fund capital expenditure and perhaps look to increase reserves to cater for growth and improved service levels.

The primary source of operating income is the annual availability charge, which currently generates approximately $14 million out of the total income of $16.5 million. Adjustments to this charge are the primary lever used to direct the financial performance of the business.

Operating expenses have been through a settling period as staff come to terms with new infrastructure and processes. Costs should be reasonably predictable now although staff continue to search for improvements that will benefit operations.

The proposed introduction of recycled water to households in July 2016 will introduce a new dimension to both income and expense, although in the scheme of the total business it will not be significant.

A major cost in operating expenses is the interest portion of the loan repayment which will be $4.2 million in 2016/17. As the year's progress, the interest portion of the loan reduces by approximately $150,000 annually, whilst the capital element of the repayment increases by the same amount.

This is an issue to consider when comparing total operating expenses from one year to the next, as it can distort the comparison.

Capital income refers to contributions from developers relating to new subdivisions. This income source can be difficult to predict and typically a conservative approach is taken to forecasting. The models assume $900,000 to $1 million from this source however in a good year the figure can be considerably higher.

The capital works program is a key driver in the long term financial plan and upwards of 70% of the estimated works relate to growth. The timing of these works will often vary from the forecast depending on what growth does occur and in what locations.

The models predict capital works of around $4 to $6 million annually, although the final two years of the plan anticipate capital works of approximately $1 million, which causes cash reserves to rise significantly.

The next table details the forecast movements in the total loan liability. The amount outstanding tends to decline by approximately $3 million per annum.

Table Two: Total Outstanding Loans

Loan	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Principal Paid	2,793,300	2,958,000	3,095,600	3,134,000	3,280,300	2,453,500
Interest Paid	4,358,200	4,193,500	4,055,900	3,744,300	3,598,000	3,439,800
Loan Balance	**62,529,000**	**59,571,000**	**56,475,400**	**53,341,400**	**50,061,100**	**47,607,600**

Significant events in respect to loans, over the next few years, include the completion of an interest free loan in 2019/20, which will reduce capital repayments by $985,000.

Also a five year fixed term loan comes up for renewal in 2017/18. The balance outstanding on this loan will be $11.3 million and the revised loan rate should be less than that currently being paid. The current rate on this loan is 7.47% and the model assumes a revised rate of 6%.

In June 2015 Council took an existing loan of $48 million back to the market to try and improve the contract rate of interest. The outcome was to switch the loan from the ANZ to the NAB and the rate dropped from 7.67% to 7.21%.

The financial model presented includes an increase to prices of 7% in 2016/17 followed by 7% for two years then 6% for three years, as per the following summary.

Table Three: Wastewater Financial Model - 7% Price Increase

Description	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Operating Revenue	16,493	17,352	18,558	19,922	21,242	22,653	23,509	24,396	25,313	26,359
Operating Expense	16,666	17,148	16,966	16,811	16,863	16,904	16,976	17,114	17,256	17,323
Operating Result	**(173)**	**204**	**1,592**	**3,111**	**4,379**	**5,749**	**6,533**	**7,282**	**8,058**	**9,036**
Add Back Deprec	2,901	2,927	2,926	2,921	2,912	2,900	2,958	3,017	3,077	3,139
Cash Surplus	**2,728**	**3,131**	**4,518**	**6,032**	**7,291**	**8,649**	**9,491**	**10,299**	**11,135**	**12,175**
Capital Income	900	930	950	970	990	1,010	1,040	1,070	1,100	1,130
Loan Principal	2,793	2,958	3,096	3,134	3,280	2,454	2,654	2,844	2,987	3,211
Capital Expenditure	3,920	5,405	4,754	4,732	6,271	6,462	4,698	5,101	1,125	1,158
Dividend	20	20	20	20	20	20	20	20	20	20
Net Reserve M'ment	(3,105)	(4,322)	(2,402)	(884)	(1,290)	724	3,159	3,404	8,103	8,916
Total Reserves	**11,950**	**7,628**	**5,227**	**4,342**	**3,053**	**3,776**	**6,935**	**10,339**	**18,442**	**27,358**
% Increase in Annual Charge		7	7	7	6	6	6	3	3	3

An operating surplus is predicted in 2016/17 and it takes until 2020/21 to have a positive reserve movement.

This model allows reserves to fall to a low ebb ($3 million) and below this level is not desirable for a business of this size.

The next model is identical to the one above, other than the proposed price increase in 2016/17 is 8%.

Table Four: Wastewater Financial Model - 8% increase to price.

Description	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Operating Revenues	16,493	17,511	18,725	20,103	21,441	22,871	23,728	24,618	25,538	26,623
Operating Expenses	16,666	17,148	16,966	16,811	16,863	16,904	16,976	17,114	17,256	17,323
Operating Result	**(173)**	**364**	**1,758**	**3,292**	**4,578**	**5,967**	**6,752**	**7,504**	**8,283**	**9,301**
Add Back Deprec	2,901	2,927	2,926	2,921	2,912	2,900	2,958	3,017	3,077	3,139
Cash Surplus	**2,728**	**3,291**	**4,684**	**6,213**	**7,490**	**8,867**	**9,710**	**10,521**	**11,360**	**12,440**
Capital Income	900	930	950	970	990	1,010	1,040	1,070	1,100	1,130
Loan Principal	2,793	2,958	3,096	3,134	3,280	2,454	2,654	2,844	2,987	3,211
Capital Expenditure	3,920	5,405	4,754	4,732	6,271	6,462	4,698	5,101	1,125	1,158
Dividend	20	20	20	20	20	20	20	20	20	20
Net Reserve M'ment	(3,105)	(4,162)	(2,236)	(703)	(1,091)	941	3,378	3,626	8,328	9,181
Total Reserves	**11,950**	**7,788**	**5,552**	**4,849**	**3,758**	**4,699**	**8,077**	**11,703**	**20,031**	**29,211**
% Increase in Annual Charge		8	7	7	6	6	6	3	3	3

The financial performance is just that bit stronger, with a better operating surplus and reserves reach a low of $3.7 million. Whilst this model is preferable from a financial point of view we must also be mindful of the impact on the ratepayer.

The business could manage with a price increase in 2016/17 of 7% and this is the recommended adjustment for annual charges.

Council may prefer a more conservative approach and adopt a higher percentage increase, or alternatively Council may wish to pursue lower increases and cut costs. If higher price rises are accepted now it will bring forward the date when a standard cost of living price adjustment can be proposed.

The remainder of the report assumes that Council will adopt the recommended 7% price increase to annual charges.

In respect to forecast operating expenses the 2016/17 year includes new budgets for the provision of household recycled water and increased budget for salaries. In respect to recycled water, it is anticipated that there will be costs associated with pump stations, reservoirs, mains and treatment that are estimated to be $192,000.

In respect to salaries two new positions are proposed with costs to be shared with Water Services relating to communications and administration. It is estimated that the cost will be an extra $130,000 in total, or $65,000 per business. The preference is for the justification of these positions to be reported to Council and this is included in the recommendations.

Assumptions Applied

- The increase to annual charges (availability/consumption) in 2016/17 will be 7%
- Income from funds invested will decline along with reserve balances
- Income from recycled water is forecast at $50,000 being 80% of the potable water step one tariff
- Operating expenses, excluding non-cash items (depreciation etc) and loan interest to increase by 7%. Recycled water and new salaries are the primary reasons for the high percentage increase
- Operating expenses in years following 2016/17 are forecast to increase by approximately 2%
- Developer contributions estimated at $900,000
- Capital expenditure forecast is $5.4 million

Fees and Charges

The proposed annual charges for 2016/17 are shown in the next table.

Table Five: Proposed Annual Charges

Charge Type	2015/16 $	2016/17 $	% Increase
Residential availability charge	864	925	7.06
Residential availability charge vacant land	651	697	7.06
Non Residential Usage charge	2.19	2.34	6.8
Non Residential Access charge	Variable based on meter size		7%
Recycled Water	80% of potable water step 1		2.8%*

*The report on water operations that forms part of this agenda in respect to water pricing recommends that the annual charge for water (steps 1 and 2) be increased by 2.8%

The current pricing position in respect to recycled water is as follows:

- There is no availability charge
- The usage charge is set at 80% of the step one price of potable water
- There is no charge for commercial properties already receiving recycled water such as the Jockey and Golf clubs
- There is no charge to connect recycled water (includes provision of the meter) to a property unless it is only recycled water that is being connected.

This report does not contemplate changing any of these principles however if Council is of a mind to make amendments it would be appropriate to do so as part of the recommendation.

Council Comparison

The next table compares the 2015/16 wastewater charges of various councils for a residential property.

Charge ($)	Ballina	Byron	Coffs	Lismore	Richmond	Tweed
Wastewater	864	1,156	806	808	918	782

Ballina's charge is fast becoming approaching the high range when compared to the council's listed. This remains a concern, particularly from an affordability perspective.

Legal / Resource / Financial Implications

As outlined in the information section of this report.

Consultation

Any charges proposed for 2016/17 will be subject to formal exhibition.

Options

The purpose of this report has been to highlight the issues facing Council in respect to formulating the wastewater budget and prices for 2016/17 onwards. Council may choose to vary the proposed budgets or the price path.

RECOMMENDATIONS

1. That Council notes the contents of this report in respect to the modeling undertaken in respect to the long term financial plan for Council's Wastewater Operations.

2. That Council endorses the annual charges, as per the following table, for exhibition in the draft 2016/17 Operational Plan, as well as the long term financial plan included, as per the attachments to this report.

Charge Type	2015/16 $	2016/17 $	% Increase
Residential availability charge	864	925	7.06
Residential availability charge vacant land	651	697	7.06
Non Residential Usage charge	2.19	2.34	6.8
Non Residential Access charge	Variable based on meter size		7%
Recycled Water	80% of potable water step 1		2.8%

3. That Council receive a further report on the justification for the two additional positions as outlined within this report, with those positions not to be recruited until that report is endorsed by Council.

Attachment(s)

1. Wastewater Operations Long Term Financial Plan

WASTEWATER OPERATIONS - LONG TERM FINANCIAL PLAN (2013/14 to 2024/25)

ACTUAL 2013/14	ACTUAL 2014/15	%	ITEM	ESTIMATED 2015/16	%	2016/17	%	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			OPERATING RESULTS												
14,462,800	15,355,900	6	Operating Revenues	16,492,700	7	17,351,900	5	18,558,200	19,922,000	21,242,400	22,653,400	23,508,900	24,395,800	25,313,200	26,358,800
13,967,000	13,846,900	(1)	Less Operating Expenses	13,764,700	(1)	14,220,700	3	14,040,400	13,890,100	13,951,000	14,004,000	14,018,200	14,096,600	14,178,500	14,183,500
495,800	**1,509,000**	**204**	**Operating Result before Non-cash Items**	**2,728,000**	**81**	**3,131,200**	**15**	**4,517,800**	**6,031,900**	**7,291,400**	**8,649,400**	**9,490,700**	**10,299,200**	**11,134,700**	**12,175,300**
2,643,100	2,314,300	(12)	Depreciation Expense	2,600,000	12	2,678,000	3	2,732,000	2,787,000	2,843,000	2,900,000	2,958,000	3,017,000	3,077,000	3,139,000
394,000	349,200	(11)	Less Unwinding Interest Free Loans	301,000	(14)	249,000	0	194,000	134,000	69,000	0	0	0	0	0
20,300	12,216,800	60,081	Less Loss on Disposal of Infrastructure Assets	0	(100)	0	0	0	0	0	0	0	0	0	0
(2,561,600)	**(13,371,300)**	**422**	**Operating Result after Depreciation**	**(173,000)**	**(99)**	**204,200**	**(218)**	**1,591,800**	**3,110,900**	**4,379,400**	**5,749,400**	**6,532,700**	**7,282,200**	**8,057,700**	**9,036,300**
			Add Capital Grants and Contributions												
0	0	0	Capital Grants and Contributions	0	0	0	0	0	0	0	0	0	0	0	0
1,351,900	1,385,900	3	Section 64 Contributions Collected	900,000	(35)	930,000	3	950,000	970,000	990,000	1,010,000	1,040,000	1,070,000	1,100,000	1,130,000
			Add Non-operating Funds Employed												
690,000	0	(100)	Loan Funds Used	0	0	0	0	0	0	0	0	0	0	0	0
559,600	409,000	(27)	Transfer from Section 64 Recoupments BBRC	0	(100)	0	0	0	0	0	0	0	0	0	0
			Subtract Funds Deployed for Non-operating Purposes												
(8,112,100)	(4,320,400)	(47)	Capital Expenditure	(3,920,000)	(9)	(5,405,000)	38	(4,754,000)	(4,732,000)	(6,271,000)	(6,462,300)	(4,698,000)	(5,101,000)	(1,125,000)	(1,158,000)
(559,600)	(409,000)	(27)	Contributions - Section 64 Recoupments BBRC	0	(100)	0	0	0	0	0	0	0	0	0	0
(2,384,800)	(2,187,900)	(8)	Repayment of Principal on Loans	(2,793,300)	28	(2,957,900)	0	(3,095,600)	(3,134,000)	(3,280,300)	(2,453,500)	(2,654,100)	(2,844,100)	(2,987,000)	(3,211,000)
(20,000)	(20,000)	0	Dividends Paid	(20,000)	0	(20,000)	0	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
			Net Movement in Other Working Capital Items												
468,500	89,600	(81)	Net Incr / (Decr) in Leave and Working Capital	0	(100)	0	0	0	0	0	0	0	0	0	0
			Add Back Non-Cash Expense												
2,643,100	2,314,300	(12)	Depreciation	2,600,000	12	2,678,000	3	2,732,000	2,787,000	2,843,000	2,900,000	2,958,000	3,017,000	3,077,000	3,139,000
394,000	349,200	(11)	Unwinding Interest Free Loans	301,000	(14)	249,000	0	194,000	134,000	69,000	0	0	0	0	0
20,300	12,216,800	60,081	Loss on Disposal of Infrastructure Assets	0	(100)	0	0	0	0	0	0	0	0	0	0
(7,510,700)	**(3,543,800)**	**(53)**	**Wastewater Reserves - Increase / (Decrease)**	**(3,105,300)**	**(12)**	**(4,321,700)**	**39**	**(2,401,800)**	**(884,100)**	**(1,289,900)**	**723,600**	**3,158,600**	**3,404,100**	**8,102,700**	**8,916,300**
			Movement in Reserves - Increase / (Decrease)												
(8,407,300)	(4,663,700)		Wastewater Reserves	(3,741,900)		(5,022,000)		(3,477,800)	(2,004,300)	(2,455,400)	(488,100)	1,889,700	2,076,600	6,715,300	7,467,700
896,600	1,119,900		Developer Contributions - Section 64	636,600		700,300		1,076,000	1,120,200	1,165,500	1,211,700	1,268,900	1,327,500	1,387,400	1,448,600
(7,510,700)	**(3,543,800)**		**Total Movement in Reserves (incl Section 64)**	**(3,105,300)**		**(4,321,700)**		**(2,401,800)**	**(884,100)**	**(1,289,900)**	**723,600**	**3,158,600**	**3,404,100**	**8,102,700**	**8,916,300**
			Reserves - Balances as at 30 June												
14,964,000	10,790,099		Wastewater Reserves	7,048,199		2,026,199		(1,451,601)	(3,455,901)	(5,911,301)	(6,399,401)	(4,509,701)	(2,433,101)	4,282,199	11,749,899
3,634,300	4,264,700		Developer Contributions - Section 64	4,901,300		5,601,600		6,677,600	7,797,800	8,963,300	10,175,000	11,443,900	12,771,400	14,158,800	15,607,400
18,598,300	**15,054,799**		**Total**	**11,949,499**		**7,627,799**		**5,225,999**	**4,341,899**	**3,051,999**	**3,775,599**	**6,934,199**	**10,338,299**	**18,440,999**	**27,357,299**

WASTEWATER OPERATIONS

ACTUAL					LEDGER ACCOUNT	BUDGET ITEMS	ESTIMATED										
2011/12	2012/13	2013/14	2014/15	%			2015/16	%	2016/17	%	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
						OPERATING REVENUES												
9,762,700	10,570,400	11,668,700	13,005,500	11	12000	Annual Charges	14,126,000	9	15,128,300	7	16,330,500	17,618,100	18,821,900	20,110,700	20,879,700	21,677,200	22,502,300	23,356,300
837,200	941,900	1,098,100	1,038,400	(5)	12010	User Charges	1,154,100	11	1,234,000	7	1,319,400	1,403,800	1,481,500	1,563,800	1,609,100	1,655,700	1,703,800	1,753,300
162,000	149,600	150,800	151,700	1	12002	Operating Grants	155,000	2	140,900	(9)	141,800	142,700	143,600	144,500	145,500	146,400	147,300	148,200
337,800	310,100	475,800	391,000	(18)	12012	Fees and Fines	402,500	3	414,600	3	427,000	435,800	444,800	453,900	463,200	472,700	482,300	492,100
1,275,100	1,703,200	968,800	672,700	(31)	12004	Interest	567,600	(16)	343,900	(39)	246,600	226,700	253,600	281,400	310,200	340,500	372,100	501,300
75,900	111,400	100,600	96,600	(4)	12014	Other Revenues	87,500	(9)	90,200	3	92,900	94,900	97,000	99,100	101,200	103,300	105,400	107,600
12,450,700	**13,786,600**	**14,462,800**	**15,355,900**	**6**		**Total Operating Revenues**	**16,492,700**	**7**	**17,351,900**	**100**	**18,558,200**	**19,922,000**	**21,242,400**	**22,653,400**	**23,508,900**	**24,395,800**	**25,313,200**	**26,358,800**
						OPERATING EXPENSES												
						Direct Expenses												
429,700	378,000	376,500	439,900	17	55000	Engineering Management	462,000	5	536,000	16	546,000	557,000	569,000	581,000	593,100	605,200	618,300	631,400
110,000	1,571,200	665,600	452,000	(32)	55002	Contributions to Works and BBRC	536,000	19	381,200	(29)	42,000	42,900	43,800	44,700	45,600	46,600	47,600	48,600
811,700	684,600	793,600	734,600	(7)	55002	Administration and Customer Service Costs	806,000	10	829,500	3	846,000	863,800	881,900	900,300	919,000	938,000	957,200	977,100
213,800	0	239,300	178,500	(25)	55002	Engineering and Technical Costs	0	(100)	0	0	0	0	0	0	0	0	0	0
72,200	97,000	74,200	27,100	(63)	55004	Other Management Costs	20,000	(26)	23,000	15	63,000	23,500	24,100	24,700	25,300	75,900	77,500	79,300
888,400	1,193,100	1,276,000	1,304,800	2	55012	Energy Costs	1,068,000	(18)	1,250,900	17	1,288,500	1,314,600	1,341,400	1,368,800	1,396,600	1,424,800	1,453,800	1,483,100
98,900	170,200	117,800	136,900	16	55011	Pumping Stations - Operations	240,000	75	265,000	10	276,000	281,600	287,300	293,100	299,000	305,000	311,100	317,400
1,122,400	1,030,600	1,074,700	1,077,800	0	55011	Pumping Stations - Maintenance	1,050,000	(3)	1,120,000	7	1,154,000	1,177,100	1,200,700	1,224,800	1,249,300	1,274,300	1,299,800	1,325,800
1,279,500	1,190,800	1,497,900	1,633,700	9	55015	Treatment Plants - Operations	1,245,000	(24)	1,391,000	12	1,432,000	1,461,100	1,490,800	1,521,100	1,552,000	1,583,300	1,615,400	1,648,000
132,200	186,600	198,300	138,100	(30)	55015	Treatment Plants - Biosolids	122,000	(12)	90,000	(26)	93,000	94,900	96,800	98,800	100,800	102,900	105,000	107,100
306,900	359,600	258,900	424,700	64	55015	Treatment Plants - Maintenance	1,055,000	148	1,051,000	(0)	1,084,000	1,105,900	1,128,200	1,151,100	1,174,400	1,198,100	1,222,300	1,247,000
522,700	501,000	463,900	541,900	17	55010	Mains - Maintenance	500,000	(8)	400,000	(20)	412,000	420,300	428,800	437,400	446,200	455,200	464,400	473,700
41,800	58,800	46,700	9,000	(81)	55022	Telemetery	5,000	(44)	10,000	100	10,000	10,200	10,500	10,800	11,100	11,400	11,700	12,000
0	0	0	0	0		Mains - Camera and Jetting	0	0	180,000	100	185,000	188,700	192,500	196,400	200,400	204,500	208,600	212,800
375,200	436,000	387,800	323,300	(17)	55022	Other Operations	367,000	14	358,000	(2)	366,000	373,400	381,700	390,100	398,700	407,300	416,200	425,200
					55021	Other Maintenance	40,000		213,500	434	220,000	224,500	229,100	233,800	238,500	243,300	248,300	253,400
						Indirect Expenses - Overheads												
1,302,000	1,503,000	1,729,000	1,777,000	3	55002	Overheads Distributed	1,890,500	6	1,928,000	2	1,967,000	2,006,300	2,046,400	2,087,300	2,129,000	2,171,600	2,215,000	2,259,300
						Debt Servicing												
1,173,600	3,266,700	4,766,800	4,647,600	(3)	55006	Interest on Loans	4,358,200	(6)	4,193,600	(4)	4,055,900	3,744,300	3,598,000	3,439,800	3,239,200	3,049,200	2,906,300	2,682,300
						Non-cash Expenses												
3,697,900	2,841,000	2,643,100	2,314,300	(12)	55022	Depreciation	2,600,000	12	2,678,000	3	2,732,000	2,787,000	2,843,000	2,900,000	2,958,000	3,017,000	3,077,000	3,139,000
276,000	1,596,000	20,300	12,216,800	60,081		Loss on Disposal of Infrastructure	0	(100)	0	0	0	0	0	0	0	0	0	0
474,000	435,600	394,000	349,200	(11)	55022	Unwinding Interest Free Loan	301,000	(14)	249,000	(17)	194,000	134,000	69,000	0	0	0	0	0
13,328,900	**17,499,800**	**17,024,400**	**28,727,200**	**69**		**Total Operating Expenses**	**16,665,700**	**(42)**	**17,147,700**	**3**	**16,966,400**	**16,811,100**	**16,863,000**	**16,904,000**	**16,976,200**	**17,113,600**	**17,255,500**	**17,322,500**
(878,200)	**(3,713,200)**	**(2,561,600)**	**(13,371,300)**	**422**		***Operating Result - Surplus / (Deficit)***	**(173,000)**	**(99)**	**204,200**	**(218)**	**1,591,800**	**3,110,900**	**4,379,400**	**5,749,400**	**6,532,700**	**7,282,200**	**8,057,700**	**9,036,300**
3,697,900	2,841,000	2,643,100	2,314,300	(12)		*Add Back Depreciation*	2,600,000	12	2,678,000	3	2,732,000	2,787,000	2,843,000	2,900,000	2,958,000	3,017,000	3,077,000	3,139,000
276,000	1,596,000	20,300	12,216,800	60,081		*Add Back Loss on Infrastructure Disposal*	0	(100)	0	0	0	0	0	0	0	0	0	0
474,000	435,600	394,000	349,200	(11)	55022	*Add Back Unwinding Interest Free Loan*	301,000	(14)	249,000	(17)	194,000	134,000	69,000	0	0	0	0	0
3,569,700	**1,159,400**	**495,800**	**1,509,000**	**204**		***Cash Result - Surplus / (Deficit)***	**2,728,000**	**81**	**3,131,200**	**15**	**4,517,800**	**6,031,900**	**7,291,400**	**8,649,400**	**9,490,700**	**10,299,200**	**11,134,700**	**12,175,300**
						Capital Movements												
985,000	985,000	2,384,800	2,187,900			Less Loan Principal Repayments	2,793,300		2,957,900		3,095,600	3,134,000	3,280,300	2,453,500	2,654,100	2,844,100	2,987,000	3,211,000
19,277,900	239,300	0	0			Less Transfer to Reserves	0		0		0	0	0	0	2,118,600	2,334,100	7,002,700	7,786,300
0	6,638,900	9,117,400	5,019,300			Add Transfer from Reserves	3,729,500		4,734,700		2,214,800	1,854,100	2,279,900	286,400	0	0	0	0
45,569,200	18,800,000	903,700	0			Add Capital Income	275,800		517,000		1,137,000	0	0	0	0	0	0	0
28,856,000	25,354,000	8,112,100	4,320,400			Less Capital Expenditure	3,920,000		5,405,000		4,754,000	4,732,000	6,271,000	6,462,300	4,698,000	5,101,000	1,125,000	1,158,000
20,000	**20,000**	**20,000**	**20,000**	**0**		***Cash Result after Capital Movements***	**20,000**	**0**	**20,000**	**0**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**

WASTEWATER - CAPITAL EXPENDITURE

Asset Description	Expenditure Summary										Funding Sources 2016/17				Funding Sources 2017/18				Funding Source 2018/19				Funding Source 2019/20			
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Grants	Sect 64	Loans	Reserves	Grants	Sect 64	Loans	Reserves	Grants	Sect 64	Loans	Reserves	Grants	Sect 64	Loans	Reserves
Pumping Stations																										
Emergency Storage Program	600,000	200,000												200,000												
SP2001 - Wet Well Concrete Protection Program	130,000	50,000	150,000	200,000	200,000									50,000				150,000				200,000				200,000
SP3001 - Pump Stn - Byron Street, Lennox	91,000	1,400,000										300,000		1,100,000												
SP3110 - Pump Stn - Montwood Drive					1,194,000																					1,194,000
SP4004 - Pump Stn - Granada			318,000															318,000								
SP3101 - Skennars Head / Tara Downs	200,000	735,000												735,000												
North Ballina - New Pumping Station				106,000	1,364,000									0				106,000								1,364,000
SP5006 - Richmond St Storage and Gravity						182,000																				
SP2402 - Lindsay Avenue						106,000																				
SP2401 - Power Drive Pumps						62,300																				
Pump Capacity Upgrade Program	170,000	175,000	166,000	259,000	268,000									175,000				166,000				259,000				268,000
Pumping Stations Renewal Program					338,000	348,000	358,000	369,000	380,000	391,000																338,000
Sullage Dump Point - Bicentiennial Gardens			20,000															20,000								
Treatment Facilities - Minor Capital																										
Wastewater Treatment Plant Ballina	50,000	21,000	21,000	22,000	23,000	23,000	24,000	25,000	25,000	26,000				21,000				21,000				22,000				23,000
Wastewater Treatment Plant Lennox	20,000	21,000	21,000	22,000	23,000	23,000	24,000	25,000	25,000	26,000				21,000				21,000				22,000				23,000
Wastewater Treatment Plant Alstonville	20,000	10,000	11,000	11,000	11,000	12,000	12,000	12,000	13,000	13,000				10,000				11,000				11,000				11,000
Wastewater Treatment Plant Wardell	10,000	10,000	11,000	11,000	11,000	12,000	12,000	12,000	13,000	13,000				10,000				11,000				11,000				11,000
Kubota Membrane Turb Rep Ballina	200,000																									
Ballina Treatment Plant Upgrade																										
Ballina Upgrade - Project Mgmt	68,000	21,000												21,000												
Ballina - Other	50,000	31,000												31,000												
Ballina - Post Completion Works	296,000	31,000												31,000												
Desalination Plant	200,000	800,000												800,000												
Ballina Control Valve	12,000																									
Ballina WWTP DAF Dismantling	10,000																									
Ballina WWTP - Septage receival			50,000															50,000								
Ballina WWTP - Gantry Crane				500,000																		500,000				
Ballina WWTP - Membrane Replacement				500,000	500,000	500,000	500,000															500,000				500,000
Lennox Head Treatment Plant Upgrade																										
Lennox - Post Completion Works	210,000	31,000												31,000												
EAT Decanters		100,000												100,000												
Alstonville Treatment Plant Upgrade																										
Biosolids Management				200,000																		200,000				
Maturation Pond	5,000	115,000												115,000												
SCADA Upgrade		103,000	219,000											103,000				219,000								
Diffused Aeration Upgrade				200,000																		200,000				
Wardell Treatment Plant Upgrade																										
SCADA Upgrade		206,000	109,000											206,000				109,000								
Trunk Mains																										
Rising Main Rehab & Bridge Decom - Swift St				60,000																		60,000				
SP3001 - Byron Street, Lennox Head							546,000																			
SP4006 - Gravity Sewer A'ville						342,000																				
WWTP40 - Gravity Main A'ville		62,000	1,137,000									62,000				1,137,000										
GM4104 - Gravity Main Wollongbar	50,000		1,847,000															1,847,000								
GM4104 - Transfer Mains A'ville / W'bar		155,000		1,498,000								155,000										1,498,000				
GMWUEA - Gravity Mains					80,000																					80,000
Hutley Drive - Parallel Mains					505,000																					505,000
SP3111 - The Grove Rising Main	52,000																									
GM2101 - Gravity Main West Ballina					205,000																					205,000
GM2104 - Gravity Main West Ballina					438,000																					438,000
SP2401 - Power Drive Rising Main Ext					146,000																					146,000
RM-PS6 - CURA B Transfer Rising Main						4,011,000																				
RW Distribution Storage and Completion	100,000																									
Water Meter - New <20mm	60,000																									
Dual Reticulation Ballina Heights Drive	85,000																									

Wastewater - Capital Expenditure Carried Forward

WASTEWATER - CAPITAL EXPENDITURE (cont'd)

Asset Description	Expenditure Summary										Funding Sources 2016/17				Funding Sources 2017/18				Funding Source 2018/19				Funding Source 2019/20			
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Grants	Sect 64	Loans	Reserves	Grants	Sect 64	Loans	Reserves	Grants	Sect 64	Loans	Reserves	Grants	Sect 64	Loans	Reserves
Wastewater Mains - Renewals																										
Gravity Pipe Rehabilitation	3,000																									
Main Renewals	387,000	200,000	200,000	461,000	475,000	489,000	504,000	519,000	535,000	551,000				200,000				200,000				461,000				475,000
Low Pressure Sewer Sys Cooper Cl Lennox Head	150,000																									
Service Connections																										
New Wastewater Connection (Gravity)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000				1,000				1,000				1,000				1,000
New Wastewater Connection (E-one)	50,000	52,000	53,000	55,000	56,000	58,000	60,000	61,000	63,000	65,000				52,000				53,000				55,000				56,000
Plant and Equipment																										
Plant Replacement Sewer	87,000	0	27,000		126,000	118,000	141,000	113,000	51,000	52,000								27,000								126,000
Replacement Sewer CCTV		120,000												120,000												
Vaccuum Excavation Truck			50,000															50,000								
Other Miscellaneous Works																										
Telemetry	15,000	15,000	16,000	16,000	17,000	17,000	18,000	18,000	19,000	20,000				15,000				16,000				16,000				17,000
Reloc W&WW Network Servers Pine Av	30,000																									
Ethernet Telemetry Upgrade			50,000	100,000														50,000				100,000				
Gravity Sewer Flow Meters	35,000																									
Reuse Program																										
Ross Lane Dual Reticulation Reservoir								3,112,000																		
Ballina Heights Boosted Pump Stn Recycle	40,000																									
Lennox Palms Estate Reticulation Mains			197,000															197,000								
Montwood Drive Distribution Mains		575,000												575,000												
Hendersons Farm Distribution Mains					280,000																					280,000
Meadows Distribution Main				270,000																		270,000				
Greenfield Grove Distribution Mains						158,000	162,000																			
Lennox Head Distribution Mains								362,000																		
Fig Tree Hill Distribution Mains								472,000																		
CURA B Distribution Mains							2,336,000																			
Replace Lennox - Angels DV Main				200,000																		200,000				
Recycled Water Standpipes			40,000															40,000								
Recycled Water Hydrant Installations		30,000	30,000	30,000										30,000				30,000				30,000				
Reservoir Access and Integrity Upgrades	5,000	65,000												65,000												
Kings Court	180,000																									
Recycled Water Comms	133,000	60,000												60,000												
Connection Audits	10,000																									
Alstonville Recycled Water	40,000	10,000	10,000	10,000	10,000									10,000				10,000				10,000				10,000
Reim Dual (Recyc) Water Ballina Heights	65,000																									
Total Capital Expenditure	**3,920,000**	**5,405,000**	**4,754,000**	**4,732,000**	**6,271,000**	**6,462,300**	**4,698,000**	**5,101,000**	**1,125,000**	**1,158,000**	**0**	**517,000**	**0**	**4,888,000**	**0**	**1,137,000**	**0**	**3,617,000**	**0**	**0**	**0**	**4,732,000**	**0**	**0**	**0**	**6,271,000**

4.2 Water Operations - Long Term Financial Plan

Delivery Program Governance and Finance

Objective To review the long term financial plan for Council's water operations

Background

Water operations form a very significant part of Council operations. In 2014/15 they represented over 13% of all income received and it provides an essential service to the community.

Over a number of years Council has been striving to achieve an operating surplus for the business whilst improving asset management. Different challenges have been confronted however gradual progress has been achieved.

Key Issues

- Financial sustainability
- Affordability

Information

The table below shows actual results for the previous two financial years together with the current year's estimated result to June.

Table One: Water Financial Performance and Current Forecast

Description	2013/14 Actual $000	2014/15 Actual $000	2015/16 Estimate $000
Operating Revenues	10,689	10,893	11,141
Operating Expenses (include deprec)	11,077	10,783	10,976
Operation Surplus / (Deficit)	**(388)**	**110**	**165**
Excl Depreciation / loss on sale	1,971	1,499	1,400
Cash Surplus / (Deficit)	**1,583**	**1,609**	**1,565**
Less Loan Principal	0	0	0
Less Capital Expenditure	1,827	2,822	2,669
Less Dividend to General Fund	34	34	34
Capital income	799	1,055	430
Cash Increase / (Decrease)	**521**	**(192)**	**(708)**
Reserve Balance	**10,663**	**10,471**	**9,763**

The business has gravitated from an operating loss in 2013/14 to a small surplus. This suggests that our Water Operations are well on the way to being sustainable.

The primary income source for water is the water consumption charge. This can be variable income source, which is touched on later in this report.

In the current year it is trending towards the forecast of $6.6 million (assumes a large third quarter).

The forecast is for expenditure is to increase by approximately 2% in 2015/16 in comparison to 2014/15, which is quite acceptable given that wages were increased by 2.7% at the start of the year. The small increase is largely due to the primary expense for the business, being the contribution payable to Rous Water, decreasing in 2015/16 as compared to the previous year.

Whilst Rous Water increased their fees Ballina Shire's share of the total consumption across the four constituent councils decreased, which resulted in a net decrease to our contribution.

For 2016/17 the forecast is for operating expenses to increase by 1%, which is a minimal movement. The cash operating result is forecast to increase by 14%.

Long Term Financial Plan

In many respects the current financial performance and position of the business is satisfactory. A modest operating surplus is being achieved, the asset network is in relatively good condition (92% of the network rated as excellent or good condition) there is no debt and cash reserves, in the order of $10 million, are sufficient to meet the immediate needs of the business.

Given this context there is no need to alter things unduly in the short term from the point of the financial modelling, however over the longer term Council will need to increase the cash surplus (excludes depreciation) to pay for capital works. Capital works are estimated to be in the order of $3.5 to $4 million per annum and the cash surplus is approximately $1.5 million.

Approximately 70% of the forecast capital works program relates to growth and 30% relates to renewal of existing infrastructure. Developer contributions (shown as capital income) can be used to pay for some of the costs of growth related capital works. Developer contributions are estimated to be approximately $450,000 annually.

In respect to expenses the annual contribution to Rous Water represents about 60% of total operating expenses. Rous Water is currently working on their draft Operational Plan for 2016/17. Preliminary advice is that they are striving to keep the gross income increase in line with the rate pegging increase for the next four years.

It is possible, depending on various factors, including the Rous water capital works program, that after four years of rate peg increases their model may require price increases in excess of CPI. This remains to be seen and for modelling purposes it has been assumed that the contribution will increase by 1.8% in 2016/17 to $5.8 million and thereafter at 3%.

As mentioned the largest income source is the charge for water consumption, which typically generates around 60% of total income.

Unfortunately it is also the most variable given that the weather can materially affect consumption patterns and is the biggest risk to accurate modelling.

Council's water consumption income, as compared to price increases, over the last four financial years is as follows:

Table Two: Water Consumption Income Compared to Price

Year	Revenue ($)	Revenue % change	Increase in price per annum
2015/16	(*) 6,592,000	(*) 2.5	3%
2014/15	6,429,000	(1.8)	6%
2013/14	6,549,000	17.3	8%
2012/13	5,579,000	13.7	6%

(*) estimated

The table indicates that there is rarely any correlation between the increase to price and the increase (or decrease) to revenue received. The current year is trending as though the revenue increase will be similar to the price increase, when compared to the previous year, however this is the exception in recent times.

Typically modelling is based on revenue increasing roughly in accord with price because this remains as a good an indicator as any. However given that there is fair likelihood that income received is likely to vary up or down from the forecast it is important that the business maintains sufficient cash reserves as a buffer to meet lean times.

The financial model, which is summarised as follows, looks to gradually increase the operating surplus whilst reserves decline. There are sufficient reserves on hand to allow a fairly gradual approach to this strategy such that reserves tend to decrease for the majority of the ten year model until the cash surplus is sufficient to meet forecast capital expenditure. Importantly no borrowings are anticipated. The attachment to this report provides the complete model.

Table Three: Water Financial Model - 2.8% Price Increase

Description	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Operating Revenues	11,141	11,432	11,888	12,374	12,869	13,411	14,038	14,574	15,196	15,945
Operating Expenses	10,976	11,071	11,251	11,579	11,834	12,137	12,447	12,817	13,094	13,431
Operating Result	**165**	**361**	**637**	**795**	**1,035**	**1,274**	**1,591**	**1,757**	**2,103**	**2,514**
Add Back Deprec	1,400	1,428	1,457	1,486	1,516	1,546	1,577	1,609	1,641	1,674
Cash Surplus	**1,565**	**1,789**	**2,094**	**2,281**	**2,551**	**2,820**	**3,168**	**3,365**	**3,744**	**4,188**
Capital Income	430	450	460	470	480	490	500	510	530	550
Loan Principal	0	0	0	0	0	0	0	0	0	0
Capital Expenditure	2,669	3,266	3,404	3,980	3,636	2,177	6,016	4,926	4,003	4,095
Dividend	34	34	34	34	34	34	34	34	34	34
Net Reserve M'ment	(708)	(1,061)	(884)	(1,264)	(640)	1,099	(2,383)	(1,085)	237	609
Total Reserves	**9,763**	**8,702**	**7,818**	**6,555**	**5,915**	**7,014**	**4,631**	**3,547**	**3,783**	**4,392**
% Increase in Annual Charge		2.8	4	4	4	4	4	4	4	4

The model is based on an increase to prices of 2.8% in 2016/17 followed by 4% for the remaining years. The cash surplus gradually increases to an amount more commensurate with capital expenditure and reserves start to rise in the final few years of the model.

One uncertainty with revenue is the introduction of recycled water to households, scheduled to commence in July 2016. Revenue generated from the use of recycled water will benefit our Wastewater Operations, not Water. This is because Wastewater funded the infrastructure.

It is anticipated that in the first year the decrease on potable water consumption will be quite small in comparison to total water consumption (estimated to be approximately $60,000 from a total of approximately $6.6 million). This represents less than 1% of consumption income and therefore no specific adjustment has been made to estimated potable water consumption income due to the introduction of household recycled water.

In this model operating expenses are assumed to increase by approximately 1% to 3% per annum. In 2016/17 the Section Manager is anticipating that operational savings will be achieved in certain areas as compared to the current year. In 2018/19 the annual contribution of $100,000 to the BBRC grant will no longer be required, which assists in keeping the percentage increase down in the first few years.

This model looks to minimise the price increase in 2016/17 given that Council is looking at above CPI increases for Ordinary Rates and Wastewater Annual Charges. This approach is reasonable given that there are ample cash reserves on hand.

There are other options that Council may wish to consider. There are inherent risks in this low price increase approach, not least of which is that a wet year will see consumption income unlikely to achieve forecast. A more conservative approach would see prices increased by 4%, as is proposed in the remaining years of the plan. The next table below is consistent with the earlier table, other than a 4% price increase in 2016/17, as opposed to 2.8%.

Table Four: Water Financial Model - 4% Price Increase

Description	**15/16**	**16/17**	**17/18**	**18/19**	**19/20**	**20/21**	**21/22**	**22/23**	**23/24**	**24/25**
Operating Revenues	11,141	11,544	12,010	12,505	13,011	13,565	14,203	14,751	15,387	16,149
Operating Expenses	10,976	11,071	11,251	11,579	11,834	12,137	12,447	12,817	13,094	13,431
Operating Result	**165**	**473**	**759**	**926**	**1,177**	**1,427**	**1,756**	**1,934**	**2,293**	**2,718**
Add Back Deprec	1,400	1,428	1,457	1,486	1,516	1,546	1,577	1,609	1,641	1,674
Cash Surplus	**1,565**	**1,901**	**2,216**	**2,412**	**2,693**	**2,973**	**3,333**	**3,543**	**3,934**	**4,392**
Capital Income	430	450	460	470	480	490	500	510	530	550
Loan Principal	0	0	0	0	0	0	0	0	0	0
Capital Expenditure	2,669	3,266	3,404	3,980	3,636	2,177	6,016	4,926	4,003	4,095
Dividend	34	34	34	34	34	34	34	34	34	34
Net Reserve M'ment	(708)	(949)	(763)	(1,132)	(497)	1,252	(2,217)	(907)	427	813
Total Reserves	**9,763**	**8,814**	**8,052**	**6,920**	**6,423**	**7,675**	**5,458**	**4,551**	**4,978**	**5,791**
% Increase in Annual Charge		4	4	4	4	4	4	4	4	4

Reserves are in the order of $1 million higher in the later years of the plan as per this model. However as stated, the earlier forecast reserves on hand should be sufficient to meet any budgetary problems should they arise and the 2.8% increase is preferred given proposed increases to other charges.

The remainder of the report assumes that Council will endorse the recommended 2.8% price increase to annual charges for the purposes of the draft 2016/17 Operational Plan.

Assumptions Applied

- The increase to annual charges in 2016/17 is 2.8%. Estimated income from the availability charge is $3.2 million and consumption $6.6 million
- Water revenue to increase in line with the price increase
- Rous Water contribution to increase by 1.8% to $5.8 million
- Operating expenses include a 50% share (other 50% funded by Wastewater) of two new positions for communications and administration. The cost of the extra positions is $65,000 for 2016/17, which equates to approximately 0.67% increase in the cash operating expenses for water. The wastewater report earlier in this agenda requests further information on those positions is to be reported to Council prior to the positions being filled
- Developer contributions are forecast at $450,000
- Capital expenditure of $3.2 million

Fees and Charges

The proposed annual charges for 2016/17 are shown in the next table.

Table Five: Proposed Annual Charges

Charge Type	2015/16	2016/17	% Increase
Water Access Charge 20mm meter	195	200	2.6
Water Consumption under 350kl	2.08	2.14	2.9
Water Consumption over 350kl	3.13	3.22	2.9
Vacant Land Charge	195	200	2.6

In 2015/16 a residential property using 200 kilolitres would pay $611 for the year and in 2016/17 they will pay $628.

Council Comparison

The next table compares the 2015/16 water charges of various councils for a residential property consuming 200k kilolitres.

Table Six: 2015/16 Council Comparison

Charge ($)	Ballina	Byron	Coffs	Lismore	Richmond	Tweed
Water	611	659	617	879	539	699

Comparatively Ballina's charge remains reasonable.

The stage in the life cycle of infrastructure will have a large impact on the price that a Council must charge. Ballina is fortunate that major borrowings have not been necessary for some time.

Annual Rates and Charges- Total bill

When considering the annual rates charges for the 2016/17 financial year it is prudent to be mindful of the total impact of Council rates and charges on the ratepayer.

In regard to the Ordinary Rate Council has an approved increase of 5.34% and other reports that form part of this agenda recommend that annual waste charges increase by 2% and wastewater by 7%.

The recommendations of this report are that water charges increase by 2.8%.

The next table below compares the current year average for residential properties with the following year (estimated). We are talking averages and individual properties will be affected to greater and lesser extents but it does serve to provide an order of magnitude.

Table Seven: Total Rates and Annual Charges Bill

Rate / Charge	2015/16 Average ($)	2016/17 Average ($)	% Increase
Ordinary Rates	900	948	5.3
Stormwater	25	25	0
Water Access Charge	195	200	2..6
Water Consumption (200 kls)	416	428	2.9
Wastewater Access Charge	864	925	7.06
DWM Charge (Urban)	360	367	1.94
Waste Operations Charge	72	73	1.39
Total	**2,832**	**2,966**	**4.7**

The total average residential bill is considerable and amounts to $57 per week. Every effort has been made to minimise the impact on the ratepayer however the net total average increase is 4.7%

The largest percentage rises relate to the ordinary rate and the wastewater annual charge. The ordinary rate has an increase above CPI to pay for the swimming pools refurbishment and wastewater is still struggling to come to terms with loans raised several years ago for the infrastructure upgrade.

Council also had an opportunity to reduce and extend the wastewater loan repayments when the loans were recently refinanced, however the resolution of Council was to maintain the existing loan repayments and therefore pay off the principal in a shorter timer period. This then limits the opportunity to reduce magnitude of the wastewater increases.

Water Charging Structure

A separate report in this agenda considers the water charging structure. The recommendation in that report is that any amendments be delayed until the 2017/18 financial year. The discussion within this report has assumed that the 2016/17 water charging structure will be the same as the current year.

Legal / Resource / Financial Implications

As outlined in the information section of this report.

Consultation

Any charges proposed for 2016/17 will be subject to formal exhibition.

Options

The purpose of this report has been to highlight the issues facing Council in respect to formulating the water budget and prices for 2016/17 onwards. Council may choose to vary the proposed budgets or the price path.

RECOMMENDATIONS

1. That Council notes the contents of this report in respect to the modeling undertaken in respect to the long term financial plan for Council's Water Operations.

2. That Council endorses the annual charges, as per the following table, for exhibition in the draft 2016/17 Operational Plan, as well as the long term financial plan included, as per the attachments to this report.

Charge Type	2015/16	2016/17	% Increase
Water Access Charge 20mm meter (1)	195	200	2.6
Water Consumption under 350kl	2.08	2.14	2.9
Water Consumption over 350kl	3.13	3.22	2.9
Vacant Land Charge	195	200	2.6

Attachment(s)

1. Water Operations Long Term Financial Plan

WATER OPERATIONS - LONG TERM FINANCIAL PLAN (2013/14 to 2024/25)

ACTUAL 2013/14	ACTUAL 2014/15	%	ITEM	ESTIMATED 2015/16	%	2016/17	%	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
			OPERATING RESULTS												
10,689,100	10,892,500	2	Operating Revenues	11,141,100	2	11,431,800	3	11,888,000	12,373,500	12,868,500	13,410,900	14,037,600	14,573,700	15,196,200	15,944,500
9,107,100	9,283,700	2	Less Operating Expenses	9,576,200	3	9,642,600	1	9,794,100	10,093,000	10,318,000	10,591,100	10,870,100	11,208,500	11,452,700	11,756,800
1,582,000	**1,608,800**	**2**	**Operating Result before Non-cash Items**	**1,564,900**	**(3)**	**1,789,200**	**14**	**2,093,900**	**2,280,500**	**2,550,500**	**2,819,800**	**3,167,500**	**3,365,200**	**3,743,500**	**4,187,700**
1,859,500	1,478,700	(20)	Depreciation Expense	1,400,000	(5)	1,428,000	2	1,456,600	1,485,800	1,515,600	1,546,000	1,577,000	1,608,600	1,640,800	1,673,700
0	0	0	Less Unwinding Interest Free Loans	0	0	0	0	0	0	0	0	0	0	0	0
111,000	20,600	(81)	Less Loss on Disposal of Infrastructure Assets	0	(100)	0	0	0	0	0	0	0	0	0	0
(388,500)	**109,500**	**(128)**	**Operating Result after Depreciation**	**164,900**	**51**	**361,200**	**119**	**637,300**	**794,700**	**1,034,900**	**1,273,800**	**1,590,500**	**1,756,600**	**2,102,700**	**2,514,000**
			Add Capital Grants and Contributions												
368,600	336,400	(9)	Capital Grants and Contributions	0	(100)	0	0	0	0	0	0	0	0	0	0
430,400	454,900	6	Section 64 Contributions Collected	430,000	(5)	450,000	5	460,000	470,000	480,000	490,000	500,000	510,000	530,000	550,000
			Add Non-operating Funds Employed												
0	0	0	Loan Funds Used	0	0	0	0	0	0	0	0	0	0	0	0
137,600	136,200	(1)	Transfer from Section 64 Recoupments BBRC	123,000	(10)	100,000	(19)	0	0	0	0	0	0	0	0
			Subtract Funds Deployed for Non-operating Purposes												
(1,827,100)	(2,821,700)	54	Capital Expenditure	(2,669,000)	(5)	(3,266,000)	22	(3,404,000)	(3,980,000)	(3,636,000)	(2,177,000)	(6,016,000)	(4,926,000)	(4,003,000)	(4,095,000)
(137,600)	(136,200)	(1)	Contributions - Section 64 Recoupments BBRC	(123,000)	(10)	0	(100)	0	0	0	0	0	0	0	0
0	0	0	Repayment of Principal on Loans	0	0	0	0	0	0	0	0	0	0	0	0
(34,000)	(34,000)	0	Dividends Paid	(34,000)	0	(34,000)	0	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)	(34,000)
			Net Movement in Other Working Capital Items												
(496,900)	264,500	(153)	Net Incr / (Decr) in Leave and Working Capital	0	(100)	0	0	0	0	0	0	0	0	0	0
			Add Back Non-Cash Expense												
1,859,500	1,478,700	(20)	Depreciation	1,400,000	(5)	1,428,000	2	1,456,600	1,485,800	1,515,600	1,546,000	1,577,000	1,608,600	1,640,800	1,673,700
0	0	0	Unwinding Interest Free Loans	0	0	0	0	0	0	0	0	0	0	0	0
111,000	20,600	(81)	Loss on Disposal of Infrastructure Assets	0	(100)	0	0	0	0	0	0	0	0	0	0
23,000	**(191,100)**	**(931)**	**Reserves Movement - Increase / (Decrease)**	**(708,100)**	**271**	**(960,800)**	**36**	**(884,100)**	**(1,263,500)**	**(639,500)**	**1,098,800**	**(2,382,500)**	**(1,084,800)**	**236,500**	**608,700**
			Movement in Reserves - Increase / (Decrease)												
482,200	966,800		Water Reserves	(532,100)		34,800		(201,600)	(410,400)	237,900	748,800	(1,329,300)	1,541,900	2,155,500	868,000
(459,200)	(1,157,900)		Developer Contributions - Section 64	(176,000)		(1,095,600)		(682,500)	(853,100)	(877,400)	350,000	(1,053,200)	(2,626,700)	(1,919,000)	(259,300)
23,000	**(191,100)**		**Total Movement in Reserves (incl Sec 64)**	**(708,100)**		**(1,060,800)**		**(884,100)**	**(1,263,500)**	**(639,500)**	**1,098,800**	**(2,382,500)**	**(1,084,800)**	**236,500**	**608,700**
			Reserves - Balances as at 30 June												
2,916,000	3,882,800		Water Reserves	3,350,700		3,385,500		3,183,900	2,773,500	3,011,400	3,760,200	2,430,900	3,972,800	6,128,300	6,996,300
7,747,000	6,589,100		Developer Contributions - Section 64	6,413,100		5,317,500		4,635,000	3,781,900	2,904,500	3,254,500	2,201,300	(425,400)	(2,344,400)	(2,603,700)
10,663,000	**10,471,900**		**Total Reserves**	**9,763,800**		**8,703,000**		**7,818,900**	**6,555,400**	**5,915,900**	**7,014,700**	**4,632,200**	**3,547,400**	**3,783,900**	**4,392,600**

WATER OPERATIONS

ACTUAL					LEDGER ACCOUNT	BUDGET ITEMS	ESTIMATED										
2011/12	2012/13	2013/14	2014/15	%			2015/16	%	2016/17	%	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
						OPERATING REVENUES												
2,432,700	2,603,000	2,860,500	3,092,600	8	10000	Annual Charges	3,229,500	4	3,323,800	3	3,474,400	3,632,300	3,796,500	3,969,000	4,149,800	4,337,900	4,535,200	4,741,800
4,919,000	5,582,400	6,590,600	6,432,000	(2)	10010	User Charges	6,646,300	3	6,830,700	3	7,155,100	7,494,900	7,850,900	8,223,900	8,614,500	9,023,700	9,452,300	9,901,300
345,700	669,200	672,700	797,900	19	10011	Fees and Fines	790,100	(1)	806,000	2	822,200	839,100	855,900	873,700	891,100	909,600	927,600	946,800
147,600	155,000	151,800	152,600	1	10003	Operating Grants	153,500	1	141,800	(8)	142,500	143,300	144,000	144,700	145,500	146,200	147,000	147,800
768,500	623,900	413,500	417,400	1	10004	Interest	321,700	(23)	329,500	2	293,800	263,900	221,200	199,600	236,700	156,300	134,100	206,800
0	0	0	0	0	10012	Gain on Disposal of Plant and Equipment	0	0	0	#DIV/0!	0	0	0	0	0	0	0	0
8,613,500	**9,633,500**	**10,689,100**	**10,892,500**	**2**		**Total Operating Revenues**	**11,141,100**	**2**	**11,431,800**	**100**	**11,888,000**	**12,373,500**	**12,868,500**	**13,410,900**	**14,037,600**	**14,573,700**	**15,196,200**	**15,944,500**
						OPERATING EXPENSES												
						Direct Expenses												
218,900	286,800	263,700	337,700	28	50000	Management	409,900	21	483,300	18	493,200	543,200	513,400	523,800	534,400	595,300	556,400	567,700
313,500	277,800	355,100	393,900	11	50005	Administration	338,700	(14)	338,500	(0)	345,700	353,500	361,000	369,300	377,000	385,700	393,600	402,700
106,000	431,100	197,600	174,200	(12)	50005	Contribution to Works and BBRC	250,000	44	141,200	(44)	42,100	43,000	43,900	44,800	45,700	46,700	47,700	48,700
8,800	8,000	11,000	17,700	61	50008	Miscellaneous	8,200	(54)	8,400	2	8,400	8,800	8,700	9,200	9,000	9,600	9,300	10,000
5,034,700	5,143,400	5,419,200	5,720,300	5.6	50100	Purchase of Water	5,700,000	(0)	5,802,700	2	5,976,900	6,156,300	6,341,100	6,531,400	6,727,500	6,929,500	7,137,500	7,351,800
41,900	48,700	58,100	46,100	(21)	50101	Pumping Stations - Operations	15,000	(67)	15,600	4	16,200	16,800	17,400	18,000	18,600	19,200	19,800	20,400
36,500	50,100	54,500	47,500	(13)	50102	Energy Costs	46,600	(2)	48,000	3	49,500	51,000	52,500	54,000	55,500	57,000	58,600	60,200
46,700	68,500	62,800	77,800	24	50105/50106	Reservoirs	60,000	(23)	60,000	0	61,300	62,600	63,900	65,300	66,700	68,100	69,500	71,000
69,400	80,100	153,100	129,500	(15)	50107	Water Treatment Plants - Operations	103,000	(20)	88,100	(14)	89,900	91,800	93,700	95,700	97,700	99,700	101,800	103,900
0	0	900	3,200	256	50107	Water Treatment Plants - Maintenance	43,000	1,244	43,900	2	44,900	45,900	46,900	47,900	48,900	50,000	51,100	52,200
209,900	218,900	192,500	172,900	(10)	50109	Mains - Operations	82,000	(53)	72,000	(12)	73,600	75,200	76,800	78,400	80,000	81,700	83,400	85,200
317,000	415,300	348,700	446,600	28	50110	Mains - Maintenance	535,000	20	495,000	(7)	504,900	515,100	525,500	536,100	546,900	558,000	569,300	580,700
347,300	293,400	401,000	343,800	(14)	50113	Connections - Maintenance	320,000	(7)	340,000	6	346,800	353,800	360,900	368,200	375,600	383,200	390,900	398,800
255,100	309,900	322,500	157,500	(51)	50112	Other Operations	252,000	60	264,800	5	270,600	276,400	282,500	288,500	294,700	301,000	307,400	313,900
73,300	101,800	69,100	55,000	(20)	50113	Other Maintenance	110,000	100	112,200	2	114,600	117,000	119,500	122,000	124,600	127,200	129,900	132,600
						Indirect Expenses - Overheads												
1,072,000	1,145,000	1,197,300	1,160,000	(3)	50005	Overheads Distributed	1,302,800	12	1,328,900	2	1,355,500	1,382,600	1,410,300	1,438,500	1,467,300	1,496,600	1,526,500	1,557,000
						Debt Servicing												
300	100	0	0	0	50010	Interest On Loans	0	0	0	0	0	0	0	0	0	0	0	0
						Non-cash Expenses												
2,266,500	1,882,900	1,859,500	1,478,700	(20)	50112	Depreciation	1,400,000	(5)	1,428,000	2	1,456,600	1,485,800	1,515,600	1,546,000	1,577,000	1,608,600	1,640,800	1,673,700
74,600	161,800	111,000	20,600	(81)	50112	Loss on Disposal of Infrastructure	0	(100)	0	0	0	0	0	0	0	0	0	0
10,492,400	**10,923,600**	**11,077,600**	**10,783,000**	**(3)**		**Total Operating Expenses**	**10,976,200**	**2**	**11,070,600**	**1**	**11,250,700**	**11,578,800**	**11,833,600**	**12,137,100**	**12,447,100**	**12,817,100**	**13,093,500**	**13,430,500**
(1,878,900)	**(1,290,100)**	**(388,500)**	**109,500**	**(128)**		***Operating Result - Surplus / (Deficit)***	**164,900**	**51**	**361,200**	**119**	**637,300**	**794,700**	**1,034,900**	**1,273,800**	**1,590,500**	**1,756,600**	**2,102,700**	**2,514,000**
2,266,500	1,882,900	1,859,500	1,478,700	(20)		*Add Back Depreciation*	1,400,000	(5)	1,428,000	2	1,456,600	1,485,800	1,515,600	1,546,000	1,577,000	1,608,600	1,640,800	1,673,700
74,600	161,800	111,000	20,600	(81)		*Add Back Loss on Infrastructure Disposal*	0	(100)	0	0	0	0	0	0	0	0	0	0
462,200	**754,600**	**1,582,000**	**1,608,800**	**2**		***Cash Result - Surplus / (Deficit)***	**1,564,900**	**(3)**	**1,789,200**	**14**	**2,093,900**	**2,280,500**	**2,550,500**	**2,819,800**	**3,167,500**	**3,365,200**	**3,743,500**	**4,187,700**
						Capital Movements												
3,600	3,800	0	0			Less Loan Principal Repayments	0		0		0	0	0	0	0	0	0	0
403,600	364,000	519,900	816,500			Less Transfer to Reserves	0		151,200			0	365,500	846,800	0	1,616,200	2,155,500	868,000
415,500	536,600	0	0			Add Transfer from Reserves	436,100		0		22,100	254,000	0	0	1,219,500	0	0	0
274,400	47,800	799,000	2,063,400			Add Capital Income	702,000		1,662,000		1,322,000	1,479,500	1,485,000	238,000	1,663,000	3,211,000	2,449,000	809,300
710,900	937,200	1,827,100	2,821,700			Less Capital Expenditure	2,669,000		3,266,000		3,404,000	3,980,000	3,636,000	2,177,000	6,016,000	4,926,000	4,003,000	4,095,000
34,000	**34,000**	**34,000**	**34,000**	**0**		***Cash Result after Capital Movements***	**34,000**	**0**	**34,000**	**0**	**34,000**	**34,000**	**34,000**	**34,000**	**34,000**	**34,000**	**34,000**	**34,000**

WATER - CAPITAL EXPENDITURE

Expenditure Description	Expenditure Summary										Funding Sources 2016/17				Funding Sources 2017/18				Funding Source 2018/19				Funding Source 2019/20			
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Grants	Sect 64	Loans	Reserves	Grants	Sect 64	Loans	Reserves	Grants	Sect 64	Loans	Reserves	Grants	Sect 64	Loans	Reserves
Main Renewals																										
Main Renewal - Smith Drive Design	70,000																									
Main Renewal - Smith Drive	620,000																									
Main Renewal - Recurrent	506,000	400,000	634,000	706,000	784,000	937,000	958,000	1,053,000	1,154,000	1,260,000				400,000				634,000				706,000				784,000
Underbore - Ross Lane	60,000	10,000												10,000												
Pipeline Rehabilitation Study	10,000																									
Water Reservoirs																										
Recycled Water Program	190,000																									
Reservoirs - Ross Lane (New)		500,000						3,211,000				500,000														
Reservoirs - Pacific Pines							1,077,000																			
Reservoirs - Access Upgrades	15,000	500,000												500,000												
Reservoirs - East Ballina	20,000																									
Miscellaneous																										
Telemetry	5,000	6,000	7,000	9,000	10,000	12,000	13,000	15,000	16,000	18,000				6,000				7,000				9,000				10,000
Ethernet Telemetry upgrade		100,000	50,000											100,000				50,000								
Pressure Mgmt Zones (PMZs)																										
Lumley's Lane PMZ	84,000																									
Second Stage Installations		100,000	500,000											100,000		500,000										
Water Pump and Bore Stations																										
Pump Stns - Ballina Hts Booster	131,000																									
Pump Stns - Basalt Court Booster	182,000	170,000										170,000														
Pump Stns - East Ballina Booster	100,000	192,000										192,000														
Pump Stns - Russellton Booster					446,000																			446,000		
Pump Stns - Wollongbar Booster			662,000													662,000										
Trunk Mains																										
Ballina Heights																										
East Ballina Boosted PZ Aug	100,000	800,000										800,000														
Wardell Mains						282,000																				
North Ballina Reticulation Mains							712,000																			
North Ballina Distribution Mains					2,078,000		2,343,000																	1,039,000		1,039,000
Pine Ave Distribution Mains				2,614,000																1,307,000		1,307,000				
Ballina Island Distribution Mains									1,175,000																	
Lennox Head Mains									1,274,000																	
CURA B Distribution Main						330,000																				
Russellton Reticulation Mains			160,000													80,000		80,000								
West Ballina Bypass Distn Main										2,428,000																
Lennox Palms Dist and Reticulation				345,000			388,000													172,500		172,500				
Pacific Pine Distribution Main						238,000																				
New Connection for Greenfields			80,000													80,000										
PRV at Water Wheels			150,000															150,000								
Water Treatment Plant																										
Marom Creek WTP - Chem Storage	100,000		100,000															100,000								
Marom Creek WTP - SCADA	150,000		250,000															250,000								
Marom Creek WTP - Process			318,000															318,000								
		150,000												150,000												
Marom Creek WTP - Renewals	21,000	23,000	24,000	26,000	28,000	30,000	32,000	34,000	37,000	39,000				23,000				24,000				26,000				28,000
Plant and Equipment																										
Vehicle and Plant Replacement	55,000	55,000				46,000	180,000	288,000	10,000					55,000												
Vaccum Excavation Truck			200,000															200,000								
Water Capital - Service Connection																										
Water Meter - New <20mm	180,000	206,000	212,000	219,000	225,000	232,000	239,000	246,000	253,000	261,000				206,000				212,000				219,000				225,000
Water Meter - New > 20mm	20,000																									
Water Meter - Replacement	50,000	54,000	57,000	61,000	65,000	70,000	74,000	79,000	84,000	89,000				54,000				57,000				61,000				65,000
Total Capital Expenditure	**2,669,000**	**3,266,000**	**3,404,000**	**3,980,000**	**3,636,000**	**2,177,000**	**6,016,000**	**4,926,000**	**4,003,000**	**4,095,000**	**0**	**1,662,000**	**0**	**1,604,000**	**0**	**1,322,000**	**0**	**2,082,000**	**0**	**1,479,500**	**0**	**2,500,500**	**0**	**1,485,000**	**0**	**2,151,000**

4.3 Water Operations - Pricing Structure Review

Delivery Program	Water and Wastewater
Objective	To examine options to amend our water pricing structure to determine the most equitable structure.

Background

Council at the June 2015 Ordinary meeting considered a report regarding the Concealed Water Leak Policy. As a result of that report, Council resolved as follows:

1. *That Council notes the contents of this report and endorses the current water billing structure, which does not provide financial relief or adjustment of water consumption charges for any water leak events (concealed or otherwise).*

2. *That Council undertake a comprehensive review of our water billing structure during the 2015/16 rating year, including consideration of the removal of the two step tariff structure, with the results reported to Council for consideration in time for any changes to be introduced for the 2016/17 rating year.*

This report satisfies point two of the resolution.

In summary the information provided within the report considers two changes:

- **Water Access Charges** – Change to levying water access charges based on self-contained **residential** occupancies rather than based on the size of the water meter. Non-residential access charges to remain unchanged and based on meter size.

- **Water Consumption Charges** – Move to a single rate per kilolitre (KL) charge for residential and non-residential customers, rather than the current system of a two tier charging system.

The financial estimates provided within this report are approximations only as water consumption can fluctuate from year to year and property to property. Future growth in property numbers is also ignored. We have utilised 2014/15 consumption data for modelling purposes.

The changes to our water billing structure are being considered for the following reasons:

- To improve the **equity** of our water charging structure
- To improve alignment with **best practice** pricing guidelines.
- To make our residential water access charging methodology **consistent with other charges we levy**, namely wastewater (sewer) and domestic waste management charges.
- To **simplify** our charging structure for our water consumers.

The following definitions apply for the purposes of this report.

- **Residential Flats** – multiple self contained occupancies (ie units) situated on a single rating assessment/property. All units within a flat complex are on a single land title and therefore have common ownership. An example of this would be holiday flats. In regard to ordinary land rates, they pay a single base amount.

- **Strata Unit** – a self contained occupancy within a strata complex consisting of multiple units/lots. Each unit has its own land title deed and therefore separately owned. Because of this, each unit is treated as a separate rateable assessment pursuant to the NSW Local Government Act 1993 (LGA). In regard to ordinary land rates, each strata unit pays a base amount.

- **Self contained occupancy** – generally considered as a separate living space. The living space is usually required to be lockable, and have separate kitchen and bathroom facilities to other buildings on the subject property. A common test would be to consider if the property could be rented. An example of this would be a granny flat

Key Issues

- Equity of our water billing structure
- Impact of proposed changes on our consumers

Information

This next section provides an overview of the water billing structures utilised since water meters were installed in Ballina Shire in the early 1980s. Prior to then a simple flat charge system was in place per rating assessment.

An **allowance based** water charging structure existed from the early **1980's** until the early 2000's. This structure consisted of a flat water charge per property that provided an allowance of water consumption (usually 400 kilolitres of water per annum per property) before "excess" water charges were levied.

This billing system generally meant that consumers with lower water consumption subsidised higher users because low water consumers effectively paid for water consumption they did not use.

In **2001/02** we introduced a fairer water billing structure based on a "**user pays**" model. Each property paid a fixed "water access" charge (effectively an access or availability charge). The water access charge did not consider the size of the water meter connected to the property or the number of occupancies (eg flats, units, granny flats) situated on the property.

A two tier step "water consumption" charge was levied for all water consumed (in addition to the fixed charge). Water consumption was charged at a set rate for the first 350 kilolitres (KL) consumed per property per annum, and then was charged at a higher rate per KL thereafter.

High water consumers paying the second step rate effectively subsidised low water consumers as they pay a higher rate once they reach the second step.

In **2005/06** we **reviewed** our "**user pays**" water billing structure based on guidelines provided by the NSW Office of Water (NSWOW). Drought, inefficient management and lowering levels of dams were the catalyst in developing the guidelines.

The guidelines were aimed to ensure councils were efficiently managing their water resources and part of the strategy was to decrease customer demand by implementing pricing signals.

Whilst we were already pricing based on a "user pays" model, some significant changes were made to our water billing charging structure (and sewer for non residential customers) as a result of implementing the NSWOW pricing guidelines.

The primary changes made to our existing user pays structure were:

- Water access charges were levied based on the water meter size rather than the previous system of levying a flat charge per property regardless of the water meter size. This recognised the potential of larger water meters to use more water during peak demand periods.

- Water access charges were levied on each strata unit regardless of whether they were separately metered or not. It's important to note that if the strata complex only had one water meter, water consumption charges only increased to the higher step rate if water consumption at the whole strata complex exceeded the number of units multiplied by 350 KL.

The 2007 NSWOW guidelines recommend that the **residential** water access charges should generate 30% of total water income, with the remaining 70% to be generated from water consumption charges.

The guidelines are somewhat silent in regard to **non-residential water charging** requirements. This is because the guidelines focus on a **typical residential bill** to develop an equitable water pricing structure.

During our review, Dilip Dutta of NSWOW was consulted for advice. Dilip provided the following information/suggestions/comments:

- NSWOW suggested pricing guidelines use the typical residential bill as an indicator for non-residential charges

- NSWOW would have specifically mentioned guidelines for non-residential charging if they considered it necessary to differentiate pricing structures

- The primary focus of a water pricing structure should consider fairness and also have an adequate pricing signal to encourage consumers to reduce their water demand.

- You could argue that a two part tariff could penalise non-residential customers and that the two part inclining tariff has no effect on water consumption once the non-residential customer has installed water saving devices. This is because non-residential consumers generally have little control over their water consumption after installing water saving devices.

- If Council considered that a move to a single rate per kilolitre for residential customers was more equitable, it would make sense to use the same logic in setting non-residential pricing.

We have recently reviewed our water billing structure for reasons outlined within the background of this report.

The following sections describe possible changes to our current structure, and reasons for the proposed changes.

We currently have around 14,000 water meters connected. Of these, 12,500 service residential customers and 1,500 service non residential customers (eg schools, churches, shops, caravan/mobile home parks, halls, sporting clubs, commercial, and industrial properties to name a few).

Some properties have multiple water meters connected to their property, for example, of the 12,500 residential water meters; around 700 are for the purpose of supplying recycled water, meaning these properties have two water meters connected.

Water Access Charges – Residential charged per tenement

A proposal is to change access charges for residential customers only and it will affect developments such as flats, dual occupancy developments and granny flats. Currently we levy water access charges for these types of properties based on the size of the connected water meter/s.

Non-residential customers are excluded because it is impossible to define a "self contained occupancy" for the vast range of non-residential developments.

Another reason is that most recent non-residential properties have a meter size connection that meets the potential water demand of the development and as a result, would have an inclining size based water access charge.

Our 2014/15 water access charges are reproduced in the following table. The increased charging scale recognises the increased potential of larger meters drawing more water from our system during peak demand periods.

Table One – 2014/15 Water Access Charges

Water Meter Size	Charge ($)
Vacant land (not connected)	189
20mm	189
25mm	295
32mm	482
40mm	756
50mm	1,179
65mm	1,993
80mm	3,027
100mm	4,720
150mm	10,619
200mm	18,880

Approximately 90% of water meters connected are a standard size of 20mm.

The following reasons support the possible change:

- We **currently use this separate fixed charging methodology** when levying wastewater (sewer) charges and also for domestic waste charges. The change will result in a more consistent billing system for most fixed charges we levy.

- It results in a **more equitable charging structure**. A good example is if you **consider strata units**. Currently each strata unit attracts a separate water access charge regardless of whether it has its own water meter or not. This is because it is considered a separate rateable assessment under the LGA, whereas a residential flat development is to be rated as a single assessment regardless of the number of self contained occupancies within the development.

  To further highlight the charging inequity, we could have two identical developments of say 10 units, one under strata and one not. Overall the strata complex pays 10 times $189 per annum being $1,890. The flats pay a total of $756 (based on a 40mm water meter for example). This example highlights an annual difference of $1,100 between the properties.

- In the above example, in respect to water consumption charges, the strata complex is also allowed ten times the normal water allowance before being charged at the higher step rate. The flat complex pays the higher water consumption step rate after only 350 kilolitres are consumed. These scenarios are explained in more detail later in this report.

If Council chooses to approve the support this change to water access charging, it is estimated that the additional charges would have generated around **$120,000 in extra income** if levied in the 2014/15 rating year. It would also affect **around 280 rateable assessments**.

Table two that follows provides some comparisons of the current and the proposed charging structures. Increases to water access charges may also result in reductions to water consumption charges. This is because in most cases, flats would no longer progress to the higher step rate per kilolitre.

Table Two – Property Examples: Proposed Water Access Charge Changes

Example Property Details	Current 2014/15 Water Access Charge (Quantity)	Current 2014/15 Water Access Charge ($)	Proposed Water Access Charge (Quantity)	Proposed Water Access Charge ($)	Change ($)	Change (%)
Dwelling House (1 x 20mm water meter)	1	189	1	189	0	0%
Dwelling House + Granny Flat (1 x 20mm water meter)	1	189	2	378	189	100%
Duplex (1 x 20mm water meters)	1	189	2	378	189	100%
Duplex (2 x 20mm water meters)	2	378	2	378	0	0%
(3) Flats (1 x 20mm water meter)	1	189	3	567	378	200%
(3) Flats (1 x 25mm water meter)	1	295	3	567	272	92%
(4) Flats (1 x 25mm water meter)	1	295	4	756	461	156%
(5) Flats (1 x 32mm water meter)	1	482	5	945	463	96%
(20) Flats (1 x 50mm water meter)	1	1,179	20	3,780	2,601	221%

Water Consumption Charges – Move to a single rate per kilolitre

Water consumption charges are levied under exactly the same structure for our residential and non-residential customers.

For the 2014/15 year, we levy a rate of $2.02 for each KL of water consumed per water meter per annum up to a consumption of 350 KL. All water consumed thereafter is charged at the higher step rate of $3.04 per KL.

Strata unit complexes, where individual units are not separately metered, are allowed the number of water access charges levied, multiplied by 350 KL before water is charged at the higher step.

For example, five strata units would be allowed 5 x 350 KL = 1,750 KL, before progressing to the higher charge rate.

The preferred option is to remove the step rate and have a single rate for all water consumed.

Our current step rate water consumption billing system is based on NSWOW 2007 pricing guidelines. The increasing tariff was intended to persuade consumers to use less of our water resource, otherwise pay a higher rate per kilolitre.

This system can be improved because it doesn't apply fairly across all water consumers. For example it doesn't consider the number of tenants residing at a property and doesn't cater for situations where a property is unable to significantly reduce their high water consumption (eg nursing homes, residential flat developments, clubs etc).

NSWOW changed their stance on the inclining step rate tariff and delivered a circular in March 2011 recommending local water utilities consider introducing a single rate per kilolitre providing that around 70% of total residential customer income was generated from water consumption charges (to retain a strong pricing signal to consumers).

Furthermore, we have seen a decrease in our per capita water demand due to significant consumer education, price, and consumer awareness resulting from recent drought events causing water restrictions.

Arguments in favour of the switch to a single per kilolitre rate include:

- **A single rate per Kl is more equitable.**
    - Council buys water in bulk from Rous Water at a single rate per kilolitre, so why not charge a single rate per kilotre to consumers?
    - The first kilolitre of water consumed at a property costs the same to supply as the 1,000th kilolitre, so why have an increased price for the 1,000th kilolitre?
    - Higher users such as schools, clubs, nursing homes, caravan parks etc, are subsidising the lower water users.
    - Under our current billing structure, properties such as residential flats that have a single meter, but multiple occupancies, are billed for most of their water consumption at the higher rate, even though on an individual basis they may be low water users.
    - For caravan and mobile home parks, they are charged for the majority of water consumed at the higher rate however, under the relevant Residential Park legislation, the park owner can only seek reimbursement from tenants of the park at the lower rate.
- Many **other water utilities** utilise a single rate per KL water consumption charging structure.
    - Major water utilities such as Sydney Water and Gold Coast City levy water consumption charges at a single rate per kilolitre. Brisbane City use an increased tariff system however, the difference between the step rates is only small. Lismore City also levy water consumption charges at a single rate per kilolitre.
- A single rate per kilolitre is **consistent with IPART best practice billing**.

  - In 2009/10 Sydney Water (that services 4.3 million people), moved from a two tier based charging structure to a single rate per kilolitre. This change was adopted following a review of their pricing by the Independent Pricing and Regulatory Tribunal (IPART). In recommending this change, IPART stated that recent rain, desalination and increased recycling have eased concerns over water scarcity, reducing the need for the pricing signal provided by the two-tier system.

- A consistent **single charge per KL is high enough to provide a pricing signal** for both residential and non-residential consumers without the need for an increasing step rate.

  - In 2000/01 our water consumption charges were $0.70/KL and $0.95/Kl for the higher step. In 2014/15 they are $2.02 and $3.04 respectively.

  - The difference between the step rates followed NSWOW guidelines prior to the release of the 2011 NSWOW circular. A concern is that the cost difference between the step rates is becoming extreme with the second step rate now more than $1 per kilolitre higher than the first step rate. This cost difference will continue to increase in time.

- **Simplifies water bills** for our customers and our staff.

  - A single rate per kilolitre provides for a much simpler and justifiable water billing system. This also creates a water account that is easier to read and easier to compare cost to water consumption.
  - It removes any complexities for customers that tenant their property and have tenants reimburse them for water consumption costs. This is especially the case if tenancy changes during a year and previous tenants have already exceeded the water allowance for the first step.
  - It simplifies our internal administration. This was especially the case when we manually alter tariff allowances in the case where a concealed leak application was successful. It also creates efficiencies for water billing modelling.

- A single rate per kilolitre will be **consistent with our proposed pricing model for recycled water.**

  - A report was presented to Council on 25 July 2013 regarding this pricing issue. It was recommended that a single rate per kilolitre be charged, and the rate per kilolitre will be 80% of the potable water charge. It makes sense that our potable rate per kilolitre should also be a single rate rather than a two step increasing tariff as well for consistency.

- **Customer education and awareness** of water demand management has reduced the need for a two step rate per kilolitre.

- Significant customer water saving education over the last decade or so has increased customer's awareness of the importance to minimise their water consumption to save water and therefore save money. The water saving message has worked and as a result, it is considered that a single rate per kilolitre is a sufficient pricing signal to encourage water conservation.

The current charging structure derives approximately 60% to 65% of annual charge income from the consumption charge. It will be important to graduate this split higher over coming years to reach the 70% target. This will ensure that the pricing signal to minimise water consumption remains strong.

Impact of single rate per kilolitre

The estimates provided in this section are based on 2014/15 water consumption data.

Figures also do not take into account any total income adjustments between water access charges and water consumption charges that may occur as a result of changes to current billing practices described within this report.

In 2014/15, we generated approximately $6,432,000 in water consumption charges. Our 2014/15 water consumption charges were billed at **$2.02** per KL for the first 350 KL consumed on each water meter and then **$3.04** per KL thereafter.

If we levied a single rate per kilolitre in 2014/15, all water consumption would have been charged at **$2.21** per kilolitre to generate the same total income. This equates to an **increase of $0.19** above the first step rate in the same year.

The following table shows the comparison between the current two tier charging structure and the proposed single rate pricing structure if used in 2014/15 for a range of annual property consumptions.

It highlights the increase in charges for low consumption properties and decreases in charges for high consumption properties.

Water consumers using less than 400 kilolitres per annum will pay more whilst consumers higher than 400 kilolitres per annum will pay less. The majority of water users use less than 400 kilolitres per annum and would therefore have to pay more.

Some high consumption users are residential flat developments and residential mobile home parks that may typically be low water consumers individually however, are considered as one property for the purpose of water billing. Also, the estimated single rate per kilolitre of $2.21 could be less if our water access charging structure was changed.

For example, it is estimated that we would have generated an additional $120,000 in 2014/15 from water access charges based on this structure. This additional income could be used to reduce income generated from water consumption charges. If this adjustment was performed based on 2014/15

figures, the single rate per kilolitre would drop to approximately **$2.17 per kilolitre.**

Table Three – Compare Water Consumption Charges – Two Tier to Single Step

Annual Water Consumption (KL)	Number of Water Meters in Consumption range*	2014/15 Current two tier charge ($2.02/$3.04)	2014/15 Proposed Single Rate Charge ($2.17)	Difference per annum ($)	Difference (%)
0	307				
**10	296	20.20	21.70	1.50	7.43%
**50	957	101.00	108.50	7.50	7.43%
***66	619	133.32	143.22	9.90	7.43%
100	1,615	202.00	217.00	15.00	7.43%
150	2,749	303.00	325.50	22.50	7.43%
200	2,333	404.00	434.00	30.00	7.43%
250	**1,569**	**505.00**	**542.50**	**37.50**	**7.43%**
300	923	606.00	651.00	45.00	7.43%
350	517	707.00	759.50	52.50	7.43%
400	286	859.00	868.00	9.00	1.05%
450	218	1,011.00	976.50	-34.50	-3.41%
500	126	1,163.00	1,085.00	-78.00	-6.71%
600	155	1,467.00	1,302.00	-165.00	-11.25%
700	85	1,771.00	1,519.00	-252.00	-14.23%
800	66	2,075.00	1,736.00	-339.00	-16.34%
900	47	2,379.00	1,953.00	-426.00	-17.91%
1,000	37	2,683.00	2,170.00	-513.00	-19.12%
1,500	100	4,203.00	3,255.00	-948.00	-22.56%
2,000	37	5,723.00	4,340.00	-1,383.00	-24.17%
2,500	23	7,243.00	5,425.00	-1,818.00	-25.10%
3,000	19	8,763.00	6,510.00	-2,253.00	-25.71%
4,000	13	11,803.00	8,680.00	-3,123.00	-26.46%
5,000	10	14,843.00	10,850.00	-3,993.00	-26.90%
10,000	15	30,043.00	21,700.00	-8,343.00	-27.77%
10,000+	10				

** Remember one water meter may service multiple occupancies on a single assessment/property.*

*** This figure is deceiving as it includes all new water meter connections, fire service meters that use little water, and meters that may have stopped.*

**** Rous Water demand management is based on 180 litres per person per day which equates to 65.7 kilolitres per annum.*

To provide perspective on property type consumptions, examples of properties and their consumptions have been provided below in table four. Typical demand management modelling utilises water consumption of 180 litres per person per day.

This equates to an annual consumption of 66 kilolitres per person. This is usually a conservative estimate.

Table Four – Typical Property Water Consumption Examples

Property Type/Description	Property Location	Approximate Annual Water Consumption (KL)
Residential House or Unit- 2 occupants	(Based on average per person water consumption)	130
Residential House or Unit - 4 occupants	(Based on average per person water consumption)	265
3 unit development	2 Arrowsmith Avenue, Alstonville	410
5 unit development	23 Hill Street, East Ballina	446
10 unit development	8 Canal Road, Ballina	685
Southern Cross K12 School	2 Chickiba Drive, East Ballina	6,296
Garden Inn Motel	1 Smiths Lane, Wollongbar	615
Macadamia farm	Pearces Creek Road, Alstonville	399
Hoi Shing Restaurant	283 River Street, Ballina	739
Cherry Street Sports	68 Cherry Street, Ballina	3,769
Ballina Lighthouse & Lismore SLSC	Shelly Beach Road, East Ballina	914
Australian Hotel	103 River Street Ballina	2,234
Pacific Palms Residential Park	40 Southern Cross Drive, Ballina	2,719
Ballina RSL Club Limited	238 River Street, Ballina	8,314

The following table provides examples of actual water charge comparisons between our current pricing structure and the new proposed structure for multiple occupancy residential properties that will experience changes for both water access and consumption charges under the proposed new pricing structure.

Figures are based on 2014/15 pricing and the single rate per kilolitre is based on the rate being reduced to $2.17 per kilolitre.

Table Five – 2014/15 Water Charges comparisons – Different Pricing Structures

Property	2014/15 Water Consumption (kL)	2014/15 Water Access Charges				2014/15 Water Consumption charges				TOTAL Water Charges			
		Current Pricing	Proposed Pricing	Change ($)	Change (%)	Current Pricing	Proposed Pricing	Change ($)	Change (%)	Current Pricing	Proposed Pricing	Change ($)	Change (%)
6 Shoalhaven St ALSTONVILLE	144	189	378	189	100%	291	312	22	7%	480	690	211	44%
Duplex (2 Flats) - 279170													
7 Siesta Ct ALSTONVILLE	337	189	378	189	100%	681	731	51	7%	870	1109	240	28%
Duplex (2 Flats) - 279324													
66 Simpson Ave WOLLONGBAR	272	295	567	272	92%	549	590	41	7%	844	1157	313	37%
(3) Flats - 292673													
80 Swift St BALLINA	812	295	945	650	220%	2111	1762	-349	-17%	2406	2707	301	12%
(5) Flats - 185606													
6-7 Easton Pe EAST BALLINA	478	482	1323	841	174%	1149	1037	-111	-10%	1631	2360	730	45%
(7) Flats - 190449													
85-87 Swift St BALLINA	1,468	482	1323	841	174%	3399	3186	-213	-6%	3881	4509	628	16%
(7) Flats - 185020													
5-9- Norton Street Ballina	1,169	756	2268	1512	200%	2490	2537	47	2%	3246	4805	1559	48%
(12) Flats - 165046													
102-104 Crane St BALLINA	1,541	1,179	3780	2601	221%	3621	3344	-277	-8%	4800	7124	2324	48%
(20) Flats - 137491													
6-8 Manly St BALLINA	2,853	1,179	3780	2601	221%	7609	6191	-1418	-19%	8788	9971	1183	13%
(20) Flats - 156097													
8-18 Tamar St BALLINA	3,332	1,179	8316	7137	605%	9065	7230	-1835	-20%	10244	15546	5302	52%
(44) Flats - 116542													

Impact on pensioners

Pensioners currently receive the maximum pensioner concession in accordance with the LGA of $87.50 per annum. This is applied to the water access charges, which is listed on their July Rates and Charges Notice each year. As a result, a pensioner concession is not applied to water consumption charges so any change to a pensioner's water account will apply in full.

In 2014/15, Council provided $277,000 in pensioner concessions for water only. The State Government provides Council with a reimbursement of 55% of the cost, meaning Council's total burden of the cost was around $125,000.

Council is permitted to provide a pensioner concession above the maximum, however, the State Government does not reimburse Council for this cost.

Impact on properties experiencing concealed water leaks

Council staff regularly receive enquiries for financial relief from property owners confronted with higher than normal water consumption charges after experiencing large water losses due to a concealed water leak event.

Quite often a water leak means that the property owner is paying for the leaked water at the higher rate which arguably unfair.

At the February 2011 Ordinary Council meeting, Council adopted a Concealed Water Leaks Policy that allowed a level of compassionate financial relief for property owners experiencing large water consumption charges due to a concealed water leak event.

This policy (Part 1) allowed for the cancellation of the difference between the first and second step rates for water consumption lost in the leak event that exceeded the first step of 350KL. At the May 2014 Ordinary Council meeting, Council resolved to rescind the Concealed Water Leaks Policy.

The removal of the two step tariff does resolve one issue where property owners, even though they may not have known about the leak, were then forced to pay the higher tariff for the remainder of the year.

Water Charging Structure Comparisons with other Water Utilities

Table six provides comparative information. It shows the 2014/15 water consumption charges for a range of other water suppliers.

Each water utility has slightly different pricing structures and some comparisons are difficult due to their complexity.

Some footnotes have been provided in attempt to qualify differences.

Table Six – 2014/15 Water Pricing Structure Comparisons – Water Utilities

Water Charges Comparison	Ballina	Byron	Lismore	Coffs Harbour	Gold Coast	Brisbane	Sydney Water Corp
Water Access Charge 20mm (per annum)	$189	$155	$203	$143	$212	$181	$114
Water Consumption Charge (per KL)*	$2.02 > 350kl then $3.04	$2.32 >450 then $3.48 Non-Res $2.53 flat charge.	$2.99	$2.63kl 1kl average per day then $3.95	*$3.80	<64kl **$3.27 64-76kl $3.33 >75kl $3.91 per quarter	$2.23
Total combined charges (including 250KL consumption)	$694	$735	$951	$801	$1,162	$999	$672

**Gold Coast City Council charge per kilolitre $1.09 plus State Bulk Water Charge $2.71.*

*** Brisbane Water charges per kilolitre include State Bulk Water charge $2.547.*

Legal / Resource / Financial Implications

The possible changes to our water billing structure detailed within this report conform to the LGA and NSWOW best practice pricing guidelines. There are no foreseen legal implications.

The changes (if approved) will have an impact on rating staff resources during the implementation phase. The changes will require significant system maintenance, testing, account design changes, customer contact, and advertising. It is planned to perform the vast majority of these additional tasks under the current staff budget.

Removal of the water saving signal of tiered pricing will require water saving education and promotions to be carried out. This will involve time from communications and water staff, and will involve printing and advertising costs which can also be covered by the existing water budget. Currently resources are focussed on roll-out of recycled water to dual reticulated homes, therefore if Council supports the proposed changes to the charging structure, it is preferred that the changes would be programmed to come into effect for the 2017/18 rating year

There is no overall budget or financial implications to Council's total water charge income as a result of the proposed changes. Effectively changes will only shift the burden between ratepayers based on their individual property circumstances.

Consultation

If approved by Council, the new water billing pricing structure will be placed on exhibition for public comment.

Options

There are a number of options in respect to water billing charges. The possible changes to the structure are considered to be somewhat interdependent and it would be preferable to introduce both changes or none.

An option to phase in the single step rate was considered however is not recommended because it would be less equitable to those most affected. The multiple occupancy owners would have the increase in water access charges based on number of tenancies, but would not have the full off-set of the reduction of Step 2 as proposed.

The primary focus for water staff over the next few months is the introduction of recycled water to households. This program is underway and will be introduced with targeted education prior to June 30 2016.

For this reason and the fact that the rates section is currently operating without two regular staff members (resignation and retirement) it is recommended that, if approved, the revised charging structure be introduced for the 2017/18 rating year.

On balance it is considered that Council should proceed with the changes to the charging structure for reasons of equity and consistency with other annual residential service charges, with implementation in 2017/18.

If Council approved the proposed changes in principle, they would be advertised for public comment in around October 2016. The matter would be reported to Council for consideration following the exhibition period.

RECOMMENDATIONS

That Council, approve in principle amending the water charging structure as follows:

a) Levy a water access charge on each self-contained residential occupancy situated on a rateable property/assessment based on a 20mm water access charge.

b) Replace the inclining step tariff rate with a single rate per kilolitre for water consumption charges.

c) Graduate the pricing structure such that 70% of income raised from annual charges is derived from the consumption charge.

d) The proposed charging structure to be advertised in October 2016 with the outcomes of the exhibition reported to Council.

Attachment(s)

Nil

4.4 Waste Operations - Long Term Financial Plan

Delivery Program	Governance and Finance
Objective	To review the long term financial plan for Council's waste operations.

Background

Council's waste service comprises two distinct programs being Landfill and Resource Management (LRM) and Domestic Waste Management (DWM). LRM is responsible for the waste management facility plus the collection of kerbside non residential waste and DWM is responsible for the collection of kerbside residential waste.

The Local Government Act requires DWM to be treated as a separate program due to the manner in which the revenues are raised via an annual charge. Each year the auditor does an assessment to see that DWM is not being run with the intent of making a surplus that is beyond the needs of the business.

LRM has been struggling financially for many years and to keep the program viable there have been cross subsidies from DWM, as DWM has paid higher tonnage rates than self-haul. It has been an aim to remove any cross subsidies and this position was generally achieved this financial year.

Also, due to the price adjustments, a strategy to export waste off site and loans starting to be paid out, the financial outlook is becoming very positive.

Key Issues

- Legislative change
- Long term aims and objectives
- Affordability

Information

Legislative Position

The legislation in respect to the New South Wales (NSW) State Government Waste levy has not changed over the last twelve months. Ballina can avoid paying the levy due to a clause relating to proximity to the Queensland (QLD) border so long as the waste is trucked off site to another lawful processing facility.

Council has primarily avoided paying the levy over the last few years by taking advantage of the legislation and trucking virtually all waste off site.

This strategy means that we do not have to pay approximately $1.5 to $2 million in external tax and we do not consume valuable landfill cell space.

The loading and trucking costs that we do incur tend to be reasonably predictable without the latent liability of providing a licensed landfill.

At this stage there is no current news in respect to legislative change however it does seem possible that Queensland will introduce a waste levy in the not too distant future, albeit most likely at a much lower rate than the current rate per tonne than NSW.

The cost of the levy has not been included in our pricing structure (currently $76.70/tonne).

There is no indication that the levy will become payable in 2016/17 however it is important to be aware that this report and the proposed pricing structures that it contains, assume that Council will pay only minor amounts (under $200,000) in respect to the levy.

Landfill and Resource Management (LRM)

The recent financial results for LRM together with the forecast for 2015/16, as at 31 December 2015, are as follows.

Table One: Actual and Forecast Results for LRM

Description	2013/14 Actual $000	2014/15 Actual $000	2015/16 Estimate $000
Operating Revenues	2,720	3,958	3,959
Operating Expenses (include dep)	2,494	2,612	3,057
Operation Surplus / (Deficit)	**226**	**1,346**	**902**
Excl Depreciation / Remediation	1,295	1,278	1,306
Cash Surplus / (Deficit)	**1,521**	**2,624**	**2,208**
Less Loan Principal	1,053	1,135	1,205
Less Capital Expenditure	153	96	467
Less Dividend to General Fund	50	162	0
Capital income	0	0	0
Cash Increase / (Decrease)	**265**	**1,231**	**536**
Reserve Balance	**2,332**	**3,563**	**4,099**

The operating performance of LRM has improved considerably since the introduction of the Waste Operations charge in 2014/15, which increased recurrent income by approximately $1.2 million.

The new revenue stream was introduced to compensate for lost 'internal income' (presents as a negative expense) once DWM green waste ceased to be managed by LRM and was trucked directly to Lismore. The annual charge provides a surety of income that can be adjusted to suit the needs of the day.

The bottom line is that the operating performance is now quite strong with an operating surplus of $902,000 predicted this financial year. The cash surplus is estimated to be $2.2 million and loan principal repayments are $1.2 million.

The forecast cash reserve at year's end is in the order of $4 million. The reserve balance includes one restricted reserve (estimated to be approximately $600,000) that can only be used for specific purposes.

The estimates are conservative due to the volatile nature of waste streams and they do not include proposed capital expenditure of $315,000 for capital improvements to the waste transfer system. Council considered a report in November 2015 that gave approval for these works subject to further clarification at a workshop. At this stage the workshop has not occurred.

The estimated balance of outstanding debt at the end of the current financial year is approximately $1.3 million. Loan repayments in respect to the debt are scheduled to be completed in 2017/18 however the major loan is repaid in 2016/17 with a final capital repayment of $1.1 million.

Strategy

The plan at this stage is to continue to truck off site and generally keep operations similar to current practices. This includes the proposal to upgrade the transfer station at the Waste Centre.

At this stage the costs/benefits to truck off site are preferable to landfilling. Council needs to be mindful that if this situation alters due to legislative change in respect to the waste levy, a large amount of capital will be required to construct new waste cells or alternatively look at trucking the waste to other landfills in the region.

Council will also need to provide for the rehabilitation of the cells currently in use, which is estimated to be in the order of $2 million.

The paragraphs below are excerpts from a report presented to the November 2015 Council meeting on the Waste strategy;

'The existing system capacity is estimated at three to four years based on current compaction rates and volumes received at the landfill.

Council still has in place approvals to construct the remaining three cells at the Ballina waste facility with an approximated construction cost of $17m.

This estimated cost to construct the cells is a critically important cost when placed into prospective with the cost to construct similar sized cells in 2006 ($7.9m). It highlights the increasing costs to develop landfills and potentially means that if Council did defer the construction of another three cells then the cost could potentially increase to $27m by 2025. ($1m annually).'

Given the rapid escalation in the cost to construct new cells, unless Council puts aside strong cash reserves, landfilling may cease to be an option due to the set up cost.

LRM is currently achieving a sound operating surplus with cash reserves increasing by between $0.5 million and $1 million annually. Outstanding loans will soon be paid out with the last major payment being in 2016/17 of $1.2 million. Hence from the 2017/18 financial year cash reserves will increase by some $2 million annually. The pricing structure will soon be generating a cash surplus of around $2 million annually and the cost of new cells is increasing by around $1 million. This scenario at least provides Council with the option to consider future landfilling.

If funds are not gathered for a potential return to landfilling then the issue is whether Council accepts the significant cash surplus to finance other works, or looks to reduce gate fees.

The good thing is that after many years of financial struggle the dilemma is now what to do about an operating surplus in contrast to trying to limit the impact of yet another price increase at the gate.

Financial Model

The current outlook for LRM is positive with all outstanding loans will be paid by 2017/18 and the forward plan does not propose any new borrowings nor does it include the construction of new cells. LRM has assets valued at $13.3 million which mainly relates to property plant and equipment. The next biggest asset is the cash reserves, which have been discussed earlier in this report.

The capital works in the plan are quite minor in comparison to the revenue stream and are generally funded from the levy reimbursement reserve.

The plan does foresee a time when approximately $2 million will be required to be spent on remediating the current cell however given current practices it is difficult to know exactly when this will be necessary. For modelling purposes an amount of $2.5 million has been included in 2023/24.

Notably the plan does include provision for a dividend to be taken on an annual basis and it ranges from $2.5 to $4.6 million per annum.

Only one scenario has been presented, which presumes a 2% increase to price. It is considered that a price increase beyond CPI is difficult to justify based on current information.

Council may be interested in an increase of less 2 % however it is considered that to at least keep pace with CPI is prudent at this stage. This is because the financial fortunes of LRM have been and remain volatile. So the outlook may change rapidly if, for example legislation changes and the levy becomes payable.

The next table shows the latest financial plan for LRM.

Table Three: LRM Long Term Financial Plan

Description	**15/16**	**16/17**	**17/18**	**18/19**	**19/20**	**20/21**	**21/22**	**22/23**	**23/24**	**24/25**
Operating Revenue	3,959	3,702	3,796	3,916	4,043	4,119	4,196	4,272	4,348	4,436
Operating Expense	3,057	2,942	2,861	2,903	2,956	3,008	3,062	3,117	3,175	3,232
Operating Result	**902**	**760**	**935**	**1,013**	**1,087**	**1,112**	**1,134**	**1,155**	**1,173**	**1,204**
Add Back Deprec	1,306	1,308	1,264	1,289	1,315	1,342	1,369	1,396	1,424	1,453
Cash Surplus	**2,208**	**2,068**	**2,199**	**2,302**	**2,402**	**2,453**	**2,503**	**2,551**	**2,597**	**2,657**
Capital Income	0	0	0	0	0	0	0	0	0	0
Loan Principal	1,206	1,112	194	0	0	0	0	0	0	0
Capital Expenditure	467	105	109	113	118	123	128	133	2,638	144
Dividend	0	(0)	(0)	(0)	2,500	2,600	2,704	2,813	4,626	3,810
Reserve M'ment	536	852	1,896	2,189	(216)	(270)	(329)	(395)	(4,667)	(1,297)
Total Reserves	**4,099**	**4,951**	**6,847**	**9,036**	**8,820**	**8,550**	**8,220**	**7,825**	**3,158**	**1,861**
% Increase in Annual Charge		2	2	2	2	2	2	2	2	2

The plan indicates that LRM is rapidly becoming very profitable with a cash surplus of $2 million predicted in 2016/17.

The model assumes that prices will rise by approximately 2% annually and operating expenditure is also predicted to have increases in the order of 2%.

The reserve balance increases quickly and there is a balance on hand of $9 million in 2018/19. This plan assumes an annual dividend commencing in 2019/20 as per the original forecast for this program when adopted by Council in June 2015.

Options for this dividend and variations to the dividend are examined further in the report, later in this agenda, in respect to non-recurrent community infrastructure works.

The reserve balance in this forecast excludes externally restricted items such as grants and the waste levy returned by the State Government.

Assumptions

- Council will continue to export virtually all waste off site and essentially avoid paying the levy
- The levy refund will be in the order of $20,000
- LRM will pay transport and treatment expenses for mixed waste, green waste, recyclates and construction / demolition
- There are proposed capital works in 2023/24 relating to remediation of existing cells $2,500,000.
- It is assumed that the existing customer base and gross quantity of waste coming in the gate will remain reasonably consistent with the current financial year.

Operating Income

- Waste operations annual charge $1.2 million and the business collection annual charge $0.5 million
- Gate fees from self-haul $1.7 million
- Gate fees from DWM/Council work $3.2 million. This item is presented as a negative expense. It has been included in the income section of this narrative to compare against other gate fees.
- The gate fees paid by DWM represent a very significant percentage of total gate fees, which emphasises the importance of DWM to LRM.

Operating Expenses

- Transport fees for mixed/inert/recyclates $1.7 million
- Transfer preparation and loading $300,000
- Weighbridge $220,000
- Transfer station $190,000
- Baling and recycling $80,000
- Loan interest $70,000
- Overhead and administration $1 million

The primary expense relates to preparing, loading, transporting and paying gate fees, which amounts to approximately $2 million.

Fees and Charges

Fees and charges for waste services have increased substantially for many years. The price increase has been driven by a combination of high debt levels and the State levy. For the 2015/16 financial year it was possible to apply a cost of living increase of 2.4% across most fees and charges.

The same approach is recommended for the 2016/17 financial year such that fees and charges are generally increased by 2%. In some instances the percentage increase will vary depending on rounding to enable sensible prices to be charged.

In respect to the annual charges raised for non-domestic waste collection, GST legislation has changed such that these charges are no longer subject to GST (NB the amendment excludes the Waste Operations annual charge as it already excluded GST).

This amendment occurred during the year so the 2016/17 fees for non-domestic annual collection charges have been reduced by 10% and incremented by 2%. The net reduction to annual fees does not affect the net income received by Council as in the past we remitted 10% of revenue received to the Australian Taxation Office, and going forward this will not be necessary.

Proposed LRM waste charges are shown in the next table.

Table Five – LRM Waste Charges

Charge Type	2015/16 ($)	2016/17 ($)	% Change
Kerbside Non Domestic Mixed Waste (Annual)	369	342	(7.3)
Kerbside Non Domestic Recycling (Annual)	182	169	(7.3)
Kerbside Non Domestic Green Waste (Annual)	322	299	(7.3)
DWM Gate Fee Mixed Waste	256/tonne	261/tonne	2
Self-Haul Mixed Waste Under 300kg Over 300kg	221/tonne 256/tonne	225/tonne 261/tonne	1.8 2
DWM Gate Fee Recyclates	215/tonne	219/tonne	1.9
Self-Haul Recyclates	88/tonne	90/tonne	2.3
Self-Haul Green Waste	70/tonne	71/tonne	1.4
Remaining Gate Fees	Various up to 5%	Various up to 5%	Up to 5%
Waste Operations Annual charge	72	73	1.4

Domestic Waste Management (DWM)

DWM is, in comparison to LRM, a smaller and more predictable operation. The business must pay wages and provide collection vehicles for residential mixed and recycled kerbside collections, plus meet contract payments for the kerbside collection of residential green waste.

A guaranteed income stream is available in the form of the annual charge and this charge can be adjusted at Council's discretion, subject to certain requirements of the Local Government Act.

DWM owns six collection vehicles with the useful life of each vehicle approximately six years. The business must generate sufficient cash to replace these trucks and repay outstanding loans.

One new collection vehicle was purchased this financial year at a cost of $376,000 and the truck that it replaced has been retained as a spare.

So very roughly DWM requires an annual transfer to reserve of $350,000 (assumes $30,000 trade in value) per annum to provide for vehicle replacement and $160,000 for the capital component of the loan repayment.

However 2015/16 will see all loans completely paid out hence the requirement going forward is just for vehicle replacement.

The next table shows the recent financial results for DWM.

Table Six - DWM Operating Results ($'000)

Item	2013/14 Actual $000	2014/15 Actual $000	2015/16 Estimate $000
Operating Revenues	6,736	5,865	6,054
Operating Expenses	6,082	5,865	5,750
Operating Surplus / (Deficit)	**654**	**0**	**303**
Less Depreciation	179	177	177
Cash Surplus / Deficit)	**833**	**177**	**480**
Less Loan Principal	143	153	163
Less Capital Expenditure	0		376
Cash Increase / (Decrease)	**690**	**24**	**(58)**
Reserve Balance	**1,563**	**1,587**	**1,529**

The charging structure for DWM was proving to be excessive and resulted in unnecessary profits being recorded, as is evidenced by the 2013/14 cash operating surplus of $833,000.

In 2014/15 the DWM annual charge was reduced by $70 as Council raised a new Waste Operations charge of $70 per service benefitting LRM. This adjustment, together with other operational changes, resulted in a modest cash surplus of $177,000 being recorded in 2014/15.

The current forecast for 2015/16 is for a cash surplus $480,000 which is reasonable given the liabilities facing the business.

Financial Model

DWM is in a sound financial position with no debt owing after the end of the current year and reserves are anticipated to be approximately $1.5 million, again at the end of the current financial year.

The next major capital outlay (purchase of four new trucks) is scheduled for 2017/18, at an estimated cost of $1.5 million.

4.4 Waste Operations - Long Term Financial Plan

The 2015/16 financial model is based on an increase to the annual charge of 2% and continuing at 2% for a number of years.

The next table shows a summary of the model.

Table Seven: DWM Long Term Financial Plan

Description	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Operating Revenues	6,054	6,094	6,242	6,354	6,524	6,695	6,868	7,034	7,211	7,373
Operating Expenses	5,750	5,827	5,943	6,060	6,180	6,303	6,428	6,556	6,687	6,821
Operating Result	**303**	**267**	**300**	**294**	**344**	**392**	**440**	**478**	**524**	**552**
Add Back Deprec	177	177	181	184	188	192	196	200	204	208
Cash Surplus	**480**	**444**	**480**	**478**	**532**	**584**	**636**	**678**	**728**	**760**
Capital Income	0	0	0	0	0	0	0	0	0	0
Loan Principal	163	0	0	0	0	0	0	0	0	0
Capital Expenditure	376	0	1,600	0	0	0	420	0	1,900	0
Net Reserve M'ment	(58)	444	(1,120)	478	532	584	216	678	(1,172)	760
Total Reserves	**1,528**	**1,972**	**852**	**1,330**	**1,863**	**2,447**	**2,663**	**3,341**	**2,168**	**2,928**
% Increase in Annual Charge		2	2	2	2	2	2	2	2	2

The plan predicts that the cash surplus will range around the $440,000 to $500,000 mark for the next four years. This is more than sufficient to meet known liabilities given that the reserve is predicted to be $2.8 million in 2021/22 which is when the next vehicle replacement is due after 2017/18.

The plan will need to be monitored, but if it proves to be reasonably accurate it may be that a CPI increase is not required in one of the years after 2017/18.

The main threat to this scenario is changes to LRM operations that will impact gate fees and therefore DWM.

The main DWM assumptions in the financial plan are:

- Charges to increase by 2%
- Waste streams will remain similar to the current year
- Costs for labour, plant and contracts to rise by approximately 2%
- Capital outlays limited to approximately 1 replacement vehicle per year
- No external loans

The main features of the 2016/17 plan include:

- Annual charge income of $6.2 million
- Kerbside collection costs $950,000
- Gate fees paid to DWM $2.8 million
- Green waste collection and gate fees $1.1 million
- Overheads $640,000

Annual Charges

Based on the assumptions outlined in the financial plan the proposed 2016/17 charges as compared to 2015/16 are as follows.

Table Eight - Domestic Waste Charges

Charge Type	2015/16 Charge $	2016/17 Charge $	% Increase
DWM - Rural (excludes green)	314	320	1.9
DWM – Urban (all three collections)	360	367	1.9
Additional Extra Mixed Waste Urban – Fortnight	108	110	1.9
Additional Mixed Waste Rural – Weekly	215	219	1.9
Additional Domestic Recycling	108	110	1.9
Additional Green Waste Collection - Urban Only	215	219	1.9
DWM – Vacant Land	39	40	2.6

Council Comparison

The next table provides a comparison of our existing DWM charges to our immediate neighbours. It is difficult to get a fair comparison in terms of service provided however the table outlines the charges for urban domestic waste annual charges where mixed, recycling and green waste services are provided.

Table Nine – Comparison of Urban Domestic Waste Charges (2015/16)

Ballina	Lismore	Byron	Richmond Valley	Tweed
432	473	441	405	425

The figure for Ballina includes the $72 Waste Operations annual charge that benefits LRM.

Late Matter

Staff have very recently become aware of incidents of asbestos contamination that will affect the waste budget.

Green waste received at the waste facility was tested and found to be clean prior to being provided to the Wollongbar Sports Fields project and one private property. Subsequent tests on site at Wollongbar found evidence of asbestos contamination.

Whilst the contamination is low, Council has been working with the Environmental Protection Authority, Workcover and asbestos contractors to resolve the matter as quickly as possible.

Following these incidents testing of construction and demolition material on site at the Waste Facility revealed further asbestos contamination.

The financial implications of the clean-up are not clear, although the current estimate is likely to be in the order of $400,000. It is also possible that there will be implications for work practices going forward however again it is too soon to know for sure.

The financial modelling in this report has not made any allowance for these costs and any changes to the 2015/16 budget will be reported as part of the March 2016 Quarterly review.

Based on information known to date it is very likely that the increase to reserves for 2015/16 will be significantly less than currently forecast.

Importantly the overall reserve balance will still remain healthy and Councillors will be kept informed as the matter progresses.

Legal / Resource / Financial Implications

Council needs to consider carefully the financial implications of any proposed changes in waste charges and the need to meet appropriate legislative and environmental standards.

Consultation

The proposed waste charges will be subject to community consultation through the exhibition of the draft Operational Plan.

Options

Council has the option of endorsing the proposed charges or examining further alternatives. The recommendation is to exhibit the proposed fees and charges as per the contents of this report.

RECOMMENDATION

That Council endorses the inclusion of the LRM and DWM long term financial plans, as attached to this report, and the following waste charging structure, in the draft 2016/17 Delivery Program and Operational Plan for public exhibition:

LRM Waste Charges

Charge Type	2015/16 ($)	2016/17 ($)	% Change
Kerbside Non Domestic Mixed Waste (Annual)	369	342	(7.3)
Kerbside Non Domestic Recycling (Annual)	182	169	(7.3)
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DWM Gate Fee Mixed Waste	256/tonne	261/tonne	2
Self-Haul Mixed Waste Under 300kg Over 300kg	221/tonne 256/tonne	225/tonne 261/tonne	1.8 2
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Waste Operations Annual charge	72	73	1.4

Domestic Waste Charges

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Additional Domestic Recycling	108	110	1.9
Additional Green Waste Collection - Urban Only	215	219	1.9
DWM – Vacant Land	39	40	2.6

Attachment(s)

1. Landfill and Resource Management and Domestic Waste Management Long Term Financial Plans

LANDFILL AND RESOURCE MANAGEMENT

ACTUAL 2011/12	2012/13	2013/14	2014/15	%	LEDGER ACCOUNT	BUDGET ITEMS	ESTIMATED 2015/16	%	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
						OPERATING REVENUES											
						Fees and Charges											
412,000	443,000	464,300	501,900	8	22280	Annual Charges - Commercial Properties	516,000	3	527,000	538,000	549,000	560,000	571,000	583,000	595,000	607,000	619,000
0	0	0	1,199,900	100		Annual Charges - Residential Properties	1,250,000	4	1,258,000	1,287,000	1,317,000	1,347,000	1,379,000	1,411,000	1,443,000	1,477,000	1,511,000
41,000	2,000	4,600	10,000	117	22281	Bulk Waste Collection Service	15,000	50	15,000	15,000	15,300	15,700	16,100	16,500	16,900	17,300	17,700
1,215,000	1,250,000	1,281,800	1,262,500	(2)	22283	Fees - Self Haul General	1,010,000	(20)	1,030,000	1,051,000	1,072,000	1,093,000	1,115,000	1,137,000	1,160,000	1,183,000	1,207,000
347,000	329,000	633,600	683,600	8	22283	Fees - Self Haul Inert	692,000	1	706,000	720,000	734,000	749,000	764,000	779,000	795,000	811,000	827,000
239,000	254,000	150,300	125,400	(17)	22284	Contributions and Grants	365,000	191	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
50,000	79,000	54,200	85,400	58	22281	Interest On Investments	41,000	(52)	74,000	92,000	135,000	183,000	178,000	172,000	164,000	154,000	154,000
156,000	140,000	131,400	89,600	(32)	22281	Sundry Fees	70,000	(22)	71,000	72,000	73,000	74,000	75,000	76,000	77,000	78,000	79,000
2,460,000	**2,497,000**	**2,720,200**	**3,958,300**	**46**		**Total Operating Revenues**	**3,959,000**	**0**	**3,702,000**	**3,796,000**	**3,916,300**	**4,042,700**	**4,119,100**	**4,195,500**	**4,271,900**	**4,348,300**	**4,435,700**
						OPERATING EXPENSES											
						Waste Administration											
255,000	340,000	421,500	439,900	4	32340	Administration	479,200	9	441,500	450,000	458,000	466,000	474,000	483,000	492,000	501,000	510,000
433,000	505,000	525,000	562,000	7	32340	Internal Overheads	556,400	(1)	568,000	579,000	591,000	603,000	615,000	627,000	640,000	653,000	666,000
444,000	369,000	299,600	208,300	(30)	32340	Interest on Loans	154,000	(26)	74,200	10,400	0	0	0	0	0	0	0
						Waste - Internal Fees and Charges											
(479,000)	(842,000)	(892,500)	(982,400)	10	22283	Fees - Recyclables From Council (DWM)	(964,000)	(2)	(983,000)	(1,003,000)	(1,023,000)	(1,043,000)	(1,064,000)	(1,085,000)	(1,107,000)	(1,129,000)	(1,152,000)
(302,000)	(505,000)	(318,900)	(314,900)	(1)	22283	Fees - Self Haul Council (Works)	(394,000)	25	(402,000)	(410,000)	(418,000)	(426,000)	(435,000)	(444,000)	(453,000)	(462,000)	(471,000)
(2,477,000)	(3,024,000)	(2,919,400)	(1,992,400)	(32)	22283	Fees - Self Haul Council (DWM)	(1,825,000)	(8)	(1,862,000)	(1,899,000)	(1,937,000)	(1,976,000)	(2,016,000)	(2,056,000)	(2,097,000)	(2,139,000)	(2,182,000)
						Waste Received											
187,000	194,000	216,100	206,600	(4)	32342	Weighbridge Operation	202,000	(2)	223,000	227,000	231,000	235,000	239,000	243,000	247,000	251,000	255,000
158,000	186,000	186,800	189,800	2	32342	Transfer Station Operations	207,000	9	193,000	197,000	201,000	205,000	209,000	213,000	217,000	221,000	225,000
						Waste Collection and Recycling											
165,000	148,000	194,500	173,800	(11)	32344	Collection Kerbside	199,000	14	205,000	209,000	213,000	217,000	221,000	225,000	229,000	233,000	237,000
167,400	67,900	81,500	81,600	0	32344	Collection Other	88,000	8	91,000	93,000	95,000	97,000	99,000	101,000	103,000	105,000	107,000
163,000	181,000	82,000	123,500	51	32345	Waste Bailing Facility and Recycling	98,000	(21)	84,000	86,000	88,000	90,000	92,000	94,000	96,000	98,000	100,000
						Waste Disposal											
1,020,000	1,316,000	432,700	320,700	(26)	32348	Solid Waste Landfill Operations	553,000	72	449,000	456,000	463,000	470,000	477,000	484,000	491,000	498,000	505,000
360,000	411,000	293,500	7,600	(97)	32348	Transfer - Organics	23,000	203	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
0	0	1,155,800	1,021,300	(12)	32348	Transfer - Mixed Waste	917,000	(10)	1,049,000	1,070,000	1,091,000	1,113,000	1,135,000	1,158,000	1,181,000	1,205,000	1,229,000
403,000	393,000	385,000	301,500	(22)	32348	Transfer - Inert Waste	348,000	15	358,000	365,000	372,000	379,000	387,000	395,000	403,000	411,000	419,000
256,000	344,000	295,600	277,800	(6)	32348	Transfer - Recyclables	282,000	2	291,000	297,000	303,000	309,000	315,000	321,000	327,000	334,000	341,000
0	0	219,000	146,500	(33)	32348	Transfer Preparation - Mixed Waste	155,000	6	160,000	163,000	166,000	169,000	172,000	175,000	179,000	183,000	187,000
0	0	149,000	61,400	(59)	32348	Transfer Preparation - Inert Waste	78,000	27	81,000	83,000	85,000	87,000	89,000	91,000	93,000	95,000	97,000
0	0	98,100	55,800	(43)	32348	Transfer Preparation - Recyclables	67,000	20	69,000	70,000	71,000	72,000	73,000	74,000	75,000	77,000	79,000
659,000	812,000	125,200	174,600	39	32348	State Government Levy	200,000	15	206,000	210,000	214,000	218,000	222,000	226,000	231,000	236,000	241,000
9,000	15,000	17,800	21,700	22	32348	Deposit	27,000	24	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
14,000	1,000	2,700	1,100	(59)	32348	Special Rubbish Clean-ups	3,000	173	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
161,000	238,000	131,300	173,600	32	32348	Reuse Organics, Soil and Concrete	226,000	30	232,000	237,000	242,000	247,000	252,000	257,000	262,000	267,000	272,000
27,600	64,100	17,300	74,800	332	32348	Investigations, Leachate and Remediation	71,000	(5)	62,000	63,000	64,000	65,000	66,000	67,000	68,000	69,000	70,000
						Non-Cash Expenses											
1,067,400	1,086,400	1,073,600	1,081,300	1	32340	Depreciation	1,104,000	2	1,104,000	1,126,100	1,148,700	1,171,700	1,195,200	1,219,200	1,243,600	1,268,500	1,293,900
(256,700)	191,200	67,300	65,300	(3)	32340	Unwinding Remediation PV	67,000	3	68,800	0	0	0	0	0	0	0	0
205,000	260,000	153,700	131,200	(15)	32340	Remediation Depreciation	135,000	3	135,000	137,700	140,500	143,400	146,300	149,300	152,300	155,400	158,600
2,639,700	**2,751,600**	**2,493,800**	**2,612,000**	**5**		**Total Operating Expenses**	**3,056,600**	**17**	**2,941,500**	**2,861,200**	**2,903,200**	**2,956,100**	**3,007,500**	**3,061,500**	**3,116,900**	**3,174,900**	**3,231,500**
(179,700)	**(254,600)**	**226,400**	**1,346,300**	**495**		***Operating Result - Surplus / (Deficit)***	**902,400**	**(33)**	**760,500**	**934,800**	**1,013,100**	**1,086,600**	**1,111,600**	**1,134,000**	**1,155,000**	**1,173,400**	**1,204,200**
1,015,700	1,537,600	1,294,600	1,277,800	(1)		*Add Back Depreciation*	1,306,000	2	1,307,800	1,263,800	1,289,200	1,315,100	1,341,500	1,368,500	1,395,900	1,423,900	1,452,500
836,000	**1,283,000**	**1,521,000**	**2,624,100**	**73**		***Cash Result - Surplus / (Deficit)***	**2,208,400**	**(16)**	**2,068,300**	**2,198,600**	**2,302,300**	**2,401,700**	**2,453,100**	**2,502,500**	**2,550,900**	**2,597,300**	**2,656,700**
						Capital Movements											
1,220,000	982,000	1,053,000	1,135,100			Less Loan Principal Repayments	1,205,600		1,111,500	193,900	0	0	0	0	0	0	0
827,000	1,496,000	1,626,700	1,489,000			Less Transfer to Reserves	1,102,800		956,800	2,004,700	2,302,300	2,401,700	2,453,100	2,502,500	2,550,900	2,597,300	2,656,700
577,000	1,412,000	1,361,200	257,300			Add Transfer from Reserves	567,000		105,000	109,000	113,000	2,618,000	2,723,000	2,832,000	2,946,000	7,264,000	3,954,000
644,000	213,000	0	0			Add Capital Income	0		0	0	0	0	0	0	0	0	0
10,000	430,000	152,500	95,500			Less Capital Expenditure	467,000		105,000	109,000	113,000	118,000	123,000	128,000	133,000	2,638,000	144,000
0	**0**	**50,000**	**161,800**	**224**		***Cash Result after Capital Movements***	**0**	**(100)**	**0**	**0**	**0**	**2,500,000**	**2,600,000**	**2,704,000**	**2,813,000**	**4,626,000**	**3,810,000**

DOMESTIC WASTE MANAGEMENT

ACTUAL					LEDGER ACCOUNT	BUDGET ITEMS	ESTIMATED										
2011/12	2012/13	2013/14	2014/15	%			2015/16	%	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
						OPERATING REVENUES											
5,919,400	6,497,100	6,810,300	5,919,100	(13)	22290	Domestic Waste Mgmt Annual Charges	6,129,000	4	6,188,000	6,326,000	6,467,000	6,625,000	6,783,000	6,942,000	7,102,000	7,263,000	7,425,000
(302,700)	(309,300)	(307,500)	(276,000)	(10)	22290	Pensioner Abandonments	(279,000)	1	(312,000)	(314,000)	(316,000)	(318,000)	(320,000)	(322,000)	(324,000)	(326,000)	(328,000)
17,200	18,300	20,300	21,100	4	22290	Vacant Property Annual Charges	22,000	4	24,000	25,000	25,000	26,000	26,000	27,000	28,000	28,000	29,000
166,500	170,100	169,100	151,800	(10)	22291	State Governent - Pensioner Subsidy	150,500	(1)	155,500	156,400	157,300	158,200	159,100	160,000	160,900	161,800	162,700
65,400	25,200	44,300	49,100	11	22292	Interest on Investments	31,000	(37)	38,000	49,000	21,000	33,000	47,000	61,000	67,000	84,000	84,000
0	177,800	0	0	0	22292	Gain / (Loss) on Disposal of Assets	0	0	0	0	0	0	0	0	0	0	0
5,865,800	**6,579,200**	**6,736,500**	**5,865,100**	**(13)**			**6,053,500**	**3**	**6,093,500**	**6,242,400**	**6,354,300**	**6,524,200**	**6,695,100**	**6,868,000**	**7,033,900**	**7,210,800**	**7,372,700**
						OPERATING EXPENSES											
						Administration											
146,200	142,500	188,500	181,500	(4)	32360	Administration - Salaries and Other Costs	223,200	23	200,000	203,000	206,000	209,000	212,000	216,000	220,000	224,000	228,000
44,400	43,300	39,700	45,400	14	32360	North East Waste Membership	47,000	4	48,000	49,000	50,000	51,000	52,000	53,000	54,000	55,000	56,000
370,000	387,000	406,000	619,000	52	32360	Indirect Expenses - Overheads	630,000	2	643,000	656,000	669,000	682,000	696,000	710,000	724,000	738,000	753,000
(530,500)	(521,200)	(563,500)	(530,500)	(6)	22292	Waste Trucks - Internal Charges	(609,000)	15	(621,000)	(633,000)	(646,000)	(659,000)	(672,000)	(685,000)	(699,000)	(713,000)	(727,000)
2,300	2,600	5,100	10,300	102	32361	Promotion and Education	11,000	7	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
						Debt Servicing											
44,900	36,500	27,800	18,200	(35)	32361	Interest on Loans	8,000	(56)	0	0	0	0	0	0	0	0	0
						Collection											
17,300	15,200	0	0	0	32364	Rural Sticker	0	0	0	0	0	0	0	0	0	0	0
531,700	496,700	519,700	451,100	(13)	32364	Collection Kerbside - Mixed Waste	514,000	14	524,000	534,000	545,000	556,000	567,000	578,000	590,000	602,000	614,000
602,700	771,000	775,700	1,146,300	48	32364	Collection Kerbside - Organics	1,126,000	(2)	1,149,000	1,172,000	1,195,000	1,219,000	1,243,000	1,268,000	1,293,000	1,319,000	1,345,000
2,476,900	3,023,700	2,919,400	1,992,400	(32)	32364	Collection Kerbside - Disposal Fees	1,825,000	(8)	1,862,000	1,899,000	1,937,000	1,976,000	2,016,000	2,056,000	2,097,000	2,139,000	2,182,000
355,500	350,100	341,000	334,500	(2)	32364	Collection Kerbside - Recycling	416,000	24	424,000	432,000	441,000	450,000	459,000	468,000	477,000	487,000	497,000
479,000	841,500	892,500	982,400	10	32364	Collection Kerbside - Recycling Disposal	964,000	(2)	983,000	1,003,000	1,023,000	1,043,000	1,064,000	1,085,000	1,107,000	1,129,000	1,152,000
58,400	18,500	37,300	47,600	28	32364	Collection Kerbside - Bin Purchases/Distn	41,000	(14)	42,000	43,000	44,000	45,000	46,000	47,000	48,000	49,000	50,000
381,700	304,800	314,300	389,700	24	32364	Waste Trucks - Operating Expenses	377,000	(3)	385,000	393,000	401,000	409,000	417,000	425,000	434,000	443,000	452,000
						Non-Cash Expenses											
109,900	250,900	179,100	177,200	(1)	32360	Depreciation	177,000	(0)	177,000	180,600	184,300	188,000	191,800	195,700	199,700	203,700	207,800
5,090,400	**6,163,100**	**6,082,600**	**5,865,100**	**(4)**		**Total Operating Expenses**	**5,750,200**	**(2)**	**5,827,000**	**5,942,600**	**6,060,300**	**6,180,000**	**6,302,800**	**6,427,700**	**6,555,700**	**6,686,700**	**6,820,800**
775,400	**416,100**	**653,900**	**0**	**(100)**		***Operating Result - Surplus / (Deficit)***	**303,300**	**100**	**266,500**	**299,800**	**294,000**	**344,200**	**392,300**	**440,300**	**478,200**	**524,100**	**551,900**
110,000	251,000	179,100	177,200	(1)		*Add Back Depreciation*	177,000	(0)	177,000	180,600	184,300	188,000	191,800	195,700	199,700	203,700	207,800
885,400	**667,100**	**833,000**	**177,200**	**(79)**		***Cash Result - Surplus / (Deficit)***	**480,300**	**171**	**443,500**	**480,400**	**478,300**	**532,200**	**584,100**	**636,000**	**677,900**	**727,800**	**759,700**
						Capital Movements											
125,500	134,000	142,800	152,500			Less Loan Principal Repayments	162,600		0	0	0	0	0	0	0	0	0
759,900	533,100	690,200	24,700			Less Transfer to Reserves	317,700		443,500	480,400	478,300	532,200	584,100	636,000	677,900	727,800	759,700
1,417,500	0	0	900			Add Transfer from Reserves	376,000		0	1,600,000	0	0	0	420,000	0	1,900,000	0
0	0	0	0			Add Capital Income	0		0	0	0	0	0	0	0	0	0
1,417,500	0	0	0			Less Capital Expenditure	376,000		0	1,600,000	0	0	0	420,000	0	1,900,000	0
0	**0**	**0**	**900**	**100**		***Cash Result after Capital Movements***	**0**	**(100)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

4.5 Wollongbar Community Preschool – Improvements

Delivery Program	Community Facilities and Services
Objective	To outline the circumstances associated with the planned expansion of the Wollongbar Community Preschool and associated road and carparking issues in Hall Court at Wollongbar.

Background

The Wollongbar Community Preschool is located at the end of Hall Court in Wollongbar (Attachment 1). The preschool has been successful in obtaining a State Government grant in the amount of $190,503 to undertake alterations and additions to the preschool building. This will enable the preschool to provide disability access, take additional enrolments as well as enhance the learning environment at the centre. As a Council-owned community asset, the proposed building works will also substantially enhance an existing community property.

In seeking to utilise the grant and undertake the building works, the preschool has encountered difficulty related to the current circumstances associated with site access and car parking via Hall Court.

The Hall Court precinct is a narrow street which services residential properties, the Wollongbar Community Preschool, the Wollongbar Hall (Council facility) and also contains storage for sporting facilities for user groups of Hill Park Oval. There is no formalised parking for either the preschool (aside from a new disabled car parking space) or community hall and no formal turning circle to assist with traffic flow. This results in traffic congestion and road safety issues for the residents and those attending the preschool and hall. Photos of the traffic congestion are contained in Attachment 2.

The circumstances at Hall Court are now adversely affecting the planned improvements to the preschool. In summary, the situation is as follows:

- The Wollongbar Community Preschool has secured a grant amount of $190,503 for improvements to the preschool. The preschool must accept the grant funding before 30 June 2016 and show an increase in enrolment places at the preschool to be eligible to receive the funding (the preschool has advised that an increase of one place or more should be sufficient to meet the grant requirements).
- Hall Court provides access to the preschool as well as the Wollongbar Community Hall and several private residences. Council has received feedback from users of Hall Court and residents that traffic movement, including parking, and pedestrian safety is of concern.
- In response to these issues, the number of enrolments at the preschool is presently capped at 29 places by a condition of development consent previously imposed by Council. This condition has sought to ensure no intensification of the traffic and car parking issues.

- The preschool wishes to lodge an application to change the condition of consent limiting enrolments to 29 places. However, Council's Development and Environmental Health Group has advised that the condition is not likely to be changed unless it can be demonstrated that the traffic and car parking circumstances can be improved to accommodate additional placements.
- The preschool is not in a position to fund improvement works in Hall Court and as such has not been in a position to lodge an application with Council to enable the additional places, nor accept the State Government grant for the building improvements.

The purpose of this report is to determine whether a suitable funding application for improvement works in Hall Court can be provided to enable the preschool to continue with its planned building works and increase enrolment numbers. Such works would also assist in addressing long standing traffic management and pedestrian safety concerns associated with Hall Court.

This report also follows on from, and addresses, the Council's resolution of 26 June 2015 [Minute No 260615/2] which provided the preschool with a lease arrangement to support the planned preschool improvements and required that *Council receive a report on options to improve the safety in this location (ie. footpath, car parking)*.

Key Issues

- Opportunity for building improvements
- Road safety and car parking
- Funding

Information

Road safety and traffic management generally in Hall Court are issues that Council has been mindful of for many years. Hall Court is a narrow cul-de-sac that is located off Simpson Avenue, in close proximity to the Wollongbar Primary School. Due to the proximity of the school to Hall Court, there is added congestion at peak times, and no overflow parking available for the residents and users of the community facilities in Hall Court. There is no all weather footpath from Simpson Avenue, or along Hall Court itself. There is also no kerb and guttering along Hall Court.

Consideration has previously been given by the Council to allocate funding to investigate and implement improved road safety and traffic management measures. However, funding has not been made available to date, despite many submissions being made to Council from the preschool staff, parents and committee, the Wollongbar Progress Association and the adjoining residents.

The residents and preschool staff have attempted to address the traffic congestion and safety issues between them informally via the parties entering into a "Memorandum of Understanding" which involves the residents not parking in front of their homes during preschool pick up and drop off times, and the staff of the preschool parking away from the preschool so as to keep the limited number of spaces available for parents using the preschool. The preschool has also incurred a significant cost for the recent construction of a parking space for persons with a disability.

Further, the preschool has borne the cost of some tree and vegetation removal along the road way to create additional, informal, off street parking. This has been to the benefit of the wider precinct and Council's hall facility.

In recent times Council has become aware that the usage of the Wollongbar Hall has also increased significantly with a dance teacher running classes at the Hall after school. Whilst being a positive outcome for the hall and the community, this increase in usage further adds to the congestion in the Hall Court precinct.

In order to enable access to the State Government grant for the planned building works, the preschool intends to lodge an application with Council to change the condition limiting enrolments to 29 places. However, before doing this, the preschool is seeking resolution of the traffic and car parking matters in Hall Court for the reasons outlined above.

Preliminary investigations indicate that for the restriction on places to be lifted, four additional sealed, all weather car parking spaces will need to be constructed. Given that one of these has already been constructed at the preschool's expense, an additional three spaces will need to be formed to enable the preschool to accept the grant funding.

As the Hall Court roadway falls outside the lease area for the preschool, and there are other community users and residents in the vicinity, it is not reasonable that the preschool be required to fund the additional costs of upgrading the car parking, particularly given the history of the traffic and safety issues at Hall Court.

In response to the above, a draft plan for car parking (including 13 new formed spaces along the Hall Court road frontage), all weather pathway and drainage improvement works has been prepared and costed by Council staff (refer to Attachment 3).

The advice of Council's Civil Services Group is that the works required to implement this plan would be most cost effective if completed as a single project. Staff has also examined the option of providing a lesser number of spaces adjacent to the preschool. This approach is not considered to be cost effective as this would only provide a short term solution and would likely be subject to rework in the event the broader plan (as attached) is implemented.

The preferred option would be for Council to fund the improvement works as per the plan contained in Attachment 3 for the following reasons:

- The plan enables the progress of grant funded improvements to the Wollongbar Community Preschool. This results in an enhancement of an important Council asset.

- The plan enables the Wollongbar Community Preschool to cater for additional students (subject to the grant of an approval to amend the current consent). This is considered to be a positive outcome, particularly in light of the current and predicted population growth in Wollongbar which is a direct result of Council's urban planning policy.
- The plan provides for improved car parking, vehicle movement, drainage and pedestrian safety outcomes in Hall Court that addresses long standing issues impacting residents and community facility users.

Legal / Resource / Financial Implications

The estimated cost of this construction is $45,000. There is currently no funding allocated for this project in the Council's 2015/16 or 2016/17 Operational Plan.

The result for the Wollongbar Preschool if funding is not allocated to address the overall road safety issues in Hall Court will be the preschool being unable to accept their grant funding of almost $200,000. Given that the preschool is a Council asset and this grant funding allows upgrades and improvements to this facility at no cost to Council, the overall benefits of funding the car park construction provide greater community benefits. Other beneficiaries from the improvement works will be users of the hall and Hill Park Oval, as well as the adjacent residents.

In looking at funding options the only real option is to fund this work from reserves. There is currently a car parking reserve with an estimated balance of $38,000 that was set aside for car park related works and this reserve could finance the majority of the works. The balance of the monies could then be sourced from the community halls contingency budget which has a balance of $15,000.

If this work was considered a priority this would be the recommended approach.

Consultation

Staff has engaged in consultation with the Wollongbar Community Preschool staff, the board of the Wollongbar Progress Association (being the lessee of the Wollongbar Hall). Community engagement also occurred last year as part of the public exhibition regarding the lease proposal for the Wollongbar Preschool. In response to the lease considerations, the residents in Hall Court advised that they had no objection to the preschool being granted a lease, providing that the car parking and road safety issues are addressed.

Options

1. That funding in the amount of $45,000 is allocated by the Council to allow the construction of car parking, footpath and drainage works in Hall Court in accordance with the attached plan.

   This is the preferred option for the reasons outlined above.

This funding could be allocated by the General Manager through redirection of unexpended funds in the current financial year or alternatively through provision being made in the 2016/17 budget.

2. That no funding is allocated by the Council.

   This option is not recommended as it would result in the loss of grant-funded building improvement works that will support the ongoing operation of an expanded Wollongbar Community Preschool. Under this approach, the existing traffic, car parking and safety issues raised will also remain.

RECOMMENDATIONS

1. That Council notes the contents of this report regarding the grant funds available to the Wollongbar Community Preschool and the need to implement car parking and traffic and pedestrian management improvements for Hall Court in Wollongbar, as illustrated in the plan attached to this report, at an estimated cost of $45,000.

2. That Council approves an allocation of $38,000 from the car parking reserve and $7,000 from the community halls reserve to finance this expenditure.

Attachment(s)

1. Hall Court Precinct - Site Locality Plan
2. Hall Court - Site Photos
3. Proposed Car Park and Improvment Works Layout - Hall Court Precinct


Legend
Wollongbar Preschool
Multi unit development
Single Residence
Wollongbar Hall &
Wollongbar Cricket Storage
Wollongbar Public School
ROBINDALE DRIVE
BERTRAM PLACE
HALL COURT
ANALEI STREET
RUBITON STREET
Hill Park Oval
PARKER STREET
SIMPSON AVENUE
0
100
metres
GDA
N
W
E
S
Hall Court Precinct, Wollongbar
DISCLAIMER
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04/03/2016
ballina
shire council

Hall Court, Wollongbar

CONCEPT ESTIMATE OF COSTS
HALL COURT CARPARK WOLLONGBAR

Project No:				**Date:**	**02-Mar-16**
Establish Site	item	$	1,000.00	$	**1,000.00**
Provision for Traffic	item	$	1,500.00	$	**1,500.00**
Sedimentation Control	item	$	500.00	$	**500.00**
Earthworks					
Cut to Waste	50 m^3	$	50.00	$	**2,500.00**
Kerb and Gutter					
Kerb and Gutter	50 m	$	100.00	$	**5,000.00**
Pavement					
Base Coarse	80 m^3	$	125.00	$	**10,000.00**
Wearing Surface					
30mm AC	250 m^2	$	25.00	$	**6,250.00**
Footpath					
Footpath 1.35m Wide	40 m^2	$	120.00	$	**4,800.00**
Linemarking					
Linemarking	item	$	1,500.00	$	**1,500.00**
Drainage					
375 Dia	25 m	$	200.00	$	**5,000.00**
Pit	1 ea	$	2,000.00	$	**2,000.00**
Strip Drain	12 m	$	50.00	$	**600.00**
Contingency					
Contingency	item		10%	$	**4,065.00**
		TOTAL		$	**44,715.00**


N
WOLLONGBAR COMMUNITY HALL
SPORTS FIELD
SHARED AREA BOLLARD AND CHEVRON REQUIRED (REQUIRED FOR DISABLED CARPARKING SPACES)
FENCE
FENCE
1.35M WIDE FOOTPATH
INSTALL STRIP DRAIN ALONG BASE OF WALL AND CONNECT INTO EXISTING PIPE STORMWATER
LINEMARK EXISTING SEALED CARPARK
TABLE DRAIN
NEW KERB AND GUTTER
SMH
SHAPE KERB TO MATCH EXISTING EDGE OF BITUMEN. STORMWATER RUNOFF TO SHEET ACROSS EXISTING BITUMEN TO TABLE DRAIN
NEW RAMP
OPTIONAL CAR PARKING AREA
WOLLONGBAR COMMUNITY PRESCHOOL
HALL
300MM DEEP PAVEMENT 25MM AC WEARING SURFACE
COURT
PROPERTY
BOUNDARY
PROPERTY
BOUNDARY
3 HALL COURT
1 HALL COURT
SURVEY
DESIGNED TMR
DATE 12/2011
DRAWN TMR
F.B. L.B.
CHECKED
DATUM AHD
APPROVED
DRAWING K:\AutoCad Drawings\Wollongbar\HALL COURT CARPARK.DWG T:\ROADS ALL\SR41\SR41_043_01.PDF
No. Date By Change X'd
Amendments
BALLINA SHIRE COUNCIL
CAR PARKING UPGRADE
HALL COURT
WOLLONGBAR
Scale 1:250
Plan No. SR41.043/01
A3

4.6 Flood Mitigation Options - Burns Point Ferry Road

Delivery Program	Engineering Works
Objective	To report on an evaluation of short-term and long-term options for mitigating inundation by tidal ingress at Burns Point Ferry Road, West Ballina.

Background

Burns Point Ferry Road has historically experienced partial inundation from the ingress of tidal waters during high tide events. The pavement drains directly to stormwater pits that drain stormwater runoff to the quays and Richmond River. These water bodies are subject to tidal influences which backflows through the stormwater drainage system into the gutters of Burns Point Ferry Road. In very high tide peaks, the river bank is breached by overtopping the crown of the road and flows along the gutter, inundating the eastern shoulder at property frontages.

This report has been prepared in response to a recommendation to Council for an evaluation to be undertaken to assess the options available to address this flooding issue.

Key Issues

- Flood mitigation options and performance

Information

The worst affected area of Burns Point Ferry Road is the eastern side of the road shoulder where trapped low points fill via backflow through the stormwater drainage system.

During very high tide events, tidal water breaches the bank of the Richmond River. The spill point is the old Ferry Road where is overtops the crown of the road to the eastern side of Burns Point Ferry Road and flows along the eastern gutter. Survey information has identified this level to be RL1.1m AHD.

Other factors such as ocean swell and flows in the Richmond River also conspire with astronomical tides to affect tide levels in extreme events.

Apart from the low point where the banks break, the existing concrete carriageway of Burns Point Ferry Road is generally above the Nominal High Water Level (NHWL) and the crown of the road separates the eastern and western shoulders such that the western side of the road does not experience “king tide” levels as much as the eastern side. This reduced impact on the western site is most likely attributed to the effect of gated levees and the large span of low-lying land providing storage that buffers the full effect of the peak tide level. The NHWL does not take into account predicted sea level rise.

Council’s Engineering Design Section has completed a review of the options to address the above issues. A copy of this review is attached to this report and the outcomes are considered further below.

Legal / Resource / Financial Implications

No legal implications are identified.

The recommendation to this report makes an adjustment to the Council's current works program by proposing the inclusion of a project in our stormwater capital work for 2016/17.

Consultation

No public consultation has been undertaken in the preparation of this report.

Options

As per the attached report, the options available to Council are:

1. Construct a road hump and levee to prevent tidal waters overtopping the old ferry road, construct storm water pits over existing drainage lines and fit flood gates to prevent backflow. Estimated cost $50,000.

   Retrofitting the existing storm water drainage with flood gates and incorporating levee protection is an immediate short-term and cost-effective solution as it does not require road reconstruction.

   Installing flood gates is only effective as a retrofit if the existing pipes do not leak excessively. Initial testing with a temporary bung during dry weather should be undertaken to ensure existing pipes are capable of achieving an effective seal. Leaky pipes may incur additional costs (e.g. relining) for Option 1 to be feasible.

2. Raise the road shoulders – which involves retaining existing the concrete pavement and only raising the road shoulders. Estimated cost $1.4M.

3. Total road reconstruction – shoulder works as in option 2 along with the overlay of the existing concrete pavement. Estimated cost $2.1M.

   The most cost-effective way to raise the road is to undertake the works in conjunction with pavement replacement once it reaches the end of its functional life (currently projected to be 2040). Thereby the cost of raising the road becomes only the incremental cost beyond normal pavement replacement cost. Infrastructure planning will therefore need to factor in the additional cost of raising the road at that time.

Clearly, on the basis of cost, option one is preferred. An understanding of options two and three is however important in case option one is not feasible once the outcomes of the investigation of the seal condition of the pipes is known.

This project has been considered important by Council's Engineering staff for a long time, however to date the available funds in our stormwater program has seen a priority allocated to the renewal of mains that have either collapsed or were considered a high risk for failure in the short term.

A draft of the forward program for stormwater is presented elsewhere in this business paper.

Adjustments have been made to program to enable an allocation of $50,000 to be allocated in 2016/17 to Burns Point Ferry Road Tidal Flood Gates. In 2017/18, $30,000 is allocated towards a similar project in Skinners Street which is considered the next priority. Recurrent funds are retained into the future to enable this program to be ongoing with future priorities to be determined later.

RECOMMENDATIONS

1. That Council notes the contents of this report regarding the possible options to address tidal inundation issues in Burns Point Ferry Road.

2. That option one, as outlined in this report, to construct a road hump and levee to prevent tidal waters overtopping the old ferry road, construct storm water pits over existing drainage lines and fit flood gates to prevent backflow, is endorsed as the preferred solution with an estimated project cost of $50,000.

3. That Council notes that the recommended stormwater program for 2016/17 will include this work, as per the report presented elsewhere in this agenda dealing with the recurrent capital works program.

Attachment(s)

1. Options Investigation for mitigation of flooding from tidal ingress – Burns Point Ferry Road, West Ballina

BALLINA SHIRE COUNCIL – REPORT

Subject: Options Investigation for mitigation of flooding from tidal ingress – Burns Point Ferry Road, West Ballina
Date: February 12, 2016
Author: Peter Brown
Trim Container: 539-05
Copy to:

Introduction
This report has been prepared by Ballina Shire Council to investigate options available in the immediate and projected future to mitigate inundation by tide ingress to Burns Point Ferry Road.

Burns Point Ferry Road has historically experienced partial inundation from ingress of tidal waters during high tide events. The pavement drains directly to storm water pits that drain storm water runoff to the quays and Richmond River. These water bodies are subject to tidal influences which backflows through the storm water drainage system into the gutters of Burns Point Ferry Road. In very high tide peaks, the river bank is breached by overtopping the crown of the road and flows along the gutter, inundating the eastern shoulder at property frontages.

Burns Point Ferry Road is the old route for the Pacific Highway and was constructed in the 1930's making it the oldest road pavement in the shire. The residual pavement was originally constructed for highway traffic loads including heavy vehicles and as such was engineered well in excess of the traffic loads currently received on the carriageway. This is most likely the reason why the pavement has out lived the normal life expectancy of road pavements. The current structural condition of the central carriageway is generally good and is currently projected to need replacement in 2040, however it is likely to last beyond this date. Replenishing the wearing course is the only likely treatment required to the pavement of the concrete carriageway in the near future.

Review of Existing Conditions
The existing conditions allowing tidal ingress on Burns Point Ferry Road has been investigated based on a combination of field observations, and desktop analysis of survey information. In summary it was observed:

- The worst affected areas of Burns Point Ferry Road is the eastern side of the road shoulder where trapped low points fill via backflow through the storm water drainage system;
- In a very high tide event the tide water breaches the bank of the Richmond River. The spill point is the old Ferry Road where is overtops the crown of the road to the eastern side of Burns Point Ferry Road and flows along the eastern gutter. Survey information has identified this level to be RL1.1m AHD;
- Although there are other factors such as ocean swell and flows in the Richmond River which conspire with astronomical tides to affect tide levels in extreme events, **RL1.1m AHD** has been established as a **Nominal High Water Level (NHWL)** as it represents an observed recurring "King Tide" level caused predominantly by astronomical factors over summer. The NHWL does not take into consideration predicted sea level rise;
- "Bathtub" analysis has been undertaken up to the NHWL. This is a desktop mapping analysis using terrain data and "filling" the terrain up to RL 1.1m AHD much in the same way as if you place a plug in a bath tub. The result provides a spatial representation of a high tide event and assists in identifying island effects and breaching locations. It is a tool for planning for protection against tidal ingress. Refer to Figure 1 for a plan of existing conditions
- Apart from the low point where the banks break, the existing concrete carriageway of Burns Point Ferry Road is generally above the NHWL and the crown separates the eastern and western shoulders of Burns Point Ferry Road from tidal ingress;
- The western side of Burns Point Ferry Road does not experience "King Tide" levels as high as the eastern side. This is most likely attributed to the effect of gated levees and the large span of low lying land providing storage that lags the full effect of the peak tide level.

Options for Protection against tidal ingress

There are principally two options available for protection of tidal ingress:

1. Provide a combination of levees and floodgates to allow outflow of storm water with a non-return gate fitted to outlets preventing "sunny day" tide ingress.
2. Raise Burns Point Ferry Road. This has been explored as two sub-set options:
    - Shoulder works only – retaining existing concrete pavement and raising shoulder
    - Total road reconstruction – shoulder works and incorporate overlay of existing concrete pavement.

The two options are described in more detail with costs, advantages and disadvantages in Table 1. Refer to Figure 2 and Figure 3 for a plan of options 1 and 2 respectively.

Table 1: Comparison of options for protection of tidal ingress

Scope	*Advantages*	*Disadvantages*
OPTION 1 - Flood gates • Construct hump over the existing ferry road and extending berms to form a levee preventing tidal waters overtopping the old ferry road. • Constructing storm water pits over existing storm water drainage line and fitting flood gates to the pits preventing backflow. • Probable Cost estimate **$50,000**	• Low cost option and minimal disturbance for retrofit • When an effective seal on gates is achieved, the eastern side of the road is protected up to the crown of the road which is approx. **RL1.2m.**	• Only effective for "sunny day" high tides. Not effective for storm water runoff with high tide events. • Susceptible to mechanical failure. Eg. Gate seizure and debris/ sediment blockage. Usually failure is only obvious at the time tidal waters are visible on the surface, at which point the high water level prevents access until tide waters recede. • Relies on all gates functioning. A single failure will flow along the gutter and essentially the same scenario as total failure. • Is only effective if existing pipes do not leak. Leaking pipes becomes more apparent as the asset ages. • General public often expect 100% success and interpret occasional inundation as a "failure" and wasted expenditure. • Carries an additional operational cost associated with inspecting and maintaining the devices which are not realized with up front capital expenditure.
OPTION 2 – Shoulder Reconstruction • Construct hump over the existing ferry road and extending berms to form a levee preventing tidal waters overtopping the old ferry road • Mill off existing AC shoulder and gutter. Construct dish drain along edge of existing concrete pavement and reverse cross-fall of shoulder. Refer Figure 4 for typical section. • Probable Cost estimate **$1,400,000** including sundries.	• More reliable than gates and does not require ongoing maintenance. • Effective for both "sunny day" and "rainy day" events	• Protection to **RL 1.0m** is limited to the invert of the dish drain at the existing sag points. This is required to match pavement levels of existing concrete carriageway. • Ponding will still occur in very high seasonal tides, however the frequency, time of inundation and depth of inundation will be substantially reduced. • Very high cost and undertaking the works immediately requires demolition of existing assets well in advance of full life cycle. • Requires raising existing services and reconstruction of driveways which will be disruptive to existing residents. • Liaising with existing residents to undertake the works likely to be demanding on Council resources and receive controversy to implement.
OPTION 2a –Full Road Reconstruction • Scope as per Option 2 with the addition of overlay of carriageway. • Probable Cost estimate **$2,100,000** including sundries.	• Same advantages as Option 2 plus achieves protection to **RL 1.1m** and without relying on gates.	• Very high cost, however when programmed in conjunction with normal road renewal, the incremental cost of raising the shoulder is reduced by approximately 50%.

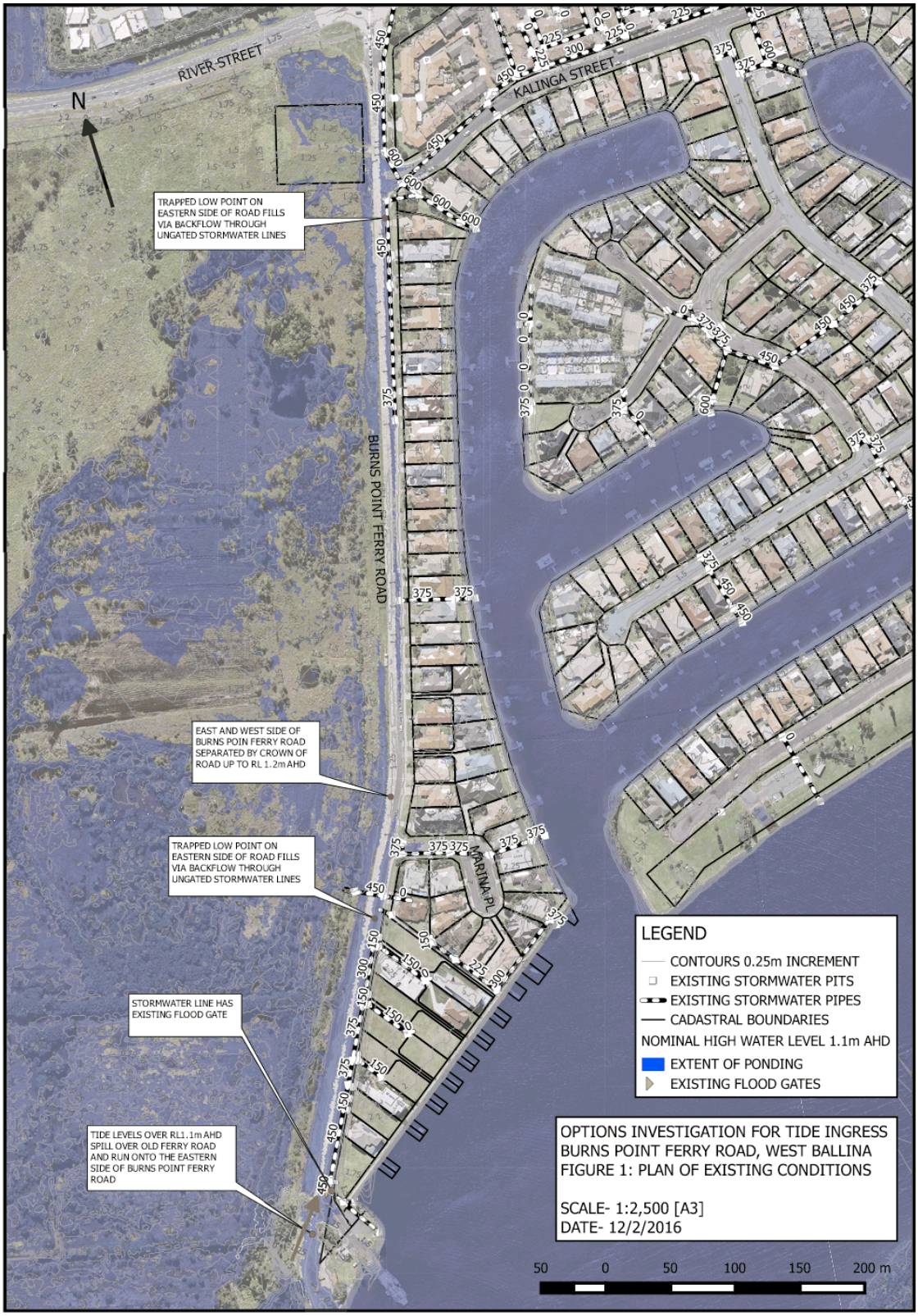
Summary of Findings and Recommendations

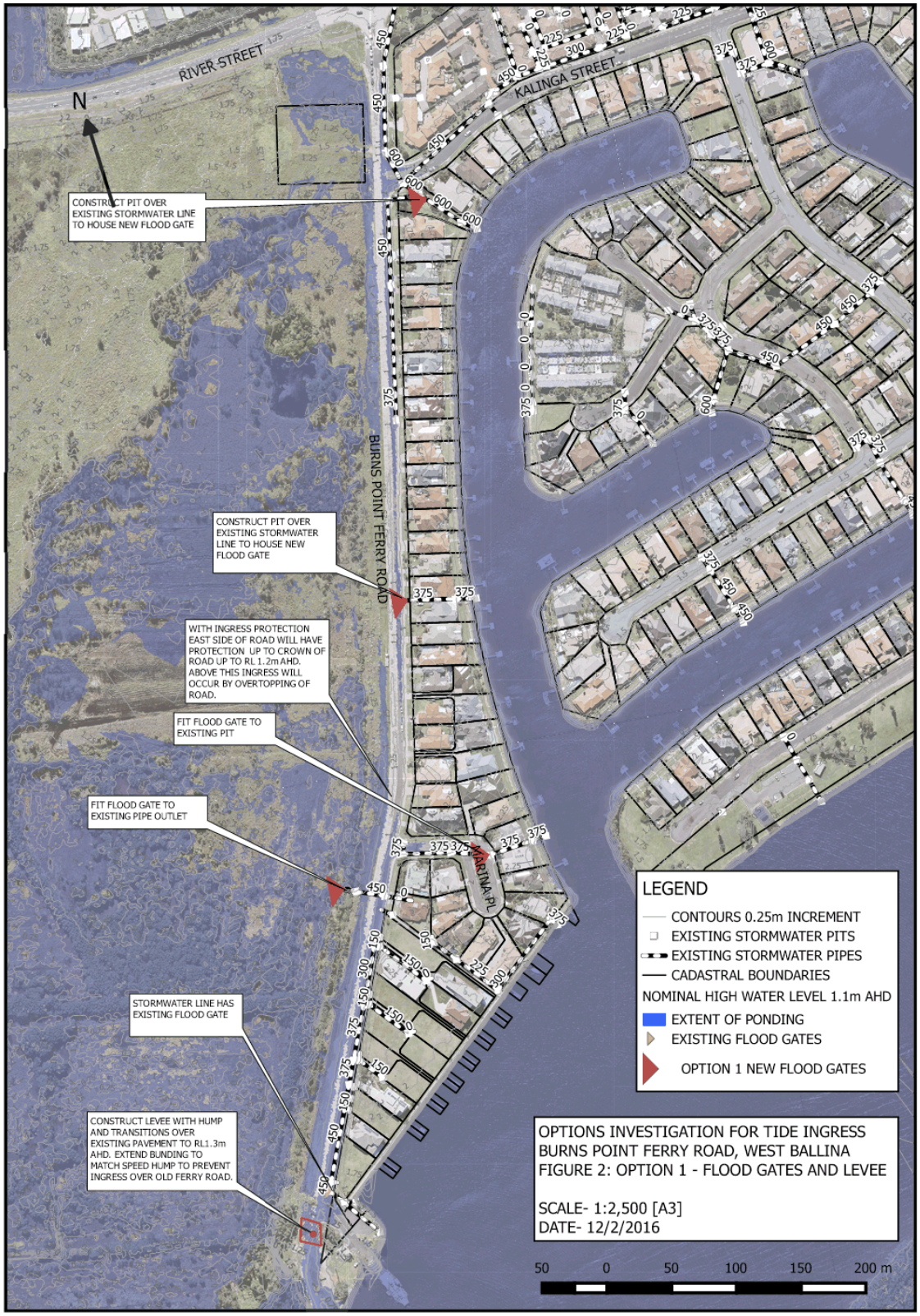
- Retrofitting the existing stormwater drainage flood gates and incorporating levee protection (Option 1) is recommended for short-term immediate mitigation as it does not require road construction much more cost effective than road raising;
- Installing flood gates is only effective as a retrofit if the existing pipes do not leak excessively. Initial testing with a temporary bung during dry weather should be undertaken to ensure existing pipes are capable of achieving an effective seal. Leaky pipes may present additional costs (relining etc) for Option 1 to be feasible and may incur additional cost.
- Shoulder only raising (Option 2) is not recommended as it presents a high capital expenditure with minimal long-term benefit. Although it improves the situation, it is not conducive to future reconstruction of the carriageway pavement.
- The most cost effective way to raise the road is to undertake the works in conjunction with pavement replacement once it reaches the end of its functional life. Thereby the cost for road raising is only the incremental costs above normal pavement replacement.
- Option 2a is recommended as a long term solution for tide ingress protection. Infrastructure planning will need to factor in additional costs to accommodate road raising to realise this as a long term mitigation measure.

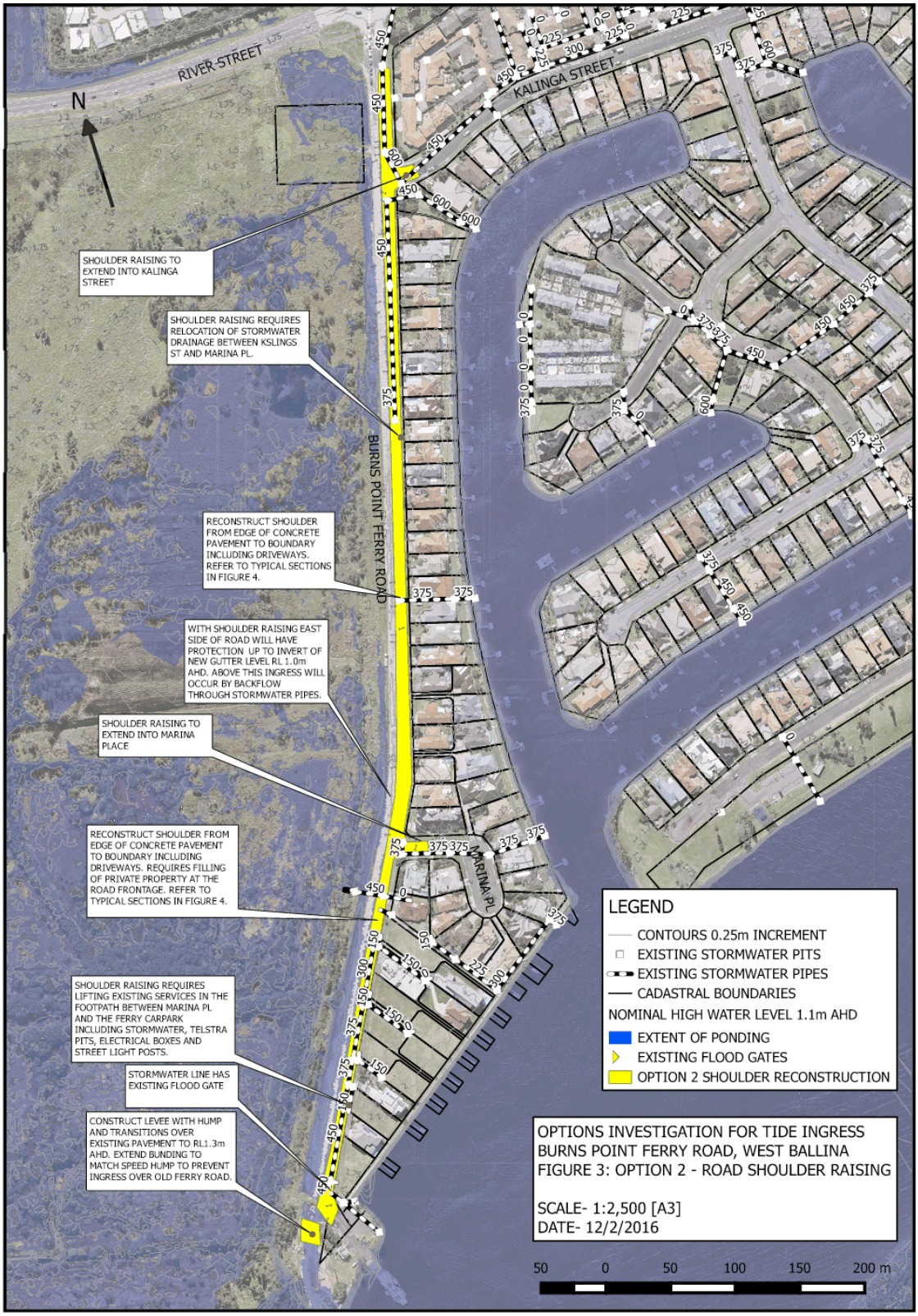
Peter Brown
Design Engineer

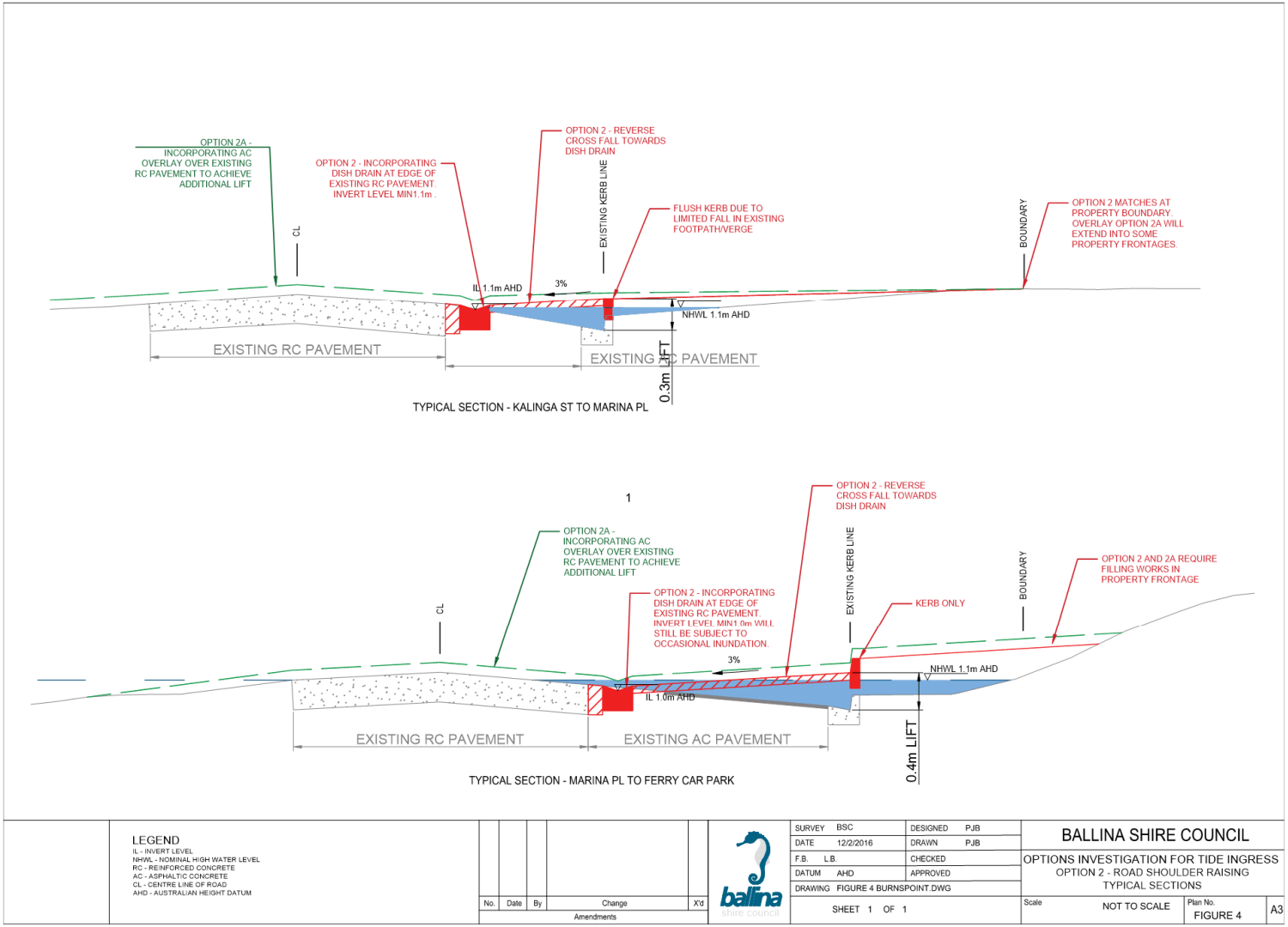
Attachment

1. Figures
2. Opinion of Probable Cost Breakdown for Options


RIVER STREET
KALINGA STREET
BURNS POINT FERRY ROAD
MARINA PL
N
TRAPPED LOW POINT ON EASTERN SIDE OF ROAD FILLS VIA BACKFLOW THROUGH UNGATED STORMWATER LINES
EAST AND WEST SIDE OF BURNS POIN FERRY ROAD SEPARATED BY CROWN OF ROAD UP TO RL 1.2m AHD
TRAPPED LOW POINT ON EASTERN SIDE OF ROAD FILLS VIA BACKFLOW THROUGH UNGATED STORMWATER LINES
STORMWATER LINE HAS EXISTING FLOOD GATE
TIDE LEVELS OVER RL1.1m AHD SPILL OVER OLD FERRY ROAD AND RUN ONTO THE EASTERN SIDE OF BURNS POINT FERRY ROAD
LEGEND
CONTOURS 0.25m INCREMENT
EXISTING STORMWATER PITS
EXISTING STORMWATER PIPES
CADASTRAL BOUNDARIES
NOMINAL HIGH WATER LEVEL 1.1m AHD
EXTENT OF PONDING
EXISTING FLOOD GATES
OPTIONS INVESTIGATION FOR TIDE INGRESS
BURNS POINT FERRY ROAD, WEST BALLINA
FIGURE 1: PLAN OF EXISTING CONDITIONS
SCALE- 1:2,500 [A3]
DATE- 12/2/2016
50 0 50 100 150 200 m


RIVER STREET
KALINGA STREET
BURNS POINT FERRY ROAD
MARINA PL
N
CONSTRUCT PIT OVER EXISTING STORMWATER LINE TO HOUSE NEW FLOOD GATE
CONSTRUCT PIT OVER EXISTING STORMWATER LINE TO HOUSE NEW FLOOD GATE
WITH INGRESS PROTECTION EAST SIDE OF ROAD WILL HAVE PROTECTION UP TO CROWN OF ROAD UP TO RL 1.2m AHD. ABOVE THIS INGRESS WILL OCCUR BY OVERTOPPING OF ROAD.
FIT FLOOD GATE TO EXISTING PIT
FIT FLOOD GATE TO EXISTING PIPE OUTLET
STORMWATER LINE HAS EXISTING FLOOD GATE
CONSTRUCT LEVEE WITH HUMP AND TRANSITIONS OVER EXISTING PAVEMENT TO RL1.3m AHD. EXTEND BUNDING TO MATCH SPEED HUMP TO PREVENT INGRESS OVER OLD FERRY ROAD.
LEGEND
CONTOURS 0.25m INCREMENT
EXISTING STORMWATER PITS
EXISTING STORMWATER PIPES
CADASTRAL BOUNDARIES
NOMINAL HIGH WATER LEVEL 1.1m AHD
EXTENT OF PONDING
EXISTING FLOOD GATES
OPTION 1 NEW FLOOD GATES
OPTIONS INVESTIGATION FOR TIDE INGRESS
BURNS POINT FERRY ROAD, WEST BALLINA
FIGURE 2: OPTION 1 - FLOOD GATES AND LEVEE
SCALE- 1:2,500 [A3]
DATE- 12/2/2016
50 0 50 100 150 200 m


RIVER STREET
KALINGA STREET
BURNS POINT FERRY ROAD
MARINA PL
N
SHOULDER RAISING TO EXTEND INTO KALINGA STREET
SHOULDER RAISING REQUIRES RELOCATION OF STORMWATER DRAINAGE BETWEEN KSLINGS ST AND MARINA PL.
RECONSTRUCT SHOULDER FROM EDGE OF CONCRETE PAVEMENT TO BOUNDARY INCLUDING DRIVEWAYS. REFER TO TYPICAL SECTIONS IN FIGURE 4.
WITH SHOULDER RAISING EAST SIDE OF ROAD WILL HAVE PROTECTION UP TO INVERT OF NEW GUTTER LEVEL RL 1.0m AHD. ABOVE THIS INGRESS WILL OCCUR BY BACKFLOW THROUGH STORMWATER PIPES.
SHOULDER RAISING TO EXTEND INTO MARINA PLACE
RECONSTRUCT SHOULDER FROM EDGE OF CONCRETE PAVEMENT TO BOUNDARY INCLUDING DRIVEWAYS. REQUIRES FILLING OF PRIVATE PROPERTY AT THE ROAD FRONTAGE. REFER TO TYPICAL SECTIONS IN FIGURE 4.
SHOULDER RAISING REQUIRES LIFTING EXISTING SERVICES IN THE FOOTPATH BETWEEN MARINA PL AND THE FERRY CARPARK INCLUDING STORMWATER, TELSTRA PITS, ELECTRICAL BOXES AND STREET LIGHT POSTS.
STORMWATER LINE HAS EXISTING FLOOD GATE
CONSTRUCT LEVEE WITH HUMP AND TRANSITIONS OVER EXISTING PAVEMENT TO RL1.3m AHD. EXTEND BUNDING TO MATCH SPEED HUMP TO PREVENT INGRESS OVER OLD FERRY ROAD.
LEGEND
CONTOURS 0.25m INCREMENT
EXISTING STORMWATER PITS
EXISTING STORMWATER PIPES
CADASTRAL BOUNDARIES
NOMINAL HIGH WATER LEVEL 1.1m AHD
EXTENT OF PONDING
EXISTING FLOOD GATES
OPTION 2 SHOULDER RECONSTRUCTION
OPTIONS INVESTIGATION FOR TIDE INGRESS
BURNS POINT FERRY ROAD, WEST BALLINA
FIGURE 3: OPTION 2 - ROAD SHOULDER RAISING
SCALE- 1:2,500 [A3]
DATE- 12/2/2016
50 0 50 100 150 200 m


OPTION 2A - INCORPORATING AC OVERLAY OVER EXISTING RC PAVEMENT TO ACHIEVE ADDITIONAL LIFT
OPTION 2 - INCORPORATING DISH DRAIN AT EDGE OF EXISTING RC PAVEMENT. INVERT LEVEL MIN1.1m .
OPTION 2 - REVERSE CROSS FALL TOWARDS DISH DRAIN
EXISTING KERB LINE
FLUSH KERB DUE TO LIMITED FALL IN EXISTING FOOTPATH/VERGE
BOUNDARY
OPTION 2 MATCHES AT PROPERTY BOUNDARY. OVERLAY OPTION 2A WILL EXTEND INTO SOME PROPERTY FRONTAGES.
CL
IL 1.1m AHD
3%
NHWL 1.1m AHD
EXISTING RC PAVEMENT
EXISTING AC PAVEMENT
0.3m LIFT
TYPICAL SECTION - KALINGA ST TO MARINA PL
1
OPTION 2 - REVERSE CROSS FALL TOWARDS DISH DRAIN
OPTION 2A - INCORPORATING AC OVERLAY OVER EXISTING RC PAVEMENT TO ACHIEVE ADDITIONAL LIFT
OPTION 2 - INCORPORATING DISH DRAIN AT EDGE OF EXISTING RC PAVEMENT. INVERT LEVEL MIN1.0m WILL STILL BE SUBJECT TO OCCASIONAL INUNDATION.
EXISTING KERB LINE
KERB ONLY
BOUNDARY
OPTION 2 AND 2A REQUIRE FILLING WORKS IN PROPERTY FRONTAGE
CL
3%
NHWL 1.1m AHD
IL 1.0m AHD
EXISTING RC PAVEMENT
EXISTING AC PAVEMENT
0.4m LIFT
TYPICAL SECTION - MARINA PL TO FERRY CAR PARK
LEGEND
IL - INVERT LEVEL
NHWL - NOMINAL HIGH WATER LEVEL
RC - REINFORCED CONCRETE
AC - ASPHALTIC CONCRETE
CL - CENTRE LINE OF ROAD
AHD - AUSTRALIAN HEIGHT DATUM
No. Date By Change X'd
Amendments
SURVEY BSC
DESIGNED PJB
DATE 12/2/2016
DRAWN PJB
F.B. L.B.
CHECKED
DATUM AHD
APPROVED
DRAWING FIGURE 4 BURNSPOINT.DWG
SHEET 1 OF 1
BALLINA SHIRE COUNCIL
OPTIONS INVESTIGATION FOR TIDE INGRESS
OPTION 2 - ROAD SHOULDER RAISING
TYPICAL SECTIONS
Scale NOT TO SCALE
Plan No. FIGURE 4
A3

OPINION OF PROBABLE COSTS
OPTIONS INVESTIGATION FOR TIDE INGRESS PROTECTION
BURNS POINT FERRY ROAD, WEST BALLINA

OPTION 1 **GATES AND LEVEES** **Date:** **12-Feb-16**

No road shoulder works. Pipes retrofitted with flood gates and pits to house the flood gates in a location that facilitates access for maintenance.

Provision for Survey and engineering/project supervision	1 item	$	5,000.00	**$**	**5,000.00**
Flood Gates with Housing Pits					
900 SQ RC pits fitted with galv step irons and grates. Includes Allowance for dewatering and working in tidal influence.	4 ea	$	7,500.00	**$**	**30,000.00**
Flood Gates 375mm diameter	2 ea	$	1,300.00	**$**	**2,600.00**
Flood Gates 450mm diameter	1 ea	$	1,400.00	**$**	**1,400.00**
Flood Gates 600mm diameter	1 ea	$	2,000.00	**$**	**2,000.00**
Pavement/ Reinstatement					
Allowance for reinstatement of kerbs, pavements and other civil works required for excavation	1 item	$	2,000.00	**$**	**2,000.00**
Levee hump across old ferry road					
AC10 200mm and primer seal to form levee hump and transitions	15 m²	$	100.00	**$**	**1,500.00**
Allowance for bunding and reworking shoulder	25 m²	$	20.00	**$**	**500.00**
		SUB-TOTAL		**$**	**45,000.00**
		SUNDRIES	**15%**	**$**	**6,750.00**
		TOTAL		**$**	**51,750.00**

OPINION OF PROBABLE COSTS
OPTIONS INVESTIGATION FOR TIDE INGRESS PROTECTION
BURNS POINT FERRY ROAD, WEST BALLINA

OPTION 2 **ROAD SHOULDER RAISING** **Date:** **12-Feb-16**

Reconstruct road shoulder to raise gutter levels and driveways

Survey and Design	1	item	$ 10,000.00	**$**	**10,000.00**
Provision for Traffic Control	1	item	$ 20,000.00	**$**	**20,000.00**
Demolision					
Demolish existing concrete kerb and gutter and footpath and dispose at BSC WMF	270	tonne	$ 70.00	**$**	**18,900.00**
Mill existing bitumen and dispose at BSC WMF	300	tonne	$ 70.00	**$**	**21,000.00**
Pavement					
Supply and place new road shoulder paver	4200	m2	$ 90.00	**$**	**378,000.00**
Footpaths and Driveways					
Path 100mm thick 20Mpa	1800	m²	$ 110.00	**$**	**198,000.00**
Pram Ramp	4	ea	$ 500.00	**$**	**2,000.00**
RC Driveway 150mm thick SL72 mesh	39	ea	$ 4,200.00	**$**	**163,800.00**
Kerb and Gutter					
Flush Kerb	530	m	$ 100.00	**$**	**53,000.00**
Kerb Only Barrier kerb	390	m	$ 100.00	**$**	**39,000.00**
Concrete Dish Drain	880	m	$ 130.00	**$**	**114,400.00**
Wearing Surface					
AC10 30mm and primer seal	4200	m²	$ 25.00	**$**	**105,000.00**
Services adjustment					
Reconstruct Stormwater pits	12	ea	$ 5,000.00	**$**	**60,000.00**
Allowance to Lift Telstra Pits	1	ea	$ 30,000.00	**$**	**30,000.00**
Allowance to lift Electrical boxes and light poles	1	ea	$ 100,000.00	**$**	**100,000.00**
			SUB-TOTAL	**$**	**1,313,100.00**
			SUNDRIES **10%**	**$**	**131,310.00**
			TOTAL	**$**	**1,444,410.00**

OPINION OF PROBABLE COSTS
OPTIONS INVESTIGATION FOR TIDE INGRESS PROTECTION
BURNS POINT FERRY ROAD, WEST BALLINA

OPTION 2a — **ROAD SHOULDER RAISING INCORPORATING OVERLAY** — **Date: 12-Feb-16**

Reconstruct full road width to raise gutter levels and driveways

Survey and Design	1	item	$ 10,000.00		**$ 10,000.00**
Provision for Traffic Control	1	item	$ 20,000.00		**$ 20,000.00**
Demolision					
Demolish existing concrete kerb and gutter and footpath and dispose at BSC WMF	270	tonne	$ 70.00		**$ 18,900.00**
Mill existing bitumen and dispose at BSC WMF	300	tonne	$ 70.00		**$ 21,000.00**
Pavement					
Supply and place new road shoulder paver	4200	m2	$ 90.00		**$ 378,000.00**
Footpaths and Driveways					
Path 100mm thick 20Mpa	1800	m²	$ 110.00		**$ 198,000.00**
Pram Ramp	4	ea	$ 500.00		**$ 2,000.00**
RC Driveway 150mm thick SL72 mesh	39	ea	$ 4,200.00		**$ 163,800.00**
Kerb and Gutter					
Flush Kerb	530	m	$ 100.00		**$ 53,000.00**
Kerb Only Barrier kerb	390	m	$ 100.00		**$ 39,000.00**
Concrete Dish Drain	880	m	$ 130.00		**$ 114,400.00**
Wearing Surface					
AC10 30mm and primer seal	4200	m²	$ 25.00		**$ 105,000.00**
AC10 100mm deep lift overlay over existing concrete pavement and primer seal	5300	m²	$ 100.00		**$ 530,000.00**
Services adjustment					
Reconstruct Stormwater pits	12	ea	$ 5,000.00		**$ 60,000.00**
Allowance to Lift Telstra Pits	1	ea	$ 80,000.00		**$ 80,000.00**
Allowance to lift Electrical boxes and light poles	1	ea	$ 150,000.00		**$ 150,000.00**
			SUB-TOTAL		**$ 1,943,100.00**
			SUNDRIES	**10%**	**$ 194,310.00**
			TOTAL		**$ 2,137,410.00**

4.7 Richmond Tweed Regional Library - Contribution

Delivery Program	Governance and Finance
Objective	To provide an update on the forecast increase in the Richmond Tweed Regional Library contribution for 2016/17.

Background

Council is a member of the Richmond Tweed Regional Library (RTRL), which consists of Tweed, Byron, Ballina and Lismore Councils, with Lismore being the administering Council.

Council has been notified that we are facing a 5.62% increase in our member contribution for 2016/17. This results in an annual contribution of $1,369,600, which is a $72,900 increase compared to 2015/16.

The purpose of this report is to advise Council of the reasons for that increase.

Key Issues

- Activity at Lennox head library
- Increase in Council contribution

Information

The attachment to this report is information provided by the RTRL in respect to usage and other activities occurring at the Lennox Head and Ballina libraries.

The attachment highlights the huge increase in activity that has occurred in Lennox Head since the new library opened as part of the Lennox Head Cultural and Community Centre.

As per that attachment the preference to manage the increasing workload is the employment of an additional 12 hours per week in staff hours at Lennox Head.

Legal / Resource / Financial Implications

The 5.62% increase and the overall contribution of $1,369,600 is a major expenditure program in Council's overall budget. Any increases above CPI do place pressure on Council to reduce expenditures in other areas.

Consultation

The RTRL has provided this information to assist Council in its budget deliberations.

Options

As Council does not directly manage the libraries we have no involvement in the day to day operations and it is difficult to comment on staff needs, workloads etc. What is clear is that usage levels at Lennox Head have grown rapidly in recent years and this must be placing extra pressure on the current staff resources.

Also since Lismore City Council has been administering the RTRL the rapid increases in the annual contribution that had preceded their direct involvement has reduced and in recent years the contribution has generally increased by CPI.

Overall the options available are to note that this is the forecast contribution or alternatively advise the RTRL that the above CPI increase is not supported.

As the annual contribution increases have been largely limited to CPI in recent years and as the need for additional staff resources appears to be well documented, the recommendation is to approve the above CPI increase for inclusion in our draft 2016/17 Operational Plan.

The overall impact of this on our LTFP will not be known until the total document is drafted, but clearly the extra $72,900 reallocates monies from other Council projects.

RECOMMENDATIONS

1. That Council notes that the forecast increase for the Richmond Tweed Regional Library contribution for 2016/17 is 5.62%, resulting in a total annual contribution of $1,369,600.

2. That Council authorises the approval of this contribution in our draft 2016/17 Operational Plan.

Attachment(s)

1. Report from Richmond Tweed Regional Library

Report to Ballina Shire Council

1. Lennox Library additional staffing 2016-17 Budget

Background

The new Lennox Head Library opened in May 2011 and has been enthusiastically embraced by the local community. Prior to May 2011 the library was staffed by a single staff member from Tuesday to Friday and Saturday morning. The branch closed each day at 12.00pm for one hour for a staff meal break and no children's activities were available due to space and staffing restraints.

Upon opening in May 2011 the branch increased its hours by opening on Monday to Saturday and remaining open throughout the day. This was made possible with the addition of four hours each weekday and three hours on Saturday morning. The library became a popular venue for regular children's activities such as Storytime and Baby bounce as well as other activities including school holiday children's programmes, book clubs, author talks and computer training.

Current usage

Since opening the new branch in 2011 usage has increased dramatically as seen in Table 1 which compares the 2010/2011 financial year to the 2014/2015 financial year.

Table 1

	2010/11	2014/15	% increase
Loans	38425	78469	104%
Door Count	14998	51013	240%
Members	2926	3904	33%
PC Usage	1932	5793	199%
Wi-Fi	84	11,110	13126%

Whilst the trend across some of the RTRL branches has been a reduction in the number of physical loans, Lennox Head branch has seen a steady increase in total loans. This has an obvious implication for staff time with increased returns, loans and shelving.

As pointed out in the Byron staffing request many libraries in NSW have been showing declining physical loans and increasing visits as people use libraries in different ways.

Statistics at the Lennox Head branch reflect the overall trend of increased library visits to RTRL and libraries in general. This demonstrates the changing nature of the way people use libraries and their services. The dramatic increase in computer and Wi-Fi usage has particular implications for staff time as staff assist library visitors with computer access, printing and training.

With one and a half staff positions there is always a staff member alone in the library for four and a half hours per weekday. This includes the busy after school period.

Library activities and programmes are very popular, however there is a limit to what can be provided with the current level of staffing. Additional staff hours, particularly in the after school period would

allow for more programmes and make the most of our central location next to the public school and sporting fields and skate park.

Lennox Head library has the advantage of a being a purpose built space and is physically able to run programmes in keeping with the RTRL strategic goals of promoting lifelong learning, community engagement and increasing literacy and community participation.

Examples of successful events run over the past two years include:

- Training sessions in how to access library e-resources
- Training in using the Ancestry family history programme
- Author talks
- Recipe club
- Cryptic crosswords beginner class
- Book club
- Poppy making for the 100 year memorial project
- School visits
- Preschool visits
- Hatching chickens
- A variety of school holiday activities – always popular
- After school Do It Yourself craft
- French for children
- Multicultural Storytime

Library staff are enthusiastic and keen to run a greater number and range of activities and events. Increased staff hours would facilitate this.

Strategies Implemented

As of July this year additional staffing hours have been allocated to Lennox Head library through the reorganisation of existing staffing levels within the Ballina area.

The increase has been:

- An additional three hours each Monday - this increased the part time staff member from four hours to seven hours. Monday was identified as the busiest day at Lennox Head branch and therefore the first priority for an increase in hours.
- An additional half hour per day at Lennox Head with the full time staff member working 71/2 hour days and receiving a rostered day off once every three weeks. This rostered day off is covered by a Ballina Library staff member working at Lennox Head instead of their regular shift at Ballina.

This equates to 16 hours over the three week period which has been reallocated to Lennox from Ballina.

Other measures which have been employed throughout the region to maximise staff time include the introduction of ticketless Wi-Fi and the purchase of some new stock in a shelf ready format.

A recommended increase of 12 hours per week at a cost of $23,000 per annum would result in two full time staff at the Lennox Head branch, providing staff with opportunity to manage the collection and increase services and programs. Two FTE will see Lennox Head branch staffing levels closer to the suggested minimum staff members, 1FTE per 3,000 eligible population. (2014 *Living Learning Libraries: Standards and Guidelines for NSW Public Libraries 5th edition.*) Ballina Shire Community Profile shows the 2011 Lennox Head population was 7,301.

2. Ballina Library usage after 5.00pm

Cr Sharon Cadwallader requested a report for Ballina Shire Council in relation to the current Ballina library opening hours, with particular focus on use of the library from 6pm to 8pm Wednesday and Thursday. As per request, the following information is provided.

Ballina library opening hours

Monday, Tuesday, Friday	9.30am-6pm,	Wednesday, Thursday	9.30am-8pm
Saturday	9am-12pm,	Sunday	1pm-4pm

One Wednesday evening monthly, a book group for 8-12 year olds is held. An average of six children share ideas, book discussions and craft. Students use the space for collaborative and individual study. Regular patrons work on a jigsaw, read newspapers, and access the collection. Wi-Fi and personal computers are used by patrons who prefer access outside normal working hours in a quiet environment. Visitors access the library at night for Wi-Fi and advise on accommodation and directions. Two staff provide reader services, and perform tasks including shelving, selections for home library service, and preparation for craft for children's activities. It is busier in summer than in winter. Statistics on door counts and loans are for your consideration.

Table 2 Ballina door count

July	5-6pm	6-7pm	7-8pm
1-Jul	64	10	14
2-Jul	74	7	4
8-Jul	48	38	7
9-Jul	24	18	7
15-Jul	52	8	0
16-Jul	22	21	16
22-Jul	9	7	1
23-Jul	144	14	2
29-Jul	34	10	47
30-Jul	40	14	10
Total	**511**	**147**	**108**

August	5-6pm	6-7pm	7-8pm
5-Aug	38	10	51
6-Aug	87	39	8
12-Aug	28	6	2
13-Aug	58	33	3
19-Aug	30	23	4
20-Aug	41	13	10
26-Aug	19	11	21
27-Aug	16	0	33
Total	**317**	**135**	**132**

September	5-6pm	6-7pm	7-8pm
2-Sep	69	45	45
3-Sep	40	6	8
9-Sep	45	5	31
10-Sep	0	0	0
16-Sep	48	30	19
17-Sep	16	5	0
23-Sep	14	15	0
24-Sep	26	11	0
30-Sep	22	0	5
Total	**280**	**117**	**108**

October	5-6pm	6-7pm	7-8pm
1-Oct	20	28	13
7-Oct	36	7	37
8-Oct	29	18	3
14-Oct	53	22	6
15-Oct	77	19	27
21-Oct	43	12	16
22-Oct	10	5	0
28-Oct	89	2	9
29-Oct	18	27	9
Total	**375**	**140**	**120**

November	5-6pm	6-7pm	7-8pm
4-Nov	97	14	25
5-Nov	38	44	1
11-Nov	24	17	24
12-Nov	46	15	22
18-Nov	84	90	12
19-Nov	15	31	6
25-Nov	14	8	8
26-Nov	60	6	14
Total	**378**	**225**	**112**

December	5-6pm	6-7pm	7-8pm
2-Dec	55	49	12
3-Dec	29	33	12
9-Dec	63	1	0
10-Dec	36	4	16
16-Dec	56	5	12
17-Dec	97	24	6
23-Dec	71	23	11
Total	**407**	**139**	**69**

Table 3 Summary of Ballina doorcount

	5-6pm	6-7pm	7-8pm
July	511	147	108
August	317	135	132
September	280	117	108
October	375	140	120
November	378	225	112
December	407	139	69

Table 4 Summary of Ballina doorcount

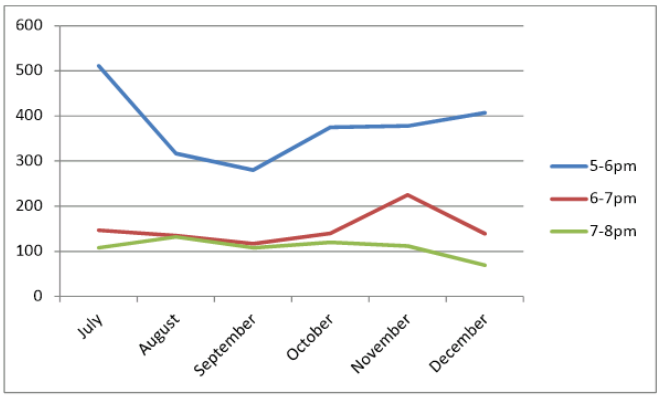


Table 5 Number of visitors to the library per hour

	Wednesday	Wednesday	Wednesday	Wednesday	Wednesday	Wednesday
	22/04/2015	2/12/2015	9/12/2015	16/12/2015	3/02/2016	17/02/2016
5pm-6pm	29	45	27	18	55	27
6pm-7pm	8	20	8	8	16	25
7pm-8pm	20	15	10	5	9	7
Total	**57**	**80**	**45**	**31**	**80**	**59**

	Thursday	Thursday	Thursday	Thursday		
	23/04/2015	10/12/2015	4/02/2016	18/02/2016		
5pm-6pm	16	17	25	19		
6pm-7pm	8	7	16	3		
7pm-8pm	8	6	8	7		
Total	**32**	**30**	**49**	**29**		

Recommendation: that an additional 12 hours per week at Lennox library is the preferred option.

Kerrie Fairlie

4.8 Accessible Toilets - Provision

Delivery Program	Operations Support
Objective	To review the accessibility of toilet facilities in the Council's town centres.

Background

At the June 2016 Ordinary Meeting Council resolved to receive a report on the provision of accessible (previously referred to as disability) toilets in its town centres, specifically Wardell.

Members of the community have raised concerns in regards to the shortage of accessible toilet facilities in the central business districts (CBD's) of main townships.

Council uses the MLAK locking system on the majority of its accessible toilets, requiring the user to have a key to gain access. This system is used across Australia and the keys are available to Ballina residents with access difficulties, from the front counter of the administration building. The purpose of this system is to provide 24 hour access and to assist in reducing the demand on the facilities by those that can use the standard amenities.

Key Issues

- Demand for accessible toilet facilities in some of Ballina Shire's townships
- Public facility construction costs

Information

A shortage of accessible toilet facilities in some of Ballina Shire's townships
Ballina

It can be seen in the list that follows that Ballina has a number of public accessible toilets available, all these being on the MLAK system. Close to the CBD Ballina it has Fawcett Park and Wigmore Arcade, with a soon to be constructed amenity building on Tamar Street adjacent to the bus terminal, which will cater for high end disability and accessibility needs.

1. Wigmore Arcade, River Street, Ballina CBD
2. Fishery's Creek Boat Ramp Car Park, off River Street, West Ballina
3. Fawcett Park, adjacent to restaurant on foreshore, Ballina CBD
4. Visitor Information Centre, Regatta Lane Ballina, adjacent the Ballina Library
5. Bicentennial Gardens, Tamarind Drive North Ballina
6. Ballina Amphitheatre, Kingsford Smith Drive, adjacent Missingham Bridge
7. Ballina Surf Club, Lighthouse Beach, East Ballina
8. Shelley Beach Surf Club Unisex|Accessible
9. Tamar St adjacent Bus Terminal to be constructed CBD

This list does not take into account business facilities such as shopping centres, office blocks and takeaway facilities. For this location it is preferred to provide improved access through continuation of the amenity upgrade and improvement program rather than the construction of additional facilities.

Wardell

Wardell has very limited public toilet facilities. Currently the only amenities available are situated on the reserve land adjacent the tennis courts. The amenities are aged, small in size and do not cater for those with accessibility needs. Council also has a picnic shelter and BBQ located at this site.

This site is regularly used by local aged groups and those with disabilities on bus trips, as they use the site for picnics and BBQ's. Council has received requests to look at upgrading the amenities at that site.

An issue with this location in the past has been vandalism, therefore the structure of any new amenity block would need to be designed in response to this issue. The options for this site given it has generally low usage would be:

1. A brick building with a single unisex toilet and a single accessible toilet cubicle with MLAK locking system.
2. A brick building containing a single combination unisex/accessible toilet unit.
3. A brick building containing two combination unisex/accessible toilet units.

Option 3 would be the preferred as it provides two facilities for the general public and those with accessibility needs.

Alstonville

Alstonville has a shortage of public accessible toilet facilities with the Alstonville Pool and the Alstonville Leisure and Community Centre being the only Council facilities.

Elizabeth Brown Park close to the centre of the Alstonville CBD area is visited by all members of the community because of its Anzac memorial wall, BBQ and playground facilities. Although there are toilet facilities located in Freebourne Park, Main St Alstonville, across the street that accommodate for the able bodied, these facilities do not cater for the incapacitated in any way.

Given that the age and the accessibility needs of the community are increasing for both locals and visitors to Alstonville, the provision of an accessible facility to Elizabeth Brown Park would be of great benefit.

Options for a small facility in Elizabeth Brown Park would include:

1. A brick building with two unisex toilets and a separate accessible toilet cubicle with MLAK locking system.
2. A brick building with a single unisex toilet and a single accessible toilet cubicle with MLAK locking system.
3. A brick building containing a single combination unisex/accessible toilet unit.

Given that there are general toilet facilities are available nearby, options 2 or 3 would be the most practical. Option 3 would be the preferred as it provides a facility in the park for those with accessibility needs and the general public.

Lennox Head

The Lennox Head CBD has ageing toilet facilities close to the main beach front. These facilities only cater for the able bodied. These facilities have been programmed for replacement in the 2019/20 budget.

Lennox CBD has no public toilets currently meeting accessibility needs apart from those that are available in the Lennox Head Cultural and Community Centre and those that are available in the shops, hotels or restaurants in the area.

The new Lennox Head Surf Life Saving Club currently in the consultation and design stage, which is to be situated further north of the CBD will also have modern accessible facilities.

Newrybar

Newrybar has a unisex/accessible toilet adjacent the Rural Fire shed and the Public Hall. This was built in 2013 when the fire shed was built and is considered suitable for the needs of Newrybar at this time.

Wollongbar

Hill Park sports field is visited by sports followers of all ages and abilities the facilities at that site that cater for the spectators are very limited.

Building regulations stipulate minimum access requirements and as the community grows in that area further investigation is recommended in to the public amenity requirements of that area.

Public Facility Construction Costs

The public facility construction costs vary significantly dependant on location, access to services, styles of structure and number of cubicles etc.

Estimates have been provided based on previous experience and as general information for discussion. True budget figures can only be achieved after building design and service requirements are confirmed.

The minimum cost estimated cost for a brick building containing a single combination unisex/accessible toilet unit is expected to be around $50,000.

The cost to increase the size of the facility to contain two combination unisex/accessible toilet units is expected to be around $70,000 - $80,000.

The cost can then vary significantly dependant on the number of toilet facilities to be provided on the particular site and the design combinations and other factors as previously stated and well exceed the hundred thousand dollar plus mark.

Councillors may have seen the automated facilities installed at main beach Byron Bay, these facilities can cost from $150,000 upwards.

Combination Unisex/Accessible Toilet Facilities Versus MLAK

The option of combination unisex/accessible toilet facilities has proven to work well at the new Ballina Surf Life Saving Club Lighthouse Beach. These facilities allow access to all users during open hours without the need for a key regardless of the users accessibility needs.

The MLAK key system restricts use of the facility to those with accessibility needs and therefore does not maximise the use of the facility. The MLAK system works in the older Council remote toilet blocks however as upgraded the unisex/accessible option is an extremely viable option in many cases.

Legal / Resource / Financial Implications

It has been identified that if budgetary requirements are not immediately available that a staged financial year approach to adding new amenity blocks could be taken. This would reduce the impact by spreading the costs across three financial years.

The current Delivery Plan has a budget of $112,000 (Lennox Head Main Beach) in 2019/20 only. There is no budget currently set aside for the Wardell or Alstonville amenities should Council decide to proceed with an accessible toilet improvement program.

Council utilised the services of a number of local building and trade firms to obtain some estimates to use for the pricing in this report. More final costings will only be known when firm quotations are received and development applications are lodged if required for the particular site.

There is the recurrent toilets refurbishment budget identified in the Community Infrastructure – Recurrent Projects and funding report later in this agenda and that provides another opportunity to examine priorities for funding.

Consultation

No public consultation has been undertaken in the preparation of this report.

Options

The main purpose of this report is to provide Council with information on the availability of accessible toilets in the Shire's townships. From this analysis it is concluded that Alstonville, Lennox Head and Wardell would benefit from Council introducing centrally located accessible facilities.

At this point in time the draft budget does not include a program to address this issue. If the Council is inclined to develop and fund a program now, further direction in regards to budget priorities is required and this can be considered by further reporting. The recommendation to this report seeks a balance by not attempting to fund these works in the current delivery plan, however it sets a direction to investigate incorporating the works in the long term financial plan.

This may be possible as the Council has recently established a recurrent budget (Public Amenities Improvement Program) to address the presentation of its existing toilet facilities and this could be expanded or continued over time to include the provision of new facilities.

RECOMMENDATIONS

1. That Council notes the contents of this report in respect to the review of accessible toilets in Ballina Shire.

2. That Council notes the draft 2016/17 to 2019/20 Delivery Program does not include a funding allocation to enable a program to be delivered in response to the identified opportunities to improve the availability of accessible toilets.

3. That consideration is given to the development of an improvement program for accessible toilets in the Long Term Financial Plan by including a schedule of works under the recurrent Public Amenities Improvement Program.

Attachment(s)

Nil

4.9 Administrative Centre Air Conditioning and Roof - Update

Delivery Program Operations Support

Objective To update Council regarding the project to replace the administration building's air-conditioning system and roof sheeting.

Background

At the October 2014 meeting Council received a report recommending the replacement of the ageing air-conditioning (AC) units throughout the administration building. This report also recommended the replacement of the aluminum roof sheeting due to leaks as well as highlighting the need to repair and re-galvanise the rusting roof top AC platforms on the north-east and south-west sides of the building. The timing for replacement of the roof and AC platforms would be opportune when the old roof mounted AC units are removed.

As part of that report, estimates for the work, as provided by one supplier, were as follows:

Table One – Administration Centre – Air Conditioning Options

Description	Price ($)	Amount of Completion
Option 1	174,000	Partial AC Units SW Roof
Option 2	181,000	Partial AC Units NE Roof
Option 3	355,000	All Roof Top AC Units and Platform
Option 4	540,000	All Roof Top AC Units, Platform and Roof Re-sheeting

In preparing the 2015/16 budget Council included $496,000 for this work, based on option four.

Even though the $496,000 was less than the $540,000 estimate, it was hoped that savings might be achieved through a competitive tender process.

As part of the process of preparing the tender documentation, a specialist engineer was engaged to inspect and report on the existing AC system. The outcome of that report reiterated the poor condition of the AC system, while also finding that the AC ducting throughout the building has also deteriorated and requires replacement prior to becoming a health hazard, apart from already being inefficient.

This has significant budget implications and this report examines all the issues associated with this project.

Key Issues

- Independent evaluation of the poor condition of AC units
- Building water leaks, AC ducting and roof sheeting related
- Engineering report on the AC unit condition, including the ducting
- Costs and timing of the project

Information

Independent AC System Evaluation

To ensure clarity in advice and to prepare appropriate specifications for tendering purposes, Council engaged Peter Eustace & Associates Consulting Engineers to undertake an independent professional evaluation of the administration building AC system.

This evaluation identified that the AC system has deteriorated more extensively than previously estimated. The report not only highlighted the need to replace the aged AC units, both on the roof and in the ceiling spaces above the carparks on the ground floor, but also the AC ducting throughout the entire building.

The consultant stated:

'I have been discussing the direction we should take with my associates internally as well as some potential suppliers externally. I note that you have indicated leaks in the ducts on the first floor and couple that with my inspection of lower floor duct, reported water leaks through ducts etc., I feel it is necessary to replace the duct system. Although this may not be in the budget planning, 25 years out of any AC system is not bad value for money and, if anything, a testament to the original installation.

Efficiency is the benefit to replacing all ductwork when you replace the AC systems and while this is probably not quantifiable, it is definitely a fact! Coil performance can drop by 1% P.A with obviously further reductions where coils are damaged. Furthermore, duct leaks in new but poorly installed duct systems can be as large as 10%. Even though this was a good installation at the time, I am sure the duct leak is greater than 10% in many instances.'

The replacement of the AC ducting throughout the building is a large task on its own.

Large sections of the grid ceiling will need to be removed, and this will cause a great deal of disruption to staff and public areas. This means an upgrade process would need to be timed and staged carefully.

Building Water Leaks AC and Roof Sheeting Related

The inspection of the AC ducting system highlighted a number of the water leaks within the building that are related to AC ducting and AC units.

The water that has penetrated the ducting has caused metal corrosion and also deterioration of the unsealed insulation within the ducting. This can become a potential health hazard for the occupants of the building.

The aluminum roof sheeting has suffered from the effects of electrolysis and also damage from being walked on incorrectly over its nearly 30 years on the building, as there are no service walkways on the roof.

Modern construction would not use the profile roof sheeting that has been used on this building, particularly in a rainfall area such as ours.

Council then sought further advice on the current condition of the building's roof in general.

Engineer's Assessment of the Roof Structure and Sheeting

Council engaged a local engineer to assess the roof of the administration building. The engineer is a member of the original design team for the building.

The design of the roof is very low pitch, being a slope of two degrees. The engineer advised on the type and profile of roof sheeting that should be used to replace the existing aluminium roof sheeting. He also confirmed that the existing stainless steel box guttering around the building was in good condition, only requiring regular maintenance.

Staging, Timing and Cost of the Project

The most economical approach would be to retrofit the entire building at one time. Unfortunately this is not practical for a fully operational building, without impacting on the staff working within the building.

The practical approach is to stage the retrofit based on the condition of the AC system units throughout the building. The roof mounted AC units being exposed to the weather are those that are currently in the poorest condition.

The building can be split into four main areas;

1. First floor south west
2. First floor north east
3. Ground floor south west
4. Ground floor north east

Stages One and Two

The building has two distinct roof areas on the south west and the north east. Both of these areas contain roof mounted AC unit platforms and deteriorated AC units. These areas would be best staged as one and two.

As these areas also include the roof sheeting and the corroded AC unit platforms, these items would be replaced and repaired as a component of each stage, when the AC units are removed from the roof.

The ducting replacement in that section would also be carried out in line with the other roof works of that stage. This work would need to be coordinated carefully with the staff in that same area to allow the progressive replacement of the ducting.

The ducting replacement work is intensive and requires removal of the grid ceiling and the lighting in the specific areas. This will be very disruptive to normal operations.

Stages Three and Four

Replacement of the ground floor AC units in stages three and four will be less disruptive to the building, as the AC units are in the ceilings of the undercover car park areas each side of the building.

The ceilings will be removed from the drive through car park areas, which will act as a work health and safety improvement for AC maintenance purposes, by providing visible safe access to the new AC units in those areas.

The ducting replacement in these stages will, as in stages one and two, be very disruptive and require significant coordination and timing.

Project Timing

The project is best timed to use Ballina's climate when the particular section of the building can operate without AC, using only natural window ventilation for the period of the stages retrofit.

To achieve this, the retrofit would require staging early to mid-Autumn or early to mid-Spring. Example time periods are displayed in table two.

Table Two – Example Time Periods

Stage	Available Time Period	Calendar Year	Financial Year
One	September – October	2017	2016/17
Two	March – April	2018	2016/17
Three	September – October	2018	2017/18
Four	March - April	2019	2017/18

Estimated Project Costs

The financial implications of the four stages of the project are significant.

The additional cost of replacing the roof sheeting and repairing the AC roof platforms in stages one and two, and also the cost implications and inconvenience of replacing the AC ducting throughout the building in all stages of the project is substantial.

The additional costs of the roof sheeting replacement and the roof platform repairs and re-galvanising, for stages one and two, were estimated at $209,648 in a report to Council in October 2014.

To give Council an indication of the budget now required for the project, indicative pricing has been put together in table three.

This is an indicative estimate only.

To confirm an accurate understanding of the cost implications of the air-conditioning and internal ducting replacement, Council will need to go to formal tender.

The consulting engineering has provided Council with a full set of building drawings encompassing a new efficient AC system design, for use in the tender process.

Table Three – Indicative Budget

Staging and Elements		Pre Tender Price Estimates Only
Stage One	AC Units x 3	160,000
	AC Ducting/Assoc. Work	185,590
	Roof Sheeting	100,000
	Roof Platforms	15,000
Stage Two	AC Units x 3	160,000
	AC Ducting/Assoc. Work	185,590
	Roof Sheeting	100,000
	Roof Platforms	15,000
Stage Three	AC Units x 2	130,000
	AC Ducting/Assoc. Work	150,793
Stage Four	AC Units x 3	110,000
	AC Ducting/Assoc. Work Platforms	127,594
Estimated Total Cost		**1,419,567**
Contingency 15%		212,935
Estimated Cost Including Contingency		**1,632,502**

Legal / Resource / Financial Implications

The 2015/16 Operational Plan has a budget of $496,000 for the original schedule of works. This now leaves a shortfall of approximately $1.134 m for the revised works program.

The latest estimates for each stage, with the 15% contingency included, are as follows:

Table Four – Stage Budgets

Stage	Estimate ($)	Financial Year
One	530,000	2016/17
Two	510,000	2016/17
Three	320,000	2017/18
Four	270,000	2017/18

With Council already having a budget of $496,000 set aside, there is a $544,000 deficit to complete stages one and two in 2016/17 (ie total estimate of $1,040,000 less $496,000 available = $544,000). An amount of $590,000 is also needed in 2017/18 for the final two stages.

All up this means there is a total shortfall of $1,134,000 over the two financial years.

In looking at financing options, as the administration building provides support services for all Council's activities, the business operations of Council with significant reserves (i.e. water, waste, wastewater) can make a contribution to the shortfall based on their proportion of the total Council business, as per the following table.

Table Five – Stage Budgets and Funding Sources

Estimate ($)	Water (14%)	Waste Water $215)	Waste (65)	General Fund (59%)
1,134,000	159,000	238,000	68,000	669,000

This then leaves a General Fund shortfall of $669,000.

If the works are spread over two financial years the shortfall represents an amount of $334,500 per annum.

In looking at options to fund this work the main options are:

a) Reallocate funds from other revenue funded General Fund capital works programs – For example the General Fund has approximately $220,000 allocated annually to capital works on community buildings, $162,000 for the depot and $100,000 for toilets. These programs could be reduced to finance these works. The priorities for this funding are outlined in the report located later in this agenda titled "Community Infrastructure – Recurrent Projects and Funding".

b) Source funds from reserves – The major reserves available are the Community Infrastructure Reserve and the Landfill and Resource Management (LRM) Reserve. Details on the movements in the Community Infrastructure Reserve are outlined in the report located elsewhere in this agenda titled "Community Infrastructure – Non-Recurrent Projects and Funding".

   The LRM reserve has an estimated balance of $3.4m as at 30 June 2016, excluding externally restricted monies such as grants. This balance is expected to grow rapidly from 2017/18 onwards as the existing waste loans are largely repaid in 2016/17.

c) Loans – This is not recommended as the preference is not to extend Council's existing loan debt, unless a revenue source for the repayment of that debt is identified. There is no revenue source for these loan repayments.

d) Grants – Grants are not readily available for works of this nature.

The $669,000 is a significant amount of expenditure, and with no specific reserves created for works of this nature, the only feasible option is to try and spread the cost over options a) and b).

Based on the various levels of funding available and the forecast reserve balances a possible funding strategy would be as follows:

Table Six – General Fund Contribution

Year	Amount ($)	Community / Depot Infrastructure Recurrent Funding (1)	Community Infrastructure Reserve	LRM Reserve
2016/17	334,500	50,000	84,500	200,000
2017/18	334,500	50,000	84,500	200,000

(1) $25,000 would be sourced from the community buildings budget and $25,000 from the depot budget each year.

This is considered to be a reasonable mix of funding to have this work completed.

To understand the impact on the works program for the Community Infrastructure Recurrent Funding and the Community Infrastructure Reserve please refer to the Recurrent and Non-recurrent Community Infrastructure reports included elsewhere in this agenda.

The struggle in obtaining funding for works of this nature highlights what is a deficiency in Council's recurrent budget. There is the annual allocation of approximately $220,000 for works on community buildings however this funding is insufficient to meet the annual needs for the multitude of community buildings that Council owns and maintains.

Prior to the four year special rate variation approved by the Minister for Local Government for Council commencing in 2010/11, Council did not have a recurrent budget for community facilities (or for open spaces and sports fields). As part of that special rate variation process Council had intended to create a recurrent budget of around $500,000 for community facilities.

However due to the numerous objections to the rate variation, Council's final application to the Minister, which was approved, reduced the overall percentage increase sought. This resulted in the community infrastructure figure reducing to approximately $150,000 which has now been steadily indexed to the current figure of $220,000.

This means there remains a shortfall in the Council recurrent budget, as ideally it is estimated that we need around $500,000 plus per annum to adequately maintain our community facilities. With new facilities being built (surf clubs etc) efforts will need to be made to increase this recurrent allocation over time to ensure these buildings are maintained into the future.

Consultation

Council utilised the services of a consultant engineering firm to inspect the existing AC system and provide a design for the efficient new AC system. Council utilised the services of a local consultant engineer to check the status of the roof sheeting and drainage system.

Options

The options revolve around doing the work and the funding sources.

The replacement of the air conditioning and roof has been flagged for a number of years and there is little doubt that the works are now fast approaching the urgent stage. The roof continues to leak heavily in storms, whereas the air conditioning is very close to the end of its useful life and is operating inefficiently.

As to funding sources the proposal outlined in this report is considered to provide a reasonable mix. Council could amend this mix by increasing or decreasing the funds sourced from each source.

Generally the impact on the LRM reserve is minimal due to its large balance, whereas the sourcing of funds from the Community Infrastructure Recurrent General Fund Budget and the Community Infrastructure Reserve will result in other works being deferred.

Further information on that impact is outlined in the two reports located elsewhere in this agenda regarding the recurrent and non-recurrent community infrastructure works.

RECOMMENDATIONS

1. The Council confirms the following funding mix for replacement of the Administrative Centre air-conditioning and roof, with this information to be included in the draft 2016/17 Delivery Program and Operational Plan.

Year	**2016/17**	**2017/18**	**Totals**
Stages	**1 and 2**	**3 and 4**	
Cost	**1,040,000**	**590,000**	**1,630,000**
Funds Currently Available	482,500	13,500	496,000
Water Operations	76,000	83,000	159,000
Wastewater Operations	114,000	124,000	238,000
Waste Operations	33,000	35,000	68,000
Community Infrastructure Recurrent Funding (depot and community buildings)	50,000	50,000	100,000
Community Infrastructure Reserve	84,500	84,500	169,000
Landfill and Resource Management Reserve	200,000	200,000	400,000

2. This allocation is based on the assumption that the works will be completed as per the following program.

Stage	**Available Time Period**	**Calendar Year**	**Financial Year**
One	September – October	2017	2016/17
Two	March – April	2018	2016/17
Three	September – October	2018	2017/18
Four	March - April	2019	2017/18

Attachment(s)

Nil

4.10 Community Infrastructure - Recurrent Projects and Funding

Delivery Program	Governance and Finance
Objective	To outline the capital expenditure projects that are to be financed from recurrent revenue streams.

Background

Council's long term financial plan (LTFP) has two main components for capital expenditure, being recurrent and non-recurrent funded projects.

Recurrent refers to items in the LTFP where an allocation of general revenue funding is provided, each and every year, to assist Council deliver what is considered essential infrastructure.

The recurrent funded items in the Council's draft LTFP are:

1. Stormwater / Drainage – Approximately $438,000 pa
2. Roads – Recurrent revenue funding of approximately $3m with this amount subject to change dependent on the use of other income sources such as loans, grant and Section 94 contributions for road works
3. Street Lighting – Approximately $47,000 pa
4. Footpaths / Shared Paths – Approximately $460,000 pa
5. Parks and Reserves – Approximately $162,000 pa
6. Sports Fields – Approximately $162,000 pa
7. Public Amenities – New program with Council striving to achieve an annual recurrent capital budget of approximately $100,000
8. Depot Improvements – Approximately $162,000 pa
9. Asset Management - Community Buildings – Approximately $223,000 pa plus an additional $20,000 for equipment for the Community Centres (i.e. Lennox Head, Kentwell, Surf Club etc)

For each of these items a forward works plan is included in the Council's Delivery Program and Operational Plan, to identify the projects planned for the next four years.

The current level of funding for some of these items should be increased to meet the overall needs of the infrastructure maintained by Council however the important point is that funding must be available for these items every year.

Items five to seven, and nine, did not have recurrent budgets until Council pursued additional rate pegging increases in recent years, with funding for roads and footpaths also increased substantially as part of the special rate variation increase approvals.

The report that follows outlines the priorities for this funding for inclusion in the Council draft 2016/17 Delivery Program and Operational Plan.

Key Issues

- Program priorities

Information

From a financial management perspective it is paramount that a council efficiently manages and minimises its operating expenses so as to maximise the funding available for capital works. Without adequate funding provided on an on-going basis the overall infrastructure base will deteriorate, resulting in reduced service levels to the community and increased risks due to asset failures.

It is also important that a council focuses on asset renewal, rather than expanding its asset base, as the first priority should always be to ensure that we have adequate funds to maintain our existing assets before building new facilities.

This is highlighted by the State Government's Fit for the Future Program where councils are required to meet a benchmark of at least 100%, on average, for expenditure per annum on asset renewals, as compared to the annual depreciation expense for infrastructure assets.

During the past ten years, through a combination of rate increases and the gradual reallocation of monies to capital expenditure Council has been building its investment in asset renewal, however we still have a way to go to meet the Fit for the Future benchmark on a permanent basis.

The current forecasting is that there are years where Council will not comply as per the following table.

Forecast Asset Renewal Benchmarks – 100% equals compliance (%)

14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
79.6%	96.1%	124.3%	117.4%	91.4%	60.3%	97.2%	123.2%	127.3%	98.1%	80.9%

Council's Fit for the Future response included recommendations for rate increases of 2.9% above the rate pegging limit in 2018/19, 2019/20 and 2020/21 with these monies allocated to infrastructure renewal. This will be a matter for the next Council to confirm. Importantly the funding allocated to asset renewals has improved over time and this next section deals with the recommended priorities for the expenditure of these recurrent funds for the next four years.

Ancillary Transport Services - Manager – Paul Busmanis

Item	*2016/17*	*2017/18*	*2018/19*	*2019/20*
Street Lighting Totals	**47,000**	**49,000**	**51,000**	**53,000**
River Street, West Ballina	47,000	28,000		
Grant Street, Ballina				
Boeing Avenue, North Ballina				
Sheather Street, Ballina		4,000		
Simmons Street, North Ballina		7,000		
Piper Drive, North Ballina		10,000		
Convair Avenue, North Ballina			4,000	
De Havilland Crescent, North Ballina			28,000	
Ceretto Circuit, Wollongbar			19,000	

Ancillary Transport Services - Manager – Paul Busmanis (cont'd)

Item	*2016/17*	*2017/18*	*2018/19*	*2019/20*
Quays Drive, West Ballina				10,000
Riverside Drive, West Ballina				10,000
Daydream Avenue/Sunnybank Drive				7,000
Lighthouse Parade, East Ballina				26,000
Footpaths and Shared Paths Totals	**320,000**	**366,000**	**459,000**	**477,000**
Tamarind Drive, North Ballina	43,000			
Park Lane, Lennox Head - refuge	12,000			
Allens Parade, Lennox Head	55,000			
Horizon Drive, West Ballina - refuge	12,000			
Simpson Avenue, Wollongbar - refuge	10,000			
Fox Street, Ballina - refuge	10,000			
Compton Drive to Nth Wall, East Ballina	80,000			
Ross Street, Lennox Head	40,000			
Sneaths Road, Wollongbar	58,000	92,000		
Pine Avenue, East Ballina		40,000		
Chickiba Drive / Links Avenue, East Ballina		25,000		
Burnet Street, Ballina		147,000		
Alston Avenue, Alstonville		30,000		
Hill Street, East Ballina - refuge		15,000		
Smith Lane, Wollongbar			35,000	
Chickiba Drive, East Ballina		17,000	83,000	
Manly Street, East Ballina			25,000	
Beachfront Parade, East Ballina			80,000	
Hill Street, East Ballina			30,000	
Freeborn Place, Alstonville			15,000	
Parkland Drive, Alstonville			15,000	
Owen Street, Ballina			130,000	
Skinner Street, Ballina			46,000	24,000
Cawarra Street, Ballina				40,000
Greenfield Road, Lennox Head				45,000
Kingsford Smith Drive, Ballina				30,000
Compton Drive, East Ballina				38,000
Commemoration Park (Missingham to Owen St)				150,000
Angels Beach Drive, Ballina				150,000

The budget for 2018/19 increases substantially as funds have been re-allocated from this program to the NSW Boating Now program for 2015/16 to 2017/18 based on an earlier Council resolution.

The "Chickiba Drive / Links Avenue, East Ballina" $25,000 project in 2017/18 relates to a recent Council resolution seeking consideration of this work on the northern side of Links Avenue from Chickiba Drive to the pedestrian crossing at Southern Cross School.

Using the process identified in the Pedestrian Access and Mobility Plan, staff have scored the segment as 48 priority points.

Based on the outcomes of the 2013 PAMP priority review, works with points at this level typically start to be funded from the 2018/19 financial year.

The PAMP program has been focused on projects in high accident risk locations and this has typically been in the CBD areas and around schools and shopping centres. This project is consistent with this focus and an elevation in priority can be justified.

The four year program recommended to Council has been adjusted in response to this assessment with the works to be undertaken in 2017/18.

If the Council wishes to bring the works forward to 16/17 it will be necessary to defer other projects.

Roads and Bridges - Manager - Paul Busmanis

Item	*2016/17*	*2017/18*	*2018/19*	*2019/20*
Roads and Bridges Totals	**5,554,100**	**4,697,100**	**21,166,000**	**4,433,000**
a) Road Reconstruction Program (Revenue and grant funded)				
Angels Beach Drive – Regional Roads Grant	172,000	173,000	174,000	174,000
Marom Creek Road Devils Elbow	360,000			
Swift Street	114,000			
Nashua Rd (Half)	488,000			
Fenwick Drive	286,000			
Shelly Beach Road	176,000			
Bagotville Road	340,000			
Hickey Place	107,000			
Bagotville Road	289,000			
Skennars Head Road	367,000			
Skinner Street	140,000			
Skinner Street (Part)	172,000			
Friday Hut Rd (Part)	392,000			
Fawcett Lane	74,100			
Sunnybank Drv	313,000			
River Drive		468,000		
Kays Lane (Part)		378,000		
Crane Street		240,000		
Fernleigh Road		370,000		
Henry Philp Ave		139,000		
Riverbank Road		267,000		
Broadwater Place		130,000		
Northumberland Drive		277,000		
Teven Road		255,000		
Johnson Drive		204,000		
Hermans Lane		250,000	250,000	
Tamar Street		191,100	166,000	
Chickiba Drive			187,000	
Winton Lane			80,000	
Ragland Street			89,000	
Mary Street			124,000	
Tamar Street			160,000	
Fernleigh Road			368,000	
Brunswick Street			92,000	
Bagotville Road			285,000	
Temple Street			275,000	
Waverley Place			101,000	
Burnet Street			371,000	
Barlows Road			107,000	
Russell Street			283,000	
Gibbon Street			130,000	
Links Avenue				271,000
Fernleigh Road				260,000
Norton Street				102,000
Clarence Street				160,000
Wilson Street, Wardell				96,000
Teven Road				476,000
South Ballina Beach Rd (Half)				282,000
Valley Drive				280,000
Cedar St Wardell				172,000
Burnet Street				223,000
Camburt street				158,000
Wejuba Place				131,000
Links Avenue				227,000
River Drive				172,000

b) Resealing Program and Heavy Patching (Revenue funded)

Urban Roads - Bitumen Reseals	312,000	324,000	337,000	350,000
Rural Roads - Bitumen Reseals	302,000	314,000	327,000	340,000
Urban Roads - Heavy Patching	329,000	342,000	356,000	370,000
Rural Roads - Heavy Patching	168,000	175,000	182,000	189,000

c) Bypass Reserves (Funded from handover monies held in reserve)

Ballina Road, Alstonville (old Bruxner H'way)	20,000			
Tamarind Dve, Kerr/River Streets (old Pacific)	633,000	200,000		

d) Bridges (Revenue funded)

Bridges – Other	100,000	104,000	108,000	112,000

e) Section 94 Roads Plan

Hutley Drive			16,722,000	

Hutley Drive is fully funded by developer contributions. The timing of the work will be dependent on the rate of contributions collected along with any in-kind works provided by developers.

Funding Summary:

Item	***2016/17***	***2017/18***	***2018/19***	***2019/20***
Revenue Funded	3,245,100	3,389,100	3,536,000	3,625,000
Grant Funded – Roads to Recovery	1,484,000	935,000	734,000	634,000
Grant Funded – Regional Roads Program	172,000	173,000	174,000	174,000
Reserve Funded	653,000	200,000	0	
Section 94 Funded	0	0	16,722,000	0
Total	**5,554,100**	**4,697,100**	**21,166,000**	**4,433,000**

Stormwater - Manager - Paul Busmanis

Item	***2016/17***	***2017/18***	***2018/19***	***2019/20***
Stormwater Totals	**438,000**	**456,000**	**474,000**	**493,000**
Asset data collection	60,000	61,000	62,000	63,000
Urban Stormwater Management Plan - actions	21,000	22,000	23,000	24,000
Tanamera Drive, Alstonville	41,000	42,000	43,000	44,000
Grant Street	36,000	80,000		
Martin Street (River St to Richmond R)		61,000	24,000	
Megan Crescent / Dodge Lane	50,000			
Coogee Street Pumping Station	80,000	37,000		
Skinner Street				
Kerr Street	70,000	80,000		
Moon Street (Tamar St to Holden Ln)			80,000	
Henry Philp Avenue			32,000	18,000
Coast Road				
Williams Reserve			40,000	
Compton Drive			85,000	
Kingsford Smith Drive				90,000
River Street, Ballina				45,000
Tide Gates to Urban Streets		21,000	52,000	53,000
Burns Point Ferry Road Tide Gates	50,000			
Skinner Street Tide Gates		30,000		
Rutherford Street and Tresise Place	10,000		10,000	132,000
Urban Lanes	20,000	22,000	23,000	24,000

This program includes the tide gates for Burns Point Ferry Road as outlined in an earlier report in this agenda.

Open Spaces - Manager – Cheyne Willebrands

Item	*2016/17*	*2017/18*	*2018/19*	*2019/20*
Playgrounds Totals	**162,000**	**168,000**	**175,000**	**182,000**

Council has adopted a playground improvement program, however the excact timing of specific works remains unclear.

Sports Fields Totals	**162,000**	**168,000**	**175,000**	**182,000**
Kingsford Smith Lighting	127,000			
Netball Courts Surfacing	35,000			
Saunders Oval Lighting		168,000		
To be allocated			175,000	182,000

Further work also needs to be undertaken on this funding source to confirm a long term plan.

Financial Support to Sporting Clubs

Council often receives requests from sporting clubs to upgrade community facilities on Council land. These requests are typically made after a local club has been successful with a grant application or the club offers substantial in kind contributions, or both.

An example of this is the request considered by Council at the last meeting from the Lennox Head Cricket Club to undertake improvements at Megan Crescent.

The recent report dealing with the Cricket Club request noted that there can be substantial benefits to Council in leveraging grant funds, or the other resources sourced by community groups, at the time they become available.

The report also noted that there is potential inequity in terms of the distribution of Council funds, if funds are allocated without following a documented program of prioritised capital works.

The Council has not yet developed a forward plan, or priority of works, for sporting club facilities, as the needs from Clubs can vary based on their priorities and also their executives.

A possible option to improve our management of these types of requests is to adopt a policy similar to the Donations – Community Halls Capital Works Assistance Policy. This would enable clubs to respond to an annual (or general ongoing) invitation to apply for a donation.

The Council could require a matching financial component as a condition of receiving a donation, or the Council could simply assess proposals on a merits basis.

A recurrent funding allocation would be required to be included in the budget if Council was to adopt such a policy. $50,000 is suggested as an allocation that could commence such a program and Council could consider increasing the allocation if funds were available in the future and demand under the policy was not being met.

Based on this suggestion, the recommendations to this report asks the General Manager to prepare a draft Donations – Community Sporting Groups Capital Works Assistance Policy for Council's consideration and that the preparation of the Delivery Program give consideration to the inclusion of a recurrent funding allocation from the Open Spaces and Reserves budget to support the policy.

Asset Management – Tony Partridge

Item	*2016/17*	*2017/18*	*2018/19*	*2019/20*
Public Amenities Totals	**100,000**	**104,000**	**108,000**	
Pop Denison (rebuild)	100,000	0	0	0
North Missingham Bridge (rebuild)	0	104,000	0	0
Kerr Street Toilets (reconfigure and rebuild)	0	0	108,000	0
Lennox Head Main Beach	0	0	0	112,000

The funding allocated for these works may be insufficient now that we are focusing on rebuilds. Therefore variations to funding may be required as the projects progress.

Item	*2016/17*	*2017/18*	*2018/19*	*2019/20*
Community Buildings Total	**223,000**	**232,000**	**241,000**	**251,000**
Ferry Shed (paint / repairs)	34,000			
Lennox Head Community Centre	104,000			51,000
Alstonville Leisure and Entertainment Centre	15,000			200,000
Public Hall – Swift Street	55,000			
Public Hall – Pimlico		70,000		
Public Hall – Wollongbar			40,000	
Public Hall – Other			41,000	
Ballina Surf Club		92,000		
Shelly Beach Surf Club		70,000		
Lennox Head Surf Club			100,000	
Kentwell Centre			60,000	
SES Headquarters	15,000			
Depot Buildings Total	**162,000**	**168,000**	**175,000**	**182,000**

The earlier report on the administration centre air-conditioning and roofing also included a recommendation that $50,000 be allocated from the Community Buildings and Depot programs to that work for 2016/17 and 2017/18. If that proposal is supported the revised works would be as follows.

Community Buildings Total	**198,000**	**207,000**	**241,000**	**251,000**
Ferry Shed (paint / repairs)	34,000			
Lennox Head Community Centre	79,000	25,000		51,000
Alstonville Leisure and Entertainment Centre	15,000			150,000
Public Hall – Swift Street	55,000			
Public Hall – Pimlico		70,000		
Public Hall – Wollongbar			40,000	
Public Hall – Other			41,000	
Ballina Surf Club		92,000		
Shelly Beach Surf Club		20,000	50,000	
Lennox Head Surf Club			50,000	50,000
Kentwell Centre			60,000	
SES Headquarters	15,000			
Depot Buildings Total	**137,000**	**143,000**	**175,000**	**182,000**

The table of works supported will depend on the earlier resolution on the administration centre air conditioning and roofing.

Legal / Resource / Financial Implications

The purpose of this report has been to highlight the funding available for recurrent community infrastructure projects.

Consultation

The priorities endorsed by Council will be exhibited for public comment as part of the Draft 2016/17 Delivery Program and Operational Plan.

Options

The options available relate to the timing of the works identified in the report along with the priorities, with Councillors able to amend priorities based on what may be considered higher priorities. For example Wardell constituents consistency criticize Council for inadequate works in that township and in response Councillors may be prefer projects included based on that feedback.

The recommendation is to endorse the information as included in the report as the priorities represent either adopted programs or the latest assessments from technical staff.

RECOMMENDATIONS

1. That Council endorses the community infrastructure priorities identified in this report for inclusion in the draft 2016/17 Delivery Program and Operational Plan for exhibition; i.e.

    - Stormwater
    - Street Lighting
    - Footpaths
    - Roads and Bridges
    - Playground Equipment
    - Sports Fields
    - Community Buildings
    - Depot

2. That Council receive a report on the option of having a Donations – Community Sporting Groups Capital Works Assistance Policy to assist with managing requests for financial assistance from sporting clubs. The report is also to examine funding options for this policy.

Attachment(s)

Nil

4.11 Community Infrastructure - Non-recurrent Projects and Funding

Delivery Program	Governance and Finance
Objective	To examine funding options for the non-recurrent projects that are under consideration as part of Council's Long Term Financial Plan.

Background

Council's long term financial plan (LTFP) has two main components in respect to capital expenditure, being recurrent and non-recurrent funded projects. As per the previous report in this agenda, recurrent refers to items in the LTFP where general revenue funding is provided each and every year, to assist deliver essential capital infrastructure.

Once the available funding is allocated to essential recurrent infrastructure, a difficultly for any council is to fund classes of community infrastructure that are not required to be financed every year (i.e. they are non-recurrent). Trying to find the cash contribution for non-recurrent projects is always difficult as very few council budgets have significant unallocated discretionary revenues.

The report that follows examines projects that Council has identified as priorities that are of a non-recurrent nature and discusses funding strategies.

Key Issues

- Priorities
- Funding options

Information

In recent years Council has been making good progress completing or planning for the delivery of a number of major non recurrent projects. Items that have, or are, being addressed are listed in the following summary.

Works completed, largely completed or funded

- Coastal Shared Path / Walk – A number of shared path components are either complete or have funding confirmed. The coastal shared path section from Skennars Head to Pat Morton remains dependent on a 50% grant from the RMS, whereas the coastal walk section from Sharpes Beach to Pat Morton is not included in Council's LTFP
- Ballina Town Centre – Largely complete with the one remaining unfunded item being the section from Moon Street to Grant Street
- Wardell and Alstonville Town Centres – Majority of works completed
- Ballina Surf Club – Complete, excluding Building B which is funded and scheduled to be delivered this calendar year
- Northern Rivers Community Gallery - Complete
- Kentwell Community Centre - Complete
- Lennox Head Cultural and Community Centre and Skate Park - Complete
- Marine Rescue Tower – To be completed this financial year
- Wollongbar Sports Fields – Majority of works to be completed this financial year

- Ballina and Alstonville Swimming Pool Upgrades – Funding strategy in place through a special rate approval, with works to occur during 2017
- Wardell Boardwalk – Funding confirmed with works to be completed this calendar year
- Wollongbar Skate Park – Funding allocated and master plan approved with works to be completed this calendar year
- NSW Boating Now Plan – Funding strategy in place to finance a three year, part grant funded, program
- Lake Ainsworth South Eastern Precinct – Significant funding allocated subject to confirmation of final designs
- Missingham Park Concept Plan – First stage complete with approximately $150,000 needed to finalise the plan
- Shaws Bay Coastal Zone Management Plan – This plan has approximately $1.8m worth of works, both capital and operational, over the next ten years with Council having a funding strategy in place to deliver the plan.

In addition to these items, projects unfunded, or with only a small portion of works undertaken to date, that have been identified as priorities by Council, include the following items.

Works not funded, or where only a minor portion is completed

- Skennars Head Sports Field Expansion – Approximately $1.3m
- Lennox Head Surf Club – Approximately $4m to $5m
- Ballina Indoor Sports Centre – Anywhere from $6m to $20m
- Ballina Town Entry Treatments – Around $1m needed to finish master plan
- Lennox Head Main Street Upgrade – Dependent on agreed works program
- Captain Cook Park Master Plan – Approximately $3m required to complete master plan
- Pop Denison Park Master Plan – Approximately $1.8m needed to complete master plan
- 9 Commercial Road, Alstonville – An amount of approximately $180,000 is needed to provide car parking on this Council owned property
- Airport Boulevard – Estimate of approximately $7m to complete this project
- Section 94 Roads Plan – The Section 94 Roads Plan has tens of millions of dollars of road infrastructure projects identified over the next 20 years.

Councillors may also have other major projects that they wish to see considered as part of this report. The Ocean Pool has not been listed as the Council support for this project is based on it being community funded.

The following information provides a brief commentary for the various projects listed that are still to have a confirmed funding strategy, or are incomplete.

- *Coastal Walk – Approximately $1.6m*

The coastal walk represents the segment of pathway from Sharpes Beach, through Boulders Beach and then to the stairs at the top of the Pat Morton car park, on the eastern side of The Coast Road.

Council has planning consent for these works, which involves the provision of a mixture of crushed aggregate and boardwalk, to provide a walk that is to National Parks and Wildlife standards. The planning consent is not for a shared path / cycleway but for a walking track.

The estimated cost of these works, as reported to Council at 4 March 2014 Finance Committee meeting, is as follows:

Section C: Eastern Side of The Coast Road – Coastal Walk

1. Sharpes Beach to Iron Peg / Boulder Beach - $300,000
2. Boulder Beach to start of Pat Morton Headland - $1,100,000

With indexing, the cost of the works may now be closer to $1.5m or $1.6m.

The report to 4 March 2014 Finance Committee meeting outlined the various segments still to be funded and completed for the coastal recreational path / walk project, as at that time, as follows:

Section A: Western Side of The Coast Road – Shared Path

1. Intersection of Headlands Drive / Skennars Head Road to Henderson Drive - $130,000
2. Henderson Drive to Tara Downs (North Creek Road) - $710,000
3. Tara Downs to Palisade Way - $410,000
4. Palisade Way to Castle Drive - $190,000
5. Castle Drive to Amber Drive - $190,000

Section B: Eastern Side of The Coast Road – Shared Path

6. Angels Beach to Flat Rock - $800,000
7. Flat Rock to Sharpes Beach - $600,000

Section C: Eastern Side of The Coast Road – Coastal Walk

8. Sharpes Beach to Iron Peg / Boulder Beach - $300,000
9. Boulder Beach to start of Pat Morton Headland - $1,100,000

Section D: Eastern and Western Side of The Coast Road – Shared Path

10. Skennars Head Road to The Coast Road to Pat Morton (initially west of The Coast Road and then east of The Coast Road) - $1.7 million

The first attachment to this report is the concept map that is regularly used in the Community Connect publication to highlight the various sections of the pathway / walk.

The two recommendations arising from the March 2014 Finance Committee report, on the priority order for these works, was as follows:

That Council confirms its No. 1 priority for the funding proposal outlined in this report is for the Coastal Shared Path segments from Angels Beach to Sharpes Beach (referred to as Section B), with this information to be included in the drafting of Council's long term financial plan for 2014/15 onwards.

That Council's remaining priority order, in respect to the long term financial plan, for the Coastal Shared Path / Walk and cycleway projects is Sections D, A and C, as referenced within this report.

4.11 Community Infrastructure - Non-recurrent Projects and Funding

When the minutes of the meeting were confirmed at the March 2014 Ordinary meeting there was a slight change to the recommendations, as per the following resolution:

That Council confirms the minutes of the Finance Committee meeting held 4 March 2014 and that the recommendations contained within the minutes be adopted, with an amendment to the first recommendation in Item 4.3 – Community Infrastructure – Non-recurrent Capital Projects as follows:

That Council confirms its No. 1 priority for the funding proposal outlined in this report is for the coastal Shared Path segments from Angels Beach to Sharpes Beach (referred to as Section B), with this information and funding to be included in the 2014/15 budget

This resolution did not change the overall order of priorities, which remained sections B, D, A and C, as per the Committee recommendations.

Since that meeting in March 2014, section A has been completed largely due to the securing of RMS grant funding (along with the section from North Angels Beach to Headlands Drive, which was not mentioned in the report).

Works have started on section B and Council has set aside $850,000, in an internal reserve, to finance section D, subject to matching funding from the RMS.

As section D relates to a shared path / cycleway it is eligible for funding under the RMS Active Transport, Walking and Cycling Program. Council did apply for matching funding for this section as part of the 2015/16 RMS program however we were unsuccessful.

Importantly the RMS provided $27,500 in grant funds for section D in 2015/16, to assist in finalising the detail design for these works, along with obtaining all necessary archeological and cultural permits required to allow construction to commence.

An application has again been submitted with the RMS for $900,000 in grant funds for this section, as part of their 2016/17 Cycling Program. Staff remain hopeful that we will receive part, or all, of the $900,000 when the 2016/17 grants are announced.

Council will also need to provide matching funding of $900,000 if the grant is successful, which means a $50,000 increase to the $850,000 in funds held in reserve. The preference would be to allocate these monies from the recurrent footpaths and shared paths budget if the grant is successful.

This leaves the one remaining section without a funding strategy as section C, being the walking track. This project is not included anywhere in Council's LTFP and it is has not been recommended for inclusion as it is difficult to justify this expenditure over numerous other priorities.

As the consent only provides for a walking track and not a shared path, it provides limited additional benefits, as compared to the walking track that already exists along this route.

There are certain locations in the existing track that could be improved and one option is for Council to identify segments where works could be implemented to improve overall accessibility.

This would significantly reduce the funding required and is considered to be a reasonable approach based on balancing of all Council's capital expenditure priorities. On this basis, this proposal for a report is included in the recommendations.

As to funding options for this section, the probability of securing funding under the RMS Active Transport and Cycling Program is debatable as the prelude for that funding, as per the RMS website is as follows:

The NSW Government is committed to working with councils to make walking and cycling safer, more convenient and enjoyable transport options that benefit everyone. By better targeting investment to improve walking and cycling in areas where most short trips occur, the NSW Government aims to support more accessible, liveable and productive town, cities and centres and free up capacity on our roads and public transport system for those customers that need to travel further.

The walking track is more a tourism / recreational track, as compared to short trips or taking people off the roads, and funding programs that are tourism related or possibly the Crown Lands Public Reserves Management Fund (PRMF) may be more appropriate. Options for the PRMF are considered later in this report.

- *Ballina Town Centre – Approximately $2.2m*

The section incomplete is for River Street between Moon and Grant Streets. The other sections completed under this program have been largely funded by loans, with the loan repayments financed through rental revenues generated from Council's commercial property at 89 Tamar Street.

The existing loans decrease by approximately $407,000 per annum in 2019/20 and this means that Council could undertake these works in 2018/19, funded by loans, with the new loan repayments then commencing in 2019/20.

As this work would relate to asset renewal, loans could be sourced from NSW Treasury Corporation at a very competitive interest rate. Repayments on a 10 year term would be around $300,000 per annum.

From a financial planning perspective it is recommended that Council include these works in the LTFP for 2018/19, funded by loans, to allow this project to be completed. As asset renewal, the works also help Council's compliance with the Fit for the Future Program.

- *Wollongbar Sports Fields – Approximately $800,000*

Council has deleted the construction of the tennis courts and tennis clubhouse from this project due to funding constraints. The risk is that the Federal Government are seeking to see Council comply with the conditions for the Better Building Regional Cities grant that Council secured for this project (grant of $4.496m), which means the tennis courts and clubhouse must be completed.

Due to Council's success in securing significant grant funds for the Ballina Marine Rescue Centre, we have been able to set aside in reserve $625,500 in funds that were originally allocated for the Rescue Centre from our property reserves. These funds have been marked as Rescue Centre contingency monies.

The current intention is to finalise the Marine Rescue Centre and then confirm the exact surplus funds available. The preferred option is to then reallocate any surplus monies to the Wollongbar Sports Fields project to allow that project to be completed in full and to ensure we satisfy the grant conditions.

This proposal is included in the recommendations.

The one other concern is that the Wollongbar Sports Fields project has limited contingencies and there are reports that contract variations may impact on the budget. Updates on this will be provided when available.

- *Wollongbar Skate Park - $350,000*

Council's Manager Open Spaces has concerns that the $350,000 allocated for this project is inadequate. This relates mainly to the condition of the preferred site and the likely need for other works to fully complete the project (i.e. landscaping, noise attenuation etc). The $350,000 may be purely adequate for the skate park however a preferred allocation is closer to $500,000.

Options for funding this additional amount are examined later in this report.

- *NSW Boating Now Plan*

Council has previously confirmed a funding strategy for these projects as per the following table.

4.11 Community Infrastructure - Non-recurrent Projects and Funding

Table One – NSW Boating Now – Funding Strategy ($)

Project Description	Total	Council	2014/15	2015/16	2016/17	2017/18
Trawler Harbour – Plan	80,000	40,000	40,000			
Keith Hall - Ramp / Pontoon	300,000	75,000			75,000	
East Wardell - Pontoon	100,000	50,000		50,000		
Captain Cook – Wharf / Pontoon	300,000	50,000		50,000		
Fishery Creek – Pontoon	100,000	50,000		50,000		
Faulks Reserve – Pontoon	175,000	75,000		75,000		
Emigrant Creek - Access	40,000	0				
Lennox Head - Ramp	150,000	75,000			75,000	
Brunswick St – Ramp	200,000	75,000				75,000
Total Expenditure	**1,445,000**	**490,000**	**40,000**	**225,000**	**150,000**	**75,000**
Council Funding Sources						
Quarry Reserve			40,000			
Footpaths Contribution				100,000	100,000	100,000
Wardell Town Ctre Reserve				50,000		
Ballina RSL Club Cont				50,000		
Comm Infra Reserve Cont				25,000		
Property Dev Reserve Cont					50,000	(25,000)
Total Revenue			**40,000**	**225,000**	**150,000**	**75,000**

Tenders have recently closed for the design and project management for all of these projects.

The delivery of the projects may not comply exactly with the timeframe as per this funding strategy, due to consent and design issues, but importantly the preferred funding sources have been confirmed.

The one concern with the funding sources is the $50,000 from the Ballina RSL Club, which was to help fund the Captain Cook Park wharf / pontoon. The payment of a total of $60,000 in funds to Council is a development consent condition relating to the RSL Club's installation of a boardwalk on the southern side of the Club and the provision of an emergency access easement at the eastern end of Captain Cook Park.

The advice now is that we can only call up this $60,000 (or $50,000 for the Captain Cook Park project) for works in the easement area within the park and we must also have completed the works. To allow the funds to be allocated to the wharf / pontoon we would need to amend the development consent subject to the RSL and the Crown agreeing.

The RSL also pays an annual rental income, which is understood to be around $20,000 per annum, directly to the Crown for their easement.

Council is in the process of writing to the Crown seeking the rental monies to be returned to Council for expenditure on Captain Cook Park, as Council is now the Reserve Trust Manager for this park.

Two issues arise from this discussion on the RSL Club contribution:

a) The $50,000 contribution from the RSL may have to be replaced as a funding source for the Captain Cook wharf / pontoon. Options for funding this additional amount are examined later in this report.

b) We should undertake landscaping works on the RSL eastern easement sooner than later as the $60,000 contribution from the RSL is not being indexed, and is losing value in real terms. This matter is discussed later in this report on the commentary for Captain Cook Park.

- *Lake Ainsworth – South Eastern Precinct*

Reports to Council have identified the following major components for this project:

Table Two – Lake Ainsworth Precinct Estimates

Description	Amount($)	Status	Funded
Construction Works			
Ross Street Road Works	286,000	Largely complete	Yes
Pacific Parade Transition Area	50,000	Concept and detail design being finalised	Yes
Eastern Road (Stage 1 – Road closure related works with offset car parking)	587,000	Car park complete and detail design being finalised for balance	Yes
Eastern Road (Stage 2 – Landscaping and access – preferred environmental option)	350,000	Concept and detail design being finalised	Yes
Lake Ainsworth Southern Foreshore (Road works /Drainage/Car Parking/Landscaping)	896,000	Concept design being finalised	No
Camp Drewe Road (Ross St to Unsealed Section through Caravan Park)	257,000	Unfunded and unclear still a priority	No
Camp Drewe (unsealed section to Sport and Rec)	714,000	Unfunded and not a priority for Council	No
Disabled access, BBQ's Picnic Shelters, etc	97,000		
Design/Development	**0**		
Lake Ainsworth Precinct - Stage 2 (DA/Approvals)	50,000	Awaiting detail design	Yes
New Surf Club Development - Stage 2 (DA/Approvals)	100,000	Underway	Yes
Total	**3,387,000**		
Funding Available			
Council Reserve – Ross Street Land Sale	1,350,000		
Public Reserve Management Fund Grant	136,400		
Total	**1,486,400**		

The monies available have already been allocated to the items listed in this table as being funded and even though that funding figure totals $1,520,000, which is slightly above the $1,486,400 budget, no change to the budget or works program is recommended as detail designs are still being finalised.

The three items not listed as funded are the Camp Drewe Road works ($257,000 and $714,000) and the southern foreshore works ($896,000).

In respect to the road through the caravan park (Camp Drewe $257,000) it is unclear whether Council still wishes to pursue this, as the latest resolution related to the provision of a western road around the caravan park.

There is virtually no chance that the Crown will ever fund that western road as it is not a priority for the Crown, so Council will need to revisit this matter at some point.

As to sealing the balance of Camp Drewe Road ($714,000), this cannot be justified from a Council expenditure perspective, due to the low traffic counts.

The one item that is considered a priority is the $896,000 for the southern foreshore works.

Options for funding this amount are examined later in this report.

- *Missingham Park – Finalisation of works – Approximately $150,000*

The remaining works relate to completing complete the site plan as developed by Sheryn Da-Re Designs and endorsed by Council. A copy of that plan is included as attachment two. The works still to be completed include:

- complete car parking on eastern side with appropriate surface
- complete blisters and plantings
- furniture and picnic tables

Feedback from the Ballina Major Regional Centre Strategy is that the community is generally satisfied with the overall level of community infrastructure and the priority now is to embellish and improve our public areas.

The completion of this project would achieve that outcome and funding options are discussed later in this report.

- *Shaws Bay Coastal Zone Management Plan*

Council's LTPF includes a financial plan for the implementation of this plan. That plan relies, in part, on grants from State Government agencies such as the Office of Environment and Heritage and Crown Lands.

At this stage no change to the current financial plan is recommended, albeit that if we are unsuccessful with grants we may need to top up the funding with our own revenue.

- *Skennars Head Sports Field Expansion – Approximately $1.3m*

The preferred design for this expansion and a cost estimate was completed in 2011. There is an existing deficiency in sports fields for the Lennox Head / Skennars Head precinct based on the current population, so this project remains a high priority.

This project is also in the Section 94 Open Spaces Plan and Council has a statutory responsibility to complete the works. The estimate of $1.3m reflects a contemporary allowance. Funding options are discussed later in this report.

- *Lennox Head Surf Club – Approximately $4m to $5m*

Council has an allocation of $100,000 from the Lake Ainsworth redevelopment budget ($1.35m Council plus approximately $136,400 from the State Government Public Reserve Management Fund) to confirm the designs and approvals for this project. That work is currently underway.

Once approvals are obtained the priority will to be to obtain significant grant funding. No funding for capital construction is currently included in the LTFP due to the very early stage of this project.

- *Ballina Indoor Sports Centre – anywhere from $6m to $20m*

The Ballina High School combined stadium proposal has merit and it is appropriate to examine funding options as part of this report.

Very early indications are that we will be looking at a contribution of around $8m to deliver this project. Dependent on the final agreement these monies may not be payable until 2018/19 or 2019/20.

In looking at funding options Council is not in a position to finance this expenditure from loans, as the loan repayments would impact significantly on our recurrent budget.

This means grant funds and internal reserves are the more realistic sources.

In recent times there has been significant discussion about the Landfill and Resource Management (LRM) Reserve generating surplus funds and Council will, at some point, need to make a decision to commit to transferring funds from this reserve to finance this project, as it does represent the most likely funding source.

A possible funding strategy from the LRM reserve could be as follows.

Table Three – Ballina Sports Stadium Funding Strategy ($)

Year	**2016/17**	**2017/18**	**2018/19**	**2019/20**
LRM Dividend	1,000,000	1,000,000	1,500,000	1,500,000
Grant	3,000,000			
Total	**8,000,000**			

The assumption in Table Three is that, at some point in time, we will receive grants totaling $3m for this project.

If those grants are not secured, it will be necessary to increase the Council funding, from sources currently not identified.

The impacts these dividends have on the LRM reserve are discussed later in this report.

- *Ballina Town Entry Treatments – Under $1m needed to finish treatment master plan*

Council has adopted a Master Plan, which includes seven distinct projects, as per the following table.

Table Four - Ballina Town Entry Treatment Master Plan – Stages ($)

No.	Project	Original Estimate	Status
1	Landscaping of median strip between the roundabouts at Quays Drive and Barlows Road/Keppel Street.	322,000	
2	Installation of tree planting blisters and tree planting along each side of River Street between Burns Point Ferry Road and Barlows Road/Keppel Street.	224,000	
3	Installation of tree planting blisters and tree planting along each side of River Street between Barlows Road/Keppel Street and Boatharbour Road.	97,000	
4	Installation of tree planting blisters and tree planting along each side of River Street between the Canal Bridge and Kerr Street.	95,000	Complete
5	Installation of tree planting blisters and tree planting along each side of Kerr Street between River Street and Fox Street.	140,000	
6	Installation of tree planting blisters and tree planting along each side of Tamarind Drive between the Canal Bridge and Southern Cross Drive. Landscaping/tree planting on the corner of Kerr Street and Tamarind Drive	18,000	Funded
7	Roadside planting of trees on Tamarind Drive between Southern Cross Drive and Bicentennial Gardens.	16,000	Funded

Council allocated $140,000 for Stages 4, 6 and 7 in the 2013/14 financial year and Council staff are still to finalise the Tamarind Drive component (items six and seven).

Those works are expected to be completed this financial year.

Based on current costs it is estimated that Council needs around $850,000 to finalise this project.

No readily available funding source has been identified for this project and options are discussed later in this report.

- *Lennox Head Main Street Upgrade – Dependent on agreed works program*

A master plan is in the process of being developed and until that project is finalised the estimates for this work remain uncertain.

- *Captain Cook Park Master Plan – up to $3m*

The various items identified in the plan are summarised as follows.

Table Five – Captain Cook Master Plan – Stages ($)

Reference	Project	Estimate
1	Laneway and Car Park – one way access	750,000
2	Public Art / Monument	50,000
3	Improved Pedestrian Entry - River Street	200,000
4	RSL Edge Landscaping	150,000
5	Open Park Land – Paths, planting, furniture	200,000
6	Wharf and Pontoon	350,000
7	Water Play Area – Drainage, equipment, plantings etc	500,000
8	Picnic Shelter – BBQs, Structures	150,000
9	Public Toilets	300,000
10	Jetty	350,000
11	Landscape between activity zone and Fawcett Park	150,000
	Total	**3,150,000**

A copy of the adopted master plan is included as attachment three.

Item 6 has been jointly funded by Council and the NSW Boating Now Program and it should be installed this calendar year.

It is then a matter of Council allocating funds for the remaining works.

Feedback from staff on the preferred stages for implementation of the master plan is as follows.

Table Six – Captain Cook Master Plan – Staged Implementation ($)

Item	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Laneway and Car Park – one way access		750,000			
Public Art / Monument					50,000
Improved Pedestrian Entry - River Street		200,000			
RSL Edge Landscaping	150,000				
Open Park Land – Paths etc				200,000	
Public Wharf and Pontoon (Boating Now)	350,000				
Water Play Area – Drainage etc					500,000
Picnic Shelter – BBQs, Structures				150,000	
Public Toilets					300,000
Jetty			350,000		
Landscape - Activity Zone / Fawcett Park			150,000		
Totals	**500,000**	**750,000**	**700,000**	**350,000**	**850,000**

With the wharf and pontoon being part of the NSW Boating Now Plan it is a realistic option to look at financing the RSL edge landscaping in 2016/17, particularly when the RSL has $60,000 in funds to allocate to the project.

Funding options for this item are discussed later in this report.

- *Pop Denison Park – Up to $2m required to implement master plan.*

This master plan includes works totaling approximately $2m as per the following table.

Table Seven – Pop Denison Master Plan

Stage Number, Timing and Description	Estimate ($)
Stage One – 2015 to 2018	
Toilet block (with provision for kiosk and storage facility)	100,000
Foreshore path	70,000
Extend road	25,000
Install new southern car park	84,000
Shelter to existing petanque piste with seating	6,000
Sub-total Stage 1	**285,000**
Stage Two – 2018 to 2023	
Install new northern car park	70,000
Remove two existing southern carparks and regrass	15,000
Central spine path 200m long x 2m wide	36,000
Junior Playground with softfall	210,000
Senior Playground with softfall	250,000
Shade structures to senior and junior playground areas	90,000
New picnic shelters	50,000
New picnic settings	24,000

Stage Number, Timing and Description	Estimate ($)
Stage One – 2015 to 2018	
Toilet block (with provision for kiosk and storage facility)	100,000
Foreshore path	70,000
Extend road	25,000
Install new southern car park	84,000
Shelter to existing petanque piste with seating	6,000
New seating	15,000
New water bubblers or taps plus provision of water	10,000
New bins	6,000
New bike racks	4,000
new BBQs + provision of electricity	22,000
New tree planting	30,000
Sub-total Stage 2	**832,000**
Stage Three – Timing 2023 to 2028	
New picnic shelters	40,000
New picnic settings	20,000
New bins	6,000
Curved eastern path	55,000
New seating	15,000
Boardwalk to ecological protection zone	96,000
Interpretive signage	8,000
Information sign at foreshore area	1,000
Park entry signs	6,000
New petanque piste with shelter and seating	20,000
Establish defined bush trails and revegetate disused trails	25,000
Car parking along Fenwick Drive	95,000
Bollards along Fenwick Drive	12,000
Path along Fenwick Drive frontage	40,000
Childrens cycle path	23,000
exercise stations along foreshore path	18,000
Structure at end of central path with seating	15,000
Public art projects to park	100,000
Weed removal program to bushland	35,000
Sub-total Stage 3	**630,000**

Council's Open Spaces Section 94 Plan has this project listed in the works program with the project 100% funded from Ballina district park developer contributions. This means the works can be rolled out as the contributions are collected.

The actual collection rate for the Ballina district park contributions is relatively slow with the monies held being approximately $350,000, as at 30 June 2015. This represents an average collection rate of around $50,000 per annum.

The monies held do allow a substantial works to be completed and also allows Council to leverage for grant monies.

It is recommended that Council include $350,000, based on the current balance, for master plan works at Pop Denison in the 2016/17 LTFP.

- *Airport Boulevard – Estimate of approximately $7m to complete this project.*

Council has resolved to apply for National Stronger Regions grant funding for this project. If successful we will have a liability of $3m to $4m to build the road.

There are no immediate solutions to allocate these funds and this remains a major concern from a financial planning perspective.

- *Section 94 Roads Plan*

This plan breaks the works program into three distinct time periods (2011-2019, 2019-2028 and 2028-2036). Major works required to be completed for the period 2011 to 2019 are as per the following table.

Table Eight – Section 94 Roads Plan – Works Program 2011 to 2019 ($'000)

Ref. No.	Description	Total Cost	Council Liability	Status
6	River Street Fisheries Ck Bridge to Tweed St - Four Laning	3,886	1,959	
7	Tamarind Dr, North Creek Rd to Kerr St - Four Laning	7,166	102	
9	River St, Upgrade Fisheries Creek Bridge - Four Lane	5,344	2,694	
10	Tamarind Dr, Duplication of North Creek Canal Bridge - Separate Two Lanes	4,008	57	
11	River St, Fisheries Ck Bridge to Sthn Interchange of Bypass - Four Laning	9,583	2,506	
11	Other River Street Improvements (land	134	35	
12-14	Hutley Drive Extension	15,303	0	
28a	River Street / Cherry Street Roundabout	1,166	350	Complete
28b	River Street / Moon Street Roundabout	1,166	350	Complete
29	Tamar Street / Cherry Street Roundabout	644	193	Complete
31,33	Ballina Heights Drive	4,858	1,457	Complete
34	Cumbalum - Interchange, eastern roundabout	3,460	1,038	Complete

Items 6, 9 and 11 represent major liabilities for Council within the next four years and one objective will be to try and secure grant funds to help finance our liability.

The actual timing of the works is also dependent on Section 94 contribution collection rates, as projects such as Hutley Drive require a huge investment from developer contributions.

Part of the strategy for undertaking projects such as Hutley Drive is to allow developers to undertake the works, as the work may be essential to their development proceeding. Council can then provide credits to the developers for the value of the work undertaken, which then means the developers don't need to pay the contributions to Council.

An example of this occurring is with the current extension of Hutley Drive to the new sports fields at Pacific Pines, with the developers of the Estate undertaking that work. By doing this the developers are eligible for credits on the Section 94 development contributions for roads, where those contributions would normally be payable to Council.

The extension of Hutley Drive to the north and its connection to North Creek Road will be the highest priority for this overall works program and negotiations are on-going with the owner of that land parcel to acquire the road corridor.

Council currently holds around $2.5m in developer contributions for roads and with the Hutley Drive north works estimated to cost around $4m the shortfall will either need to be funded by Council, or provided by the developers, similar to what is currently occurring with the southern extension.

For the purposes of the LTFP, Hutley Drive is included, with the expenditure fully funded from developer contributions. The actual timing of the works will depend on the rate of development and the collection of developer contributions.

In respect to the remaining works, which relate to the four laning of Tamarind Drive and River Street, as these works are scheduled within the next four years, and as there is a significant Council liability, the recommendation is to include Council funding in the LTFP.

At this point in time the proposal is to have these works loan funded as there are other loan repayments for roads that cease in 2019/20. This results in a reduction in repayments of approximately $400,000. The repayments for the new loan will be approximately $600,000 based on a 15 year term.

If we are successful, over time, in securing grants for these works, the required loan funds can be reduced.

With loan repayments for roads, the net general fund revenue contribution to road capital expenditure is either increased or decreased dependent on the amount of the loan repayments each year. This then ensures that the overall Council revenue funded expenditure on roads (including loan repayments) remains constant, subject to annual indexing.

- *9 Commercial Road Alstonville - $180,000*

Another project that Council needs to keep in mind is the construction of car parking at 9 Commercial Road, Alstonville. Council purchased this commercially zoned residential property a number of years ago to provide additional car parking in the Alstonville town centre.

The cost of the acquisition of the property and the future construction of the car parks is included in the Section 94 Car Parking Plan for Alstonville. This means the costs of this work (acquisition and construction) will be reimbursed to Council over time, as development occurs in the town centre.

However to date no section 94 car parking contributions have been collected due to no relevant development taking place.

This property has recently become vacant and now needs maintenance works to bring it to occupation standards. Those works are estimated at $46,000 for items such as removing the carpet, polishing floors, removing wallpaper and full internal and external painting and removing a large tree growing into the rear of house.

Anticipated rental for this three bedroom property is $380 per week or just under $20,000 per annum. The property is zoned commercial and Council could spend the $46,000 on renovating etc and then advertise as offices etc but the rents at the moment are fairly similar. Also the advice from agents is that a residential tenancy is more likely.

With the property vacant and with $46,000 to be spent on the property, this raises the question arises as to whether Council should undertake the car park construction works, which are estimated at around $180,000 including removal of the house. This would improve the overall service level for car parking in Alstonville.

The merits of this option are discussed in the next section of this report.

Funding Strategies

As touched on in the introduction to this report Council does not have recurrent funding readily available for many of these projects. This means where funding is not readily available we need to examine other options such as reserves, land sales, grants, loans etc.

Additional loans are normally not an option unless revenues to offset the loan repayments are identified. Grants are sought wherever possible and Council land sales are ongoing with the property program paying constant dividends to the Community infrastructure Reserve.

This effectively means the main options left are the Landfill and Resource Management (LRM) Reserve and the Community Infrastructure Reserve. The forecast balances for the LRM reserve, as outlined in the earlier report in this agenda are as follows.

Table Nine - LRM Long Term Financial Plan ($'000)

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 Revenue	3,959	3,702	3,796	3,916	4,043	4,119	4,196	4,272	4,348	4,436
Operating Expense	3,057	2,942	2,861	2,903	2,956	3,008	3,062	3,117	3,175	3,232
Operating Result	**902**	**760**	**935**	**1,013**	**1,087**	**1,112**	**1,134**	**1,155**	**1,173**	**1,204**
Add Back Deprec	1,306	1,308	1,264	1,289	1,315	1,342	1,369	1,396	1,424	1,453
Cash Surplus	**2,208**	**2,068**	**2,199**	**2,302**	**2,402**	**2,453**	**2,503**	**2,551**	**2,597**	**2,657**
Capital Income	0	0	0	0	0	0	0	0	0	0
Loan Principal	1,206	1,112	194	0	0	0	0	0	0	0
Capital Expenditure	467	105	109	113	118	123	128	133	2,638	144
Dividend	0	(0)	(0)	(0)	2,500	2,600	2,704	2,813	4,626	3,810
Reserve M'ment	**536**	**852**	**1,896**	**2,189**	**(216)**	**(270)**	**(329)**	**(395)**	**(4,667)**	**(1,297)**
Total Reserves	**4,099**	**4,951**	**6,847**	**9,036**	**8,820**	**8,550**	**8,220**	**7,825**	**3,158**	**1,861**

This forecast does not include the air-conditioning dividend outlined in the earlier report in this agenda, or the contribution to the Ballina Indoor Sports Stadium proposed earlier in this report.

Ideally Council should be aiming to maintain around $2m to $4m, and possibly more, in this reserve to respond to unplanned activities such as the introduction of waste levies in Queensland that may result in Council needing to recommence landfilling.

If Council supports the administration centre air-conditioning / roof and the indoor sports contributions the dividends that were proposed in the original reserve balances model, as per Table Nine, would need to be amended as per the following table.

Table 10 - LRM Revised Dividends and Reserve Balances ($'000)

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
Original Reserve Balance	**4,099**	**4,951**	**6,847**	**9,036**	**8,820**	**8,550**	**8,220**	**7,825**	**3,158**	**1,861**
Less Air-conditioning Contribution	0	200	200	0	0	0	0	0	0	0
Less Ballina Indoor Sports Contribution	0	1,000	1,000	1,500	1,500	0	0	0	0	0
Delete Original Dividend	0	0	0	0	2,500	2,600	2,704	2,813	4,626	3,810
Add Revised Dividend					1,000	1,500	3,000	2,200	2,400	2,500
Revised Reserve Balances	**4,099**	**3,751**	**4,447**	**5,136**	**4,919**	**5,750**	**5,124**	**5,342**	**2,901**	**2,914**
Total Dividend from LRM	**0**	**1,200**	**1,200**	**1,500**	**2,500**	**1,500**	**3,000**	**2,200**	**2,400**	**2,500**

The dividends from 2016/17 to 2019/20 focus on the administration centre and sports stadium, whereas the remaining dividends for 2019/20 onwards should focus on asset renewal projects, to ensure Council is meeting its Fit for the Future asset renewal obligations.

With Council taking such large dividends from this reserve there is a reluctance to allocate funds to other discretionary projects, other than the air conditioning and sports centre.

Based on this is recommended that Council endorse the allocation of the LRM reserves as per this proposal. We need to start putting funds aside for the indoor sports centre and the recommendations take the first step in that direction.

This then leaves the Community Infrastructure Reserve as the other funding option.

The current forecast for that reserve is as follows.

Table 11 - Community Infrastructure Reserve – Current Forecasts ($)

Item	2015/16	2016/17	2017/18	2018/19	2019/20
Opening Balance	**1,778,800**	**631,100**	**690,700**	**1,112,200**	**1,230,300**
Cash Inflows					
Interest Earned on Reserve	41,000	16,000	17,000	28,000	31,000
Rental 89 Tamar Street (net)	634,300	640,400	640,000	638,300	647,200
Rental ARC (net)	125,000	120,800	122,600	124,400	126,200
Rental Fawcett Park Café (net)	40,800	40,000	40,600	41,400	42,200
Dividend - Property Dev Reserve	455,000	0	0	0	0
Section 94 Recoupments	106,000	110,000	113,000	116,000	119,000
Sub Total Inflows	**1,402,100**	**927,200**	**933,200**	**948,100**	**965,600**

4.11 Community Infrastructure - Non-recurrent Projects and Funding

Item	2015/16	2016/17	2017/18	2018/19	2019/20
Cash Outflows					
Coastal Shared Path - Stage 4	850,000	0	0	0	0
Marine Rescue Centre	200,000	0	0	0	0
Rescue Centre (Contingency)	625,500	0	0	0	0
Regional Sports Centre	272,600	0	0	0	0
Shaws Bay CZMP	0	75,000	104,000	0	0
Wollongbar Skate Park	10,000	340,000	0	0	0
Faulks Reserve, Pontoon	25,000	0	0	0	0
Keith Hall, Ramp	0	50,000	0	0	0
Community Infrastructure Projects	0	0	0	500,000	1,000,000
Loan P & I - Comm Buildings	29,600	29,600	29,600	29,600	28,100
Loan P & I - Town Centre	537,100	373,000	378,100	300,400	289,500
Sub Total Outflows	**2,549,800**	**867,600**	**511,700**	**830,000**	**1,317,600**
Closing Balance	**631,100**	**690,700**	**1,112,200**	**1,230,300**	**878,300**

Comments on this cash flow are:

a) Section 94 recoupments – The forecast figures are very conservative considering that the average figure for recoupments for the last four years is $663,000. The lowest figure for those four years is $447,000.

   As Section 94 contribution collections are extremely variable one still reasonably conservative approach could be to apply the lowest contribution collection figure in recent years (say $447,000 rounded to $450,000) to the future years. On this basis the revised closing balances would be as follows, which increases the funding available for projects.

Table 12 - Community Infrastructure Reserve – Revised Balances ($)

Item	2015/16	2016/17	2017/18	2018/19	2019/20
Revised Closing Balance (1)	631,100	1,030,700	1,798,200	2,267,300	2,272,300

(1) The interest accrued each year has also been adjusted to reflect the revised balances.

b) Community Infrastructure Projects – The figures of $500,000 and $1,000,000 in 2018/19 and 2019/19 are nominal allowances for expenditure on community infrastructure projects, with those projects still to be determined by Council.

c) Loan P & I – Town Centre – This represents the loan principal and interest repayments for the existing Ballina town centre works.

   As mentioned earlier in this report the preference is to complete the Grant to Moon Street section of River Street in 2018/19, with that work funded by loans and the repayments financed from this reserve.

   If that approach is followed there would be new loan repayments in 2019/20 of approximately $300,000 per annum and these figures include that proposal.

Also Table 11 does not include the allocation of monies to the administration centre air conditioning and roof as outlined in an earlier report in this agenda. This represents a payment of $83,500 in 2016/17 and 2017/18, if supported by Council.

It is essential that Council retains a reasonable balance in the Community Infrastructure Reserve as this reserve often assists with balancing over expenditures in projects or sourcing funds that may be needed urgently to match grant funds.

If Council endorsed an approach of retaining a reserve balance of $500,000, allowing for Section 94 recoupments of $450,000, recognising the additional River Street loan repayments in 2019/20 and including the air-conditioning allowance, the monies available over the next four years for community infrastructure projects would be as follows.

Table 13 - Community Infrastructure Reserve – Revised Dividends ($)

Item	2015/16	2016/17	2017/18	2018/19	2019/20
Revised Dividend	No change	447,200	671,000	937,100	961,000
Closing Balance (1)	1,778,800	500,000	500,000	500,000	500,000

(1) These figures include an adjusted interest accrued calculation in the forecasts based on revised closing balances each year.

In reviewing the various projects listed earlier in the report, the preference is to complete projects already commenced or where there is an existing deficiency in service levels.

Based on these criteria the eligible projects and funding required are:

- Wollongbar Skate Park - $150,000 increase to existing budget
- NSW Boating Now Plan - $50,000 needed to offset RSL contribution
- Lake Ainsworth – approximately $900,000 needed to complete southern foreshore
- Missingham Park - $150,000 to finish plan
- Skennars Head Sports Fields - $1.3m
- Ballina Town Entry Treatments - Under $1m needed to finish treatment master plan

Other projects that have not yet been identified for funding and that are of a size and scale that could possibly be sourced from the Community Infrastructure monies are:

- Captain Cook Master Plan – Completion of RSL edge landscaping at an estimated cost of $150,000 with $60,000 to be sourced from the RSL/
- 9 Commercial Road – Provision of car parking at a cost of $180,000.

The next table provides one mix of projects that could be funded from the dividends proposed from the Community Infrastructure Reserve.

Table 14 - Community Infrastructure Reserve Dividend Allocation ($)

Item	2016/17	2017/18	2018/19	2019/20
Forecast Dividend	447,200	671,000	937,100	961,000
Allocations				
Wollongbar Skate Park	150,000	0	0	0
Missingham Car Park	150,000	0	0	0
Ballina Town Entry Treatment				
Landscaping of median strip between the roundabouts at Quays Drive and Barlows Road/Keppel Street.	0	322,000	0	0

4.11 Community Infrastructure - Non-recurrent Projects and Funding

Item	2016/17	2017/18	2018/19	2019/20
Installation of tree planting blisters and tree planting along each side of River Street between Burns Point Ferry Road and Barlows Road/Keppel Street.	0	224,000	0	0
Installation of tree planting blisters and tree planting along each side of River Street between Barlows Road/Keppel Street and Boatharbour Road.	0	97,000	0	0
Installation of tree planting blisters and tree planting along each side of Kerr Street between River Street and Fox Street.	0	0	140,000	0
Captain Cook Master Plan				
Wharf and Pontoon NSW Boating Now	50,000	0	0	0
RSL Edge Landscaping	90,000	0	0	0
Laneway and Car Park – one way access	0	0	750,000	0
Improved Pedestrian Entry - River Street	0	0		200,000
Jetty (assumes 50% funding from NSW Boating Now)	0	0	0	150,000
Landscape - Activity Zone / Fawcett Park	0	0	0	150,000
Picnic Shelter – BBQs, Structures	0	0	0	150,000
Public Art / Monument	0	0	0	50,000
Open Park Land – Paths etc	0	0	0	200,000
Sub Total	**440,000**	**643,000**	**950,000**	**900,000**
Funds unallocated or over allocated	7,200	28,000	(40,000)	61,000

The annual budgets for the projects listed have not been indexed at this stage to simplify this modelling.

From a budgeting perspective the regular transfers to and from the Community Infrastructure are fairly constant as they relate mainly to long term leases. The major variables are the Section 94 recoupments and the funds expended on community infrastructure. This means this type of forecast does provide a fair degree of certainty.

If this approach was followed it would leave the following two items for the Captain Cook Master Plan as unfunded, as per the projects listed in Table Six.

Table 15 – Captain Cook Master Plan Projects Unfunded ($)

Item	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Public Toilets					300,000
Water Play Area – Drainage etc					500,000

The public toilets could possibly be funded from the Council's public toilet improvement program, with assistance from other budgets. As to the water play area, with Council expending millions of dollars on the Ballina and Alstonville swimming pools, it is considered to be a lower priority beyond the four year term of this draft Operational Plan and Delivery Program for 2016/17 to 2019/20.

In summary it recommended that Council endorse the Community Infrastructure Reserve dividend allocation as per Table 15 for inclusion in the LTFP, with the proviso that the program will need to be carefully monitored dependent on the level of Section 94 contributions recouped each year.

The works program may be able to be increased if a higher level of funds is recouped and on the other hand works may need to be deferred if a lower level is recouped each year.

This then leaves the following projects with no funding strategy confirmed.

- Lake Ainsworth Southern Foreshore – Approximately $900,000 is needed to undertake the southern foreshore works. Council could rework the Community Infrastructure Reserve allocations to fund part, or all, of this work, but the magnitude of the funding means that it drains significantly on the reserve.

  To assist with funding one option could be to sell the road reserve within the Lake Ainsworth Caravan Park to finance part of the works and this funding, potentially matched with grants through the Crown Reserve Public Reserve Management Fund, and possibly a contribution from the Caravan Park operators and monies from Council could see a large part of this project delivered.

  It remains unclear on which direction Council now wishes to take in respect to the road reserve and the recommendation to this report only notes that no funding is recommended for this item. If Council wishes to provide some direction the recommendation will need to be amended.

- Skennars Head Sports Fields – This remains the major shortcoming in the LTFP as there is currently a sports fields deficiency in Lennox Head and with areas such as the Epic development (i.e. Pacific Pines) rapidly advancing this will create an even greater need for the fields. The estimate for this project is $1.3m which makes it difficult to find funding of this magnitude.

  As one strategy, with a Federal Government election scheduled for this year, it is recommended that Council lobby candidates for the seat of Richmond for funding for this project. It is a high value community project, shovel ready and if we can source 50% or more of the cost, other projects can be shuffled to allow this work to proceed. This is included in the recommendations for this report.

  Another alternative would be to have this project as the priority for any surplus funds accumulated in the Community Infrastructure Reserve, other than the Captain Cook master plan works. If this is the preferred priority Council could amend the current recommendations for this report.

- Lennox Head Surf Club – Council has funding set aside for the development consent. Once that consent is obtained Council will be in a position to seek grant funding. The pragmatic approach to funding this project is not to allocate funds at this stage, however if Council is able to obtain grant funds in the millions of dollars, we would then need to juggle other priorities to deliver on this facility. This project would also be identified as a State or Federal Government election priority.

- Lennox Head Main Street – With estimates still to be obtained for this project there is no information to include in the LTFP.

- 9 Commercial Road – Even though it would be beneficial to provide the additional car parking now, there is not an urgent demand for that parking and it may be more practical to lease the building. This option is included in the recommendations for this report. The funding for the refurbishment would be financed from the Property Development Reserve, which is the reserve that oversees Council's commercial holdings.

Public Reserve Management Fund (PRMF)

Council has recently received advice that the Crown Lands PRMF funding program will open shortly. This represents funding for projects on crown parks and reserves.

Typically there have been two rounds in this program each year, however for 2016/17 there will only be one. The exact time applications will open and close is unknown.

The PRMF media release states that *"successful applications to the PRMFP in recent years have ranged from $500 to $2,000,000*". It is also states that: *"Applications for low interest loans are strongly encouraged for amounts greater than $100,000".*

Council has been reluctant to apply for loans under this scheme as typically the interest rates are only marginally better than the rates we can obtain from organisations such as NSW Tcorp, and as with any loan we need a funding source for the repayments.

Successful Council applications in recent years have been for the Coastal Recreational Path (Angels Beach to Sharpes Beach), $100,000 and $200,000 and Lake Ainsworth $150,000 (GST included).

Council also secured $350,000 for the Marine Rescue Centre under this program, however this was more due to the influence of the local member at that time, Mr Don Page.

A number of possible projects have been identified for this program with the preferred list of projects as follows:

Table 16 – PRMF 2016/17 – Application Priorities ($)

Title	Application Estimate	Description
Capital Projects		
Angels Beach Viewing Platforms	50,000	Platforms in this location are requiring replacement
Shaws Bay CZMP – Sediment Erosion Control – South Arm	95,000	This reflects a priority in the CZMP. Council has funding of our own to help supplement any grant funds.
Shaws Bay CZMP – Dredging	95,000	As per the above item.
Pop Denison Master Plan	95,000	As per this report Council has funding of our own for this project to support any grant application. Any funds received can help to leverage Council's funding.
Captain Cook Master Plan	95,000	As above.
Lake Ainsworth – South Eastern Precinct	95,000	As above
Operational Projects		
Ballina Coastal Reserve – Bush regeneration	65,000	Projects of this nature are often supported through the PRMF.

Title	Application Estimate	Description
Lake Ainsworth – Water Quality	10,000	This funding would supplement Council's existing testing.

Other projects considered included:

- Coastal Reserve bitou bush control, particularly Lennox Headland precinct – Council has resolved for information on this proposal and the quotation for completing this program is approximately $600,000. Based on this magnitude of funding it was considered impractical to apply for PRMF funding.
- Coastal Walk – The projects listed are considered to be a higher priority based on current programs and adopted master plans.

The recommendations to this report seek Council's endorsement for the items listed. The actual funding applied for may be slightly different to the figures listed as they represent indicative figures only.

Legal / Resource / Financial Implications

The purpose of this report has been to highlight the financial demands facing Council for non-recurrent community infrastructure projects.

Consultation

The projects listed in this report reflect community aspirations for the Ballina Shire.

Options

The objective of this report is for Council to discuss forward funding programs for capital items of a non-recurrent nature. Council has numerous options to amend the priorities and projects listed and the entire purpose of this report is to encourage discussion and debate on the priorities.

The recommendations that follow represent the information outlined in the report.

RECOMMENDATIONS

1. That Council confirms that the section of the coastal recreation path from Skennars Head to Pat Morton is to be included in the draft 2016/17 Delivery Program and Operational Plan based on estimated funding of $900,000 from the RMS and $900,000 from Council.

2. That Council receive a report on options to construct segments of the coastal walk (from Sharpes Beach to Pat Morton) to improve accessibility along the existing walking track.

3. That Council include the reconstruction of the Moon Street to Grant Street segment of the River Street beautification program in 2018/19 in the Long Term Financial Plan, funded from loans, as existing loan repayments for the River Street beautification works decrease at that time.

4. That Council confirms the Ballina Marine Rescue Centre contingency funds, currently set aside in an internal reserve, are allocated firstly as a priority for any contingency for the Rescue Centre and secondly to allow the Wollongbar Sports Fields to be finalised.

5. That Council include $350,000 for the implementation of the Pop Denison master plan in the draft 2016/17 Delivery Program and Operational Plan with those works 100% funded from developer contributions.

6. That for the Section 94 Roads Contribution Plan, Council include in the Long Term Financial Plan loan funding for Council's contribution to the four laning of River Street and Tamarind Drive. The balance of the works program is to be funded from developer contributions.

7. That Council endorses the allocation of the Landfill and Resource Management Reserve funds, to the proposed Ballina Indoor Sports Stadium, as per Table 10 of this report, along with recognising the contribution required for the Administration Centre Air-conditioning and Roof replacement.

8. That Council endorses the inclusion of the program of works identified and funding sources for the Community Infrastructure Reserve, as per Table 14 of this report, for inclusion in the Long Term Financial Plan. In addition to this, if the estimated Section 94 recoupment monies are in excess of that forecast in Table 14, those monies are to be set aside to assist with financing the proposed one way lane and car park works as per the Captain Cook Master Plan.

9. That Council notes that no Council funds have been specifically allocated to the Lake Ainsworth southern foreshore works within this report.

10. That Council confirms that the expansion of the Skennars Head Sports Fields is a project that is to be pursued as one of the priority projects for funding from the candidates for the Federal seat of Richmond.

11. That Council approves the re-letting of 9 Commercial Road, Alstonville with the $46,000 in funding required for the refurbishment of the property to be financed from the Property Development Reserve.

12. That Council endorses grant applications to be submitted to the 2016/17 Public Reserve Management Fund as per Table 16 of this report, with the grant amounts listed in that table being indicative figures and subject to further refinement.

Attachment(s)

1. Coastal Recreational Path / Walk Concept Map
2. Missingham Park - Design 2 Plan
3. Captain Cook Master Plan - Extract

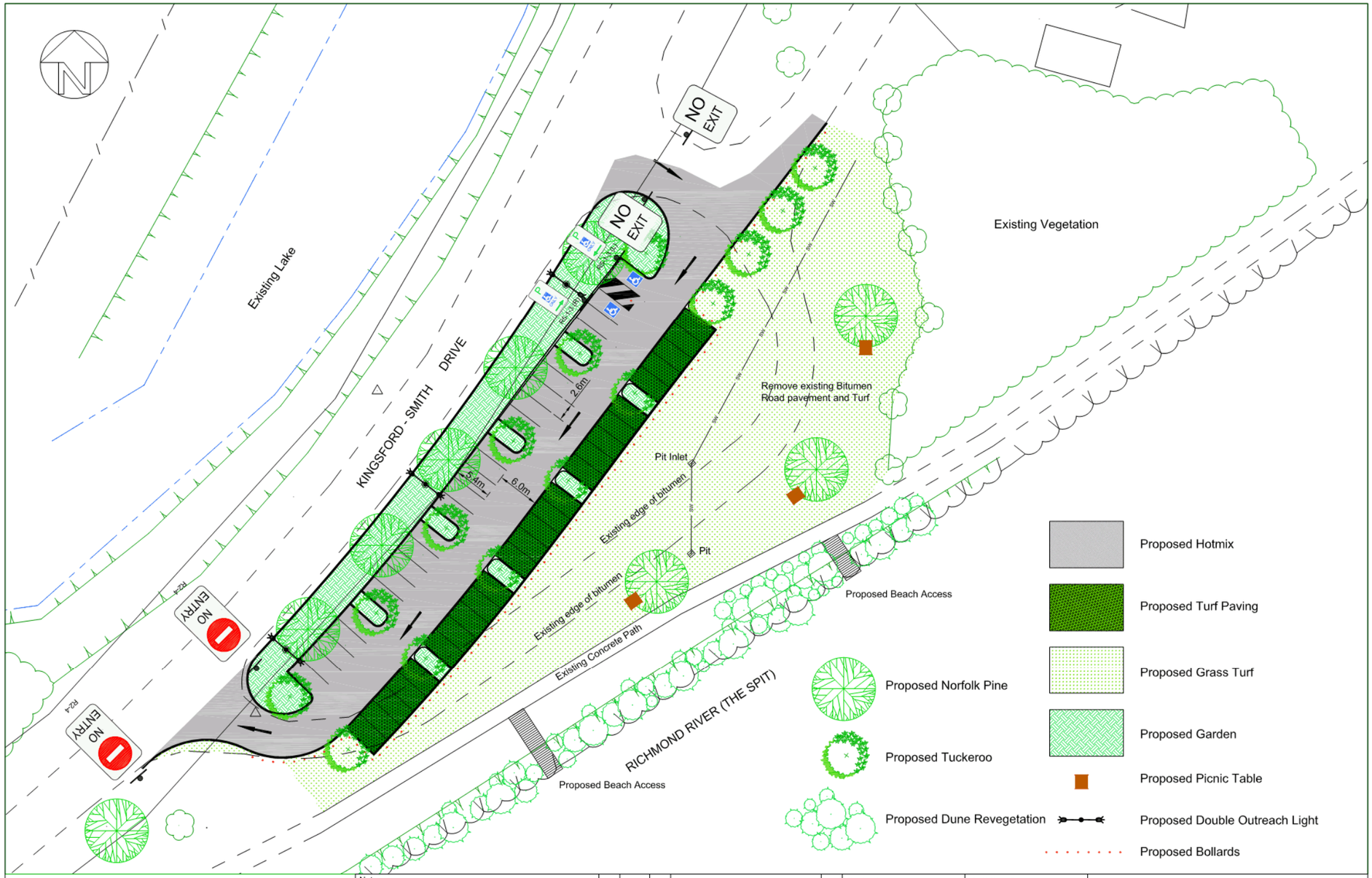
A shared path from the Angels Beach underpass to Flat Rock carpark and then through to the Sharpes Beach underpass. Red perforated – Subject to approval.

A coastal walk from the Sharpes Beach underpass, built to National Parks and Wildlife standards, largely along the existing walking track through Boulder Beach and up to Pat Morton carpark.

On road section (The Terrace)

A shared path from Skennars Head Road intersection north of The Coast Road to connect to the Pat Morton Lookout car park.

Existing shared path


N
NO EXIT
NO EXIT
Existing Lake
KINGSFORD - SMITH DRIVE
Existing Vegetation
Remove existing Bitumen Road pavement and Turf
2.6m
5.4m
6.0m
Pit Inlet
Existing edge of bitumen
Pit
Existing edge of bitumen
Existing Concrete Path
Proposed Beach Access
NO ENTRY
NO ENTRY
RICHMOND RIVER (THE SPIT)
Proposed Beach Access
Proposed Hotmix
Proposed Turf Paving
Proposed Grass Turf
Proposed Norfolk Pine
Proposed Garden
Proposed Tuckeroo
Proposed Picnic Table
Proposed Dune Revegetation
Proposed Double Outreach Light
Proposed Bollards
Notes:
SCALE (m)
0 5 10 15 20 25
No. Date By Change X'd
Amendments
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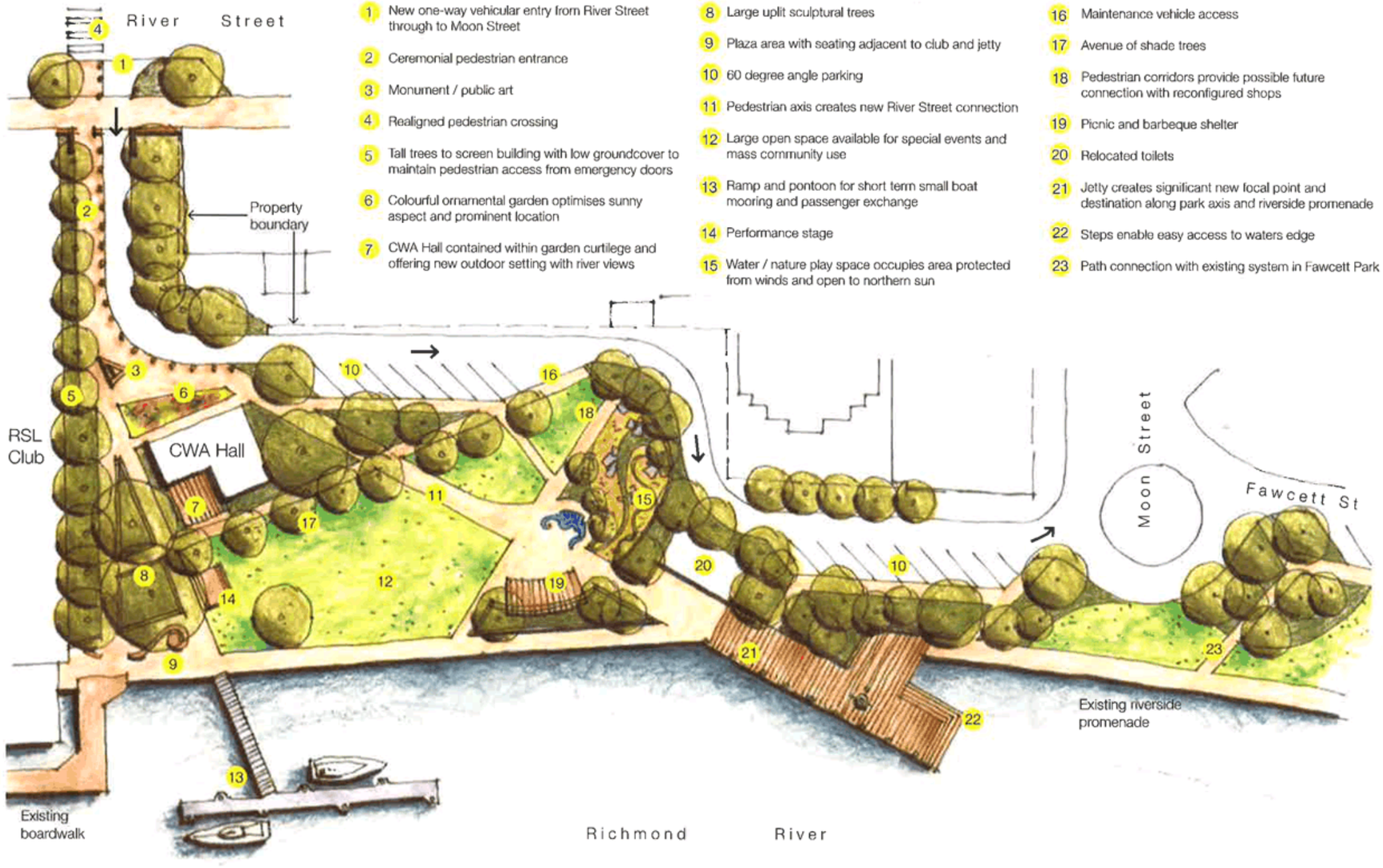
DESIGNED
DRAWN MNF
DATE FEB 2014
CHECKED
DATUM AHD
APPROVED
DRAWING Missingham Carpark.dwg
Sheet 2 Of 2
BALLINA SHIRE COUNCIL
PROPOSED CARPARK LAYOUT
MISSINGHAM PARK
KINGSFORD SMITH DRIVE
Scale 1:500
Plan No.
A3

5. LANDSCAPE MASTER PLAN

5



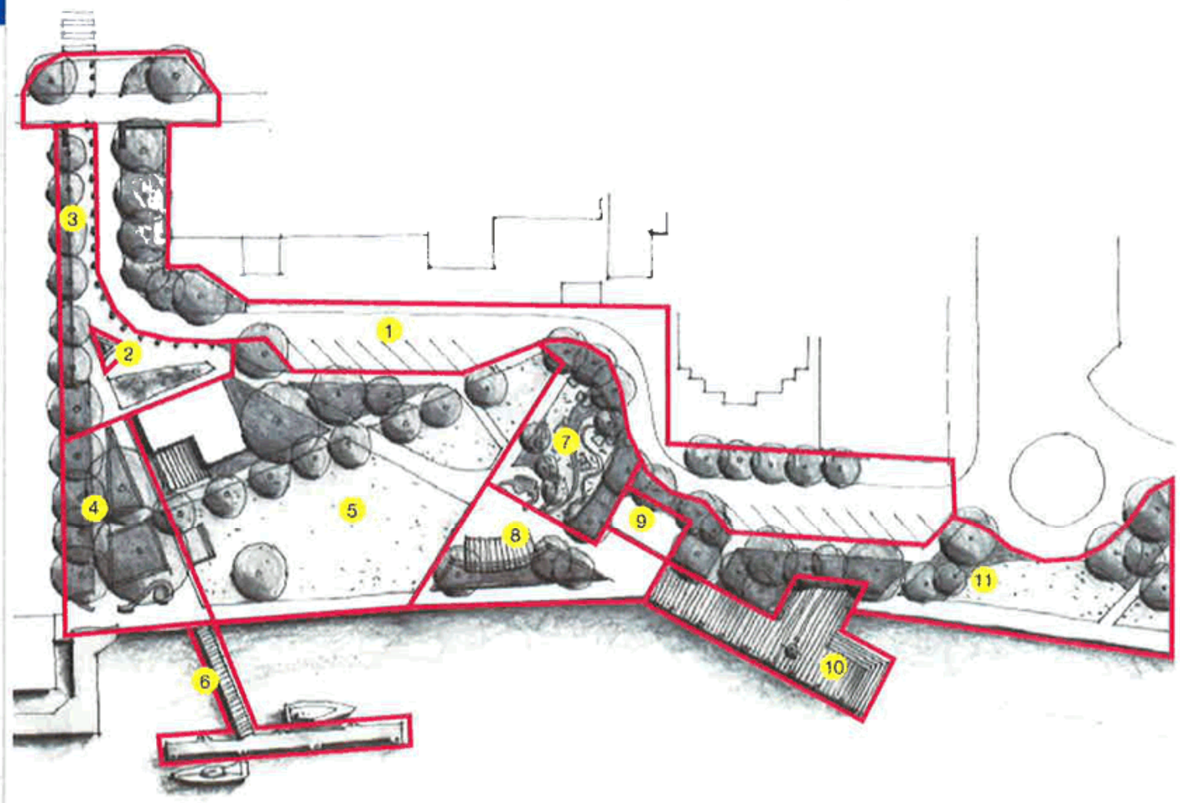
1. New one-way vehicular entry from River Street through to Moon Street
2. Ceremonial pedestrian entrance
3. Monument / public art
4. Realigned pedestrian crossing
5. Tall trees to screen building with low groundcover to maintain pedestrian access from emergency doors
6. Colourful ornamental garden optimises sunny aspect and prominent location
7. CWA Hall contained within garden curtilege and offering new outdoor setting with river views
8. Large uplit sculptural trees
9. Plaza area with seating adjacent to club and jetty
10. 60 degree angle parking
11. Pedestrian axis creates new River Street connection
12. Large open space available for special events and mass community use
13. Ramp and pontoon for short term small boat mooring and passenger exchange
14. Performance stage
15. Water / nature play space occupies area protected from winds and open to northern sun
16. Maintenance vehicle access
17. Avenue of shade trees
18. Pedestrian corridors provide possible future connection with reconfigured shops
19. Picnic and barbeque shelter
20. Relocated toilets
21. Jetty creates significant new focal point and destination along park axis and riverside promenade
22. Steps enable easy access to waters edge
23. Path connection with existing system in Fawcett Park

Captain Cook Memorial Park, Ballina LANDSCAPE MASTER PLAN
FEBRUARY 2014
Red Belly Landscape Architecture + Urban Design 6 Canale Drive Boambee NSW 2450 T 0428 517 665 www.redbellydesign.com.au Ref: 13010

redbelly

APPENDIX A: BROAD ESTIMATE OF COSTS

	ITEM	DETAIL	EST. COST
1	Laneway /carpark	New and reconstructed AC roadway, kerbs, ramps, drainage, signs, lights, bollards, planting, other services, fees	$500 - $750K
2	Monument	Artist, sculpture construction, footings, feature lighting	$20 - 50K
3	Pedestrian entry	Paving, planting, drainage, lighting, furniture, fees	$200K
4	RSL edge landscape	Paths, retaining walls, drainage, planting, uplighting, furniture, fees	$150K
5	Open parkland	Paths, planting, lighting, furniture, 3-phase power, performance stage, fees	$200K
6	Public wharf	Piles, decking, lighting, fees	$200 - $250K
7	Water play area	Drainage, retaining walls, hydraulics, fence, play equipment, natural play structures, sculptures, surface materials, planting, fees	$400 - $500K
8	Picnic Shelter	Structure, barbeques, furniture, paving, planting lighting, retaining walls, fees	$150K
9	Public toilets	Building installation, services, fees	$300K
10	Jetty	Piles, decking, steps, lighting, sculpture, fees	$200 - $350K
11	Landscape between activity zone and Fawcett Park	Seating walls, planting, drainage, feature and functional lighting, paving, furniture, signage, fees	$150K
TOTAL			**$2.47 - $3.05M**



Captain Cook Memorial Park, Ballina LANDSCAPE MASTER PLAN
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