



Notice of Finance Committee Meeting

A Finance Committee Meeting will be held in the Ballina Shire Council Chambers, 40 Cherry Street, Ballina on **Wednesday 10 April 2019 commencing at 4.00 pm.**

Business

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

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

Paul Hickey
General Manager

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

1. Apologies

2. Declarations of Interest

3. Deputations

4.1 Alstonville Bowls and Sports Club Ltd - Charges Adjustment

4. Committee Reports

4.1 Alstonville Bowls and Sports Club Ltd - Charges Adjustment

Delivery Program Financial Services

Objective To determine whether Council wishes to rebate water and wastewater access charges following a review of the required connection size.

Background

Alstonville Plateau Bowls and Sports Club Ltd (ABC) have been operating at their Deegan Drive Alstonville location for many years. The water connection and meter servicing the premises is a large 100mm service, which has also been in place for many years.

Water and wastewater access charges are based upon the size of the connection and for 2018/19 the 100mm charge is \$5,098.00 for water access and \$17,438.80 for wastewater access.

On 27 November 2018, representatives of the ABC met with the Mayor and Council staff to discuss several matters, including a request to review the rates and charges raised.

One item raised was that the 100mm meter size was well in excess of the requirements of the ABC and the ongoing access charges were having a significant impact on their finances.

A subsequent review of the water service requirements by Council identified that the ABC only requires a 32mm service to meet its needs, and that the tariff could be amended so that access charges would be raised based upon the 32mm size.

The charges for a 32mm connection are \$520.00 for water access and \$1,790.75 for wastewater access for 2018/19.

The access charges were adjusted for the quarter billed, being October to December 2018, resulting in a credit of \$5,067.26. Future charges will now be levied using the 32mm connection size.

A further meeting between ABC representatives and the Mayor and Council staff was held on 26 March 2019. In this meeting the ABC representatives requested that the charge refund be extended back for prior years, as the issue of meter sizing and charging had been raised several years before, but no adjustment was made.

No record of this request was able to be found in Council's records and the purpose of this report is to clarify the action Council wishes to take.

Key Issues

- Accountability for public monies
- Fairness and equity

Information

Council's rating staff manage rates and charges totalling approximately \$50m per annum and the levying and collecting of these Council funds is guided by a number of sections within the Local Government Act (LGA).

The annual charge for water and wastewater access is based on the water connection size, as per Council's fees and charges, with those charges able to be raised in accordance with Section 501 of the LGA.

Following the November 2018 meeting with Council staff, Council's water engineers reviewed the connection size for water consumption purposes and the analysis confirmed that a 32mm connection was only needed for the ABC.

The feedback from our engineering staff stated as follows:

It was complicated by the fact that they only have one supply point for both water and fire services, which is possibly why a bigger service connection was initially suggested.

The calculations indicate that for consumption purposes, a 32mm connection is needed, and therefore this can be used for billing purposes. We cannot recommend actually physically changing the meter as we aren't fire consultants; that requires a different level of analysis.

The reduced water connection size has subsequently been applied for billing purposes and there has been no follow up with fire services in reducing the connection.

The size of the service doesn't impact consumption in terms of general day to day use as that is driven by the customer usage.

A larger service allows more water to flow through the service at a single point in time; e.g. when a fire fighting system is activated.

The following table outlines the amount refunded if all access charges raised in the 2018/19 year are adjusted.

4.1 Alstonville Bowls and Sports Club Ltd - Charges Adjustment

Table One – Balance of Access Charges for 2018/19 Rating Year

Period	Type of Charge	100mm Quarterly Charge (\$)	32mm Quarterly Charge (\$)	Adjustment (\$)
01/07/18 to 30/09/18	Water Access	1,274.50	130.00	1,144.50
	Wastewater Access	4,370.95	447.69	3,923.26
01/03/18 to 30/06/18	Water Access	1,274.50	130.00	1,144.50
	Wastewater Access	4,272.63	437.71	3,834.92
Total				10,047.18

The next table shows the amount if access charges were to be adjusted for all quarters raised since the beginning of the 2017/18 year.

Table Two – Access Charges for 2017/18 and 2018/19 Rating Years

Period	Type of Charge	100mm Quarterly Charge (\$)	32mm Quarterly Charge (\$)	Adjustment (\$)
01/07/18 to 30/09/18	Water Access	1,274.50	130.00	1,144.50
	Wastewater Access	4,370.95	447.69	3,923.26
01/04/18 to 30/06/18	Water Access	1,274.50	130.00	1,144.50
	Wastewater Access	4,272.63	437.71	3,834.92
01/01/18 to 31/03/18	Water Access	1,274.50	130.00	1,144.50
	Wastewater Access	4,272.63	437.71	3,834.92
01/10/17 to 31/12/17	Water Access	1,274.50	130.00	1,144.50
	Wastewater Access	4,272.63	437.71	3,834.92
01/07/17 to 30/09/17	Water Access	1,274.50	130.00	1,144.50
	Wastewater Access	4,272.63	437.71	3,834.92
01/04/17 to 30/06/17	Water Access	1,249.50	127.50	1,122.00
	Wastewater Access	4,148.18	424.89	3,723.29
Total				29,830.73

This represents an additional \$19,783.55 from Table One.

Legal / Resource / Financial Implications

An adjustment of charges raised would result in a loss of income to the Water and Wastewater Funds.

4.1 Alstonville Bowls and Sports Club Ltd - Charges Adjustment

Consultation

There has been consultation with the ABC and Council engineering and rating staff.

Options

The options are to approve, or not approve, in full or part, the adjustment of water and wastewater access charges for earlier periods.

Standard practice when a change is identified is to only adjust charges moving forward, as property owners are liable for their own rates and charges and any property owner is responsible for identifying whether or not the level of service and / or charge they are receiving is satisfactory to their needs.

Once a rating year finishes, effectively the new rating financial year commences and all rates and charges for previous years are considered finalised, excluding any on-going debt recovery.

Operationally rating staff will, occasionally, backdate an adjustment to the previous financial year, where an error has been identified. There has been no error in the billing for this property as the charges levied reflect the connection size.

The ABC state that they have raised this matter previously and Council has not been able to identify any records to support that there has been previous requests.

The ABC is seeking a refund of at least the 2017/18 charges, as well as the balance of the 2018/19 charges that have not been rebated to date.

The recommendation is to provide the balance of the 2018/19 charges seeing that the matter has been raised during this current financial year.

The difficulty with going back to previous years is that it does become somewhat subjective as to how many years should be adjusted and for all intents and purposes all rates and charges billing is closed at the end of each financial year.

If Council wishes to provide an increased refund the recommendation will need to be amended.

The wording in the recommendation is based on the charge not reflecting the service the ABC requires. This means the adjustment will be treated as a direct reduction in water and wastewater charges levied and not as a donation to the ABC.

This has the same result as a donation with the difference being it is shown as less income in Council's financial records, rather than an increased expense as a donation.

RECOMMENDATION

That based on the contents of this report Council approves an adjustment to the water and wastewater access charges levied on the Alstonville Bowls and Sports Club Ltd for the 2018/19 financial year, from a 100mm water connection to a 32mm connection, as the 32mm connection reflects the actual needs of the Club based on Council's recent engineering assessment.

Attachment(s)

Nil

4.2 West End Hall - Sale

4.2 West End Hall - Sale

Delivery Program Community Facilities

Objective To provide an update on the sale of the West End Hall.

Background

At the Ordinary meeting held 23 November 2017, Council adopted a number of recommendations from the 7 November 2017 Facilities Committee meeting, one of those recommendations being as follows:

The General Manager is authorised to arrange the disposal of the property containing the West End Hall at 3 Brunswick Street Ballina on the basis that, as community infrastructure, the existing hall has reached the end of its economic life.

Further, that the method of disposal of the property, and the outcome, should aim to deliver the best financial return for Council, with net revenue being allocated to the maintenance of Council's other community halls.

This building was scheduled to be auctioned by Council in the near future however the Ballina Lions Club, who had previously occupied the building, have advised that the alternate premises now proposed by Council for storage of their goods is unsuitable.

As staff have not been able to resolve this storage issue, the property has been withdrawn from auction and direction is sought on the preferred course of action.

Key Issues

- Level of service provided to community group

Information

The report to the 7 November 2017 Facilities Committee meeting included the following comments in respect to the West End Hall.

The Ballina Lions Club has had tenure of this hall for decades.

The Club's current lease of the property has expired, but tenure continues under the lease's holding over provisions.

Because of the building's poor condition, usual activities conducted therein (including Lions Club meetings and those of the organisations/groups which have routinely casually hired the space) have been transferred under special arrangements to other Council community facilities.

The hall continues to be used for the storage of Lions Club equipment.

4.2 West End Hall - Sale

The current arrangement concerning tenure and use of the West End Hall is planned to continue until the Council has determined the preferred course of action for the facility.

The usage of the facility was rated as medium up until December 2016, with nine regular hirers and approximately 23 hours per week.

Financial Options for West End Hall

West End Hall, highlighted in Table Two, was valued for sale in June 2017 at approximately \$240,000.

The land which the hall occupies is operational land for the purpose of the Local Government Act.

The building has been assessed as being in overall average condition, with water ingress causing the majority of defects. Frequent inundation of the site results in reluctance to maintain assets, as it is known that ongoing repairs will be required for recurring water events.

The ongoing exposure to water is impacting the structural integrity of the building and the building cannot easily be raised to mitigate the current situation.

The West End Hall building structure is valued at \$35,600, being significantly lower than all our other halls, as per Table Two.

Australis provided three options for the property in its report.

- 1. Demolish and reconstruct the property at a cost of approximately \$282,800*
- 2. Sell the property; a market value report for pre-sale assessment purposes was prepared by Eighty8 Valuers for the West End Hall in June 2017 that determined a potential value of \$240,000. The valuation took into consideration the residential zoning and most likely use of the parcel to be a residential dwelling, and that any potential purchaser would consider the current improvements functionally obsolete and require removal. Notwithstanding the valuation, any decision to sell the property would likely be implemented via a public auction, where the true market value would be established.*
- 3. Repair and maintain the property. The total cost of works required to address the building condition issues is estimated at \$73,289. Given that the building is valued at \$35,600, it is considered to be an inefficient investment of Council resources to attempt to bring the building up to standard. This work would not increase the floor level of the hall.*

If Council chose to sell West End Hall, the potential funds of approximately \$240,000 could be allocated to maintenance and capital works required on our other hall buildings, thus relieving a maintenance budgetary issue at the West End Hall site and assisting in alleviating some of the budgetary issues at our other hall buildings.

4.2 West End Hall - Sale

Since the 2017 resolution Council staff have been working with the Ballina Lions Club to find suitable premises to meet their storage needs.

Following the completion of the Ballina Surf Club storage building, the Surf Club removed a number of items they had been storing at the Council storage shed located at the southern section of the Council depot car park on Kingsford Smith Drive, Ballina.

With this space available the Ballina Lions Club and the Rotary Club of Ballina-on-Richmond, who were both looking for more storage space, were offered use of that shed.

The Rotary Club has been extremely grateful for the use of this space and has undertaken concrete works to improve their share of the shed.

On the other hand the Ballina Lions Club advises that the shed is not suitable for their needs. They are asking that Council:

- concrete the southern end of the shed
- connect water to the shed
- Insulate the shed to ensure it is suitable for storing Christmas cakes

Council's Environmental Health Officers have advised that the premises are currently not suitable for storing perishable food.

Council was willing to help with some minor works to improve the storage area however to meet the needs of the Ballina Lions Club, funds approaching \$40,000 may need to be expended based on preliminary feedback from our trades staff: i.e.

- *Supply install solar span insulated walls and ceiling estimate \$21,200*
- *Whirlybirds \$2,000*
- *Electrical lights and power brought through linings \$500*
- *Concrete cost \$9,200*
- *Excluding plumbing cost as pricing a tap with basin/vanity will also require sewerage which will need to be priced as well - guess another \$5,000*

This is a substantial amount of expenditure and even though Council will likely receive a significant one-off income from the sale of the West End Hall, clarification is needed as to whether this level of funds should be expended on the subject storage area.

Legal / Resource / Financial Implications

The sale of West End Hall was proposed to help rationalize Council's assets, and to generate funds to improve other Council owned halls.

Consultation

There has been on-going consultation with the Ballina Lions Club.

Options

Options available include:

1. Not proceeding with the sale of West End Hall and expending monies to bring it up to a reasonable standard. The earlier reports to Council provided an estimated cost of approximately \$70,000.
2. Continue with the sale and find other suitable storage premises for the Ballina Lions Club.
3. Continue with the sale and acknowledge that Council has been unable to find other suitable storage premises for the Ballina Lions Club.
4. Continue with the sale and expend approximately \$40,000 improving the storage shed at the depot car park for the Ballina Lions Club.

In respect to option one Council has already resolved to sell the property and the funds generated would contribute to improving other Council assets.

In respect to option two, no other premises have been identified as suitable for storage.

One property considered was the Fishery Creek Road house located on the Ballina Sewerage Treatment Plant property. That house is currently leased to the Ballina Mens Shed Inc and when, and if, they relocate to their proposed facility at the Ballina Racecourse, the building could possibly provide suitable storage.

At this point in time it is unclear when the Ballina Mens Shed Inc. will relocate.

In respect to option three, there are many community groups that would like Council to provide storage free of charge and unfortunately Council cannot satisfy every group's needs.

In respect to option four, the expenditure could be delayed until the sale was confirmed, and then \$40,000 from the sale could be allocated to improving the storage shed.

The difficulty with this is that it does represent a significant amount of expenditure on a very basic facility and the Rotary Club of Ballina-on-Richmond has managed to source volunteer labour to undertake their improvements.

It is difficult to determine a resolution for this item as Council is responsible for the Ballina Lions Club needing to relocate their storage, and Council does assist community groups where possible however the level of assistance needs to be reasonable and consistent.

The Rotary Club of Ballina-on-Richmond has been extremely satisfied with the provision of the storage space at the Ballina depot and have undertaken their own improvements. The Ballina Lions Club has not been so forthcoming.

4.2 West End Hall - Sale

On balance, as Council has created the relocation issue and there will be funds generated from the proposed sale, the recommendation is to allocate \$20,000 of the sale proceeds to provide improvements to the storage shed for improvements to meet the needs of the Ballina Lions Club. This is a more than reasonable expenditure of public monies for a community group.

If agreement is unable to be reached, even with that expenditure allowance, the recommendation is to advise the Ballina Lions Club that no storage space is available, with the only foreseeable option being the Council house on Fishery Creek Road.

RECOMMENDATIONS

1. That Council confirms that it will allocate \$20,000 of the sale proceeds from the sale of West End Hall, to provide improvements to the shed at the Council Depot, for storage of goods by the Ballina Lions Club.
2. If agreement is unable to be reached with the Ballina Lions Club on the storage of their goods at the Council Depot, even with the expenditure of \$20,000, the General Manager is authorized to proceed with the sale of West End Hall, without Council providing another suitable storage location.

Attachment(s)

1. West End Hall

4.3 Marine Estate Management Strategy - Road Funding

4.3 Marine Estate Management Strategy - Road Funding

Delivery Program Engineering Works

Objective To advise Council of a funding offer under the NSW Government's Marine Estate Management Strategy.

Background

North Coast Local Land Services (North Coast LLS) has been engaged by the NSW Department of Primary Industries (DPI) to deliver targeted outcomes under the NSW Government's Marine Estate Management Agencies' Richmond River Pilot Program.

The Richmond River Pilot program aims to deliver on a range of initiatives listed under the Marine Estate Management Strategy to improve water quality and habitat health through on ground works, improved best practice management of agricultural systems, floodplain management and infrastructure planning within the Richmond River Estuary.

One component of this broader program of works seeks to fund proposals through a targeted grant program that will lead to the remediation of unsealed roads and reduce diffuse pollutants entering the sensitive aquatic habitats in the Richmond River catchment.

This action is known as "Rural roads and track actions".

The Emigrant Creek Catchment (excluding upstream of Emigrant Creek Dam) has been selected for the mitigation of diffuse pollutant works. This prioritisation has been established by North Coast LLS, DPI and the Office of Environment and Heritage (OEH) with the use of a Risk Based Framework developed by OEH.

North Coast LLS advised Council of the targeted program in December 2018 and indicated grant funding would likely be available for 2018/19 and 2019/20.

A co-contribution by Council is also required for any program of works.

Eligible remediation activities which may be funded under this part of the program include:

- Sealing of unsealed roads
- Improved drains (or drain installation where they may currently be non-existent)
- Improved sediment capture structures
- Buffer enhancement projects using softer techniques (e.g. native grass plantings, weed matting, use of coir logs)

The information section of this report records the outcomes of investigations undertaken to consider "Rural roads and track actions" under the Marine Estate Management Strategy.

4.3 Marine Estate Management Strategy - Road Funding

Key Issues

- Co-contribution of funds
- Allocation of resources
- Environmental benefits
- Road improvements

Information

During February and March 2019 Council staff investigated gravel roads within the Emigrant Creek catchment (downstream of Emigrant Creek dam) for purposes of identifying opportunities for dust sealing and drainage improvements.

During this time North Coast LLS were also consulted to consider the scope and rating of projects due to the timelines proposed, with the grant offer commencing this financial year.

In response the following schedule of works has been developed, and supported by North Coast LLS, for work being offered under the grant.

The co-contribution by Council represents day labour and Council plant costs associated with work, and the grant component represents contracted resources for plant, material and dust sealing works.

Name	Description	Grant	Council	Total
Cumbalum Road seg 40/1	Dust seal and drainage	93,800	24,000	117,800
Emigrant Ck Lane seg 10	Dust seal and drainage	37,100	11,600	48,700
Houghlahans Ck Rd seg 80	Dust seal and drainage	41,800	11,600	53,400
Howards Rd seg 40	Dust seal and drainage	83,400	27,800	111,200
TOTAL 2018/19		256,100	75,000	331,100
Cumbalum Road seg 40/2	Dust seal and drainage	88,300	19,500	107,800
Grays Lane seg 10	Dust seal and drainage	49,700	10,800	60,500
Houghlahans Ck Rd seg 120	Dust seal and drainage	49,100	16,400	65,500
Houghlahans Ck Rd seg 130	Dust seal and drainage	55,500	16,400	71,900
Howards Rd seg 20	Dust seal and drainage	51,100	12,900	64,000
Ingrams Lane seg 10	Dust seal and drainage	67,600	14,500	82,100
Whites Lane seg 10	Dust seal and drainage	81,200	27,500	108,700
Gap Rd seg 20	Dust seal and drainage	71,700	20,500	92,200
Sandy Flat Rd seg 10	Dust seal and drainage	78,000	25,600	103,600
Wellers Lane seg 10	Dust seal and drainage	27,800	8,000	35,800
TOTAL 2019/20		620,000	172,100	792,100
TOTAL PROGRAM		876,100	247,100	1,123,200

The Council contribution is financed from annual operating budgets.

The grant offer is based on initiatives to improve water quality and habitat health.

4.3 Marine Estate Management Strategy - Road Funding

Council has undertaken assessments and reporting for dust sealing of gravel roads during 2017 and early 2018. These dust sealing assessments now form part of Council's Road and Transport Asset Management Plan. The assessments considered financial modelling to test the viability of dust sealing of existing gravel roads.

The Road and Transport Asset Management Plan reports a short list of ten roads considered suitable for dust sealing from a financial perspective due to a short payback period.

Three of the roads listed in the earlier table (Cumbalum Road, Howards Road and Sandy Flat Road) form part of the Asset Management Plan short list and would also deliver longer term financial benefits.

The financial analysis, including predictions of economic return times, in the reporting of the priorities for the dust sealing program assumed Council would be providing the capital outlay.

A priority program was also developed for the purposes of submitting grant applications should a suitable program become available.

The roads in the earlier table are all not in the potential list as per Council's program adopted last year. The reason for this is the grant funds are targeting specific environmental objectives within one catchment. However, staff have assessed the projects and confirm appropriate road management benefits also apply.

It is proposed for Council's funding to be provided from the recurrent gravel roads maintenance budget over the proposed two financial year period of the grant. The annual gravel roads maintenance budget is \$650,000 per annum.

Gravel maintenance expenditure would occur on these roads regardless of Council accepting the grant.

The grant offers an opportunity to achieve improved environmental outcomes under the Marine Estate Management Strategy plus financial benefits.

Legal / Resource / Financial Implications

With respect to resource implications it is proposed for the gravel road maintenance team to undertake the project, similar to the team's allocation to undertake the dust sealing of Martins Lane and Newrybar Swamp Rd project.

Council's funding is to be provided from the recurrent gravel roads maintenance budget over the proposed two financial year period of the grant.

The annual gravel roads maintenance budget is \$650,000 pa.

The Council contribution towards the program will be:

- 2018/19: \$75,000
- 2019/20: \$172,100

Consultation

Consultation has occurred with NSW LLS regarding the suitability and rating of projects under the program's assessment criteria. The works identified in the information section of this report has been supported by NSW LLS and a draft grant agreement has been received.

Options

The acceptance of the grant provides Council with an opportunity to improve environmental outcomes for the health of the Emigrant Creek catchment and the Richmond River together with some longer term financial benefits for the gravel road network.

The selected roads are not entirely consistently with the priorities established in Council's Road Asset Management Plan, however the grant opportunity is beneficial to Council.

Council may decide not to support the grant offer although there is no downside to this proposal.

RECOMMENDATION

That Council authorises the General Manager to accept the grant offer (Funding Deed) from North Coast Local Land Services for works under the Marine Estate Management Strategy initiative "Rural roads and track actions" for financial years 2018/19 and 2019/20 as outlined in this report.

Attachment(s)

Nil

4.4 Car Park - Upgrade Program

4.4 Car Park - Upgrade Program

Delivery Program Engineering Works

Objective To provide an update on a proposal for a Car Park Upgrade Program.

Background

At the June 2018 Ordinary meeting, Council resolved as follows:

That Council receive a report on the option of creating a recurrent program for carpark improvements.

The following information is presented in response to this resolution.

Key Issues

- Financial sustainability of Council's assets
- Levels of service and public amenity

Information

An inventory of Council's car parks has been prepared and each car park has been assessed for the following types of data.

- Primary attraction that brings vehicles to the area
- Importance of the car park to the community
- Capacity
- Pavement type and condition
- Whether line-marking has been established at the site
- Whether lighting has been established for the site

A summary of the inventory is as follows.

Table One - Summary of Existing Car Parks by Location

Suburb	Number of off road Carparks	Total Spaces	Area -sq.m
Alstonville	3	66	1,049
Ballina East	23	472	12,615
Ballina Island	11	468	16,310
Ballina North	3	67	2,772
Ballina West	5	146	7,462
Cumbalum	1	108	2,781
Lennox Head	9	248	8,804
Rural –Newrybar	1	19	288
Skennars Head	4	134	7,814
Wardell	2	54	2,526
Wollongbar	3	94	2,364
Total	65	1,876	64,785

4.4 Car Park - Upgrade Program

A full list of the carparks in the inventory is provided in Attachment 1.

As well as assessing the asset inventory, data was collated to examine the parking utilisation at key sites for different periods of the day. If Council is able to establish a recurrent funding program, data of this type could be used to inform a process to determine Council's program priorities.

The car parks assessed as the highest priority for expansion are:

- Amphitheatre
- Kingsford Smith Park
- Pat Morton Lookout
- Rocky Point Road
- Skennars Head Sports Fields

The expansion project at Skennars Head Sports Fields includes an upgrade to the parking, albeit further capacity beyond what will be provided in the current project is preferred.

A NSW State Government election commitment was made by the Coalition in respect to Kingsford Smith Park and if this commitment is funded this would be an opportunity to upgrade and expand the car parking at this location.

Table Two identifies the car parks that are candidates for line marking to improve their efficiency.

Table Two – Line Marking Candidate Projects

Asset Description	Line-Marking Candidates
CAR-PARK (40:CP:031) -Alston Ave (@ Pool)	Candidate for 31 bays + for 2 disabled symbols
CAR-PARK (40:CP:032) -Commercial Rd (ALEC)	Candidate for 25 bays + for 1 disabled symbol
CAR-PARK (23:CP:012) -Pop Denison Park 01	Candidate for 12 bays
CAR-PARK (23:CP:013) -Pop Denison Park 02	Candidate for 15 bays
CAR-PARK (23:CP:025) -Suvla St (@ Beach Road)	Candidate for 1 disabled symbol
CAR-PARK (23:CP:026) -Suvla St (@ Shelly Beach)	Candidate for 2 disabled symbols
CAR-PARK (23:CP:041) -Eyles Dr (near Antrim St)	Candidate for 13 bays
CAR-PARK (23:CP:047) -Shelley Beach Rd (@ Norfolk)	Candidate for 12 bays
CAR-PARK (20:CP:003) -Amphitheatre	Candidate for 16 bays
CAR-PARK (20:CP:058) -Kingsford Smith Dr @ Bridge	Candidate for 1 disabled symbol
CAR-PARK (21:CP:009) -Faulks Reserve 02	Candidate for 1 disabled symbol
CAR-PARK (21:CP:010) -Quays Reserve	Candidate for 2 disabled symbols
CAR-PARK (30:CP:015) -UNL 30.047 (@ Rutherford St)	Candidate for 16 bays
CAR-PARK (30:CP:016) -Ross Street & Pacific Pde	Candidate for 1 disabled symbol
CAR-PARK (30:CP:017) -Megan Cres	Candidate for 10 bays
CAR-PARK (30:CP:018) -Pat Morton Lookout	Candidate for 1 disabled symbol
CAR-PARK (30:CP:028) -Mackneys La (internal LHCC)	Candidate for 2 disabled symbols
CAR-PARK (30:CP:029) -The Coast Rd (@ Pat Morton)	Candidate for 16 bays
CAR-PARK (30:CP:033) -King St (near Lennox RSL)	Candidate for 27 bays + for 1 disabled symbol
CAR-PARK (30:CP:001) -end of Rocky Point Rd	Candidate for 25 bays + for 1 disabled symbol
CAR-PARK (32:CP:002) -end of Flat Rock Rd	Candidate for 15 bays

4.4 Car Park - Upgrade Program

Asset Description	Line-Marking Candidates
CAR-PARK (32:CP:019) -Skennars Head Playing Fields	Candidate for 69 bays + for 3 disabled symbols
CAR-PARK (32:CP:030) -The Coast Rd (@ Headlands)	Candidate for 25 bays + for 1 disabled symbol
CAR-PARK (50:CP:020) -Wardell Sports Ground	Candidate for 46 bays + for 2 disabled symbols

The following list is for identified car parks where site lighting upgrades are warranted.

- Alstonville Pre-School
- Pop Denison Park 01
- Pop Denison Park 02
- Pop Denison Park 03
- Suvla Street (@ Shelly Beach)
- Shelley Beach Road (@ old SC)
- The Coast Road (@ Bayview)
- Marine Rescue Tower
- Amphitheatre
- Ballina Skate Park
- Tamar Street (10 Moon Street)
- Ferngrove Estate
- Emigrant Creek Boat Ramp
- Faulks Reserve 01
- Faulks Reserve 02
- Quays Reserve
- Ross Street and Pacific Parade
- Megan Crescent
- Pat Morton Lookout
- Lake Ainsworth Caravan Park
- The Coast Road (@ Pat Morton)
- The Coast Road (@ Headlands)
- Wardell Sports Ground
- Wardell Boat Ramp
- Wollongbar Preschool

Legal / Resource / Financial Implications

Council does not have a recurrent funding program for car park upgrades.

This review of the asset inventory indicates it is timely that Council consider the level of service provided from this infrastructure, particularly at locations where the demand for car parking is increasing.

As Council does not have a funding program in place, resources have not been allocated to preparing cost estimates, or prioritising a program.

As a guide, a recurrent funding amount of \$100,000 could be effectively used in two ways.

Combining two financial year periods would likely provide sufficient funds to develop upgrade projects for the five preferred sites listed earlier as candidates for expansion / upgrades.

4.4 Car Park - Upgrade Program

Alternatively, \$100,000 could fund annually a number of smaller line marking and lighting projects across the list of works.

Elsewhere in this agenda, comments have been presented in respect of our current street lighting program.

As per those comments, the street lighting program has been successful in that the number of requests for upgrades has diminished.

This means the end of the program, being much lower priority works, is approaching.

Therefore an option for Council to consider is to begin over time reallocating a portion of the street lighting budget to a car parking program and, once established, potentially the amount available on a recurrent basis could be increased going forward.

Consultation

No consultation has been undertaken in preparing this report.

Options

At this point in time it has not been possible to identify a reasonable level of funding for this work in the General Fund Long Term Financial Plan.

Now that Council has completed an inventory of works the preference is to works towards providing a recurrent funding stream and this may take a few years with steady incremental increases.

The recommendation supports the development of a draft priority list of projects (as a ten year strategic plan) and that can then be incorporated into future Delivery Programs and Operational Plans.

RECOMMENDATIONS

1. That Council notes the contents of this report in respect to the Car Park Upgrade Program.
2. That Council receive a further report outlining a ten year strategic plan of works and recommended funding strategy for consideration as part of the preparation of the 2020/21 Delivery Program and Operational Plan.

Attachment(s)

1. Car Park Inventory

4.5 North East Weight of Loads Group (NEWLOG)

4.5 North East Weight of Loads Group (NEWLOG)

Delivery Program Support Operations

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

Background

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

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

NEWLOG, which is not a separate legal entity, operates under a Memorandum of Agreement (MOU) with the Roads and Maritime Services (RMS) which expired 31 December 2011, however the terms of the agreement continue to be extended on a month to month basis.

A new MOU was drafted through workshops with RMS and four other Weight of Loads Groups within NSW. The draft remained similar to the former agreement with changes limited to operational matters. The MOU has been delayed with RMS, as it sits within their legal branch.

A temporary Deed of Agreement between the NEWLOG member councils expired 1 July 2012. Member Councils endorsed that this agreement be extended on a month to month basis pending the formalisation of the MOU with RMS. Despite the best efforts of staff from various councils in attempting to further the MOU with RMS, no progress has been achieved.

Key Issues

- Overview

Information

NEWLOG has operated effectively for many years and it is anticipated that this will continue to be the case.

From 2014/15 to 2017/18, the annual increases to total contributions were in the range of 1.5% to 3.5%. The contributions for 2018/19 represented an overall increase of 15.0% from the 2017/18 contribution. The large increase in that year was necessary to bring the total of operating income and contributions into balance with operating expenses as fine revenue was decreasing.

Contributions for 2019/20 are proposed to be increased by 2.5%.

4.5 North East Weight of Loads Group (NEWLOG)

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

NEWLOG – Financial Overview 2015/16 to 2021/22

Actual 2016/17	Actual 2017/18	Item	Estimated				
			2018/19	2019/20	2020/21	2021/22	2022/23
		Operating Revenues					
0	0	Legal Costs Recovered	2,500	2,600	2,700	2,800	2,900
42,300	58,500	Fines and Other	36,700	37,700	38,700	39,700	40,700
184,600	190,700	RMS Contribution	191,700	196,500	201,500	206,600	211,800
7,800	5,400	Interest on Investments	8,800	9,100	9,400	9,700	10,000
234,700	254,600	Total Operating Revenues	239,700	245,900	252,300	258,800	265,400
		Operating Expenses					
		Administration					
278,700	286,100	Salaries	274,200	284,500	291,700	299,000	306,500
20,400	19,600	Annual Leave	15,000	18,000	18,500	19,000	19,500
9,800	8,500	Other Leave	9,500	9,800	10,100	10,400	10,700
15,300	11,700	Sick Leave	9,500	10,000	10,300	10,600	10,900
11,300	12,300	Long Service Leave	6,700	9,000	9,300	9,600	9,900
0	400	State Conference Costs	1,300	1,400	1,500	1,600	1,700
4,400	3,500	Workers Compensation	13,100	5,000	5,200	5,400	5,600
17,500	23,500	Superannuation	24,100	26,000	26,700	27,400	28,100
100	1,700	Uniforms	1,300	1,400	1,500	1,600	1,700
29,400	22,900	Vehicle Running Costs	32,900	33,800	34,700	35,600	36,500
69,000	73,000	Overheads to NEWLOG	73,000	80,000	82,000	84,100	86,200
		Operation Costs					
2,400	1,300	Administration Costs	1,900	1,100	1,200	1,300	1,400
8,100	0	Audit Costs	0	0	0	0	0
200	900	Telephone	900	1,000	1,100	1,200	1,300
2,200	2,200	Legal Costs	2,900	3,000	3,100	3,200	3,300
800	900	Sundry Expenses	2,900	3,000	3,100	3,200	3,300
1,000	2,600	IPB Processing Fees	4,400	4,600	4,800	5,000	5,200
1,100	4,700	Insurance	5,700	7,000	7,200	7,400	7,600
5,200	4,000	Maintenance of Scales	6,200	6,400	6,600	6,800	7,000
		Non-cash Expense					
0	0	Loss on Sale of Plant	13,000	0	0	13,700	0
19,400	22,800	Depreciation	23,400	24,000	24,600	25,300	26,000
496,300	502,600	Total Operating Expenses	521,900	529,000	543,200	571,400	572,400
(261,600)	(248,000)	Operating Result - (Deficit)	(282,200)	(283,100)	(290,900)	(312,600)	(307,000)
19,400	22,800	Add Deprec and Loss on Sale	36,400	24,000	24,600	39,000	26,000
(242,200)	(225,200)	Cash Result - (Deficit)	(245,800)	(259,100)	(266,300)	(273,600)	(281,000)
		Capital Movements					
230,900	234,300	Add Member Contributions	269,500	276,200	283,300	290,300	297,600
0	4,200	Less Transfer to Reserves	23,700	17,100	16,900	16,700	16,600
97,800	0	Add Transfer from Reserves	58,000	0	0	63,000	0
0	0	Less Capital Purchases	58,000	0	0	63,000	0
(86,500)	(4,900)	Non Cash Movements	0	0	0	0	0
0	0	Cash Result after Capital	0	0	0	0	0
		Cash Reserve Balance					
(97,800)	4,200	Net Change in Cash Reserves	(34,300)	17,100	16,900	(46,300)	16,600
300,500	202,700	Add Opening Balance	206,900	172,600	189,700	206,600	160,300
202,700	206,900	Closing Balance	172,600	189,700	206,600	160,300	176,900

4.5 North East Weight of Loads Group (NEWLOG)

Operations are forecast to remain reasonably similar to previous years with most items, looking at a cost of living adjustment.

The modelling is based on a cost of living increase to member's contributions of 2.5% in 2019/20 and future years.

An operating cash loss is predicted annually which is offset by member capital contributions.

Capital expenditure is anticipated every third year to replace two vehicles and in those years the reserve balance declines correspondingly.

The current forecast is for the cash reserves to sit between \$160,000 and \$207,000.

The lower end is the year with capital expenditure.

NEWLOG does have leave liabilities that amounted to \$223,000 as at 30 June 2018 which must be considered when assessing what is a reasonable cash reserve balance to have on hand.

Legal / Resource / Financial Implications

Council contributes financially to the operations of NEWLOG as well as providing support and management of the joint venture.

Consultation

This report is provided for the public record.

Options

This report is for information, with Council also being asked to support the draft 2019/20 budget.

RECOMMENDATION

That Council endorses the draft NEWLOG budget for 2019/20 as per the contents of this report.

Attachment(s)

Nil

4.6 Surf Life Saving Services - Flat Rock Beach

4.6 Surf Life Saving Services - Flat Rock Beach

Delivery Program Open Spaces and Reserves

Objective To consider the appropriate level of surf life saving services at Flat Rock.

Background

Council has historically contracted out the provision of professional lifeguard services on its beaches. Council accepted a tender from Australia Lifeguard Services in August 2018 to provide these services for a four year period.

As part of the tender, additional service levels were discussed however due to resource limitations Council resolved not to fund the preferred increase in services.

Council did resolve to trial the provision of an additional roaming guard at Flat Rock for the 2018/19 season, funded from the Flat Rock Tent Park Reserve.

Further consideration to retaining this service for 2019/20 and an appropriate funding source is to be considered by Council as part of this report.

Key Issues

- Appropriate level of service based on available funding

Information

Council initially commenced a trial of an individual roving guard at Flat Rock at the end of the 2017/18 summer season, as a result of feedback from lifeguards and increasing volumes of people attending the beach. The roving guard performs additional supervision and is supported by two lifeguards on patrol at Sharpes Beach.

The success of the initial trial and continued increases in visitation resulted in Council resolving to provide a roving guard for the 2018/19 Spring/Summer season.

The 2018/19 season was extremely busy for lifeguards at Flat Rock. The season report provided by Australian Lifeguard Services notes the continued increase in attendance at this location, in addition to dangerous conditions and frequent marine stings.

Based on daily lifeguard logs, it is estimated that the total attendance at Flat Rock during the Spring/Summer season was 30,262. A copy of the Flat Rock season report is included as Attachment 1.

To allow a comparison with other beaches, a copy of the Australian Lifeguard Service Summer Report is included as Attachment 2, noting that volunteer lifeguard patrols operate at both Lennox Head and Lighthouse Beach.

4.6 Surf Life Saving Services - Flat Rock Beach

During summer, Flat Rock had the second highest number of people requiring first aid treatment (83) and higher public relations actions than both Sharpes and Lighthouse Beach.

Legal / Resource / Financial Implications

The cost of implementing a roving guard at Flat Rock for the 2018/19 season was \$31,279. The funding to provide this service was sourced from the Flat Rock Tent Park reserve.

A price increase of 2.6% was factored into the tender specification, with provision of a roving guard for the 2019/20 season being \$32,092.

Council's current budget and LTFP currently funds the core services for lifeguards, being services at Sharpes, Lennox (7 month), Lighthouse and Shelly Beaches.

No alternative funding source has been identified to fund a roving guard service; however there remain sufficient funds in the Flat Rock Tent Park to fund a roving guard for the 2019/20 season.

Consultation

Council has undertaken consultation with Australian Lifeguard Services who support the continued provision of a roving guard at Flat Rock

Options

1. Council supports the continuation of a roving guard at Flat Rock for the 2019/20 season.
2. Council does not implement a roving guard at Flat Rock for the 2019/20 season.

The Flat Rock Tent Park still has a reasonable level of reserves and it is again recommended that this additional service be funded from that reserve for 2019/20. At some point in time Council may need to absorb this increased level of service into our General Fund recurrent budget.

RECOMMENDATION

That Council supports the continuation of a roving guard at Flat Rock for the 2019/20 season funded from the Flat Rock Tent Park reserve, with this expenditure and funding to be included in the draft 2019/20 Long Term Financial Plan.

Attachment(s)

1. Flat Rock Spring Summer Report
2. Ballina Shire Summer Report (Under separate cover)

4.7 Policy (New) - Farmland Rating

4.7 Policy (New) - Farmland Rating

Delivery Program Financial Services

Objective To adopt a Farmland Rating Policy.

Background

Under Section 514 of the Local Government Act, 1993, (LGA), Council is required to categorise all rateable land as one of the following categories:

- Farmland
- Residential
- Business
- Mining

The purpose behind the categorisation of land is to allow councils to determine a fair and equitable distribution of ordinary rates.

For Ballina Shire Council, the farmland category rate in the dollar is set at approximately 85% of the residential rate in the dollar.

Council's total rating income is restricted to the State Government approved increase each year. Whilst a change in a property categorisation results in a change to Council's income in that year, that change does not translate into a change in income for subsequent years. (This is due to the requirements of how Council's total allowable rates income must be calculated each year).

It is a common misconception that Council obtains a benefit (i.e. additional income) from changing property categorisations.

A change in a property categorisation merely represents a reallocation between typically "residential" ratepayers and "farmland" ratepayers for future years.

Council has approximately 16,300 rateable assessments, of which approximately 950 assessments are categorised as Farmland.

A continuous rolling review of farmland assessments is undertaken by Council staff, when resources are available, to ensure that the farming activity is being conducted, the criteria of the LGA is being met, and that the farming rate in the dollar is being applied to properties that are eligible for the rate.

Completing periodic reviews of rating categories has also been recommended by Council's auditors.

Applications for farmland rate are also received on a one off basis from property owners, usually when new farming businesses commence operation.

Reviews are also conducted by Council staff when properties subdivide to ensure that new assessments are categorised correctly.

4.7 Policy (New) - Farmland Rating

Council does not have a policy in regard to categorisation of land for farmland rating. Decisions are made by staff using internal guidelines, with reference to the LGA, guidance provided by the Office of Local Government (OLG), industry data and precedents from the Land and Environment Court.

Whilst the internal guidelines ensure a consistent approach and compliance with the LGA, the “thresholds” should be set and agreed by Council.

A policy also provides ratepayers with clarity around Council’s approach.

Key Issues

- Clear guidelines and transparency
- Threshold determination

Information

Legislation

For land to be categorised as farmland it must satisfy the criteria of Section 515 of the LGA, as follows:

(1) *Land is to be categorised as **farmland** if it is a parcel of rateable land valued as one assessment and its dominant use is for farming (that is, the business or industry of grazing, animal feedlots, dairying, pig-farming, poultry farming, viticulture, orcharding, bee-keeping, horticulture, vegetable growing, the growing of crops of any kind, forestry or aquaculture within the meaning of the Fisheries Management Act 1994 , or any combination of those businesses or industries) which:*

(a) has a significant and substantial commercial purpose or character, and

(b) is engaged in for the purpose of profit on a continuous or repetitive basis (whether or not a profit is actually made).

(2) *Land is not to be categorised as farmland if it is rural residential land.*

Rural residential land is defined in the LGA as land that:

(a) Is the site of a dwelling, and

(b) Is not less than 2 hectares and not more than 40 hectares in area, and

(c) Is either:

(i) not zoned or otherwise designated for use under an environmental planning instrument, or

(ii) zoned or otherwise designated for use under such an instrument for non-urban purposes, and

(d) does not have a significant and substantial commercial purpose or character.

The LGA is open to interpretation in regards to the wording “dominant use”, “significant and substantial commercial purpose or character” and “engaged in for the purpose of profit”.

4.7 Policy (New) - Farmland Rating

Definitions per guidance provided by the Office of Local Government

The "Council Rating and Revenue Raising Manual", issued by the (previously known as) Department of Local Government, discusses rating categorisation and further defines terms used in the LGA.

This manual, which was released in 2007, is the most recent guidance issued and is still considered by OLG as relevant, as no legislative change regarding rating categorisation has occurred since that time. This manual is available on the OLG website.

Below are extracts from this guidance material.

Dominant Use

In order to determine whether "dominant use" of the land in question is for farming, Council will not merely look at the amount of land used for the particular activity carried on, but also at the intensity of that use.

Thus, merely because the greater part in area of a parcel of rateable land is used for farming does not necessarily mean that the dominant use of the land is for farming.

Significant and substantial commercial purpose or character

In order to determine whether the farming has a significant and substantial commercial purpose or character, it is legitimate for council to enquire whether the particular activity or activities carried on are "too slight" or "too minor" to be reasonably regarded as having the requisite degree of commercial purpose or character.

Thus, in the case of farming activities producing very small returns, it may be difficult, if not impossible, to designate those activities as a business having a significant and substantial commercial purpose or character.

Engaged in for the purpose of profit

The question of whether or not a profit is actually made is immaterial to the question of whether the farming is "engaged in for the purpose of profit on a continuous or repetitive basis", it is still reasonable for Council to enquire, more or less objectively, as to whether there is evidence to support a conclusion that the activities will be economically viable in the future.

In other words, the farming carried on must be "on a sufficient scale to have some element of independent viability".

Correlation with Zoning

The categorisation of land for rating purposes has no correlation with the zoning of land. Zoning is for planning purposes (i.e. what types of developments can be undertaken on the land).

The categorisation of land for rating purposes is on the basis of the use of the land.

4.7 Policy (New) - Farmland Rating

Policy Formulation

A draft policy and application form for farmland rating has been developed which is compliant with Section 515 of the LGA.

In developing the policy the following was undertaken:

- Review of staff internal guidelines that have been used for the review of farmland assessments
- Review of the guidance provided by the OLG, specifically the “Council Rating and Revenue Raising Manual”
- Researching court cases
- Researching relevant farming industry information, such as that provided by NSW Department of Primary Industry (DPI)
- Sourcing examples of policies from other councils
- Discussion with rating officers from other NSW councils.

Other Farmland Policies

Within the Northern Rivers, Clarence Valley is the only council with a Farmland Rating Policy. Other policies reviewed include those from Mid-Western Regional Council and Camden Council.

A brief description of the criteria used in these policies is provided below.

Clarence Valley Council

The Clarence Valley Council policy outlines the procedures for undertaking a review of farmland categorisation and notes the requirements of Section 515 of the LGA, however the policy itself does not specify what criteria is used to determine the application.

Internal guidelines used by Clarence Valley Council set specific criteria for Grazing as a minimum of 40 hectares and minimum of 40 head of stock.

The internal guidelines also set requirements to provide evidence of relevant licences/registrations for various farming activities. No other criteria are outlined.

This policy widens the LGA restriction in regards to assessment of land as individual parcels. Within the policy itself, it specifies that where a parcel of rateable land valued as one assessment is used in conjunction with other parcels of rateable land valued as one assessment, then the total of all the parcels are to be considered as one holding for the purposes of this policy.

Mid-Western Regional Council

Criteria identified by:

1. Land Use
2. Assessed land capacity and
3. Area

A further criteria based on annual Gross Margin, can also be applied.

4.7 Policy (New) - Farmland Rating

The Council has adopted and grouped the "Land Capability Classification Scheme" published by the Department Lands, Soil Conservation Service dated 1986. Land classifications are identified on a map available upon request at the Council offices.

Under that classification scheme, land is declared farmland if designated as

- Group 1 to 3 - Extensive, and greater than 55 hectares; or
- Group 1 to 3 - Intensive, and greater than 5 hectares; or
- Group 4 and above – and greater than 120 hectares.

Group 1 to 3 Extensive includes, amongst other things, properties used for growing out stock and properties used for growing crops.

Group 1 to 3 Intensive includes, amongst other things, orchards.

Where properties have not qualified by the above (size) criteria, there is also a process where additional information may be supplied by the land owner to evidence productivity by income derived.

The land may be declared farmland if the land owner establishes that the farming use produces an annual Gross Margin (before depreciation, loan payment and tax) equal or greater than \$26,754.19, being 34.33% of the November 2013 National average annual wage.

Camden Council

Criteria is identified by:

1. Land Use
2. Assessed land capacity and
3. Minimum Area – required for commercial viability
 - Grazing – 10 hectares (and a minimum number 20 head of stock)
 - Pig Farming – 1.5 hectares
 - Viticulture – 5 hectares
 - Vegetable Growing – 2 hectares
 - Orcharding – 2 hectares
 - Crop Growing – 2 hectares
 - Forestry – 100 hectares

Additional requirements, for example, evidence of licences / registration etc are also outlined within the policy.

Proposed Criteria

A number of the provisions in the Camden Council Farmland Policy have been included in the draft policy. Under the policy, any review of an assessment for farmland rating must consider:

1. Land use; what kind of farming is being carried out and
2. The area of land used for the farming activity.

Each application for farmland rating must be considered on a case by case basis against Section 515 of the LGA.

4.7 Policy (New) - Farmland Rating

The following farming types are included in this policy:

- Grazing
- Agistment
- Animal Feedlots
- Dairying
- Pig Farming
- Poultry Farming
- Viticulture
- Horticulture
- Orchardring
- Beekeeping
- Crop Growing
- Forestry
- Aquaculture

The policy provides guidelines for the minimum sizes for activities to be considered, either by area under planting or by herd size.

Additional requirements, for example, evidence of licences / registration etc are also outlined within the policy.

Application of a Minimum Gross Margin

In addition to the above criteria, a requirement to meet a minimum gross margin is also proposed.

The Mid-Western Regional Council policy includes criteria based on annual Gross Margin.

There is some merit to the inclusion of this criteria, as it allows the benchmarks of the other (minimum size) criteria to be set higher, giving an alternative method of allowing the smaller sized parcels to still be potentially eligible for farmland.

Notably, the minimum sizes set under the Mid-Western Regional Council policy are quite large (eg 5 hectares for an orchard).

The rationale behind this methodology is that it attempts to address the LGA requirements of having a “significant and substantial commercial purpose or character” and “engaged in for the purpose of profit”.

This methodology is consistent with that which has been applied by Ballina Shire Council staff in assessments completed to date, in that consideration of a property’s potential profitability has been included as part of the internal assessments completed.

The difficulty with the application of such a threshold is that it could be considered arbitrary. For this reason, it is wise, if implementing such a threshold, to set it at a conservatively low level.

The Mid-Western Regional Council Policy uses an annual Gross Margin of \$26,754.19, being 34.33% of the November 2013 National average annual wage. There is no known basis or logic behind the use of this benchmark or the 34.33% applied.

4.7 Policy (New) - Farmland Rating

Based on the most recent ABS statistics, this figure would currently be \$29,744 (34.33% of \$86,642, November 2018 ABS 6302.0 Average Weekly Earnings, Key Figures/Trend Estimates/Full time adult total earnings, annualised).

An alternative benchmark that could be considered could be the current pension. At the time of writing, the maximum rate, annualised, for the Age Pension (including pension supplement and clean energy supplement) is \$24,081, or for a couple is \$18,150 each.

This information is provided here as a guide as to what level of income may be considered as a minimum requirement to support a person and be presumably evidencing an “element of independent viability”.

A benchmark of \$24,000 might be considered a reasonable threshold, and has, along with other considerations, been used as a benchmark by Ballina Shire Council staff for farmland assessments made to date.

Importantly, even if a property is not currently profitable, what is important is whether the farming is “engaged in for the purpose of profit on a continuous or repetitive basis”.

That is, consideration needs to be given as to whether there is evidence to support a conclusion that the activities will be economically viable in the future.

The draft policy presented includes the criteria in relation to minimum gross margin of \$24,000.

The drafted policy criterion of \$24,000 is a recommendation and Council may well have different views or perhaps prefer not to include this criteria.

Multiple Assessments as One Holding

Under Section 515 of the LGA, “*Land is to be categorised as farmland if it is a parcel of rateable land valued as one assessment*”.

The strict application of this section provides that whilst a ratepayer may have two separate assessments that are used together (for example, grazing), the determination of whether each property meets the farmland criteria is completed independently.

This strict application has been consistently applied by Ballina Council staff in all reviews completed to date.

There is some sentiment amongst property owners that the strict application of “as one assessment” is unreasonable, when the property owner may be using two or more properties as one for farming.

The draft policy includes the following provision:

*Where a parcel of rateable land valued as one assessment is used in conjunction with other parcels of rateable land valued as one assessment, then the total of all the parcels **may** be considered as one holding for the purposes of this policy.*

4.7 Policy (New) - Farmland Rating

This provision allows staff to consider multiple assessments in the one determination, when it can be evidenced by the property owner that the properties are used together for the purpose of farming activities.

This provision is consistent with the Clarence Valley Council policy.

Prospective Application of Policy

It is proposed that this policy, once adopted, be applied prospectively.

That is, these policy guidelines will be used for all future farmland categorisation assessments and reviews.

Should a property owner consider that the adopted policy may allow reconsideration of their current category, the property owner may make application for a review to be completed (Section 525 LGA).

Right of Appeal

Applications for a change in rating category must be assessed and the owner notified in writing of the outcome within 40 days of the application being made (Section 525 LGA).

If the owner is dissatisfied with the decision, the owner may apply for a further review which again must be completed within 40 days (Section 520 LGA).

If dissatisfied with the declaration made, the owner may appeal to the Land and Environment Court within 30 days of the declaration being made (Section 526 LGA).

Legal / Resource / Financial Implications

A policy which provides clear guidance to staff and transparency and clarity to ratepayers may lessen the possibility of ratepayers appealing Council's determination and taking a matter to the Land and Environmental Court.

Consultation

Staff from other councils have been consulted in preparing this policy. The policy will be placed on public exhibition.

Options

The policy is important as currently staff are making somewhat arbitrary decisions in respect to rating categorization for farmland properties. The farmland rate in the dollar is approximately 85% of the residential rate in the dollar, which means there can be a significant financial benefit in a property owner having their property categorized as farmland.

In respect to options Council may endorse or amend the proposed policy.

Amendments may be to increase the "Minimum Area" requirements, remove the "Minimum Gross Margin" criteria and / or remove the "Multiple Assessments Considered as One Holding".

4.7 Policy (New) - Farmland Rating

The draft policy reasonably outlines the criteria for farmland property categorization and it is recommended that the policy be adopted.

It is also recommended that Council exhibit the document for public comment. If no submissions are received from the exhibition process, the policy will be considered to be adopted with no further action required.

Importantly the policy will still be subject to on-going monitoring to determine if it is operating effectively and fairly and if any issues arise in its implementation it can be reported back to Council for further review.

RECOMMENDATIONS

1. That Council adopts the draft Farmland Rating Policy, as attached to this report.
2. That Council place this policy on exhibition for public comment, with any submissions received to be resubmitted back to Council. If no submissions are received then no further action is required.

Attachment(s)

1. Policy (New) - Farmland Rating
2. Rating Category Application – Farmland (example)

4.8 Rating Structure - 2019/20

4.8 Rating Structure - 2019/20

Delivery Program Financial Services

Objective To confirm the preferred ordinary rating structure for the 2019/20 rating year.

Background

A “Rating Structure and Land Valuations– 2019/20” report was provided to the Finance Committee meeting held on 20 March 2019. The report outlined the methodology that has been used to set the base amount rating structure and ordinary rate for several years and noted a growing differential for business rates.

That is, the methodology that has been applied to achieve 20% of total income yield from the business category has, over time, caused business properties to wear more than a proportionate share of the overall increase each year.

This was highlighted by Tables Five and Six of that report, which provided examples of the rates payable for a range of land valuations for residential and business rating categories.

Council has a 5.9% Special Rate Variation approved for 2019/20. By setting the business yield at 20%, Tables Five and Six of the March report indicated that residential rates would increase in the range of 5.4% to 5.9% and business categories in the range of 6.3% to 6.7%.

As noted in that report, the business rate in the dollar was approximately 466%, or more than four and a half times, the residential rate in the dollar, to raise the 20% of total rate revenue from business properties.

The 466% differential for 2019/20 has steadily increased from 358% in 2010/11 when the 20% rating structure was first fully implemented.

Business properties have not been growing at the same rate as residential properties and the rates payable for existing businesses were being increased by a higher percentage to maintain the 20% benchmark.

Council subsequently resolved as follows:

That Council receive a further report on an option to have the business and residential rates increased by the 5.9% approved special rate variation.

The information that follows outlines a proposed rating structure for the 2019/20 rating year, where the yield from business properties is revised to be consistent with residential properties.

Key Issues

- Equity and impacts

4.8 Rating Structure - 2019/20

Information

Council has a 5.9% Special Rate Variation approved for 2019/20.

It is reasonable to expect that the average for all rating categories, including business, residential and farmland, would increase by 5.9% in comparison to 2018/19.

This report aims to provide to Council a revised rating structure aiming to bring the average percentage increases of all rating categories into alignment, i.e. to be as close as possible to 5.9%.

The method in which to achieve this outcome is to reduce the percentage yield from business rate income, that is, reduce the business yield downwards from 20%.

Two scenarios are presented.

Scenario One is based on a 20% business yield, as outlined in the March 2019 report.

For Scenario Two, the business yield has been reduced to 19.85% as this percentage provided the closest outcome to parity for the percentage increases across rating categories.

Scenario One – 2019/20 Rating Structure using 20% Business Yield

Table One: 2019/20 Income per Category - 20% Business Yield

Rate Category	Income 5.9% increase (\$)	Category % Base Charge	Category % of Total Yield	Average Rate
Residential	17,932,650	49.89	73.29	1,099
Business	4,893,612	14.33	20.00	3,724
Farmland	1,647,741	32.28	6.71	1,695
Mining	0.00	0.00	0.00	0
Total	24,469,004	N/A	100.00	1,315

Table Two: 2019/20 Rating Structure using 20% Business Yield

Rating Category	5.9% Increase	
	Base Amount	Rate in Dollar
Residential	548	0.184140
Business	548	0.858120
Farmland	548	0.156950
Mining	548	0.858120

In this scenario, the rate in the dollar was approximately 466% higher than the residential rate in the dollar.

The figures in Table Two are in draft form only and will change slightly by the time they are adopted for 2019/20. This is because there may be variations due to growth in assessments and land valuations between now and when the 2019/20 rating structure is adopted by Council at the June 2019 Ordinary meeting.

4.8 Rating Structure - 2019/20

The next three tables provide examples of the rates payable for a range of land valuations, based on the residential, business and farmland rating categories.

Table Three: Residential Rates - 2019/20 - 20% Business Yield

Land Value Range	Property Count	Land Valuation	2018/19 rate**	2019/20 rate	Change (\$)	Change (%)
0 to 99,999	1,247	50,000	604	640	36	5.9%
100,000 to 199,999	2,876	150,000	779	824	45	5.8%
200,000 to 299,999	6,066	250,000	954	1,008	55	5.7%
300,000 to 399,999	3,167	350,000	1,129	1,192	64	5.7%
400,000 to 499,999	1,668	450,000	1,303	1,377	73	5.6%
500,000 to 599,999	446	550,000	1,478	1,561	83	5.6%
600,000 to 699,999	270	650,000	1,653	1,745	92	5.6%
700,000 to 799,999	176	750,000	1,827	1,929	102	5.6%
800,000 to 899,999	107	850,000	2,002	2,113	111	5.5%
900,000 to 999,999	97	950,000	2,177	2,297	120	5.5%
1,000,000 to 1,499,999	154	1,250,000	2,701	2,850	149	5.5%
1,500,000 to 1,999,999	36	1,750,000	3,575	3,770	196	5.5%
2,000,000 to 2,999,999	12	2,500,000	4,885	5,152	266	5.5%
> 3,000,000	8	3,000,000	5,759	6,072	313	5.4%

Table Four: Business Rates - 2019/20 - 20 % Business Yield

Land Value Range	Property Count	Land Valuation	2018/19 rate**	2019/20 rate	Change (\$)	Change (%)
0 to 99,999	372	50,000	919	977	58	6.3%
100,000 to 199,999	289	150,000	1,723	1,835	112	6.5%
200,000 to 299,999	170	250,000	2,528	2,693	166	6.6%
300,000 to 399,999	129	350,000	3,332	3,551	220	6.6%
400,000 to 499,999	117	450,000	4,136	4,410	274	6.6%
500,000 to 599,999	59	550,000	4,940	5,268	327	6.6%
600,000 to 699,999	36	650,000	5,744	6,126	381	6.6%
700,000 to 799,999	29	750,000	6,549	6,984	435	6.6%
800,000 to 899,999	16	850,000	7,353	7,842	489	6.7%
900,000 to 999,999	11	950,000	8,157	8,700	543	6.7%
1,000,000 to 1,499,999	45	1,250,000	10,570	11,275	705	6.7%
1,500,000 to 1,999,999	22	1,750,000	14,591	15,565	974	6.7%
2,000,000 to 2,999,999	16	2,500,000	20,623	22,001	1,379	6.7%
> 3,000,000	10	3,000,000	24,644	26,292	1,648	6.7%

Table Five: Farmland Rates - 2019/20 - 20 % Business Yield

Land Value Range	Property Count	Land Valuation	2018/19 rate**	2019/20 rate	Change (\$)	Change (%)
0 to 99,999	3	50,000	592	626	35	5.9%
100,000 to 199,999	3	150,000	741	783	43	5.8%
200,000 to 299,999	26	250,000	890	940	51	5.7%
300,000 to 399,999	88	350,000	1,039	1,097	59	5.7%
400,000 to 499,999	181	450,000	1,188	1,254	67	5.6%
500,000 to 599,999	196	550,000	1,337	1,411	75	5.6%
600,000 to 699,999	121	650,000	1,486	1,568	82	5.6%
700,000 to 799,999	91	750,000	1,635	1,725	90	5.5%
800,000 to 899,999	56	850,000	1,784	1,882	98	5.5%
900,000 to 999,999	49	950,000	1,933	2,039	106	5.5%
1,000,000 to 1,499,999	103	1,250,000	2,380	2,510	130	5.5%
1,500,000 to 1,999,999	31	1,750,000	3,125	3,295	170	5.4%
2,000,000 to 2,999,999	11	2,500,000	4,243	4,472	229	5.4%
> 3,000,000	10	3,000,000	4,988	5,257	269	5.4%

For Scenario One residential rates would increase in the range of 5.4% to 5.9%, business categories in the range of 6.3% to 6.7%, and farmland rates in the range of 5.4% to 5.9%.

Scenario Two – 2019/20 Rating Structure using 19.85% Business Yield

Scenario Two is based on the 19.85% business yield.

For the modelling completed, this percentage provided the closest outcome to parity across rating categories.

Table Six: 2019/20 Income per Category - 19.85% Business Yield

Rate Category	Income 5.9% increase (\$)	Category % Base Charge	Category % of Total Yield	Average Rate
Residential	17,966,057	49.89	73.42	1,101
Business	4,856,848	14.47	19.85	3,696
Farmland	1,646,048	32.28	6.73	1,699
Mining	0.00	0.00	0.00	0
Total	24,468,953	N/A	100.00	1,315

Table Seven: 2019/20 Rating Structure - 19.85% Business Yield

Rating Category	5.9% Increase	
	Base Amount	Rate in Dollar
Residential	549	0.1844900
Business	549	0.8503300
Farmland	549	0.1572800
Mining	549	0.8503300

In this scenario, the rate in the dollar is approximately 461% higher than the residential rate in the dollar.

4.8 Rating Structure - 2019/20

The next three tables provide examples of the rates payable for a range of land valuations, based on the residential, business and farmland rating categories.

Table Eight: Residential Rates - 2019/20 - 19.85 % Business Yield

Land Value Range	Property Count	Land Valuation	2018/19 rate**	2019/20 rate	Change (\$)	Change (%)
0 to 99,999	1,247	50,000	604	641	37	6.1%
100,000 to 199,999	2,876	150,000	779	826	47	6.0%
200,000 to 299,999	6,066	250,000	954	1,010	56	5.9%
300,000 to 399,999	3,167	350,000	1,129	1,195	66	5.9%
400,000 to 499,999	1,668	450,000	1,303	1,379	76	5.8%
500,000 to 599,999	446	550,000	1,478	1,564	86	5.8%
600,000 to 699,999	270	650,000	1,653	1,748	95	5.8%
700,000 to 799,999	176	750,000	1,827	1,933	105	5.8%
800,000 to 899,999	107	850,000	2,002	2,117	115	5.7%
900,000 to 999,999	97	950,000	2,177	2,302	125	5.7%
1,000,000 to 1,499,999	154	1,250,000	2,701	2,855	154	5.7%
1,500,000 to 1,999,999	36	1,750,000	3,575	3,778	203	5.7%
2,000,000 to 2,999,999	12	2,500,000	4,885	5,161	276	5.6%
> 3,000,000	8	3,000,000	5,759	6,084	325	5.6%

Table Nine: Business Rates - 2019/20 - 19.85 % Business Yield

Land Value Range	Property Count	Land Valuation	2018/19 rate**	2019/20 rate	Change (\$)	Change (%)
0 to 99,999	372	50,000	919	974	55	6.0%
100,000 to 199,999	289	150,000	1,723	1,824	101	5.9%
200,000 to 299,999	170	250,000	2,528	2,675	147	5.8%
300,000 to 399,999	129	350,000	3,332	3,525	193	5.8%
400,000 to 499,999	117	450,000	4,136	4,375	239	5.8%
500,000 to 599,999	59	550,000	4,940	5,226	286	5.8%
600,000 to 699,999	36	650,000	5,744	6,076	332	5.8%
700,000 to 799,999	29	750,000	6,549	6,926	378	5.8%
800,000 to 899,999	16	850,000	7,353	7,777	424	5.8%
900,000 to 999,999	11	950,000	8,157	8,627	470	5.8%
1,000,000 to 1,499,999	45	1,250,000	10,570	11,178	608	5.8%
1,500,000 to 1,999,999	22	1,750,000	14,591	15,430	839	5.7%
2,000,000 to 2,999,999	16	2,500,000	20,623	21,807	1,185	5.7%
> 3,000,000	10	3,000,000	24,644	26,059	1,415	5.7%

Table Ten: Farmland Rates - 2019/20 - 19.85 % Business Yield

Land Value Range	Property Count	Land Valuation	2018/19 rate**	2019/20 rate	Change (\$)	Change (%)
0 to 99,999	3	50,000	592	628	36	6.1%
100,000 to 199,999	3	150,000	741	785	44	6.0%
200,000 to 299,999	26	250,000	890	942	53	5.9%
300,000 to 399,999	88	350,000	1,039	1,099	61	5.9%
400,000 to 499,999	181	450,000	1,188	1,257	69	5.8%
500,000 to 599,999	196	550,000	1,337	1,414	77	5.8%
600,000 to 699,999	121	650,000	1,486	1,571	86	5.8%
700,000 to 799,999	91	750,000	1,635	1,729	94	5.7%
800,000 to 899,999	56	850,000	1,784	1,886	102	5.7%
900,000 to 999,999	49	950,000	1,933	2,043	110	5.7%
1,000,000 to 1,499,999	103	1,250,000	2,380	2,515	135	5.7%
1,500,000 to 1,999,999	31	1,750,000	3,125	3,301	176	5.6%
2,000,000 to 2,999,999	11	2,500,000	4,243	4,481	238	5.6%
> 3,000,000	10	3,000,000	4,988	5,267	280	5.6%

Scenario Two indicates that residential rates would increase in the range of 5.6% to 6.1%, business categories in the range of 5.7% to 6.0%, and farmland rates in the range of 5.6% to 6.1%.

Scenario Two brings the percentage increases for rating categories closer together.

Within residential rates at Table Eight, the largest number of assessments (56% of total residential assessments) will have an increase of 5.9%.

Within business rates at Table Nine, 22% of total business assessments will have an increase of 5.9%, 28% of total assessments will have an increase of 6.0% and 50% of total assessments will have an increase of less than 5.9%.

For Scenario Two as compared to Scenario One the average rate for residential properties is increased by \$2 to \$1,101.

The average rate for business properties is reduced by \$28 to \$3,696.

The reduction in the percentage yield for business has a more significant impact on business rates as there are fewer business assessments.

Legal / Resource / Financial Implications

Council aims to adopt the most equitable and fairest rating structure within the legislation limitations.

Consultation

The rating structure will be placed on exhibition for public comment as part of the preparation of the 2019/20 Operational Plan.

Options

Council can vary the rating structure through changes in the base charge, higher or lower differentials between categories and differentials within categories.

The preferred rating structure for 2019/20 is Scenario Two, as it provides a more consistent increase all properties. Tables Six and Seven outline that scenario. No other change are recommended to the current structure for 2019/20.

As outlined in the March 2019 report the preference is still to review the differentials between the residential, business and farmland properties in future years, however for 2019/20 the preference is to initiate one small change and have the percentage increase applied consistently. The recommendations reflect this approach.

RECOMMENDATIONS

1. That for the preparation of the draft 2019/20 Operational Plan Council approves a rating structure based on the 5.9% special rate variation as determined by the Independent Pricing and Regulatory Tribunal.
2. That for the draft 2019/20 Operational Plan, Council approves the inclusion of a base rating structure, which applies the following principles:
 - a) Marginally less than 50% of the rate income for the residential category of properties being generated from the base amount
 - b) Business, farmland and mining categories to have the same base amount as the residential base amount
 - c) A total of 19.85% income from the rate yield to be sourced from the business category properties
 - d) Farmland rate in the dollar is approximately 85% of the residential rate in the dollar
 - e) The mining category rate in the dollar to be set as the same rate as the business category (currently no mining category properties in the shire).
3. That Council notes the indicative figures for this rating structure for 2019/20, are as per Tables Six and Seven of this report.
4. That Council confirms that for 2020/21 onwards it wishes to examine further changes to the rating structure that may help to reduce the large differential currently being applied to the category of business properties as compared to residential properties.

Attachment(s)

Nil

4.9 Community Infrastructure - Recurrent Capital Expenditure

4.9 Community Infrastructure - Recurrent Capital Expenditure

Delivery Program Financial Services

Objective To outline the preferred works program for the community infrastructure projects where there is recurrent funding included in the Long Term Financial Plan.

The capital expenditure in Council's Long Term Financial Plan (LTFP) can be classified into two groups 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 core community infrastructure.

Non-recurrent refers to items where capital expenditure funding is not required every year, however there are times when major injections of funding are needed (eg. swimming pool redevelopments).

This report deals with the recurrent funded items.

The recurrent funded budgets in the Council's draft General Fund LTFP are approximately:

1. Open Spaces, Parks and Reserves – \$660,000 pa
2. Sports Fields – \$180,000 pa
3. Community Buildings – \$586,000 pa
4. Public Amenities – \$112,000 pa
5. Stormwater / Drainage – \$770,000 pa
6. Street Lighting – \$52,000 pa
7. Footpaths / Shared Paths – \$500,000 pa
8. Roads – Recurrent revenue funding of approximately \$4.3m with this amount subject to change dependent on other income sources such as loans, grant and Section 94 contributions for road works

For each of these items a four year works plan is included in the Council's Delivery Program to identify the projects planned for the term of that document.

Key Issues

- Program priorities

Information

From a financial 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 deteriorates, resulting in reduced service levels, increased maintenance costs and increased risk due to asset failures.

4.9 Community Infrastructure - Recurrent Capital Expenditure

It is also important that a council focuses, as the first priority for capital expenditure, on asset renewal, rather than expanding its asset base, as councils need to have adequate funds to maintain existing assets before building new facilities.

In respect to the recurrent funding budgets, the proposed works for the next four years are as follows.

Open Spaces - Manager – Cheyne Willebrands

The majority of these items are as per Council's adopted Playground Upgrade Plan (copy available at the following link to Council's website):

https://www.ballina.nsw.gov.au/cp_themes/default/page.asp?p=DOC-ICR-42-35-17

<i>Item</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>	<i>2022/23</i>
Location	689,000	709,000	730,000	749,000
Crown Reserve Improvements	27,000	28,000	29,000	30,000
Ross Park	25,000	417,500		
John Sharp		70,000		
Lilli Pilli Park		70,000		
Killarney Park		70,000		
Pop Denison	445,000			
Killen Falls (fencing, parking etc)	20,000	53,500		
Wollongbar District Park	172,000			
Missingham Park			395,000	
Madden Park			82,000	
Cummings Crescent Park			82,000	
Montwood Park			82,000	
Edgewater Park			60,000	
Ocean Breeze Reserve				179,000
Faulks Reserve				190,000
Cawarra Park				120,000
Saunders Oval				130,000
Riverview Park				100,000
Sports Fields	182,000	187,000	192,000	197,000
Pacific Pines Fields - Lighting	182,000	187,000		
Crawford Park - Lighting			192,000	
Ballina Heights - Lighting				197,000

The Faulks Reserve playground equipment upgrade has been pushed back one year based on Missingham Park and Ross Park being higher priorities.

This matter is raised as one resident was hoping that Faulks Reserve would be upgraded in the near future.

The Wollongbar Skate Park project will also be carried forward from 2018/19 with approximately \$450,000 available.

4.9 Community Infrastructure - Recurrent Capital Expenditure

Procurement and Building Management – Tony Partridge

<i>Item</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>	<i>2022/23</i>
Public Amenities	112,000	115,000	118,000	121,000
Kerr Street Toilets, Ballina	112,000			
Wardell Rebuild Adjacent to Tennis Courts		115,000		
Lennox Head Main Beach			118,000	
Moon Street, Ballina				121,000

The section manager is seeking a significant increase to this recurrent budget, to \$180,000, as the current allocation is generally insufficient for a total reconstruction.

Based on forecast working capital deficits there is currently insufficient funds to increase this recurrent budget.

Stormwater - Manager - Paul Busmanis

<i>Item</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>	<i>2022/23</i>
Stormwater	765,000	806,000	826,000	847,000
Urban Lanes	24,000	25,000	26,000	27,000
Kerr Street, Ballina (Tamar to Richmond River)	90,000			94,000
Urban Stormwater Management Plan	24,000	25,000	25,000	25,000
Asset Data Collection	63,000	64,000	65,000	66,000
Tide Gates to Urban Streets	53,000	53,000	55,000	55,000
Tanamera Drive, Alstonville	40,000	18,000	18,000	13,000
Moon Street, Ballina (Tamar to Holden Lane)	80,000			
Henry Philp Avenue, Ballina	50,000			
Rutherford Street and Tresise Place, Lennox	132,000			
Martin Street (River St to Richmond River)	90,000			
Williams Reserve, Lennox Head		40,000		
Compton Drive, Ballina	72,000			
Bangalow Road, Ballina (Moon St intersection)	47,000			
Fox Street, Ballina		70,000		
Alison Avenue, Lennox Head (re-lining)			90,000	90,000
Owen Street, Ballina			85,000	
Grant Street, Ballina		60,000		70,000
Temple Street, Ballina (Near 82)		120,000		
Martin Street, Ballina		200,000		87,000
Hickey Street, Ballina		130,000	40,000	
Oakland Avenue, Ballina			62,000	
Riverside Drive, Ballina (Quays Drive to Oakland)			60,000	70,000
Kingsford Smith Drive, Ballina			90,000	
River Street, Ballina			50,000	
Moon Street, Ballina			100,000	
Survey and Brolga Place, Lennox			60,000	
Cherry Street, Ballina				90,000
Lems Lane and Cliff Murry Lane, Lennox				90,000
Tamar Street, Ballina				70,000

4.9 Community Infrastructure - Recurrent Capital Expenditure

Ancillary Transport Services - Manager – Paul Busmanis

<i>Item</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>	<i>2022/23</i>
Street Lighting	53,000	54,000	55,000	56,000
Lighthouse Parade, Ballina	34,000			
Ceretto Circuit, Wollongbar	19,000			
Megan Crescent, Lennox		15,000		
Quays Drive, Ballina		12,000		
Riverside Drive, Ballina		12,000		
Daydream Avenue / Sunnybank Drive, Ballina		7,000		
Tamar Street, Ballina		8,000		
Hackett Lane, Ballina			55,000	37,000
Convair Avenue, Ballina				7,000
Rubiton Street, Wollongbar				12,000

There has been significant criticism of Council for not allocating funds to provide lighting at the intersection of Deadmans Creek Road and Tamarind Drive.

This priority listing allows Council to amend the proposed works program or to seek further information on the benefit and cost of installing lighting at Deadmans Creek Road.

To prepare an estimate requires input from an external electrical consultant as each site has unique design considerations in respect of the scope of infrastructure required and the proximity to, and capacity of, a sub-station.

As a guide, the cost of lighting for three recent roundabout projects is as follows:

- Angels Beach Drive March 2016 \$146,696
- Skennars Head July 2017 \$173,030
- Ross Lane February 2018 \$146,674

It is difficult to make a direct comparison although these projects are all three legged roundabouts so the approach lighting would have similar dimensions to the Deadmans Creek Road intersection.

To reduce the potential cost, the Local Traffic Committee considered an option to install a lighting design suitable for a rural environment however this option could not be supported as it was non-compliant with the relevant standards.

Council could still pursue this option although we will need to consider advice from our insurer.

This has been sought and is expected to be available prior to the Committee meeting.

In terms of priorities for street lighting, a number of years ago, Council was consistently receiving complaints about street lighting. In response to this Council established a recurrent budget and a priority program.

For a project to be considered for inclusion in the program, an assessment was made comparing the existing lighting to the Australian Standard.

4.9 Community Infrastructure - Recurrent Capital Expenditure

Only proposals not meeting the standard were included in the program and the projects were ranked in terms of priority.

Council has worked through the original program and from time to time a request is made for a new inclusion.

The number of new requests has steadily declined which would suggest the program is close to achieving its original objective.

It is now timely for the Civil Services Division to prepare a report assessing the preferred approach to manage street lighting upgrading requests.

Earlier in this agenda, information is presented regarding an upgrade program for our car parks. The upgrade needs at many of the car parks include improvements to site lighting and Council may see merit incorporating car park lighting into the street lighting program as, at this point in time, there are no recurrent funds available for the car park upgrade program.

<i>Item</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>	<i>2022/23</i>
Footpaths and Shared Paths	490,000	502,000	516,000	529,000
River Street-Keppel Street, West Ballina	17,000			
Angels Beach Drive, Ballina	5,000			
Suvla Street, Shelly Beach Road, East Ballina	114,000	100,000		
Moon and Tamar Streets, Ballina	6,000			
Bangalow Road, Ballina	3,000			
River Street, West Ballina	14,000			
Freeborn Place, Alstonville	27,000			
Bugden Avenue, Alstonville	34,000			
River Street, Ballina	19,000			
Moon Street, Ballina	3,000			
Martin Street, Ballina	3,000			
Eyles Drive, John Sharpe Street, Links Ave	110,000			
Barlows Road, West Ballina	43,000	62,000		
Robertson Street, Alstonville	33,000			
Bike Plan Projects	59,000	82,000	100,000	100,000
Kerr Street, Ballina		12,000		
Wardell Road, Alstonville		8,000		
Owen Street, Ballina		97,000		
Bagot Street, Canal Road, Ballina		133,000	47,000	
Tamarind Drive, Ballina North		8,000		
Old Pacific Highway, Newrybar			65,000	
Grandview Street, East Ballina			72,000	
Manly Street, East Ballina			22,000	
Moon Street, Ballina			13,000	
Williams Street, Lennox Head			44,000	
Kerr Street, Ballina			21,000	
North Creek Road, Ballina			10,000	
Quays Drive, West Ballina			10,000	
Greenwood Place, Sunrise Crescent, Lennox Head			58,000	
Fox Street, Ballina			54,000	
Tamar Street, Ballina				34,000
Coral Street, Alstonville				5,000
Cawarra Street, Ballina				37,000
Rifle Range Road, Wollongbar				100,000
Burnet Street, Ballina				30,000
Owen Street, Ballina				5,000
Bentinck Street, Ballina				20,000
Skennars Head Road, Skennars Head				20,000
Westland Drive, West Ballina				5,000
Green Street, Alstonville				15,000
Canal Road, Ballina				40,000
Chickiba Drive, East Ballina				60,000
Martin Street, Ballina				58,000

4.9 Community Infrastructure - Recurrent Capital Expenditure

In addition to these works, major components of the Coastal Shared Path and Coastal Walk funding will be carried forward to 2019/20. A total of \$1m for each project has already been deferred from 2018/19 to 2019/20 and any further unexpended funds will also be carried forward.

Roads and Bridges - Manager - Paul Busmanis

<i>Item</i>	<i>2019/20</i>	<i>2020/21</i>	<i>2021/22</i>	<i>2022/23</i>
Roads and Bridges	17,795,000	12,269,900	29,402,900	19,049,000
Urban Roads				
Northumberland Drive seg 10	476,000			
Gibbon Street seg 20	89,000			
Martin Street seg 150	125,000			
Martin Street seg 10	195,000			
Chickiba Drive seg 10-20 and part 30	369,000			
Winton Lane seg 40	138,000			
Fawcett Street seg 10	80,000			
Item	2019/20	2020/21	2021/22	2022/23
Urban Roads (cont'd)				
Skinner Street seg 30	64,000			
Swift Street seg 30	105,000			
Brunswick Street seg 20	84,000			
Burnet Street seg 50	199,000			
Barlows Road seg 20	167,000			
Gibbon Street seg 10	104,000			
Kays Lane seg 20	188,000	202,000		
Simmons Street seg 20		134,000		
Johnson Drive seg 10		90,000	261,000	
North Creek Road seg 10 and 50		322,000		
Winton Lane seg 20		168,000		
Links Avenue seg 70		141,000		
Wilson Street seg 10			109,000	
Byron Street seg 20			131,000	
Smith Drive seg 20			194,000	
Crane Street seg 30			94,000	
Kalinga Street seg 30			201,000	
Russell Street seg 10			190,200	
Temple St seg 30			111,000	128,000
Raglan Street seg 10				98,000
Holden Lane seg 50				33,000
Temple Street seg 10				238,000
Holden Lane seg 30				33,000
Treelands Crescent seg 10				220,000
Sunnybank Drive seg 10				225,000
Burnet Street seg 60-70				210,000
Moon Street seg 140				236,000
Henry Phillip Avenue seg 10-20-30				286,000
Apsley Street seg 10				72,000
Bagot Place seg 10				120,000
Bonview Street seg 10-20-30-40				95,000
Bagot Street seg 30				130,000
Waverley Place seg 10				121,000
Broadwater Place seg 10				130,000
Reseals Urban	546,000	560,000	574,000	588,000
Urban Roads Heavy Patching	466,000	478,000	490,000	502,000
Sub Total	3,395,000	2,095,000	2,355,200	3,465,000
Rural Roads				
Bagotville Road seg 50 (part)		189,000		
Pimlico Road seg 110 and 20	296,000	120,000		
Corks Lane seg 10-30	250,000		170,000	
Teven Road seg 70 and 58-60	433,000	220,000	250,000	

4.9 Community Infrastructure - Recurrent Capital Expenditure

River Drive seg 130	255,000			
South Ballina Beach Road seg 60	158,000	138,000	180,000	
Fernleigh Road seg 80		250,000	350,000	
Uralba Road seg 40		389,000		
Pimlico Road seg 100		248,000	170,000	
Teven Road seg 10		167,700	210,300	
River Drive seg 10-30		266,000		
Eltham Road seg 10			162,000	
Uralba Road seg 70		160,000		
Old Pacific Highway seg 20			121,400	
Teven Road seg 52			315,000	
Friday Hut Road seg 170			265,000	
Beacon seg 10			190,000	
Houghlahans Creek Road seg 160				155,000
Riverbank Road seg 10				210,000
Moylans Lane seg 10				220,000
Pimlico Road seg 35				110,000
Riverbank Road (R2R)		286,000		
Rural Reseals	536,000	549,000	563,000	577,000
Rural Roads Heavy Patching	286,000	293,000	300,000	308,000
Sub Total	2,214,000	3,275,700	3,246,700	1,580,000
Item	2019/20	2020/21	2021/22	2022/23
Bridges				
Bridges - Other	110,000	113,000	116,000	119,000
Carrs Bridge (River Drive)	450,000			

In addition to these items, which are all Council revenue funded, other projects planned for the next four years are as follows:

Bypass related works – funded from Bypass reserves

Item	2019/20	2020/21	2021/22	2022/23
Alstonville Bypass		100,000	103,000	106,000
Tintenbar to Ewingsdale - Bypass	103,000	106,000	109,000	112,000
Ballina Bypass	154,000	158,000	162,000	166,000

Section 7.11 Contribution Plans (previously Section 94)

Item	2019/20	2020/21	2021/22	2022/23
S 7.11 - Rural Reseals	191,000	199,000	207,000	215,000
S 7.11 - Hutley Drive	4,300,000			
S 7.11 - Angels Bch Dve / Bangalow Rd R'about		955,000		
S 7.11 - River St Fish Ck/Tweed St - 4 Lanes			4,314,000	
S 7.11 - River St Fish Ck/Bypass - 4 Lanes			11,006,000	
S 7.11 - Fisheries Creek Bridge - 4 Lanes			6,138,000	
S 7.11 - River St - Land			154,000	
S 7.11 - Tamarind Dr Nth Ck/Kerr St - 4 Lanes				8,395,000
S 7.11 - Canal Bridge - 4 Lanes				4,696,000

As it is unlikely that the developer contributions collected will be adequate to finance the Section 7.11 works planned for 2021/22 and 2022/23, indicative grants of \$6m in 2021/22 and 2022/23 have been included, as it is likely that this level of external funding will be required to allow the projects to proceed.

If that external funding is not forthcoming the projects will need to be delayed until funding is secured.

4.9 Community Infrastructure - Recurrent Capital Expenditure

Other Road Projects

<i>Item</i>	2019/20	2020/21	2021/22	2022/23
River Street Beautification	1,000,000			
Lennox Head - Village Renewal		4,200,000	1,300,000	
Urban Roads - Airport Boulevard	5,500,000			
Cherry Street / Fox Street Intersection	10,000	880,200		
The Coast Road (Repair Program)	368,000			
RMS (Repair Program)		188,000	192,000	195,000

Roads and Bridges Projects funded from:

Council Revenue	4,306,000	4,836,700	5,057,900	4,677,000
Regional Roads Grant	184,000	188,000	192,000	195,000
Roads to Recovery Grant	634,000	647,000	660,000	674,000
Safer Roads – NSW State Government	10,000	880,200		
Federal Government Grant	3,000,000			
State or Federal Government Grants			6,000,000	6,000,000
Developer Contributions	4,491,000	1,154,000	7,633,000	7,119,000
Loan Funds	1,000,000	3,100,000	8,186,000	
Internal Reserves	4,170,000	1,464,000	1,674,000	384,000
Total	17,795,000	12,269,900	29,402,900	19,049,000

As per these figures there is a significant amount of road works planned for the next four years.

Community Facilities - Manager – Craig Brown

<i>Item</i>	2019/20	2020/21	2021/22	2022/23
Community Buildings and Halls	2,383,500	590,000	605,000	620,000

Item	Description	2019/20	2020/21	2021/22	2022/23
Community Centres	Minor works	0	26,000	27,000	28,000
Lennox Community Centre	Contribution to Grant	148,000	0	0	0
Lennox Community Centre	Grant Funds	1,833,500	0	0	0
Lennox Community Centre	Minor works	0	50,000	0	0
Lennox Community Centre	Refurbishments	0	0	220,000	0
Lennox Community Centre	Programmed Mtce - Painting	0	25,000	25,000	25,000
Ballina Surf Club	Programmed Mtce – Painting, Floors	50,000	50,000	50,000	50,000
Kentwell Centre	Programmed Mtce - Painting	12,000	12,000	12,000	12,000
Kentwell Centre	AC Unit Replacements	0	72,000	0	0
Library / VIC / Richmond	Painting, Improvements	0	80,000	0	0
ALEC	External / Internal Mods	209,000	260,000	0	0
Wollongbar Hall	Repairs / Repaint	17,000	0	0	0
Newrybar Hall	Repaint	16,000	0	0	0
Community Gallery	Repaint	15,000	0	0	0
60 Crane Street	External Repairs / Repaint	13,000	0	0	0
Naval Museum	Exterior Repaint / Toilets	50,000	0	0	0
Animal Shelter	Repaint	20,000	0	0	0
Administration Centre	External Repaint	0	0	80,000	0
71 Tamar Street	External Repaint	0	15,000	0	0
Community Halls - Various	Various	0	0	191,000	505,000
Totals		2,383,500	590,000	605,000	620,000

For the Lennox Head Community Centre Council has a grant of \$1,833,500 to be expended in 2019/20. There is also Council funding for this project of \$187,400 to be carried forward from 2018/19. This results in a total project budget of \$2,168,900:

Grant	1,833,500
2018/19 Council	187,400
2019/20 Council	148,000
Total Project	2,168,900

4.9 Community Infrastructure - Recurrent Capital Expenditure

Legal / Resource / Financial Implications

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

Consultation

The priorities endorsed by Council will be exhibited for public comment as part of the draft 2019/20 to 2022/23 Delivery Program and Operational Plan.

Notification of the Delivery Program was included in the latest edition of the Community Connect magazine. This has already resulted in one submission as per Attachment 1 to this report, with the request being for Burnett Street, between Cherry and Moon Street to be included in the recurrent capital works program.

Commentary is also provided on Hampton Park.

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 community feedback.

For example Wardell constituents consistently criticize Council for inadequate works in that township and there are limited works proposed for Wardell once again. There has also been criticism in respect to the street lighting program.

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

RECOMMENDATION

That Council includes in the draft 2019/20 to 2022/23 Delivery Program and Operational Plan the recurrent capital expenditure priorities as outlined in this report.

Attachment(s)

1. Submission - Mr Richard and Mrs Barbara Hayllar

4.10 Property Reserves - Review

4.10 Property Reserves - Review

Delivery Program Commercial Services

Objective To review the property reserve forecasts.

Background

Council's property development activities represent a major part of Council's overall operations with funding from those activities having generated tens of millions of dollars to assist in delivering community infrastructure projects over many years.

The revenues that finance the property development activities are managed through Council's internal Property Reserves (cash reserves) with those reserves consisting of two main components being the:

1. Property Development Reserve (PDR) – This reserve is the banker for Council's commercial property development activities;
2. Community Infrastructure Reserve (CIR) – This reserve receives revenue from commercial property rentals and dividends from the PDR, with the funds held in the reserve then financing community infrastructure projects.

The purpose of this report is to update Council on the current state of the reserves in order to clarify the funding available and to identify projects funded, or to be funded, from the reserves.

Key Issues

- Funding priorities

Information

Property Development Reserve (PDR)

During the last two years Council has resolved to undertake two projects that have significantly drained this reserve being the acquisition of 4 Byron Bay Road to extend Hutley Drive, Lennox Head through to Byron Bay Road and the construction of Airport Boulevard. This expenditure has impacted on the reserve as follows:

- 4 Byron Bay Road – Council has been able to reimburse approximately \$1.5m of the \$2.41m cost of this property through the application of Section 7.11 Developer Contributions from Council's Roads Plan, resulting in a net cost to the PDR of approximately \$900,000.

Originally it was envisaged that Council may be able to recoup some of this net cost through residential development of the land not needed for the Hutley Drive corridor.

4.10 Property Reserves - Review

Since the land was acquired, Council has resolved to construct the new Lennox Head Preschool on the property and the Lennox Head Rural Fire Service has been supportive of relocating their existing shed to the site, which will then free up car parking sites in Park Lane, Lennox Head.

This means the eastern end of the property is unable to be developed for residential land.

The western end of the property is likely to be retained as buffer for the adjoining residential properties, which means no financial return is now expected on the residual land.

- Airport Boulevard - This \$7m project is funded through a \$3m Federal Government grant and a \$4m dividend from the PDR.

Normally Council would develop industrial land infrastructure in smaller stages to allow expenditure to be recouped from land sales.

Council resolved to apply for Federal Government grant funding for this road to allow it to be completed as one project and we were successful in obtaining \$3m in Federal funding to offset the cost.

The difficulty with the project is that there is no staged financial return to Council and this means the \$4m Council contribution must be outlaid up front with no industrial land being released when the project is completed.

Fortunately Council has been successful in obtaining a \$3.95m grant to construct new industrial lots adjoining the connection between Airport Boulevard and the Ballina – Byron Gateway Airport, which will allow Council to deliver industrial lots for release however the \$4m outlay for Airport Boulevard with no immediate return significantly drains the PDR.

There are also concerns that as it has taken two to three years to obtain the relevant planning approvals for Airport Boulevard, the estimated cost will significantly increase, when the project already had a high risk due to it being constructed on relatively low lying land. The possibility of a budget increase for this project remains a concern.

These two significant financial outlays, with no short term financial return, resulted in Council resolving to loan fund our planned land development activities for Boeing Avenue (land opposite Harvey Norman in Ballina) and Stage 3 of the Wollongbar Urban Expansion Area (WUEA) Estate.

This will be the first time Council has actually borrowed for its land development activities, as normally they are able to be cash funded.

This increases the risk associated with those projects and Council needs to be mindful of this when evaluating the feasibility of these land development activities.

In summary there is now limited income and expenditure movements scheduled for the PDR with the latest review of the reserve outlined in the following table, inclusive of the actual results for 2017/18.

4.10 Property Reserves - Review

Table One – Property Development Reserve

Item	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Opening Balance	2,982,700	1,921,000	569,800	403,500	317,300	233,800
Add: Cash Inflows						
Interest Accrued	65,600	39,000	17,000	12,000	9,000	7,000
Sec 7.11 – Byron Bay Road	0	1,584,000	0	0	0	0
Contribution – WUEA	0	300,000	0	0	0	0
Rental - Norfolk Homes	149,100	153,000	156,100	159,200	162,400	165,600
Rental - ARC	128,600	259,000	264,200	269,500	274,900	280,400
Sale - Alstonville Tennis Courts	1,437,400	0	0	0	0	0
Sales - 54 North Creek Road	0	2,605,000	0	0	0	0
Sales - Russellton	0	0	0	0	0	0
Sales - Southern Cross	10,000	0	0	0	0	0
Sales - WUEA Stages 1 and 2	3,634,400	0	0	0	0	0
Sub Total	5,425,100	4,940,000	437,300	440,700	446,300	453,000
Less: Cash Outflows						
Operating Exps / Holding Costs	288,800	261,300	205,200	188,500	193,200	138,800
Ballina Surf Club	100,000	0	0	0	0	0
Airport Boulevard	100,000	3,900,000	0	0	0	0
Biodiversity Project	0	40,000	0	0	0	0
Byron Bay Road – Acquisition	2,410,000	0	0	0	0	0
North Ck Road – Development	609,400	1,441,600	0	0	0	0
Russellton - Land Development	404,100	0	0	0	0	0
Shelly Beach Café	3,800	0	0	0	0	0
Skennars Head Easement	66,000	0	0	0	0	0
Southern Cross Industrial Estate	0	84,000	0	0	0	0
Southern Cross Master Plan	86,700	60,000	0	0	0	0
Wollongbar – Stages 1 and 2	2,001,700	115,000	0	0	0	0
Dividend – General Fund	416,300	389,300	398,400	338,400	336,600	309,500
Sub Total Outflows	6,486,800	6,291,200	603,600	526,900	529,800	448,300
Closing Balance	1,921,000	569,800	403,500	317,300	233,800	238,500

The complete ten year forecast is included as Attachment 1 to this report.

As per Table One and Attachment 1, the relatively small closing balances for 2018/19 onwards mean that Council does not have sufficient funds to undertake additional development projects, which is why our land development activities are now loan funded.

Comments on the major items in this latest cash flow, as per Table One, are as follows:

Cash Inflows

- a) Contribution – Section 7.11 Byron Bay Road – Represents the Council approved recoupment from developer contributions for this property acquisition.
- b) Contribution – WUEA – Represents a contribution from an adjoining land owner for shared infrastructure funded by Council as part of Stages Two and Three.
- c) Rental Income – Income from the Norfolk Homes and ARC building leases, both of which are located at the Southern Cross Industrial Estate. Income generated from both properties is transferred to the PDR to ensure the PDR balance remains positive following payment of overheads and the dividend to General Fund.

4.10 Property Reserves - Review

- d) Sale – Alstonville Tennis Courts Site – This sale settled during 2017/18.
- e) Sale - 54 North Creek Road – Estimated sales income from this property development, with four out of a total of six contracts exchanged to date. The remaining lots are going to auction in the near future.
- f) Sales – WUEA (Wollongbar Urban Expansion Area) – Represents actual sales income from 2017/18.

Cash Outflows

- a) Operating Expenditure – Includes costs such as rates and charges for our landholdings, as well as corporate overheads distributed to this function.
- b) Ballina Surf Club – Funding allocated to finance the storage shed.
- c) Airport Boulevard – Funding of \$4m allocated to this \$7m project. The balance is funded by a \$3m Federal Government grant.
- d) Biodiversity Project – Represents a contribution to a consultancy being managed by Strategic Planning, which will help identify land where biodiversity offsets can be located for projects that may have an environmental impact.
- e) Byron Bay Road Acquisition – Purchase of this property.
- f) North Creek Road – Land Development – Represents the construction costs for this development.
- g) Russellton Land Development – This figure relates to subdivision and other ancillary costs required to formalise an existing use in this Estate.
- h) Shelly Beach Café – Council resolved to finance works related to the relocation of infrastructure for this property.
- i) Skennars Head Easement – Represents costs associated with the establishment of an easement for the property Council acquired to expand the Skennars Head Sports Fields.
- j) Southern Cross Industrial Estate – Costs associated with the rezoning of part of this property.
- k) Southern Cross Masterplan – Represents funding for planning related works.
- l) WUEA – Development – Development costs for stage two.
- m) Dividend – General Fund – The PDR provides an annual dividend to the General Fund to support the recurrent operations of Council.

This dividend continues to drain the PDR, considering that community infrastructure dividends are also paid to the General Fund. Due to the low level of income being returned to the PDR it has been necessary to steadily reduce the dividend in future years to ensure the PDR retains a positive balance.

4.10 Property Reserves - Review

The General Fund Long Term Financial Plan has been prepared based on the Property Program steadily reducing its dividend to the General Fund from \$400,000 to \$100,000 per annum. This is explained in further detail in the report later in this agenda on the General Fund – Long Term Financial Plan.

As per Attachment 1, the reason there is no major income and expenditure items forecast for this reserve for 2019/20 onwards is that the reserve does not have sufficient funds available to undertake any new development projects.

Based on this Council approved short term loan borrowing as the preferred funding strategy for the two projects that are considered to be most viable; i.e.

- WUEA – Stage Three – 31 residential lots
- Southern Cross – Boeing Avenue (opposite Harvey Norman) – There is strong demand for industrial land and Council has two lots, with approval for filling, being Lots 2 and 3. Lot 2 is 2.5 hectares in size and Lot 3 is 3.5 hectares in size.

Other potential projects include the construction of industrial lots once Airport Boulevard is completed and the next stage of the Russellton Estate, which unfortunately remains marginal due to the high level of expenditure needed up front for essential infrastructure. Council also has residential land at Lennox Head.

As both WUEA – Stage Three and Boeing Avenue are loan funded the preference is to now create a separate reserve to finance these projects, as this then ensures all expenses are accounted for against the loans and the loans are immediately repaid once sales are generated. This proposal is outlined in Table Two as follows.

Table Two – Property Development Loans Reserve

Item	2018/19	2019/20	2020/21	2021/22	2022/23
Opening Balance	0	0	0	0	4,163,900
Cash Inflows					
Loan - Bridging Finance - Boeing Ave	1,368,400	5,743,100	0	0	0
Loan - Bridging Finance – WUEA	69,700	5,590,000	95,400	7,900	0
Sales - Boeing Avenue	0	0	5,542,000	5,542,000	2,771,000
Sales - WUEA	0	0	4,100,000	4,100,000	0
Sub Total Inflows	1,438,100	11,333,100	9,737,400	9,649,900	2,771,000
Cash Outflows					
WUEA - Stage 3 - Land Development	68,700	5,523,300	4,400	4,400	0
WUEA – Stage 3 - Interest Paid	1,000	66,700	91,000	3,500	0
Boeing Ave - Land Development	1,357,800	5,597,400	2,054,300	4,400	2,200
Boeing Avenue - Interest Paid	10,600	145,700	166,100	20,800	0
Sub Total - Development Costs	1,438,100	11,333,100	2,315,800	33,100	2,200
Less: Bridging Finance Repaid					
Boeing Avenue - Principal Repaid	0	0	5,542,000	1,569,500	0
WUEA – Stage 3 - Principal Repaid	0	0	1,879,600	3,883,400	0
Sub Total - Development Costs	0	0	7,421,600	5,452,900	0
Closing Cash Balance	0	0	0	4,163,900	6,932,700
Cash Movement – Increase	0	0	0	4,163,900	2,768,800
Loan Debt	1,438,100	12,771,200	5,445,000	0	0

4.10 Property Reserves - Review

For 2018/19 and 2019/20 all the land development costs and loan interest payments are financed from loans (i.e. bridging finance) and this loan debt is then repaid when sales are forthcoming, which is forecast for 2020/21 onwards.

As per the Loan Debt line the borrowings proposed reach a maximum figure of \$12.7m which is a substantial debt.

Attachments 2 and 3 to this report provide the latest feasibility analysis and cash flows for WUEA – Stage 3 (Attachment 2) and Boeing Avenue (Attachment 3) with the projects forecast to generate a total cash surplus of \$6.9m (WUEA - \$2.4m, Boeing Avenue - \$4.5m).

The current status of these projects is as follows:

- WUEA – Stage 3 – Development application has been lodged and detailed design being prepared to allow a tender to be called for civil construction works once the application is determined.
- Boeing Avenue – The development consent and construction certificate are in place for bulk earthworks and filling.

The tender for earthworks and filling was reported to the March 2019 Ordinary meeting with Council declining to accept any tenders and allowing staff to negotiate with a preferred tenderer.

Assuming these negotiations are finalized the physical works on this site will commence this financial year. It is then planned to lodge a development application to subdivide the two large lots (Lots 2 and 3) into serviced industrial lots.

Originally it was planned to sell these large lots for bulky goods type developments however demand for that style of development has reduced, resulting in Council approving a rezoning of the land to allow for the smaller serviced industrial lots.

The forecast sales for these two developments, as per Attachments 2 and 3, have been pushed out a year based on slowing demand, particularly in the residential land market.

Both developments carry the risk that sales may be slower than forecast, which means Council may need to carry the loan debt for a longer period than forecast in the attachments. This would result in increased interest payments on the loan funds which will decrease the forecast cash surplus for the projects.

Both projects remain financially viable and cost control will be essential in ensuring that Council generates an adequate return for the community.

Community Infrastructure Reserve (CIR)

The CIR finances community infrastructure projects and the forecast movements for this reserve, for the next four financial years, being the term of the 2019/20 Delivery Program, are as follows.

Table Three – Community Infrastructure Reserve

Item	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Opening Balance	571,200	716,900	1,948,300	2,097,400	840,000	299,500
Cash Inflows						
Interest Earned on Reserve	17,200	10,000	27,000	30,000	12,000	4,000
Rental 89 Tamar Street	718,500	739,000	753,800	768,900	784,300	800,000
Rental ARC	128,600	0	0	0	0	0
Rental Fawcett Park Café	67,300	68,000	69,400	70,800	72,200	73,600
Sale – Russellton Land	0	225,000	0	0	0	0
Sale – Miscellaneous Parcels	0	300,000	0	0	0	0
Section 7.11 Recoupments	1,590,800	450,000	450,000	450,000	450,000	450,000
Sub Total Inflows	2,522,400	1,792,000	1,300,200	1,319,700	1,318,500	1,327,600
Cash Outflows						
Property Operating Expenses	96,900	97,800	100,000	103,500	106,400	109,500
Ballina Sports Centre	0	(251,200)	0	0	0	0
Captain Cook	88,900	0	0	0	0	0
Lake Ainsworth	0	163,000	0	0	0	0
Lennox Head Village Renewal	0	0	0	1,100,000	1,300,000	0
Shaws Bay CMP	104,000	0	0	0	0	0
Sports Fields - Skennars Head	1,150,000	0	0	0	0	0
Swimming Pools	0	197,000	0	0	0	0
Wollongbar Skate Park	500,000	0	0	0	0	0
Loan Repayments	436,900	354,000	181,100	173,600	452,600	452,600
Dividend – Comm Infrastructure	0	0	870,000	1,200,000	0	1,000,000
Sub Total Outflows	2,376,700	560,600	1,151,100	2,577,100	1,859,000	1,562,100
Closing Balance	716,900	1,948,300	2,097,400	840,000	299,500	65,000

The ten year forecast for the CIR is included as Attachment 4 to this report.

Comments on the major items in Table Three are as follows.

Cash Inflows

- Rental – 89 Tamar Street, ARC, Fawcett Street Café – Represents gross rental incomes from these properties. 100% of the income for 89 Tamar Street and Fawcett Park Café is transferred into this reserve. The ARC rental was traditionally split equally between this reserve and the PDR however it is now being allocated fully to the PDR as the PDR needs that revenue to remain viable.
- Sale – Russellton Land – This is a one-off sale for a residual lot with the sale anticipated to settle this financial year.
- Sales – Miscellaneous Lots – This relates to residual land sales adjoining child care centres with the sales settled this financial year.
- Section 7.11 – Recouped – This represents developer contributions collected by Council where a project in the Developer Contributions Plan has been forward funded by Council from other revenues sources, typically being the CIR. Council is able to reimburse or recoup a component of our expended monies consistent with the Contributions Plan.

This income is variable, as it is dependent on the level of contributions collected each year. The income recouped in 2017/18 was far greater than normally occurs reflecting the current high level of development activity in the Shire.

The forecast figures are based on conservative estimates.

Cash Outflows

- Operating Expenses – Relates to the operating expenses for the rental properties.
- Ballina Indoor Sports Centre (BISC) – This is actually a reimbursement to the reserve as Council was successful in obtaining the \$3.5m grant for the centre. This then allowed the CIR to be reimbursed for previous funding transferred to the BISC and it also meant that further dividends from the CIR were no longer needed.
- Captain Cook / Lake Ainsworth / Lennox Head Village Renewal / Shaws Bay Coastal Management Plan / Swimming Pools / Wollongbar Skate Park – Reflects dividends from this reserve to help finance the projects listed.

The amounts for the various projects in Table Three can represent 100% of the funding for a particular project, or a portion of the total funding, with many projects funded from a variety of sources (i.e. grants, other reserves). The figures in Table Three are the CIR funding contribution to those projects and often do not represent the total cost of the project.

- Loan Repayments Community Infrastructure – The principal and interest repayments relating to certain projects, most notably the recent Ballina Town Centre and River Street upgrades, is financed from this reserve.

The funding of these loan repayments is the primary reason why 100% of the rental income from 89 Tamar Street is transferred into this reserve, in that Council identified that revenue as the funding source for the loan repayments.

The repayments are now starting to reduce as the loans are repaid in full.

This created an opportunity for other projects to be funded from loans, with the repayments financed through the rental income.

The existing LTFP currently assumes Council will borrow \$1.7m in 2018/19 and \$1m in 2019/20 to undertake the next stage of the Ballina Town Centre works (\$2.7m - River Street - Grant to Moon Streets) and \$3.1m in 2020/21 to fund part of the Lennox Head Village Renewal works, all based on loan terms of 15 years at 4%.

These additional loan repayments are funded from the CIR meaning there is no negative impact on the working capital result. This is outlined in the following table.

Table Four – CIR Funded Loan Repayments (\$)

Item	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Existing Repayments	436,900	354,000	28,100	20,600	20,600	20,600	0
New – Ballina Town	0	0	153,000	153,000	153,000	153,000	153,000
New – Lennox Village					279,000	279,000	279,000
Total Repayments	436,900	354,000	181,100	173,600	452,600	452,600	432,000
Funded from CIR	436,000	354,000	181,100	173,600	452,600	452,600	432,000
Working Capital Impact	0	0	0	0	0	0	0

4.10 Property Reserves - Review

- Dividend – Community Infrastructure – For 2019/20 onwards a dividend amount has been identified in Table Three, representing the funding that can be allocated to community infrastructure projects. Council has the ability to allocate those funds based on the preferred priorities.

For Table Three the figures have been consolidated as one item, however for Attachment 4 examples of how the funds could be allocated are identified, as per the following summary.

Table Five – Community Infrastructure as per Attachment 4

Item	2019/20	2020/21	2021/22	2022/23	2023/24
Dividend - Community Infrastructure	870,000	1,200,000	0	1,000,000	700,000
Possible Allocation					
ALEC	400,000	0	0	0	0
Ballina SES Building	0	0	0	1,000,000	700,000
Compton Drive Animal Fencing	20,000	0	0	0	0
Lennox Head Rural Fire Shed	0	800,000	0	0	0
Shaws Bay – Dredging	350,000	0	0	0	0
Swimming Pools	100,000	400,000	0	0	0
Total Allocated	870,000	1,200,000	0	1,000,000	700,000

ALEC needs major refurbishment and this funding helps support the monies allocated in the earlier report on recurrent funding for community facilities.

The Ballina SES and Lennox Head Rural Fire Service are two important buildings that need relocation or replacement in the near future.

Council has applied for a grant of \$350,000 for dredging Shaws Bay, as per the adopted Coastal Management Plan, and if that grant is successful it will need matching funding.

The funding for swimming pools is to allow some essential works to be undertaken in the early part of 2019/20, with \$400,000 for the Alstonville amenities in 2020/21.

The next report in this agenda reviews all the non-recurrent community infrastructure projects under consideration by Council and in reviewing that report Council should be mindful of the funds available from the CIR as per this report.

For 2023/24 onwards, as per Attachment 4, a nominal dividend of \$700,000 is allocated for community infrastructure projects based on the recurrent balance of the reserve.

This recurrent funding of \$700,000 helps to support Council's overall financial position.

Legal / Resource / Financial Implications

The purpose of this report is to highlight the financial position of the major property reserves.

Consultation

Many of the projects funded from these reserves reflect the outcomes of community consultation.

Options

The primary objective of this report has been to highlight the financial position of the Property Reserves.

For the Property Development Reserve (PDR), the movements are relatively straight forward, as per Attachment 1, with the recurrent revenue financing operating and holding costs, and the dividend to General Fund.

The new reserve titled Property Development Loan Reserve, as per Table Two in this report, outlines the forecast movements for the WUEA – Stage 3 and Boeing Avenue property development projects, which are outlined in Attachments 2 and 3. The movements in that reserve will need to be closely monitored due to the forecast loan debt for Council.

The Community Infrastructure Reserve (CIR) continues to deliver significant dividends to finance community infrastructure, with Attachment 4 outlining possible options for the allocation of that funding to non-recurrent community infrastructure projects.

The next report in this agenda provides recommendations in respect to which non-recurrent projects are to be funded, inclusive of the funding available from this reserve.

RECOMMENDATIONS

1. That Council approves the inclusion of the forecast cash flows for the Property Development Reserve, as per Attachment 1 to this report, in the draft Long Term Financial Plan for 2019/20 to 2028/29.
2. That Council approves the inclusion of the forecast cash flows for the Property Development Loan Reserve, as per Table Two in this report, which summarises the loan funded property development activities, as per Attachments 2 and 3 to this report, in the draft Long Term Financial Plan for 2019/20 to 2028/29.
3. That Council approves the inclusion of the forecast cash flows for the Community Infrastructure Reserve, as per Attachment 4 to this report, in the draft Long Term Financial Plan for 2019/20 to 2028/29, subject to any changes identified in the report titled Non-recurrent Community Infrastructure Projects, as outlined later in this agenda.

Attachment(s)

1. Property Development Reserve
2. Wollongbar Urban Expansion Area - Stage 3 - Feasibility
3. Boeing Avenue - Feasibility
4. Community Infrastructure Reserve

4.11 Community Infrastructure - Non-recurrent Capital Expenditure

4.11 Community Infrastructure - Non-recurrent Capital Expenditure

Delivery Program Financial Services

Objective To confirm the priority projects of a non-recurrent nature for inclusion in the draft 2019/20 to 2022/23 Delivery Program and Operational Plan.

Background

The capital expenditure in Council's long term financial plan (LTFP) can be classified into two groups 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 core community infrastructure.

Non-recurrent refers to items where capital expenditure funding is not required every year, however there are times when major injections of funding are needed (eg. swimming pools). This report examines the non-recurrent projects under consideration by Council.

Key Issues

- Priorities for community infrastructure

Information

This non-recurrent community infrastructure report is submitted to Council each year as part of the preparation of the annual Operational Plan and Delivery Program as it allows Council to take stock of the numerous projects that the community wish to see delivered.

The report is updated each year with details of projects completed and / or funded, along with identifying projects that are not yet funded.

The report provides an opportunity to review existing funding strategies and to identify any new projects that should be considered.

Projects completed, well advanced and / or fully funded

- Coastal Shared Path – A number of shared path segments are complete with all funding in place. A tender is currently being called for components of this project.
- Coastal Walk – Pre-construction activities are continuing with funding in place.
- Ballina Town Centre – Largely complete with the Moon Street to Grant Street section of River Street to be completed during the next few months.

4.11 Community Infrastructure - Non-recurrent Capital Expenditure

- Wardell and Alstonville Town Centres – Complete although Wardell residents would like to see more monies expended on the Town Centre, especially with the bypass due to be completed within the next two years.
- Ballina Surf Club – Complete including Building B.
- Northern Rivers Community Gallery Refurbishment – Complete with works on the adjacent fire station completed this financial year.
- Kentwell Community Centre – Complete although Council may wish to see future expansion of the building.
- Lennox Head Cultural and Community Centre and Skate Park – Complete with the Centre to undergo a \$2m refurbishment during 2019/20.
- Marine Rescue Tower – Complete.
- Wollongbar Sports Fields – Complete with additional drainage and irrigation works to be completed this calendar year.
- Ballina and Alstonville Swimming Pool Upgrades – Complete with further works under consideration.
- Wollongbar Skate Park – Funding allocated with the site to be confirmed.
- NSW Boating Now Plan – Majority of works complete with only the Lennox Head North Creek Boat Ramp and Brunswick Street Boat Ramp projects outstanding. Grant funding is being sought for these two projects.
- Lake Ainsworth South Eastern Precinct – Funding allocated with the southern works largely complete. The eastern works are expected to commence following the Easter school holidays.
- Missingham Park Concept Plan and Car Park – Complete.
- Shaws Bay Coastal Management Plan – A significant amount of works have been completed with dredging being the one major item requiring additional funding. This is estimated to cost \$700,000 and a grant application has been submitted for 50% of that cost.
- Skennars Head Sports Field Expansion – Funding approved and contractor appointed.
- Airport Boulevard – \$7m in funding allocated to the project with preliminary works commenced. There are budget concerns regarding this project.
- Ballina Indoor Sports Centre (BISC) – Construction well advanced.
- Lennox Head Village Renewal - \$5.5m included in the LTFP for 2020/21 (\$4.2m) and 2021/22 (\$1.3m).
- 9 Commercial Road, Alstonville – Car Park – Funding allocated in the 2018/19 budget with works yet to commence.

4.11 Community Infrastructure - Non-recurrent Capital Expenditure

Projects without a confirmed funding strategy in the LTFP

- Ballina Town Entry Treatment Master Plan - The various elements to this project are as follows.

Table One - Ballina Town Entry Treatment Master Plan – Components (\$)

No.	Project	Status	Latest Estimate
1	Landscaping of median strip between the roundabouts at Quays Drive and Barlows Road / Keppel Street.	On hold	400,000
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.	On hold	280,000
3	Installation of tree planting blisters and tree planting along each side of River Street between Barlows Road/Keppel Street and Boatharbour Road.	On hold	120,000
4	Installation of tree planting blisters and tree planting along each side of River Street between the Canal Bridge and Kerr Street.	Complete	N/A
5	Installation of tree planting blisters and tree planting along each side of Kerr Street between River Street and Fox Street.	On hold	180,000
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	Complete	N/A
7	Roadside planting of trees on Tamarind Drive between Southern Cross Drive and Bicentennial Gardens.	Complete	N/A
	Total value of works still to be completed		980,000

With Council now examining the four laning of Tamarind Drive and River Street this master plan could well be superseded by those future works.

- Captain Cook Park Master Plan – The various elements to this master plan are as follows:

Table Two – Captain Cook Master Plan – Possible Staged Implementation (\$)

Ref	Item	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Funded
1.	Laneway and Car Park – access		750,000				On hold
2.	Public Art / Monument					50,000	On hold
3.	Improved Pedestrian Entry - River Street		200,000				On hold
4.	RSL Edge Landscaping	150,000					Complete
5.	Open Park Land – Paths etc				200,000		On hold
6.	Public Wharf and Pontoon (Boating Now)	300,000					Complete
7.	Water Play Area – Drainage etc					500,000	On hold
8.	Picnic Shelter – BBQs, Structures				150,000		On hold
9.	Public Toilets					300,000	On hold
10.	Jetty			350,000			On hold
11.	Landscape - Activity Zone / Fawcett Park			150,000			On hold
	Totals	450,000	950,000	500,000	350,000	850,000	

4.11 Community Infrastructure - Non-recurrent Capital Expenditure

This is a high profile location and the project remains a priority.

- Pop Denison Park Master Plan – This Plan has a works schedule totaling approximately \$2m albeit that when the actual works have been reviewed the estimated costs are significantly higher.

An amount of \$556,100 is available in the 2019/20 budget with \$149,000 expended to date, following receipt of a State Government grant. The Plan is included in Council's Section 7.11 Developer Contributions Plan and funds will be allocated in future years as and when developer contributions are collected

- SES Building – Council has a statutory responsibility to provide a new building with no funds allocated to the project. This project is becoming a higher priority due to existing site constraints for the SES. There is currently no funding allocated in the LTFP for this work.

The Civil Services Group is consulting with local SES officers to determine the preferred site location and building design and the very preliminary estimate is that Council may be looking at up to \$1.5m to \$2m for a new building dependent on the overall level of services provided.

Port Macquarie recently completed a new facility at a cost of \$1.7m, although that building also includes an emergency operations centre.

The NSW Government has allocated \$200,000 towards this project, which will assist with the evaluation, design and approval phases.

No other grant programs have been identified to fund the construction of the building and Council will need to continue to lobby State and Federal Governments to determine whether any grants can be secured.

Council has very limited funding opportunities available for this project as loans will adversely impact our recurrent budget.

- Ballina Marina Master Plan – Council has adopted this Master Plan and it is not intended for Council to fund any of the work. The preference is to lobby the State Government to progress the project.
- Martin Street Boat Harbour Master Plan – Council has adopted a Master Plan for this precinct with no funds allocated and no funding is foreseeable in the short to mid-term. The project will need grant funds.
- North Creek Dredging – Approval - The estimated cost of this project, which is to obtain planning consent and is not for actual dredging, is approximately \$729,000 with Council having undertaken certain stages of the feasibility process. There is no funding available to complete all stages of the approval process and no readily available funding source.

The project is now on hold until the North Creek Coastal Management Plan is completed as that Plan will determine whether dredging is a feasible option.

If dredging is supported in the Coastal Management Plan it will help Council seek grant funding to recommence the approval process.

4.11 Community Infrastructure - Non-recurrent Capital Expenditure

- Lennox Head Surf Club – Estimated cost of approximately \$5m based on preliminary designs with funding only allocated for the design and approval of the project.

This project was initially identified as a priority due to structural concerns regarding the building approximately five to six years ago. Certain works have been undertaken to address some of those concerns and the urgency of the project appears to have lessened.

Grant funding is the preferred funding source for this project and with their being mixed views in the Surf Club on the need for a new building, it is a relatively low priority.

The short to medium aim is to obtain planning consent for a new building with approximately \$30,000 remaining in the 2018/19 budget for that work.

- Lennox Head Rural Fire Service Shed – The current shed has a temporary development consent approval and Council is obliged to fund a new permanent shed. The consent is for a period of 10 years commencing 12 November 2012 (DA 2012/297). This means the onus is on Council to provide a new facility prior to November 2022.

The acquisition of the 4 Byron Bay Road property provides an excellent site for this shed and initial concept plans for the site support the location of the fire shed to the property. The feedback from the volunteer members also appears to be supportive.

- 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 and the timing of those works will depend on the collection of developer contributions.

The LTFP is based on a combination of grant funds and developer contributions being applied to fund the works for the four laning of River Street and Tamarind Drive. Consultants have been prepared to prepare the designs and seek the various approvals for the works.

- Ballina Ocean Pool – This project is supported by Council subject to the works being funded by the community.
- Alstonville Leisure and Entertainment Centre (ALEC) – With Council now managing this facility it is obvious that significant expenditure is needed to bring it to a more contemporary standard.

Council is expending over \$2m improving the Lennox Head Cultural and Community Centre and similar funding is likely to be needed for this facility.

- Alstonville and Ballina Swimming Pools – Council considered a report at the March 2019 Finance Committee that identified approximately \$400,000 was needed to improve the amenities at the Alstonville swimming pool. Other priority works mentioned in that report included the items listed in the following table.

4.11 Community Infrastructure - Non-recurrent Capital Expenditure

Table Three – Priority Swimming Pool Works

Description	Alstonville (\$)	Ballina (\$)	Comments
Mens amenities – leaks	N/A	Defect	Negotiate with Woollam Constructions
25 metre pool – expansion joint	N/A	Defect	Negotiate with Woollam Constructions
Second pool vacuum	15,000	15,000	To be
25m pool lane rope attachment	2,000	2,000	Funded from maintenance budgets
Drainage on grassed areas to be improved	5,000	3,000	Funded from maintenance budgets
Concrete under umbrella near splash pad	N/A	2,000	Funded from maintenance budgets
Concrete pad adjacent to heat pumps to store blankets, lane rope reels etc	5,000	N/A	Funded from maintenance budgets
Entrance screen to notify of upcoming events	N/A	10,000	Concept to be reviewed
Security monitor moved to front for easier monitoring	N/A	2,000	Funded from maintenance budgets
PA system antenna for improved coverage	N/A	2,000	Funded from maintenance budgets
25metre blind improvements	Defect	Defect	Negotiate with Woollam Constructions
Grandstand seating – increase	N/A	50,000 plus	Consider as part of 2019/20 Operational Plan discussions
Flooring in change rooms	50,000	N/A	Separate report on amenities refurbishment
Shading – increase for splash pad area / 50m pool	50,000	N/A	To be considered as part of 2019/20 Operational Plan discussions
Disabled access ramps to the western grassed areas	Uncertain	N/A	Wait for grant opportunity
Submerged pool handles – safety barrier	10,000	10,000	Funded from maintenance budgets

Council also resolved to consider the following works when adopting the minutes from the March 2019 Finance Committee meeting:

- a) *25 metre pool blind improvements that include the concept of a fixed barrier on the sides.*
 - b) *Alstonville Pool – ground to ceiling fixture to keep the loading bay separate from the pool area and to prevent southerly winds.*
- Wollongbar District Park – Council recently resolved to exhibit a draft concept plan for this district park at Plateau Drive, Wollongbar. In addition to the skatepark there are numerous other works identified in the plan, which are likely to cost well in excess of \$1m.

The Council's adopted Developer Contributions Plan for Open Spaces and Community Facilities includes \$1m in funding for embellishments to this park, with Council able to apply that funding as and when the contributions are collected.

- Sharpes Beach Car Park Master Plan – Council has resolved to examine funding this master plan. Preliminary costings for the works in the plan are as follows:

Summary	Amount (\$)
Car Park Civil Works	627,000
Landscape Works	143,000
Building Works	192,000
Sub Total	962,000
Contingency (20%)	192,000
Total	1,154,000

4.11 Community Infrastructure - Non-recurrent Capital Expenditure

This includes allowances for ancillary items such as trees, four picnic facilities, beach shower, unisex toilet and store rooms as well as sewer, water, power etc.

A copy of the Master Plan is attached to this report.

This project is not identified in Council's Developer Contributions Plans and no funding is allocated in the LTFP.

Legal / Resource / Financial Implications

The financial implications of this report are dependent on the priorities determined by Council.

Consultation

The majority of the projects mentioned in this report have been identified through public consultation processes.

Options

The key to determining preferred options is to understand the funding available.

As per the earlier report in this agenda titled "Property Reserves – Review" there is available funding from the Community Infrastructure Reserve dividends.

The preferred allocation of those dividends, as per Table Five of that earlier report, is as follows.

Table Four – Possible Community Infrastructure Dividend Allocation

Item	2019/20	2020/21	2021/22	2022/23	2023/24
Dividend - Community Infrastructure	870,000	1,200,000	0	1,000,000	700,000
Possible Allocation					
ALEC	400,000	0	0	0	0
Shaws Bay – Dredging	350,000	0	0	0	0
Compton Drive Animal Fencing	20,000	0	0	0	0
Lennox Head Rural Fire Shed	0	800,000	0	0	0
Ballina SES Building	0	0	0	1,000,000	700,000
Swimming Pools	100,000	400,000	0	0	0
Total Allocated	870,000	1,200,000	0	1,000,000	700,000

The ALEC also has monies allocated in the recurrent funding for community infrastructure report earlier in this agenda, with \$209,000 identified for 2019/20 and \$260,000 for 2020/21.

This results in close to \$1m being available for refurbishment works at ALEC, although the scope of works is still to be determined.

Council may wish to support this allocation of funding for ALEC, with a separate report to be submitted to confirm the priority listing of works for the building.

4.11 Community Infrastructure - Non-recurrent Capital Expenditure

The Shaws Bay dredging is a high priority project especially as Council has completed significant embellishment works in this location and there is a strong possibility we may securing matching grant funding for this work during 2019/20.

The Compton Drive fencing project is a smaller project that will finalise the off-leash dog fencing at Compton Drive.

The funding in Table Four should allow the Lennox Head Rural Fire Shed to be relocated in 2020/21, which then allows all the planning work to be completed during 2019/20.

Table Four identifies that there is still three to four years before funding is available for the SES building. Unfortunately there are no other funding opportunities for that building within that four year period.

The allocations in Table Four also allow the Alstonville swimming pool amenity improvements to be completed in July and August 2020/21, as well as other miscellaneous works at the swimming pools during 2019/20.

In reviewing the projects identified earlier in this report that are still unfunded, the two highest priorities are the Wollongbar District Park and the Sharpes Beach Master Plan.

The Wollongbar District Park has funding of \$172,000 allocated in 2019/20, as part of the open spaces recurrent budget, as outlined in an earlier report in this agenda. If the skate park monies are added, assuming the facility proceeds at this park, there will be approximately \$600,000 available for works in the short term.

A review of developer contributions collected at 30 June 2019 may also result in additional funding being available for embellishment works.

With Council still to adopt the concept plan for the District Park and the location of the skate park still up for debate, this seems a reasonable approach, at this point in time.

The Sharpes Beach Master Plan is the more difficult of the two projects in that there are no funds available and no funding strategy identified.

Council has previously resolved not to negotiate a voluntary planning agreement with Intrapac Pty. Ltd. whereby Intrapac would not be levied developer contributions for their development of the Stewart Farm, if they either undertook works consistent with the Sharpes Beach Master Plan or paid Council funds to undertake those works.

That initial negotiation did not proceed due to other matters proposed as part of the agreement and one realistic funding strategy is to negotiate with Intrapac in respect to the works solely in the Master Plan and allow those works to be offset through the waiving of developer contributions.

The benefit of this approach is that it means Council does not have to outlay monies as the project is funded by future developer contributions forgone.

4.11 Community Infrastructure - Non-recurrent Capital Expenditure

It is in Council's and Intrapac's interests to have this car park improved and the recommendation is to have a second round of negotiations to determine whether a suitable voluntary planning agreement can be achieved for both parties.

If agreement is again unable to be reached, Council will need to examine other funding strategies, such as reallocating funds from other projects.

In respect to recommendations for this report the preference is to confirm the allocation of the Community Infrastructure Reserve dividends as per Table Four.

At this stage no further recommendation is proposed for the Wollongbar District Park as the concept plan is still to be adopted and there are funds currently available for the skate park and some embellishment works.

If and when the plan is adopted Council can further review the preferred listing of works and an update can be provided on the developer contributions that could be allocated to the project.

In respect to the Sharpes Beach Master Plan the preferred first point of call is to try and negotiate a voluntary planning agreement for the works with Intrapac Pty. Ltd.

If that is not achievable a further report on funding options will need to be submitted to Council.

RECOMMENDATIONS

1. That Council approves the allocation of the Community Infrastructure Reserve dividends to the projects outlined in Table Four of this report, for inclusion in the draft 2019/20 to 2022/23 Delivery Program and Operational Plan.
2. That Council authorises the General Manager, or delegate, to undertake negotiations with Intrapac Pty. Ltd. to develop a voluntary planning agreement that will allow the works identified in the Sharpes Beach Master Plan to be funded and delivered within the near future.

Attachment(s)

1. Sharpes Beach Master Plan

4.12 General Fund - Long Term Financial Plan

4.12 General Fund - Long Term Financial Plan

Delivery Program Financial Services

Objective To provide an overview of the General Fund - Long Term Financial Plan for 2019/20 to 2028/29

Background

The Long Term Financial Plan (LTFP) forms a major component of the exhibition of the draft Delivery Program and Operational Plan. Through the Finance Committee meetings, plus various other reports and adopted strategies and plans, the draft LTFP for 2019/20 onwards is now at a stage where it can be exhibited, subject to any changes that arise from this meeting.

The Council's finances operate on a fund basis with Water and Wastewater having been the subject of separate reports to the March 2019 Finance Committee. The focus of this report is on the General Fund.

Key Issues

- Forecast working capital deficit and financial sustainability

Information

In managing a Council's finances one of the key objectives is to maximise the cash operating surplus, with the surplus funds then invested into capital activities such as asset expenditure, loan principal repayments and transfers to reserve for future activities.

The attachments to this report are the Long Term Financial Plan (Attachment 1) which provides an overview of Council's entire financial plan, and the draft Long Term Financial Plan - Budget (Attachment 2). The draft Budget consists of seven main sections:

- Part A – Provides an overview of the forecast results, from an operating result and working capital perspective.
- Part B – Provides the operating revenues and expenses for each of the General Fund programs.
- Part C – Summary of the capital expenditure planned, along with how that expenditure is funded.
- Part D – Summary of capital income items and movements in Section 7.11 contributions.
- Part E – Transfers to and from the reserves held within the General Fund.
- Part F – Summarises the General Fund loan repayments and loan debt.
- Part G – Appendices for the document.

4.12 General Fund - Long Term Financial Plan

The current forecast operating results, and working capital movements, for the General Fund are as follows:

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

Year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Operating Revs	55,563	58,003	58,677	61,036	62,157	64,484	65,693	68,397	69,579	72,461	75,211
Operating Exps	57,721	58,767	59,115	61,007	61,977	64,131	64,787	66,546	67,069	69,579	71,767
Result (Deficit)	(2,158)	(764)	(438)	29	181	353	906	1,851	2,510	2,882	3,443
WC Result	(118)	(143)	(352)	(335)	(290)	(257)	(253)	(195)	(137)	(24)	241
WC Balance	2,549	2,406	2,054	1,719	1,429	1,172	919	724	588	564	805

Key points from this summary are:

1. The Operating Result, inclusive of depreciation, is forecast to be in surplus from 2021/22 onwards. This is one of the key benchmarks for the Fit for the Future Program.
2. The Working Capital (WC) forecasts are in deficit until 2028/29, meaning that cash savings need to be made in recurrent programs or capital works, otherwise the WC balance reduces to an unsatisfactory balance.

The forecast operating result surplus remains relatively small for the period to 2025/26, when loan repayments reduce, which means there is limited funding available to manage any deterioration in forecast operating revenues or increased in forecast operating expenses.

The forecast working capital deficit for 2019/20 is \$143,200, with that deficit increasing in future years. This also highlights the financial pressures on the General Fund.

Council will need to continue to pursue savings and efficiencies during 2019/20 and in the following years, as the level of working capital deficits are too high and will result in our working capital being depleted.

Ideally we would like to start every financial year with a forecast working capital result of zero or positive.

The negative starting point is symptomatic that it is always extremely difficult to balance the demand for General Fund works and services against the revenue available.

The construction of new facilities such as the Ballina Indoor Sports Centre, with its net operating cost, and the redevelopment of the Alstonville and Ballina swimming pools, with their associated loan repayments and depreciation expense, also place increased demands on Council's limited revenues.

Council is expanding the range of facilities under our control and we need to ensure that we can adequately manage those facilities within our available resources.

The draft Long Term Financial Plan – Budget document provides details on individual programs and brief comments on the operating budgets and capital works for the General Fund are as follows.

Operating Budgets (Part B of Draft LTFP - Budget)

From an operating result perspective (i.e. operating revenues less operating expenses), and on a cash basis, which is how working capital is calculated, the major movements / items of interest when comparing 2018/19 to 2019/20 are outlined as follows.

In comparing financial years, there are often expenses in 2018/19 that have been transferred from 2017/18 and funded from reserves and / or grants.

This means the Capital Movements and the Cash Result after Capital Movements figures, need to be considered to ensure that the comparison is being made on a consistent basis.

Planning and Environmental Health Division (pages 15 to 26)

- Strategic Planning – The 2019/20 forecast operating results have improved from 2018/19, by \$254,100 to a deficit of \$787,600.

Expenditure is 25% lower in 2019/20, with 2018/19 being impacted by one off studies and strategies, including \$72,000 for Biodiversity Stewardship Pilot Project.

Salaries costs are expected to decrease by \$122,500 as this program no longer has 100% of a Director's salary, with that salary now located in the Communications program in the Corporate and Community Division.

Forecast operating income is decreased, due to \$62,000 of one off grants and contributions received in 2018/19 and a reduction of \$41,500 in forecast interest on section 7.11 contributions.

- Development Services – The operating deficit for this section is expected to increase by \$157,500 to \$1,318,800, with a forecast decrease in income and an increase salaries offset by a decrease in consultancy expenses.

The 2019/20 estimates for forecast development application and related fees have been set at a conservative level, at \$630,000 (average of 6.25%) lower than the 2018/19 current forecast. This revenue is dependent on the level of development activity and it is difficult to predict, however it is anticipated that the level of activity is on the decline.

The budget for consultancies has been set at \$20,000. This compares to the current 2018/19 budget of \$50,000, which was high due to legal cases and complex development applications.

Salaries costs are expected to be higher than the current year, with forecast employee costs increasing by \$144,500 to \$1,659,800.

This increase represents award increases, twelve months budgeted for an Environmental Scientist position approved in 2018/19 and transfer of an administration support officer from the Building Services area.

4.12 General Fund - Long Term Financial Plan

There is also an additional trainee planner position recommended in the Workforce Management Plan which is fully funded by the transfer of drainage plan revenue from the Wastewater Fund.

The drainage plan revenue has been transferred from the Wastewater Fund budget to the General Fund budget as the service is now being provided in full by General Fund staff, whereas traditionally it has been provided by staff based in the Water and Wastewater Section.

This transfer has been a gradual process as positions became vacant and it is now reasonable for the General Fund to receive the benefit of the revenue derived, which is estimated at approximately \$150,000 per annum. The revenue is included in the Building Services Section.

- Building Services – The 2019/20 estimates for forecast income have been increased in total by \$123,000 (approximately 9%). The majority of this movement relates to the drainage plan revenue of \$150,000 now being recognised in this section.

Salaries costs are expected to be \$26,600 higher than the current 2018/19 forecast, representing a 2.25% increase. This includes a new trainee position as per the Workforce Management Plan, which is fully funded by the drainage plan revenue.

Overall, there is an anticipated improvement of \$93,100 in the operating surplus for the Building Service area, which is forecast at \$282,200 for 2019/20.

- Environmental and Public Health – The cash operating deficit for this area is decreasing from \$1,515,900 in 2018/19 to \$1,240,800 in 2019/20, being an 18% improvement. This relates largely to projects undertaken in 2018/19 there were funded from reserves or grants that are not continuing into 2019/20.

Non recurrent income and expenditure in 2018/19 includes grant funding of \$573,200, and corresponding expenses, totaling \$1,038,100.

Of those expenses, an amount of \$275,000 was funded from the Healthy Waterways program.

Salaries costs are expected to increase by \$43,000, which represents an increase of 4.0%.

The actual cash result after capital movements result (i.e. working capital) increases by 3% to \$1,240,800.

Civil Services Division (pages 27 to 58)

- Asset Management – User fees and charges have been set conservatively below the 2018/19 level based on actuals to date for 2018/19.

Salaries costs are expected to decrease by \$30,000 as the stormwater engineer position has been transferred to the Stormwater and Environmental Protection program.

4.12 General Fund - Long Term Financial Plan

Asset condition assessments decreases by \$60,000 as there is an external roads condition assessment being undertaken in 2018/19.

This results in an improved cash deficit position of \$2,398,200 in 2019/20 and the working capital result is largely unchanged.

- Depot and Ancillary Building Management – The budget for salaries has increased by \$77,000 as there is an approved position that has not been filled to date following a resignation, which resulted in the 2018/19 budget being decreased.
- Stormwater and Environmental Protection – The cash operating deficit for this area has deteriorated from \$384,500 in 2018/19 to \$517,000 in 2019/20.

The reason for this is due to natural disaster funding of \$109,000 received in 2018/19 for expenditure in previous years.

The main recurrent income for this area is the annual stormwater charge.

The largest recurrent expense for this area is contribution to Rous County Council for flood mitigation and drainage works.

The working capital deficit increases as the capital expenditure budget for stormwater, funded from general revenue, has increased due to additional income received through the special rate variation.

- Roads and Bridges – There was an improvement in the cash operating deficit for this area, forecast as \$2,766,400 for 2019/20. This is due to the fluctuation in the Roads to Recovery grant money in 2018/19. This grant is included as operating revenues and is actually expended on capital projects.

Operating expenses for 2019/20 are relatively consistent with 2018/19, with the exception of natural disaster funding that had a revenue and expenditure amount in 2018/19.

The working capital deficit increases as the capital expenditure budget for road reconstruction, funded from general revenue, has increased due to additional income received through the special rate variation.

- Ancillary Transport Services – The cash operating deficit for this area has increased from \$1,179,600 in 2018/19 to \$1,271,700 in 2019/20.

The main contributor to this is the ferry annual slippage and overhaul expenditure, for which there is major work undertaken every second year.

This is scheduled to take place during 2019/20, with forecast expenditure of \$220,000.

- Open Spaces and Reserves – The net cash deficit for the program has increase in 2019/20, by \$32,700 to \$3,298,600.

4.12 General Fund - Long Term Financial Plan

Salaries increased by \$196,500 as the salary of the Section Manager is no longer distributed between waste and open spaces, and the Community Land Officer has been transferred from Strategic Planning to this section.

An existing position in the Waste Section has been upgraded to a Section Manager position following a resignation, and this will now allow the Open Spaces Manager to have a stronger focus on open space related matters and also the new Crown Lands Management Act.

The working capital deficit increases as the capital expenditure budget for playground replacements, funded from general revenue, has increased due to additional income received through the special rate variation.

- Fleet and Plant – The net cash result for the program has improved from \$1,216,300 to \$1,404,600. Plant operation expenses are anticipated to increase by \$47,500 to \$2,354,800. Internal plant hire income is forecast to increase by \$247,700, to \$4,084,500.
- Rural Fire Service – The net cash deficit for the program is anticipated to remain consistent with 2018/19, at \$200,000, being a 4% decrease.
- Quarries – A net cash surplus of \$23,000 is forecast for 2019/20 compared to a surplus of \$15,400 for 2018/19. The largest movement is a decrease in EPA licence fees of \$10,900 in 2019/20.
- Landfill and Resource Management and Domestic Waste Management – These programs were reported to the March 2019 Finance Committee meeting.
- Water and Wastewater – These programs were reported to the March 2019 Finance Committee meeting.

Corporate and Community Division (pages 59 to 82)

- Communications – The net cash result forecasts an increase in the deficit of 13% compared to the previous year, to a deficit of \$2,683,900. The new Director of Corporate and Community position is now included in this section, with that cost then redistributed across the organisation. Customer service staff salaries are also included in this program.
- Financial Services – General Purpose Revenues – Forecast rates revenue is based on the Special Rate Variation approved by IPART.
- Financial Services – A net cash surplus of \$5,161,900 is forecast for 2019/20 compared to a surplus of \$4,696,400 for 2018/19. The main driver of this movement is an increase in overheads distributed of \$443,500. The income from the corporate overheads charged to the business activities (i.e. water, waste etc) is included in this program.
- Information Services – The operating deficit has increased from \$2,827,100 to \$2,906,600. The main contributors are an increase in employee costs of \$38,500, an increase in software and consumables of \$85,000, offset by an increase in contribution from other programs of \$65,000.

4.12 General Fund - Long Term Financial Plan

- Human Resources and Risk Management – The operating deficit has increased from \$743,500 to \$770,500, the movement is approximately 3.63%.

Revenue from the Statewide Mutual Bonus Refund and the Statecover Workers Compensation Refund are variable and a conservative basis has been taken for the 2019/20 estimates.

- Property Management – The operating cash surplus, which is inclusive of the Flat Rock Tent Park, has increased from \$686,000 to \$912,600.

The largest contributor to this change is the finalisation of the BBRC scheme in 2018/19, with expenditure of \$325,000 in 2018/19 being the final refund payments under this scheme.

The dividend from this program to the General Fund gradually decreases as the property reserves are unable to financially sustain the current level of dividends.

- Community Facilities – Overall, revenue and expenses are increased, largely impacted by the Ballina Indoor Sports Centre (BISC).

A recurrent budget of \$5,000 has been included in this program to support Council purchasing items from gallery exhibitions to add to Council's art collection.

This program is now substantial and every effort needs to be made to reducing the net operating costs for the various facilities.

- Library – The net cash cost of this program has increased from \$1,435,800 in 2018/19 to \$1,460,000 in 2019/20. This increase primarily represents the increase in Council's required contribution.
- Swimming Pools – The cash operating deficit for 2019/20 is estimated at \$807,200, comparing to a forecast of \$823,200 for 2018/19. The swimming pools were subject to a separate report to Council.
- Tourism – The cash operating deficit for this area has remained consistent, increasing only slightly from \$452,400 in 2018/19 to \$459,000 in 2019/20.

Capital Expenditure (Part C of draft LTFP)

The draft budget includes an extensive capital works program with the total works for the General Fund estimated at almost \$46m.

The program largely reflects the recurrent works and non-recurrent works presented as separate reports to this meeting.

In respect to major non-recurrent projects key items included in the capital expenditure are:

- Property Development – \$5.5m for WUEA – Stage 3 and \$5.6m Boeing Avenue - Lots two and three in 2019/20 and \$2m in 2020/21.

4.12 General Fund - Long Term Financial Plan

- Airport Upgrades – \$1m in 2019/20 and \$500,000 in 2021/22 for baggage area and \$1.5m car park, solar and boulevard connection in 2019/20.
- Airport Runway Widening – \$15m in 2020/21 and \$15m in 2021/22. The amount is 50% grant and loan funded.
- Lennox Head Community Centre – \$1.98m in 2019/20 for a major refurbishment of the building.
- Airport Boulevard – \$1.5m in 2018/19 and \$5.5m in 2019/20. This project is largely rolling forward from 2018/19.
- River Street Beautification – \$1.7m in 2018/19 and \$1m in 2019/20. This project is also largely rolling forward from 2018/19.
- Lennox Head Village Renewal - \$4.2m in 2020/21 and \$1.3m in 2021/22 funded from loans and reserves.
- Hutley Drive – \$261,000 in 2018/19, \$4.3m in 2019/20 fully funded from developer contributions.
- River Street and Tamarind Drive – Four Laning – Over \$21m in expenditure included in 2021/22 and \$13m in 2022/23 funded by a combination of grants, loans and developer contributions. It is important that Council start proactively planning for these works and seeking grant funds.
- Coastal Walk – \$502,000 in 2018/19 and \$1m in 2019/20 funded from a confirmed grant of \$750,000 and Council internal reserves of \$752,000. This project is rolling forward from 2018/19.
- Coastal Shared Path – \$720,400 in 2018/19 and \$1m in 2019/20 fully funded from confirmed State and Federal Government grants. This project is also rolling forward from 2018/19.

Section 7.11 Contributions and Other Capital Income (Part D of draft LTFP)

This section provides an overview of capital income movements, with many of those items helping to fund capital expenditure projects. There is a mixture of confirmed grants and grant applications (still to be determined) in the capital income section.

Reserve Movements (Part E of draft LTFP)

This section provides details on all of the reserves held for the General Fund, including movements to and from those reserves, along with the reserve balances.

Legal / Resource / Financial Implications

This report outlines the total budget.

Consultation

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

Options

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

As touched on in the report Council still needs to be looking for savings in the recurrent budget to improve our working capital results for the General Fund in future years.

RECOMMENDATION

That Council approves the exhibition of the draft Long Term Financial Plan, as attached to this report, including any amendments arising from this meeting.

Attachment(s)

1. Long Term Financial Plan (Under separate cover)
2. Draft Budget (Under separate cover)

4.13 Fees and Charges - 2019/20

4.13 Fees and Charges - 2019/20

Delivery Program Financial Services

Objective To obtain Council approval to exhibit the draft 2019/20 fees and charges for public comment.

Background

An important part of Council's resourcing strategy is the setting of fees and charges for the provision of works and services. The Rates, Waste, Water and Wastewater charges are the primary income sources for Council and this report deals with the myriad of other fees and charges required or allowed to be raised for Council services.

A list of all these fees and charges is compiled annually and advertised for public comment as part of the draft Operational Plan.

A copy of the draft fees and charges document, for 2019/20, is included as Attachment 1 to this report.

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

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

- Business / Commercial - Fee set in accordance with the marketplace with the fee aiming to generate a return for Council
- Full Cost Recovery - Fees set to recover the full cost of the service
- Partial Cost Recovery - Fees set at what Council considers is a reasonable cost for the user to bear. The balance of the cost of providing the service is funded from general revenue
- Fixed by Legislation - Fees set by legislation.

The fees and charges in the attached document are listed in an order consistent with the organisation structure.

Key Issues

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

Information

The fees mentioned in this report relate to new fees, removed fees, or price changes outside of a cost of living adjustment.

Corporate and Community Division – Rates and Charges

*Rates Administration/Refund Fee
Page 2*

A fee of \$20 was introduced in 2016/17 as a partial cost recovery for costs incurred for Council staff to process refunds or transfer of balances between rates assessments, when an error or request comes from the ratepayer or payee.

Based on a review of costs that are incurred, it is proposed that this fee be increased to \$25 for 2019/20, which still represents only a partial cost recovery.

Corporate and Community Division – Information Access

*Historical Building and Development Application File Search and Supply
Page 3*

This is a proposed new fee of \$110, being a partial cost recovery for costs incurred in providing access to pre 2010 building and development application files. Post 2010 files are largely available online and earlier documents require staff to access the files at the Council depot.

Corporate and Community Division – Ballina - Byron Gateway Airport

*Access Control
Page 4*

New fees, of \$25 and \$50 respectively, are proposed for the supply of Access Control Fobs and Access Control Bi-lock keys.

These fees are to be charged to terminal tenants / staff (with access control permissions/requirements) for replacement fobs and / or bi-lock keys (if they are lost or damaged).

*Obstacle Limitation Surface (OLS) Assessment Fee (DA Process)
Page 4*

A new fee of \$250 is proposed for assessing development applications that requires comments or recommendations from the airport, in relation to protecting the airport's OLS and PANSOPS surfaces.

*Landing Fees – Airport Based Business Aircraft
Page 4*

Currently the fee structure only identifies an annual charge, set at \$850 per 1000kg MTOW pro rata for 2018/19, for fixed wing aircraft.

Fees proposed for 2019/20 are:

Annual charge per helicopter per 1000kg MTOW pro rata	\$850
Annual charge per fixed wing aircraft per 1000kg MTOW pro rata	\$900

4.13 Fees and Charges - 2019/20

Airport Public Car Park Page 5

Car parking charges have been reduced as follows to ensure Council is competitive:

Short Stay Car Parking Per Space	2018/19 charge	2019/20 charge
0-2 hours	\$2	\$2
Day Parking (day of issue only)	\$10	\$8
Overnight	\$16	\$14
Long Stay Car Parking Per Space	2018/19 charge	2019/20 charge
Per night	\$16	\$14
12 month car parking charge (paid in advance)	\$2,000	\$2,000

A new fee of \$70 is proposed to be applied for lost or damaged car park ticket fees (this is equivalent to the cost of five days overnight parking).

A new fee of \$10 is proposed as an administration fee for refunds.

Airport Access Charges Page 5

A number of fees are in place in relation to airside supervision, operations call out, management call out and facilitation fees.

The Operations call out fee is for any activity outside normal operational hours that requires operations staff to attend site. It is proposed that this fee be increased from \$92 to \$125 per hour or part thereof.

The other fees in this category only have marginal increases.

Airport Special Events Zone Application Page 6

This charge has previously been shown as price on application (POA). It is now proposed to set this at \$250.

Corporate and Community Division - Community Spaces *Pages 6 to 12*

Council's community facilities fees and charges have become inconsistent with a wide range of various commercial and community user hire rates, and also the format that they are presented in.

Another irregularity is the existing user rates (for regular bookings) that were introduced in the fees and charges in 2012 and 2015.

The Richmond Room existing user rate has been providing those that have been hiring the facility since 2012 a much lower price than any other regular bookings established since then.

4.13 Fees and Charges - 2019/20

The same has been in place for the Lennox Head CWA Hall since 2015 (not the CWA Hall Group itself which is entitled to free use of the hall as part of the agreement when Council took over the buildings management).

The regular users outside of the CWA Hall group should be paying consistent fees and charges in line with other users of the facility.

The various inconsistencies have made the fees and charges difficult for Council's Community Facilities staff to manage. A new fee structure has been developed to resolve this for the 2019/20 financial year.

It is now proposed to have a base fee for a business / commercial user, which is seen as the base hire rate or 100 percent, with an approximate 25 percent reduction on that base rate given for regular community based activities, schools and the regular not for profit private hirer etc, followed by an approximate 50 percent reduction of the base rate for not for profit community user groups.

The 25% and 50% reduction being subject to rounding, with the definitions detailed below as they will appear in the fees and charges.

Charge Rates - Definitions

Commercial Hire - classified as the base hire rate 100%

Regular Community Based Activities - will be charged 25% off the listed commercial hire rate, subject to rounding.

Community Hire - 50% off the listed commercial hire rate, subject to rounding.

* Payment is to be made at the time of the booking

* Bookings are subject to the availability of the various venue options.

Commercial User

A commercial user is hiring the venue with the intention of making a profit.

Regular Community Based Activities, Schools and Not for Profit Private Hirers

The Regular Community Based Activities (RCBA) hourly hire rate is intended for training sessions from instructors e.g. language classes, sports, martial arts, gymnastics, dance, drama etc. that charge their members a minimal fee for the training and thus only make a small profit from each session.

For the Regular Community Based Activity to receive the RCBA hire rate, the hirer is required to book in advance, a minimum of two sessions per month and provide evidence of their suitability as a Regular Community Based Activity.

The private hirer receives the RCBA rate for events such as weddings, birthdays or similar social gatherings, where there is no charge associated with attending and no intent for financial gain.

NSW Department of Education Primary and Secondary School Groups will also be charged at (RCBA) hire rates.

Community Users

A community user is a non-profit user which is not operating for profit or gain from its individual members.

The new fees and charges will make it much clearer for Council staff to advise the various hirers of the facilities of the appropriate fees and charges for the venue required.

It will also clarify the detail used in the booking system when entering the hirer into the system and invoicing them.

The percentage approach makes it more defined for the hirer as well, aiming to avoid any confusion at the time of booking.

Given the large number of facilities and different fees, and the restructure of the fees, the details of the charges have not been provided in this report.

Refer to pages 6 to 12 of the draft Fees and Charges document.

Corporate and Community Division - Northern Rivers Community Gallery
Pages 14 to 15

Hire charges for gallery spaces have only marginal increases.

No changes have been proposed for Ignite Studio – Artist-in-Residence charges or Long Term Lease (Weekly) charges.

Locker Room Workshop Space and Engine Room Workshop Space hourly rates are unchanged, however the half day and full day charges have been increased to bring them into line with the hourly charges with a 10% discount.

Corporate and Community Division - Swimming Pools
Page 16

The swimming pools fees and charges were subject to a separate report to the March 2019 Finance Committee meeting.

Civil Services Division - Water and Wastewater Services

Septic Waste Disposal
Page 20

A new fee of \$95 is proposed for Septic Waste Sampling Suite.

The existing fee per load during business hours has been increased to \$100.50 (11.7%).

Excess Mass Charges
Pages 20 to 21

The majority of excess mass charges have been increased by an amount approximately based on the rate peg of 2.7% which is similar to CPI.

4.13 Fees and Charges - 2019/20

The following items have increases or decreases outside of that range.

Description	2018/19 charge	2019/20 charge
Lead	\$1.43	\$41.62
Nitrogen (N) (Total Kjeldahl Nitrogen – TKN)	\$20.66	\$0.22
Phosphorous (Total P)	\$1.64	\$7.80
Chemical Oxygen Demand (COD) – 3 x BOD	\$0.72	\$2.49

Civil Services Division – Open Spaces and Reserves

Cemetery Fees – Transfer of Burial Licence Page 25

The majority of cemetery fees have been increased by CPI. The Transfer of Burial Licence proposed fee has been increased from \$57 to \$74 reflecting cost and comparable rates.

Civil Services Division – Infrastructure Planning

Road Closure/Purchase Application Page 29

The proposed fee for the initial application has been increased from \$650 to \$850. This fee was increased from \$470 in 2017/18 to \$650 in 2018/19. It was noted at that time that with further changes by the State Government shifting the processing to Council, that it was envisaged this fee would increase significantly again in 2019/20.

Civil Services Division – Burns Point Ferry Pages 30 to 31

Increases, generally in the range of 2 to 3% (due to rounding) and 8% for motor cars have been proposed, as per below:

Vehicle Type	2018/19 charge	Proposed 18/19 charge
Motor cycles	\$3.00	\$3.00
Motor car & vehicles (under 3 tonne capacity)	\$6.00	\$6.50
Vehicles (3 to 10 tonne capacity)	\$14.00	\$14.50
Vehicles (3 to 10 tonne capacity) book of 25	\$350.00	\$362.50
Vehicle and 1-axle trailer including caravans	\$12.50	
Vehicle and 2-axle trailer including caravans	\$14.50	
Box or boat trailer (1 or 2 axle). Ticket must be purchased with single vehicle ticket (total value \$13.00) except where a valid Annual ticket is displayed in towing vehicle whereby only the \$6.50 charge applies.		\$6.50
Caravan (1 or 2 axle). Ticket must be purchased with single vehicle ticket (total value \$15.00) except where a valid Annual ticket is displayed in towing vehicle whereby only the \$8.50 charge applies.		\$8.50
Vehicle (> 10 tonne carrying capacity) (truck only)	\$16.00	\$16.50
Vehicle (> 10 tonne carrying capacity) (truck and dog)	\$23.00	\$23.50
Vehicle (> 10 tonne carrying capacity) (truck only) book of 25	\$400.00	\$412.50
Vehicle (> 10 tonne carrying capacity) (truck and dog) book of 25	\$575.00	\$587.50

A distinction is now being made between box / boat trailers and caravans.

Ferry weekly tickets and season tickets have been increased in the range of 2% to 3%.

An early submission on the ferry fees has been included as Attachment 2 to this report.

In respect to that submission staff have previously advised as follows:

Council has a season pass for vehicles less than three tonnes (to cover standard motor vehicles) however there is no season ticket truck pass (greater than three tonnes).

It is unclear what impact the introduction of a season ticket for heavy trucks would have on overall income levels.

Determination of an equitable season ticket fee could be problematic as there are a reasonably small number of operators and the introduction of such a fee may provide an unintended significant gain to a few (very regular) operators.

It would also create further complexities to have a fee for loaded and unloaded trucks and such a fee would need to be available for all truck drivers.

There is sympathy for Mr Crethar's position however it is extremely difficult for Council's fee structures to cover every situation that arises and still ensure equity in the application of fees.

No change is recommended however if Council wanted to introduce a season ticket for heavy trucks, the preferred approach would be to receive a more detailed report on the options available.

Brief discussions with one ferry driver confirm that the Crethar business is somewhat unique. It may well be that a season ticket for the larger vehicles is the only option that would suit this business.

Planning and Environmental Health Division - Building Services

Pages 32 to 35

Fees within the Building Services area have been restructured.

A number of new Complying Development codes are due to come into effect during the 2020 financial year.

Although these new codes are not in force as yet, the certification fees and charges of the Building Services section have been reviewed to provide fees for these codes.

In doing so, the fees have been reviewed to achieve consistency for the varying types of Complying Development and for comparison to the fees for Construction Certificates and associated inspections and certification.

The previous fee structure incorporated stepped fees, whereby the fee payable was unchanged despite the cost of works increasing significantly.

4.13 Fees and Charges - 2019/20

This fee structure also did not cater for new low cost dwellings such as Secondary Dwellings or dwellings in excess of \$500,000.

These developments are currently dealt with by using the fee structure for alterations and additions rather than those for new buildings. Inconsistencies have also been identified between the fees charged for alteration and additions and new buildings under Complying Development in comparison to those done via a Construction Certificate.

A sliding scale is proposed for new residential buildings up to \$1,200,000 cost of works.

These fees are now more comparable with those for alterations and additions.

This simplified fee structure for all certification work provides a more consistent and scaled fee structure based on the cost of works.

This approach is more realistic to the amount of certification work to be carried out as the fee for all developments will be in proportion to the cost of works for that development.

Other Building Related Fees

Page 34

The following items have increases outside of CPI increases.

Description	2018/19 charge	2019/20 charge
Section 138 Roads Act Application Fee (footpath and crossing fee relating to Das for residential dwellings)	\$160	\$180
Section 138 Roads Act Application Fee (small-scale roadside stalls)	\$80	\$120
Order to be issued on behalf of private certifier	\$200	\$220
Inspection of dwelling before relocation	\$225	\$245
Miscellaneous building and/or plumbing inspections report (hourly, min ½ hour)	\$225	\$245
Pre DA/CDC lodgement meeting and associated inspection (hourly)	\$225	\$245
Final inspection letter for old building applications	\$90	\$110

Boarding Houses Registration & Inspection Fee

Page 34

The following items have increases outside of CPI increases.

Description	2018/19 charge	2019/20 charge
Registration and Initial Inspection Fee	\$225	\$245
Additional Inspection Fee	\$120	\$145

Manufactured Home (Construction)

Page 34

The following items have increases outside of CPI increases.

4.13 Fees and Charges - 2019/20

Description	2018/19 charge	2019/20 charge
Inspection and Certificate of Completion	\$225	\$245
Reinspection for Certificate of Completion	\$170	\$190

Plumbing & Drainage Inspection Fees *Page 34*

The following items have increases outside of CPI increases.

Description	2018/19 charge	2019/20 charge
Section 68 Plumbing/Drainage application fee – no works to an OSSMS	\$185	\$195
Section 68 Plumbing/Drainage application fee – involves works to an OSSMS	\$175	\$205

Plumbing & Drainage Compliance Certificate *Page 35*

The following items have increases outside of CPI increases.

Description	2018/19 charge	2019/20 charge
Plumbing & Drainage Compliance Certificate	\$125	\$145

Planning and Environmental Health Division – Public and Environmental Health

Application for On Site Sewage Management System *Page 42*

The following items are new or are increased above CPI.

Description	2018/19 charge	2019/20 charge
Section 68 Application per individual system	\$175	\$195
Commercial Trade Waste per registration	N/A	\$100
Commercial Trade Waste per inspection	N/A	\$165

The new fees have been added as it is Council's responsibility to ensure the collection, transfer and discharge of trade waste complies with Local Government legislation. Trade waste connected to an on-site sewerage management system is to be dealt with in a similar manner to ensure that no person generating trade waste can discharge to Council's sewerage treatment plant without a Section 68 trade waste approval.

This will ensure adequate compliance and consistency across council systems.

Animal Registration Fees *Page 42*

A new annual fee, to be advised by the Office of Local Government, is proposed for Cats not de-sexed.

4.13 Fees and Charges - 2019/20

Underground Petroleum Storage Systems (UPSS)
Page 44

The following new fees are proposed:

Description	2019/20 charge
Annual registration fee	\$100
Low risk first inspection	\$165
Low risk re-inspection	\$80
Medium risk first inspection	\$245
Medium risk re-inspection	\$165
High risk first inspection	\$495
High risk re-inspection	\$245

Legal/Resource / Financial Implications

Discretionary fees and charges are a major source of revenue to Council.

Consultation

This report has been prepared following consultation with staff across Council's entire operations. Once approved the draft document will be exhibited for public comment as part of the 2019/20 Draft Delivery Program and Operational Plan.

Options

Council may approve the contents of this report or resolve to add, delete or amend the proposed 2019/20 fees and charges. The recommendation is to exhibit the draft fees and charges for public comment.

RECOMMENDATION

That Council approves the exhibition of the draft schedule of fees and charges for 2019/20 as attached, including any amendments resulting from this meeting.

Attachment(s)

1. Fees and Charges - 2019/20 (draft) (Under separate cover)
2. Submission - Annual Season Pass for Ferry

4.14 Facility Management

4.14 Facility Management

Delivery Program Community Facilities

Objective To determine the preferred management structures for the Alstonville Leisure and Entertainment Centre and Ballina Indoor Sports Centre.

Background

Construction of the Ballina Indoor Sports Centre (BISC) is progressing well and it is anticipated that the facility will be operational this calendar year.

The Alstonville Leisure and Entertainment Centre (ALEC) has been operated by Council through casual labour hire for one year since the departure of the former management company.

It is now timely for Council to determine how it wishes to manage these facilities into the future and the report that follows examines options available.

Key Issues

- Service levels and community expectations
- ALEC deterioration
- Net cost to the community

Information

During the last ten years Council has significantly expanded the community infrastructure under our control through the construction or redevelopment of the Lennox Head Cultural and Community Centre (LHCCC), Northern Rivers Community Gallery, Ballina Surf Club, Kentwell Centre and the BISC is now well advanced.

These facilities added to Council's existing portfolio which consisted of the Richmond Room, ALEC and various public halls.

This has seen the formation of an entirely new section within the Council organisation, being Community Facilities, with that section now employing 8.4 Equivalent Full-Time (EFT) employees, inclusive of the Visitor Information Centre staff. The Alstonville and Ballina swimming pools also form part of that section's portfolio.

The private sector does not provide facilities of this nature as they typically operate at a net loss. This means one of the key decisions that a council needs to make in operating community facilities is balancing the level of service against the net cost to the community.

With Council now having operated the ALEC through casual labour hire for one year and the BISC to be operational before Christmas, Council needs to determine whether we wish to employ staff to operate the facilities or call tenders for contract management.

ALEC – Asset and Usage

Council owns the ALEC which has a single sports court, multi-purpose hall, meeting rooms and a library.

ALEC has historically operated under contract management, with the last contractor operating the facility between 2000 and 2018. Council resolved at the Facilities Committee meeting on 7 November 2017, to finalise that contract arrangement at the end of the contract term on 31 March 2018.

Council further resolved at that meeting to authorise the General Manager to assume responsibilities for the day to day management of the facility. The intention of self-management was to allow Council to assess the income, usage levels and community needs of this facility prior to making a final decision on long term management.

Council staff commenced management of ALEC on 1 April 2018. This enabled a full assessment of the condition and operational capabilities of this site.

This assessment has confirmed that the facility has had a steady decline in usage levels and asset condition. The aged condition of ALEC is heavily contributing to lower usage levels.

To respond to the need for immediate rectification works, earlier reports in this agenda recommended funding of \$209,000 (2019/20) and \$260,000 (2020/21) from the recurrent capital expenditure budget for Community Facilities and a Community Infrastructure Dividend of \$400,000 in 2019/20, to improve the overall condition and viability of the centre.

The budget provisions will enable immediate repair works to the roof, the metal structure and other services to be maintained, however the funds available are still not considered adequate enough to bring the building up to contemporary standards and to improve its aesthetic appeal and comfort for users.

In response to the need to realign the facility with the needs of the community, staff engaged with the Alstonville community to develop an understanding of what is required for the facility, and what are deemed to be the key functions of the facility.

This engagement took place between September and December 2018 and involved the Community Facilities staff conducting face to face, telephone and online surveys to gain an understanding of the community's needs.

The key information from the 277 respondents included:

- Seniors made up the highest percentage of survey participants at 29%, followed by family participants at 24% of respondents; and then individuals between the ages 18-65 years making up 23% of respondents. Also 91% of respondents reported they were from the Ballina Shire including 67% living on the Alstonville Wollongbar Plateau.

4.14 Facility Management

- Almost a quarter of all survey respondents utilised the services of Alstonville Library within ALEC, with close to 19% of respondents not being current users of ALEC.
- Survey responses suggest that there is a lack of activities of interest, or a lack of awareness, or the facility is in poor condition and not fit for purpose.

The highest priorities in regard to upgrading the ALEC are:

- fix the leaking roof (weighted 4.39 out of 5 in priority)
- replace lights with energy efficient LEDs (weighted 4.09 out of 5)
- install air-conditioning and heating (3.97 out of 5)
- installation of air-conditioning for all seasons was the main topic in letters of support and anecdotal feedback to staff operating the facility.

BISC – Asset and Usage

Council is currently having the BISC constructed with the intention to be open in the later part of 2019. The BISC has two sports courts, two meeting rooms, one consult room and an office kiosk area, apart from the general amenities.

The BISC will be a new facility primarily constructed as a sports facility.

The facility will be contemporary and meet modern standards and user needs.

The BISC is being constructed adjacent to the new Ballina Coast High School's indoor sport courts, and there will be a linking corridor between the two buildings. This will provide access to the High School's two indoor courts for use outside of school hours, although one of these High School courts will only be available for limited use.

Council has a signed Deed of Agreement with the Department of Education for use of the site which allows Council the use of the High School courts.

The Deed of Agreement will be superseded by a formal lease, which is in the final stages of development and it confirms that the High School will be allocated five hours use of the BISC per week, free of charge, during school terms. The School use needs to be pre-booked as is the case for all users.

Council staff have formed a BISC stakeholder group with various internal sporting groups, with discussions identifying that the usage patterns of the facility will reflect heavy use during 4pm to 10pm Monday to Friday and during the day on Saturday and Sunday.

There will be an opportunity to expand the type of usage for the facility during 8am to 4pm Monday to Friday.

It is anticipated that this facility will provide a steady stream of court hire income, revenue from kiosk sales and meeting room hire fees.

The design of the facility also provides capability to market the facility for other uses such as conferences during the day, albeit that it does not have air-conditioning and the acoustics will not meet conference standards.

Contract Management

From a Council community facility management perspective the use of contract management has potential benefits such as:

- can allow greater entrepreneurial opportunities as the contractor may not be subject to the same restrictions as Council employees who must comply with the Local Government Act and Industrial Awards. A contractor can run specific programs that generate income with that income retained by the contractor.
- For operations outside normal working hours the contractor may not be required to pay overtime rates, particularly where the company providing the contract services is a sole operator or family based business. This can reduce operating expenses.
- Incentives in the management contract can potentially reduce the net cost of operating the facility to the community, as the management company is prepared to invest extra time, or additional resources into the facility, on the basis that they will receive an increased return.

The management contract determines whether the contractor retains all income, part of the income, or potentially only generates income from ancillary services such as the kiosk, and how much, if any, Council pays to the contractor for management services.

Council has applied different versions of management contracts over the years with examples including:

- Swimming pools – Management companies currently operate these facilities based on a payment from Council, with Council receiving all entry income and the contractors retaining income from ancillary services such as the kiosk and swimming lessons and training.

Previous versions of these contracts had income being equally shared, however the problem with that is that when Council expends significant amount of community monies improving the facilities, as has recently occurred, the contractor receives 50% of the benefit of increased attendance, without accepting any extra risk.

- ALEC – Earlier versions of this management contract had the contractor receiving all income from the facility, with Council also making a contract payment. This was amended in the last version of the contract whereby it was agreed that there should also be a profit share between Council and the contractor. The increased accountability in that contract ultimately led to the contract not being renewed.

One of the key disadvantages of a management contract is demonstrated by ALEC, where Council essentially played no role in the on-going monitoring and management of this facility and we now have a situation where the asset is in a deteriorated condition.

There was no incentive for the contractor to invest funds and Council now needs to invest significant funds into the facility to ensure it is contemporary.

4.14 Facility Management

Councils also need to be careful from an industrial perspective with management contracts as there is legal case law where councils have been taken to court to pay monies owing to contractors who essentially argue they are employees and have been paid less than what Council staff would have been paid if they were performing the role.

If Council is to go down the path of establishing external management contracts for ALEC and the BISC, a clear management plan is required to cover all day to day onsite operations such as:

- The hiring of the courts, meeting rooms and multi-purpose hall etc.
- Marketing of the facilities
- Booking management
- General maintenance and cleaning inside and outside the facilities
- Cost responsibility
- Distribution of revenue
- Kiosk management.

The BISC is also somewhat complicated due to the need for a very close relationship with the Ballina Coast High School in respect to use of their courts and their use of the Council courts.

Council will only be able to know the contract management cost for BISC and ALEC if we go to tender, based on the agreed management principles, and if there is a reasonable response to that tender.

Currently Council is paying approximately \$5,200 per week (\$10,400 in total) to each management company for operating the Alstonville and Ballina Swimming Pools. Council is also still responsible for nearly all operating expenses such as chemicals, maintenance, electricity etc.

When Council previously called tenders for the ALEC, there was a very limited response, and the cost to Council of that management contract was approximately \$3,200 per week.

The other management contract Council has in place at the moment is for the Flat Rock Tent Park, with the cost to Council of that contract also being approximately \$3,200 per week.

Council is also responsible for all operating expenses.

Council has already been approached by private operators and the Police Citizens Boys Club (PCYC), seeking the opportunity to manage the BISC and ALEC.

The PCYC, as outlined in the correspondence to Council dated 1 November 2017, stated that the "PCYC NSW Vision is to be Australia's pre-eminent youth organization working with the community to empower the young to reach their potential".

PCYC were proposing to operate the BISC at no net cost to Council, in return for a lengthy lease, and Council needs to determine whether this type of proposal is consistent with the overall vision for the centre.

Staff Management

The benefit of staff management of the facilities includes:

- Increased level of control and involvement in the day to day management of the facilities
- Easier to respond to changes in service levels or service types
- Economies of scale generated with Council staff managing other facilities
- Fixed overheads required to manage existing facilities are spread across an increased number of facilities
- Opportunities for multi skilling of staff
- Employment of additional staff helps to support existing Community Facilities staff providing better backup for annual leave and unanticipated absences

In addition to this the Richmond Tweed Regional Library also has an action to examine whether it is beneficial for the member councils to employ the library staff. If this did occur there will be further multiskilling opportunities for Council staff.

The Lennox Head and Alstonville Libraries are both located in Community Facilities (LHCCC and ALEC) and there may be opportunities to rationalise costs or improve service levels by sharing the staff resources.

The major dis-benefit of staff is potentially cost, as the Industrial Awards require overtime and double time to be paid for hours worked outside normal hours.

With our existing Community Facilities this has been addressed through having an operating model based on the hirer being responsible for the facility outside normal working hours.

This has worked reasonably well for facilities such as the LHCCC, Kentwell Centre, Ballina Surf Club and Richmond Room, as it is typically not necessary for staff to be on site to supervise the hiring of the facility.

This is somewhat different to facilities such as the swimming pools where supervision is constantly needed on site, and even Flat Rock, where someone needs to be on site to respond to any issues that arise or to requests for customer service.

ALEC

ALEC has been operating under Council staff for approximately one year. The current staffing arrangement covers Council business hours Monday to Friday. Users of the facility outside of these hours gain access and lock up details and facilitate the hiring themselves.

4.14 Facility Management

ALEC's current lower usage levels at night and weekends do not make it financially viable to have staff available outside normal hours. The survey results have identified that the lower usage levels are contributed by the current condition of the building and the lack of ventilation.

If ALEC continues to be managed and operated by Council staff, at this point in time there would be one staff member allocated to that facility. The annual cost would be approximately \$60,000.

As Council invested funds into refurbishing the facility, and if usage increased, it would then be necessary to steadily increase the staff resources.

The following table provides a summary of the forecasts for ALEC, as well as the actual results for 2016/17 and 2017/18.

Table One - Actual and Estimated Operating Results – ALEC

Item	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Operating Revenues	23,800	58,500	55,000	40,000	75,000	76,900
Operating Expenses						
Office Expenses	0	1,300	1,500	1,600	1,700	1,800
Telecommunications	0	400	2,000	2,100	2,200	2,200
Office Equipment	0	400	2,500	2,600	2,700	2,700
Insurance	11,200	7,800	9,400	9,700	10,000	10,300
Rates and Charges	12,400	13,800	14,000	14,500	14,900	15,300
Security	0	2,400	2,500	2,600	2,700	2,700
Cleaning	0	6,500	18,500	15,900	16,300	16,300
Electricity	11,900	8,200	10,000	10,300	10,600	10,900
Sub Total	35,500	40,800	60,400	59,300	61,100	62,200
Result Before Staff	(11,700)	17,700	(5,400)	(19,300)	13,900	14,700
Management Costs	147,700	108,600	62,000	64,000	99,000	101,000
Net Result	(159,400)	(90,900)	(67,400)	(83,300)	(85,100)	(87,300)

Maintenance costs have been excluded from this summary as they can vary significantly each year.

The estimated income figure of \$55,000 for 2018/19 is unlikely to be reached which is why the income for 2019/20 has been reduced. The actual income for 2017/18 was higher than normal due to a back payment of outstanding revenues from the former management company.

The management costs for 2016/17 and 2017/18 (part) reflect the former payment to the management company. From 2018/19 they represent salary allowances. The staff resources are increased in 2020/21 as revenues increase.

There is the potential for substantial upside in revenue for this facility however Council needs to be prepared to invest in the building. An important project for the Community Facilities Team for 2019/20 is to develop a business plan that can be implemented to increase usage of the facility.

On balance if Council can aim to have the net operating cost of this facility under \$100,000 and usage levels increase, this will be a reasonable outcome in the short term, subject to the development of a more advanced business plan.

4.14 Facility Management

BISC

As outlined earlier it is anticipated that the BISC will be well utilised Monday to Friday evenings and during the day on Saturdays and Sundays.

At a minimum it is likely that at least three equivalent full time staff will be needed in the first year and this may need to increase to four staff if the demand for the centre increases as anticipated.

The centre will need to be staffed during office hours and potentially in the evenings and there will need to be a staff presence on the weekends, although the extent of that presence will be dependent on demand. It is likely that the sporting groups will also assist and be responsible for tidying up the facility they are using.

The need for staff will also depend on the use of the third court in the Ballina Coast High School's Sports Hall. The lease agreement with the Department of Education requires Council to have a person in charge when using the School's Sports Centre and although this does not have to be a Council employee, we will need to be mindful of this when hiring the facilities.

Based on a range of assumptions the forecast operating results for the BISC are as follows, with the staff component increasing to four, in 2020/21.

Table Two - Estimated Operating Results - BISC

Item	2019/20	2020/21	2021/22	2022/23
Operating Revenues				
Kiosk	18,000	24,000	24,600	25,300
Courts Hire	95,000	136,000	139,400	142,900
Room Hire	60,000	120,000	123,000	126,100
Sub Total	173,000	280,000	287,000	294,300
Operating Expenses				
Office Expenses	2,000	2,100	2,200	2,300
Telecommunications	2,000	3,000	3,100	3,200
Office Equip and Furniture	3,000	4,000	4,100	4,300
Insurance	15,000	15,400	15,800	16,200
Rates and Charges	10,000	10,300	10,600	10,900
Kiosk Sales	15,000	20,000	20,500	21,100
Security	6,000	8,000	8,200	8,500
Cleaning	20,000	30,000	30,800	31,600
Programs	3,000	3,100	3,200	3,300
Air Conditioning	7,000	10,000	10,300	10,600
Electricity	15,000	25,700	26,400	27,100
Sub Total	98,000	131,600	135,200	139,100
Result Before Staff	75,000	148,400	151,800	155,200
Staff Costs	180,000	240,000	246,000	252,000
Net Result	(105,000)	(91,600)	(94,200)	(96,800)

Similar to the ALEC figures if Council can keep the net operating expense below \$100,000 this is a reasonable result, considering the level of service being provided to the community.

The figures in Tables One and Two exclude depreciation and maintenance, and once those figures are included the operating deficit is substantially higher.

4.14 Facility Management

Fees and Charges

The proposed fees and charges for 2019/20 are as per the following tables with the structure based on the commercial, regular community and community based hire as outlined in the Fees and Charges report earlier in this agenda.

Table Three – ALEC Fees and Charges (\$)

Description	2018/19	2019/20
Half Day Hire is for six hours Full Day Hire is for 12 hours		
Sports, Functions and Special Events		
Meeting Room - Commercial hire fee per hour	26	28
Regular Community Based Activities		22
Community Hire	13	14
Meeting Room - Commercial (up to 12 hours per day)		280
Regular Community Based Activities		210
Community Hire		140
Multi-Function Hall - Commercial hire fee per hour	57	40
Regular Community Based Activities		30
Community Hire	31	20
Multi-Function Hall -	261	215
Commercial per half day (up to 6 hours)		
Regular Community Based Activities		160
Community Hire	133	110
Multi-Function Hall - Commercial (up to 12 hours per day)	522	455
Regular Community Based Activities		340
Community Hire	266	225
Sports Hall - Commercial hire fee per hour	87	50
Regular Community Based Activities		38
Community Hire	57	25
Sports Hall - Commercial per half day (up to 6 hours)	420	270
Regular Community Based Activities		200
Community Hire	261	135
Sports Hall - Commercial (up to 12 hours per day)	736	540
Regular Community Based Activities		405
Community Hire	471	270
Complete Centre - Commercial (up to 12 hours per day)	1,145	1,025
Regular Community Based Activities		770
Community Hire	736	510
Weekend Package Deal - Commercial (per weekend)	3,833	2,050
Regular Community Based Activities		1,535
Community Hire	2,607	1,025
Kitchen – Commercial hire fee per hour		20
(Kitchen must be left in a clean state)		
Regular Community Based Activities		15
Community Hire		10

4.14 Facility Management

Description	2018/19	2019/20
Kitchen – Commercial hire fee per day		100
(Kitchen must be left in a clean state)		
Regular Community Based Activities		75
Community Hire		50
1 x Dressing Room - Commercial hire fee per hour		20
Regular Community Based Activities		15
Community Hire		10
1 x Dressing Room (up to 12 hours per day)		180
Regular Community Based Activities		135
Community Hire		90

Table Four – BISC Fees and Charges (\$)

Description	2019/20 Standard	2019/20 Higher
BISC Single Court - Commercial	56	80
Regular Community Based Activities	42	60
Community Hire	28	40
BISC Double Court – Commercial	110	152
Regular Community Based Activities	82	114
Community Hire	55	76
BISC - Casual Court Hire Per Hour (Subject to Availability and may be on a Shared Court)		
Per Person	6	6
Court Hire – Weekends Per hour		
BISC Single Court - Commercial	70	100
Regular Community Based Activities	52	75
Community Hire	35	50
BISC Double Court - Commercial	120	180
Regular Community Based Activities	90	135
Community Hire	60	90
BISC - Casual Court Hire Per Hour (Subject to Availability and may be on a Shared Court)		
Per Person	6	6
Meeting/Consult Rooms Hire		
Meeting Room 1 – Commercial Per Hour	40	40
Regular Community Based Activities	30	30
Community Hire	20	20
Meeting Room 2 - Commercial Per Hour	56	56
Regular Community Based Activities	42	42
Community Hire	28	28
Consult Room - Commercial Per Hour	36	36
Regular Community Based Activities	27	27
Community Hire	18	18
Meeting Room 1 – Commercial Per Day	256	256
Regular Community Based Activities	192	192

4.14 Facility Management

Description	2019/20 Standard	2019/20 Higher
Community Hire	128	128
Meeting Room 2 - Commercial Per Day	358	358
Regular Community Based Activities	268	268
Community Hire	180	180
Consult Room - Commercial Per Day	230	230
Regular Community Based Activities	172	172
Community Hire	115	115

Initially the fees in Table Four were developed based on the 2018/19 ALEC charges, with the figures in the column titled 2019/20 Standard, representing fees consistent with that facility.

A further review of established fees and charges for similar sporting facilities, including; Goonellabah Sports and Aquatic Centre, Byron Bay Cavanbah Centre, and Sportz Central Coffs Harbour, identified that there is capability to increase the proposed draft fees and charges for the BISC.

The second column titled 2019/20 Higher represents that new set of fees. With BISC being a new state of the art facility it is recommended that Council exhibits the higher fees for 2019/20, as community feedback will assist Council in making a final decision on the fees.

ALEC is recommended to stay at the lower fee level due its current condition.

Legal / Resource / Financial Implications

As outlined in this report.

Consultation

A community survey was undertaken for ALEC and there have been on-going discussions with management of other sporting facilities in NSW.

Discussions are also on-going through the Ballina Indoor Sports Centre Stakeholder Group meetings.

Options

There are two options available.

1. Call tenders for contract management of the facilities. Prior to doing this Council would need to confirm the preferred levels of service and distribution of responsibilities. There are numerous options in respect to the contract including the contractor retaining all revenue, Council retaining some or all of the revenue, the contractor having to invest in the facilities etc.
2. Approve the employment of additional Council staff to manage the facilities.

4.14 Facility Management

Councils have regularly engaged external companies to manage community facilities as this can result in a lower net cost to the community. The question with this is whether it also results in improved services and / or outcomes to the community.

It is acknowledged that the PCYC has been expressing an interest in running council facilities across the State and they have flagged a proposal where they could manage the BISC at no net cost to the community, from a cash perspective, although they would like a lengthy management contract in return (i.e. decades). This proposal was subject to further negotiations.

From a Council management perspective, a few years ago the preference would have been to call tenders to manage these facilities, and this is what traditionally occurred with the ALEC. However during the last ten years Council has invested heavily in providing community facility infrastructure and we now have a dedicated team managing a number of the facilities.

The systems, processes and procedures are in place to manage the existing facilities and further economies can be gained by operating additional facilities.

There may be a higher cost through this management structure, although that would not be confirmed unless tenders were called.

On balance, considering the investment Council has already made in the management of community facilities, the fact that the BISC is a new facility and we are unsure how it will perform, along with the opportunities for economies of scale through systems, procedures, staff multiskilling, staff having the ability to be interchangeable between facilities, and shared marketing, the preferred approach is to manage both the ALEC and BISC through the employment of staff.

The recommendation supports this approach, acknowledging that this management structure will be subject to on-going review by Council.

RECOMMENDATIONS

1. That Council authorises the General Manager to employ four permanent additional staff, during 2019/20, consistent with the draft Long Term Financial Plan, to manage the Alstonville Leisure and Entertainment Centre and the Ballina Indoor Sports Centre.
2. That Council approves the exhibition of the draft fees and charges for the Alstonville Leisure and Entertainment Centre and the Ballina Indoor Sports Centre, as per Tables Three and Four of this report, with the Ballina Indoor Sports Centre fees to be based on the higher column as per Table Four.

Attachment(s)

Nil

4.15 Workforce Management Plan - 2019/20

4.15 Workforce Management Plan - 2019/20

Delivery Program Human Resources and Risk Management

Objective To provide an overview of the updated Workforce Management Plan for 2019/20.

Background

The Office of Local Government's Integrated Planning and Reporting (IP&R) requirements require councils to have a resourcing strategy which consists of the Long Term Financial Plan (LTFP), the Asset Management Plan and the Workforce Management Plan.

The Workforce Management Plan is a document that outlines the human resourcing requirements of Council's Delivery Program and it must be for a minimum period of four years.

This report discusses the draft Workforce Management Plan for 2019/20.

Key Issues

- Human resource strategies
- Resource limitations
- Customer service and program delivery

Information

The draft Workforce Management Plan is included as a separate attachment to this report.

The document provides an overview of Council's organisation structure and workforce profile, along with a summary of the various actions that are being implemented, on an on-going basis, to ensure that Council has a motivated and contemporary workforce.

The two appendices provide a summary of current and forecast employee numbers.

Appendix A outlines the workforce distribution and movements in employee numbers, whereas Appendix B is a summary of the additional resources sought by Section Managers to ensure that adequate services are delivered to the community.

As per that summary the majority of the positions are not funded in the LTFP due to resource constraints.

There are a few positions that are recommended for inclusion in the draft LTFP and a summary of the recommended appointments for 2019/20, as sourced from Appendix B, is as follows:

Development Services and Building Services

- Trainee Planner and Trainee Building Surveyor - \$122,000 in total – Both these sections have been seeking additional resources for a reasonable period of time due to workload and also to help with succession planning.

Temporary resources have regularly been used to help with the workload and it is now proposed to permanently appoint two trainees.

This opportunity has arisen as the income from Drainage Fees has been transferred from the Wastewater Fund budget to the General Fund budget as the service is now being provided in full by General Fund staff, whereas traditionally it has been provided by staff based in the Water and Wastewater Section.

This transfer has been a gradual process as positions became vacant and it is now reasonable for the General Fund to receive the benefit of the income derived, which is estimated at approximately \$150,000 per annum.

The concern with employing extra permanent assessment based staff is that revenue can decrease as the economy slows resulting in a recurrent budget deficit.

The transfer of the Drainage Fee income helps to fully offset the fixed employment costs.

Open Spaces and Reserves

- Labourer(s) - \$54,000 in 2019/20 and \$54,000 in 2020/21 – It is planned to appoint one additional person during 2019/20 to help manage the increase in open space and sports fields with this position funded through higher than CPI increases in maintenance budget allocations to these areas.

The impact on the budget of that position will be monitored during 2019/20 and subject to the budget being in a satisfactory position another labourer position will then be considered for 2020/21.

Support Operations

- Cleaner - \$54,000 – An extensive analysis of the cleaning runs has been completed and based on the overall scope of the works now required; four distinct runs have been identified to maximise efficiencies and customer service. The employment of a fourth cleaner will help improve efficiencies and reduce the need for casual or contract staff to be engaged.

The position is charged to numerous budgets and higher than CPI increases for certain budgets help fund the extra cost.

Water and Wastewater

- Vacuum Excavation Truck Operator - \$58,000 – Council purchased a new vacuum excavation truck to reduce the need for contractors. There is high demand for this truck across the organization and this new position will operate that vehicle. The position will be funded from existing budgets.

Information Services

- Information Services Trainee - \$27,000 first year and then \$56,000. This position is essential to help support the wide ranging and ever expanding technology being used by staff. It is proposed to employ the position part way through the year and a combination of operational savings and cost distribution to self-funded areas will finance the position in future years.

Community Facilities

- Gallery Services Officer – Extra 14 hours per week - \$20,000 – The expansion into the Old Fire Station and the ever increasing popularity of the Northern Rivers Community Gallery requires an increase in an existing position from 21 hours per week to 35 hours.
- Ballina Indoor Sports Centre and Alstonville Leisure and Entertainment Centre (ALEC) – Nominal staffing allowances for four new positions have been provided for these two facilities with no decision yet made as to how both facilities will be managed on a permanent basis. A separate report in this agenda discussions options.

Legal / Resource / Financial Implications

The positions identified as funded in the Workforce Management Plan are able to be funded in the draft LTFP.

Consultation

The preparation of the Workforce Management Plan involves consultation across the entire organization along with a review of our service delivery.

Options

The Workforce Management Plan forms part of the IP&R documents. The options are to approve the document or amend based on differing priorities. The additional permanent positions identified for 2019/20 equate to 10.4 equivalent full time staff members, including the four new community facilities staff for the Ballina Indoor Sports Centre and the Alstonville Leisure and Entertainment Centre. Each position is focused on ensuring that staff can implement our delivery program objectives and be able to respond to internal and external customer service requirements.

It is recommended that Council approve the exhibition of the document as part of the draft Delivery Program and Operational Plan.

RECOMMENDATION

That Council approves the exhibition of the draft Workforce Plan as part of the exhibition of the draft 2019/20 Delivery Program and Operational Plan.

Attachment(s)

1. Workforce Management Plan (draft) (Under separate cover)

4.16 Delivery Program and Operational Plan 2019/20 - Exhibition

4.16 Delivery Program and Operational Plan 2019/20 - Exhibition

Delivery Program Communications

Objective To endorse the draft Delivery Program and Operational Plan and place on exhibition for public comment

Background

The Office of Local Government's (OLG's) Integrated Planning and Reporting Framework require councils to review the Delivery Program and prepare a new Operational Plan each financial year. The purpose of this report is to obtain Council approval to exhibit the documents for public comment.

Key Issues

- Format and content of documents
- Ensuring the documents reflect the objectives of Council, particularly for 2019/20

Information

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

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

Delivery Program

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

Operational Plan

- Council must have an annual Operational Plan, adopted before the beginning of each financial year, outlining the activities to be undertaken that year, as part of the Delivery Program. The Operational Plan focuses on actions and activities to be delivered during the current year.
- The Operational Plan will include the Statement of Revenue Policy, which provides an overview of the major fees and charges.
- The draft Operational Plan must be publicly exhibited for at least 28 days and public submissions can be made to Council during the period.
- Council must accept and consider any submissions made on the draft Operational Plan before adopting the Operational Plan.
- Council must post a copy of the Operational Plan on our website within 28 days after the plan is adopted

The Operational Plan also includes details of:

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

Council has been producing a combined Delivery Program and Operational Plan for a number of years to avoid unnecessary documentation and duplication. This approach has worked reasonably well and a combined document is once again submitted for 2019/20, with that document provided as a separate attachment to this report.

The key part of the attached document is the section titled "*Heading in the Right Direction*", as this section outlines the various activities (or tasks) that are planned for 2019/20, along with activities planned for later years.

It is important that Councillors have their priorities included in this section of the document as it is these actions that direct staff resources during the year. Ensuring that this section accurately reflects the goals of Council assists staff in allocating resources to implement the various actions in the document. An accurate document also helps reduce the need for ad hoc notices of motion during the year.

Notices of motion may result in the redirection of staff resources towards projects, which then impact on planned priorities for the year.

The Operational Plan should be the document that reflects the Council's goals and through its public exhibition and formal adoption the community is in a position to measure how Council is performing against those goals.

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

Capital Expenditure reflects the scheduled capital works for the four year period and the Revenue Policy summarises all Council's major fees and charges.

Legal / Resource / Financial Implications

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

Consultation

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

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

In respect to public meetings, in recent years Council has only held meetings in Lennox Head and Wardell and a similar approach is planned for 2019/20.

Options

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

A reformatted Asset Management Plan Summary has also been included with this report in an attempt to simplify all the information included in Council's Asset Management Plans.

It is also recommended that that document be exhibited as part of the Integrated Planning and Reporting framework for Council.

RECOMMENDATION

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

Attachment(s)

1. 2019/20 to 2022/23 Delivery Program and Operational Plan (draft) (Under separate cover)
2. Asset Management Plan Summary (draft) (Under separate cover)