



Notice of Finance Committee Meeting

Notice is hereby given that a Finance Committee Meeting will be held in the **Ballina Shire Council Chambers**, Cnr Cherry & Tamar Streets, Ballina on **Thursday 7 April 2011 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. Committee Reports

4.1 Commercial Use of Footpath Fees - 2011/12

File Reference	Commercial Use of Footpath Policy
CSP Linkage	Responsible and efficient use of resources
Delivery Program	Commercial Services
Objective	To examine the methodology for determining the proposed fees for the 2011/12 financial year for the Commercial Use of Footpath Approvals

Background

Council at its Ordinary meeting on 24 March 2011 resolved to receive a report on the methodology for determining the footpath dining fees, along with alternative options.

The matter was also raised at the B Ward meeting on 21 March 2011 as follows:

(i) Commercial Use of Footpaths

A number of views were expressed regarding the methodology applied for charging for the commercial use of footpaths in the shire.

Key issues relate to the charges being based on assessed land value as distinct from the application of a 'flat rate' in different localities.

Action: *That the committee requests Council to review the methodology applied in the charges for the commercial use of footpaths in Ballina Shire. (Louise Owen/Fred Goodman)*

The report that follows addresses these issues.

Key Issues

- Methodology applied
- Equity of fees

Information

A report was presented to Council at the Ordinary Meeting of 26 August 2010 (copy **attached**) whereby Council resolved:

- (a) *That Council adopt the following documents relating to the commercial use of footpaths in Ballina Shire and associated fee structure:*

4.1 Commercial Use of Footpath Fees - 2011/12

- (i) The exhibited draft Commercial Use of Footpaths Policy, inclusive of the amendments as per the attachment to this report
- (ii) The exhibited amendment to Ballina Development Control Plan - Exempt and Complying Development
- (iii) The exhibited amendment to Ballina Shire Combined Development Control Plan
- (iv) The exhibited draft Local Approvals Policy and that the required consent from the Director-General of Local Government be immediately sought
- (v) Fee structure in accordance with precinct plans: 2011/12- 50.00% of rental rate value assessed.

As per the attached report the introduction of this new policy was designed to make it far easier for businesses to obtain approvals for street vending and al fresco dining related activities. The policy now allows approvals under the Roads Act, rather than businesses having to lodge a development application under the Environmental Planning and Assessment Act.

Since the adoption of the new policy a number of businesses in Ballina have obtained approval for a licence and for 2011/12 many will be paying similar or lower charges than under the former method, which was based on a price of \$60 per chair for 2010/11.

The methodology used for the calculation of the new fees and charges was discussed in the earlier report (**as attached**) and an extract from that report is as follows.

The annual licensing fee for alfresco dining is currently \$60 per chair per annum as per Council's fees and charges. This rate was the charge determined by Council at the commencement of the Alfresco Dining Policy inclusive of CPI increases.

It is recommended that a \$ per square metre per annum (“\$/m² p.a.”) rental rate may be a more appropriate and relevant method to charge for the commercial use of footpaths. This would provide a standardized approach to both alfresco dining and street vending. The \$/m² p.a. rental rate would be calculated based upon a 5.00% return on market land value plus the estimated value of footpath structure thereon. This approach to licensing is far more cost effective as it removes the burden from Council to enforce compliance, i.e. rangers are not required to monitor the number of chairs a café may have upon a footpath.

*Council appointed an independent valuer to undertake rental valuations for the various CBD precincts in Alstonville, Ballina and Lennox Head (see CBD precinct maps **attached** hereto). The \$/m² p.a. rental rates assessed for the various CBD precincts are noted as follows:-*

Ballina	Location	Rental Rate Value p.a.
Area A	River Street - Martin Street to Cherry Street	\$56.25/m ² + GST
Area B	River Street - Cherry Street to Moon Street	\$86.25/m ² + GST
Area C	River Street - Moon Street to Grant Street	\$48.75/m ² + GST
Area D	River Street - Grant Street to Kerr Street	\$43.75/m ² + GST
Area E	Tamar Street - Martin Street to Cherry Street	\$41.25/m ² + GST
Area F	Tamar Street - Cherry Street to Moon Street	\$43.75/m ² + GST
Area G	Tamar Street - Moon Street to Grant Street	\$38.75/m ² + GST
Area H	Tamar Street - Grant Street to Kerr Street	\$33.75/m ² + GST
Area I	Cherry Street - River Street to Tamar Street	\$56.25/m ² + GST
Area J	Moon Street - Fawcett Street to River Street	\$61.25/m ² + GST
Area K	Moon Street - River Street to Tamar Street	\$56.25/m ² + GST
Lennox Hd		
Nth Precinct		\$111.25/m ² + GST
Sth Precinct		\$76.25/m ² + GST
Alstonville		\$26.25/m ² + GST

4.1 Commercial Use of Footpath Fees - 2011/12

The \$/m² p.a. rental rates assessed for the various CBD precincts represent a reasonable rate of return on Council's investment, i.e. land and improvements. This may result in some businesses paying more than they are at present and some paying less, but it is considered to be a more equitable approach as business proprietors will pay a rental rate relative to their particular location as opposed to a flat fee across the board for all businesses.

The Commercial Services Unit has undertaken an evaluation of the current rate per chair in comparison with the proposed rental rates. This evaluation indicates that the introduction of rental rates should be phased in on a stepped basis over a two or three year period to minimise the impact on current licence holders. A further report will be provided to Council detailing recommended rental rates taking into account prevailing economic conditions at the time. This report will be provided prior to the exhibition of the draft 2011/2012 fees and charges. In the interim a 50% discount is considered comparable to existing rates for 2010/11.

The report to the March Finance Committee outlined the fees proposed for 2011/12, which essentially continued the 50% discount, as follows:

Ballina	Location	Rental Rate Value p.a.
Area A	River Street - Martin Street to Cherry Street	28.13/m ²
Area B	River Street - Cherry Street to Moon Street	43.13/m ²
Area C	River Street - Moon Street to Grant Street	24.38/m ²
Area D	River Street - Grant Street to Kerr Street	21.88/m ²
Area E	Tamar Street - Martin Street to Cherry Street	20.63/m ²
Area F	Tamar Street - Cherry Street to Moon Street	21.88/m ²
Area G	Tamar Street - Moon Street to Grant Street	19.38/m ²
Area H	Tamar Street - Grant Street to Kerr Street	16.88/m ²
Area I	Cherry Street - River Street to Tamar Street	28.13/m ²
Area J	Moon Street - Fawcett Street to River Street	30.63/m ²
Area K	Moon Street - River Street to Tamar Street	28.13/m ²
Lennox Hd		
Nth Precinct		55.63/m ²
Sth Precinct		38.13/m ²
Alstonville		13.13/m ²

The fact that the fees are at 50% of the value as recommended by the independent valuer is an important point that should not be lost in this discussion.

The pricing methodology, as presented, was adopted as it demonstrated a fair and equitable basis of charging rentals based upon commercial land values within the various commercial precincts of the Shire.

Under the current policy, no commercial use of footpath approvals have been issued for Lennox Head, and prior to the current policy no alfresco dining licences were issued or held by businesses in Lennox Head. This is obviously an issue, as these businesses are starting off from a zero base, and any charge for the use of public footpaths will be considered as an impost.

However a number of businesses in Ballina and Alstonville have held alfresco dining licences under the former policy and now hold approvals under the current policy.

This raises issues of fairness and equity in that the businesses in Alstonville and Ballina have accepted the new policy and are paying rental accordingly.

An issue that has been raised is that the alfresco and kerbside rentals assessed for the Lennox Head CBD are higher than those assessed for Ballina CBD. This is true and the same can be said for shop rentals.

In general shop rentals in Lennox Head CBD are higher than those paid in the Ballina CBD due in part to location and the limited number of shops in Lennox Head. Ballina CBD is far larger and shop rentals and land values are influenced by demand and supply accordingly.

It should also be noted that a number of the cafes in Lennox trade seven days per week and most nights and this differs significantly from the Ballina CBD.

Shop rentals for the northern precinct of Lennox Head CBD in newer buildings start at around \$500/m² p.a. however shop rentals in Ballina CBD peak out at about this level, and have probably been impacted upon by the expansion of Ballina Fair Shopping Centre and development of Ballina Central Shopping Centre.

In Lennox Head CBD shop rentals are less prone to the impacts of these shopping centres, although the development of the retail area in Pacific Pines may have some impact in the future.

Futhermore, the valuer who assessed alfresco and kerbside rentals took shop rentals into account in making the assessments. Rental information is often commercial in confidence and Council is not in a position to assess every rental being paid throughout the town centres.

In summary shop rentals are a function of negotiations between landlord and tenant, i.e. market rental. Landlords have an expectation that they receive a return on the value of their land and buildings; i.e. return on investment.

Accordingly Council and the ratepayers have an expectation that a reasonable rate of return should be obtained on public assets. The alternative to a market based assessment is an arbitrary assessment however this lacks a basis and transparency.

Finally, as part of the approval process, a footpath area that is approved for use is defined with footpath markers that clearly indentify the area under licence. This gives businesses the flexibility of how many tables and chairs they wish to populate the area with and simplifies compliance as it is easy to determine if a business encroaches outside of their approval area. The new policy also encompasses footpath displays eg dress racks etc.

Legal / Resource / Financial Implications

The fees and charges proposed for the commercial use of footpath approvals is an equitable charge based on an independent valuation undertaken for each area.

Consultation

Council staff have consulted with a number of business in the Shire regarding the policy and fees and charges.

Letters were also sent to the Chamber of Commerce for Ballina, Lennox Head and Alstonville/Wollongbar.

Options

1. Council can adopt the current methodology proposed based on current land values, which is considered to be a fair and equitable basis in determining charges for approval areas.
2. Council can adopt an arbitrary figure across the shire for charges for approval areas. This option is not recommended as it lacks basis and transparency. Furthermore, it is inequitable.

As Council has previously endorsed the exhibition of the draft fees for public comment the only recommendation required is for Council to note the contents of this report.

RECOMMENDATIONS

That Council notes the contents of this report in respect to the pricing methodology for the commercial use of Council owned footpaths.

Attachment(s)

1. Council Report 26 August 2010.

MINUTES OF THE ORDINARY MEETING OF BALLINA SHIRE COUNCIL
HELD IN THE COUNCIL CHAMBERS, BALLINA, ON
26/08/10 AT 9.00 AM

10.11 Commercial Use of Footpaths Policy

260810/ 24 RESOLVED

(Cr Keith Johnson/Cr David Wright)

1. That Council adopt the following documents relating to the commercial use of footpaths in Ballina Shire and associated fee structure:

- a) The exhibited draft Commercial Use of Footpaths Policy, inclusive of the amendments as per the attachment to this report
- b) The exhibited amendment to Ballina Development Control Plan - Exempt & Complying Development
- c) The exhibited amendment to Ballina Shire Combined Development Control Plan and
- d) The exhibited draft Local Approvals Policy and that the required consent from the Director-General of Local Government be immediately sought.
- e) Fee structure in accordance with precinct plans:

2011/12	50.00% of rental rate value assessed
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FOR VOTE - All Councillors voted unanimously.
ABSENT. DID NOT VOTE - Cr Cadwallader

10.12 Management Plan Review - Quarter Ended 30 June 2010

260810/ 25 RESOLVED

(Cr Susan Meehan/Cr Robyn Hordern)

Council notes the contents of the final 2009/10 Management Plan review.

FOR VOTE - All Councillors voted unanimously.
ABSENT. DID NOT VOTE - Cr Cadwallader

Cr Brown departed the meeting at 12.30pm.
Cr Brown returned to the meeting at 12.31pm.
Cr P Moore departed the meeting at 12.32pm.
Cr P Moore returned to the meeting at 12.34pm.

10.11 Commercial Use of Footpaths Policy

10.11 Commercial Use of Footpaths Policy

File Reference	Development Control Plan Amendment Exempt & Complying Development
CSP Linkage	Responsible and efficient use of resources
Delivery Program	Administration
Objective	To review the assessment and approval process that currently applies to alfresco dining and to provide a policy document for the commercial use of footpaths, otherwise known as street vending.

Background

Council resolved at its Ordinary Meeting held on 25 March 2010 to exhibit a *Draft Commercial Use of Footpath Policy (Draft Policy)* for public comment (Minute No. 250310/22).

The *Draft Policy* sets out the proposed requirements and approval process for small scale commercial use of footpaths, such as street vending and alfresco dining. A number of consequential statutory actions are required to be undertaken to achieve the proposed regulatory framework under the *Draft Policy*. These statutory actions include:

- The amendment of the *Ballina Shire Development Control Plan - Exempt and Complying Development* to exempt small scale commercial use of footpaths from requiring development consent under the *Environmental Planning and Assessment Act 1979*
- The amendment of the *Ballina Shire Combined Development Control Plan* to remove the current provisions applying to alfresco dining and to clarify that car parking requirements shall be in accordance with the *Draft Policy*
- The preparation of a draft local approvals policy under the *Local Government Act 1993* to remove the requirement for an activity licence for street vending and footway restaurants.

In summary, it is proposed to simplify the regulatory framework for small scale commercial use of footpaths so that such activities/landuses are administered by Council's Commercial Services Section exclusively under the *Roads Act 1993*.

The *Draft Policy* and consequential statutory actions were placed on public exhibition and available for public comment between 15 April 2010 and 27 May 2010.

10.11 Commercial Use of Footpaths Policy

Key Issues

- Appropriate process to authorize and control alfresco dining and street vending that is simple and efficient, easily understood by community and commercial operators and easy to administer by Council.
- Need for a comprehensive policy on street vending (the display of merchandise and the like) that outlines Council's design and operational requirements.
- The need to review Council's existing alfresco dining framework to remove the existing contractual element of the relationship between Council and a commercial operator and confine Council's role as regulator.

Information

Council adopted its Alfresco Dining Policy as part of *Development Control Plan No. 1 - Urban Land* (DCP) on 23 July 1997. This policy was incorporated into the *Ballina Combined Development Control Plan* without changes on 22 August 2006, when it replaced the former DCP.

Council currently does not have a policy in relation to the commercial use of footpaths for the display of merchandise, although it did adopt a temporary policy during the 2006-2007 Christmas periods.

Approval/Consent Regime

There are currently a number of legislative requirements pertaining to the use of the footpath for street vending and alfresco dining.

Alfresco dining requires development consent under the *Environmental Planning & Assessment Act 1979* and approval under the *Roads Act 1993*.

The exhibited amendment to the *Ballina Development Control Plan - Exempt and Complying Development* proposes to exempt small scale commercial use of footpaths from requiring such development consent. Such an amendment requires a consequential amendment to the *Ballina Local Environmental Plan*, which gives effect to the provisions of the DCP. The Department of Planning has indicated that it can undertake such an amendment under Section 73A of the *Environmental Planning & Assessment Act 1979*, which permits the Minister to authorise minor changes to the LEP without the need for the normal LEP amendment gateway and exhibition process.

The display of merchandise on footpaths requires an activity approval under Section 68 of the *Local Government Act, 1993* and consent under Section 139A of the *Roads Act 1993*. The proposed *Draft Local Approval Policy* proposes to remove the requirement for an activity licence for small scale commercial use of footpaths. The consent of the Director-General of Local Government is required for this *Draft Local Approval Policy* to become effective. This consent has been sought and recent enquiries of the Division of Local Government indicate that such will be forthcoming.

10.11 Commercial Use of Footpaths Policy

A consequence of adopting the policy in its current form is that some commercial operators may not be able to comply with the unimpeded pedestrian thoroughfare widths due to street furniture or widths of footpaths. In these circumstances the application for approval will be judged upon its merits.

Licensing/Charge

The current Alfresco Dining Policy requires the applicant to obtain a licence to occupy the subject footpath area.

Council's legal advice suggests that it should avoid a contractual framework involving leasing and licensing of footpath areas, which can confer unintended rights under the *Retail Leases Act 1994*. This advice is based on the judgement in the NSW Court of Appeal matter of *Manly Council v Malouf (2004) NSWCA 299 (2 September 2004)*.

The requirement to charge for the use of the footpath can still be inserted as a condition of an approval/consent.

The annual licensing fee for alfresco dining is currently \$60 per chair per annum as per Council's fees and charges. This rate was the charge determined by Council at the commencement of the Alfresco Dining Policy inclusive of CPI increases.

It is recommended that a \$ per square metre per annum ("\$/m² p.a.") rental rate may be a more appropriate and relevant method to charge for the commercial use of footpaths. This would provide a standardized approach to both alfresco dining and street vending. The \$/m² p.a. rental rate would be calculated based upon a 5.00% return on market land value plus the estimated value of footpath structure thereon. This approach to licencing is far more cost effective as it removes the burden from Council to enforce compliance, i.e. rangers are not required to monitor the number of chairs a café may have upon a footpath.

Council appointed an independent valuer to undertake rental valuations for the various CBD precincts in Alstonville, Ballina and Lennox Head (see CBD precinct maps attached hereto). The \$/m² p.a. rental rates assessed for the various CBD precincts are noted as follows:-

Ballina	Location	Rental Rate Value p.a.
Area A	River Street - Martin Street to Cherry Street	\$56.25/m ² + GST
Area B	River Street - Cherry Street to Moon Street	\$86.25/m ² + GST
Area C	River Street - Moon Street to Grant Street	\$48.75/m ² + GST
Area D	River Street - Grant Street to Kerr Street	\$43.75/m ² + GST
Area E	Tamar Street - Martin Street to Cherry Street	\$41.25/m ² + GST
Area F	Tamar Street - Cherry Street to Moon Street	\$43.75/m ² + GST

10.11 Commercial Use of Footpaths Policy

Ballina	Location	Rental Rate Value p.a.
Area G	Tamar Street - Moon Street to Grant Street	\$38.75/m ² + GST
Area H	Tamar Street - Grant Street to Kerr Street	\$33.75/m ² + GST
Area I	Cherry Street - River Street to Tamar Street	\$56.25/m ² + GST
Area J	Moon Street - Fawcett Street to River Street	\$61.25/m ² + GST
Area K	Moon Street - River Street to Tamar Street	\$56.25/m ² + GST
Lennox Head		
North Precinct		\$111.25/m ² + GST
South Precinct		\$76.25/m ² + GST
Alstonville		
		\$26.25/m ² + GST

The \$/m² p.a. rental rates assessed for the various CBD precincts represent a reasonable rate of return on Council's investment, i.e. land and improvements. This may result in some businesses paying more than they are at present and some paying less, but it is considered to be a more equitable approach as business proprietors will pay a rental rate relative to their particular location as opposed to a flat fee across the board for all businesses.

The Commercial Services Unit has undertaken an evaluation of the current rate per chair in comparison with the proposed rental rates. This evaluation indicates that the introduction of rental rates should be phased in on a stepped basis over a two or three year period to minimise the impact on current licence holders. A further report will be provided to Council detailing recommended rental rates taking into account prevailing economic conditions at the time. This report will be provided prior to the exhibition of the draft 2011/2012 fees and charges. In the interim a 50% discount is considered comparable to existing rates for 2010/11.

Existing licence holders were advised of the proposed changes to the policy as part of the exhibition process and the issuing of new licences for 2010/2011 has been delayed pending the outcome of this process.

The \$/m² p.a. rental rates assessed for the various CBD precincts should be reviewed to current market value on an on-going basis as determined by an independent licensed real estate valuer as appointed by Council. The \$/m² is considered a far more practical method of charging as markers can be installed to define the licensed area and from a regulatory perspective it is far easier to monitor than counting chairs.

10.11 Commercial Use of Footpaths Policy

Car Parking Requirements

The view was expressed in the previous report that the imposition of car parking requirements for small scale expansion of businesses onto the footpath is onerous and is a potential barrier to more vibrant commercial centres.

There is no car parking requirement for small scale commercial use of footpaths under the *Draft Policy*.

Sustainability Considerations

- **Environment**
It is important that any commercial use does not impact negatively on the environment.
- **Social**
A policy to allow and encourage alfresco dining and street vending will increase the amenity and services in the business areas of the shire for residents and visitors.
- **Economic**
A policy to allow and encourage alfresco dining and street vending will contribute to the viability of the commercial areas of the shire and provide Council with an economic return on its assets.

Legal / Resource / Financial Implications

The adoption of the exhibited *Draft Policy* and the consequential statutory actions will provide clear direction to both Council staff and operators and therefore should result in a more efficient approval process.

Consultation

The draft policy and the associated statutory actions were placed on exhibition for public comment between 15 April and 27 May. Existing licence holders and chambers of commerce were provided with written notification of the draft policy and invited to comment during this same period.

One submission was received during the exhibition period requiring clarification of part of the Policy.

Council staff also consulted and attended the Access Reference Group Meeting in August 2010 to present the draft Policy.

Two submissions were received following this meeting.

The two submissions related to ensuring the Policy considers the needs of people with disabilities.

Council staff believe the standard conditions of the Policy address the concerns of the submitters.

10.11 Commercial Use of Footpaths Policy

Since advertising the draft Policy a number of changes to the Policy are required to include amendments to the Companion Animals Act and the Alcohol Free Zones. The changes are highlighted in the amended policy attached to this report. It is believed that the changes do not require the Policy to be placed on public exhibition again as they are mainly minor legislative changes.

Options

1. Defer consideration of the *Draft Policy* and consequential statutory actions.
2. Decline to adopt the *Draft Policy* and consequential statutory actions.
3. Adopt the exhibited *Draft Policy* and consequential statutory actions with the necessary amendments and fee structure.

It is recommended that Council adopt Option three as it is considered that the proposal now provides a reasonable balance between encouraging alfresco dining and regulating this activity. If this recommendation is adopted Council staff will proceed to issue the 2010/11 licences.

RECOMMENDATIONS

1. That Council adopt the following documents relating to the commercial use of footpaths in Ballina Shire and associated fee structure:
 - a) The exhibited draft Commercial Use of Footpaths Policy, inclusive of the amendments as per the attachment to this report
 - b) The exhibited amendment to Ballina Development Control Plan - Exempt & Complying Development
 - c) The exhibited amendment to Ballina Shire Combined Development Control Plan and
 - d) The exhibited draft Local Approvals Policy and that the required consent from the Director-General of Local Government be immediately sought.
 - e) Fee structure in accordance with precinct plans:

2011/12	50.00% of rental rate value assessed
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Attachment(s)

1. Commercial Use of Footpaths Policy (draft)
2. Precinct Maps

10.11 Commercial Use of Footpaths Policy

Public Exhibition Copy
Submissions Close: 27 May 2010



DRAFT
Commercial Use of Footpaths Policy

Policy No:	<allocated according to Policy Register >
Adopted:	<date adopted by Council>
Reviewed:	<date review adopted by Council>

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OBJECTIVE

This Policy applies to *street vending* and *footway restaurants* (also referred to as *footpath alfresco dining*) undertaken on public roads within the meaning of the *Roads Act 1993*.

The broad intent of the policy is to outline the

- Process commercial operators can follow in applying for an approval to use part of the adjoining footpath for *street vending* or a *footway restaurant*
- Design criteria for assessing applications
- Standard consent conditions that will be imposed.

The aim of the Policy is to

- Create vibrant and stimulating commercial centres where the public is encouraged to shop and dine in an outdoor environment and take advantage of the favourable local climate
- Reinforce the established central business areas of the Shire, particularly those of Ballina, Lennox Head, Alstonville and Wardell as focal shopping, business and social places in the shire
- Provide clear guidelines for applicants, staff, Council and the community with respect to Council's expectations in relation to *street vending* and the establishment of *footway restaurants*
- To ensure that pedestrian and traffic safety is not compromised by *street vending* and *footway restaurants*.
- To ensure equitable access for all including people with disabilities.
- To provide retailers with the opportunity to display goods and merchandise on the footpath.

BACKGROUND

To date Council has traditionally required development consent under the *Environmental Planning & Assessment Act 1979* and approval under the *Roads Act 1993* for *footway restaurants*, otherwise known as *footpath alfresco dining*.

Conversely the display of merchandise on footpaths has generally been viewed as an activity requiring approval under Section 88 of the *Local Government Act, 1993*.

Prior to this Policy, the only formal policy for the commercial use of footpaths was for alfresco dining in the commercial areas of the urban centres of the Shire. Council adopted its Alfresco Dining Policy as part of *Development Control Plan No. 1 - Urban Land* on 23 July 1997. This policy was incorporated into the Ballina Combined Development Control Plan without changes on 22 August 2006, when it replaced the former DCP. Council has had no formal policies in respect of other types of commercial use of the footpath.

LEGISLATIVE CONTEXT

There are a number of legislative requirements for approvals/consents for *street vending* and *footway restaurants*. There is also some legal uncertainty about whether approval/consents under different legislation are required concurrently or whether one approval/consent takes precedence over other approval/consent requirements.

This policy assumes that approvals/consents under the *Roads Act 1993* take precedence over other approval/ consent requirements on the basis that

- Section 141 of the *Roads Act 1993* provides "Effect of consent - While a consent under this Division is in force, the taking of action in accordance with the consent is taken not to constitute a public nuisance and does not give rise to an offence against this or any other act".
- *Street vending* and *footway restaurant* consent/approval provisions in the *Roads Act 1993* are more specific than the approval provisions of the *Local Government Act 1993* and the consent requirements of the *Environmental Planning and Assessment Act 1979*.

Thus, it is intended that:

- An application for '**street vending**' that complies with the requirements of this Policy will be granted consent under Section 139A of the *Roads Act 1993*.
- An application for a '**footway restaurant**' that complies with the requirements of this Policy will be granted consent under Section 125 of the *Roads Act 1993*.

Notwithstanding the view that the requirements of the *Roads Act 1993* prevail over other legislative requirements, the following steps are taken for abundant caution

- The preparation of a Local Approvals Policy pursuant to Section 158 of the *Local Government Act 1993* that exempts *street vending* and *footway restaurants* from having to obtain an approval under Part E2 or F7, Section 68 of *Local Government Act 1993*. The Local Approval Policy that authorises this is contained in **Attachment 1**.
- Making *small scale commercial use of footpaths* "exempt development" under the terms of the *Ballina Local Environmental Plan*. The criteria for such "exempt development" follows:
 - Involves the use of footpaths within a road reserve for which Council is the Road Authority under the *Roads Act, 1993*
 - Comprises small scale commercial/business use such as alfresco dining, display of merchandise and the like
 - Involves an area no greater than 30 m² per operator
 - The use of footpaths is to be operated in conjunction with an authorised adjoining use
 - Uses do not involve the erection of permanent enclosures/structures
 - Does not interfere with the safety and free passage of other users of the footpath

DEFINITIONS

<i>Alfresco Dining</i>	the use of an outdoor area for the service and consumption of food and drink.
<i>Applicant</i>	person or company applying for a <i>street vending consent</i> or a <i>footway restaurant approval</i> .
<i>Application</i>	an application made under this policy.
<i>Application Area</i>	area proposed for <i>street vending</i> or the establishment of a <i>footway restaurant</i> .
<i>Authorised Officer</i>	officer of Ballina Shire Council.
<i>Approval Area</i>	footpath area the subject of a <i>street vending consent</i> or a <i>footway restaurant approval</i> .
<i>Council</i>	Ballina Shire Council.
<i>Footpath Application</i>	an application made under this policy for a <i>street vending consent</i> or a <i>footway restaurant approval</i> .
<i>Footpath Occupation Fee</i>	annual fee payable to Council to undertake <i>street vending</i> or the operation of a <i>footway restaurant</i> .
<i>Footway Restaurant</i>	alfresco dining establishment on a public road for which approval is required under Section 125 of the <i>Roads Act 1993</i> .
<i>Footway Restaurant Approval</i>	approval granted under this policy for a footway restaurant.

Small scale commercial use of footpaths

Commercial use of footpaths that is "exempt development" under the terms of the *Ballina Local Environmental Plan*.

The criteria for such development:

- Involves the use of footpaths within a road reserve for which Council is the Roads Authority under the *Roads Act, 1993*.
- Comprises small scale commercial/business use such as alfresco dining, display of merchandise and the like.
- Involves an area no greater than 30m² per operator.
- The use of footpaths is to be operated in conjunction with an authorised adjoining use.
- Uses do not involve the erection of permanent enclosures/structures.
- Does not interfere with the safety and free passage of other users of the footpath.
- Does not involve the loss of any car parking.

<i>Street Vending</i>	the sale and display of goods and merchandise on a public road for which consent is required under Section 139A of the <i>Roads Act 1993</i> .
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Street vending consent consent granted under this policy to undertake *street vending*.

SCOPE OF POLICY

This policy outlines the approval process and requirements for small scale street vending and footway restaurants on public footpaths of the shire. Some of the design requirements may be applicable for other developments that are subject to other approval processes.

Council's Property Section is responsible for the granting of *street vending consents* and *footway restaurants approvals* where proposals comply with the requirements of this policy or are otherwise authorised by Council.

RELATED DOCUMENTATION

Related documents, policies and legislation:

- *Local Government Act 1993*
- *Road Act 1993*
- *Environmental Planning & Assessment Act 1979*
- *Ballina Local Environmental Plan*

POLICY

Street Vending Consents & Footway Restaurant Approvals

Who may apply?

1. A pre-lodgement meeting must be held between the prospective applicant and Council's Property Section to discuss the proposal and the requirements of this policy. An application will not be accepted until such a meeting has been held.
2. An application to use a footpath area for *street vending* or as a *footway restaurant* can only be made by the registered business owner of the premises that the footpath is intended to be operated from.
3. A *street vending consent* or a *footway restaurant approval* will only be granted where the use is consistent with the approved use of the adjoining premises which it is to be operated in conjunction with.

What area may be approved?

1. The *approval area* will not extend further than the width of the applicant's premises. Note Council may consider approving a *vending area* beyond the applicant's premises with the written consent of the occupier of the adjoining premises.
2. The maximum width of an *approval area* is dependent on maintaining the following unimpeded pedestrian thoroughfare.

Footpath width	Unimpeded Cross-Section
3.9 metres	2 metres
Less than 3.9 metres	1.5 metres
Greater than or equal to 3.9 metres	50% of footpath wide

3. The placement of temporary structures within an *approval area* must allow pedestrians to make normal use of the footpaths without being forced off the footpath into the gutter or roadway, or make unwarranted detours. At all times, clear sight-lines for vehicles and pedestrians at intersections, vehicular kerb crossings and pedestrian crossings must be maintained.
4. The *approval area* for a footway restaurant must be defined by the use of appropriate barriers. The feet of the barriers must not be raised more than 5mm above surface level, have bevelled edges, not project into the unimpeded footpath area and have visual contrast with trafficable surface.
5. Display of goods will be restricted to within one metre forward of the property boundary.
6. Proposed landscape, lighting, structures and furniture within an *approval area* are to be designed and configured to positively contribute to the overall streetscape.
7. No permanent structures will be permitted within an *approval area* and all temporary structures and furniture must remain wholly within the *approval area* and not encroach beyond it.
8. Items placed in the *approval area* must be stable and suitably designed to prevent damage to the footpath, withstand weather conditions and maintain an attractive appearance.
9. Any clothing racks or display tables must have lockable wheels to ensure racks and display tables can be secured on the footpath.

Type of commercial uses

1. A *street vending consent and footway restaurant approval* under this policy are restricted to 'small scale commercial use of footpaths' as defined.
2. Advertising on footpaths is not permitted except for incidental advertising such as branded screens and umbrellas associated with footway restaurants.

Applications

1. Applications must be submitted on a Council approved form together with the prescribed application fee.
2. The *application* must include plans that show the precise dimensions of the application area, together with the placement of landscaping, lighting, temporary structures and furniture.

3. An application for a footway restaurant must include details of the intended operation of the alfresco dining area, including nature of dining, hours of operation, seating capacity, type of service etc
4. An application for a footway restaurant must be accompanied by evidence that existing kitchen, washing and trade waste facilities are suitable to cater for the proposed additional capacity associated with the application area.
5. No use of an approval area must be undertaken until a valid street vending consent or a footway restaurant approval with relevant conditions has been complied with
6. An application for a footway restaurant will need to specify whether the applicant will be applying for a licence for the service and consumption of alcohol within the approval area. Please note if the approval area is within a designated alcohol free zone a special exemption will need to be obtained.

Standard Conditions

1. A consent / approval shall not become operational until
 - a. The prescribed annual footpath occupation fee has been paid
 - b. The applicant provides evidence of a public risk policy with coverage consistent with Council's insurance procedures, in respect of the subject business that includes all activities associated with the approval area.
2. These requirements are to be met by the applicant on each anniversary of the consent/approval
3. This approval/consent is vested with the registered business that the approved area is operated in conjunction with. Should this business be sold/transferred the approval/consent will transfer to the new owner when Council is notified of the change in ownership
4. The required public risk policy shall be maintained when an approval/consent is being acted on.
5. The applicant, in acting upon this consent/approval, indemnifies Council against all claims of public liability relating to use and activities associated with the approval area.
6. The approval area shall be permanently marked in a manner authorised by the Council at the cost of the applicant.
7. The endorsed use will be confined at all times to the approved area and be operated in accordance with the terms of the relevant consent/approval.
8. The footpath must be kept clean and tidy at all times. The applicant should periodically steam or pressure clean the approved area and adjacent footpath or upon the direction of Council.
9. The applicant will reinstate any damage caused to public footpaths at their own cost. All repair work must be undertaken to the satisfaction of Council representatives.

10. The Companion Animals Amendment (Outdoor Dining Areas) Act 2010 allows dogs in outdoor dining areas that use temporary infrastructure to delineate the area. Proprietors are advised to familiarise themselves with the relevant Act to ensure compliance with the provisions of this Act.
11. No advertising must be displayed on the footpath with the exception of branded pedestrian screens and umbrellas associated with footway restaurants.
12. An approved footway restaurant must not serve or allow the consumption of alcohol unless it is outside a declared Alcohol Free Zone and/or a liquor licence has been obtained.
13. If Council or a service authority requires the use of public land, including an approved area, to undertake works or for a planned event, the *applicant* is to be given at least seven (7) days notice in writing. In an emergency, an approval area may need to be cleared immediately. The *applicant* will be responsible for the movement of all items and any associated costs.
14. Council has the right to instigate enforcement action or to modify the conditions of a *street vending consent* or *footway restaurant approval* or to suspend or cancel such consents/approvals after giving notice to the *applicant* in writing if
 - a. There is non-compliance with any part of this Policy;
 - b. The consent/approval conditions have not been met or there is non-compliance with an approved plan and there is failure to comply with directions of an Authorised Officer;
 - c. The *applicant* has failed to maintain public liability insurance;
 - d. In the opinion of an Authorised Officer, the *street vending* or *footway restaurant* conducted by the *applicant* poses an unacceptable safety hazard to pedestrians, motorists or cyclists;
 - e. In the opinion of an Authorised Officer the *applicant* has caused or is causing detriment to the amenity of the area, having regard to any complaints received and/or inspections undertaken.
15. A *street vending consent* or *footway restaurant approval* can be cancelled by Council upon 90 days notice within the first year of its operation and 30 days notice in any subsequent years. No claim for compensation will arise from such cancellation and the applicant shall be responsible for vacating all of the approved area.

Footpath Occupation Fee

The footpath occupation fee is based on a per metre rate of the licence area as per Council's annual schedule of fees and charges. It is based on a reasonable return on land value, which may vary for different parts of the commercial areas.

REVIEW

This Policy is to be reviewed every four years.

ATTACHMENT 1: DRAFT LOCAL POLICY FOR APPROVALS - STREET VENDING AND FOOTWAY RESTAURANTS

This policy is made pursuant to Section 158 of the *Local Government Act 1993* in the following terms:

- Part 1** People who obtain a *street vending consent* or a *footway restaurant approval* under the relevant sections of the *Road Act 1993* are exempt from having to obtain an approval under Part E2 or F7, Section 68 of the *Local Government Act 1993*.
- Part 2** There are no criteria which Council must consider in respect of the above exemption.
- Part 3** There are no other matters relating of approvals under Part E2 or F7 68 of *Local Government Act 1993*.

Appendix II - Draft Ballina Shire Development Control Plan - Exempt and Complying Development (Amendment No. 8)

1. The insertion of the following use in alphabetical order in Schedule 1 - Exempt Development Criteria in section 1.2 of Part 1 - *Exempt Development in Ballina Shire Development Control Plan - Exempt and Complying Development*:

Commercial use of footpaths:

- (1) *Must be located on the footpath within a road reserve for which Council is the Road Authority under the Roads Act 1993*
- (2) *Must comprise small scale commercial/business activity such as alfresco dining, display of merchandise and the like.*
- (3) *Must not occupy an area greater than 30 m² per operator.*
- (4) *Must be operated in a manner compatible with authorised adjoining uses*
- (5) *Must not involve the erection of permanent enclosures/structures.*
- (6) *Must not interfere with the free passage of other users of the footpath*
- (7) *Must not involve the loss of any on street car parking.*

Note: The proposed exempt development criteria for *commercial use of footpaths* in *Ballina Shire Development Control Plan - Exempt and Complying Development* is identical to that contained in the *Draft Local Environmental Plan 2010* that is currently on exhibition.

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1. The insertion of the following use in alphabetical order in Schedule 1 - Exempt Development Criteria in section 1.2 of Part 1 - Exempt Development in Ballina Shire Development Control Plan - Exempt and Complying Development:

Commercial use of footpaths

- (1) *Must be located on the footpath within a road reserve for which Council is the Road Authority under the Roads Act 1993.*
- (2) *Must comprise small scale commercial/business activity such as alfresco dining, display of merchandise and the like.*
- (3) *Must not occupy an area greater than 30 m² per operator.*
- (4) *Must be operated in a manner compatible with authorised adjoining uses.*
- (5) *Must not involve the erection of permanent enclosures/structures.*
- (6) *Must not interfere with the free passage of other users of the footpath.*
- (7) *Must not involve the loss of any on street car parking.*

Note The proposed exempt development criteria for *commercial use of footpaths* in *Ballina Shire Development Control Plan - Exempt and Complying Development* is identical to that contained in the *Draft Local Environmental Plan 2010* that is currently on exhibition.

Appendix IV - Draft Local Policy for Approvals - Street Vending and Footway Restaurants

This policy is made pursuant to Section 158 of the *Local Government Act 1993* in the following terms:

Part 1 - Persons who obtain a *street vending consent* or a *footway restaurant approval* under the relevant sections of the *Road Act 1993* are exempt from having to obtain an approval under Part E2 or F7, Section 68 of the *Local Government Act 1993*.

Part 2 - There are no criteria which Council must consider in respect of the above exemption.

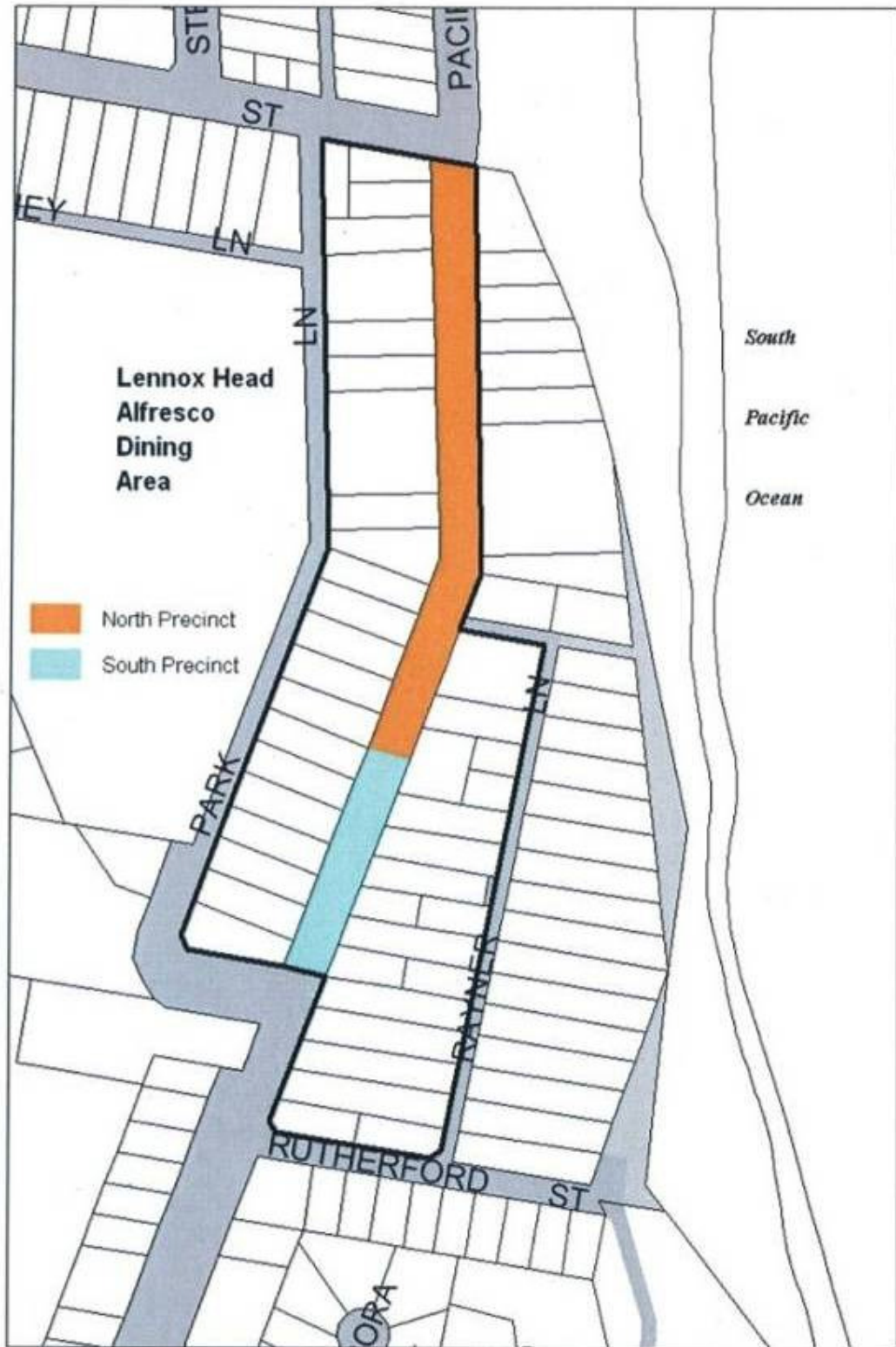
Part 3 - There are no other matters relating to approvals under Part E2 or F7 of Section 68 of the *Local Government Act 1993*.

Note: The consent of the Minister for Local Government will be sought for this local policy pursuant to Section 162 of the *Local Government Act 1993*.

4.1 Commercial Use of Footpath Fees - 2011/12



4.1 Commercial Use of Footpath Fees - 2011/12





4.2 Waste Charges - Recycling - 2011/12

File Reference	Integrated Planning & Reporting 2011/12
CSP Linkage	Responsible and efficient use of resources
Delivery Program	Waste Services
Objective	To consider pricing options to encourage recycling participation

Background

At a recent Finance Committee meeting, in response to a question, staff identified that a report would be prepared assessing options to provide price incentives to encourage recycling. The following report presents the analysis.

The current waste charges for mixed waste and recycling presented at the Ballina Waste Management Centre are \$169 and \$148 respectively per tonne of waste disposed. The charges for 2011/12 are currently proposed to increase by 3% thus maintaining approximately the same differential.

In the 12 months to the start of March 2011 Council received 4,929 tonnes of recycling made up of:

Urban Council collection	3,420 tonnes
Rural Council collection	775 tonnes
Domestic self haul	329 tonnes
Commercial self haul	404 tonnes

Accordingly the self haul domestic and commercial components currently comprise approximately 15% of the total recycling processed at the site.

All other Northern Rivers councils do not charge for the presentation of recycling at their facilities from self haul customers with most indicating that they only receive small quantities of self haul and commercial recycling.

Key Issues

- Determining the potential impact of providing a price incentive to recycle for self haul customers
- Cost v benefit

Information

Council currently has a contract with Visy Recycling for the processing of recyclable product. This contract includes two components which are transport and processing which account for approximately \$65 per tonne. On top of this there is a potential cost for the disposal of contaminated waste however Council has rarely had this charge levied on us.

Council also has processing costs for the handling of the recyclable material at the waste management centre of approximately \$30 per tonne, so the direct costs for processing, transport and handling of recycling are around \$95 per tonne.

Lismore City Council has similar contractual arrangements and processing costs but does not charge for the deposition of household recycling at the Wyrallah Road waste centre.

The ratio of waste to recycling at Ballina is approximately 4:1, so to offset any reduction in the charge for recycling, assuming the intent is to retain the same total revenue levels, Council would need to increase the waste charge by 25% of that reduction. This would allow Council to maintain the current financial position.

This report is focussed on self haul as this is the only fee that is price sensitive. The kerb side collection is supplied within the domestic waste charge and therefore recycling rates are not influenced by price. Rather, education and other approaches are required.

Legal / Resource / Financial Implications

This report examines the financial implications associated with adjusting the self haul gates for recycling. The action taken will determine the financial implications.

Consultation

Council has not undertaken any consultation in preparing this report.

Options

There are a range of options for the Council as follows.

The figures in these options are derived from the current gate fee of \$148 per tonne for recyclables and last year's receipt of 733 tonnes. The gate fee for waste is \$169 per tonne.

1. Remove a gate charge for recyclables and increase waste fees to maintain current revenue levels.

This option maximises the price sensitivity and maintains Council's budget position. The disadvantage is that Council is already dealing with perceptions relating to waste pricing at the gate following the increases in previous years and the introduction of the levy.

The revenue lost from recyclables is \$108,484 and the increase in waste charge required to offset that loss would be \$37 per tonne.

2. Remove the gate charge for recyclables and maintain waste fees at the current level.

This option provides some price motivation, however it would also reduce the income to Council by \$108,484.

3. Reduce the gate charge for recyclables to the direct operational costs and increase waste fees to maintain current revenue levels.

Similar to Option One, this option provides some price motivation and maintains total income levels. Compared to Option one, the waste fees would not rise as much, however the price differential between recyclables and waste would be smaller.

Under this model the recyclables charge would be reduced to \$100 per tonne and the waste charge would need to rise by \$12 per tonne.

4. Reduce the gate charge for recyclables to the direct operational costs and maintain existing waste fees.

For this option the revenue loss will be \$35,184. This option offers the smallest price differential between waste and recycling and is therefore unlikely to achieve any meaningful impact on increased recycling rates.

The report to the first finance committee meeting provided an estimate for the 2011/2012 operating result (before depreciation) of \$198,000 and a reserve balance of \$1,365,000.

Therefore it is possible to achieve Option One without forecasting a deficit budget. It is however noted that the financial performance for this operation has been subject to major variations in the last few years and the expanded service (green waste) offered in the next year makes predictions less reliable.

However the reserve is available if the year resulted in a deficit position and Council could again review its pricing strategy and move towards an option similar to Option Two if that was required.

In assessing the value of Option One, it is difficult to understand how price sensitive the community is in respect of recycling. However, regardless of the extent of the result actually achieved, the Council could be satisfied with taking a leadership position and knowing that it has provided as much incentive as possible.

Option Two would also achieve that goal, and has less financial risk, however the increase in waste charge is not recommended at this time given the Council has had the intention of limiting increases going forward after several years of significant price rises.

In summary the preferred position is to not to increase gate fees due to the large increases that have occurred during the past few years. Therefore the only option that could be considered is to remove the current fee for recycling which would most likely result in a reduction in income of around \$100,000.

Ultimately this is a political decision as to how strongly Council wishes to push the environmental benefits through an effective subsidy for recycled waste. Therefore the recommendations provide an option to take no action and an option to subsidise the recycled waste service.

RECOMMENDATIONS

Option A

That Council notes the contents of this report.

OR

Option B

That Council amend its fees and charges by the deletion of the charges associated with self hauled recyclables to the waste management centre to provide a greater incentive for residents to recycle their waste.

Attachment(s)

Nil

4.3 Environmental Action Plan - Priority Actions

File Reference	BSC Environment Team
CSP Linkage	A healthy natural environment; Transparent and accountable governance; Responsible and efficient use of resources.
Delivery Program	Strategic Planning
Objective	To provide Council with the reviewed Environmental Action Plan and outline priority actions for funding.

Background

An internal Environmental Action Plan Team was convened in February 2009 for the purpose of preparing an environmental action plan (EAP) for Council. The aim of the plan's preparation is to identify the activities already undertaken by Council that have environmental benefit, identify and confirm Council's current environmental commitments and identify actions for implementation to further enhance Council's response to environmental issues.

This report provides the most recent review of this plan and provides recommendations on priority EAP actions. The report also identifies potential financial resources for funding these actions.

Key Issues

- Process for review of Council's environmental action
- Funding allocation for environmental initiatives
- Identification of priority environmental initiatives

Information

A key objective of the EAP is to ensure that all activities within Council that contribute to improved environmental outcomes are recognised in a way that allows their contribution to be calculated towards Council's corporate goals.

The preparation of the plan has involved the following steps:

- Engagement with all Council portfolios to identify existing initiatives
- Engagement with all Council portfolios to identify planned or potential initiatives with environmental benefit
- Tabulation of collated actions with respect to benefits, Council area, priority, potential/ actual funding sources and relationship to Council's Community Strategic Plan
- Procedure development for the regular review of actions
- Review and progress update of EAP actions by relevant staff across all operational areas

4.3 Environmental Action Plan - Priority Actions

- Development of an EAP public document for Council's website providing background on the plan and its current actions.

The latest version of the EAP is attached for Council's consideration. The EAP will continue to be useful in increasing the awareness of the elected Council and the community on the environmental actions of Council.

The EAP has been structured to form direct linkages to Council's Community Strategic Plan (CSP) and hence provides more consistency with the Integrated Planning and Reporting Reforms advocated by the NSW Division of Local Government.

Ideas for actions aimed at improving the environmental performance of Council's operations are encouraged from the elected Council, staff and the community. These can be provided via the designated email address provided in the attached document.

Frequent review of the EAP allows progress on actions to be updated regularly and new ideas to be added. Reporting progress on the plan to the community, elected Council and staff will occur regularly through business paper reports, various Council media and the staff newsletter.

A number of actions have been progressed since the implementation of the plan, including the introduction of biodiesel for some of Council's fleet vehicles, reducing greenhouse gas emissions by approximately 227 tonnes between March and December 2010. Solar photovoltaic (Solar PV) systems have also been installed on the Ballina Library, Ballina Community Services Centre and the Alstonville Leisure and Entertainment Centre. These systems are estimated to generate around 43,800 kWh of energy each year.

Funding

It is envisaged that a number of the actions in the EAP will be funded over time from existing programs. Some elements will not require a commitment from Council's General Fund. In this way, the EAP process can become embedded into the organisation and individual program managers can access and use the plan as a compiled reference source as they monitor grant submissions or budget process opportunities as they arise.

Other sources of funding may be available through external grant funding or funds generated through the financial savings resulting from the implementation of actions that have provided a reduction in energy costs or generated an income stream.

The installation of solar PVs on Council-owned buildings has been an action progressed through the EAP. The income derived annually from these recently installed solar PVs has been nominated as funds for progressing other actions outlined in the EAP that are not currently covered by programmed spending.

The solar PVs installed at the Ballina Library, Ballina Community Services Centre and ALEC are expected to generate around \$27,000 annually or \$9,000 per site.

4.3 Environmental Action Plan - Priority Actions

Council had also accepted quotations to install solar PVs at the Waste Centre and at 71 Tamar Street (building adjoining Council Chambers) however the preferred supplier failed to meet the State Government deadline for the NSW solar bonus scheme (i.e. 60 cents per kilowatt hour tariff).

Council sought legal advice in respect to our ability to enforce the contract however as that rebate is no longer available the legal advice was that no action would be successful.

This being the case Council is seeking a new supplier for the Waste Centre although this contract will be at the new 20 cents per kilowatt hour tariff and Council can anticipate a rebate of around \$3,000 per annum.

As to 71 Tamar Street there is an opportunity to use excess solar PVs from the Lennox Head Community Centre and staff are hopeful that these can be installed at minimal cost. This will also mean that there is no rebate applicable for this installation.

In total this means that Council will have approximately \$30,000 available per annum to utilise on other EAP priorities. The actual tariff is shown as a credit on electricity accounts and staff will allocate the credit received to an income account and the actual expense for each locality will still be charged to that program. This means that the program benefiting from the solar PVs will not actually benefit as the benefits are being pooled into a central fund.

Assuming that this approach is satisfactory to Council the next section of this report outlines the EAP actions that have been put forward for this funding.

Priority EAP Actions

It is suggested that funds acquired through income generated from alternative energy sources be reallocated to actions aimed at reducing Council's energy use. Such actions are also beneficial in that they can provide an economic return as well as the environmental benefit.

Council's Works Depot has been nominated as a site where a number of actions could improve current energy usage. Currently, electricity to this site costs around \$3,700 per month. It would be expected that the initial implementation of the actions below would reduce energy usage by approximately 10 - 20%.

- *Refitting external security lighting with energy efficient movement or infrared sensor controlled lighting.*

This involves refitting external Metal Halide security lighting at the depot with more energy efficient compact fluorescent lighting or newer technology such as LED lighting connected to sensor controls. This would ensure that lights would remain off until people or cars entered the site either by swipe card access or interruption of security beam. Energy savings will not only come from the improved lighting efficiency but also from the reduced on time of the lighting.

4.3 Environmental Action Plan - Priority Actions

Currently, the depot yard lights are on all night consuming energy purely for the purpose of enhancing yard security. The installation of sustainable lighting control can be established utilising the existing depot security system. The installation of extra modules on the system will enable movement or swipe card control of the exterior lights, when needed at night by staff or security patrols. The security of the yard and buildings would continue to be monitored by the security alarm system at other times without the need for lighting. The cost to upgrade the lighting and install automated control is approximately \$8,500.

- *Upgrading depot shed and amenity lighting to more energy efficient and automatically controlled lighting*

Currently, lighting in the work sheds is powered by a number of 250w mercury vapour Highbay lights. This bank of 2 to 32 Highbays, depending on the work shed, is currently the only way to light the main area of the sheds and these fittings can take up to 15 mins to warm up to full brilliance. Because of the start up time, lighting has a tendency to be left on even when the sheds are un-occupied. Installing new energy efficient Highbay lighting would reduce the overall energy use in these buildings. Work would be prioritised, starting on those sheds that are not generally in use for the whole day.

The upgrade of the 59,250 watt mercury vapour shed lights to more energy efficient lighting, either compact fluorescent or induction types, would be prioritised on those sheds that are generally not in use all day to enable instant lighting when required. The new fittings would eventually be installed as replacements throughout all sheds to increase overall energy efficiency. Replacement for all 59 fittings is estimated to cost approximately \$24,000. In addition to the new lighting, a combination of light and movement control would further increase the efficiency of the lighting in the sheds and amenity buildings throughout the depot. Automatic control would be looked at on a case by case basis, dependent on efficiency gains for the different rooms, buildings etc.

- Staff switch-off campaign

These actions would be complemented by an on-going staff education campaign aimed at ensuring that all lights were turned off when not in use. No material costs are envisaged for this work.

Legal / Resource / Financial Implications

There are no legal implications associated with the recommendations to this report.

Some of the suggestions within the EAP are funded, others are not. The EAP is not to be considered a commitment of the Council; rather it is a planning tool to inform the development of the management plan and policies of the Council, where the formal delivery commitments are made.

4.3 Environmental Action Plan - Priority Actions

The report provides some comment in relation to the funding derived from solar PV systems installed on Council infrastructure and makes recommendations for the allocation of this funding to progress EAP priority actions.

The income derived from the solar PV systems has not yet been included in the draft budget and it is recommended that it now be included with the income being offset by the recommended improvements to the Council

Consultation

No external consultation has been undertaken to date in preparing the EAP. However it is noted that many of the actions are derived from existing programs of the Council which have been the subject of consultation. Ideas from the community for projects can be considered for inclusion as they become known to Councillors and staff.

Options

This report is aiming to ensure Council is aware of the review of the plan, rather than formal endorsement of the EAP.

The report provides information on the funding of EAP actions and identifies the additional funding stream generated from the implementation of the installation of solar PV systems on Council assets (a recently progressed EAP action).

This report nominates priority actions from the EAP for this funding. The recommendation to this report seeks to use these funds for important environmental projects that can be delivered now.

RECOMMENDATIONS

1. That Council notes the contents of this report regarding the review of the Environmental Action Plan.
2. That Council allocate the estimated income generated by the solar PV systems in the first year to improvements in the lighting efficiency at the Council's Works Depot; as follows
 - a) Refitting external security lighting with energy efficient automatically controlled lighting.
 - b) Installing purpose specific energy efficient lighting and automatic control in the depot work sheds and amenity buildings.

Attachment(s)

1. Ballina Shire Council Environmental Action Plan (separate attachment)

4.4 Policy (Review) - Land Development Reserve - Management

File Reference	Policy
CSP Linkage	Transparent and accountable governance
Delivery Program	Open Space and Reserves
Objective	To review Council's Land Development Reserve - Management Policy

Background

All of Council's policies are progressively being reviewed to ensure they reflect contemporary practices and legislative requirements. The purpose of this report is to review the Land Development Reserve - Management Policy

Key Issues

- Relevance and suitability of policy

Information

The existing policy, included as the first attachment to this report, was developed in 2006 to help Council manage the funds derived from the sale of the former Henderson Farm and the land at Angels Beach North.

The basic premise of the policy is that Council will retain the three main reserves being the Industrial Land, Development Opportunities and Community Infrastructure to assist in distributing funds for each of those three main activities. The policy also promotes that 50% of any net profits arising from activities financed by the Industrial Land and Development Opportunities Reserves will be returned to the Community Infrastructure Reserve to assist with funding Community Infrastructure.

This policy has provided guidance for the management of these reserves, however in reality to finance the current level of community infrastructure programmed for the current and future years both the Industrial Land and Development Opportunities Reserve are often only being reimbursed the costs outlaid, without any net profit being refunded.

The primary example of this is the Harvey Norman sale where 100% of the profits are being used to finance community infrastructure such as the Alstonville and Wardell Main street upgrades.

There is nothing wrong with this as in the end it is a matter for the Council to determine how available funds are to be allocated, however it does mean that the policy should be amended to reflect the 50% net profit return is the preferred approach, but may not always happen.

4.4 Policy (Review) - Land Development Reserve - Management

One other point of interest is that at the February 2011 Finance Committee meeting Council resolved as follows:

2. That Council receive a further report on the implications of creating a 'Budget Shocks' reserve of \$1 million sourced equally from the Community Infrastructure and Commercial Opportunities reserves.

In respect to this it is interesting to note that when Council was provided with the latest consolidated results for the three reserves in question, as distributed at the March Finance Committee meeting, the consolidated result for all three reserves did fall below \$1 million in 2011/12 and 2012/13 as per the following table.

**Table One - Property Reserves - Consolidated - as at March 2011
Movements 2009/10 to 2014/15**

Item	2009/10	2010/11	2011/12	2012/13	2013/14
Opening Balance	20,362,700	14,808,800	9,793,100	778,400	467,500
Add: Revenues					
Interest Accrued	835,000	578,000	718,000	19,300	10,900
Rental Income - 89 Tamar	648,400	658,000	675,500	695,600	716,300
Rental Income - ARC	0	256,000	312,500	323,400	333,200
Rental Income - Fawcett Park	75,000	79,000	83,500	86,000	88,600
Rental Income - Norfolk Homes	98,000	101,000	133,000	137,000	141,200
Sales - Harvey Norman	0	6,000,000	0	0	0
Sales - Southern Cross	0	730,000	580,000	580,000	1,000,000
Sales - Russellton	0	0	0	0	0
Sales - Blocks Adjoining BP	0	0	0	1,164,800	0
Sales - Balance ARC Site	0	0	0	2,163,000	0
Sales - Balance Skennars Head	0	0	0	400,000	0
Sales - Russellton Tennis Court	0	0	0	0	2,000,000
Sales - WUEA	0	0	0	0	2,000,000
Sales - Lennox Head	0	0	0	0	2,000,000
Loan Income - 89 Tamar Street	0	0	1,500,000	0	0
Loan Income - ARC	0	0	0	0	0
Loan Income - Fawcett Park	0	0	500,000	0	0
Insurance Claim - L.H.C.C.	0	0	0	800,000	0
Rate Cont to Roundabouts(30%)	0	0	308,000	0	0
Sec 94 Cont to Roundabout	0	0	0	1,344,000	0
Sec 94 Recouped	0	940,000	325,000	334,800	344,800
Internal Loan Repaid - Airport	0	268,900	24,500	0	0
Internal Loan Repaid - Plant	33,800	33,800	33,500	33,500	33,500
Internal Loan Repaid - Flat Rock	0	49,500	49,500	49,500	49,500
Internal Loan Repaid - Waste	335,900	288,400	288,400	0	0
Sub Total	2,026,100	9,982,600	5,531,400	8,130,900	8,718,000
Less: Expenditure					
Loans (existing) - 89 Tamar	429,700	429,700	429,700	429,700	429,700
Loans (new) - 89 Tamar	0	0	0	224,000	224,000
Loans (new) - ARC	0	0	0	0	0
Loans (new) - Fawcett Park	0	0	0	75,000	75,000
Legal Expenses	132,500	0	0	0	0
Capital - L.H.C.C.	0	5,446,000	0	0	0
Capital - Tintenbar Hall	25,000	0	0	0	0
Capital - Coastal Shared Path	0	200,000	83,500	236,900	0
Capital - Coastal Walk	0	0	216,400	563,100	0
Capital - Coastguard Tower	26,700	0	0	1,700,000	0
Capital - Hockey Field	400,000	0	0	0	0
Capital - Main Street - Alstonville	0	1,300,000	0	0	0
Capital - Main Street - Ballina	0	0	5,300,000	0	0

4.4 Policy (Review) - Land Development Reserve - Management

Item	2009/10	2010/11	2011/12	2012/13	2013/14
Capital - Main Street - Cap Cook	0	0	60,000	0	0
Capital - Main Street - Wardell	1,000,000	0	0	0	0
Capital - Regional Sports Centre	0	450,000	0	0	0
Capital - Surf Club - Ballina	0	0	3,200,000	0	0
Capital - Surf Club - Lennox	0	30,000	0	0	0
Capital - Ballina Library	0	0	0	0	0
Capital - Other Projects	0	39,500	0	0	0
Land Purchase - North Ballina	403,000	0	0	0	0
Sports Fields - Wollongbar	0	1,666,000	500,000	1,000,000	0
Sports Fields - Skennars Head	145,000	1,271,000	0	0	0
Land Purchase - Lennox Head	0	0	4,000,000	0	0
Development Costs - WUEA	0	0	0	2,000,000	2,000,000
Development Costs - Lennox Hd	0	0	0	1,500,000	1,500,000
Sthn Cross - Cessna Drive	640,000	560,000	0	0	0
Sthn Cross - ARC	1,611,000	770,000	0	0	0
Sthn Cross - Harvey Norman	1,642,000	2,200,000	0	0	0
Sthn Cross - Residue (APN etc)	284,000	100,000	0	0	0
Russellton - Development	0	0	200,000	300,000	0
WUEA - Operating Expenses	0	10,000	10,000	10,800	11,100
Southern Cross - Ops Exps	14,000	31,500	32,600	33,900	34,900
Southern Cross - Overheads	137,000	128,000	150,400	136,900	141,000
Russellton - Ops Expenses	18,000	7,500	7,800	8,100	8,300
Russellton - Overheads	61,000	60,000	105,700	62,000	63,900
Property Investigations	15,000	26,000	0	0	0
General Fund - Dividends	90,900	273,100	250,000	161,400	402,000
Dividends - General Fund	159,200	0	0	0	0
Internal Loan - Flat Rock	92,000	0	0	0	0
Internal Loan - Airport	254,000	0	0	0	0
Sub Total	7,580,000	14,998,300	14,546,100	8,441,800	4,889,900
Closing Balance	14,808,800	9,793,100	778,400	467,500	4,295,600

The property reserves have been the saviour of Council many times over the years as they have been used to offset large one-off expenditures that may have been unforeseen. One of the major instances of this was the Simpson legal case where Council had to pay in excess of \$1 million in expenses which did not form part of the Council budget. They have also been of great assistance in providing supporting funding for grants to ensure projects are delivered.

In responding to the resolution from the February Finance Committee the preferred approach is to use this consolidated property reserve figure as the \$1 million benchmark and the aim of Council should be to ensure that the consolidated balance always remains above \$1 million.

In reviewing the figures in the table it is fair to say that the income figures are conservative and many sales may eventuate in earlier years. Also the table does not include some minor sales that are fairly certain to eventuate. For example Council has resolved to sell the land on which the Ballina Bridge Club is located to the Bridge Club based on the funds being paid over 20 years. This will result in a cash flow to Council of approximately \$37,000 for the 20 year period.

Council has also resolved to sell the residual area of this land to an immediate neighbour for approximately a net return of \$200,000.

4.4 Policy (Review) - Land Development Reserve - Management

These sales are awaiting formal subdivision of the land and registration of the titles and if both of these figures are included in the cash flows the \$1 million benchmark is exceeded for 2011/12 (i.e. \$778,400 plus \$37,000 plus \$200,000 = \$1,015,400). Similarly the closing balance for 2012/13 increases to \$741,500.

In order to ensure that the 2012/13 balance remains above the \$1 million mark Council would need to remove an earlier project from the cash flow.

Essentially the main point being made here is that the \$1 million figure is a reasonable benchmark figure for the consolidated reserves and in reality, based on the current forward financial plans it is highly likely that the \$1 million figure will be retained on a consolidated basis. This assumes there are no major unforeseen events, which is the aim of the \$1 million buffer in the first place.

Based on the information outlined in this report the existing Land Development - Management Policy has been reworked to provide increased flexibility and to include the \$1 million buffer. The policy has also been renamed, as Land Development only reflects one component of the activities undertaken. The Council's current policy template has also been utilised.

Legal / Resource / Financial Implications

The reserve covered by this policy has been one of the main revenue sources for Council for many years.

Consultation

It is recommended that Council exhibit the policy for public comment.

Options

Council may accept or amend the proposed changes to the policy.

There have been a number of changes recommended to the policy and on that basis it is recommended that the document be exhibited for public comment. However, as has been recent practice, if any submissions are received they can be reported back to Council however if there are no submissions it is recommended that the policy be adopted without the need for a further report.

RECOMMENDATION

That Council place the draft Entrepreneurial Property Activities reserve Policy, as per the second attachment to this report, on exhibition public comment with any submissions received to be resubmitted back to Council. If no submissions are received then the Policy is considered to be adopted and no further action is required.

Attachment(s)

1. Current Policy – Land Development Reserve - Management
2. Amended Policy - Entrepreneurial Property Activities reserve

4.4 Policy (Review) - Land Development Reserve - Management

POLICY NAME: LAND DEVELOPMENT RESERVE -
MANAGEMENT

POLICY REF: L01

MEETING ADOPTED: 23 February 2006
Resolution No. 230206/065

POLICY HISTORY:



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4.4 Policy (Review) - Land Development Reserve - Management

OBJECTIVE

To provide guidelines for the management of the Council reserve established through the long term management of Council's commercial developments.

BACKGROUND

Council, through a long history of pro-active commercial development, has managed to raise a significant amount of funds which have been set-aside as a reserve. This reserve is critical to the on-going financial viability of the Council. Therefore it is important that the funds held in that reserve are carefully managed within a clear set of guidelines. This policy provides those guidelines.

POLICY

1. Council will hold a reserve titled "Land Development".
2. This reserve will be segmented into three sub-categories being:

Sub-category a) Industrial Land Reserve

The purpose of this portion of the reserve is to finance the on-going development of industrial land with the shire. Proceeds and expenses associated with industrial land development will be transferred to and from this reserve.

This section of the reserve will pay a dividend to Council, based on 50% of net profits on any land release. However a dividend will only be paid when the reserve balance is in excess of \$2 million. The \$2 million represents the net cost of developing a standard land release at the Southern Cross (based on seven lots at \$200,000 per lot) and Russellton (based on four lots at \$150,000 per lot) estates. This minimum reserve balance is to be indexed upwards as development costs increase.

Any dividend paid will take the form of a transfer to the community infrastructure portion of this reserve. The objectives of this portion of this reserve are outlined in sub-category c.

Sub-category b) Development Opportunities

The purpose of this portion of the reserve is to finance commercial development opportunities as they arise. Any commercial development should be the subject of a detailed financial analysis before funds are expended on that development.

This section of the reserve will pay a dividend to Council, based on 50% of net profits or 50% of any net income stream (after depreciation). Any dividend paid will take the form of a transfer to the community infrastructure portion of this reserve. The objectives of this portion of this reserve are outlined in sub-category c.

Sub-category c) Community Infrastructure

This section of the reserve will finance community infrastructure projects as determined by the Council. The financing may be either by a direct cash contribution or by using the interest generated on the reserve to finance loan principal and interest repayments. The method of financing will be a matter for Council to determine.

REVIEW

This policy is to be reviewed every four years.

4.4 Policy (Review) - Land Development Reserve - Management

POLICY NAME: ENTREPRENEURIAL PROPERTY ACTIVITIES
RESERVE

POLICY REF:

MEETING ADOPTED:

POLICY HISTORY:



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4.4 Policy (Review) - Land Development Reserve - Management

Ballina Shire Council

<Policy Name>

OBJECTIVE

To provide guidelines for the management of Council's Entrepreneurial Property Activities reserve that has been created and funded through Council's long term entrepreneurial activities in respect to land and property development.

BACKGROUND

Council, through a long history of pro-active land and property development, has managed to raise a significant amount of funds which have been set-aside in an internal reserve to assist with funding both further entrepreneurial activities and community infrastructure. The funds from these activities have been used to finance major community assets such as Angels Beach Drive, Prospect Bridge, Lennox Head by-pass, Northern Rivers Community Gallery, the Ballina Community Services Centre and the Lennox Head Community Centre.

The retention of this reserve is critical to the on-going financial viability of the Council as Council does not generate adequate revenue from its traditional income sources such as rates, fees and charges to satisfy the community demand for new and replacement infrastructure.

Therefore it is important that the funds held in this reserve are carefully managed within a clear set of guidelines. This policy provides those guidelines.

DEFINITIONS

Entrepreneurial Property Activities Reserve - Council holds a number of smaller property related reserves, however this reserve refers to the funding generated from Council's industrial, residential and commercial land development activities.

SCOPE OF POLICY

This policy applies to:

- Council employees
- Councillors
- Committees of Council

RELATED DOCUMENTATION

Related documents, policies and legislation:

- Local Government Act
- Council's Operational Plan

POLICY

1. Council will retain an internal reserve titled "Entrepreneurial Property Activities" the purpose of which will be to finance land and property development activities, to assist in financing community infrastructure and to provide a contingency for any unforeseen financial shocks that may impact on Council's financial situation.

4.4 Policy (Review) - Land Development Reserve - Management

Ballina Shire Council

<Policy Name>

2. Council will aim to retain a minimum balance of \$1 million in this reserve to protect against unforeseen financial shocks.
2. This reserve will be segmented into three sub-categories being:

a) Industrial Land

The purpose of this portion of the reserve is to finance the on-going operation and development of Council industrial land with the shire. Proceeds and expenses associated with industrial land development will be transferred to and from this sub-category of the reserve.

This section of the reserve will aim to pay a dividend to Council, based on 50% of net profits on any land release. The payment of any dividend is determined after consideration is given by Council as to whether adequate funds are retained to ensure that Council's future industrial land activities can be financed.

Any dividend paid will take the form of a transfer to the Community Infrastructure portion of this reserve, as per sub-category c.

b) Commercial Opportunities

The purpose of this portion of the reserve is to finance commercial development opportunities as they arise. Any commercial development should be the subject of a detailed financial analysis before funds are expended on that development.

This section of the reserve will pay a dividend to Council, based on 50% of net profits or 50% of any net income stream (after depreciation). The payment of any dividend is determined after consideration is given by Council as to whether adequate funds are retained to ensure further commercial activities can be financed, as opportunities arise.

Any dividend paid will take the form of a transfer to the community infrastructure portion of this reserve, as per sub-category c.

c) Sub-category c) Community Infrastructure

This section of the reserve will finance community infrastructure projects as determined by the Council. The financing may be either by a direct cash contribution or by using the interest generated on the reserve to finance loan principal and interest repayments. The method of financing will be a matter for Council to determine.

REVIEW

This policy is to be reviewed every four years.

4.5 Budget and Fees and Charges - Updates

File Reference	Integrated Planning and Reporting
CSP Linkage	Transparent and accountable governance
Management Plan	Governance
Objective	To present to Council further updates on the draft budget and fees and charges proposed for 2011/12

Background

During February and March Council has developed the draft Budget and Fees and Charges documents for exhibition. Since Council last considered these documents new information has become available that indicates that amendments are warranted.

Key Issues

- Nature of new information since matters were last considered

Information

Draft Budget

Richmond Tweed Regional Library (RTRL)

The draft budget anticipated a 3% increase to the RTRL contribution. Advice has recently been received from Lismore City Council that the increase will be 4% which includes additional staff time at the Lennox Head library. The required contribution is now \$1,166,000 and the draft budget makes provision for \$1,155,000.

This increase is considered reasonable as Council will be opening the new Lennox Head library during May / June this year and it is recommended that Council approve an increase of \$11,000 to the Regional Library contribution.

Richmond River County Council (RRCC)

In 2010/11 Ballina's contribution to RRCC was \$170,000 (excludes approximately \$32,000 for Drainage Union fees). In early January 2011 RRCC sent a letter to Ballina advising that our 2011/12 contribution would be \$220,000. The letter went on to say that RRCC would not be able to provide adequate service levels and remain financially viable in the medium to long term.

4.5 Budget and Fees and Charges - Updates

A workshop was proposed to consider these issues in February 2011 with General Managers and Mayors of constituent councils invited to attend. Unfortunately this workshop was not held and no further information has been forthcoming.

Ballina's draft budget makes provision for a contribution of \$210,000 which is \$10,000 short of the requested amount.

The requested 2011/12 contribution of \$220,000 represents an increase of \$50,000 (30%) from the current financial year. It is not clear whether the additional \$50,000 is to make RRCC financially viable in the medium to long term or given the sudden nature of the increase, to improve service levels in the short term.

Further information is warranted from RRCC as to the precise reasons for the need to increase contributions by 30% in one year. It is the case that Council has delegates on RRCC and they may be satisfied that the 30% increase is warranted.

Also the Richmond River Estuary Management Plan is currently on exhibition and a range of works are required within that plan. It would be more preferable if sufficient time was provided to enable a graduation of the annual assessment thereby affording constituent councils increased opportunity to adjust budgets over at least two to three years.

Nevertheless it is considered that Council has little choice but to approve the increase to the budget by \$10,000 to meet the requested contribution to the RRCC of \$220,000.

However it is also suggested that depending on advice at the meeting from Council's RRCC delegates Council consider making a submission to the RRCC 2011/12 Management Plan (not yet changed to integrated planning). The submission could request additional financial information in respect to the increase and secondly that the proposed increase should be tiered in over at least two financial years.

Salary Savings

Council considered a report as part March Ordinary meeting (confidential) that identified salary savings through the removal of a position from the Council budget. As per that report the position has now been removed from the budget with two other positions slightly upgraded. These amendments result in a net reduction to anticipated expenditure of \$78,000.

Ballina and Alstonville CBD Street Cleaning

At the March Finance Committee Council requested that the budget be reviewed with the intent of including a recurrent amount for street cleaning of the Alstonville and Ballina CBD areas.

Street cleaning is an essential work. It is also a new burden that the recurrent budget must cope with due to infrastructure upgrades. No additional resources were applied to this task in the initial draft budget simply because there are none to provide.

4.5 Budget and Fees and Charges - Updates

The reality is that Council's recurrent revenues are already spoken for and service levels must fall in other areas to resource the new maintenance burden.

To achieve the requested outcome it is proposed that Council amend the budget to include an amount of \$38,000 for CBD street cleaning. This is to be funded to \$19,000 by the Civil Services Group reviewing their General Fund budgets and reducing budgets across a range of other areas to offset the \$19,000 increase. The other \$19,000 is proposed to be funded by increasing the deficit.

Tree Planting

As per the previous item this is a matter that Council requested be reviewed with the intent of including a new recurrent allowance of \$15,000 for tree planting. Again all recurrent incomes are applied and there are no funds available for this project.

To achieve this outcome it is proposed to create a new recurrent budget of \$15,000 for tree planting, with this funding to be sourced via reductions to numerous other General Fund budgets across Council's operations.

Revised General Fund Position

The estimated General Fund working capital result as presented to the March Finance Committee meeting was a deficit of \$198,000. A deficit of this magnitude is excessive hence the opportunity was taken to reduce Council's wages bill by \$78,000 to bring the deficit to a more manageable level.

Unfortunately there have been other issues that have consumed a large part of this saving in salaries. The proposed amendments are summarised below.

Description	Budget as per March Report \$000's	Increase / (Decrease) \$000's	Working Capital Deficit \$000's
Deficit as per March report			198
Regional Library	1,155	11	
Richmond River County Council	210	10	
Tourism Salaries	398	(78)	
Street Cleaning	156	38	
Various Civil Services Budgets	N/A	(19)	
Tree Planting Program	0	15	
Various Operational Budgets	N/A	(15)	
Revised Deficit as per April report			160

Clearly the reduced deficit, whilst not ideal, is preferable to the original position and is attributable to the removal of one staff position from the budget.

The deficit indicates that Council is spending more cash than it is receiving from the operational surplus, reserves and capital incomes. This is not a sustainable position and the intent is that over the course of the year every effort will be made to eliminate the deficit to achieve at least a break even position.

4.5 Budget and Fees and Charges - Updates

The discussion about the available budget for street cleaning highlights the issue of Council being asset rich and cash poor. We are in the fortunate position to have accumulated substantial cash reserves over a number of years. Council is in the process of spending this cash on items such as community buildings and sports fields.

This new infrastructure must be financed on a recurrent basis in respect of operational and maintenance costs plus future replacement. This problem is not unusual except that in the current scenario Council is spending a massive amount of capital in a very short time span. This means that there will be little opportunity for the budget to adjust to meet the recurrent costs associated with the capital spend.

It is a matter for concern and future decisions on resource allocation will become even more difficult. It is likely that hard decisions will have to be made on service levels over the next few years.

Fees and Charges

Mapping

Council's mapping staff have requested changes to the Fees and Charges document such that new fees be included for the sale black and white aerial photo maps. This is a new service (previously we have only sold colour) that is proposed and the fees are detailed below.

Non standard aerial photo map

A0	\$86
A1	\$68
A2	\$56
A3	\$35
A4	\$26

Bus Shelter Advertising

Council requested that the fees for bus shelter advertising be investigated given that there was no incentive to pay for 6 months as compared to twelve months. The fees as presented to the March meeting were as follows:

<i>Item</i>	<i>2010/11</i>	<i>2011/12</i>
J Poles (per pole) - Six Months	260	315
J Poles (per pole) - Annual	520	630
Shelters (per shelter) - Six Months	620	750
Shelters (per shelter) - Annual	1,240	1,500

The fees have been reviewed and rather than decreasing the annual fee it is proposed to increase the six monthly fees as follows:

<i>Item</i>	<i>2010/11</i>	<i>2011/12</i>
J Poles (per pole) - Six Months	260	350
J Poles (per pole) - Annual	520	630
Shelters (per shelter) - Six Months	620	840
Shelters (per shelter) - Annual	1,240	1,500

4.5 Budget and Fees and Charges - Updates

This is considered to provide adequate incentive for interested parties to take up the annual option.

Legal / Resource / Financial Implications

Proposed amendments to the draft budget have financial implications both in terms of proposed increases and decreases to estimated expenses.

Consultation

The draft Budget and Fees and Charges documents will be exhibited and public comment invited. Notice of the exhibition will be placed in the local paper and on Council's web site.

Options

Council may resolve to amend the draft documents as recommended, alter the recommendations or make no changes to the draft Budget and Fees and Charges. The recommendation is to endorse the changes for the reasons outlined within this report.

RECOMMENDATION

1. That Council approves amendments to the draft budget, as outlined within this report and as per the following table.

Description	Budget as per March Report \$000's	Increase / (Decrease) \$000's	Working Capital Deficit \$000's
Deficit as per March report			198
Regional Library	1,155	11	
Richmond River County Council	210	10	
Tourism Salaries	398	(78)	
Street Cleaning	156	38	
Various Civil Services Budgets	N/A	(19)	
Tree Planting Program	0	15	
Various Operational Budgets	N/A	(15)	
Revised Deficit as per April report			160

2. That the draft fees and charges be amended to include the revised bus shelter advertising fees as follows.

<i>Item</i>	<i>2010/11</i>	<i>2011/12</i>
J Poles (per pole) - Six Months	260	350
J Poles (per pole) - Annual	520	630
Shelters (per shelter) - Six Months	620	840
Shelters (per shelter) - Annual	1,240	1,500

3. That the draft fees and charges be amended to include the new fees for maps as follows.

4.5 Budget and Fees and Charges - Updates

Non standard aerial photo map

A0 \$86

A1 \$68

A2 \$56

A3 \$35

A4 \$26

Attachment(s)

Nil

4.6 **Wardell Community Centre**

File Reference	Wardell Community Centre
CSP Linkage	Resilient and adaptable communities
Delivery Program	Community Planning
Objective	To consider the service retention of the Wardell Community Centre

Background

In May 2003 the NSW State Government provided four years of funding through the Area Assistance Scheme toward the establishment and operation of the Wardell Community Centre. The Centre operates from within the former Catholic Church presbytery at No.9 Sinclair Street, Wardell.

The idea of the Centre was conceived as part of a comprehensive community engagement program conducted in 2002 which resulted in Council's adoption of the Wardell Strategic and Land Use Plan in September 2003. At that time there was a strong community desire for the establishment of a "neighbourhood centre" from which a range of public health and community support services would be delivered.

After the government grant was exhausted, Council made a decision to fully fund the operation of the facility and it has been maintained since that time. During the intervening period, a number of reports have been presented to and considered by the Council relating to the general operation of the Centre, level of patronage and the like.

It is now considered timely to once again assess the Council's level of commitment to service retention of the Centre.

Key Issues

- Benefits and costs

Information

The report presented to the Council's Finance Committee meeting held on 17 February this year, canvassed options for the management of the Lennox Head Community Centre. In the context of those considerations, the following observations were made regarding the Wardell Community Centre:

"The Wardell Community Centre operates using a significant investment of financial and human resources from Council. At present this cost includes rent, utilities, information technology, salaries and more. The actual direct budget provided by Council is \$77,000 for this facility per annum and this commitment is currently only servicing two regular user groups and a few casual internet users.

Council staff recommended closure of the facility in a previous report to Council and staff are still of the opinion that this is not a sound allocation of our limited financial resources. Even though a purpose of this report is not to canvass this issue, the establishment of a combined community facilities unit could also provide an opportunity to review the current operations in Wardell."

In a practical sense, Council's attempts to attract government and non-government provided outreach services to the Centre have been unsuccessful. Medical services delivered through the Division of General Practice were discontinued a number of years ago. We have not been able to attract clinical and allied health services. More recently, Medicare services and Centrelink have been available but these were discontinued after only a matter of weeks due to a low demand for services provided by those organisations. Tax Help continues to be available, but only for three months of the year.

Funding cuts have impacted Southern Cross K-12 School's ability to maintain educational support at the Centre. The only regular service provider using the Centre is Alcoholics Anonymous. Quite recently, the Ballina District Community Service Association has commenced youth programs at the Centre. Whilst this engagement with youth in the locality is to be encouraged, it is understood the programs being offered are contingent upon external grant funding, with uncertainty about their delivery beyond the initial period.

Over the last twelve months, the playgroup which met on a weekly basis at the Centre has been discontinued due to diminishing membership. A book club has recently been established, operating on a weekly basis, but with a modest membership. The only other group which continues to meet on a weekly basis is Knit & Knat. It is acknowledged that this is an important socialization opportunity for the group's participants, as well as it undertaking charitable work through the distribution of products.

Council offers free internet access on computers provided at the Centre. These were provided principally to enable members of the community to access employment opportunities, conduct research and the like. However, our experience is that use of the computers is primarily limited to young people in online social networking, often occurring during school hours. Council's Centre Co-ordinator has reluctantly become a supervisor in these circumstances.

A particular issue which has arisen at the Centre (and which has the potential to occur elsewhere in Council's services) is one of occupational health and safety. Under Council's current budget, the Centre Co-ordinator attends the Centre alone, approximately 18 hours per week. An audit of the facility conducted by the Council's Human Resources Section has identified a risk to Council personnel working in this situation.

In response, it has been necessary to redeploy other members of staff from the Strategic and Community Services Group to accompany the Centre Co-ordinator during operating hours. Whilst this disruption to the second person's work program has not been significant, there nevertheless is an order of cost and inconvenience being borne by Council for this support.

In an attempt to stimulate the level of activity at the Centre, and to identify opportunities for an expanded range of services, the Wardell Community Centre Advisory Group has operated, with community members generously providing their time to meet on a bi-monthly basis. Despite its best endeavours, and supported by a number of Council officers, the group has been unable to materially boost the level of usage of the Centre.

The intention of this report is to paint a picture for the Council about the operation of the Centre in recent years. Regrettably, the community's desire for the establishment of a "one-stop-shop" for the delivery of a wide range of services has not materialized. Consequently, Council is invited to consider whether the current commitment of resources, financially and otherwise, is warranted.

An alternative service delivery model has been considered by staff on a very preliminary basis. This revolves around the use of the Wardell and District War Memorial Hall and a modified type and level of usage. However, as Council has no interest in the hall (it is located on Crown land and is managed under a separate community-based Trust arrangement), the Trustees would need to determine whether possible changes in focus/function of the hall are in their interest and consistent with the hall's strategic or business plan.

Legal / Resource / Financial Implications

Council does not have a legal obligation to operate the Centre. The resource and financial implications of continuing to do so are set out in this report. Currently, the initial term of the lease under which the premises operates has lapsed and we continue to rent the facility on a month-to-month basis.

Council has scarce resources to allocate and it is essential that those resources are allocated effectively. There are numerous other reports elsewhere in this agenda seeking increased funding and the closure of this facility would help to provide that funding.

Consultation

No consultation in respect of this report has been undertaken.

Options

The Council has a number of options available. It could of course maintain the current arrangements, involving service retention approximately 2.5 days per week, or it could modify these hours.

4.6 Wardell Community Centre

Alternatively, Council could determine to discontinue the operation of the Centre, either immediately or at a nominated point in time. If this option is preferred, closure arrangements would be discussed with the Centre's Advisory Committee and other community members who have an interest in the matter.

Regrettably, the level and range of services provided at the Centre has not been as originally envisaged. Equally, it would be fair to say that the level of community support for the Centre has been disappointing. Whilst there has been regular use of the facility, these recurrent 'customers' comprise only a very small number of residents of the village and district. With these things in mind, it is regrettably recommended that closure of the facility is the preferred outcome. Resources 'saved' from this action would be redeployed to other Council operations.

RECOMMENDATION

That Council approves the discontinuation of the operation of the Wardell Community Centre, effective from the end of July 2011, due to its on-going low level of use and net cost to the community.

Attachment(s)

Nil

4.7 Newrybar Community Hall - Public Toilet and On-site Sewage System

File Reference	Public Halls
CSP Linkage	Resilient and adaptable communities
Delivery Program	Open Space and Reserves
Objective	To provide information on the funding of a new public toilet at the Newrybar Community Hall and to advise of the failure of the existing on-site sewage management system and the cost of replacing this system.

Background

Council resolved at the March 2011 Council meeting that the following report be received at the next Finance Committee Meeting to be held on 7 April 2011:

"That Council receive a report on funding the Newrybar Public toilet as part of the 2011/12 budget."

This resolution was related to advice from the Newrybar Community Hall Committee that they are no longer able to maintain or clean the public toilet located at the rear of the Hall. They have also advised that the toilet is in poor condition and in their opinion is in need of replacement.

In response to this, the draft budget considered a submission which included \$30,000 for the construction of new toilet and a further \$20,000 for the replacement of the existing on-site sewage management system (OSSMS). This funding is not currently in the draft 2011/12 budget.

Attachment 1 shows the location of the public toilet and existing OSSMS in relation to the hall. The aerial photo also shows relevant land boundaries. As discussed later in this report, investigations have identified that the facilities are located on separate allotments of Community Land.

Council officers have been carrying out a survey of OSSMS in the Rous Water Catchment as part of a grant funded project. Therefore prior to the request from the Hall Committee, staff had inspected the hall on previous occasions as part of this program but had been unable to locate the system.

More recently the OSSMS was finally located at the rear of the adjacent Rural Fire Service (RFS) shed. The OSSMS had been covered with soil and was located on a separate property.

It was discovered that the tank was discharging effluent and Council's Regulatory Services Group advised that immediate action was required to rectify this problem.

4.7 Newrybar Community Hall - Public Toilet and On-site Sewage System

In response portable toilets were provided for the use of the hall patrons and the OSSMS was pumped out and a new absorption trench dug to provide a temporary solution.

The work that has been carried out will enable the existing OSSMS to be used as an interim measure until a new OSSMS is installed.

Key Issues

- Request for a new public toilet in Newrybar
- Request that Council clean the public toilet in Newrybar
- Urgent need for a new OSSMS to service the Newrybar Hall and public toilet

Information

The original request from the Newrybar Community Hall Committee now needs to be considered in light of the issues discovered regarding the failed OSSMS servicing the hall.

Two related but separate issues arise. The first being the immediate need to attend to the failure of the OSSMS and to replace the system. The second issue is whether a public toilet is required in Newrybar and, if so, how such a public toilet will be efficiently serviced.

For the first issue \$20,000 is required to carry out the installation of a new OSSMS. Without a new OSSMS the hall will need to be closed.

The existing OSSMS is located at the rear of the RFS shed which is a separate property to the hall. Both properties are located on Community Land however it is not permitted to have an OSSMS on a separate property.

To overcome this problem it will be recommended that the two lots be amalgamated into one.

The RFS shed that is adjacent to the Newrybar Community Hall is about to be relocated. At this stage no thought has been given to the future use of this land by the community.

In addition to amalgamating the allotments, to properly consider the use of the vacated RFS site and the land surrounding the hall, it is proposed that a master plan for the site be prepared. This would enable the site to be considered in an integrated manner. One of the questions that should be examined is the need for a public toilet. This will also provide an opportunity to consider possibilities for a more appropriate and accessible location for a public toilet should the demand, having regard to cost, support the need for such a facility.

The RFS facility does not have its own toilets and the members utilise the public toilet located at the rear of the adjacent hall. The Newrybar Community Hall committee have advised that they are no longer able to clean the public toilet located behind the hall.

4.7 Newrybar Community Hall - Public Toilet and On-site Sewage System

The ongoing use of this toilet requires a level of cleaning to ensure that the toilet is suitable for use until a decision is made on the future of the public toilet.

The committee have suggested the person who cleans their hall would be available to provide the cleaning required. The estimated cost of this service is less than \$1,500 a year. Council could not provide this service for this cost with the travel and time involved in visiting the site. This expense could be sourced from existing budget allocations.

Advice has been received in respect of how these arrangements could be established to ensure Council meets its OHS obligations, insurance arrangements etc without placing additional burden on the Hall Committee.

Given the use of the public toilet by others, it is considered fair the Hall Committee receive this reimbursement from Council.

Legal / Resource / Financial Implications

There are legal requirements relating to the maintenance of an appropriately operating OSSMS. There are financial implications as funding is required to carry out repairs and provision of a new system

Consultation

There has been limited consultation with the Newrybar Community Hall committee mainly concerning the need to repair the existing OSSMS.

Options

The issues in the above report can be distilled into cleaning, OSSMS replacement, and the provision of a public toilet. Options are discussed for each of these.

Toilet Cleaning

The Council can either accept or reject the offer from the Hall Committee. The offer is considered the least expensive way to undertake the cleaning. Therefore to reject the offer, and without voluntary cleaning by the Committee, it would be necessary to close access to the toilet. It is therefore recommended to accept the offer.

OSSMS

A new OSSMS will cost \$20,000 and is needed immediately. Without this the use of the hall is compromised and would probably require closure. It is understood that these funds are beyond the resources of the Hall Committee.

Due to its urgency it is recommended that the replacement be included in the **2010/11** budget, with its subsequent impact to the deficit noted. However to assist in funding this expenditure it is also recommended that Council utilise the \$8,259 left in the community halls donation budget for 2010/11.

4.7 Newrybar Community Hall - Public Toilet and On-site Sewage System

This means the net impact on the bottom line decreases to \$11,741 (i.e. \$20,000 less \$8,259). The current estimated working capital deficit for 2010/11 is \$189,000 therefore this change will place the forecast deficit over \$200,000.

Public Toilet

As indicated in the above report, \$30,000 is the cost of a new toilet at this location. Council has no funds immediately available for that work, unless the preference is to use our property reserves. With the changes occurring to the Rural Fire Shed the preference is to delay any works on the toilets until the future of this locality is clearer once the RFS shed is relocated.

The priority for these works could also then be assessed in preparing the 2012/13 budget which allows an assessment to be made against all other works.

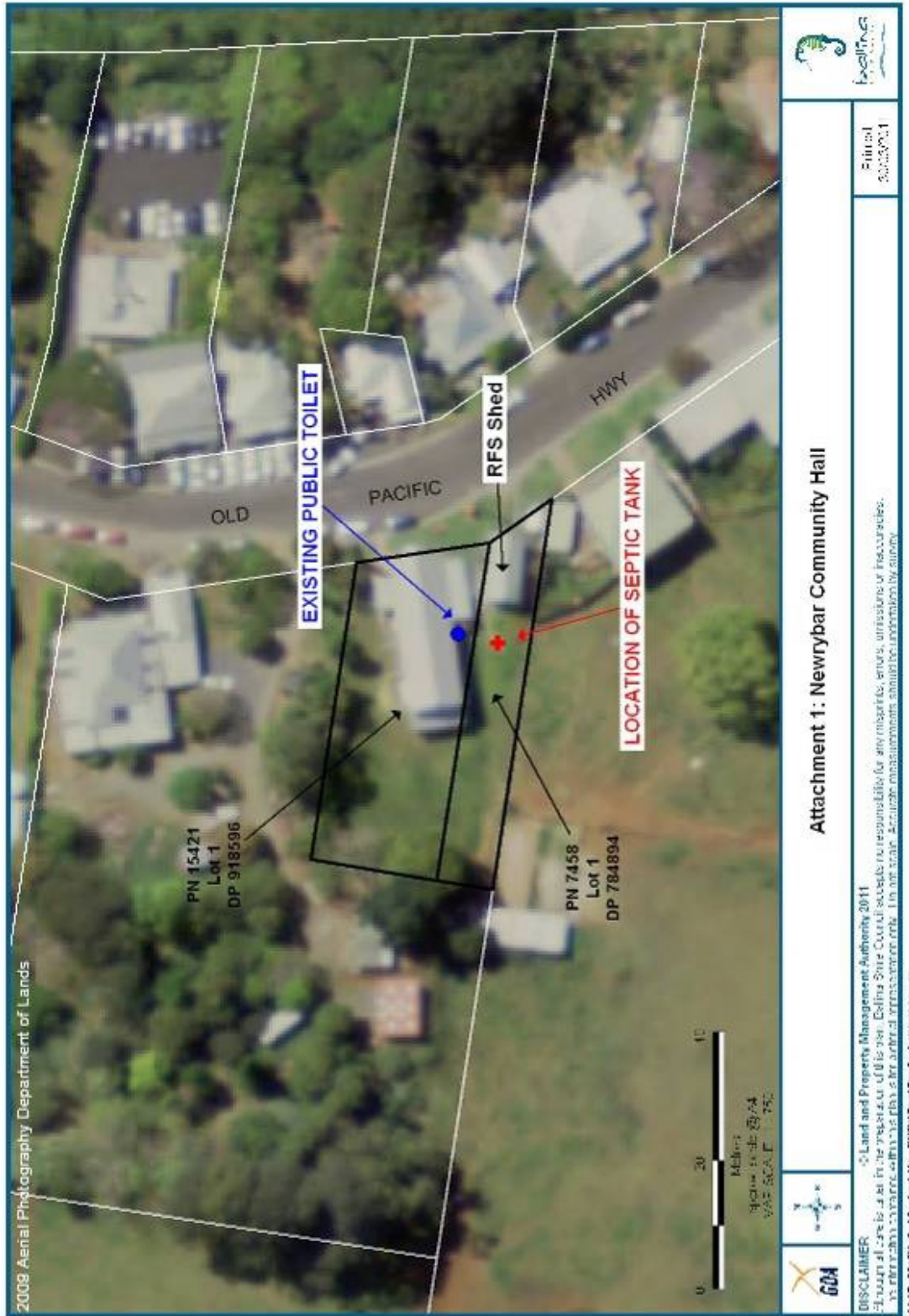
RECOMMENDATIONS

1. That Council approves an adjustment to the 2010/11 budget of \$20,000 for the installation of a new on-site sewage management system at the Newrybar Hall, with this work to be funded through the remaining community halls donations budget (\$8,259) and the balance to be funded by increasing the current deficit.
2. That Council commence the process to amalgamate the two lots of Community Land that are referenced within this report.
3. That Council authorises the use of existing budgets of approximately \$1,500 per annum to be provided to the Newrybar Hall Committee to assist in cleaning public toilet.
4. That Council defer the allocation of any funding for the installation of new public toilet facilities to allow a further assessment to be made of the locality after the relocation of the Rural Fire Service Shed.

Attachment(s)

1. Newrybar Community Hall Site Plan

4.7 Newrybar Community Hall - Public Toilet and On-site Sewage System



4.8 Swimming Pools - Strategic Plan

File Reference	Ballina Pool, Alstonville Pool
CSP Linkage	A built environment contributing to health and wellbeing
Delivery Program	Swimming Pools
Objective	To establish a strategic direction for the future of Ballina Council's swimming pool facilities

Background

At the Finance Committee meeting held 19 April 2010, Council requested that a forward financial plan be prepared for infrastructure replacement and upgrade for both Alstonville and Ballina pools. There are numerous alternatives for the upgrade and future of the aquatic facilities. With that in mind, a discussion paper that would assist Council to define its desired strategy has been prepared.

This paper is entitled "Ballina Shire Council Aquatic Facilities Strategic Financial Plan Discussion Paper" and a copy is attached to this report

Key Issues

- Level of service
- Funding

Information

The purpose of this report is to present to Council the discussion paper.

The paper is relatively comprehensive as a starting point for Council's deliberation and consultation with the community. As such no further information is required to be presented within this report.

The attached document has been prepared with the intention of generating discussion which will ultimately determine the future direction for the existing aquatic facilities within the Ballina Shire. It is envisaged that the paper and Council's response to it will assist in informing and developing a community consultation process. After that and having set a policy direction, Council will be able to consider future budget arrangements as well as an update to its asset management plan.

Legal / Resource / Financial Implications

No budget has currently been allocated for major maintenance or redevelopment of the Ballina Shire pool facilities.

Consultation

The Aquatic Facilities Strategic Financial Plan Discussion Paper was prepared after consultation with the contracted pool managers from both the Alstonville and Ballina pool facilities and through general discussion with patrons of the facilities. Site visits to the new Evans Head and Coffs Harbour facilities facilitated by Swimplex Aquatics consultants enabled further discussion with other pool management.

Swimplex Aquatics was able to provide broad estimates on a number of the options provided in the document.

Options

As suggested the discussion paper and Council's response can be used to inform a community consultation process that will ultimately form the adoption of a policy position of the Council in respect of a future strategy for these facilities.

It is considered that any future strategy be directly aligned to Council's long term financial plan to ensure that the strategy is realistically able to be delivered.

Alternatively, if the Council is of a mind to take more immediate actions, it will need to confirm the specific tasks to include in next year's budget and determine the financial implications of this.

RECOMMENDATIONS

That Council seek community feedback in response to the attached Ballina Shire Council Aquatic Facilities Strategic Financial Plan Discussion Paper through a public consultation process.

Attachment(s)

1. Aquatic Facilities Strategic Financial Plan Discussion Paper (separate attachment)

4.9 Fleet Acquisition and Replacement Program

File Reference	Vehicles Plant
CSP Linkage	Responsible and efficient use of resources
Delivery Program	Operational Support (Engineering)
Objective	To present a report regarding the acquisition and replacement of fleet and plant items for Council's consideration

Background

Council owns and operates a range of mechanical plant, vehicles and small plant items to meet its operational needs, and in addition calls tenders every two years for the wet (hired with operator) hire of plant to supplement its own fleet.

It has been identified that, for some items of plant, the current level of contract hire may expose Council to unacceptable risks, represent operational constraints, and not be to Council's best financial advantage. This report discusses these issues and provides an update to Council's fleet replacement program to 2020/21.

After a major review some time ago, more recent revisions of the fleet program have been contained to replacement of existing plant items. This update also recommends including proposals to purchase additional items to address the issues discussed below.

Key Issues

- Benefits of acquiring additional plant for operation by Council staff
- Endorsement of a revised plant replacement program

Information

Review of Externally Hired Plant

An internal hire charge is raised for the use of Council owned plant and these charges are set at such a level as to cover insurance, registration, maintenance, fuel etc and to allow for the eventual replacement of the plant. The internal hire charge "income" is offset against expenses and the net surplus is used to finance purchases. The surplus funds are retained in an internal reserve referred to as the "Plant Fund".

In terms of meeting the Council's operational needs there is an optimum balance between plant ownership and the level of supplementary hire of plant.

4.9 Fleet Acquisition and Replacement Program

For some items of plant there is a slim margin in respect of where this balance lies.

In certain circumstances it may even be the case that wet hire is less expensive than Council owned plant, however due to the continuous nature of the hire of some contractors there is a risk that these operators can be deemed as employees within the meaning of industrial relations statutory provisions resulting in potential liabilities to the Council.

Cost is not the only factor in this assessment as availability is important given the Council provides critical services and has emergency management functions.

An analysis has been undertaken of hired plant over the last three financial years. Due to a change in financial systems, data was only available up to February 2010 and has been projected to give financial year totals for 2010.

Table One - Annual Contractor Cost by Plant Type

Totals	2010	2009	2008	Total
Total Backhoe	\$183,444.25	\$250,207.50	\$229,968.50	\$663,620.25
Total Dozer	0	\$0.00	\$2,205.00	\$2,205.00
Total Excavator	\$203,267.17	\$180,206.00	\$147,639.50	\$531,112.67
Total Float	\$620.00	\$0.00	\$0.00	\$620.00
Total Mowers	\$185.20	\$0.00	\$0.00	\$185.20
Total Loader	\$0.00	\$0.00	\$280.00	\$280.00
Total Pump Truck	\$105,405.00	\$179,761.50	\$0.00	\$285,166.50
Total Rollers	\$87,500.05	\$164,279.75	\$172,955.50	\$424,735.30
Total Skidsteer	\$776.56	\$0.00	\$0.00	\$776.56
Total Spray Unit	\$24,350.74	\$52,275.00	\$11,432.50	\$88,058.24
Total Tilt Tray	\$2,555.00	\$3,245.00	\$2,715.00	\$8,515.00
Total Tippers	\$633,123.79	\$972,208.36	\$730,292.31	\$2,335,624.46
Total Tractors	\$9,777.21	\$235,648.00	\$21,565.00	\$266,990.21
Total Traffic Control	\$394,022.50	\$322,718.00	\$254,368.45	\$971,288.90
Total Tree Services	\$131,083.78	\$131,720.00	\$111,782.50	\$374,586.28
Total Water Truck	\$271,845.00	\$334,508.00	\$358,492.26	\$964,845.26
Total Graders	\$0.00	\$360.00	\$10,842.50	\$11,202.50
Grand Total	\$2,047,956.21	\$2,827,137.11	\$2,054,719.02	\$6,929,812.34

As Council's systems are not structured to record the number of items of each plant type on hire each day, without manually reviewing all past payments, a simplistic approach of dividing the annual amount paid to contractors for each item type by the hourly rate indicates the average number of items consistently on hire as follows:

Table Two - High Usage Plant Hire Items

Year	2008	2009	2010	Average
Backhoes	2.40	2.61	1.94	2.32
Rollers	1.92	1.82	0.97	1.57
Tipping Trucks & Dog	5.97	7.95	5.20	6.37
Water Trucks	3.75	3.35	2.85	3.32
Mini Excavators	1.42	1.73	1.94	1.70

4.9 Fleet Acquisition and Replacement Program

Using this information the biggest reduction in value of external hire could be made from the purchase of tipping trucks and dog trailers, followed by water trucks, backhoes, excavator and rollers.

Even though this is a simplistic approach the outcomes in Table Two reflect what team leaders and section managers believe to be the case; that is for the items listed in the table Council is having an over reliance on contractors and there are opportunities for Council to acquire these plant items and operate them through our own staff.

Based on these figures it is recommended that Council give consideration to purchasing the following items to reduce the continuous reliance on contract plant:

- 1 x Backhoe
- 1 x Roller
- 2 x Tipping Trucks and Dog Trailers
- 1 x Water Truck
- 1 x Mini Excavator

The actual number recommended for purchase is still well below the average usage rates (tipping trucks - average of 6.37 with recommended purchase of two) and the only ones that could perhaps be questionable would be the roller and mini excavator which are relatively close to the average hire figures. However the feedback from staff involved in this type of work is that the purchase of these items would result in higher usage than is currently the case as there are many opportunities that arise to use this equipment that are currently not being taken due to the need to hire the equipment.

In order to examine this proposal further an analysis of the cost to purchase, maintain and operate plant owned by Council versus hired plant (based on current contract rates) was carried out with the results shown in the attached table. In the table the finance costs are based on an 8% interest rate and a seven year loan term. No allowance has been made for the salvage value of the vehicle at the renewal time.

The analysis, on a direct cost comparison only, generally supports Council ownership for these items as outlined in the last two columns where the Council internal hire rate is matched against the external contract rate. As indicated earlier ownership also provides additional operational benefits and risk management advantages.

Further to the above items, a review is also being undertaken to assess the merits of Council's tree lopping program being delivered by internal sources.

One other major expenditure item under consideration is traffic control however it is considered that this item remains most effective through external service provision. The service is provided through a tender process and the use of the service does not create the deemed employee issue that arises in some of the other items. Also the work demand is highly variable and not well suited to internal procurement.

4.9 Fleet Acquisition and Replacement Program

Operations within the bitumen road maintenance section have also been recently reviewed by the trial of a single cab patching truck in place of the previous crew cab truck and supplemented by the dry hire (plant only) of a crew cab utility. It is considered that this has increased productivity for the section and improved flexibility.

The current truck is scheduled for replacement in this financial year however, to implement the trial results, it is required to purchase an additional crew cab utility and this is the recommended course of action.

Likewise, the Engineering Works Maintenance section has been able to improve productivity by dry hiring two small tipping trucks and utilising existing staff to drive. This additional crew structure has provided benefits in responding to the demands of Council's program. It is now preferred to purchase two of these vehicles to reduce operating costs from the current dry hire situation.

Revised Plant Replacement Program

A revised Plant Replacement Program is attached to this report.

This program is based on recommended replacement intervals and plant condition and may vary due to operational needs, plant replacement costs at time of order etc and only includes general fund plant (excluding water, sewer and waste plant).

The program provides for replacement and does not allow for any growth in the fleet and hence the additional plant items proposed in this report will need external funding for their purchase. Subsequent renewal will be managed in the normal manner.

The light fleet (utilities and passenger vehicles) replacement program is based on renewal at five years or 125,000 km and operates on a rolling priority based on vehicle age, kilometres, condition and operational need. This replacement program is completed each year on a priority basis to the extent of funds available to the program.

Industry reference material and advice has been sourced to inform the plant and light fleet replacement and the annual depreciation amounts required.

It is recommended that Council adopt the revised program. It will then be incorporated into the various strategic and operational plans of the Council.

The annual income and expense for plant operations is adjusted to support the demands for these planned changeovers by transferring a sufficient surplus to reserve.

Legal / Resource / Financial Implications

One of the reasons behind the recommendation is to reduce the risks to Council in relation to deemed employment status for contractors whom earn the predominant amount of their income from Council.

4.9 Fleet Acquisition and Replacement Program

It is proposed that the funds required for the recommendation will be sourced from external loans with the repayments to be sourced from the hire rates of the individual items. The total estimated cost of the purchases is \$1.33 million.

The purchase of additional plant will require the employment of additional staff for its operation. Plant and labour costs (internal or external) are charged to the projects and programs within Council's adopted budget.

This means the additional plant and staff does not represent a budgetary consideration, subject to the internal hire rate being sufficient to ensure the ability of the Plant Fund to meet its operating and renewal costs.

This proposal will require the employment of an additional six staff. This is a significant increase, however in reality Council has been paying for this service through the wet hire of contractors. Therefore even though additional staff will be employed they will again be absorbed within existing budgets (i.e. contractor costs replaced by employee costs). It should be noted that any new staff will not be solely allocated to one plant item as the aim will be to ensure that staff can operate a range of plant items. This improves the employee's skills, tends to increase satisfaction levels and also results in a more flexible workforce.

It is important to also acknowledge that this evaluation has been based on regular maintenance and capital works and this means that there is a very strong expectation that the demand for these works will continue. Ballina is a growing shire and it is important that the Council resources grow at the same time.

Consultation

Consultation has been undertaken with internal staff regarding the proposed items to be purchased.

Options

For Council to deliver its program and services, a substantial plant fleet is required. The optimum management of this resource demand is for Council to procure a mix of ownership and hire.

This report reviewed Council's needs to determine the most effective supply options for different plant items. The outcomes of the review indicate that it would be beneficial to replace long term hire by Council increasing its ownership of certain items. The options available to Council are to either purchase or continue to hire each of these individual items.

The report also provides a revision of the plant replacement program. This program can be amended by Council. The draft is the preferred option and is submitted for endorsement.

Finally as the expanded plant items need to be funded by loans further reports will need to be submitted to Council as and when those loan funds are required.

RECOMMENDATIONS

1. That Council include in the 2011/12 budget a variation to the plant replacement program to include the purchase of the following additional plant items:
 - a) 1 x Backhoe (expansion)
 - b) 1 x Roller (expansion)
 - c) 2 x Tipping Trucks and Dog Trailers (expansion)
 - d) 1 x Water Truck (expansion)
 - e) 1 x Mini Excavator (expansion)
 - f) 2 x Light Tipping Trucks (expanded fleet to be operated by current staff)
 - g) 1 Crew Cab Utility (change in existing fleet to be operated by current staff)
2. That Council approves the financing of items 1 a) to f) from loan funds.
3. That Council endorses the employment of a maximum of six additional staff to ensure the maximum utilisation of the expanded plant fleet, as per items 1 a) to e), with recruitment to take place in line with the timing of the plant purchases.
4. That Council endorses the update of the Ten Year Plant Replacement Program for the purposes of guiding annual budget and long term financial plan preparations, as attached to this report. Subject to points one and two being approved, this program is also to be updated to include the expansion of the plant fleet.

Attachment(s)

1. Indicative Plant Replacement Program to 2020
2. Comparison between Internal and Contract Rates

4.9 Fleet Acquisition and Replacement Program

General Fund- Indicative Plant Replacement Program

Plant No	Make/Type	Type	Design Life	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
13	mitsubishi 7.5t CANTER TRUCK	Heavy Vehicle	6		65618						65618		
14	MITSUBISHI CANTER DUAL CAB	Heavy Vehicle	6		47478						47478		
15	MITSUBISHI CANTER LWB CREW CAB	Heavy Vehicle	6			35280					35280		
17	WESTERN STAR 4864 PRIME MOVER	Heavy Vehicle	8						174485				
21	HINO RANGER TIPPING TRUCK	Heavy Vehicle	8				92607						
26	ISUZU TIPTRUCK(BITUMEN MAINTENANCE)	Heavy Vehicle	8								253000		
27	STREET SWEEPER SCARAB MERLIN HYDOSTATIC	Heavy Vehicle	8			259954							
28	HINO DUTRO 7500 FUEL TRUCK	Heavy Vehicle	6		60403						60403		
29	HINO RANGER TIPPING TRUCK	Heavy Vehicle	8				92607						
30	FREIGHTLINER FL112 PREMIUM TRUCK (waste)	Heavy Vehicle	8			207858							207858
35	TOYOTA FORKLIFT 2.5 TONNE (Depot)	Heavy Vehicle	10	80000									24698
36	VOLVO L70E FRONT END LOADER (Waste)	Heavy Vehicle	8			188940							
39	CAT IT14G RUBBER TYRED LOADER	Heavy Vehicle	8						164702				
40	VOLVO GRADER G710B	Heavy Vehicle	10					213925					
42	CATERPILLAR GRADER 12M	Heavy Vehicle	10									265316	
47	KOMATSU PC220-7 EXCAVATOR (Waste)	Heavy Vehicle	10	187075									
49	KOMATSU PC160LC-7 EXCAVATOR	Heavy Vehicle	10					206960					
55	JOHN DEERE 315 BACKHOE LOADER	Heavy Vehicle	7		117360							117360	
58	MASSEY FERG TRACTOR	Heavy Vehicle	8								100890		
59	JOHN DEERE 315 BACKHOE LOADER	Heavy Vehicle	7							121400			
62	CASE IH JX80L TRACTOR	Heavy Vehicle	8								47740		
63	CASE IH JX1090U TRACTOR	Heavy Vehicle	8	51999							51999		
64	JOHN DEERE 5720 CAB TRACTOR	Heavy Vehicle	8				50423						
66	MASSEY FERG TRACTOR 4245	Heavy Vehicle	8		63788								63788
67	ADD ON REAR DISCHARGE	Heavy Vehicle	8								56364		
70	HOWARD EHD 180 SLASHER	Heavy Vehicle	5		5755					5755			
116	FORD TRADER - WORKSHOP	Heavy Vehicle	6						45000				
125	DRAKE TRI-AXLE LOW LOADER	Heavy Vehicle	10		114109								
128	ISUZU NPR400 CREW CAB	Heavy Vehicle	6						51100				
129	MITSUBISHI CANTER LWB CREW CAB	Heavy Vehicle	6	56543						56543			
130	ISUZU 25/300 MEDIUM CAB CHASSIS	Heavy Vehicle	6		55523						55523		
142	ISUZU NPR250/300 CAB CHASSIS(\$20,000 added for Tra	Heavy Vehicle	6						46157				
143	PORTABLE TRAFFIC SIGNALS TRAILER MOUNTED kvmt	Heavy Vehicle	5					40116					40116
145	PORTABLE TRAFFIC SIGNALS TRAILER MOUNTED	Heavy Vehicle	5	45083					45083				
145	TRAFFIC LIGHTS	Heavy Vehicle	5					15750					15750
148	CATERPILLAR 318cl EXCAVATOR + Jaws Attachment	Heavy Vehicle	10				215254						
155	MCCONNEL PA6400 MIDCUT FLAIL MOWER (ATT P.58)	Heavy Vehicle	5					81673					
168	PACIFIC MULTI TYRED ROLLER	Heavy Vehicle	10		166399								
195	TOYOTA FORKLIFT 2.5 TONNE (MRF) (waste)	Heavy Vehicle	10		40000								
196	JARRETT TS 360 ROTARY MOWER	Heavy Vehicle	5					13468					13468
223	ISUZU 300 CREW CAB	Heavy Vehicle	6				36962						36962
240	AERWAY AERATOR AW080-503	Heavy Vehicle	5	9259					9259				
242	SCHULTE S150 ROTARY MOWER (ATT P.63)	Heavy Vehicle	5	25886					25886				
255	Water Truck (IZZARD)	Heavy Vehicle	8										
256	FLOOR SCRUBBER	Heavy Vehicle	5	20210					20210				
257	KVM SOLAR MOVEABLE MESSAGE BOARD	Heavy Vehicle	5	45792					45792				
258	KVM SOLAR MOVEABLE MESSAGE BOARD	Heavy Vehicle	5	45792					45792				
264	QUICK SPRAY CHEMICAL SPRAY UNIT (pgr)	Heavy Vehicle	10						10020				
266	JOHN DEERE 5720 CAB TRACTOR	Heavy Vehicle	8				50423						
267	HOWARD EHD 180 SLASHER(Att P.266)	Heavy Vehicle	5	7233					7233				
268	VOLVO G930 GRADER	Heavy Vehicle	10							228708			
269	JOHN DEERE 3320 COMPACT TRACTOR	Heavy Vehicle	8					28848					
270	ISUZU WATER TRUCK (Old Fire Truck)(Waste)	Heavy Vehicle	8					5960					
271	CAT 2688AC SKID STEER LOADER(waste)	Heavy Vehicle	8					95000					
273	FERRIS IS2000 ZERO TURN MOWER	Heavy Vehicle	5				12682					12682	
276	AMMANN AP240 MULTI TYRED ROLLER	Heavy Vehicle	8						92096				
279	FERRIS 72" ZERO TURN MOWER	Heavy Vehicle	2		23446		23446		23446		23446		23446
281	FERRIS 72" ZERO TURN MOWER	Heavy Vehicle	2		23446		23446		23446		23446		23446
282	HOWARD PEGASUS P610 MOWER	Heavy Vehicle	5				48244					48244	
286	FERRIS 72" ZERO TURN MOWER	Heavy Vehicle	2		23446		23446		23446		23446		23446
287	FERRIS 72" ZERO TURN MOWER	Heavy Vehicle	2		23446		23446		23446		23446		23446
703	ARROW 770 KERB & GUTTER MACHINE	Heavy Vehicle	10							49491			

4.9 Fleet Acquisition and Replacement Program

Comparison of Hourly Rates - Purchase vs Contractor Hire

Plant Item	Purchase Cost	Rec replacement Interval	Finance Cost/Yr	Finance Cost/ Time Sheet Hr	Operator Grade	Weekly Rate (without oncost)	Hrly Wages Rate inc oncost 47%	Operator Hours	Est Timesheet Hrs	Timesheet vs Operator Hrs	Est Daily Fuel	Hourly Fuel Cost @1.35l	Annual Registration cost	Rego/Hr	Insurance / Hr	Repairs Service /Hr	Compound Internal Rate	Contract Hire Rate\$/Hr
Backhoe	\$170,000	7	\$ 32,657	\$ 21.77	5	\$ 862.54	\$ 33.37	1824	1500	0.82236842	50	\$ 4.78	\$ 65	\$ 0.04	\$ 0.49	\$ 3.24	\$ 63.69	\$ 66.00
Roller	\$150,000	10	\$ 28,815	\$ 19.21	4	\$ 834.04	\$ 32.26	1824	1500	0.82236842	50	\$ 4.78	\$ 65	\$ 0.04	\$ 0.44	\$ 2.00	\$ 58.73	\$ 60.00
Tipping Truck	\$250,000	8	\$ 48,025	\$ 29.11	4	\$ 834.04	\$ 32.26	1824	1650	0.90460526	80	\$ 8.41	\$ 4,500	\$ 2.73	\$ 0.66	\$ 3.79	\$ 76.96	\$ 88.00
Tipping Truck	\$250,000	8	\$ 48,025	\$ 29.11	4	\$ 834.04	\$ 32.26	1824	1650	0.90460526	80	\$ 8.41	\$ 4,500	\$ 2.73	\$ 0.66	\$ 3.79	\$ 76.96	\$ 88.00
Dog Trailers	\$80,000	10	\$ 15,368	\$ 12.81				1824	1200	0.65789474			\$ 1,500	\$ 1.25	\$ 0.29	\$ 1.33	\$ 15.68	\$ 37.00
Dog Trailers	\$80,000	10	\$ 15,368	\$ 12.81				1824	1200	0.65789474			\$ 1,500	\$ 1.25	\$ 0.29	\$ 1.33	\$ 15.68	\$ 37.00
Water Truck	\$160,000	8	\$ 30,736	\$ 18.63	4	\$ 834.04	\$ 32.26	1824	1650	0.90460526	60	\$ 6.31	\$ 460	\$ 0.28	\$ 0.42	\$ 2.42	\$ 60.33	\$ 68.00
Mini Excavator	\$95,000	6	\$ 18,250	\$ 15.21	6	\$ 893.25	\$ 34.55	1824	1200	0.65789474	40	\$ 3.06	\$ 65	\$ 0.05	\$ 0.35	\$ 2.64	\$ 55.86	\$ 80.00
4.5t Tipper	\$47,500	8	\$ 9,125	\$ 5.53	4	\$ 834.04	\$ 32.26	1824	1650	0.90460526	40	\$ 4.21	\$ 460	\$ 0.28	\$ 0.13	\$ 0.72	\$ 43.13	\$ 60.00
4.5t Tipper	\$47,500	8	\$ 9,125	\$ 5.53	4	\$ 834.04	\$ 32.26	1824	1650	0.90460526	40	\$ 4.21	\$ 460	\$ 0.28	\$ 0.13	\$ 0.72	\$ 43.13	\$ 60.00

Notes: Finance 8% P+I , 7 year period- rate = 0.1921 per annum
 Insurance cost = \$4.36 per \$1000 per annum
 Repairs & Maintenance - allow 20% purchase cost over life of equipment
 Borrowing cost ignores salvage value of equipment at end of loan period

4.10 Works Depot - Draft Masterplan

File Reference	Council Works Depot & Workshop
CSP Linkage	Right Click to Select CSP Linkage
Delivery Program	Asset Management
Objective	This report seeks Council endorsement of a five year Masterplan to guide the depot development of the Council works depot

Background

The Works Depot, located on Southern Cross Drive provides an operational base for many of Council's services. It houses the mechanical workshop, electrical workshop, store, records archive, small plant store and workshop, administrative and operational areas for each of the functional areas of Civil Services and provides secure storage and parking for plant stores and equipment.

A draft development master plan to guide improvements to the depot over a five year period has been prepared. Since its original construction, only minor additions and upgrading have been undertaken to the depot. The improvements in the plan are considered necessary for the following reasons.

- There has been a growth in the demands for services from the depot
- Changes in technology will provide efficiency improvements
- Security demands are increasing
- Ensure compliance with changing safety, environment and other legislative requirements.

Key Issues

- Provide suitable facilities for Councils works operations that meet safety, environment, security, operational and amenity needs in a planned and strategic manner
- Finance

Information

The "Works Depot - Draft Development Masterplan" is attached under separate for the information of Councillors. This report seeks endorsement of the plan and also suggests a funding approach to support its delivery.

Legal / Resource / Financial Implications

The draft plan identifies some areas in terms of safety, environment and amenity that whilst they may have complied with existing standards when the depot was established do not meet current requirements and should be rectified.

The improvements in the depot will assist in providing operating efficiencies and ensure appropriate resources are available for staff to undertake their required duties.

A works program costing of \$1,259,500 is proposed over a five year period, and it is recommended that this is delivered by means of an oncost attributable to the annual works budget.

Whilst this approach does not have a direct impact on the budget position, there is an indirect impact in that the expense within budgeted programs is increased. That is the unit price of production is impacted. However, for this program, it is considered that the operational gains and reduced statutory risks offset these impacts. Furthermore, given the diversity and breadth of Council's functions, the on cost amount, once determined, will be relatively small within the context of the programs that are charged the expense.

Consultation

Consultation and discussion has been undertaken with internal stakeholders, with consensus reached on the draft plan.

Options

Council has the option of endorsing and financing the proposal or rejecting it. As the works depot is an essential part of Council's operational program delivery it is recommended that the endorsement and financing of the plan be supported.

Even though there is agreement that the works outlined in the report are essential there are many areas of Council's operations that could do with cash injections to improve services and facilities.

With this being the case other options that Council may wish to pursue including extending the timeline for the works. This would then lessen the impact on the oncost rates each year. Therefore the recommendation that follows is for Council to endorse the Development Masterplan however the financing of the works is to be subject to a further report outlining the implications of varying the works schedule from anywhere between five to a maximum of ten years.

This report will also then look at the impact on the oncost rates when the works plan is extended from five to ten years, and for any period in between (i.e. 6, 7, 8, 9 years). This type of evaluation will then place Council in a better position to determine whether the benefits derived from the works offset the costs involved.

RECOMMENDATIONS

1. That Council endorses the “Works Depot - Southern Cross Drive, Ballina - Draft Development Masterplan”, as attached, subject to the funding for the works being examined in further detail through an additional report to Council, as per point two.
2. That Council receive a further report examining the impacts of financing the works outlined in point one through the use of an increased oncost rate, with that report also giving consideration to an extension of the works timeframe from five to up to ten years.

Attachment(s)

1. Works Depot - Draft Development Masterplan (separate attachment)

4.11 Roads - Capital Works and Operating Projects

File Reference	Works for Consideration, Management Plan
CSP Linkage	A built environment contributing to health and wellbeing
Delivery Program	Engineering Works
Objective	This report deals with matters arising from Notices of Motion received at the January and February 2011 Ordinary meetings dealing with Smith Drive, West Ballina and Town Entry Maintenance.

Background

Council resolved in response to a Notice of Motion at the Ordinary meeting of 27 January 2011 that:

"That an urgent report be prepared relating to the condition of Smith Drive infrastructure including the repair or replacement of flood gates and draining, road widening and pavement maintenance."

and 24 February 2011 that:

"That in conjunction with the January 2011 resolution of Council that requests a report on the condition of Smith Drive, that Council receive information on the condition and possibility of improved maintenance of the Pacific Highway roadside environment at the entrances to Ballina from the 60km/hr signs both North and South."

This report will deal with the above resolutions but will also present the context of considering these resolutions within the regime of the existing roads capital works program, the roads operating budget and the asset management strategy.

Previously Council has adopted a program for its road works. As there are a substantial number of items on the list compared to available funds, the works were prioritised. These priorities have then been used to develop the three year programs established in the Council's former management plans and now the four year Delivery Program. Generally the Council has been able to move through each of these years as forecast and communicated to residents.

The works contemplated in the existing program are for rehabilitation or renewal only. It has been the Council's position that it is important to focus on this need rather than road upgrades. The road upgrade program has now been incorporated into Council's new section 94 roads plan and grant funds, section 94 contributions and special rate variation monies are being used to finance that program.

Key Issues

- Work priorities
- Funding available

Information

Budget Context

The presentation of the 2011/2012 budget reports to earlier Finance Committee meetings has included delivery programs for the roads operating budget and the roads capital works program. The delivery program comprises a four year window from 2011/2012 to 2014/2015.

The operating budget consists of operations and maintenance activities across 600km of road network, and amounts of approximately \$2.4m per annum. The maintenance activities can be broken down (from historical records) as follows:

Activity	%
Resealing	19
Pavement repairs	32
Gravel road maintenance	18
Shoulder maintenance	4
Drainage maintenance	6
Guideposts, signs, guardrail	1
Vegetation management	17
Asset inspection & emergency management	3
	100

The maintenance activities comprise management of the entire road corridor including roadside vegetation, roadside mowing, drainage, signs, line marking, guideposts and guardrails, as well as road pavement maintenance including resealing.

Previous reporting to Council has highlighted the main concern with this budget being the inadequate allocation for resealing. The current allocation of approximately \$390,000 per annum achieves approximately a reseal of 2% of the road network, that is, a road segment is resealed every 50 years. Best practice standards should achieve reseals every 15 years (and more frequently for high use roads). Council's budget for reseals should increase threefold to approach good maintenance practices.

If reseals are not achieved then the bitumen road surface breaks down which leads to early road pavement failure. A preventative reseal is intended to preserve the pavement.

Attachment 1 shows a list of pavement reseals which have been assessed as being necessary with an estimated value of \$2.2m. This list covers the next five years of reseals based on current budget allocations. The list will be used to allocate reseals for next summer's resealing program.

4.11 Roads - Capital Works and Operating Projects

With respect to the roads capital works program, the priority is to assess and rank failed or failing pavements and apply capital works funds to these asset renewals. The annual budget is approximately \$1.9m per annum.

However, some grant programs offer funding which target regional roads, road safety or transport services and the capital works budget is used to provide Council's matching funds. This may typically be in the order of \$300,000 per annum. Additional projects are achieved by applying capital works funds to match grant funds however the renewal program becomes delayed.

Attachment 2 shows the current list of pavement renewals which is used to establish the delivery program for budget purposes. The list provides approximately 5 years worth of works, with an estimated value of \$10.2m. The list is reviewed annually due to changes to the condition of pavements. For example, extended periods of wet weather or flood inundation may accelerate the worsening of pavement condition. Additional reporting to Council does occur (quarterly reports) where changes occur during the financial year.

Overall, if an "unlimited" budget was able to be offered for road assets, then the reseal works tabled in Attachment 1 and the pavement renewals tabled in Attachment 2 would be promoted as a backlog of immediate road works.

Asset Management Planning

Council has progressed with the development of Asset Management Plans for a number of Council's assets. The Roads and Transport Asset Management Plan has been prepared, and has previously been presented to Council. The financial model for this plan identifies both pavement renewals and reseals as having a significant backlog based on a best estimate for "age profiles" for the assets.

An amount of \$14m is forecast as necessary for pavement renewals and an amount of \$3.2m for reseals (and a further \$4.5m for asphalt works).

It is proposed that further road condition data collection will be undertaken in the near future to improve "age profile" predictions. This will assist to refine the extent and amount of backlog work and to assist with assessment of future works. This information is important to ensure the allocation of funds is optimised and Council can plan for future needs. Council's auditors have also requested that the asset database be improved with updated condition assessments.

Lennox Head Landslip

At the time of writing this report, with a view to responding to resolutions dealing with unscheduled works, it is worthy to point out the current status of the Lennox Head landslip.

The geotechnical report is now expected by week ending 1 April 2011. It is anticipated that planning for approval and reconstruction will commence immediately. This will include estimates for the work and liaison with the RTA regarding grant funding arrangements due to Natural Disaster declarations.

4.11 Roads - Capital Works and Operating Projects

There is a necessary component of Council contribution with Natural Disaster funding and it will also be influenced by the extent of rehabilitation work. There may be works outside the slip area, necessary for future protection that will not be funded by Natural Disaster grants.

Future reporting of this matter will be provided when the situation is fully understood by staff. This situation may impact on the Council's ability to deliver on the budget presented to date.

Smith Drive, West Ballina

The comments and lists about Council's road assets has identified that Smith Drive is not listed in the forthcoming five year window for reconstruction or resealing.

The staff comment reported with the Notice of Motion is January 2011 remains, and reads as follows:

"There are a number of issues with Smith Drive in respect to the current and future upgrades of the Pacific Highway. Flood gate improvements are still to be completed as part of the current bypass works and ultimately the RTA has plans to connect Smith Drive to Pimlico Road as part of the Woodburn to Ballina upgrade. This work may well result in the RTA needing to fund improvements to Smith Drive."

In addition, the conditions of consent for the proposed Homeworld development (DA:2007/71) require the developer to provide a 13m wide pavement, including kerb and gutter, from the existing Pacific Highway to the furthest boundary of the site along Smith Drive. These works would include all of segments 10, 20 and part of 30.

The RTA concept design for the Woodburn to Ballina Pacific Highway upgrade proposes connecting Smith Drive to Pimlico Road to provide a Ballina to Wardell service road (refer Attachment 3). This may result in the RTA funding improvements to Smith Drive.

Furthermore, the existing BBA project has a requirement to satisfy the ongoing management of floodgates connected to their project. Due to drainage connectivity via Smith Drive, the BBA have discussed with Council the upgrading of floodgates along Smith Drive. It is anticipated this will be discussed further with ongoing handover discussions.

Nonetheless, given the resolution of Council, if works were to be undertaken immediately to upgrade Smith Drive, the following represents an estimate of works (refer to Attachment 4 for segments).

- *Segment 10*

Heavy patching and resealing will bring this segment to a reasonable standard. The estimated cost of these works is:

Heavy Patching	\$21,000
Reseal	<u>\$ 8,000</u>
Total	<u>\$29,000</u>

4.11 Roads - Capital Works and Operating Projects

- *Segment 20*

This segment requires heavy patching, partial reconstruction, widening and kerb and gutter on part of the northern side to bring it to a reasonable standard. The estimated cost of these works is:

Heavy Patching	\$ 12,000
Reseal	\$ 6,000
Reconstruction	<u>\$213,000</u> (incl drainage)
Total	<u>\$231,000</u>

- *Segment 30*

While not requiring immediate attention, it is anticipated that this segment will require heavy patching and resealing in two to three years time. The estimated cost of these works is:

Heavy Patching	\$35,000
Reseal	<u>\$ 9,000</u>
Total	<u>\$44,000</u>

- *Segment 40*

This segment requires heavy patching and resealing. The estimated cost is:

Heavy Patching	\$ 6,000
Reseal	<u>\$ 7,000</u>
Total	<u>\$13,000</u>

- *Segment 50*

This segment is not currently used by the general public. No work is proposed.

The assessment of Segments 10, 30 and 40 comprises ongoing maintenance activities, and these segments will continue to be monitored.

The assessment of segment 20 comprises reconstruction, and this is not scheduled for reasons outlined earlier in this report.

Town Entry Maintenance and Improvement

Council maintains the Pacific Highway through Ballina on behalf of the RTA between the limits of Burns Point Ferry Road, West Ballina, and North Creek Road, North Ballina.

The maintenance contract with the RTA includes the maintenance of highway travel lanes only, and the maintenance of parking lanes and verges is Council's responsibility.

4.11 Roads - Capital Works and Operating Projects

Outside of the above limits (ie south of Burns Point Ferry Road and north of North Creek Road) the maintenance of the highway travel lanes, the shoulder and edge of the carriageway lies with the RTA.

As part of the resolution, the extra highway length being considered for extra maintenance treatment is the RTA sections as follows:

- West Ballina - Burns Point Ferry Road to 60kph sign (1,000m)
- North Ballina - North Creek Road to 60kph sign (420m)

If Council wishes to maintain the road verges from Burns Point Ferry Road to the 60kph signs to a higher standard, it will be necessary for Council to undertake the work at its cost. The estimated annual cost to maintain this area to the same standard as the rest of the highway at West Ballina is \$20,000, which will have to be funded from within Council's road maintenance budget.

North of North Creek Road, the highway on the northern side of this length is currently well maintained by adjoining property owners. The estimated annual cost for Council to maintain the southern side of the road to the same standard as the rest of the highway at North Ballina is \$12,000. Both of the above costs include an allowance for traffic control which is necessary due to the narrow road should widths and the high traffic volumes.

However, on completion of the Ballina Bypass, under the RTA's current proposal, these sections of highway are likely to be reclassified and the maintenance responsibility devolved to Council. Under this proposal the roads will likely become regional roads, and the RTA will provide Council annual grant assistance for their maintenance. It is therefore recommended that the extension of the lengths of road maintenance by Council be delayed until completion of the Bypass, at which time additional grant funds are expected.

Legal / Resource / Financial Implications

This report identifies that the extra works proposed for consideration by the January 2011 and February 2011 resolutions fall outside the current scope of planned works.

If a decision is made to proceed with part or all of the works identified within the resolutions, then other projects and maintenance activities will need to be delayed or not undertaken, to work within existing resource and financial constraints.

Consultation

Not undertaken

Options

As noted in the Legal/Resources/Financial Implications section, if part or all of the works considered in the resolution is adopted, then other planned works or maintenance activities will need to be deferred.

4.11 Roads - Capital Works and Operating Projects

Smith Drive

It is recommended that segments 20, 30 and 40 be continued to be monitored as part of the roads maintenance program, and undertake maintenance works when determined (estimate \$75,000). Segments 30 and 40 are in fair to good condition, however segment 20 is in poor to fair condition and would otherwise be reconstructed. Work on Segment 10 should be deferred (estimate \$29,000) until intersection works with the BBA project are complete.

Reconstruction work on Segment 20 (estimate \$213,000) should be deferred for the reasons stated in the report. Alternatively, Council may wish to allocate funds from the Roads capital works program and nominate other projects of equal value for deferral.

Town Entry Maintenance and Improvements

It is recommended that current roadside maintenance practices be maintained within existing budgets, and the scope of town entry maintenance works be reconsidered when the road segments become Council responsibility after bypass opening. Additional grant funding (which is yet to be determined) will be received.

Alternatively Council may wish to allocate the additional operational budget for this work (\$32,000 pa) and nominate services for source of budgets.

The only other alternative would be to reallocate funds from the existing road program. The road works included for 2011/12 are as follows.

Grant Street	250,000
Fenwick Drive	190,000
Heavy Patchingt	345,000
Boatharbour Road	83,000
Byron Street	225,000
Rifle Range Road (seg 220 & 223)	137,000
The Coast Road, Lennox Head	563,000
Midgen Flat Road	250,000
Pimlico Road	150,000
Uralba Road	150,000

These priorities are all based on engineering technical assessments and no change is recommended.

RECOMMENDATIONS

1. That Council endorses the approach outlined in this report that Council's engineering staff continue to monitor Smith Drive segments 20, 30 and 40 as part of the roads maintenance program, with maintenance works to be undertaken from within existing budgets, when determined necessary (estimate \$75,000).
2. That Council endorses the approach outlined in this report to take no further action on reconstruction work on Smith Drive segment 10 (estimate \$29,000) until intersection works with the Ballina Bypass Alliance project are complete (Segment 10).
3. That Council endorses the approach outlined in this report to not bring forward reconstruction work on Smith Drive segment 20 (estimate \$213,000) as it has been assessed as having a lower priority than other reconstruction works outlined in Council's forward financial plan.
4. That Council endorses the approach to maintain current roadside maintenance practices within existing budgets and the scope of town entry maintenance works be reconsidered when the road segments become Council responsibility after bypass opening. Additional grant funding (which is yet to be determined) will likely be received.

Attachment(s)

1. List of pavement reseals which have been assessed as being necessary
2. Current list of pavement renewals which is used to establish the delivery program for budget purposes
3. Design Drawing - RTA concept design for the Woodburn to Ballina Pacific Highway upgrade
4. Drawing - Smith Drive Segments

4.11 Roads - Capital Works and Operating Projects

Attachment 1

Defects Priority	Road	Segment	Locality	Description	Estimate (\$)
1	North Teven Road	80	Rural	Reconstruction	110,000
1	Midgen Flat Road	20	Rural	Reconstruction	934,000
1	Pimlico Road	30	Rural	Reconstruction	350,000
1	Uralba Road	30	Rural	Reconstruction	300,000
1	Swift Street	40	Ballina Island	Reconstruction	160,000
1	River Street	30	Ballina Island	Reconstruction	60,000
1	Compton Drive	20	Ballina East	Reconstruction	480,000
1	Compton Drive	70	Ballina East	Reconstruction	80,000
1	Fenwick Drive	10	Ballina East	Reconstruction	387,000
1	Martin Street	40	Ballina Island	Reconstruction	96,000
1	Newport Street	10	Ballina East	Reconstruction	40,000
1	Dress Circle Drive	20	Lennox Head	Reconstruction	20,000
1	Alston Avenue	30	Alstonville	Reconstruction	37,000
1	River Drive	170	South Ballina	Reconstruction	120,000
2	Grant Street	10	Ballina Island	Reconstruction	250,000
2	Boat Harbour Road	10	Ballina West	Reconstruction	83,000
2	Wilson Street, Wardell	10	Wardell	Reconstruction	100,000
2	River Street	10	Ballina Island	Reconstruction	100,000
2	Byron Street	20	Lennox Head	Reconstruction	225,000
2	Chickiba Drive	10	Ballina East	Reconstruction	200,000
3	Cedar Street Wardell	10	Wardell	Reconstruction	100,000
3	Brunswick Street	10	Ballina Island	Reconstruction	60,000
3	Burnet Street	20	Ballina Island	Reconstruction	152,000
3	Fox Street	20	Ballina Island	Reconstruction	334,000
3	Grant Street	10	Ballina Island	Reconstruction	246,000
3	Nashua Road	10	Rural	Reconstruction	85,000
3	Canal Road	50	Ballina Island	Reconstruction	80,000
3	North Creek Road	180	Lennox Head	Reconstruction	270,000
3	Cherry Street	110	Ballina Island	Reconstruction	290,000
4	Fawcett Lane		Ballina Island	Reconstruction	60,000
4	Henry Phillip Avenue	10	Ballina Island	Reconstruction	105,000
4	Fernleigh Road		Rural	Reconstruction	160,000
4	Canal Road	20	Ballina Island	Reconstruction	290,000
4	Crane Street	70	Ballina Island	Reconstruction	170,000
4	Moon Street	130	Ballina Island	Reconstruction	160,000
4	Banksia Lane	10	Ballina East	Reconstruction	90,000
4	The Serpentine	20	Ballina East	Reconstruction	100,000
4	Marom Creek Road	130	Rural	Reconstruction	107,000
4	Bagotville Road	15	Rural	Reconstruction	170,000
4	Bagotville Road	20	Rural	Reconstruction	360,000
4	Teven Road	60	Rural	Reconstruction	290,000
4	Teven Road	70	Rural	Reconstruction	260,000
4	Johnson Drive	10	Ballina West	Reconstruction	100,000

4.11 Roads - Capital Works and Operating Projects

Attachment 1 Continued

Defects Priority	Road	Segment	Locality	Description	Estimate (\$)
5	Tamar Street	30	Ballina Island	Reconstruction	80,000
5	Norton Street	80	Ballina Island	Reconstruction	190,000
5	Shelly Beach Road	10	Ballina East	Reconstruction	95,000
5	George Street	5	Rural	Reconstruction	40,000
5	George Street	10	Rural	Reconstruction	40,000
5	George Street	20	Rural	Reconstruction	130,000
5	Bagotville Road	10	Rural	Reconstruction	300,000
5	Bagotville Road	40	Rural	Reconstruction	380,000
5	Ocean View	10	Alstonville	Reconstruction	200,000
6	Perry Street	20	Alstonville	Reconstruction	30,000
6	Skinner Street	20	Ballina Island	Reconstruction	60,000
6	Skinner Street	30	Ballina Island	Reconstruction	60,000
6	Barlows Road	20	Ballina West	Reconstruction	80,000
6	Linderman Street	20	Ballina West	Reconstruction	70,000
6	Lindendale Road	25	Ballina West	Reconstruction	130,000
6	Marsh Avenue	10	Ballina Island	Reconstruction	97000
					\$10,153,000

4.11 Roads - Capital Works and Operating Projects

Attachment 2

Road	Segment	Locality	Description	Estimate (\$)
Ocean View Drive	10	Alstonville	Reseal	15,360
Scenic Court	10	Alstonville	Reseal	11,200
Stacey Court	10	Alstonville	Reseal	4,000
Siesta Court	10	Alstonville	Reseal	4,000
Rutherford Street	10	Lennox Head	Reseal	6,720
Ross Street	20	Lennox Head	Reseal	9,600
Survey Street	40	Lennox Heights	Reseal	33,600
Holden Lane	70	Ballina Island	Reseal	3,840
Holden Lane	80	Ballina Island	Reseal	6,720
Grant Street	20	Ballina Island	Reseal	17,280
Hamilton Street	10	Ballina Island	Reseal	18,560
Martin Street	150	Ballina Island	Reseal	19,200
Cawarra Street	10	Ballina Island	Reseal	14,080
Temple Street	10	Ballina Island	Reseal	33,280
Temple Street	30	Ballina Island	Reseal	16,400
Temple Street	30	Ballina Island	Reseal	4,800
Mary Street	10	Ballina Island	Reseal	7,680
Winton Lane	110	Ballina Island	Reseal	6,720
Winton Lane	90	Ballina Island	Reseal	8,000
Winton Lane	80	Ballina Island	Reseal	5,600
Greenhalgh Street	10	Ballina Island	Reseal	10,560
Henry Phillip Avenue	10	Ballina Island	Reseal	19,200
Daydream Avenue	20	Ballina West	Reseal	17,600
Kalinga Street	30	Ballina West	Reseal	3,360
Sunnybank Drive	10	Ballina West	Reseal	4,480
Simmons Street	20	Ballina North	Reseal	22,000
Racecourse Road	50	Ballina North	Reseal	5,600
Brighton Street (south)	10	Ballina East	Reseal	1,280
Anderson Street	20	Ballina East	Reseal	8,000
Anderson Street	20	Ballina East	Reseal	13,600
Merinda Place	10	Ballina East	Reseal	5,280
Northumberland Drive	10	Ballina East	Reseal	16,000
Bonview Street	50	Ballina East	Reseal	9,600
Alstonvale Road	10	Rural	Reseal	20,602
Alstonvale Road	30	Rural	Reseal	5,043
Coolgardie Road	50	Rural	Reseal	5,373
Deadmans Creek Road	10	Rural	Reseal	21,907
Eltham Road	30	Rural	Reseal	21,216
Eltham Road	70	Rural	Reseal	45,619
Emp Vale Road	30	Rural	Reseal	29,640
Emp Vale Road	50	Rural	Reseal	5,280
Emp Vale Road	70	Rural	Reseal	8,694
Fernleigh Road	50	Rural	Reseal	22,496
Fernleigh Road	60	Rural	Reseal	5,754
Fernleigh Road	70	Rural	Reseal	6,870
Fernleigh Road	80	Rural	Reseal	58,125
Fernleigh Road	90	Rural	Reseal	51,346
Fernleigh Road	100	Rural	Reseal	5,632
Fernleigh Road	110	Rural	Reseal	29,696

4.11 Roads - Capital Works and Operating Projects

Attachment 2 - Continued

Road	Segment	Locality	Description	Estimate (\$)
Fernleigh Road	120	Rural	Reseal	19,488
Friday Hut Road	90	Rural	Reseal	25,597
Friday Hut Road	110	Rural	Reseal	3,830
Friday Hut Road	170	Rural	Reseal	34,762
Friday Hut Road	180	Rural	Reseal	304
Gallans Road	10	Rural	Reseal	32,422
Gibsons Road	10	Rural	Reseal	17,434
Glenross Drive	10	Rural	Reseal	8,664
Glenross Drive	20	Rural	Reseal	13,832
Hermans Lane	30	Rural	Reseal	47,059
Houghlins Creek Road	150	Rural	Reseal	58,915
Houghlins Creek Road	160	Rural	Reseal	43,046
Humpty Back Road	10	Rural	Reseal	34,656
Humpty Back Road	20	Rural	Reseal	30,005
Killen Falls Drive	10	Rural	Reseal	8,778
Lindendale Road	10	Rural	Reseal	37,971
Lindendale Road	30	Rural	Reseal	18,027
Midgen Flat Road	10	Rural	Reseal	5,120
Midgen Flat Road	30	Rural	Reseal	31,181
Nashua Road	20	Rural	Reseal	32,528
Nashua Road	30	Rural	Reseal	15,170
Old Pacific Highway	10	Rural	Reseal	20,976
Old Pacific Highway	20	Rural	Reseal	1,900
Pearces Creek Road	40	Rural	Reseal	23,510
Pearces Creek Road	50	Rural	Reseal	26,139
Pearces Creek Road	60	Rural	Reseal	20,386
Pearces Creek Road	130	Rural	Reseal	7,603
Pearces Creek Road	160	Rural	Reseal	10,080
Pearces Creek Road	170	Rural	Reseal	10,080
Picadilly Road	10	Rural	Reseal	9,234
Picadilly Road	20	Rural	Reseal	5,034
Pimlico Road	60	Rural	Reseal	7,270
Reedy Creek Road	10	Rural	Reseal	15,734
River Drive	70	Rural	Reseal	34,421
River Drive	75	Rural	Reseal	50,893
River Drive	90	Rural	Reseal	7,610
River Drive	100	Rural	Reseal	29,000
River Drive	120	Rural	Reseal	19,859
River Drive	130	Rural	Reseal	13,442
River Drive	140	Rural	Reseal	25,358
River Drive	170	Rural	Reseal	11,606
River Drive	180	Rural	Reseal	66,259
River Drive	200	Rural	Reseal	51,360
River Drive	210	Rural	Reseal	86,880
Rous Cemetery Road	10	Rural	Reseal	3,440
Rous Cemetery Road	20	Rural	Reseal	11,496
Rous Road	30	Rural	Reseal	6,221
Sneaths Road	90	Rural	Reseal	15,620
Sneesbys Lane	10	Rural	Reseal	13,558
Tooheys Mill Road	10	Rural	Reseal	52,061

4.11 Roads - Capital Works and Operating Projects

Attachment 2 - Continued

Road	Segment	Locality	Description	Estimate (\$)
Tooheys Mill Road	20	Rural	Reseal	62,397
Tooheys Mill Road	30	Rural	Reseal	2,816
Tooheys Mill Road	50	Rural	Reseal	11,126
Uralba Road	30	Rural	Reseal	6,198
Wardell Road	80	Rural	Reseal	9,976
Wardell Road	90	Rural	Reseal	30,537
Wardell Road	100	Rural	Reseal	56,747
Wardell Road	110	Rural	Reseal	79,622
Wardell Road	120	Rural	Reseal	5,208
Wardell Road	130	Rural	Reseal	2,042
Willow Bank Drive	10	Rural	Reseal	4,515
Willow Bank Drive	50	Rural	Reseal	3,155
Willow Bank Drive	60	Rural	Reseal	2,122
				\$2,178,773

4.11 Roads - Capital Works and Operating Projects

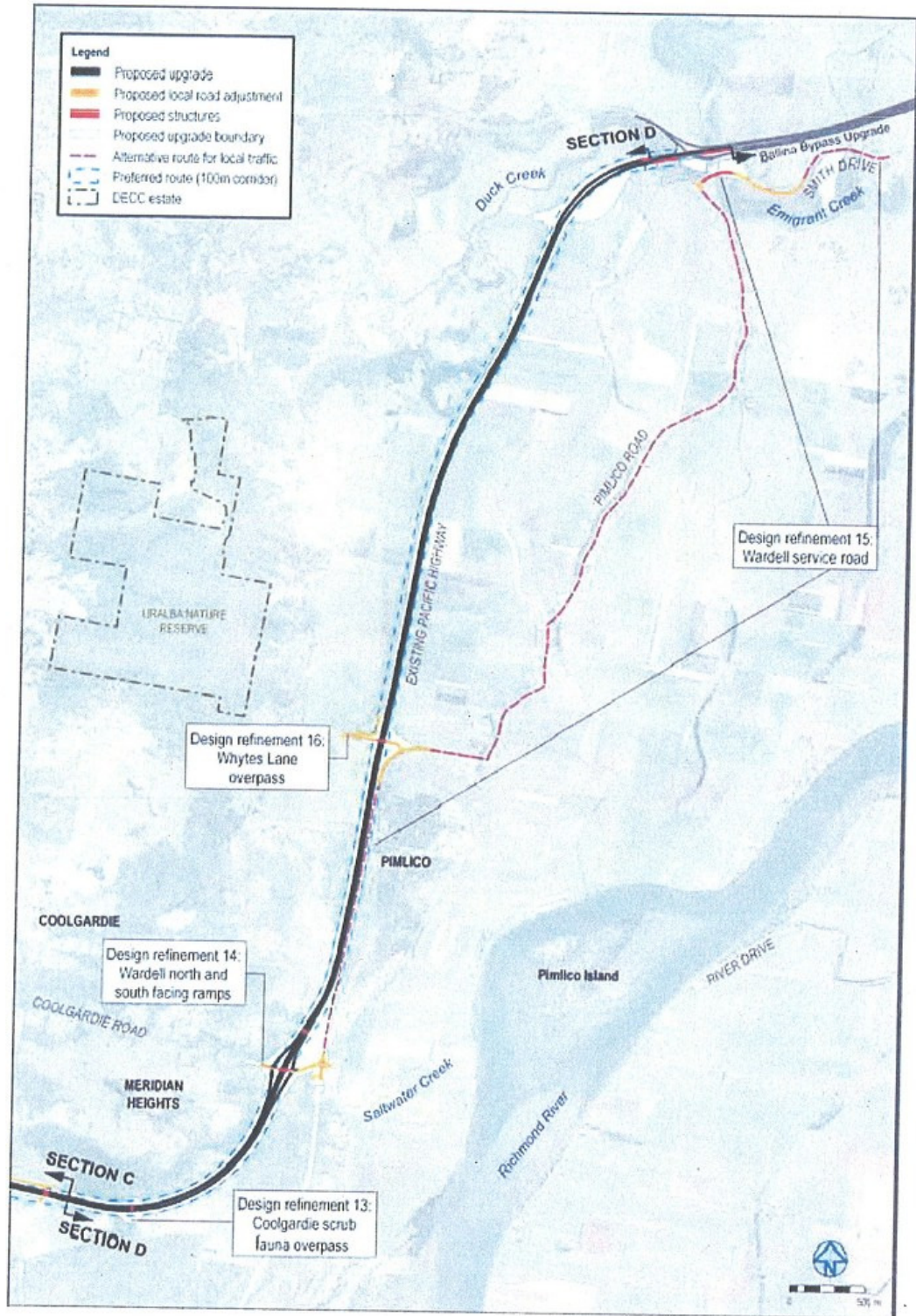
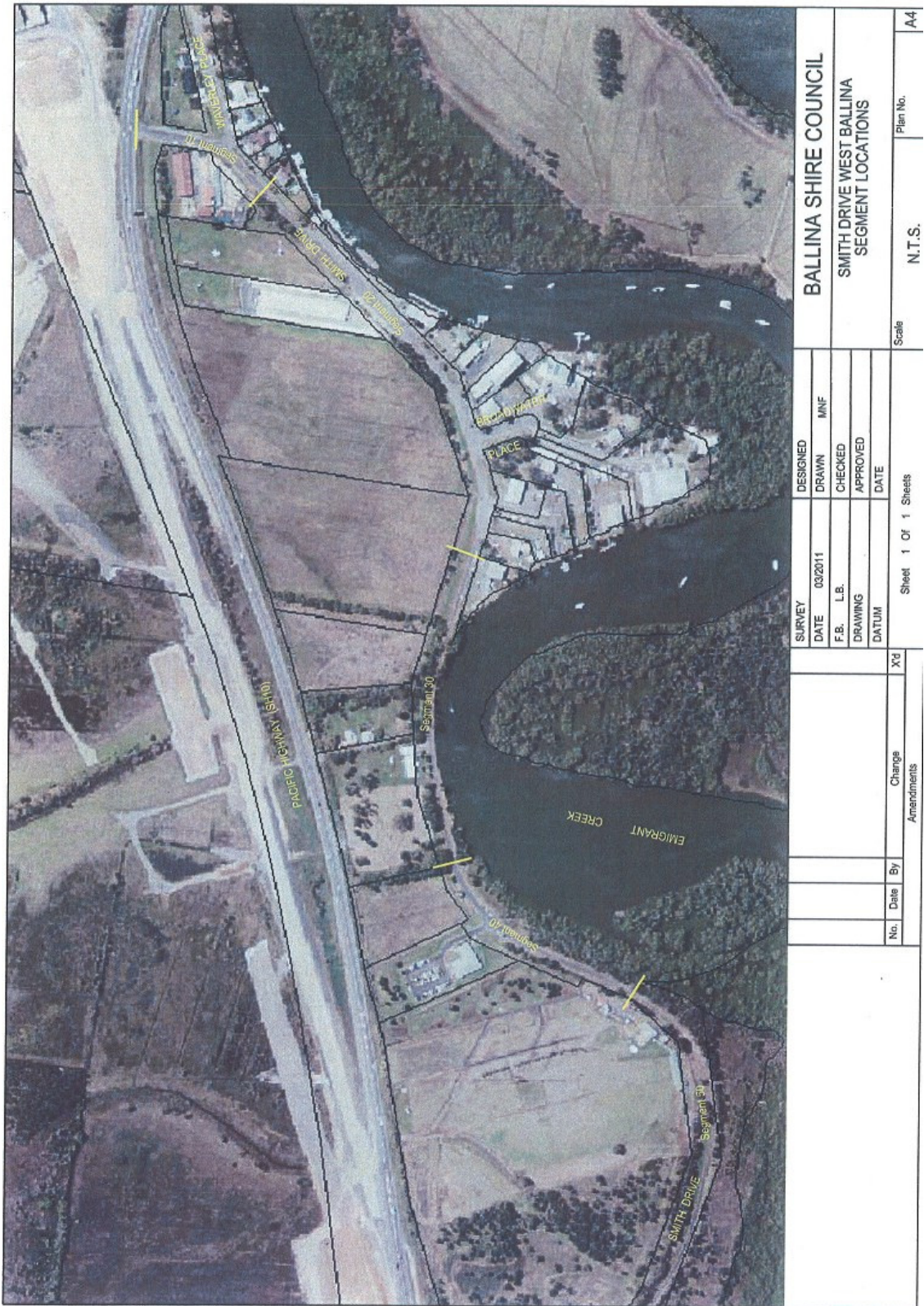


Figure 2-5 Section D design refinements

4.11 Roads - Capital Works and Operating Projects



DESIGNED		DRAWN		MNF	
DATE		03/2011			
F.B.		L.B.			
DRAWING		CHECKED			
DATING		APPROVED			
DATE		DATE			

SURVEY		DATE		03/2011	
F.B.		L.B.			
DRAWING		CHECKED			
DATING		APPROVED			
DATE		DATE			

No.		Date		By		Change		Xtd	
						Amendments			

BALLINA SHIRE COUNCIL		SMITH DRIVE WEST BALLINA		SEGMENT LOCATIONS	
Scale		N.T.S.		Plan No.	
Sheet		1 Of 1		Sheets	

4.12 Delivery Program and Operational Plan - 2011/12 to 2014/15

File Reference	Integrated Planning and Reporting
CSP Linkage	Transparent and accountable governance
Management Plan	Governance
Objective	To approve the exhibition of the draft Delivery Program and Operational Plan

Background

The Division of Local Government's Integrated Planning and Reporting Framework require councils to review the Delivery Program and prepare a new Operational Plan each financial year. These documents have taken the place of the former Management Plan. Draft documents for 2011/12 have now been prepared and the purpose of this report is to obtain Council approval to exhibit those documents for public comment.

Key Issues

- Format and content of documents
- Ensuring documents reflect objectives of Council, particularly for 2011/12

Information

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

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

Delivery Program

- A council must have a Delivery Program, detailing the principal activities it will undertake to achieve the objectives established in the Community Strategic Plan, within the resources available under the Resourcing Strategy.
- The Delivery Program must include a method of assessment to determine the effectiveness of each principal activity detailed in the Delivery Program in achieving the objectives at which the activity is directed.
- A council must prepare a new Delivery Program after each ordinary election of councillors to cover the principal activities of the council for the 4 year period commencing on 1 July following the election.

4.12 Delivery Program and Operational Plan - 2011/12 to 2014/15

- 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 will include the Statement of Revenue Policy.
- The draft Operational Plan must be publicly exhibited for at least 28 days and public submissions can be made to Council during the period.
- The exhibition must be accompanied by a map showing where the various rates will apply within the local government area.
- Council must accept and consider any submissions made on the draft Operational Plan before adopting the Operational Plan.
- The council must post a copy of its Operational Plan on the council's website within 28 days after the plan is adopted

This includes details of:

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

In respect to the Delivery Program, as per the earlier information, a council must review the document each financial year. The advice from the DLG is that the document, when being reviewed, can be retained as per the original four year period to which it relates, or alternatively it can be amended to reflect the next four year period. The preference from staff is to update the Delivery Program each year so that it continues to reflect the next four year period. This then assists in ensuring that the document remains contemporary.

The draft Delivery Program, provided as a separate attachment to this report, is similar to the 2010/11 document, as many of the priorities of Council remain unchanged from the previous year. The Delivery Program is a fairly broad document that outlines the major activities being undertaken by Council on a more macro level.

On the other hand the draft Operational Plan focuses strongly on actions that Council is currently undertaking or are considered to be priorities for the 2011/12 financial year.

4.12 Delivery Program and Operational Plan - 2011/12 to 2014/15

Particular attention **MUST** be paid to the Operational Plan as it is this document that will be reported on quarterly. Any specific goals or actions that Councillors wish to see achieved in 2011/12 need to be incorporated in the Operational Plan as it is this plan that will form the staff workload for 2011/12.

It is paramount that Councillors have their priorities included in this document as this then assists in ensuring that ad hoc notices of motion for the pursuit of other actions are not lodged during the year. Notices of motion can result in the redirection of staff resources towards other projects which then reflect on planned priorities. The Operational Plan should be the document that reflects the Council's goals for the year and through its public exhibition and formal adoption the community is then in a position to measure how Council is performing against those goals.

Both the draft documents have been developed to meet the requirements of the Division of Local Government's Integrated Planning and Reporting Framework and the Delivery Program, in particular, has also been designed to ensure there is a close linkage with Council's Community Strategic Plan.

Certain elements of both documents are still to be finalised as they are dependent on the final budget document and outcomes from reports included elsewhere in this agenda.

Legal / Resource / Financial Implications

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

Consultation

It is proposed that both documents will be exhibited for public comment. It is also proposed to hold public meetings to discuss the contents of the documents.

Options

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

RECOMMENDATION

That Council approves the exhibition of the Draft Delivery Program and Draft Operational Plan, as attached, inclusive of any amendments arising from this meeting.

Attachment(s)

1. Draft Delivery Program (separate attachment)
2. Draft Operational Plan (separate attachment)