



## **Notice of Facilities Committee Meeting**

Notice is hereby given that a Facilities Committee Meeting will be held in the **Ballina Shire Council Chambers**, Cnr Cherry & Tamar Streets, Ballina on **Monday 12 December 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 extending from the end of the signature.

Paul Hickey  
**General Manager**

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

### 4. Committee Reports

#### 4.1 Ballina Sports and Events Centre - Options and Site Review

|                         |                                                                                                                   |
|-------------------------|-------------------------------------------------------------------------------------------------------------------|
| <b>File Reference</b>   | Proposed Sports And Events Centre                                                                                 |
| <b>CSP Linkage</b>      | Resilient and adaptable communities                                                                               |
| <b>Delivery Program</b> | Commercial Services                                                                                               |
| <b>Objective</b>        | To consider a report on site and centre options for the proposed Ballina Sports and Events Centre ("the Centre"). |

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#### **Background**

At a workshop held 1 November 2011, PDT Architects, being the successful tenderer for the project, presented several design configurations that could be considered in regards to the proposed sports and events centre.

As a result of the workshop it was agreed that PDT Architects would provide preliminary estimates on two and three court options, along with possible inclusions such as retractable seating and a mezzanine area.

PDT would also undertake a "desk top" analysis of five preferred sites, being Kingsford Smith Reserve, the Old Depot, Treelands Reserve, Gallens Road and Cumbalum Heights, identifying strengths, weaknesses and merits of each site.

PDT has now completed this work and this report seeks to determine whether Council wishes to further progress this project.

#### **Key Issues**

- Scope of centre
- Location of centre

#### **Information**

Based on the feedback from the November workshop, PDT Architects has completed a design options review, along with a desk top analysis of the five sites identified. A copy of that report is attached.

The site analysis provided for 26 criteria and ranked each of the sites against the criteria. The preferred option from this analysis is Kingsford Smith Reserve closely followed by the Old Depot site.

This assessment was based on a facility that does not include a water component (i.e. swimming pools etc) and does not include expanded sporting fields. The original proposal put forward by the Strategic Leisure Group, for Gallens Road, included all these facilities.

Gallens Road could well still be the preferred option, if a complete multi-sports complex was Council's objective, however based on the discussions at the November 2011 workshop, the primary objective is now concentrated on the sports and events centre component.

The general consensus from the workshop was that re-development of swimming facilities should focus on the existing Ballina swimming pool site. When this component of the project is removed a number of the other sites become more viable options, as outlined in the PDT report.

Further discussion on the future of the swimming pools is outlined in the next report in this agenda.

In respect to Kingsford Smith Reserve it is pleasing to note that the proposed site plan appears to allow the Centre to be constructed with minimal impact on existing sports fields. Due to the reserve already having a large car parking area, which currently does not maximise the space available, there is an opportunity to reconfigure the parking and allow the new Centre to be constructed with minimal impact on existing uses.

There is also an excellent opportunity to integrate the new Centre with the existing facilities at the Ballina Seagulls Rugby League Club.

Kingsford Smith Reserve is crown land, controlled by Council, and if Council wishes to move forward on this concept the next step would be to speak to the Land and Property Management Authority (LPMA) and to the Board of the Ballina Seagulls Rugby League Club to seek support from both organisations.

Any discussions with the LPMA could also consider the Old Depot site, as it is crown land and identified as the second priority.

PDT has also provided five options in relation to the design of the building along with estimated costs. The estimates exclude any infrastructure works outside of the sites (such as roads, etc), along with Council developer contributions.

In summary the five options are as follows.

**Option One:** Two courts - single level with basic facilities - \$5 - \$5.5m

This option provides for a basic two court centre with limited inclusions and would be more suitable as a sports centre. It has been costed to include retractable seating at one end, but has no spectator seating when being used in the two court configuration.

The centre could accommodate up to 980 people for a function or event, but does not include a kitchen/catering area and may have limited appeal as a "function/event centre".

## 4.1 Ballina Sports and Events Centre - Options and Site Review

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This option could be expanded to include a third court at a later stage.

**Option Two:** Two courts - with gym, mezzanine and catered function rooms - \$8.5 - \$9m

This option provides for two courts, as per option one, with a mezzanine seating area, gym and catered function rooms and would be suitable as an events or sports centre. It has been costed to include retractable seating at one end.

This centre could accommodate up to 1,210 people for a function or event.

This option could be expanded to include a third court at a later stage.

**Option Three:** Three courts - single level with basic facilities - \$7.8 - \$8.3m

This option provides for three courts with limited inclusions. It has been costed to include retractable seating at both ends, but has no spectator seating when being used in the three court configuration.

The centre could accommodate up to 1,520 people for a function or event, but does not include a kitchen/catering area and therefore as with option one, may have limited appeal as a "function/event centre".

**Option Four:** Three courts, with gym, mezzanine and catered function rooms - \$14 - \$14.5m

This option provides for three courts with a mezzanine seating area, gym and catered function rooms and would be suitable as an events or sports centre. It has been costed to include retractable seating at both ends.

This centre could accommodate up to 2,310 people for a function or event.

**Option Five:** Three plus one courts with gym, mezzanine, dedicated area for gymnastics, indoor sports climbing and martial arts and catered function rooms - \$18.5 - \$19m. This is an expanded Option Four to include a further dedicated sports area.

Some of the key issues that Council needs to be mindful of when assessing a preferred option include:

- Three courts is the preferred layout from the architects if Council is striving to achieve flexibility between sports and events for the Centre
- Items such as retractable seating can be added at a future date
- The third court can also be an addition at a later date
- The Ballina Basketball Association have previously indicated that their preference is for three or more courts
- The mezzanine area is important for spectators and for family or friends waiting for people using the Centre. It also creates an opportunity for retail services to be provided, such as a café

Although funding for the Centre has not been allocated, Council still needs to be very mindful of the cost implications of the proposed options.

### Sustainability Considerations

- **Environment**  
Any development would incorporate the latest environmental technology, where practical.
- **Social**  
The development of a multi function centre is designed to enhance the social fabric of Ballina. It has the potential to provide for both civic and sporting events in the shire
- **Economic**  
This type of centre can provide economic development benefits by attracting visitors.

### Legal / Resource / Financial Implications

Council has allocated \$443,000 to allow the design and lodgement of the development application in the 2011/2012 budget. No funding has been identified in Council's long term financial plans for the construction of the Centre.

Therefore grants, developer contributions, asset sales, loans, increased rate income, or a combination of all or any of these will be needed to bring the project to fruition.

Council's Community Facilities Section 94 Contribution plan includes the following works:

| <b>Description</b>                      | <b>Budget (\$)</b> | <b>Sec 94 %</b> | <b>Timeline</b> |
|-----------------------------------------|--------------------|-----------------|-----------------|
| Community Hall - Acquisition of Land    | 1,200,000          | 100.0           | 5 - 10 yrs      |
| Community Hall - Construction           | 1,343,000          | 100.0           | 5 - 10 yrs      |
| Performance Space - Acquisition of Land | 581,000            | 100.0           | 15 - 20 yrs     |
| Performance Space - Construction        | 970,000            | 100.0           | 15 - 20 yrs     |
| Indoor Sports and Events Complex        | 28,683,000         | 51.4            | 5 - 20 years    |

The timeline is from the date of adoption of the Section 94 Plan which was 2008.

If Council resolved to proceed with the proposed Centre it may well be in a position to revise the works plan that currently exists in the Section 94 Plan to reflect this revised project. This could significantly reduce Council's liability for the project by ensuring that the majority of the work is funded from developer contributions.

For example, if it could be argued that the community hall and performance space items were being provided as part of this project, those components could be 100% funded from developer contributions.

There could well be timing delays between when works are undertaken and when Section 94 contributions are collected, but nevertheless it does mean funding options such as loans can potentially be utilised.

Operating costs are also important in that the Lennox Head Cultural and Community Centre and the Alstonville Leisure and Entertainment Centre cost approximately \$200,000 and \$150,000 per annum respectively to operate.

A similar recurrent cost, if not more, can be anticipated for this project.

### **Comments - Manager, Finance and Governance**

*It is noted that the report recommends that Council endorses, for the purposes of further examination and consultation purposes, design option two as the preferred plan for the proposed Centre.*

*The recommendation is for investigation and examination which in itself is not impacting the financial position in any significant way. However the question is whether General Fund is in a position to accommodate a further \$10 million (approximate) in discretionary capital expenditure should everything else fall into place.*

*Various financial indicators show that General Fund is in a process of change. An overview follows below of some of the main signposts. Every effort has been made to keep it brief as I am aware that council is already familiar with most of this information.*

### **Cash and Investments**

*At 30 June 2010 General fund reserves were \$42 million and it is anticipated that by 30 June 2012 the figure will be \$18 million. Approximately 50% of this forecast amount is externally restricted. The current ratio (unrestricted current assets over unrestricted current liabilities) is forecast to fall from 2.55 (comfortable) to 1.39 (not satisfactory). It is acknowledged that ratios are difficult to predict but it is very probable that the ratio will fall quite a long way this year.*

*Virtually all remaining reserve funds are committed in some way because they are externally restricted (grants, contributions, crown, domestic waste) or internally restricted for specific purposes (landfill, plant, quarries, leaves). The only exception being the Land and Commercial Activities reserve (three reserves combined) which is estimated to be approximately \$3 million at year end. These funds are essentially committed to projects already underway or proposed.*

*Hence the picture in respect to cash is changing rapidly and leaves little room to manoeuvre for either new projects or to manage unforeseen events. Unforeseen events have to be expected, particularly given the size of the works program. For example Lennox Head community Centre is a recent example of a budget over run that has been covered by the Land and Commercial activities reserve.*

*Our ability to manage these events is rapidly being restricted. For example the project to construct Plateau Drive will go over budget this year, at this stage it is estimated by \$380,000. There is no longer a 'go to' reserve to manage these events as there has been in the past. Likely other projects will need to be eliminated or delayed.*



### **External Borrowings**

*General Fund has typically been very conservative in respect to borrowings and the debt service ratio (loan principal and interest repayment divided by operating revenue) has reflected this position. At 30/11/2011 the ratio was 5.47% which is satisfactory (the benchmark in our policy is less than 12%).*

*Once we factor in new loans for the Ballina town centre \$2 million, McLeay culvert \$1.6 million, plant replacement \$1.3 million and coastguard tower \$1.3 million, the ratio will rise to around 10% which is trending towards maximising our borrowings in comparison to total income earned. This is also assuming that sufficient developer contributions are received to pay for Hutley Drive (estimated total cost \$14 million) and Cumbalum Interchange (estimated total cost \$5.7 million) because otherwise we may need substantial borrowings in respect to these projects.*

*At this stage based on available section 94 road reserves and forecast contributions, it will be necessary to push Hutley drive backwards for some years, however even without Hutley Drive we are very likely to need borrowings in excess of \$1 million for Cumbalum Interchange, which is a pre-committed project undertaken by the Ballina Bypass Alliance.*

*It is also the case that there is no identified funding for further expansion of Southern Cross Industrial Estate. Whilst there is some developed land not sold there is no specific funds to progress Southern Cross Estate, such as completing the alternate road to the airport. It may be that major borrowings are required for this project which arguably the fund is not equipped to handle.*

*Funding sources for the Sports Centre project are not nominated however it may be that even without any borrowings for this project the ratio will shift into a position that is not satisfactory.*

### **Income**

*Ordinary rate income (exclusive of assessment growth) will increase by 5.7% in 2012/13 and 6% in 2013/14. The income in excess of 3% is being applied to roads and footpaths for both new works and reconstructions. By 2013/14 we will have secured rate increases in excess of the rate pegged maximum in seven of the last eight years. Hence it could be difficult to convince the community of the need for further increases after this time.*

*Income from interest on funds invested will decline along with the portfolio, probably by around \$450,000 per annum. This will depend heavily on the amount of capital works that is actually completed this year.*

*In respect to section 94 contributions the point is made that the Community Facilities Plan is in debt in respect to the Lennox Head Community Centre, Ballina Community Centre and Ballina Community Gallery projects. The fund owes over \$4 million and depending on the rate at which contributions are received it could be many years before it is in a position to contribute to the Sports Centre project. This is a similar situation for the Open Spaces and Reserves plan which is in debt to some \$1.7 million in respect to recently completed projects.*

### **Expenses**

*The operating balance ratio (net operating result divided by operating revenue) was negative 3.9% at 30/11/2011. This is quite reasonable given the impact of depreciation revaluations and to some extent depreciation is why the benchmark is set at negative 10%.*

*The forecast is for this ratio to increase towards the negative 10% benchmark and perhaps surpass it over coming years as loan repayments and operation/maintenance costs increase faster than income.*

*Loan repayments on the new loans described earlier will be in the order of \$700,000 per annum, which includes both capital and interest repayments.*

*Advice from the Civil Services Group is that new assets in the form of sports fields at Wollongbar, Ballina Heights, Pacific Pines (approximately 11 fields in total) will all add quite substantially to operating and maintenance expense. One field will cost around \$8,000 to maintain which excludes curtilage and building structures such as toilets. There are also many new parks and road landscaping burdens that are being handed over or are soon to be handed over including Elevation, Ferngrove, Ballina Heights, Coastal Grove and Wollongbar.*

*Also there will be extra costs associated with cleaning and maintenance of pavers plus lighting costs in the town centre redevelopments at Ballina and Alstonville. Council increased the 2010/11 budget by \$38,000 to cover the cost of cleaning existing pavers in Ballina and Alstonville main streets. There are also new pontoons and jetties plus the Ballina surf club (net of café income).*

*Other new assets to be maintained include infrastructure in the new subdivisions, Plateau Drive, Hutley Drive and Ballina Heights Drive, the coastal cycleway and pathway. However there are extra maintenance funds coming from additional rate income that will alleviate some of the pressure on roads maintenance to some extent.*

*In some cases the costs associated with these new assets may not appear for a few years. However the costs will emerge and have to be assimilated into budgets that are typically incrementing by less than 3% and so are struggling to keep pace with maintaining existing assets.*

*It is true that this is no new issue and we have been confronted with costs increasing at rates in excess of income since rate pegging was introduced. It is perhaps the magnitude of the new assets in a relatively short space of time that heightens the concern as to how Civil Managers will cope.*

### **Summary**

*The financial indicators as at 30 June 2011 for General Fund are quite reasonable. Over recent years rental income from investment properties has increased and so has the ordinary rate yield. Systems in place to monitor and control expenditure budgets are stronger than in recent memory. The outcome has been a strengthening operating result that has been undermined by dramatic increases in depreciation.*

*Council has been fortunate to have a very strong liquidity position with an abundance of cash reserves and relatively low debt. Particularly for a growth area such as Ballina Shire where growing pains are to be expected, this has been a privileged position.*

*This situation is changing and the concern is that it is perhaps too far to fast. Virtually all cash reserves are committed or restricted for a necessary purpose. Recent borrowings added to those that are in the pipeline will result in approximately 10% of our annual operating income required to repay loans and this estimate may be conservative.*

*Income from interest on investments will fall substantially at the same time that loan repayments on external borrowings will rise. Operating expenses per say will come under intense pressure both from new assets being created and normal operational issues (occupational health and safety requirements/supplier costs and labour costs going up quicker than annual budgets/periodic refurbishment of assets).*

*The unrestricted current ratio, the debt service ratio and the operating balance ratio are all trending towards unsatisfactory in comparison to industry accepted benchmarks. Each of these ratios provides signs for where we are headed financially and it is sensible to take heed of these warnings. Depending on the decisions made now there is potential for these indicators to be worse than present forecasts. In simple terms we are transitioning from a debit card user to a credit card user with the inherent interest penalties and liquidity risks.*

*It should be acknowledged that Council does hold valuable land stocks throughout the Shire. In particular land at Wollongbar, Lennox Head and Southern Cross Estate. Funds have been set aside in the forward plan to develop land at Wollongbar (both residential and industrial) and Lennox Head. The forward plan includes some but not all possible sales from these developments. It may be that our liquidity position will improve if and when a profit is realised from these developments.*

*However I consider that we should not spend in advance of realising a potential profit. It is my view that it is not prudent to commit to another major discretionary General Fund project at this time.*

### **Consultation**

Previous community consultation has been undertaken to establish the need for an indoor sports centre in Ballina. It is proposed that after Council establishes a preferred location and design configuration PDT Architects will further consult with users to clarify the project objectives and the user needs.

### **Options**

It is important that Council acknowledges the comments from Council's Finance Manager and the concerns expressed that the capital works program Council is currently planning and / or undertaking is beyond the resources of Council and is inequitable from an intergenerational perspective.

#### 4.1 Ballina Sports and Events Centre - Options and Site Review

In looking at the forward program for community infrastructure the major works planned are as follows.

**Table One - Community Infrastructure Reserve - 2010/11 to 2013/14**

| Item                            | 2010/11<br>(Actual) | 2011/12<br>(Estimate) | 2012/13<br>(Estimate) | 2013/14<br>(Estimate) |
|---------------------------------|---------------------|-----------------------|-----------------------|-----------------------|
| <b>Opening Balance</b>          | <b>6,348,100</b>    | <b>917,300</b>        | <b>9,300</b>          | <b>148,300</b>        |
| <b>Add: Revenues</b>            |                     |                       |                       |                       |
| Interest Accrued                | 248,000             | 72,000                | 7,300                 | 5,900                 |
| Rental - ARC (50%)              | 116,000             | 155,500               | 160,200               | 165,100               |
| Rental - 89 Tamar St (100%)     | 659,400             | 675,500               | 696,000               | 716,000               |
| Rental - Fawcett Pk (100%)      | 80,000              | 83,500                | 86,000                | 88,600                |
| Loan - Funded by ARC            | 0                   | 0                     | 1,300,000             | 0                     |
| Loan - Funded by 89 Tamar St    | 0                   | 1,500,000             | 0                     | 0                     |
| Sales - Harvey Norman (Part)    | 0                   | 2,180,500             | 0                     | 0                     |
| Sales - Southern Cross          | 702,400             | 0                     | 0                     | 0                     |
| Sales - Land next to BP (50%)   | 0                   | 0                     | 873,600               | 0                     |
| Sales - Residual ARC (50%)      | 0                   | 0                     | 1,622,000             | 0                     |
| Sales - Russellton Tennis Cts   | 0                   | 0                     | 0                     | 2,000,000             |
| Conts - Ballina Surf Club       | 0                   | 2,600,000             | 0                     | 0                     |
| Insurance - Lennox Head C.C.    | 0                   | 0                     | 800,000               | 0                     |
| Rate - Roundabouts (30%)        | 0                   | 308,000               | 0                     | 0                     |
| Reserves - Town Centres         | 0                   | 2,478,800             | 0                     | 0                     |
| Section 94 - Recouped           | 920,300             | 400,000               | 450,000               | 500,000               |
| Internal Loan from Comm Opp     | 0                   | 1,000,000             | 1,000,000             | 0                     |
| <b>Sub Total</b>                | <b>2,726,100</b>    | <b>11,453,800</b>     | <b>6,995,100</b>      | <b>3,475,600</b>      |
| <b>Less: Expenditure</b>        |                     |                       |                       |                       |
| Loan (Existing) - 89 Tamar      | 429,700             | 437,100               | 437,100               | 437,100               |
| Loan P & I (New) - 89 Tamar     | 0                   | 0                     | 225,000               | 225,000               |
| Loan P & I (New) - ARC          | 0                   | 0                     | 0                     | 195,000               |
| Capital - Lennox Head C.C.      | 5,788,000           | 375,000               | 0                     | 0                     |
| Legals - Lennox Head C.C.       | 100,000             | 75,000                | 0                     | 0                     |
| Capital - Coastal Path / Walk   | 216,600             | 300,000               | 800,000               | 0                     |
| Capital - Coastguard Tower      | 0                   | 0                     | 1,700,000             | 0                     |
| Capital - Hockey Field          | 196,000             | 0                     | 0                     | 0                     |
| Capital - Main St - Alstonville | 1,300,000           | 1,483,300             | 0                     | 0                     |
| Capital - Main St - Ballina     | 22,500              | 2,799,000             | 2,694,000             | 1,705,000             |
| Capital - Main St - Wardell     | 0                   | 669,000               | 0                     | 0                     |
| Capital - Captain Cook Park     | 0                   | 60,000                | 0                     | 0                     |
| Capital - Reg Sports Centre     | 6,600               | 443,400               | 0                     | 0                     |
| Capital - Surf Club - Ballina   | 49,500              | 5,700,000             | 0                     | 0                     |
| Capital - Surf Club - Lennox    | 11,000              | 20,000                | 0                     | 0                     |
| Capital - Solar Panels          | 37,000              | 0                     | 0                     | 0                     |
| Repay Loan to Comm Opp          | 0                   | 0                     | 1,000,000             | 1,000,000             |
| <b>Sub Total</b>                | <b>8,156,900</b>    | <b>12,361,800</b>     | <b>6,856,100</b>      | <b>3,562,100</b>      |
| <b>Closing Balance</b>          | <b>917,300</b>      | <b>9,300</b>          | <b>148,300</b>        | <b>61,800</b>         |

This information was presented to the September 2011 Commercial Services Committee.

On top of this expenditure the planned movements for the other two main property reserves, as presented to that September 2011 Committee meeting, are as per the following tables.

#### 4.1 Ballina Sports and Events Centre - Options and Site Review

**Table Two - Commercial Opportunities Reserve - 2010/11 to 2013/14**

| Item                            | 2010/11<br>(Actual) | 2011/12<br>(Estimate) | 2012/13<br>(Estimate) | 2013/14<br>(Estimate) |
|---------------------------------|---------------------|-----------------------|-----------------------|-----------------------|
| <b>Opening Balance</b>          | <b>10,838,400</b>   | <b>3,536,500</b>      | <b>5,372,100</b>      | <b>1,465,200</b>      |
| <b>Add: Revenues</b>            |                     |                       |                       |                       |
| Interest Accrued                | 524,300             | 640,000               | 10,000                | 2,000                 |
| Sale - Balance Skennars Hd      | 0                   | 0                     | 400,000               | 0                     |
| Sales - Lennox Head             | 0                   | 0                     | 0                     | 0                     |
| Sales - WUEA                    | 0                   | 0                     | 0                     | 2,000,000             |
| Section 94 Recoupment           | 247,000             | 0                     | 0                     | 0                     |
| Int Loan Repaid - St Lighting   | 0                   | 0                     | 100,000               | 100,000               |
| Int Loan Repaid - Flat Rk       | 15,600              | 49,300                | 49,300                | 0                     |
| Int Loan Repaid - Airport       | 0                   | 68,700                | 0                     | 0                     |
| Int Loan Repaid - Plant         | 33,800              | 33,800                | 33,800                | 0                     |
| Int Loan Repaid - Comm Infra    | 0                   | 0                     | 1,000,000             | 1,000,000             |
| Int Loan Repaid - Indust Land   | 0                   | 6,000,000             | 2,500,000             | 500,000               |
| <b>Sub Total</b>                | <b>820,700</b>      | <b>6,791,800</b>      | <b>4,093,100</b>      | <b>3,602,000</b>      |
| <b>Less: Expenditure</b>        |                     |                       |                       |                       |
| Dividends - General Fund        | 421,800             | 0                     | 0                     | 0                     |
| Fields-Wollongbar - Purchase    | 260,800             | 1,418,200             | 0                     | 0                     |
| Fields-Wollongbar - Embellish   | 0                   | 0                     | 1,500,000             | 1,000,000             |
| Fields-Skennars - Purchase      | 1,278,000           | 0                     | 0                     | 0                     |
| Fields-Skennars - Embellish     | 0                   | 0                     | 0                     | 0                     |
| Land-Lennox Head - Purchase     | 0                   | 0                     | 4,000,000             | 0                     |
| Land-Lennox Head - Develop      | 0                   | 0                     | 0                     | 1,500,000             |
| Land-WUEA - Development         | 0                   | 0                     | 1,000,000             | 1,000,000             |
| Internal Loan - Street Lighting | 162,000             | 38,000                | 0                     | 0                     |
| Internal Loan - Comm Infra      | 0                   | 1,000,000             | 1,000,000             | 0                     |
| Internal Loan - Industrial Land | 6,000,000           | 2,500,000             | 500,000               | 0                     |
| <b>Sub Total</b>                | <b>8,122,600</b>    | <b>4,956,200</b>      | <b>8,000,000</b>      | <b>3,500,000</b>      |
| <b>Closing Balance</b>          | <b>3,536,500</b>    | <b>5,372,100</b>      | <b>1,465,200</b>      | <b>1,567,200</b>      |

**Table Three - Industrial Land Development Reserve- 2010/11 to 2013/14**

| Item                          | 2010/11<br>(Actual) | 2011/12<br>(Estimate) | 2012/13<br>(Estimate) | 2013/14<br>(Estimate) |
|-------------------------------|---------------------|-----------------------|-----------------------|-----------------------|
| <b>Opening Balance</b>        | <b>(1,933,500)</b>  | <b>303,500</b>        | <b>380,600</b>        | <b>112,800</b>        |
| <b>Add: Revenues</b>          |                     |                       |                       |                       |
| Interest Accrued              | 0                   | 6,000                 | 2,000                 | 3,000                 |
| Rental - Norfolk Homes        | 115,000             | 133,000               | 137,000               | 141,000               |
| Rental Income - ARC (50%)     | 116,000             | 155,500               | 160,200               | 165,100               |
| Internal Loans Repaid - Waste | 288,400             | 288,400               | 0                     | 0                     |
| Sales - Harvey Norman         | 0                   | 3,819,500             | 0                     | 0                     |
| Sales - Southern Cross        | 0                   | 0                     | 870,000               | 290,000               |
| Sales - Russellton            | 0                   | 0                     | 800,000               | 800,000               |
| Sales - Land next to BP (25%) | 0                   | 0                     | 291,000               | 0                     |
| Sales - Residual ARC (25%)    | 0                   | 0                     | 541,000               | 0                     |
| Internal Loan - Comm Opps     | 6,000,000           | 2,500,000             | 500,000               | 0                     |
| <b>Sub Total</b>              | <b>6,519,400</b>    | <b>6,902,400</b>      | <b>3,301,200</b>      | <b>1,399,100</b>      |
| <b>Less: Expenditure</b>      |                     |                       |                       |                       |
| Dividends - General Fund      | 0                   | 164,500               | 300,000               | 250,000               |
| WUEA - Operating Expenses     | 0                   | 10,000                | 10,300                | 10,700                |
| Sthn Cross - Operating Exps   | 30,000              | 50,600                | 51,700                | 53,900                |
| Overheads - Southern Cross    | 128,000             | 132,400               | 136,900               | 141,000               |
| Sthn Cross - Development      | 4,056,600           | 0                     | 0                     | 0                     |
| Russellton - Operating Exps   | 9,800               | 7,800                 | 8,100                 | 0                     |
| Overheads - Russellton        | 58,000              | 60,000                | 62,000                | 0                     |

## 4.1 Ballina Sports and Events Centre - Options and Site Review

| Item                      | 2010/11<br>(Actual) | 2011/12<br>(Estimate) | 2012/13<br>(Estimate) | 2013/14<br>(Estimate) |
|---------------------------|---------------------|-----------------------|-----------------------|-----------------------|
| Russellton - Development  | 0                   | 400,000               | 500,000               | 0                     |
| Internal Loan - Comm Opps | 0                   | 6,000,000             | 2,500,000             | 500,000               |
| <b>Sub Total</b>          | <b>4,282,400</b>    | <b>6,825,300</b>      | <b>3,569,000</b>      | <b>955,600</b>        |
| <b>Closing Balance</b>    | <b>303,500</b>      | <b>380,600</b>        | <b>112,800</b>        | <b>556,300</b>        |

For the purposes of this report it is appropriate that Council concentrate on the projects identified in the Community Infrastructure Reserve, as it is those projects that can be considered to be optional or discretionary projects, which have a direct impact on the General Fund.

These projects are summarised in Table Four.

**Table Four - Major Community Infrastructure Projects**

| Item                            | 2010/11<br>(Actual) | 2011/12<br>(Estimate) | 2012/13<br>(Estimate) | 2013/14<br>(Estimate) |
|---------------------------------|---------------------|-----------------------|-----------------------|-----------------------|
| Capital - Lennox Head C.C.      | 5,788,000           | 375,000               | 0                     | 0                     |
| Legals - Lennox Head C.C.       | 100,000             | 75,000                | 0                     | 0                     |
| Capital - Coastal Path / Walk   | 216,600             | 300,000               | 800,000               | 0                     |
| Capital - Coastguard Tower      | 0                   | 0                     | 1,700,000             | 0                     |
| Capital - Hockey Field          | 196,000             | 0                     | 0                     | 0                     |
| Capital - Main St - Alstonville | 1,300,000           | 1,483,300             | 0                     | 0                     |
| Capital - Main St - Ballina     | 22,500              | 2,799,000             | 2,694,000             | 1,705,000             |
| Capital - Main St - Wardell     | 0                   | 669,000               | 0                     | 0                     |
| Capital - Captain Cook Park     | 0                   | 60,000                | 0                     | 0                     |
| Capital - Reg Sports Centre     | 6,600               | 443,400               | 0                     | 0                     |
| Capital - Surf Club - Ballina   | 49,500              | 5,700,000             | 0                     | 0                     |
| Capital - Surf Club - Lennox    | 11,000              | 20,000                | 0                     | 0                     |

In reviewing this list the following projects are either completed or almost completed and it is effectively too late to alter the works program, although some minor changes could be made.

- Capital - Lennox Head Community Centre
- Capital - Hockey Field
- Capital - Main St - Alstonville
- Capital - Main St - Wardell

It is also fair to say that Council is largely locked into the Ballina Surf Club re-development, particularly with \$2.6 million in external contributions assisting the funding of the project.

This then leaves the following projects as items that could be deferred, or deleted from our works program.

- Coastal Path / Walk
- Coastguard Tower
- Main St - Ballina
- Captain Cook Park
- Regional Sports Centre
- Surf Club - Lennox

Brief comments on each of these follow.

### ***Coastal Path / Walk***

The coastal path / walk project is a project that can be delivered on a segment by segment basis, dependent on funding available. The forward cash flows have a number of assumptions, particularly with respect to asset sales, and if those asset sales do not occur, the works will be deferred, or alternative funding sources will need to be identified.

Council's Civil Services Group advise that this project will require very little maintenance in the short to medium term, with some of the flexible pavement solutions being considered having a life of 50 years or more.

The onus will be on Council to consider whole of life costs when assessing options for pavement and walkway construction. Dependent on the method of construction chosen, there is expected to very little increase in maintenance costs.

Council will also be able to recoup a component of the capital cost over time, as the Coastal Shared Path project is identified in Council's Section 94 Open Spaces Plan, with 30.9% funded from developer contributions.

### ***Coastguard Tower***

The coastguard tower will not provide Council with any direct costs to manage the building, as it will be operated by volunteers (i.e. Marine Rescue NSW). However on-going building maintenance will be required, with the building expected to have a life of 100 years.

Based on the estimated cost and life, Council can anticipate that it will need to allocate at least \$20,000 per annum for on-going building maintenance, although some maintenance works may be carried out by Marine Rescue NSW.

There is also the possibility that a café / restaurant will generate a revenue income stream, but this will depend on a cost / benefit analysis that compares the additional cost required to provide that facility, as compared to the income likely to be generated, particularly with the LPMA predicted to require a 50% dividend.

There remain concerns as to whether or not this building should be largely funded by Council, as it is a service overseen by the NSW State Government. Therefore one of the recommendations from this report is to write to our local member in an attempt to pursue additional external funding.

Also there have been no recent cost estimates for the project, as the design is still in the very preliminary stage, which means that the project may well need to be revised prior to commencement.

### ***Main Street - Ballina***

The next optional project identified is the Ballina Main Street upgrade. This is by far the most expensive project with a cost of approximately \$7 million and minimal external contributions currently available to help offset the cost.

Approximately \$1.4 million of the cost is able to be recouped from Section 94 developer contributions over time as the two main roundabouts being rebuilt are included in the Section 94 Roads Plan.

One of the key issues emphasised for councils, from a financial perspective, is to ensure that existing infrastructure is being adequately maintained prior to constructing new infrastructure.

This is an important point with this project in that it is estimated that 70% to 80% of the project actually relates to asset renewal. Major components such as the drainage, the roundabouts and the footpaths all represent renewals for what are currently aged assets.

There will also be some maintenance savings due to the new infrastructure provided, although this may well be offset by increased demand for different services such as cleaning. Importantly there is unlikely to be any net increase in maintenance costs and there will be significant extensions to the asset life.

One last key point with the Ballina - Main Street upgrade is that the works are now spread over three years. Council is committed to the 2011/12 works as per the current budget, however the 2012/13 and 2013/14 expenditure of \$2.694m and \$1.705m is entirely dependent on income being generated from land sales.

Reference back to Table One highlights that the movements in the cash flow for those two years include the following income from sales:

| <b>Item</b>                      | <b>2012/13</b> | <b>2013/14</b> |
|----------------------------------|----------------|----------------|
| Sales - Land next to BP (50%)    | 873,600        | 0              |
| Sales - Residual ARC (50%)       | 1,622,000      | 0              |
| Sales - Russellton Tennis Courts | 0              | 2,000,000      |

Based on the current property market it will be difficult to achieve both the sale of the land and the anticipated sale price. Therefore it is important that the Main Street works for the next two years not commence until the sale proceeds are realised.

### ***Captain Cook Park***

At this point in time, this only relates to the preparation of a plan of management and any financial liability will depend on the outcomes from that process.

### ***Regional Sports Centre***

This project is now effectively being rebadged as the Ballina Sports and Events Centre.



## 4.1 Ballina Sports and Events Centre - Options and Site Review

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On the positive side the project is significantly down sized from what was envisaged by the Strategic Leisure Group, which had a total cost of \$28.6 million, albeit that consideration needs to be given to the redevelopment of the Ballina swimming pool which is outlined in the next report in this agenda.

The revised Sports and Events Centre will still come with a significant cost and as mentioned earlier, the recurrent operating cost could be around \$200,000 per annum.

PDT has already flagged this as a major consideration and it is envisaged that once the preferred site is confirmed as a viable option further research will be undertaken into both the capital and operating cost for the project. Whole of life costs will be a key consideration as the project moves forward and unless Council is in a position to fund those costs the project will not proceed.

From a shire wide perspective, in looking at Council's community infrastructure program, both Alstonville and Lennox Head now have their multi use halls (ALEC and LHCCC) and Council is currently investigating whether or not Ballina should be provided with a similar facility.

If this project is able to be delivered it is considered that Council would then have a very solid community infrastructure platform for the three main population centres, which should not need any further additions for at least the next 20 years.

### ***Surf Club - Lennox***

Council has committed to reconstruct the Ballina surf clubhouse and the Lennox Head clubhouse should be a medium term priority. Council has not been proactive enough in maintaining both these facilities over many decades and as a coastal / tourism town it is important that we provide adequate surf club infrastructure.

Similar to the Ballina Main Street upgrade, the surf clubs represent projects that replace existing infrastructure, which again is part of Council's core asset renewal objective.

When we talk about intergenerational equity, it could also be argued that the current generation, of especially children, have missed out by Council not providing adequate surf club infrastructure for at least the last 20 years.

Once the Community Gallery and the Bernice Kentwell Centre, which were both completed with a high use of external funding, are included, it is considered that these buildings, combined with the three multipurpose centres and the two surf clubhouses, then provide a core level of community infrastructure that is at the right level for a shire the size of Ballina, particularly based on the fact that Ballina has been identified as an emerging regional centre by the NSW State Government.

This level of community infrastructure is not considered to be excessive by any means and to some extent reflects a backlog of works that have not been adequately funded in the past.

## 4.1 Ballina Sports and Events Centre - Options and Site Review

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One other point that needs to be reinforced is that Council is committing resources to our asset management plans and the information being derived from the plans is starting to assist in our planning for maintenance. As this information is refined further it will allow Council to make more informed decisions on the maintenance levels and costs needed for all infrastructures.

Finally, Council has a range of options for this report, in respect to both the preferred site and the preferred design configuration, or alternatively a decision can be made not to proceed.

At this point in time, based on the level of information available, it is considered that the site analysis provided is reasonable to progress and on that basis it is recommended that Council commence consultation with the LPMA in respect to the use of Kingsford Smith Reserve, and as a second priority the Old Depot site.

For Kingsford Smith Reserve, consultation also needs to occur with the Ballina Seagulls Rugby League Club to assess whether or not there are opportunities to integrate any new Centre with the existing facilities on site.

In respect to design options it is important for Council to not be overly ambitious and at the same time not under provide with any new facility. Council has indicated its preference to provide both sports and events outcomes and on that basis a mixture of courts and rooms, plus mezzanine is needed. Options two, four and five provide for this mixed use, with option two, allowing for future expansion to three courts.

If Council wishes to achieve both sports and events outcomes then it would appear that option two is the more affordable option in the short to medium term and it is recommended as the preferred option. If Council did proceed with this concept, then it is anticipated that a development application would allow for the future expansion to three courts, to ensure that all approvals were in place.

In conclusion it is considered that Kingsford Smith Reserve can provide an excellent opportunity for Council to consolidate a wide range of sporting uses in the one area. The new synthetic hockey field, combined with the existing uses for cricket, netball, rugby league, touch footy etc, along with easy access to the swimming pools, town centre, river, beaches etc means that Kingsford Smith has the potential to provide an excellent sporting and cultural precinct, subject to Council being in a position to fund that community infrastructure.

Mention has also been made of the 2018 Commonwealth Games at the Gold Coast, with such a precinct potentially providing training and accommodation for countries and / or teams.

Council's forward financial plans remain conservative with no revenue currently being included from the possible development of the Henderson Farm and minimal income included from the Wollongbar Urban Expansion Area. Projects will also not commence unless forecast revenues are received.

The recommendations that follow provide the next steps in determining whether or not the formation of Kingsford Smith into a major sporting and event complex is an achievable goal. This does not commit Council to the sports and events centre project but rather allows for further consideration of the options available.

The recommendations also ask for inclusion of the redevelopment of the Lennox Head surf clubhouse in future cash flows as this is a project that is now steadily moving from a longer term priority to a more short to medium term consideration.

### **RECOMMENDATIONS**

1. That Council notes the contents of the Site and Design Options Review prepared by PDT Architects, as attached to this report.
2. That Council endorses, for further consultation purposes, Kingsford Smith Reserve as the preferred location for the proposed sports and events centre, with the old depot site, ranked second.
3. That Council authorises the General Manager to commence discussions with the Land and Property Management Authority in respect to the use of Kingsford Smith Reserve or the old depot site, as the preferred sites for the Centre.
4. That Council authorises the General Manager to commence discussions with the Ballina Seagulls Rugby League Club to assess what opportunities there are to integrate the proposed sports and events centre with the existing clubhouse and amenities.
5. That Council endorses, for the purposes of further examination and consultation purposes, design option two as the preferred plan for the proposed Centre. This preference is based on the need for the Centre to cater for both sports and events. If this option is ultimately to be progressed, any approvals should allow for the addition of a third stadium, as funding becomes available.
6. That Council receive a further report on options to amend the existing Section 94 Community Facilities Plan to improve Council's overall ability to finance the proposed Centre.
7. That Council write to the Minister for the North Coast seeking options for NSW State Government funding assistance in respect to the construction of the proposed Coastguard Tower.
8. That Council receive a report providing revised forward cash flows that identify potential funding options for the re-development of the Lennox Head Surf Clubhouse.

### **Attachment(s)**

1. Ballina Indoor Sports and Event Centre - Site and Design Options Review – PDT Architects November 2011 (separate attachment)

### 4.2 Swimming Pools - Redevelopment

|                         |                                                                                                                                       |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| <b>File Reference</b>   | Swimming Pools                                                                                                                        |
| <b>CSP Linkage</b>      | A built environment contributing to health and wellbeing                                                                              |
| <b>Delivery Program</b> | Swimming Pools                                                                                                                        |
| <b>Objective</b>        | To consider community feedback in respect to the provision of aquatic facilities and to identify a swimming pool improvement program. |

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#### **Background**

At the April 2011 Finance Committee meeting Council considered a report that included the "Ballina Shire Council Aquatic Facilities Strategic Financial Plan Discussion Paper". This paper was prepared in an attempt to promote open discussion from Council and the broader community on the current status of the Council's aquatic facilities and the short and long term needs of these facilities in terms of maintenance and redevelopment.

A copy of that discussion paper is attached for reference purposes.

As a result of the report to the Finance Committee, Council resolved to seek community feedback on the information contained in the discussion paper.

In response to this the "Ballina Shire Aquatic Facilities Survey" was conducted during September and October 2011 on Council's web site. In addition to this survey, key stakeholders such as schools, coaches, swimming and sporting clubs were invited to provide formal submissions on what they deemed to be priorities at the facilities.

A copy of the survey form is attached to this report.

The report that follows provides feedback from the consultation and outlines a future capital works program for the existing facilities.

#### **Key Issues**

- Survey response
- Works plan
- Funding options

#### **Information**

The "Ballina Shire Aquatic Facilities Survey" enabled residents to contribute their points of view through online and written submissions. Responses received included 302 electronic online and 75 handwritten forms.

The respondents were evenly balanced across users of the Alstonville and Ballina facilities.

## 4.2 Swimming Pools - Redevelopment

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Question four asked the respondent to rate the importance of a number of pool features key to contemporary aquatic facility design. The percentage of respondents that deemed these features either important or very important is outlined in the following table.

**Table One - Importance as a Percentage of Respondents**

| <b>Survey</b>               | <b>Online</b> | <b>Manual</b> | <b>Overall</b> |
|-----------------------------|---------------|---------------|----------------|
| <b>Total Respondents</b>    | <b>302</b>    | <b>75</b>     | <b>377</b>     |
| Water and Energy Efficiency | 89            | 92            | 91             |
| Improved Heating            | 87            | 78            | 83             |
| Shade Spectator Stands      | 76            | 86            | 81             |
| Extended Season             | 78            | 81            | 80             |
| Access Ramp and Steps       | 71            | 78            | 75             |
| Café / Kiosk Facilities     | 69            | 69            | 69             |
| Indoor Pool                 | 64            | 69            | 67             |
| Children's wet play area    | 65            | 67            | 66             |
| BBQ & Picnic Facilities     | 51            | 55            | 53             |

This survey should not be treated as a statistically valid result, but it is useful in providing Council with some feedback as to where the priorities are. It is then a matter for Councillors to determine whether this feedback is reflective of the broader community.

The respondents were also asked what level of increased entrance charges would be acceptable for improved facilities and of the 377 responses 41% were prepared to pay an increase of 10%, 25% percent an increase of 20% and 10% an increase of 30%.

Increases in fees could be used to finance either additional infrastructure works, or loans to fund those works. Unfortunately the total income generated from the swimming pools for 2010/11 was \$266,000 (Ballina \$140,000, Alstonville \$126,000) which means with a 10% increase we would only generate an additional \$26,000 from both pools. This level of increase does not provide funding for infrastructure works of any significance.

The survey also allowed respondents to provide open ended comments. The comments received covered a variety of areas ranging from the need for better shading, wind protection and seating, improved lifeguard facilities, year round swimming and the need for improved disabled access and a hydrotherapy pool.

In general the comments covered many of the features listed in table one. The comments also often supported the existing pool managers and the current pool locations.

The request for a formal submission from key stakeholders only resulted in a small number of submissions received. These included the Alstonville Water Polo Club, Alstonville Swimming Club, Alstonville Pool Management, Grant Giles (Triathlon Coach) and Mr Noel Warr.

These submissions addressed many of the same features as the surveys; specifically an extended pool season, improved pool heating, disabled access, bringing the 50 metre pool up to FINA standards and an indoor 25 metre pool.

## 4.2 Swimming Pools - Redevelopment

Prior to considering options for a forward works program the only other matter that should be mentioned is a Council resolution from the July 2011 Ordinary meeting where Council specifically asked for funding options for the replacement of the fence surrounding the Ballina swimming pool.

The next section of this report addresses that matter, along with a recommended works program.

A summary of the major works considered in the original discussion is outlined in the following table.

**Table Two - Estimated Cost of Works**

| Location                    | Description                        | Ballina          | A'ville          |
|-----------------------------|------------------------------------|------------------|------------------|
| 50 metre pool               | Access ramp and steps              | 85,000           | 85,000           |
| 50 metre pool               | Enclose 50 metre pool              | 0                | 1,000,000        |
| 50 metre pool               | Expand to a 50 x 25 metre pool     | 0                | 2,000,000        |
| 50 metre pool               | New water reticulation piping      | 42,000           | 42,000           |
| 50 metre pool               | Additional lane                    | 150,000          | 150,000          |
| 50 metre pool               | Pool Heating – Heat Pump Pool      | 195,000          | 195,000          |
| 50 metre pool               | Remove and reinstate concourse     | 115,500          | 124,000          |
| 50 metre pool               | Remove coping and relining         | 940,000          | 940,000          |
| 50 metre pool               | Covered spectator tiered seating   | 120,000          | 120,000          |
| Site                        | Storm water drainage to concourse  | 23,000           | 0                |
| Site                        | Replacement boundary fence         | 95,000           | 0                |
| Plant room                  | Backwash water disposal to sewer   | 0                | 45,000           |
| Plant room                  | Plant Room – full upgrade          | 500,000          | 500,000          |
| Existing toddlers pool area | Children's wet play area           | 240,000          | 240,000          |
| Existing training pool area | Expand to a multi use pool 16x16m  | 0                | 400,000          |
| Existing training pool area | Expand to a 25 metre training pool | 450,000          | 0                |
| Existing training pool area | Enclose new 25 metre pool          | 500,000          | 500,000          |
| New 25 metre pool           | Pool Heating – Heat Pump           | 96,000           | 85,000           |
| New 25 metre pool           | Balance tank and new reticulation  | 55,000           | 0                |
| New 25 metre pool           | Pool Plant for new 25 metre pool   | 275,000          | 0                |
| Training Pool               | Remove and reinstate concourse     | 33,000           | 33,000           |
| Training Pool               | Remove coping and relining         | 224,000          | 175,000          |
| Various                     | BBQ and picnic facilities          | 30,000           | 30,000           |
| <b>Total</b>                |                                    | <b>4,168,500</b> | <b>6,664,000</b> |

In reviewing the feedback received and Council's own understanding of the conditions of the existing pools the major components of a works program could be summarised as follows

- a) Address all safety related matters and essential maintenance works
- b) Ensure adequate disabled access
- c) Provide adequate shading and seating
- d) Provide heating across both pools
- e) Upgrade the 50 metre pools to eight lanes
- f) Extend the existing training pools to larger pools for training and other uses
- g) Provide contemporary toddlers' facilities (feedback from other councils is that these facilities have resulted in good increases in patronage and additional revenue through retail sales as parents mingle while their children play).

## 4.2 Swimming Pools - Redevelopment

It is considered that works such as full enclosure and expansion of pools to 50 x 25 metre as identified for Alstonville are well beyond Council's resources, at this point in time, and should ultimately form part of a longer term redevelopment program, with this report focusing more on the short to medium term (up to 10 years).

As both pools are very similar in layout if Council endorsed the program outlined in points a) to g) the ultimate outcome would be to have two swimming pool complexes, each of which have eight lane heated 50 metre pools, reasonably sized training pools, toddlers facilities and adequate seating and amenities. This is considered to be a reasonable medium term goal for both complexes.

The difficulty is to determine how this work can be financed.

The following table, is as per table two, however the items considered non-essential have been removed, and a few figures have been amended to reflect the last available information.

**Table Three - Possible Core Program of Works**

| Location                    | Description                        | Ballina          | A'ville          |
|-----------------------------|------------------------------------|------------------|------------------|
| 50 metre pool               | Access ramp and steps              | 85,000           | 85,000           |
| 50 metre pool               | New water reticulation piping      | 42,000           | 42,000           |
| 50 metre pool               | Additional lane                    | 150,000          | 150,000          |
| 50 metre pool               | Pool heating                       | 195,000          | 195,000          |
| 50 metre pool               | Remove and reinstate concourse     | 115,500          | 124,000          |
| 50 metre pool               | Remove coping and relining         | 940,000          | 940,000          |
| 50 metre pool               | Covered spectator tiered seating   | 120,000          | 120,000          |
| Site                        | Storm water drainage to concourse  | 23,000           | 23,000           |
| Site                        | Replacement boundary fence         | 95,000           | 30,000           |
| Plant room                  | Backwash water disposal to sewer   | 0                | 45,000           |
| Plant room                  | Plant room – full upgrade          | 500,000          | 500,000          |
| Existing toddlers pool area | Children's wet play area           | 240,000          | 240,000          |
| Existing training pool area | Expand to a multi use pool 16x16m  | 0                | 400,000          |
| Existing training pool area | Expand to a 25 metre training pool | 450,000          | 0                |
| New extended pool           | Pool heating – heat pump           | 96,000           | 85,000           |
| New extended pool           | Balance tank and new reticulation  | 55,000           | 50,000           |
| New extended pool           | Pool plant                         | 275,000          | 250,000          |
| New extended pool           | Remove and reinstate concourse     | 33,000           | 33,000           |
| New extended pool           | Remove coping and relining         | 224,000          | 175,000          |
| Various                     | BBQ and picnic facilities          | 30,000           | 30,000           |
| <b>Total</b>                |                                    | <b>3,668,500</b> | <b>3,517,000</b> |

A couple of points of clarification in respect to the figures in this table are:

- Even though Alstonville is currently heated, the existing system is very energy inefficient and there is a strong case for it to be replaced with a more efficient system, the cost of which could be repaid through energy savings
- It is proposed to replace the boundary fence at Alstonville with a similar mesh fence as to what currently exists, whereas a more scenic fence is proposed for Ballina due to its prime location. Black steel posts, as has been used in schools in recent times, is one consideration
- The layout for Alstonville does not allow for a 25 metre pool, therefore a 16 x 16 metre training pool is recommended.

## 4.2 Swimming Pools - Redevelopment

The difficulty with attempting to determine an affordable works program is that there are most likely to be significant savings in respect to construction costs in having a contractor on-site undertaking the major refurbishment works all at once.

For example if we look at the Ballina works program, as per the following table, the works that appear to be more of a stand alone nature are the covered spectator seating, the boundary fencing and the BBQ and picnic facilities.

All other items relate to infrastructure and plant and perhaps could only be separated if Council focused on the 50 metre pool re-development first and then the toddlers and training pool areas second. This may well be achievable, although ideally Council would need to know the cost / benefit of dissecting these works.

**Table Four - Ballina Works Program**

| <b>Location</b>             | <b>Description</b>                      | <b>Ballina</b>   |
|-----------------------------|-----------------------------------------|------------------|
| 50 metre pool               | Access ramp and steps                   | 85,000           |
| 50 metre pool               | New water reticulation piping           | 42,000           |
| 50 metre pool               | Additional lane                         | 150,000          |
| 50 metre pool               | Pool heating                            | 195,000          |
| 50 metre pool               | Remove and reinstate concourse          | 115,500          |
| 50 metre pool               | Remove coping and relining              | 940,000          |
| <b>50 metre pool</b>        | <b>Covered spectator tiered seating</b> | <b>120,000</b>   |
| Site                        | Storm water drainage to concourse       | 23,000           |
| <b>Site</b>                 | <b>Replacement boundary fence</b>       | <b>95,000</b>    |
| Plant room                  | Plant room – full upgrade               | 500,000          |
| Existing toddlers pool area | Children's wet play area                | 240,000          |
| Existing training pool area | Expand to a 25 metre training pool      | 450,000          |
| New extended pool           | Pool heating – heat pump                | 96,000           |
| New extended pool           | Balance tank and new reticulation       | 55,000           |
| New extended pool           | Pool plant                              | 275,000          |
| New extended pool           | Remove and reinstate concourse          | 33,000           |
| New extended pool           | Remove coping and relining              | 224,000          |
| <b>Various</b>              | <b>BBQ and picnic facilities</b>        | <b>30,000</b>    |
| <b>Total</b>                |                                         | <b>3,668,500</b> |

Due to the relatively small total value of the stand alone items, including the new fence for Ballina, this means that there are not substantial savings to be made through deferring some of these items, as the value of the works is insignificant when compared to the total reconstruction budget.

In reality Council is looking at a works program of around \$4 million for each pool, once contingencies are included.



## 4.2 Swimming Pools - Redevelopment

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In considering sources of funding, this type of infrastructure is ideally suited to loans due to its extremely long life. Annual repayments on a loan of \$4 million are approximately \$440,000, based on a 15 year loan term at 7% interest. This reduces to \$378,000 based on a 20 year term, which is a viable term, due to the life of the infrastructure.

This means for both pools we are looking at annual loan repayments of approximately of \$760,000 to \$880,000 dependent on the term. Council is not in a position to fund this magnitude of loan repayment from its recurrent budget without severely impacting on other service levels.

In looking at savings in the existing budget, Council currently has approximately \$200,000 available on a recurrent basis for capital improvements to community infrastructure. This funding has been made available through Council's recent special rate variations.

The endorsed current and future works program for this recurrent funding, as per Council's Delivery Program, is as per the following table.

**Table Five - Recurrent Community Infrastructure Fund**

| <i>Item</i>                     | <i>2011/12</i> | <i>2012/13</i> | <i>2013/14</i> | <i>2014/15</i> |
|---------------------------------|----------------|----------------|----------------|----------------|
| Building Lifecycle Contracts    | 0              | 60,000         | 60,000         | 60,000         |
| Asbestos Removal Program        | 0              | 25,000         | 25,000         | 25,000         |
| Players Theatre - Re-roof       | 40,000         | 0              | 0              | 0              |
| Pat Morton Lookout - Toilet     | 160,000        | 0              | 0              | 0              |
| Alstonville Pool - Improvements | 0              | 50,000         | 52,000         | 54,000         |
| Ballina Pool - Improvements     | 0              | 50,000         | 52,000         | 54,000         |
| Other Community Infrastructure  | 0              | 21,000         | 23,200         | 25,600         |
| <b>Total Expenditure</b>        | <b>200,000</b> | <b>206,000</b> | <b>212,200</b> | <b>218,600</b> |

In respect to the building lifecycle contracts, Council's Civil Services Group are examining whether or not these contracts could be put in place using existing budgets. Buildings likely to form part of this contract include the Visitor Information Centre, Ballina Library, ALEC, public amenities and some public halls. These building typically have their own, although somewhat limited, maintenance budgets and it is hoped that the existing budgets can be used to then free-up the \$60,000 included in the community infrastructure funding.

Even with this adjustment, at best the funding that could be freed up is around \$200,000, which based on current interest rates will finance a loan of \$1.8 million over 15 years or \$2.1 million over 20 years. This is well short of the funding needed.

Increases in fees have also been mentioned, but even with increases in the magnitude of 20%, only an extra \$50,000 per annum will be generated, assuming there is no decrease in demand. This increase in income could finance a loan of around \$500,000 which is still well short of the total funding needed.

## 4.2 Swimming Pools - Redevelopment

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Section 94 contributions may also provide an opportunity, if as per the previous report in this agenda the provision of aquatic facilities is removed from the sports and events complex. The removal from that project could allow components of the swimming pools redevelopment to be included in the Section 94 Community Facilities Plan as there are elements of this work that provide for an expansion of the existing facilities.

### **Sustainability Considerations**

- **Environment**

In line with Ballina Shire Council's environmental action plan and key to the redevelopment of the aquatic facilities would be the use of energy and water efficient technologies.

- **Social**

The need to provide the community with aquatic facilities that will facilitate, enhance and promote a healthy and safe lifestyle.

- **Economic**

There are financial impacts short and long term to redevelop and maintain the Council's aquatic facilities. There may also be economic benefits derived from improved facilities for the shire.

### **Legal / Resource / Financial Implications**

The financial implications have been outlined in the information section of this report. As per that information the implications are significant.

It is also important that recurrent operating costs are considered. As has been shown in Lismore the cost of operating pools can place a significant drain on a council's finances. The works proposed in this program are designed to maintain or potentially reduce operating costs through improved infrastructure and energy efficient systems and any increase in costs will most likely come from Council deciding to extend the pool seasons. This will be a decision for a future date.

### **Comments - Manager, Finance and Governance**

*In respect to this report it is my view that we need to cease major discretionary spending in General Fund unless we drop other programs out.*

### **Consultation**

The "Ballina Shire Council Aquatic Facilities Strategic Financial Plan Discussion Paper" was made available to Council and the public during 2011. The cost estimates used in the paper were obtained from swimming pool redevelopment specialists during 2010-11. Community discussion was encouraged through the "Ballina Shire Aquatic Facilities Survey" during September and October 2011. Key users of the aquatic facilities were asked to provide formal submissions on their current and future pool facility requirements.

### Options

The main drivers for the development of a Ballina Shire aquatic facility strategy have been the age and condition of the current facilities and the contemporary demands of the community. Preliminary estimates have been used to develop a draft works plan that should meet the community's needs for at least the next ten years. However this report has not been able to identify a funding solution.

With this being the case it is appropriate for Council to review its entire community infrastructure project plan, along with other major infrastructure projects, to determine if any funding options are available, or whether other projects can be deferred or restructured.

The earlier report in this agenda highlighted the major community infrastructure projects as:

1. Ballina and Lennox Head Surf Clubs
2. Sports and Events Centre
3. Ballina Coastguard Tower
4. Coastal Path / Walk

In addition to these works there are also plans to provide sporting fields at Wollongbar and land has been acquired to expand the sporting fields at Skennars Head.

Council also has significant transport infrastructure planned in the short to medium term including:

- a) Alstonville and Wardell Main Street Upgrade - finalisation
- b) Ballina Main Street Upgrade
- c) Ballina Heights Drive
- d) Hutley Drive

The Lennox Head Main Street upgrade will also be a project under consideration in the medium to long term.

From a commercial perspective the future of Wigmore Arcade is also under review, and major infrastructure improvements are planned for the Southern Cross Estate and the airport.

The pleasing part about all of this information is that Council has a reasonable grasp of the works required into the future and our priority must now be to determine how works of this magnitude can be provided in an orderly and affordable manner.

To achieve this, it is recommended that Council hold a Finance Committee meeting / workshop to review our overall financial planning to determine what is achievable and what time frame is required to meet our objectives. This approach also reflects some of the concerns being raised by Council's Finance Manager in respect to our current expenditure levels.

## 4.2 Swimming Pools - Redevelopment

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The recommendation that follows endorses this approach and at the same time confirms Council's goals are to redevelop the existing swimming pools as per the works plan outlined in this report.

Finally it is also recommended that Council write to the NSW Minister for the North Coast and the Federal Member for Page, seeking funding options for the swimming pools, as it most unlikely that the overall scale of works planned will be able to proceed, unless we have both State and / or Federal funding assistance.

### RECOMMENDATIONS

1. That Council endorses the following components as the preferred program of works for the Ballina and Alstonville swimming pools.
  - a) Address all safety related matters and essential maintenance works
  - b) Ensure adequate disabled access
  - c) Provide adequate shading and seating
  - d) Provide heating across both pools
  - e) Upgrade the 50 metre pools to eight lanes
  - f) Extend the existing training pools to larger pools for training and other uses
  - g) Provide contemporary toddlers' facilities
  
2. That Council confirms that its short to medium term community infrastructure priorities are as follows:
  - a) Ballina and Lennox Head Surf Clubs
  - b) Ballina and Alstonville Swimming Pools - Redevelopment
  - c) Sports and Events Centre
  - d) Ballina Coastguard Tower
  - e) Coastal Path / Walk
  - f) Wollongbar Sports Fields
  - g) Skennars Head Sports Fields - Expansion
  
3. That Council hold a Finance Committee meeting, or workshop, to consider our options to fund the works outlined in points one and two. This meeting is also to consider other planned major infrastructure projects such as improvements to the road network and the Ballina Aviation Precinct, being Southern Cross Industrial Estate and the Ballina-Byron Gateway airport
  
4. That Council write to the NSW Minister for North Coast and the Federal Member for Page to commence a dialogue that allows Council to seek opportunities for funding to assist with the re-development of the Ballina and Alstonville swimming pools.

### Attachment(s)

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



### Ballina Shire Aquatic Facilities Survey

#### Intentions of the survey

The intent of this survey is to gain community feedback on the "Ballina Shire Council Aquatic Facilities Strategic Financial Plan Discussion Paper". This will assist in establishing the future direction of the aquatic facilities in the Ballina Shire and forward strategic financial planning.

The discussion paper highlights a number of short and medium term major requirements to ensure that service levels at both the Ballina and Alstonville aquatic facilities are maintained.

The Council will directly invite submissions from major users of the pool facilities such as, swimming clubs, swimming coaches and local schools. In addition to this survey, Council welcomes submissions from residents.

***Please address formal submissions to:***

Ballina Shire Aquatic Facilities Survey  
PO Box 450, Ballina, NSW, 2478

The "Ballina Shire Council Aquatic Facilities Strategic Financial Plan Discussion Paper" can be viewed from the homepage of Council's website [www.ballina.nsw.gov.au](http://www.ballina.nsw.gov.au)

**Submissions close:** 14 October 2011

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1. Do you or family use the Alstonville Aquatic Facility? (Circle Answer)

YES

NO

2. Do you or your family use the Ballina Aquatic Facility?

YES

NO

3. How often would you or your family use the pool facility? (Circle 1 answer)

- Daily
- Weekly
- Monthly
- A few times a season

## 4.2 Swimming Pools - Redevelopment

4. A number of key aquatic facility features and options are available and required as part of any facility upgrade or redevelopment. What do you believe should be the main focus of any pool facility upgrade? (Fill the dot, 1 answer per row)

|                                                               | Very Important           | Important                | Neutral                  | Unimportant              | Very Unimportant         |
|---------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Improved pool heating                                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| An indoor heated pool                                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| An extended pool season                                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| A children's wet play area                                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Access ramp and steps into the 50 metre pool                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| BBQ and picnic facilities                                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Shaded spectator viewing stands adjacent to the 50 metre pool | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Water and energy efficiency                                   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Cafe/Kiosk facilities                                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

5. How would you rate the need for an indoor heated pool facility at the Ballina or Alstonville pool sites? (Fill the dot, 1 answer per row)

|                  | Very Important           | Important                | Neutral                  | Unimportant              | Very Unimportant         |
|------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Alstonville Pool | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Ballina Pool     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

## 4.2 Swimming Pools - Redevelopment

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6. What level of increase to the entrance and season ticket fees would you be prepared to pay to have improved aquatic facilities? Please use this current sample of 2011 - 2012 fees and charges for your guide. Child single entry \$2.90; Adult single entry \$3.60 Child season ticket \$141.00; Adult season ticket \$171.00; Family season ticket \$310.00.

(Fill the dot, 1 answer)

+ 0%  + 10%  + 20%  + 30%  + 40%

7. Is there other improvement plans outside the discussion paper that you would like considered? (Please leave blank if no comment)

## 4.2 Swimming Pools - Redevelopment

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8. Do you consider the current level of public safety at the pool facilities to be appropriate? If you believe public safety requires improvement, please include your comments at the end of this survey.  
(Fill in 1 dot)

Very Appropriate  Appropriate  Neutral  Inappropriate  Very Inappropriate

9. Any other comments



Thank you for taking the time to complete this survey.

Please fold the form and place it in the box provided.