



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 **Monday 23 April 2012 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

Table of Contents

1.	Apologies	1
2.	Declarations of Interest.....	1
3.	Deputations.....	1
4.	Committee Reports.....	2
4.1	Ordinary Rate and Carbon Tax	2
4.2	Fees and Charges - 2012/13	6
4.3	Swimming Pool - Fees and Charges	10
4.4	Wastewater Charges - 2012/13	15
4.5	Waste Charges - 2012/13	28
4.6	Budget Requests - 2012/13	43
4.7	Delivery Program and Operational Plan - 2012/13 to 2015/16	55

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

1. Apologies

2. Declarations of Interest

3. Deputations

4.1 Ordinary Rate and Carbon Tax

4. Committee Reports

4.1 Ordinary Rate and Carbon Tax

Delivery Program Financial Management

Objective To obtain Council approval to apply for an adjustment to the Minister's approved special variation due to the introduction of the carbon tax.

Background

The NSW Independent Pricing Tribunal (IPART) is now the body responsible for determining the rate pegging limit for councils. In respect to 2012/13 IPART has approved a rate pegging limit of 3.2% plus a further 0.4% as a result of the introduction of the carbon tax.

The carbon price advance (the 0.4% extra) was approved by IPART to assist councils meet the higher costs expected following the introduction of the carbon tax on 1 July 2012. IPART determined the rate pegging limit based on a lagged index of average council costs and this index does not yet capture the effect of the carbon tax on council costs in 2012/13.

In the years following the introduction of the carbon tax the impact of the tax will be captured by the index of average council costs. Hence IPART will be deducting the carbon price advance off future rate pegging limits. To accommodate this in 2013/14 a reduction of 0.1% will be made to the index and in 2014/15 the index will be reduced by 0.3%.

This is in effect a cash flow adjustment to enable councils to better manage the impacts of the new carbon tax.

There are 18 councils, including Ballina Shire, that have existing special variations that may be adversely affected by these adjustments. IPART is offering the opportunity for each of these councils to make application to adjust the approved special variations such that there is no disadvantage.

Key Issues

- Potential loss of annual rate revenue
- Impact on ratepayers

Information

Council has an existing approval for an increase to our rate yield of 5.7% in 2012/13 and 6% in 2013/14. As mentioned IPART will be providing an advance of 0.4% in 2012/13 and then taking it back in the following two years. IPART has invited Council to make an application for the carbon price advance so that we will not be disadvantaged in this process as we have approved special variations in place.

4.1 Ordinary Rate and Carbon Tax

Council has two options available in that we either do or do not apply for the increase.

If Council does not make application to increase our approved special variation in 2012/13, then our approved special variations will be unchanged. However what will happen is in 2014/15, which is beyond our current approved limits, the rate pegging limit will be reduced by 0.3% and we will not be in a position to recoup that 0.3%.

Alternatively Council may apply for the 0.4% increase in 2012/13 and, if approved, we will have our special variation reduced by 0.1% in 2013/14 (6% to 5.9%) and then in 2014/15 the rate pegging limit will be as determined by IPART, less the 0.3%.

The next table summarises the current position together with the two options available over the next three years.

Table One - Rate Increase - Options

Item	2012/13	2013/14	2014/15
Current position- approved special variation	5.7%	6%	Rate peg % as set by IPART being 0.3% less than index
Option 1 - do not apply for the carbon tax advance	5.7%	6%	
Option 2 - apply for the carbon tax advance	6.1%	5.9%	

In an abbreviated sense, based on current calculations, 0.1% equates to approximately \$16,000. If Council forgoes the carbon tax advance we will receive the already approved increases but lose 0.3% in 2014/15, which equates to approximately \$48,000. If Council receives the advance we will receive approximately the income yield that was originally contemplated.

In reality the mathematics are more complicated, because there will be growth to the rate base and compounding percentages, and ultimately the dollar value of the 0.3% reduction will be more than \$48,000. Importantly this is \$48,000 per annum, compounded, in perpetuity.

If Council chooses not to seek the carbon tax advance the ratepayer will, from 2014/15, pay approximately 0.3% less than the original special variations envisaged. Alternatively, if the advance is approved the approximate status quo will prevail from 2014/15.

The following tables show the forecast 2012/13 levies with and without the carbon tax advance.

Table Two: Proposed 2012/13 Rating Structure - 5.7%

Rating Category	5.7% increase	
	Base Charge	Rate in Dollar
Residential	397	0.151434
Business	397	0.537210
Farmland	397	0.122630
Mining	397	0.537210

4.1 Ordinary Rate and Carbon Tax

Table Three: Proposed 2012/13 Income per Category - 5.7%

Rate Category	2011/2012			2012/2013		
	6.1% increase	% of total	Ave Rate	5.7% increase	% of total	Ave Rate
Residential	11,177,453	72.17	752.00	11,926,964	72.15	796
Business	3,061,716	20.00	2,494.00	3,306,099	20.00	2,622
Farmland	1,213,150	7.83	1,143.00	1,297,231	7.85	1,220
Mining	0	0	0	0	0	0
Total	15,452,319	100.0	902.00	16,530,294	100.0	955

Table Four: Proposed 2012/13 Rating Structure - 6.1%

Rating Category	6.1% Increase	
	Base Charge	Rate in Dollar
Residential	398	0.152206
Business	398	0.539356
Farmland	398	0.123163
Mining	398	0.539356

Table Five: Proposed 2012/13 Income per Category - 6.1%

Rate Category	2011/2012			2012/2013		
	6.1% increase	% of total	Ave Rate	6.1% increase	% of total	Ave Rate
Residential	11,177,453	72.17	752.00	11,972,439	72.15	799
Business	3,061,716	20.00	2,494.00	3,318,583	20.00	2,632
Farmland	1,213,150	7.83	1,143.00	1,302,099	7.85	1,225
Mining	0	0	0	0	0	0
Total	15,452,319	100.0	902.00	16,593,121	100.0	958

It can be seen by comparing tables three and five that in 2012/13 the average rate increases by between \$3 and \$10, depending on the category, if the advance is approved. Then over the next two years the increase is removed.

Legal / Resource / Financial Implications

The offer put forward by IPART has recurrent financial implications for Council's general revenue and it is recommended that Council apply for the carbon tax advance.

If Council receives approval for the additional 0.4% for 2012/13, this equates to extra revenue of approximately \$60,000 for that year. The draft budget, as endorsed at the 20 March Finance Committee meeting was based on a cash working capital deficit of \$96,000. This adjustment will provide a revised deficit of \$36,000. This is close to a break even budget and Council should be trying to achieve that goal where possible.

Consultation

If Council chooses to apply for the carbon tax advance it is required that Council inform the community through the exhibition of the draft Operational Plan and Revenue Policy.

4.1 Ordinary Rate and Carbon Tax

Options

Council has the option of applying to IPART to obtain the carbon tax advance or not. For the reasons outlined in this report it is recommended that Council apply for the advance.

RECOMMENDATIONS

1. That Council approves an application to IPART for the carbon tax advance to form part of Council's 2012/13 special rate variation.
2. That the rates shown in the draft Operational Plan include the carbon tax advance of 0.4% and that the plan provides commentary on the rationale for the advance.
3. That the rates advertised in the draft operational plan be as per the following tables.

Rating Category	6.1% Increase	
	Base Charge	Rate in Dollar
Residential	398	0.152206
Business	398	0.539356
Farmland	398	0.123163
Mining	398	0.539356

Rate Category	2012/2013		
	6.1% increase	% of total	Ave Rate
Residential	11,972,439	72.15	799
Business	3,318,583	20.00	2,632
Farmland	1,302,099	7.85	1,225
Mining	0	0	0
Total	16,593,121	100.0	958

Attachment(s)

Nil

4.2 Fees and Charges - 2012/13

4.2 Fees and Charges - 2012/13

Delivery Program Financial Management

Objective To advise Council of further amendments to the draft 2012/13 Fees and Charges.

Background

Council is required to adopt a schedule of fees and charges each financial year. Council considered the draft fees and charges document at the Finance Committee meeting held 20 March 2012 and approved that document for exhibition.

Since that time the document has been recirculated to staff for re-checking and confirmation and some further amendments are proposed.

Key Issues

- Further changes to the proposed fees and charges

Information

Since the March 2012 Finance meeting various amendments have been identified for the document and they are detailed below. There have also been some typographical and minor corrections carried out.

Impounding Fees (pages 37-38)

The Fees and Charges document currently has various impounding fees including one for dogs, livestock and abandoned articles including signs. The impounding fee for a dog (first time) is shown as \$26, stray stock \$26 whilst the abandoned article fee is \$29.

It has been requested that these three fees be set at the same amount for consistency and accordingly it is proposed that all fees be set at \$28 for 2012/13.

Pre Development Assessment (Page 36)

There is currently a fee of \$200 per hour for a meeting with a Council development panel.

It is proposed to amend this fee to \$350 per meeting up to one hour. The recommended change has come from an independent review of the Development Services Section (Darryl Anderson Review) which recommended that Council formalise its pre-DA lodgement meeting practice and charge a fee consistent with other coastal and nearby councils.

A number of consultants who deal regularly with Council, who were interviewed as part of this review, considered that such a fee was reasonable and would be acceptable to their clients and the industry generally.

4.2 Fees and Charges - 2012/13

Northern Rivers Community Gallery (page 42)

The fees included in the document for March were inaccurate. The proposed fee structure is reproduced below.

Hire Charges	2011/12	2012/13
- Gallery 1 (1 month)	Free	200.00
- Gallery 2 (1 month)	400.00	420.00
- Gallery 3 (1 month)	150.00	160.00
- Gallery 4 (1 month)	500.00	540.00
- Entire Gallery (1 month)	1,050.00	1,150.00

Alstonville Swimming Pool (page 19)

There was a typographical error in the document presented to the March meeting regarding Alstonville Pool hire re whole pool out of hours fee. It was shown as \$17.80 and it should have read \$47.80.

Construction Certificate – Commercial / Industrial - Non Complying (page 24)

The fee structure for construction certificates is based on the estimated value of the construction. The fee graduates up as the value increases and it currently states that if the value is exceeding \$1 million the fee shall be \$3,000 plus \$1.75 for every \$1,000 over \$1 million.

It is considered that where the value of the development exceeds \$5 million the fee becomes excessive which places Council in an unfavourable position to compete with the private sector.

It is proposed that the fees be changed such that where the value of the building exceeds \$5 million the fee is by quotation.

	2011/12	2012/13
\$1,000,000 - 5,000,000	2,220.00 + 1.25 for every 1,000 over 1,000,000	3,000.00 +1.75 for every 1,000 over \$1,000,000
Exceeding \$5,000,000		By quotation

Building Inspections – Commercial / Industrial – Non Complying (page 26)

Exactly the same issue prevails with inspections as described above for construction certificates; i.e. the fee becomes prohibitive where the value of construction exceeds \$5 million. It is proposed to amend the fees such that where the value of the construction exceeds \$5 million the fee is by quote.

Niche Walls (page 21)

It is proposed to include a new fee for the removal of plaque. This service is rarely requested however it does occasionally arise. It is proposed that the fee be set at \$150.

Goods and Services Tax (GST)

In late June 2011 the Australian Taxation Office (ATO) changed the GST rules that Council has used since GST was introduced. A section of Federal legislation commonly referred to as Division 81 provided detailed rulings as to which of a council's myriad of fees and charges was or was not subject to GST. Division 81 has been altered effective from 1 July 2011 such that councils must self assess their own GST liabilities.

For the 2011/12 financial year there were transitional arrangements whereby Council was/is to rely on the old legislation for 12 months to provide time for self assessment.

All councils have now been placed in a very difficult situation and we are very open to major problems in terms of either charging GST when we shouldn't or not charging when we should.

Over time decisions of individual councils will be challenged, the ATO will make a ruling and Council may be found to have incorrectly charged or not charged for GST.

If we have charged GST and it is found that we should not have we will have over paid the ATO, receive a refund, and then we will have to try and repay customers who have been over charged.

If we have not charged GST and should have we will owe the ATO money and be in a position of trying to extract more money from the customer after the transaction has been completed. We may also be fined and charged interest by the ATO.

Either scenario potentially has dire consequences, particularly if we are found to owe the ATO money.

Once this predicament became known Council joined with other NSW councils and employed a contractor to make application to the ATO, on behalf of the NSW Local Government and Shires Association, for a class ruling on our GST liabilities.

The application looked to retain the status quo however even if the ruling determines variances it was anticipated that we would be able to make these adjustments in our 2012/13 fees and charges.

Due to the complexity of the application it was not until February that the application was lodged with the ATO. Since that time the contractor has been in constant discussions with ATO staff, essentially educating them on the nuances of Local Government revenues. Current advice is that the application has been broken down into eight parts and the matter is 'progressing'.

Unfortunately this issue will not be resolved prior to 30 June 2012. The advice from the contractor is that we should run with the status quo, although in saying this it is likely that Council will over pay GST and be entitled to a refund. Whilst this is by no means ideal it is preferable to under charging.

4.2 Fees and Charges - 2012/13

This matter will be monitored over coming months and it may be that there will be adjustments to the pricing and status of some fees depending on the progressive outcomes of the class ruling and or advice from the contractor.

The fees and charges document will include a disclaimer advising the public of this situation.

Legal / Resource / Financial Implications

The fees and charges document puts in place the foundation for all of Council's revenue streams and the entire document has resource and financial implications.

Consultation

The draft document will be advertised for public comment prior to being considered again by council.

Options

Council may choose to adopt the recommended changes to the fees and charges or not. Council may also resolve to make other inclusions/deletions/amendments to the document. The recommendation is to exhibit the changes as outlined within this report.

RECOMMENDATIONS

That the previously endorsed draft fees and charges document be amended for exhibition purposes, as follows:

- Impounding fees for dogs (first time), livestock and abandoned articles - \$28
- Pre development assessment panel meeting - \$350 up to one hour.
- Art gallery fees

Hire Charges for Gallery Spaces	2011/12	2012/13
- Gallery 1 (1 month)	Free	200.00
- Gallery 2 (1 month)	400.00	420.00
- Gallery 3 (1 month)	150.00	160.00
- Gallery 4 (1 month)	500.00	540.00
- Entire Gallery (1 month)	1,050.00	1,150.00

- Alstonville swimming pool - fee for out of hours whole pool - \$47.80
- Construction certificate - commercial / industrial where value exceeds \$5 million - by quotation
- Building inspection fees - commercial / industrial where value exceeds \$5 million - by quotation
- Niche wall removal of plaque - \$150

4.3 Swimming Pool - Fees and Charges

4.3 Swimming Pool - Fees and Charges

Delivery Program Swimming Pools

Objective To respond to a Council request for additional information on the current fee structure for the Ballina and Alstonville swimming pools.

Background

Council, at the March 2012 Finance Committee meeting requested a report on the fees and charges applied at the Alstonville and Ballina Swimming Pool facilities. The discussion at the meeting revolved around whether or not there is an inequity in the fees and charges between the facilities given Alstonville has gas heating and an extended season.

Further, over a number of years patrons of both facilities have questioned why they cannot use their season tickets at either pool. Prior to the current contract with the pool operators this would have been difficult to facilitate given a proportion of the annual fees and charges at each pool facility went to the respective contracted pool managers.

Under the revised remuneration arrangements, the Council retains the entire fee and charges income. It was therefore proposed in the 2012/2013 Fees and Charges that the season tickets be able to be used at both facilities and that the other standard entry fees and charges remain equal at both facilities.

The report that follows canvasses this issue and related matters.

Key Issues

- Fees and Charges variation
- Patronage and Predicted Operational Results 2012/13

Information

Currently all fees and charges at both the Alstonville and Ballina pool facilities are equal, however a variation did exist between the fees and charges applied at each facility until the end of the 2007/08 swimming pool season, most notably the season ticket prices, see examples below:

Sample 2007/2008 Season Swimming Pool Fees and Charges Variation

Description	Ballina	Alstonville	Variation
Adult Season Ticket	\$190.00	\$230.00	17%
Adult Single Entry	\$2.60	\$2.70	4%

The fees and charges for each facility were aligned for the 2008/09 season and have remained equal since. This change coincided with the establishment of new contracts with pool management at each facility as described above.

4.3 Swimming Pool - Fees and Charges

The Alstonville facility has gas pool heating and therefore provides an extended season of approximately six weeks. The higher pre 2008/09 season ticket prices at Alstonville were designed to reflect the contractor's costs for the extended period. The pool contractors at both facilities are now paid on a retainer only basis, which is irrespective of entrance fees and charges received.

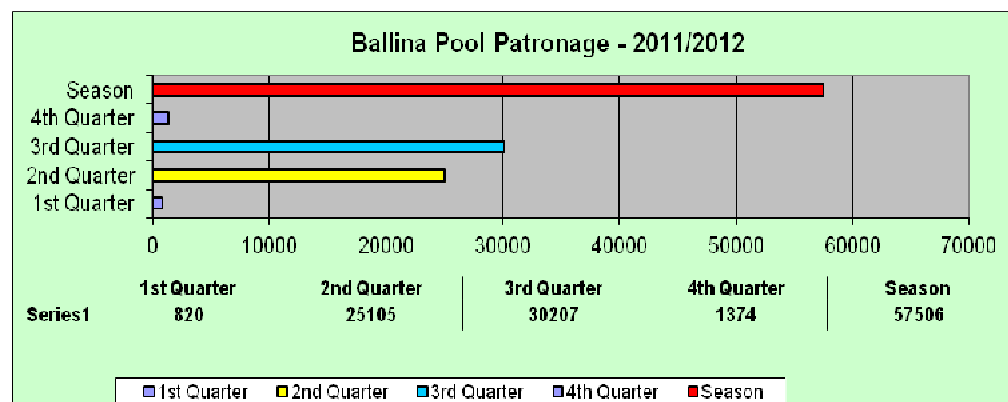
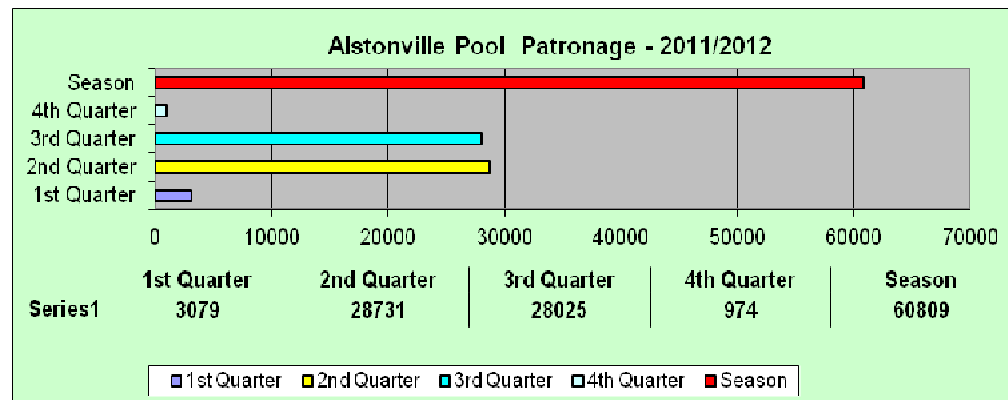
After numerous requests from patrons, staff have proposed that universal use of the season tickets at both facilities commence in the 2012/13 pool season.

The advantages of this system is that it:

- allows Ballina pool users access to the extended season at Alstonville
- adds value to the ticket without additional costs to council (i.e. a swimmer using a facility on the weekend with family, and then swimming at the other facility during the working week will consume the same resources if they had undertaken these activities at one facility)
- patronage figures indicate that only a small proportion of patrons use the extended time at Alstonville. Therefore the majority are receiving in effect the same level of service as Ballina patrons.

Patronage

The patronage of the pool facilities during the current 2011/12 season can be seen in the pool patronage graphs and tables below (data to the week ending 8 April 2012). The Ballina facility has a total patronage to 8 April 2012 of 57,506 and Alstonville 60,809 which opened just over a week earlier in September 2011.



4.3 Swimming Pool - Fees and Charges

Season Ticket Purchases 2011/12		
Ticket Type	Alstonville	Ballina
Family Full Season	146	74
Family Half Season	24	18
Adult Full Season	38	19
Adult Half Season	7	12
Child Full Season	7	6
Child Half Season	2	1
Senior Full Season	18	8

Season Ticket Usage 2011/12 Pool Season Current			
Pool	Adult	Child	Total Entries
Alstonville	18,374	14,137	32,511
Ballina	6,709	10,499	17,208

Predicted Operational Results 2012/2013

The fees and charges income is predicted to provide approximately 46% of the operational expenses at the Ballina facility and approximately 38% at the Alstonville facility, both facilities having a substantial deficit to be subsidised by Council.

The predicted operational deficit for the pool facilities in 2012/13 is provided in the tables below. These predicted figures do not include an allowance for depreciation.

Ballina Swimming Pool	2011/12	2012/13
	\$	\$
Operational Expense	321,000	329,100
Operational Income	145,000	150,000
Cash Result - Surplus / (Deficit)	(176,000)	(179,100)

Alstonville Swimming Pool	2011/12	2012/13
	\$	\$
Operational Expense	347,500	367,000
Operational Income	138,000	141,000
Cash Result - Surplus / (Deficit)	(209,500)	(226,000)

It is interesting to note that the patronage at Alstonville is slightly higher than Ballina, however the operational income is a lower. The reason for this is that relative to Ballina, Alstonville has more patrons entering the pool via season tickets.

The earlier table shows Alstonville Pool has had 32,511 season ticket entries so far this season compared to 17,208 at the Ballina Pool. It is also noted that of those entries a higher proportion of the season ticket purchases and entries are by adults. This would reflect that Alstonville pool has a focus on sporting uses whereas at Ballina the patronage is a more casual or recreational use.

Legal / Resource / Financial Implications

Not applicable

Consultation

No consultation has been undertaken for the preparation of this report. The proposed fees and charges will be advertised as part of the process to adopt the Council's budget.

Options

As outlined in this report, the Alstonville facility has the additional service level that comes from an extended season, although it is also noted that only a small proportion of patrons take advantage of the extension. The Alstonville facility provides a greater financial operating loss when compared to the Ballina facility.

The following options provide Council with alternate directions to deal with the question of equity.

1. Equal Season Ticket Prices (and ability to use either facility)

This option adds value to the ticket without consuming additional Council resources and it allows Ballina patrons to access the extended season opportunity at Alstonville.

This option accepts that there is already a degree of cross subsidy in the season ticket arrangements (such as frequency of use between different ticket holders) and that the additional service level at Alstonville is part of that mix of cross subsidy. It also acknowledged that the majority of patrons at Alstonville do not use the extended season so don't receive the benefit.

2. Provide a price differential between to the two facilities.

If the Council is of the view that inequity in service opportunity is a concern, then returning to a price differential would address that issue. If this is the preferred direction of Council, it would be necessary for Council to determine the extent of the pricing difference it is seeking to establish.

For the pools to be equal in their operating result, the revenue from Alstonville would need to increase by 32%. Therefore, outside of a statement of principal, the goal to achieve operating result equity would be impractical given the substantial price rises that would be required to achieve it.

3. Charge an additional fee for use of both pools.

Under option one, the Council can introduce the concept of a season ticket being used at both facilities. This could be done with or without an additional charge. The amount of revenue that would be generated from a charge would be immaterial to the budget and therefore it is not recommended. The ability to use both pools for a person is however an excellent level of service.

Under option two, the concept of using both facilities will work the same as for the above if there is no pricing differential. If there was a pricing differential, and a patron wanted to use both facilities, the simplest method would be to charge the Alstonville season ticket price regardless of where the swimmer proposed to attend the majority of their visits.

4.3 Swimming Pool - Fees and Charges

4. Introduce an additional season ticket for the extended season only

This would provide some user pays principle to those that use this service. It is unlikely that the additional fee will have a meaningful impact on the operational result, and in fact could drive demand down further reducing the efficiency of providing the service.

The recommendation that follows selects option one on the basis of the following;

- the majority of Alstonville patrons don't use the extended season
- significant increases in fees would need to apply to address the inequity in the operating result and without these increases a price differential is immaterial to the budget and is a measure of principle only
- many users of Council facilities take them up in different levels (eg sporting fields, libraries, ferry season passes etc)
- the Council is easily able to offer access to both facilities which adds significant value to the season ticket for those requesting this service and
- the extended season at Alstonville can be made available to Ballina season ticket holders.

RECOMMENDATIONS

That Council endorses the same pricing for fees and charges at the Ballina and Alstonville swimming pools and that from 2012/13 onwards the Council season ticket is to be valid at either facility.

Attachment(s)

Nil

4.4 Wastewater Charges - 2012/13

Delivery Program Wastewater

Objective To review the long term financial plan for the wastewater program and to confirm the preferred increase in annual charges for 2012/13.

Background

Council considered a report on the long term financial plan for wastewater at the Finance Committee meeting held 20 March 2012. The resolution arising from that report was as follows: *"That a workshop be held on this matter"*.

This workshop was held on Wednesday 4 April 2012, in conjunction with a workshop on Council's waste charges and overall waste strategy. It is fair to say that the majority of this workshop focused on the waste strategy, rather than the pricing regime proposed for the wastewater and waste functions for 2012/13.

With there being little direction from the workshop, the report that follows canvasses the matters identified in the original report (20 March 2012), which relate to the overall long term financial plan and the estimated increase in wastewater charges needed for 2012/13.

Key Issues

- Pricing Structure
- Affordability

Information

The major issue facing the wastewater program is the significant capital expenditure that is currently occurring and planned for the near future. In response to this large level of expenditure Council has previously approved \$63 million in external loan funding to finance the works. These funds are currently being drawn down as the works progress.

The estimated annual loan principal and interest repayments for this level of debt are around \$7 million per annum. This means that the wastewater program must finance this expenditure, plus recurrent operating expenses, plus any other capital expenditure, annually, to ensure the service remains financially viable.

Council considered a number of reports on this issue in preparing the **2011/12 budget** and the long term financial plan that was eventually adopted assumed the following level of future price increases.

4.4 Wastewater Charges - 2012/13

Table One - Wastewater Charges - 2010/11 to 2020/21 - As at March 2011

Description	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Annual Charge	550	633	708	793	889	995	1,025	1,056	1,088	1,120	1,154
% Change	15.00	15.00	12.00	12.00	12.00	12.00	3.00	3.00	3.00	3.00	3.00

The actual wastewater annual charge adopted for 2011/12 was \$630, which was slightly under the \$633 figure proposed in table one.

The report to the **March 2012** Finance Committee provided updated future cash flows, using the latest available information. Three tables were presented in that report based on the following increases in annual charges for 2012/13:

- a) 12% - as had been originally proposed in March 2011
- b) 9% - to try and reduce the financial impact on residents
- c) 10% - considered to be the best balance between maintaining the viability of the service and minimising the financial impact on residents. The 10% figure was the recommended option.

The information presented to the March 2012 Finance Committee is repeated in the next three tables.

Table Two - Cash Forecast - 2010/11 to 2020/21 – 12% Increases (\$'000)

Description	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Operating Revs	10,729	12,057	13,338	14,948	16,248	18,126	18,741	19,407	20,238	21,124	21,925
Operating Exps	7,831	9,803	11,812	13,735	13,892	14,046	14,198	14,349	14,501	14,646	14,790
Operating Result	2,898	2,253	1,525	1,212	2,356	4,080	4,543	5,059	5,737	6,478	7,135
% Change Fees	15	15	12	12	12	12	3	3	3	3	3
Annual Charge	550	630	706	790	885	991	1,021	1,052	1,083	1,116	1,149
Capital Expend	12,872	39,508	23,817	6,938	2,138	3,120	3,103	1,137	1,271	3,805	5,320
Loan Principal	1,185	985	985	2,419	2,528	2,646	2,773	2,909	3,055	3,214	2,399
Loan Funds	0	39,362	23,638	0	0	0	0	0	0	0	0
Reserve Balances											
Sewer Reserves	9,240	10,251	10,302	6,808	5,029	3,447	2,326	3,385	4,807	4,234	3,575
Section 64 Conts	3,914	4,832	5,819	1,862	2,049	2,688	3,244	3,990	4,798	5,672	6,614
Total Reserves	13,154	15,083	16,121	8,670	7,078	6,135	5,570	7,375	9,604	9,905	10,189

This table assumed the same level of future increases in annual charges as presented in March 2011. What the figures highlight is that by applying these assumptions reserves are well in excess of what is needed.

Table Three - Cash Forecast - 2010/11 to 2020/21 - 9% Increases (\$'000)

Description	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Operating Revs	10,729	12,057	13,019	14,218	14,999	16,224	16,703	17,365	18,061	18,785	19,540
Operating Exps	7,831	9,803	11,812	13,735	13,892	14,046	14,198	14,349	14,501	14,646	14,790
Operating Result	2,898	2,253	1,207	483	1,107	2,178	2,504	3,017	3,560	4,139	4,750
% Change Fees	15	15	9	9	9	9	3	3	3	3	3
Annual Charge	550	630	687	749	816	889	916	943	972	1,001	1,031
Capital Expend	12,872	39,508	23,817	6,938	2,138	3,120	3,103	1,137	1,271	3,805	5,320
Loan Principal	1,185	985	985	2,419	2,528	2,646	2,773	2,909	3,055	3,214	2,399
Loan Funds	0	39,362	23,638	0	0	0	0	0	0	0	0

4.4 Wastewater Charges - 2012/13

Reserve Balances											
Sewer Reserves	9,240	10,251	9,984	5,760	2,733	(751)	(3,911)	(4,893)	(5,650)	(8,561)	(11,605)
Section 64 Conts	3,914	4,832	5,819	1,862	2,049	2,688	3,244	3,990	4,798	5,672	6,614
Total Reserves	13,154	15,083	15,803	7,622	4,781	1,937	(667)	(903)	(852)	(2,890)	(4,991)

This table attempted to minimise reserves, however ultimately the reserves became overdrawn, which was not considered to be financially sustainable.

Table Four - Cash Forecast - 2010/11 to 2020/21 - 10% Increases (\$'000)

Description	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Operating Revs	10,729	12,057	13,126	14,460	15,408	16,842	17,334	17,982	18,700	19,451	20,231
Operating Exps	7,831	9,803	11,812	13,735	13,892	14,046	14,198	14,349	14,501	14,646	14,790
Operating Result	2,898	2,253	1,313	725	1,515	2,796	3,136	3,634	4,199	4,805	5,442
% Change Fees	15	15	10	10	10	10	3	3	3	3	3
Annual Charge	550	630	693	762	839	922	950	979	1,008	1,038	1,069
Capital Expend	12,872	39,508	23,817	6,938	2,138	3,120	3,103	1,137	1,271	3,805	5,320
Loan Principal	1,185	985	985	2,419	2,528	2,646	2,773	2,909	3,055	3,214	2,399
Loan Funds	0	39,362	23,638	0	0	0	0	0	0	0	0
Reserve Balances											
Sewer Reserves	9,240	10,251	10,090	6,108	3,489	623	(1,905)	(2,271)	(2,388)	(4,633)	(6,986)
Section 64 Conts	3,914	4,832	5,819	1,862	2,049	2,688	3,244	3,990	4,798	5,672	6,614
Total Reserves	13,154	15,083	15,909	7,970	5,538	3,311	1,339	1,719	2,410	1,038	(372)

This final table then proposed a 10% increase for 2012/13, plus 10% increases for 2013/14 to 2015/16, to ensure the program remained financially viable.

At the March 2012 Finance Committee, Council still expressed concern with this magnitude of increase, which then resulted in the recommendation for a workshop. Even though the workshop did not end up providing any agreed outcomes it was always intended to review the wastewater financial plan as trending for 2011/12 was indicating that there was likely to be significant savings in operating expenses.

A further review of the wastewater program has now been completed and the next table provides the revised cash forecast, with significant savings identified in operating expenses.

**Table Five - Cash Forecast - 2010/11 to 2020/21 - Reduced Expenses (\$'000)
6% Increases (2012/13 to 2016/17)**

Description	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Operating Revs	10,729	11,738	12,427	13,218	13,893	14,649	15,451	16,305	16,924	17,564	18,230
Operating Exps	7,831	9,126	11,247	13,115	13,253	13,392	13,530	13,664	13,797	13,918	14,040
Operating Result	2,898	2,613	1,180	103	641	1,257	1,921	2,641	3,127	3,646	4,190
% Change Fees	15	15.0	6.0	6.0	6.0	6.0	6.0	6.0	3.0	3.0	3.0
Annual Charge	550	630	668	708	750	795	843	894	920	948	977
Capital Expend	12,872	39,508	23,690	6,384	1,568	2,532	2,497	512	528	544	560
Loan Principal	1,185	985	985	2,385	2,495	2,613	2,741	2,879	3,024	3,186	2,374
Loan Funds	0	39,362	23,638	0	0	0	0	0	0	0	0
Reserve Balances											
Sewer Reserves	9,240	10,848	10,971	8,234	5,891	3,281	501	(272)	(721)	(830)	401
Section 64 Conts	3,914	4,832	5,819	932	628	131	369	1,207	2,121	3,115	4,194
Total Reserves	13,154	15,680	16,790	9,166	6,519	3,411	870	935	1,400	2,285	4,595

4.4 Wastewater Charges - 2012/13

Key changes in this latest financial plan include:

- Estimated saving in operating expenses for 2011/12 of approximately \$700,000, which are carried forward into future years
- Increase of 6% in annual charges for the period 2012/13 to 2017/18
- Some reductions in future capital works, particularly for discretionary projects.

What this table highlights is that savings in operating expenses have allowed significant reductions in the proposed annual charge increases for 2012/13 onwards.

One concern with this option is that increases, above CPI, are constantly applied for the period 2012/13 to 2016/17 (six years), which is a reasonably long period of time.

There can be substantial financial benefits generated by having higher increases in earlier years therefore another model was examined using 7% increases. The outcomes from that model are outlined in the following table.

**Table Six - Cash Forecast - 2010/11 to 2020/21 - Reduced Expenses (\$'000)
7% Increases (2012/13 to 2015/16)**

Description	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Operating Revs	10,729	11,738	12,533	13,454	14,283	15,219	15,697	16,129	16,678	17,265	17,895
Operating Exps	7,831	9,126	11,247	13,115	13,253	13,392	13,530	13,664	13,797	13,918	14,040
Operating Result	2,898	2,613	1,286	339	1,030	1,827	2,167	2,465	2,882	3,347	3,855
% Change Fees	15	15.0	7.0	7.0	7.0	7.0	3.0	3.0	3.0	3.0	3.0
Annual Charge	550	630	674	721	772	826	851	876	902	929	957
Capital Expend	12,872	39,508	23,690	6,384	1,568	2,532	2,497	512	528	544	560
Loan Principal	1,185	985	985	2,385	2,495	2,613	2,741	2,879	3,024	3,186	2,374
Loan Funds	0	39,362	23,638	0	0	0	0	0	0	0	0
Reserve Balances											
Sewer Reserves	9,240	10,848	11,077	8,577	6,623	4,582	2,049	1,100	406	(2)	894
Section 64 Confs	3,914	4,832	5,819	932	628	131	369	1,207	2,121	3,115	4,194
Total Reserves	13,154	15,680	16,896	9,509	7,250	4,713	2,418	2,307	2,527	3,113	5,088

What this table highlights is that if Council increases the annual charge by 7% in the first few years, there only needs to be four years of increases above CPI. Also the annual charge in 2020/21 is actually lower than the predicted charge in table five (\$957 to \$977), as Council has been able to generate more cash, plus investment income, from the higher revenue in the earlier years.

Both of these options have merit and ultimately it is a matter of Council deciding whether they wish to move prices slightly higher now, resulting in a shorter period of price increases, or a lower increase, which may need to be repeated for a longer period of time.

Following debate internally, the preferred option is to proceed with the 7%, primarily as this reduces the need for increases above CPI in the longer term. This is really a marginal decision and there would be no strong objection to Council proceeding with the lower 6% increase.

Forward Financial Plan

With all this information in mind a revised forward financial plan, based on table six, is included as three attachments to this report. The attachments are as follows:

1. Wastewater - Cash Movements and Balances - Ten Year Forward Plan

The key pieces of information in this attachment are:

- Operating Result Before Depreciation and Excluding Section 64 Interest - This is effectively the cash result for the business and it is pleasing that it shows a surplus for the entire period.
- Operating Result Before Depreciation - This is similar to the previous item however Section 64 interest is included. Section 64 interest is operating revenue, however as it is restricted in its use, it is important to understand the operating result both with and without this figure included.
- Operating Result Including Depreciation - This highlights the result once depreciation is included.
- Percentage of Depreciation Funded - This is a ratio showing the level of depreciation funded. This figure is a key strategic consideration for Council in determining what level of depreciation is to be funded into the future. The current long term forecast is based on depreciation being almost fully funded (i.e. 91%) by 2021/22.
- Reserves - Cash Result - Increase / (Decrease) - This line shows the overall cash movement for the year. It is then necessary to identify the source of that funding (i.e. from Reserves or Section 64 Contributions).
- Wastewater Reserves (including movements and closing balances) - This section shows the cash movement (increase or decrease) each year (after items such as capital expenditure), along with movements in the wastewater reserves and section 64 contributions. As per the closing balances, despite there being some major cash decreases during the ten year period, reserves are predicted to remain positive, in total, for the entire period.

2. Wastewater - Operating Revenues and Expenses - Ten Year Forward Plan

The key pieces of information in this attachment are:

- Annual Charges and User Charges - The increase in these items for 2012/13 is 7%, albeit that the attachment shows 8% due to growth in assessments, and the actual year to date figures for 2011/12.
- Total Operating Expenses (Excluding Depreciation) - The major reason operating expenses have increased is due to the increase in interest being paid on loans. Once this figure is deducted there is minimal change in the operating expense budget for 2011/12 as compared to 2012/13 (\$7.8 million for 2011/12 and \$8.1 million for 2012/13).

4.4 Wastewater Charges - 2012/13

- Cash Result - Surplus / (Deficit) - As per the first attachment the primary aim is to ensure the business operates with an operating surplus (excluding depreciation), with a long term goal to fund depreciation.

3. Wastewater - Capital Expenditure

This attachment (three pages) outlines the forward capital works program. There have been three main changes to this information as compared to the original March 2012 report; i.e.

- the funding allocation for mains renewals and the inflow and infiltration program has been reduced from an average of \$700,000 per annum to approximately \$400,000. This revised figure is considered satisfactory based on the latest estimates being sourced from Council's asset management plans
- the open space recycled water irrigation expenditure has been reduced in future years as the majority of the work is virtually complete for Council's sports fields
- the future allocation for vegetation regeneration has been deleted, as based on latest forecasts; this work won't be needed until around 2025.

Finally it should be noted that staff are currently undertaking a review of this capital works program as compared to the Section 64 Developer Servicing Plans (DSPs) prepared by GHD Pty. Ltd. for Council. This review has identified a number of inconsistencies, along with some major variations in future costs, and the outcome from the review may result in changes to this forecast or the Section 64 Plans. Once the review is completed a further report will be presented to Council, however for the time being this capital expenditure program represents the best information available.

Annual Charges

The next table provides a comparison of our existing wastewater charge to our immediate neighbours. As per those figures our current charge is relatively competitive.

Table Seven – Comparison of Annual Charge 2011/12

Council	Ballina	Byron	Lismore	Richmond
Residential	\$630	\$680 plus \$1.52 per kl of water	\$667	\$800

In preparing the long term financial plan a 7% increase in the annual charge is now proposed. If Council endorsed this proposal the draft annual charge for 2012/13 would be as follows.

Table Eight - Draft Charge

Charge Type	2011/12	2012/13	% Increase
Residential Annual Charge	\$630	\$674	7

4.4 Wastewater Charges - 2012/13

Even though further increases are forecast for 2013/14 onwards these figures will be subject to annual reviews. As demonstrated in this report in March 2011 we were predicting increases of 12% per annum for the next four years however this latest forecast is now based on 7% increases. If further work can be undertaken to save expenses it may be possible to lower these figures even further for 2013/14 onwards.

Legal / Resource / Financial Implications

This report provides a financial overview of the wastewater business.

Consultation

The draft budget and proposed charges will be subject to public exhibition.

Options

There are a range of options in respect to the budget and the proposed charges for the business. Based on the information outlined in this report it is recommended that for the purposes of public exhibition Council include the draft budget, as attached to this report, in the 2012/13 Operational Plan, along with the proposed 7% increase in annual charges.

In respect to increases from 2013/14 onwards the current indications are that similar increases will be needed if Council wishes to strive towards funding depreciation. This is a reasonable goal although a lot more work needs to be undertaken in respect to the calculation of the depreciation expense and assessing the remaining life of the existing assets.

Council's Civil Services Group are currently undertaking that work and as the information available is improved Council will be able to annually review its prices to allow a gradual improvement in the level of depreciation funded. Whether Council ultimately determines it wishes to fund 100% of depreciation or a lesser amount will be subject to further reports.

In the short term it is essential that Council allow the wastewater program to fund its recurrent expenses and loan debt and the recommendations that follow provide that outcome.

RECOMMENDATIONS

1. That Council approves the inclusion of the draft wastewater budget, as attached to this report, in the 2012/13 Draft Operational Plan, for public comment.
2. That Council approves the amendments to the 2011/12 wastewater budget, as per the attachment to this report.
3. That Council approves the inclusion of the following wastewater charging structure in the Draft 2012/13 Operational Plan based on a 7% increase for all charges.

Charge Type	2011/12	2012/13	% Increase
Residential Annual Charge	630	674	7

Attachment(s)

1. Cash Movements and Balances - Ten Year Forward Plan
2. Capital Expenditure

Wastewater - Cash Movements and Balances - Ten Year Forward Plan												
ESTIMATE	DESCRIPTION	ESTIMATES										
		2011/12	2012/13	%	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
11,738,000	Operating Revenues	12,533,200	7	13,453,800	14,282,500	15,219,200	15,697,200	16,129,300	16,678,400	17,265,400	17,894,900	18,628,000
9,125,500	Less Operating Expenses	11,247,000	23	13,115,100	13,252,600	13,392,400	13,529,900	13,664,300	13,796,700	13,918,400	14,040,300	14,154,200
2,612,500	Operating Result before Depreciation	1,286,200	(51)	338,700	1,029,900	1,826,800	2,167,300	2,465,000	2,881,700	3,347,000	3,854,600	4,473,800
	Add Developer Contributions - Operating Revenue											
238,000	Section 64 Interest Earned on Contributions	290,000	22	349,000	56,000	38,000	8,000	22,000	72,000	127,000	187,000	252,000
2,850,500	Operating Result Before Depreciation	1,576,200	(45)	687,700	1,085,900	1,864,800	2,175,300	2,487,000	2,953,700	3,474,000	4,041,600	4,725,800
4,334,000	Less Depreciation	4,411,300	2	4,489,100	4,567,200	4,645,700	4,724,300	4,803,000	4,881,400	4,959,400	5,036,900	5,188,100
(1,483,500)	Operating Result Before Depreciation	(2,835,100)	91	(3,801,400)	(3,481,300)	(2,780,900)	(2,549,000)	(2,316,000)	(1,927,700)	(1,485,400)	(995,300)	(462,300)
66%	Percentage of Depreciation Funded	36%		15%	24%	40%	46%	52%	61%	70%	80%	91%
	Add Capital Grants and Contributions											
146,000	Capital Grants and Contributions	0	(100)	0	0	0	0	0	0	0	0	0
680,000	Section 64 Contributions Collected	697,000	3	714,000	739,500	765,000	790,500	816,000	841,500	867,000	892,500	918,000
	Add Non-operating Funds Employed											
39,362,000	Loan Funds Used	23,638,000	(40)	0	0	0	0	0	0	0	0	0
	Subtract Funds Deployed for Non-operating Purposes											
39,508,000	Capital Works	23,690,000	(40)	6,384,000	1,568,000	2,532,000	2,497,000	512,000	528,000	544,000	560,000	577,000
985,000	Loan Repayments - Principal	985,000	0	2,384,800	2,494,700	2,613,200	2,741,000	2,878,800	3,023,700	3,186,300	2,373,900	2,562,500
20,000	Dividends	20,000	0	20,600	21,200	21,800	22,500	23,200	23,900	24,600	25,300	26,100
	Reverse Non-cash Expenses											
4,334,000	Depreciation	(4,411,300)	(202)	(4,489,100)	(4,567,200)	(4,645,700)	(4,724,300)	(4,803,000)	(4,881,400)	(4,959,400)	(5,036,900)	(5,188,100)
2,525,500	Reserves - Cash Result - Increase / (Decrease)	1,216,200	(52)	(7,387,700)	(2,258,500)	(2,537,200)	(2,294,700)	(111,000)	219,600	586,100	1,974,900	2,478,200
	Movement in Reserves - Increase / (Decrease)											
1,607,500	Wastewater Reserves	229,200		(2,500,700)	(1,954,000)	(2,040,200)	(2,533,200)	(949,000)	(693,900)	(407,900)	895,400	1,308,200
918,000	Developer Contributions - Section 64	987,000		(4,887,000)	(304,500)	(497,000)	238,500	838,000	913,500	994,000	1,079,500	1,170,000
2,525,500	Total Movement in Reserves (incl Section 64)	1,216,200		(7,387,700)	(2,258,500)	(2,537,200)	(2,294,700)	(111,000)	219,600	586,100	1,974,900	2,478,200
	Equity Closing Balances											
10,848,000	Wastewater Reserves	11,077,200		8,576,500	6,622,500	4,582,300	2,049,100	1,100,100	406,200	(1,700)	893,700	2,201,900
4,832,000	Developer Contributions - Section 64	5,819,000		932,000	627,500	130,500	369,000	1,207,000	2,120,500	3,114,500	4,194,000	5,364,000
15,680,000	Total	16,896,200		9,508,500	7,250,000	4,712,800	2,418,100	2,307,100	2,526,700	3,112,800	5,087,700	7,565,900

Revised

Wastewater - Operating Revenues and Expenses - Ten Year Forward Plan															
ACTUAL 2008/09	ACTUAL 2009/10	ACTUAL 2010/11	ESTIMATE 2011/12	DESCRIPTION	ESTIMATES										
					2012/13	%	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
OPERATING REVENUES															
5,702,404	6,449,684	7,372,055	8,559,000	Annual Charges	9,256,200	8	10,003,800	10,812,500	11,687,200	12,155,200	12,642,300	13,149,400	13,675,400	14,222,900	14,793,000
1,440,296	1,494,302	1,817,092	1,933,000	User Charges	2,123,000	10	2,267,000	2,421,000	2,585,000	2,701,000	2,782,000	2,865,000	2,951,000	3,039,000	3,129,000
147,397	148,632	149,830	152,000	Operating Grants	154,000	1	159,000	164,000	169,000	174,000	179,000	184,000	190,000	196,000	202,000
52,863	80,095	85,983	67,000	Regulatory Fees and Fines	70,000	4	72,000	74,000	76,000	78,000	80,000	82,000	84,000	86,000	89,000
217,987	285,384	379,511	341,000	Other Revenues	263,000	(23)	271,000	280,000	289,000	298,000	307,000	316,000	325,000	335,000	345,000
1,019,492	4,168,858	924,403	924,000	Interest	957,000	4	1,030,000	587,000	451,000	299,000	161,000	154,000	167,000	203,000	322,000
8,580,439	12,626,955	10,728,874	11,976,000	Total Operating Revenues	12,823,200	7	13,802,800	14,338,500	15,257,200	15,705,200	16,151,300	16,750,400	17,392,400	18,081,900	18,880,000
OPERATING EXPENSES															
Direct Expenses															
435,869	572,281	586,716	524,500	Engineering Management	553,000	5	570,000	587,000	604,000	622,000	640,000	660,000	680,000	701,000	722,000
239,917	511,158	646,164	838,000	Administration and Customer Service	728,000	(13)	752,000	776,000	800,000	824,000	848,000	872,000	896,000	921,000	947,000
236,373	272,196	279,962	268,000	Engineering and Technical Costs	241,000	(10)	248,000	255,000	262,000	270,000	278,000	286,000	294,000	303,000	312,000
12,079	12,951	21,142	23,000	Donations and Legals	25,000	9	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000
2,000	24,396	98,146	135,000	Conservation Promotion	100,000	(26)	103,000	106,000	109,000	112,000	115,000	118,000	121,000	124,000	127,000
148,909	134,632	195,832	87,000	Plans and Investigations	35,000	(60)	36,000	37,000	38,000	39,000	40,000	41,000	42,000	43,000	44,000
550,864	643,313	841,451	923,000	Energy Costs	1,015,000	10	1,045,400	1,076,800	1,109,100	1,142,400	1,176,600	1,211,900	1,248,200	1,285,700	1,324,200
1,283,047	1,916,270	1,401,121	1,294,000	Pumping Stations	1,334,000	3	1,372,000	1,411,000	1,453,000	1,496,000	1,540,000	1,585,000	1,631,000	1,679,000	1,728,000
1,761,094	1,365,678	1,705,333	1,628,000	Reuse Water Facilities	1,690,000	4	1,742,000	1,794,000	1,848,000	1,904,000	1,962,000	2,020,000	2,080,000	2,143,000	2,208,000
808,466	821,505	575,340	500,000	Mains Maintenance and Operations	550,000	10	567,000	584,000	602,000	620,000	639,000	658,000	678,000	698,000	719,000
10,537	32,551	26,794	55,000	Telemetry Operations	60,000	9	62,000	64,000	66,000	68,000	70,000	72,000	74,000	76,000	78,000
138,185	189,538	206,382	254,000	Other Operating Costs	270,000	6	277,000	284,000	293,000	302,000	311,000	320,000	329,000	338,000	347,000
Indirect Expenses - Overheads															
1,017,996	1,161,000	1,238,000	1,302,000	Overheads Distributed	1,503,000	15	1,548,000	1,594,000	1,642,000	1,691,000	1,742,000	1,794,000	1,848,000	1,903,000	1,960,000
Debt Servicing															
21,000	21,000	8,196	1,294,000	Interest on Loans	3,143,000	143	4,766,700	4,656,800	4,538,300	4,410,500	4,272,700	4,127,800	3,965,200	3,792,600	3,604,000
Indirect Expenses - Overheads															
6,666,336	7,678,469	7,830,579	9,125,500	Total Operating Expenses	11,247,000	23	13,115,100	13,252,600	13,392,400	13,529,900	13,664,300	13,796,700	13,918,400	14,040,300	14,154,200
1,914,103	4,948,486	2,898,295	2,850,500	Cash Result on Operations - Surplus	1,576,200	(45)	687,700	1,085,900	1,864,800	2,175,300	2,487,000	2,953,700	3,474,000	4,041,600	4,725,800

Revised

Wastewater - Capital																							
Asset Description												Capital Funding - 2012/13			Capital Funding - 2013/14			Capital Funding - 2014/15			Capital Funding - 2015/16		
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Sect 64	Loans	Reserves	Sect 64	Loans	Reserves	Sect 64	Loans	Reserves	Sect 64	Loans	Reserves
Wastewater Management Strategy																							
Land Acquisition Feasibility & Investigations	50,000												0	0			0			0			0
Technical Design													0	0			0			0			0
Wastewater Strategy - Technical Consultancies																							
Recycled Water Distn Sys - Detailed Design	610,000												0	0			0			0			0
Recycled Water Environmental Assessments	50,000												0	0			0			0			0
Technical Consultancies - Project Mgmt	25,000												0	0			0			0			0
Ballina Wastewater Treatment Plant																							
Ballina Upgrade - Project Management	734,000	784,000											784,000	0									
Ballina - Upgrade Contract																							
Ballina - Concept Design Finalisation	103,000												0	0			0			0			0
Ballina - Detailed Design	2,235,000												0	0			0			0			0
Ballina - Other	3,445,000	706,000											706,000	0			0			0			0
Ballina - Civil Const	7,986,000	1,996,000											1,996,000	0			0			0			0
Ballina - Mech Const	7,176,000	1,794,000											1,794,000	0			0			0			0
Ballina - Elect Const	3,075,000	769,000											769,000	0			0			0			0
Ballina - Telemetry		12,000											12,000	0			0			0			0
Ballina - Commissioning		1,460,000											1,460,000	0			0			0			0
Ballina - Demolition of Existing Facility		365,000											365,000	0			0			0			0
Ballina - Construction of Sludge Storage		2,100,000											2,100,000	0			0			0			0
Ballina - Post Completion Works		230,000											230,000	0			0			0			0
Lennox Head Wastewater Treatment Plant																							
Lennox Head - Project Management	32,000	4,000											4,000	0			0			0			0
Lennox Head - Optimisation Upgrade Contract	1,000,000	416,000											416,000	0			0			0			0
Lennox Head - Upgrade Contract																							
Concept Design Finalisation	170,000												0	0			0			0			0
Detailed Design	640,000	135,000											135,000	0			0			0			0
Capacity Upgrade - Other	527,000	59,000											59,000	0			0			0			0
Capacity Upgrade - Civil Const	1,992,000	498,000											498,000	0			0			0			0
Capacity Upgrade - Mech Const	1,968,000	492,000											492,000	0			0			0			0
Capacity Upgrade - Elect Const	892,000	223,000											223,000	0			0			0			0
Capacity Upgrade - Telemetry	3,000	1,000											1,000	0			0			0			0
Capacity Upgrade - Commissioning		395,000											395,000	0			0			0			0
Post Completion Works		97,000											97,000	0			0			0			0
Catchment Diversion Works																							
Ballina - Diversion Ancillary Works		120,000	380,000										120,000	0			380,000			0			0
Ballina - Catchment Diversion Works		1,500,000	1,000,000										1,500,000	0	1,000,000		0			0			0
Urban Dual Reticulation (UDR) Program																							
UDR - Project Management	100,000	200,000	300,000										200,000	0	300,000		0			0			0
Distribution Systems Ballina / Lennox	300,000	1,000,000	1,400,000										1,000,000	0	1,400,000		0			0			0
Land Acquisition - Ballina Heights	703,000												0	0			0			0			0
Land Acquisition - Ross Lane				1,100,000									0	0			0	1,100,000		0			0
Construct Dual Retic Res - Ballina Heights		1,000,000	2,000,000										1,000,000	0	2,000,000		0			0			0
Construct Dual Retic Res - Kings Court		600,000	500,000										600,000	0	500,000		0			0			0
Construct Dual Retic Res - Ross Lane					1,300,000	2,000,000							0	0			0			0	1,300,000		0
Recycled Water Implementation - Open Space																							
Open Space Irrigation - Design Systems	20,000	0	0	0	0	0	0	0	0	0	0		0	0		0	0		0	0		0	
Open Space Irrigation - Installations	623,000	100,000	0	0	0	0	0	0	0	0	0		100,000	0	0		0	0		0	0		0
Recycled Water Implementation - Vegetation Regeneration																							
Vegetation Regeneration - Feasibility													0	0			0			0			0
Vegetation Regeneration - Land Acquisition													0	0			0			0			0
Vegetation Regeneration - Irrigation Systems													0	0			0			0			0
Vegetation Regeneration - Trunk Mains													0	0			0			0			0
Wastewater Capital Works Carried Forward																							

Revised

Wastewater - Capital (continued)																								
Asset Description												Capital Funding - 2012/13			Capital Funding - 2013/14			Capital Funding - 2014/15			Capital Funding - 2015/16			
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Sect 64	Loans	Reserves	Sect 64	Loans	Reserves	Sect 64	Loans	Reserves	Sect 64	Loans	Reserves	
Pumping Stations																								
SP3001 - Upgrade Pumps - Byron Street, Lennox	250,000	200,000											200,000											
SP3002 - Emerg Storage - Rutherford St, Lennox		85,000											85,000											
SP2309 - Emerg Storage - Anderson St, Ballina		75,000											75,000											
SP3101 - Emerg Storage - Skeannars Hd Rd,		105,000											105,000											
SP3101 - Upgrade Pumps - Skeannars Hd Rd		115,000											115,000											
SP4106 - Upgrade Pumps - Kays Lane, Alstonville	30,000												0											
SP2001 - Polyurea Lining Pump - Swift St, Ballina	30,000												0											
SP2301 - Upgrade Pumps - Angels Bch Dr, Ballina	120,000												0											
SP2002 - Pump Capacity Upgrade	15,000												0											
SP2012 - Pump Capacity Upgrade	13,000												0											
SP2009 - Pump Capacity Upgrade		15,000											15,000											
SP2202 - Upgrade Pumps - Racecourse Rd, Ballin	15,000												0											
SP2205 - Upgrade Pumps - Piper Drive, Ballina		15,000											15,000											
SP2206 - Upgrade Pumps - Dehavilland Cr, Ballina	15,000												0											
SP2207 - Upgrade Pumps - Sthn Cross Dr, Ballina	15,000												0											
SP2210 - Upgrade Pumps - Whiting Way	37,000												0											
SP4002 - Upgrade Pump Station - Coral St													0											
SP4004 - Emergency Storage - Granada Place	85,000												0											
SP4003 - Storage Capacity Upgrade	35,000												0											
SP4001 - Storage & Pump Upgrade		80,000											80,000											
North Ballina - New Pumping Station	6,000												0											
Wollongbar Expansion - NHS1 Pump Station	944,000	360,000											360,000											
Wollongbar Expansion - NHS2 Pump Station		280,000											280,000											
SP3107 - Upgrade Pumps - Seamist, Lennox Hd													0											
SP3107 - Emergency Storage - Seamist, Lennox	177,000												0											
SP2305 - Emerg Storage - Serpentine, Ballina	50,000												0											
SP2309 - Upgrade Pumps - Anderson St, Ballina		75,000											75,000											
SP2312 - Pump Capacity Upgrade		45,000											45,000											
SP2313 - Storage Capacity Upgrade		35,000											35,000											
SP2311 - Storage Capacity Upgrade		35,000											35,000											
SP2013 - Upgrade Pumps - Skinner St, Ballina		75,000											75,000											
River Oakes - Pump Station													0											
SP2108 - Storage Capacity Upgrade		40,000											40,000											
SP2105 - Pump Upgrade		50,000											50,000											
SP3102 - Upgrade Pumps		25,000											25,000											
SP3103 - Storage Capacity Upgrade		25,000											25,000											
Wastewater Capital Works Carried Forward																								

Revised

Wastewater - Capital (continued)																							
Asset Description												Capital Funding - 2012/13			Capital Funding - 2013/14			Capital Funding - 2014/15			Capital Funding - 2015/16		
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Sect 64	Loans	Reserves	Sect 64	Loans	Reserves	Sect 64	Loans	Reserves	Sect 64	Loans	Reserves
Cumbalum (Ballina Heights/Ross Lane)																							0
Cumbalum Pump Station - Upgrade Pumps					150,000								0										150,000
Existing Cumbalum Pump Station - New gravity					200,000								0										200,000
Skennars Head																							0
Stewart Land - New Pump Station					150,000								0										150,000
Stewart Land - New Gravity Main					100,000								0										100,000
Stewart Land - New Rising Main					150,000								0										150,000
North Ballina																							0
River Oakes - Gravity Main													0										0
River Oakes - Rising Main													0										0
Trunk Mains																							0
SP4106 - Rising Main - Kays Lane, Aistonville	25,000												0										0
SP3001 - Rising Main - Byron Street, Lennox		270,000											270,000										0
Diversion of SP2101 to Ballina, North Ballina		260,000											260,000										0
SP2001 - Rising Main - Rehab - Swift St, Ballina			350,000										0	350,000									0
SP2001 - Upgrade Pump Motors - Swift St		175,000											175,000										0
Diversion of North Ballina Pump Station to Ballina		175,000											175,000										0
New Rising Main North Ballina to Ballina		690,000											690,000										0
Diversion of Ballina Heights to Ballina		525,000											525,000										0
Gravity Trunk Mains - Wollongbar Expansion													0										0
Underbores - Wollongbar													0										0
SP3106 to SP3107 - Gravity Main - Seamist		15,000											15,000										0
SP3110 - Parallel Gravity Main - Hutley Dr		398,000											398,000										0
Rising Main - Skennars Ridge Stn		116,000											116,000										0
Preliminaries - Wollongbar	132,000												0										0
Contingency - Wollongbar	303,000												0										0
Gravity Trunk Main A - Wollongbar	361,000	30,000											30,000										0
Gravity Trunk Main A2 - Wollongbar		68,000											68,000										0
Gravity Trunk Main B - Wollongbar	143,000	114,000											114,000										0
Gravity Trunk Main B1 - Wollongbar	666,000												0										0
Gravity Trunk Main B7 - Wollongbar	206,000	20,000											20,000										0
Gravity Trunk Main B11 - Wollongbar		70,000											70,000										0
Gravity Trunk Main B12 - Wollongbar		45,000											45,000										0
Gravity Trunk Main B13 - Wollongbar		25,000											25,000										0
Gravity Trunk Main Ramses Street - Wollongbar													0										0
Gravity Main - Pacific Pines		160,000											160,000										0
Wastewater Mains - Renewals																							0
Wastewater Mains - Miscellaneous Renewals	200,000	400,000	0	0	0	0	0	0	0	0	0		400,000	0			0	0					0
Inflow & Infiltration Program - Renewals	1,000,000	1,200,000	400,000	412,000	424,000	437,000	450,000	464,000	478,000	492,000	507,000		1,200,000	0	400,000		0		412,000				424,000
Inflow & Infiltration Program - Project Mgmt	50,000												0										0
Plant and Equipment																							0
Telemetry Installation	68,000	70,000	0	0	0	0	0	0	0	0	0		70,000	0									0
Plant Replacement Wastewater	50,000	52,000	54,000	56,000	58,000	60,000	62,000	64,000	66,000	68,000	70,000		52,000			54,000				56,000			58,000
Other Miscellaneous Works																							0
Backlog	16,000	0	0	0	0	0	0	0	0	0	0		0			0							0
Total Capital Works	39,508,000	23,690,000	6,384,000	1,568,000	2,532,000	2,497,000	512,000	528,000	544,000	560,000	577,000	0	23,638,000	52,000	5,950,000	0	434,000	1,100,000	0	468,000	1,300,000	0	1,232,000

Revised

4.5 Waste Charges - 2012/13

4.5 Waste Charges - 2012/13

Delivery Program Waste Services

Objective To review the long term financial plan for the waste programs and to confirm the preferred increase in annual charges for 2012/13.

Background

Council considered a report on the long term financial plan for the waste programs at the Finance Committee meeting held 20 March 2012. The resolution arising from that report was as follows: *"That a workshop be held on this matter"*.

This workshop was held on Wednesday 4 April 2012, in conjunction with a workshop on Council's wastewater charges and overall waste strategy. The majority of this workshop focused on the waste strategy, rather than the pricing regime proposed for the wastewater and waste programs for 2012/13.

With there being limited direction from the workshop, the report that follows canvasses the matters identified in the original report (20 March 2012), which relate to the overall long term financial plan and the estimated increase in waste charges needed for 2012/13.

Key Issues

- Long term aims and objectives
- Affordability

Information

Council's waste service comprises two distinct programs being Landfill and Resource Management (LRM) and Domestic Waste Management (DWM). LRM is responsible for the waste management facility plus the collection of kerbside business waste and DWM is responsible for the collection of kerbside residential waste. The Local Government Act requires DWM to be treated as a separate program due to the manner in which it raises revenues through annual charges.

In general terms LRM is struggling with debt levels and the State Government waste levy. In turn these costs must be passed on to DWM through gate fees at the landfill. LRM has taken up loans to close the old cell, open new cells and purchase a waste bailer. The total loan commitment, at its peak, was in the order of \$12 million. The capital balance now outstanding is in the order of \$5.7 million.

Another major driver for the waste programs is the State Government waste levy, which is a charge per tonne for all waste deposited at the landfill. The levy increases by \$10 per tonne, plus CPI, for seven years (up to 2015/16) and has already assumed a significant role in the operation of the LRM service.

4.5 Waste Charges - 2012/13

DWM is, in comparison to LRM, a smaller and more predictable operation. The business must pay wages and provide collection vehicles for residential mixed and recycled kerbside collections plus meet contract payments for the kerbside collection of residential green waste. An assured income stream is available in the form of the annual charge and this charge can be adjusted at Council's discretion, subject to certain requirements of the Local Government Act.

The two services, LRM and DWM are dependent upon each other. DWM needs somewhere to deposit waste collected and LRM is primarily in business to service DWM. This report examines the operations of both activities, with a long term financial plan for both, included as an attachment to this report.

Landfill and Resource Management (LRM)

When the new cells were constructed it was estimated that they would have a ten year life span and the loans were also structured over ten years. This relatively short time frame magnified the impact of the loan repayments.

In response to the high debt level, prices increased significantly up to 2009/10 and customer resentment ensued. In 2009/10 Council adopted a strategic approach with regard to pricing, where it was agreed that the tariff for waste deposited by DWM would be higher than the gate fees for self haul users.

The rationale for this approach was based on the reasoning that Council is involved in waste disposal as we must provide a domestic service to local residents. Otherwise Council may not be involved in the service at all. Therefore if a higher charge is necessary to keep the service viable, then so be it.

DWM is a monopoly market and Council can increase prices without impacting on demand. This means an increased tariff generates a relatively assured level of revenue. However Council must place a high value on the ability of residents to pay for the service.

Even though DWM provides a stable income source for Council, this is not the case with customers (self haul) delivering waste to the landfill. As prices increased in recent years, customers objected strongly to the higher gate prices. The amount of tonnage coming from this area has become variable with some commercial operators, and some residents, using other landfill sites, when feasible.

The next table provides the tonnage charges for the last three years and differentiates between the internal charges levied on DWM and self haul.

Table One - Charges Per Tonne (\$)

1) Description	2) 2009/10	3) 2010/11	4) 2011/12 (1)	5) 2011/12 (2)
6) DWM Recycled	7) 179	8) 200	9) 200	10) 74
11) Self Haul Recycled	12) 132	13) 148	14) 74	15) 74
16) DWM Mixed Waste	17) 198	18) 222	19) 222	20) 174
21) Self Haul Mixed Waste	22) 151	23) 169	24) 174	25) 174

(1) Price for the first three months to September

(2) Price for following nine months from September onwards

4.5 Waste Charges - 2012/13

In the 2011/12 financial year DWM prices were reduced at the end of September to the same figure as that paid by self haul users. This decision was based on trending for the first three months indicating that DWM would pay LRM amounts well in excess of forecast budget.

As DWM has also purchased new trucks costing \$1.4 million this year, it was looking as though the business would need to borrow quite heavily from LRM to finance the year's operations.

Table two shows the recent financial results for LRM together with the forecast for 2011/12 as at 31 December 2011.

Table Two - LRM Waste Operating Results (\$'000)

Description	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Estimate
Operating Revenues	4,727	5,902	6,970	6,297
Operating Expenses (including dep)	5,222	5,837	5,955	6,949
Operation Surplus / (Deficit)	(495)	65	1,015	(652)
Add Depreciation / Remediation	1,410	1,525	1,459	1,511
Cash Surplus / (Deficit)	915	1,590	2,474	859
Less Loan Principal	1,004	1,076	1,154	1,210
Less Capital Expenditure	0	0	60	160
Add Income from Sale of Business	0	0	0	642
Cash Increase / (Decrease)	(89)	514	1,260	131
Reserve Balance	(46)	468	1,728	1,859

This table indicates that the operating result has progressively improved until 2011/12 where income is forecast to be less than the previous year, albeit that these figures estimates only. This change is attributable to the price reductions for DWM gate fees during the year. The prediction remains for a modest cash increase of \$131,000.

The latest estimate for the remaining cell life is now approximately seven years. This estimate can be affected by numerous factors including decisions on trucking waste to other landfill sites and the use of alternative technologies such as pyrolysis. Currently recycles, green and construction/demolition waste are all trucked to other sites, which has extended the life of the current cells considerably.

The major loans that relate to construction of the existing cells and purchase of the bailer expire in 2016/17. This means that the existing cell life should match the existing loans, which will then free up funds for new cells and remediation works. Loan repayments are currently in the order of \$1.4 million per annum.

Remediation of the current cells is estimated to be approximately \$2 million and creation of the new cells is estimated to cost approximately \$1.5 million. Ideally adequate reserves will be on hand to meet these liabilities when the funding is needed.

Planning is currently underway to determine what actions will be taken once the current cells are full. The regional waste strategy, when completed, should provide some clear direction. This project is expected to be finalised sometime during 2012/13. Until an alternative strategy is confirmed it is appropriate that Council continue to plan to construct new cells at the existing landfill.

4.5 Waste Charges - 2012/13

Also Council must, at some time, pay to remediate former landfill sites in Ballina, Lennox Head and Wardell. These costs are a legacy of the past that current and future generations must accept due to changing environmental standards.

It is debatable as to whether Council should look to extract sufficient funds from users of the current cells to assist with longer term waste management.

To date the forward financial plans have not contemplated funding future sites or remediation of former tip sites over the life of the current cells. This is partly because the financial situation has been so poor that extraneous expenses could not be accommodated.

Proposed Fees and Charges

The State levy is playing a major role in determining the Council waste fee structure. This levy is set to increase by \$10 plus CPI to approximately \$43 dollars per tonne for 2012/13. It is estimated that this will amount to a total cost in excess of \$1 million for 2012/13, which is around 18% of total operating costs (excluding depreciation / remediation).

If you use the current charge for self haul mixed waste (\$174/tonne) as a benchmark we will need to raise prices by 6.3% (\$11/\$174) just to match the levy increase. If you then add the standard CPI figure of approximately 3% we are looking at fee increases of around 9.3% to keep pace with rising costs.

The next table demonstrates possible 2012/13 waste charges based on a 9% increase, excluding the fees paid by Council for DWM delivered to the landfill. It is estimated that these fees will need to return to amounts similar to the fees charged initially for 2011/12 to assist with the viability of both businesses (i.e. LRM and DWM).

Table Three - Waste Charges - 2012/13 - Assuming 9% Increase

Charge Type	2011/12 Charge (\$)	2012/13 Charge (\$)	% Change
Business Mixed (Annual Charge)	268	292	9
Business Recycling (Annual Charge)	132	144	9
Business Green Waste (Annual Charge)	Not available	255	N/A
Council DWM Gate Fee - Recyclates	200 then 74 per tonne	185 per tonne	(7.5) or 150
Council DWM Gate Fee - Mixed Waste	222 then 174 per tonne	220 per tonne	(0.1) or 26
Remaining Gate Fees	Various	Various	Up to 9%

In preparing any financial modelling for LRM each of the charges mentioned in table three need to be individually examined as they can all be changed at differing rates, dependent upon the outcome Council is seeking.

For example, if Council is satisfied with the proposed increases in table three for 2012/13, a cash forecast for the LRM for the period 2011/12 to 2021/22 is as follows.

4.5 Waste Charges - 2012/13

Table Four - Cash Forecast - LRM - 9% Increase 2012/13

Description	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
Operating Revs	6,297	6,927	7,352	7,686	8,023	8,301	8,594	8,882	9,237	9,548	9,933
Operating Exps	5,469	5,633	5,952	6,281	6,618	6,725	6,852	7,039	7,241	7,450	7,666
Operating Result	828	1,295	1,401	1,404	1,405	1,576	1,742	1,843	1,996	2,098	2,267
% Change in Fees											
DWM Annual Charge	18	9	3	3	3	3	3	3	3	3	3
Bus Annual Charge	5	9	3	3	3	3	3	3	3	3	3
DWM Gate -Mixed	3	150	5	3	3	3	3	3	3	3	3
DWM Gate - Recycle	3	27	5	3	3	3	3	3	3	3	3
Gate Fees - Other	3	9	5	3	3	3	3	3	3	3	3
Capital Expend	160	325	386	470	556	572	2,090	607	2,626	644	664
Loan Principal	940	982	1,053	1,127	1,206	1,112	194	0	0	0	0
Reserve Balance	1,457	1,444	1,406	1,213	857	749	207	1,443	814	2,268	3,872

What this table highlights is that through a 9% increase in 2012/13, minimal increases are needed in future years to ensure the LRM program remains viable. The future DWM and business property annual charges can be limited to CPI increases, which is pleasing considering that the State Government waste levy is still being applied.

Also of particular interest is the fact that the major remediation and cell construction costs are funded in full, from reserves, in 2017/18 and 2019/20.

Staff are mindful that 9% is a significant increase for 2012/13, even though it is largely driven by the State Government waste levy, therefore another option was examined based on a smaller increase in 2012/13 and higher increases in future years. The outcomes from this analysis are as follows.

Table Five - Cash Forecast - LRM - 7% Increase 2012/13

Description	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
Operating Revs	6,297	6,894	7,308	7,698	8,037	8,315	8,608	8,899	9,256	9,567	9,956
Operating Exps	5,469	5,633	5,952	6,281	6,618	6,725	6,852	7,039	7,241	7,450	7,666
Operating Result	828	1,261	1,356	1,416	1,419	1,590	1,756	1,860	2,015	2,117	2,290
% Change in Fees											
DWM Annual Charge	18	7	4	4	3	3	3	3	3	3	3
Bus Annual Charge	5	7	4	4	3	3	3	3	3	3	3
DWM Gate -Mixed	3	150	5	4	3	3	3	3	3	3	3
DWM Gate - Recycle	3	27	5	4	3	3	3	3	3	3	3
Gate Fees - Other	3	7	4	4	3	3	3	3	3	3	3
Capital Expend	160	325	386	470	556	572	2,090	607	2,626	644	664
Loan Principal	940	982	1,053	1,127	1,206	1,112	194	0	0	0	0
Reserve Balance	1,457	1,411	1,328	1,148	805	711	183	1,436	825	2,298	3,924

Under this option a 7% increase is applied for 2012/13, with 4% increases following for 2013/14 and 2014/15.

Both options are viable and in effect very similar, however on balance the 9% option is considered to be the preferred approach. This option provides greater flexibility for Council in allowing additional income to be generated earlier in the financial plan, and also minimises the need for future increases.

4.5 Waste Charges - 2012/13

Domestic Waste Management (DWM)

The major costs confronted by this business are collection (vehicles picking up the kerbside bins) and disposal (costs to deposit waste at the waste facility) and contractor charges to collect the green waste. The next table shows the recent financial results for DWM.

Table Six - DWM Operating Results (\$'000)

Item	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Estimated
Operating Revenues	4,737	5,175	5,631	6,456
Operating Expenses	4,267	5,085	5,725	6,256
Operating Surplus / (Deficit)	470	90	(94)	200
Less Depreciation	245	245	227	260
Cash Surplus / Deficit)	715	335	133	460
Less Loan Principal	195	110	118	126
Less Capital Expenditure	0	0	0	1,385
Cash Increase / (Decrease)	520	225	15	(1,051)
Reserve Balance	757	982	997	(54)

This table indicates that, up until 2011/12 (estimate), the financial position of DWM has been deteriorating. This is primarily due to the increased costs that LRM has passed on to DWM via gate fees. The 2011/12 forecast is for a sound improvement and this is because gate fees were reduced in September.

The capital outlay this financial year to purchase trucks has drained the reserve and over the next four of five years the reserve needs to be replenished to enable replacement vehicles to be purchased. DWM needs to increase reserves by approximately \$300,000 per annum to pay for new vehicles. In respect to the cycle just completed it is pleasing to see that the business could afford the new fleet with only a minor dependence on borrowings, or possibly no borrowings, depending on actual financial results.

The juggling between DWM and LRM via the gate fee imposed on DWM is not a precise science but at this stage a reasonable outcome for both businesses is being achieved.

Proposed Annual Charges

Based on the 9% increase recommended for LRM the proposed 2012/13 DWM charges are as follows.

Table Seven - Domestic Waste Charges (\$)

Charge Type	2011/12	2012/13	% Increase
DWM - Rural (excludes green)	321	350	9
DWM – Rural (no collection)	263	287	9
DWM – Urban (all 3 collections)	360	392	9
Additional Mixed Waste	Not available	146	N/A
Additional Domestic Recycling	130	141	9
Additional Green Waste Collection	234	255	9
DWM – Vacant Land	32	35	9

Forward Financial Plan

The attachments to this report provide the long term financial plan for LRM and DWM based on the proposed 9% increase. This plan provides for \$1.5 million to construct the new cells in 2017/18, along with estimated expenditure of \$2 million to remediate the existing cells in 2019/20.

The three sections to this plan are as follows:

1. Waste Management - Cash Movements and Balances - Ten Year Forward Plan

The information in this attachment provides the operating results both for LRM and DWM. The key pieces of information are:

- Operating Result Before Depreciation - This is the cash operating result for the businesses and both businesses are making a cash surplus on operations for the entire period.
- Reserve - Cash Result - Increase / (Decrease) - This line shows the overall cash movement for the year, which really determines whether the LRM or DWM reserves are increasing or decreasing
- Reserve - Balance - This line, for each business, shows the reserve balance. It is important that adequate reserves are retained for future expenditure, while at the same time Council should not accrue excessive reserves. The DWM reserve becomes quite high towards the end of the ten years, which indicates that there may be future opportunities to minimise increases for this charge.
- Landfill Calculations - This section has been included to assist Council in understanding the life remaining for the landfill. Essentially the existing capacity is reduced by the air space consumed based on the tonnages deposited at the landfill each year. It is assumed that each tonne of waste deposited consumes 1.2 cubic metres of space.

2. Operating Revenues and Expenses - Landfill and Resource Management - Domestic Waste Management

These two pages provide the operating revenues and expenses for both waste programs. Items of interest include:

LRM

Operating Revenues

- State Government Levy Contribution - \$304,800. These funds must now be expended on capital related activities therefore the capital works program includes a matching expense.
- Recyclables - Council Sales DWM - \$870,000. This represents the gate fee paid by Council's DWM program to bring the fortnightly collection to the waste centre

4.5 Waste Charges - 2012/13

- Waste Disposal Fees - External - \$1,392,000. This represents the gate fee paid by customers to deposit waste at the landfill. This income figure has increased by 12% compared to 2011/12 as the 2011/12 actual figures are trending above budget.
- Waste Disposal Fees - Council's DWM Service - \$2,969,000. This represents the gate fee paid by DWM to bring the weekly collection to the waste centre

The anticipated revenue from payments by DWM equate to 55% of all income received by LRM. This highlights the importance of DWM to LRM.

Operating Expenses

- Weighbridge - \$203,000. Relates to staff wages at the weighbridge.
- Transfer Stations - \$157,800. Management and clearing of transfer bins.
- Collection - \$291,500. Includes the LRM share of collection costs for business customer wheelie bins and recycle bins.
- Material Recovery Facility - \$520,400. Includes transport and gate fees to relocate recyclables off site.
- Bailing, Placement and Cover - \$890,000. Refers to the treatment of mixed waste from bailing to placement in the cell and covering of the cell.
- Green Waste Transport - \$400,000. Transport and gate fees to relocate green waste off site.
- Green Waste Use - \$207,000 - Treatment of green waste on site.
- Waste Transport - Construction and Demolition - \$500,000. Payment to contractors to transport construction and demolition waste to external sites
- Loan Interest - \$377,400. This is less than the current financial year as an internal loan is fully paid this year.

Other relevant background information includes:

- The State Government levy returned to Council (WASIP) is a capped figure and does not bear any resemblance to the amount Council pays to the State Government. For the first two years of the levy Council was receiving a reimbursement of 50% of "deemed" domestic waste tonnage and from year three the reimbursement drops to 25% of the deemed domestic waste tonnage going to the landfill. In 2012/13 it is estimated that the refund will amount to just over \$300,000.
- LRM will pay transport and treatment expenses for green waste, recyclates and construction / demolition. Recyclates and construction / demolition are trucked to Queensland sites and as from January a Queensland State levy will be charged on this waste. The estimated expense has taken this into consideration.

4.5 Waste Charges - 2012/13

- It is assumed that DWM will pay LRM the same rate per tonne to accept the green waste as mixed waste. This is because the green waste will contain putrescible waste from the kitchen and is therefore contaminated in comparison to other green waste deposits.
- It is assumed that the gross quantity of waste coming in the gate will not diminish but will remain reasonably consistent with the current financial year to date.
- An internal loan will be fully repaid in the current financial year.
- The financial plan does not make provision for the carbon tax. Advice from Council's Waste Manager is that information on this tax is not sufficiently reliable to incorporate into the plan at this time. The issue will be closely monitored to assess the impact of the tax on the landfill and it may be that a late adjustment will be required to fees before the Operational Plan is adopted.

DWM

This financial plan is relatively straight forward with the annual charges increasing by 9% and the collection costs varying significantly as per the information outlined earlier in this report.

3. Waste - Capital

This attachment outlines the forward capital works program. In brief there are major allowances for the remediation and cell expansion, the WASIP income is offset by capital expenditure and there is an allowance for new trucks each year.

Legal / Resource / Financial Implications

Council needs to carefully consider the financial implications of any proposed changes in waste charges and the need to meet appropriate legislative environmental standards. Also the modelling does not make provision for the Federal Government carbon tax as it is unclear what the precise implications will or will not be on Council's landfill. If it is forecast that there will be implications a further report will be provided to a later meeting.

Consultation

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

Options

Council has the option of endorsing the proposed charges or examining further alternatives.

In 2011/12 the price increase was relaxed and prices at the gate generally went up by cost of living. This was distorted to some extent, particularly for DWM because of the new green waste service however there was a small respite from the increases that were being imposed over previous years.

4.5 Waste Charges - 2012/13

In 2012/13 the main price drivers are the State levy and also the need for both businesses to accumulate reserves to meet future liabilities. A general increase of 9% represents a significant impost on customers but the intent has been to minimise the increase where possible.

RECOMMENDATIONS

That Council, based on the current financial information available, endorses the inclusion of the following waste charging structure in the draft 2012/13 Operational Plan.

Charge Type	2011/12 Charge \$	2012/13 Charge \$	Increase %
Business Mixed (Annual Charge)	268	292	9
Business Recycling (Annual Charge)	132	144	9
Business Green Waste (Annual Charge)	Not available	255	N/A
Council DWM Gate Fee - Recyclates	200 then 74 per tonne	185 per tonne	(7.5) or 150
Council DWM Gate Fee - Mixed Waste	222 then 174 per tonne	220 per tonne	(0.1) or 26
Remaining Gate Fees	Various	Various	Up to 9%
DWM - Rural (Excludes Green Waste)	321	350	9
DWM – Rural (No Collection)	263	287	9
DWM – Urban (All Three Collections)	360	392	9
Additional Mixed Waste	Not available	146	N/A
Additional Domestic Recycling	130	141	9
Additional Green Waste Collection	234	255	9
DWM – Vacant Land	32	35	9

Attachment(s)

1. Cash Movements and Balances - Ten Year Forward Plan
2. Landfill and Resource Management
3. Domestic Waste Management
4. Capital Expenditure

Waste Management - Cash Movements and Balances - Ten Year Forward Plan												
Estimate 2011/12	Item	Estimates										
		2012/13	%	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Landfill and Resource Management											
6,297,000	Operating Revenues	6,927,100	10	7,352,200	7,685,500	8,023,200	8,301,100	8,594,100	8,882,000	9,237,400	9,546,400	9,933,400
5,466,600	Less Operating Expenses	5,632,600	3	5,951,700	6,281,200	6,618,000	6,725,200	6,852,400	7,039,000	7,241,000	7,450,000	7,666,000
828,400	Operating Result before Depreciation	1,294,500	56	1,400,500	1,404,300	1,405,200	1,575,900	1,741,700	1,843,000	1,996,400	2,098,400	2,267,400
	Add Non-operating Funds Employed											
0	Loan Funds Used	0	0	0	0	0	0	0	0	0	0	0
	Subtract Funds Deployed for Non-operating Purposes											
160,000	Capital Works	324,800	103	386,100	469,500	555,600	572,400	2,089,500	607,200	2,625,500	644,100	663,600
940,100	Loan Repayments - Principal	982,300	4	1,053,000	1,127,400	1,205,600	1,111,500	193,900	0	0	0	0
(271,700)	LRM Reserve - Cash Result - Surplus / (Deficit)	(12,600)	(95)	(38,600)	(192,600)	(356,000)	(108,000)	(541,700)	1,235,800	(629,100)	1,454,300	1,603,800
1,456,900	LRM Reserve - Balance	1,444,300		1,405,700	1,213,100	857,100	749,100	207,400	1,443,200	814,100	2,268,400	3,872,200
	Domestic Waste Management											
6,456,000	Operating Revenues	6,925,300	7	7,210,400	7,500,200	7,801,100	8,115,800	8,448,700	8,797,300	9,162,600	9,543,000	9,940,500
5,996,500	Less Operating Expenses	6,398,700	7	6,671,800	6,894,200	7,123,000	7,363,000	7,619,000	7,881,000	8,158,000	8,444,000	8,741,000
459,500	Operating Result before Depreciation	526,600	15	538,600	606,000	678,100	752,800	829,700	916,300	1,004,600	1,099,000	1,199,500
	Add Non-operating Funds Employed											
0	Loan Funds Used	0	0	0	0	0	0	0	0	0	0	0
	Subtract Funds Deployed for Non-operating Purposes											
1,385,000	Capital Works	0	(100)	300,000	309,000	318,000	328,000	338,000	348,000	358,000	369,000	380,000
125,500	Loan Repayments - Principal	134,100	7	142,800	152,500	162,600	0	0	0	0	0	0
(1,051,000)	DWM Reserve - Cash Result - Surplus / (Deficit)	392,500	(137)	95,800	144,500	197,500	424,800	491,700	568,300	646,600	730,000	819,500
(54,100)	DWM Reserve - Balance	338,400		434,200	578,700	776,200	1,201,000	1,692,700	2,261,000	2,907,600	3,637,600	4,457,100
	Total Waste Reserves											
1,456,900	Landfill and Resource Management	1,444,300	(1)	1,405,700	1,213,100	857,100	749,100	207,400	1,443,200	814,100	2,268,400	3,872,200
(54,100)	Domestic Waste Management	338,400	(726)	434,200	578,700	776,200	1,201,000	1,692,700	2,261,000	2,907,600	3,637,600	4,457,100
1,402,800	Total	1,782,700	27	1,839,900	1,791,800	1,633,300	1,950,100	1,900,100	3,704,200	3,721,700	5,906,000	8,329,300
	Landfill Calculations (Tonnes)											
41,000	Total Waste Arriving at Landfill	41,400		41,800	42,200	42,600	43,000	43,400	43,800	44,200	44,600	45,000
24,400	Total Waste Transferred	24,700		25,000	25,300	25,600	25,900	26,200	26,500	26,800	27,100	27,400
16,600	Net Waste Transferred to Landfill	16,700		16,800	16,900	17,000	17,100	17,200	17,300	17,400	17,500	17,600
	Cumulative Airspace Calculation (Cubic Metres)											
200,000	Balance at Start of Year	180,000		159,000	138,000	117,000	96,000	74,000	52,000	30,000	8,000	(15,000)
20,000	Space Utilised	21,000		21,000	21,000	21,000	22,000	22,000	22,000	22,000	23,000	23,000
180,000	Balance at End of Year	159,000		138,000	117,000	96,000	74,000	52,000	30,000	8,000	(15,000)	(38,000)
20,000	Average Used Per Annum	20,500		20,667	20,750	20,800	21,000	21,200	21,400	21,400	21,600	21,800
9.0	Landfill Useful Life Remaining - Years	7.8		6.7	5.6	4.6	3.5	2.5	1.4	0.4	(0.7)	(1.7)
1.2	Utilisation Rate - Tonne of waste to cubic metre	1.2		1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2

LANDFILL AND RESOURCE MANAGEMENT														
ACTUAL 2009/10	ACTUAL 2010/11	ESTIMATE 2011/12	BUDGET ITEMS	ESTIMATED										
				2012/13	%	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
OPERATING REVENUES														
Fees and Charges														
350,595	386,411	411,000	Annual Charges	449,100	9	462,800	477,800	492,200	508,000	524,100	540,600	557,600	574,900	592,700
69,602	153,160	239,000	Contributions - State Government Levy (WASIP)	304,800	28	386,100	469,500	555,600	572,400	589,500	607,200	625,500	644,100	663,600
27,687	211,615	0	Contributions - Other	0	0	0	0	0	0	0	0	0	0	0
110,237	145,639	165,000	Recyclables - External Sales	150,000	(9)	155,000	160,000	165,000	170,000	175,000	180,000	185,000	191,000	197,000
698,667	836,278	460,000	Recyclables - Council Sales (DWM)	870,000	89	923,000	960,000	998,000	1,039,000	1,081,000	1,124,000	1,169,000	1,217,000	1,266,000
1,050,737	1,394,146	1,240,000	Waste Disposal Fees - External	1,392,000	12	1,462,000	1,506,000	1,551,000	1,598,000	1,646,000	1,695,000	1,746,000	1,796,000	1,852,000
503,321	302,475	350,000	Waste Disposal Fees - Council (Other)	325,000	(7)	335,000	345,000	355,000	366,000	377,000	388,000	400,000	412,000	424,000
2,091,359	2,465,370	2,790,000	Waste Disposal Fees - Council (DWM)	2,969,000	6	3,148,000	3,275,000	3,407,000	3,545,000	3,688,000	3,836,000	3,991,000	4,152,000	4,319,000
450,241	604,464	450,000	Waste Disposal Fees - Construction / Demolition	385,000	(14)	397,000	409,000	421,000	434,000	447,000	460,000	474,000	488,000	503,000
549,578	470,261	192,000	Sundry Fees	82,200	(57)	83,300	83,200	78,400	68,700	66,500	51,200	89,300	71,400	116,100
5,902,024	6,969,819	6,297,000		6,927,100	10	7,352,200	7,685,500	8,023,200	8,301,100	8,594,100	8,882,000	9,237,400	9,548,400	9,933,400
OPERATING EXPENSES														
Waste Administration														
220,054	187,587	276,500	Administration	265,500	(4)	263,000	269,000	275,000	281,000	287,000	294,000	301,000	308,000	315,000
357,000	423,996	433,000	Internal Overheads	505,000	17	520,000	536,000	552,000	569,000	586,000	604,000	622,000	641,000	660,000
Debt Servicing														
23,840	16,425	8,500	Interest on Loans - Waste Administration	0	(100)	0	0	0	0	0	0	0	0	0
Waste Receptival														
183,777	178,266	199,500	Weighbridge	203,000	2	209,000	215,000	221,000	227,000	233,000	239,000	246,000	253,000	260,000
136,653	138,924	151,000	Transfer Stations	157,800	5	162,000	167,000	172,000	177,000	182,000	187,000	192,000	197,000	202,000
Waste Collection														
97,091	138,418	137,000	Collection Kerbside	155,000	13	160,000	165,000	170,000	175,000	180,000	185,000	190,000	195,000	201,000
228,463	267,438	119,500	Collection Other	76,500	(36)	79,000	81,000	83,000	85,000	87,000	89,000	91,000	94,000	97,000
87,319	48,984	96,000	Collection Recycling	60,000	(38)	62,000	64,000	66,000	68,000	70,000	72,000	74,000	76,000	78,000
Waste Recycling														
528,544	459,901	468,500	Material Recovery Facility	520,400	11	538,000	554,000	570,000	586,000	602,000	619,000	636,000	655,000	674,000
Debt Servicing														
29,139	20,075	10,500	Interest on Loans - Recycling	0	(100)	0	0	0	0	0	0	0	0	0
Waste Disposal														
258,094	207,119	307,500	Solid Waste Landfill	241,000	(22)	250,000	257,000	264,000	271,000	278,000	285,000	292,000	299,000	306,000
314,879	576,416	760,000	State Government Levy	1,016,000	34	1,287,000	1,565,000	1,852,000	1,908,000	1,965,000	2,024,000	2,085,000	2,147,000	2,212,000
728,878	742,784	885,000	Waste Bale, Placement, Cover, Transport	890,000	1	917,000	945,000	973,000	1,002,000	1,032,000	1,063,000	1,095,000	1,128,000	1,162,000
0	0	400,000	Green Waste Transport	400,000	0	412,000	424,000	437,000	450,000	464,000	478,000	492,000	507,000	522,000
11,771	15,386	16,500	Deposit	16,000	(3)	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000
35,605	19,382	13,000	Special Rubbish Clean-ups	12,000	(8)	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
171,915	216,250	240,500	Green Waste Use	207,000	(14)	213,000	219,000	225,000	232,000	239,000	246,000	253,000	260,000	268,000
38,307	(297)	26,500	Landfill Closures, Leachate and Remediation	30,000	13	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
272,520	336,371	500,000	Waste Transport - Construction and Demolition	500,000	0	515,000	530,000	546,000	562,000	579,000	596,000	614,000	632,000	651,000
Debt Servicing														
587,976	502,652	419,600	Interest on Loans - Landfill	377,400	(10)	306,700	232,200	154,000	74,200	10,400	0	0	0	0
4,311,825	4,496,077	5,468,600	Total Operating Expenses	5,632,600	3	5,951,700	6,281,200	6,618,000	6,725,200	6,852,400	7,039,000	7,241,000	7,450,000	7,666,000
1,590,199	2,473,742	828,400	Operating Result - Surplus / (Deficit)	1,294,500	56	1,400,500	1,404,300	1,405,200	1,575,900	1,741,700	1,843,000	1,996,400	2,098,400	2,267,400

DOMESTIC WASTE MANAGEMENT														
ACTUAL 2009/10	ACTUAL 2010/11	ESTIMATE 2011/12	BUDGET ITEMS	ESTIMATED										
				2012/13	%	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
OPERATING REVENUES														
4,580,021	5,072,799	5,908,000	Domestic Waste Management Charges	6,453,300	9	6,713,200	6,984,200	7,265,700	7,558,500	7,862,700	8,179,500	8,509,800	8,852,800	9,209,400
(270,139)	(282,671)	(325,000)	Pensioner Abandonments	(315,000)	(3)	(324,000)	(333,000)	(343,000)	(354,000)	(365,000)	(376,000)	(387,000)	(398,000)	(409,000)
13,969	16,383	16,000	Vacant Property Charges	17,000	6	18,000	19,000	20,000	21,000	22,000	23,000	24,000	25,000	26,000
664,151	613,928	627,000	Plant Charges	600,000	(4)	618,000	637,000	656,000	676,000	696,000	717,000	739,000	761,000	784,000
148,576	155,469	180,000	Pensioner Subsidy	170,000	(6)	175,000	180,000	185,000	191,000	197,000	203,000	209,000	215,000	221,000
38,546	55,450	50,000	Interest on Investments	0	(100)	10,200	13,000	17,400	23,300	36,000	50,800	67,800	87,200	109,100
5,176,124	5,631,358	6,456,000		6,925,300	7	7,210,400	7,500,200	7,801,100	8,115,800	8,448,700	8,797,300	9,162,600	9,543,000	9,940,500
OPERATING EXPENSES														
Administration														
78,119	114,575	152,000	Administration	84,500	(44)	87,000	89,000	91,000	93,000	95,000	97,000	99,000	102,000	105,000
37,766	80,381	42,000	NEWF	44,000	5	45,000	46,000	47,000	48,000	49,000	50,000	52,000	54,000	56,000
348,996	384,996	370,000	Indirect Expenses - Overheads	387,000	5	399,000	411,000	423,000	436,000	449,000	462,000	476,000	490,000	505,000
79,661	36,079	11,000	Promotion	6,200	(44)	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Debt Servicing														
60,110	52,742	45,000	Interest on Loans	36,500	(19)	27,800	18,200	8,000	0	0	0	0	0	0
Collection														
784,301	756,521	1,308,500	Collection Kerbside	1,182,000	(10)	1,218,000	1,255,000	1,293,000	1,331,000	1,371,000	1,411,000	1,454,000	1,498,000	1,543,000
2,091,359	2,465,370	2,790,000	Kerbside Collection Disposal Fees	2,969,000	6	3,148,000	3,275,000	3,407,000	3,545,000	3,688,000	3,836,000	3,991,000	4,152,000	4,319,000
991,870	1,151,596	872,000	Collection Recycling	1,279,500	47	1,319,000	1,359,000	1,400,000	1,443,000	1,486,000	1,530,000	1,576,000	1,623,000	1,672,000
367,442	456,114	406,000	Vehicle Costs	410,000	1	422,000	435,000	448,000	461,000	475,000	489,000	504,000	519,000	535,000
4,839,624	5,498,374	5,996,500	Total Operating Expenses	6,398,700	7	6,671,800	6,894,200	7,123,000	7,363,000	7,619,000	7,881,000	8,158,000	8,444,000	8,741,000
335,500	132,984	459,500	Operating Result - Surplus / (Deficit)	526,600	15	538,600	606,000	678,100	752,800	829,700	916,300	1,004,600	1,099,000	1,199,500

Waste - Capital											
Asset Description	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Landfill Management and Resource Recovery											
Landfill Remediation and Expansion							1,500,000		2,000,000		
Landfill - Minor Capital		20,000									
WASIP (Waste and Sustainability Improvement Program)	160,000	304,800	386,100	469,500	555,600	572,400	589,500	607,200	625,500	644,100	663,600
Sub Total	160,000	324,800	386,100	469,500	555,600	672,400	2,089,500	607,200	2,625,500	644,100	663,600
Domestic Waste Management - Fleet											
Domestic Waste Management - Fleet	1,385,000	0	300,000	309,000	318,000	328,000	338,000	348,000	358,000	369,000	380,000
Sub Total	1,385,000	0	300,000	309,000	318,000	328,000	338,000	348,000	358,000	369,000	380,000
Total Capital Works	1,545,000	324,800	686,100	778,500	873,600	900,400	2,427,500	955,200	2,983,500	1,013,100	1,043,600

4.6 Budget Requests - 2012/13

4.6 Budget Requests - 2012/13

Delivery Program Financial Management

Objective To consider items that Councillors have asked for further information on in respect to the preparation of the 2012/13 budget.

Background

Council has held two Finance Committee meetings to date as part of its preparation of the 2012/13 Operational Plan and budget. A number of matters have been raised during those meetings and the purpose of this report is to address items where additional reporting was required.

Key Issues

- Details of projects
- Overall priority ranking
- Funding options

Information

The matters that are considered to remain outstanding in respect to the 2012/13 budget are as follows:

- a) Alstonville CBD - Car Parking
- b) Missingham Park - Improvements
- c) Newrybar - Village Upgrade
- d) Shaws Bay Management Plan - Implementation
- e) Lake Ainsworth Management Plan - Implementation
- f) Petanque Facility - Lennox Head
- g) Killen Falls - Walking Track
- h) SES - New Building
- i) Williams Reserve - Screening

Council staff have examined each of these items and brief comments on each project form the basis of this report.

a) Alstonville CBD Car Parking

Several years ago Council purchased a property on Commercial Road Alstonville. When the property became available, this purchase was considered to be a strategic opportunity for Council to enable it to develop additional car parking. The property has a building on it which is currently leased.

Engineering staff have prepared a concept design for the construction of a car park on the land. The design provides for around 35 parks. The estimate to construct the car park is \$105,000. This estimate does not include the costs to demolish and remove the building on the property. Additional funds would also be needed if utility adjustments are required on the site and an overall budget of \$120,000 is considered realistic to have the project completed.

In 2010 a discussion paper regarding car parking in Alstonville was prepared for the C Ward Committee. This was done in response to community representations seeking to ensure the infrastructure in the CBD would support Alstonville being a visitor destination following the construction of the bypass.

Briefly, the analysis in that paper, using typical demand tables, identified that there is sufficient parking capacity within the CBD precinct. However similar to the Ballina CBD, community representations seek the introduction of more capacity and this is typically in response to a desire to see more capacity in closer proximity to the centre of the precinct rather than considering the precinct as a whole.

The Alstonville Chamber of Commerce has also written to Council requesting we proceed with this project.

Recently staff have initiated a project to update the Section 94 Car Parking Contribution Plan, which currently only covers the Ballina and Lennox Head town centres. As part of this update, it is proposed to consider the inclusion of Alstonville in the plan.

This would then allow Council some ability to recoup its expenses for the purchase of the property and the construction of the car park, if it so wished. It may also make it easier for businesses to re-develop as they may not necessarily need to provide on site car parking. The current rate of redevelopment of the Alstonville CBD will mean that any recoupment will take many years to occur.

Council's recurrent budget does not provide funding for car parking construction. This means if Council wishes to see this work proceed, it would need to be sourced from the existing roads budget, or a Council property reserve.

At this point in time the preferred option is for Council to await the review of the Section 94 car parking plan, as that review will confirm what level of funding Council will be able to recoup from developer contributions. That information will then assist Council in determining when it wishes to allocate funding to this project.

b) Missingham Park Area – Car Park and Shared Path Upgrade

For some time Council has recognised that this car park and shared path would benefit from an upgrade. Last year Council completed some drainage improvements at the site, however the car park is unformed and the general amenity of the area is considered to be poor. The shared path is in poor condition from tree root incursion and from a build up of sand on the path. Moisture held by the sand and the impact of plant required to regularly shift the sand has resulted in damage to the surface of the path.

4.6 Budget Requests - 2012/13

In response to the desire to address these issues, it was suggested to Council that a concept plan be developed for the area. The intention of this proposal was to examine potential options to relocate the shared path away from the sand drift, formalise the car parking, and provide some landscaping to improve the amenity and accommodate activities such as the farmers' market.

Some very preliminary concepts have been developed for the purposes of general costing. A proposal to construct around 45 parks and minimalist landscaping is estimated to cost \$120,000. This concept generally follows the existing road layout.

An alternative option which provides for an improved road layout and around 80 formal car parks is estimated to cost \$150,000. If the Council chose to proceed with this project, with the high profile of this site, it would be appropriate to complete further work on the concept and consult with the community.

The above estimates do not include any allowance for improvements to the shared path. The reason for this is that in drawing the concept designs, potential routes to move the shared path away from the sand drift were identified however these were considered constrained because of the interaction with the vehicle movements.

Engineering staff have examined a series of aerial photos for the site from over the past ten years. This identified the relatively frequent change in shape for the sand embankment and it may be the case that in the future the sand may not impact on the shared path to the extent that is the current experience. The impact of the sand is the motivation to consider the relocation of the shared path.

In response to this, one option would be to retain the shared path in its current location, however reconstruct it in concrete. This will mean that the current maintenance regime of clearing the sand will still be required while ever the drift of sand continues to affect the path. However the concrete surface will be able to withstand the machinery movements and moisture issues that are presently an issue.

The cost to complete the required section of path at a width of 2.5 metres is estimated to be \$50,000. Councillors have expressed a view that they would prefer a wider path. To add a metre of width would require a further \$20,000. The 2.5 metre width is considered to be suitable for this location.

In summary to formalise a concept plan and consult with the community would cost approximately \$5,000. The inclusion of this item would result in an increase in the current working capital deficit for General Fund for 2012/13, which as per an earlier report in this agenda is now estimated at \$36,000. The estimate to improve the existing path is \$50,000 to \$70,000. If Council wished to proceed with this work it would be necessary to reallocate funding from the endorsed capital works program for footpaths and shared pathways. That program for the next two years is as follows:

4.6 Budget Requests - 2012/13

<i>Item</i>	<i>2012/13</i>	<i>2013/14</i>
Beachfront Parade - West Side	65,000	
Bruxner - Sneaths / Rifle Range Road	90,000	
Links Ave - Chickiba Drive	5,000	
Green Street - Highway / Robertson St	10,000	
Byron Street - Service Station / Coast Rd		81,100
Williams Reserve		70,000
Fawcett Lane		10,000
Grant Street		15,000
Coastal Walk/Coastal Shared Path	180,000	185,000

Overall no change is recommended to the current budget as it is a matter for Councillors to review priorities for projects.

c) Newrybar Village

Council's Civil Services Group has been working with residents from the Newrybar Village in response to their interests to improve parking and traffic management. A concept design has been prepared. This design provides the following improvements:

- New kerb and gutter
- Line marking
- Traffic Management devices
- Intersection improvements
- Some road pavement works, resurfacing and storm water drainage works.
- New footpath

As well as traffic management benefits, the above facilities will assist in formalising the parking for the street. These works are estimated to cost \$215,000.

The request also included the development of a car park on land to the north of the village. This proposal would require a footpath returning to the village; however it is supported as conceptually feasible as a solution to the car parking issues that are being experienced in the village. This proposal has not been costed at this time.

A project of this magnitude can only be sourced from the roads budget or property reserves.

d) Shaws Bay Management Plan - Implementation

In previous reports to Council, a list of tasks from the management plan has been provided with a brief comment on the status for each one. At the end of this item is an updated version of this list. In addition to that information, Council is advised that quotations are being sought for a hydro survey of the bay, to provide background information on potential infilling on sand movement.

A significant environmental initiative, being the rehabilitation of the erosion scarp along the eastern arm, is estimated to cost \$171,000. Applications for grant funding assistance for this work have so far not been successful.

4.6 Budget Requests - 2012/13

Government officers have verbally indicated their support for a grant application to prepare a review and update of the existing management plan. The hydro survey will assist in this review by providing information about sand movements. A grant application has been made for this review in February 2012, with a total project cost of \$52,000 and Council contribution of \$26,000.

The draft 2012/13 budget has \$15,000 allocated on a recurrent basis to assist with works at Shaws Bay and Lake Ainsworth. Even though this is a minimal amount it is the first time that funding has been included on a recurrent basis and it is hoped that this recurrent funding can be increased over time.

Shaws Bay Management Plan – Task Update

Task A Litter/debris Collection devices.

Work previously completed covers the whole of the Shaws Bay residential estate ("Enviropod" baskets at inlet pits), and drainage from the Hill Street catchments including parts of Compton Drive via end of line pollution control devices. This covers most of the public storm water drainage system entering the Bay with minor outlets from Compton Drive and some draining private land all that remain untreated. No further work is planned apart from maintaining the systems now in place.

Task B Encouragement of Native Gardens

This has been addressed Shire-wide via the publication of the Urban Garden Guide and Protecting Reserves from Dumping Brochure. Illegal dumping is pursued wherever possible but has not been a serious issue in this area.

Task C Garden Refuse Collection

This issue is addressed in the Council's Shire-wide Waste Management Plan which commenced in July 2011.

Task D Gravel Aprons

Works to control scour at outlets from the storm water drains were completed in 2010/11.

Task E Community Education on Pollution

This is a continuing process Shire wide with advice in news letters on topical issues, publications issued with grant funding when available such as the Sustainable Urban Business Program and regular messages from all levels of Government. Rangers or Environmental Health Officers deal with offenders when evidence is available.

Task F Regular Water Quality Monitoring

Shaws Bay is specifically addressed throughout the swimming season through the Beachwatch program run by Council in conjunction with the Office of Environment and Heritage. This includes bacterial indicators and physico chemical parameters. The program is focused on bathing water quality which over the years has been very good. It currently does not include nitrogen, phosphorus, algae or chemicals.

4.6 Budget Requests - 2012/13

Task G Install More Rubbish Bins

Complete. Adequacy is being monitored.

Task H Improve Aesthetics of Foreshore

Management undertaken as required. Approval has been obtained for mangrove exclusion in specific areas and this is now occurring in accordance with a NSW Fisheries Permit.

Task I Routine Hydro Surveys

Council is seeking quotes for hydro survey for 2012.

Task J Remove Accumulated Sediment as Required

Following interpretation of the hydro survey this may have to be considered.

Task K Stabilise Sandy Beach Area in East Arm

This project is designed to address foreshore erosion and transport of the material into the main part of the Bay.

An application has been made under the NSW Estuary Management Program for implementation funding in the sum of \$85,500 to assist with this project, with total project estimate being \$171,000. The grant application has not been successful.

With currently available funds of approximately \$25,000 available, Council would need to vote some \$60,000 to enable the work to proceed. It is would therefore be recommended as desirable to proceed with this work to minimize infilling of the Bay.

Task L Remediate Gully Erosion

This work was completed in 2010/11

Task M Maintain Seagrass free Access into the water

Council has been unable to secure an approval to from NSW Fisheries to undertake this work. Recent inquiries by Council staff indicate that Fisheries has not changed its view on this.

Task N Cycleway Pedestrian-way Along Western Foreshore

Not commenced. Requires access across private land, various approvals, possible reclamation and potentially has considerable cost implication.

Task O Disabled Access to Bay

Disabled access ramp installed north western shore during early phase of implementation

4.6 Budget Requests - 2012/13

Task P Install More Picnic Facilities in Pop Denison Park and Around Foreshores Including Electric or Gas Barbeques Tables and Shelter Sheds

Existing facilities enhanced and maintained. Further facilities may be considered as part of a landscaping master plan - not currently funded.

Task Q Plant More Shade Trees in Pop Denison Park and Around Foreshore.

Some new tree planting has taken place since the plan was adopted. Vandalism, maintenance and funding constraints have prevented further progress.

Task R Install Wash-down Shower Western Foreshore

Shower was installed early in the implementation.

Task S Install Bench Seating Around Bay in Locations That Have Views

Seats were added some time ago along the break wall. Further seating has not been installed to date.

Task T Remove Weeds From Around Foreshore

Some effort has been made in this regard including ongoing maintenance. Further work may be considered as part of a landscaping master plan - not currently funded.

Task U Selective Removal of Mangrove Seedlings

Action has been taken to remove mangroves under permit from areas where approval has been obtained from Primary Industries, Fisheries & Aquaculture. This will continue as necessary.

Task V Monitor spread of Ulva in Shaws Bay

Ulva appears to have receded to the point where this is not currently a priority.

Task W Plant Vegetation Corridor Between Bay & Rainforest

Not commenced. Priority being given to escarpment regeneration and restoration.

Task X Erect Osprey Pole on Southern Foreshores of Bay

Not commenced. This has been discussed with appropriate authorities and is not recommended at this time.

Task Y Remove Weeds from Rainforest

Council has been in receipt of several grants that have allowed significant progress on this very challenging task. This work is continuing under a current grant.

Task Z Mangrove Boardwalk and Rainforest Walking Trails

Not commenced.

Task AA Interpretive Eco-educational Signage

Not commenced.

Task BB Development of School Project Kits and Tours

Council understands that Ballina High School Marine Studies include Shaws Bay in their educational program. The school has special lifters to enable students to view the contents of the enviropod units that are installed in the storm water pits.

Task CC Community Participation in Management Works

Whilst not extensive there has been involvement of the community through landcare groups and on Clean-up Australia Day.

e) Lake Ainsworth Management Plan - Implementation

Two strategic planning and land use management documents exist for the immediate environs of Lake Ainsworth. These are the Management Plan which was completed in 2002 and the Lake Ainsworth Crown Reserve Master Plan from 2005.

The most significant improvement to the lake environment is identified as the relocation of the eastern and southern lake perimeter access road to the western side. This will allow the rehabilitation of the immediate lake perimeter with low impact pedestrian facilities, remove vehicles (except emergency services) and improve storm water management.

Following adoption of the Master Plan, engineering designs and estimates were completed for the western road, realigning the caravan park layout and access and improving the integrity of the storm water management.

The design followed the adopted option two of the master plan. Including connection to Ross Street the cost of the works is expected to be \$700,000. Grant applications to assist with this work have been unsuccessful to date. It is considered imperative that the western access road is in place before the rehabilitation of the eastern and southern lake perimeter can occur.

Following the change in management responsibility for the caravan park, the responsible department (DPI – Lands) has advised by letter in December 2011 that they are dissatisfied with option two which featured the central road through the caravan park and their preference is now option one which was the most western of the routes proposed in the study. The advice from Lands also includes the following;

“Given the significance of the road issue to the future viability of the Caravan Park it is expected to be highlighted in a revised plan of the management for the Caravan Park scheduled to commence in 2012”.

Therefore, given the above, management improvements to the lake have been limited comprising a car parking upgrade near the surf club and fencing to prevent perimeter parking.

f) Petanque Facility Lennox Head

Council has recently considered a report regarding the request for the construction of this facility and resolved for staff to proceed with the project if a current budget allocation could accommodate the required funds.

A proposed site at Lake Ainsworth has been identified. The approximate area required is 400 sqm. The estimated cost to construct the facility is \$15,000. To be developed at this cost it is proposed to use recycled gravel from road reconstruction projects to avoid the cost of quarry product. Loading and haulage has been included in the estimate.

The estimate includes timber edging along the bitumen path which runs along the western and northern sides of the area. It also includes the cost of a bio infiltration pit for the collection of storm water run off.

Staff are concerned that the site is adjacent to Lake Ainsworth and the general gradient is towards the lake. With the gravel surface, during storm events, there is the potential for sediment to be washed into the lake, even with the construction of the bio infiltration pit. This could have a detrimental affect on the water quality of the lake and as the Council is aware, improvement to the water quality is one of the major objectives identified in the management planning for the lake.

Due to this revised estimate of \$15,000 it is considered impractical to include that funding within existing 2011/12 budgets. Therefore direction from Council is needed to determine whether the current 2011/12 budget deficit is to be increased, whether the works should be transferred to 2012/13, or whether the works should proceed at all. Due to the lack of current funding, without a budget being provided, then staff are not in a position to implement the existing resolution.

g) Killen Falls Public Reserve Walking Track

Killen Falls Public Reserve located on Killen Falls Drive, Tintenbar is a popular location for locals and tourists. The public reserve adjoins the Rous Water controlled Emigrant Creek Dam that contains a formalised interpretive walkway and viewing platform of the dam overflow and storage. The Killen Falls car park constructed by Rous Water within the Killen Falls Drive road reserve has no toilet block, BBQ or picnic facilities. The public reserve contains a small grassed area from which the walking track to the waterfall begins. The walking track and viewing area of the Killen Falls waterfall on the public reserve are considered to be in need of an upgrade to meet the current usage demands and contemporary safety standards.

The walking track passes through the regenerating rainforest being rehabilitated by the Emigrant Creek Landcare Group and professional bush regenerators employed through a grant. The track consists of an uneven dirt surface which becomes muddy and slippery when wet. An adjacent property dam overflow in a gully passes over the track at one location during high rainfall events and has washed a section of the track away several times

including track remediation efforts. The walking track leads on to the viewing area of the falls on a cliff edge that is slippery and has no safety barriers or safe formal viewing area in place. An additional track down to the bottom of the falls consisting of dirt and rock steps is uneven, steep and slippery.

A cantilevered viewing platform with safety barrier overlooking the waterfall from the cliff edge is considered to be the highest priority. This platform could be of similar design to that on the National Parks and Wildlife Estate at Minyon Falls. The viewing platform with structural certification would cost approximately \$35,000 to construct.

The walking track to the waterfall from the car park is approximately 350m long. To formalise the walking track to a 1.2m wide wheelchair grade access consisting of a timber edged compacted shale track including a 5m long raised boardwalk section for the gully overflow would cost approximately \$45,000 to construct.

As per the earlier comments for the Missingham Park pathway, if Council wishes to have this work undertaken, it needs to reallocate existing priorities for footpaths and shared pathways.

h) State Emergency Services (SES)

A submission has been received from the SES requesting that Council meet costs associated with the demolition of part of the existing structures at the site and construction of a new shed. The estimated cost of these works is \$492,000.

Council is responsible for the accommodation of the SES and the submission advises that the new structure is necessary to cope with increasing demand on their services. The submission anticipates that this demand will continue to grow and it is important that the SES is ready to meet that growth.

Discussions with the Ballina SES Controller indicate that grant funding of 50% may be available to match Council funding. The tenor of discussions has been that Council will target 2015/16 as the year we will look to include the works in the budget and over the next year or so efforts will be made to secure 50% grant funding. Council's funding for this project will need to be sourced from either recurrent revenue, loans, reserves or a combination of all three.

i) Williams Reserve - Screening

With the construction of the Lennox Head Cultural and Community Centre and the skate park at Williams Reserve, Council has intensified the use of this already well utilised precinct. One concern that has been expressed is that there is potential for people using these facilities to be injured through the playing of cricket at Williams Reserve.

Williams Reserve is an extremely small cricket field and when senior games are being played the cricket ball is often being hit, sometimes quite hard, into the vicinity of the skate park, where children are often playing.

4.6 Budget Requests - 2012/13

The Lennox Head Combined Sports Association has researched the option of installing retractable screening in this locality and an approximate estimate is \$15,000. This proposal has been consulted with the B Ward committee and there was support from the committee as the design of the screening will minimise any negative aesthetics.

Council has also consulted with our insurer and the advice we have received is that we should consider some specific signage and consideration of screening for areas deemed to be at an unacceptable risk.

It appears there is a need to address this risk prior to the next cricket season and on that basis it is recommended that Council reallocate the funding program identified for the Lennox Head Community Centre at the last Finance Committee meeting. At that meeting Council allocated approximately \$200,000 per annum in the recurrent budget for community infrastructure improvements and maintenance.

The funding allocated for the Lennox Head Community Centre, from that budget, was as follows:

<i>Item</i>	<i>Total</i>	<i>2012/13</i>	<i>2013/14</i>	<i>2014/15</i>	<i>2015/16</i>
Lennox Head Community Centre					
Chairs	20,000	20,000			
Sound Proofing Consultancy	5,000	5,000			
Blackout Blinds	7,500	7,500			
Portable Stage	5,500	5,500			
Public Address System	36,000				36,000

It is now recommended that the blackout blinds and portable stage be deferred to allow this screening proposal to be implemented. This frees up \$13,000 and if additional funds are required they will need to be sourced from existing operating budgets.

Whether or not Council expends the remaining monies allocated for the Lennox Head Centre will depend on whether or not we appoint an external contractor to manage the facility.

Legal / Resource / Financial Implications

The financial implications will depend on whether or not Council wishes to allocate funding to any of the projects listed.

Consultation

Many of these projects have been identified based on submissions from the community. The entire budget will be subject to a formal exhibition process.

Options

The options revolve around whether or not Council wishes to finance any of the projects listed. Options for funding are identified in the report and Councillors now need to determine whether any of the projects identified are to be included in the 2012/13 budget, or possibly in future years.

The one item recommended for inclusion is the Williams Reserve screening as it is considered that there is a risk to the public as identified by Council's insurer.

RECOMMENDATIONS

1. That Council notes the contents of this report in respect to the need for an expansion of the Alstonville CBD - Car Parking and agrees to defer any action until the current review of the Section 94 Car Parking Plan is completed.
2. That Council notes the contents of this report in respect to the funding needed for improvements at Missingham Park.
3. That Council notes the contents of this report in respect to the funding needed for the Newrybar - Village Upgrade
4. That Council notes the contents of this report in respect to the status of the implementation of the Shaws Bay Management Plan.
5. That Council notes the contents of this report in respect to the status of the implementation of the Lake Ainsworth Management Plan.
6. That Council notes the concerns expressed in respect to the proposed Petanque Facility for Lennox Head and confirms that the project is not able to proceed without a specific allocation of funding being provided.
7. That Council notes the contents of this report in respect to the funding needed for the Killen Falls Walking Track and associated works.
8. That Council notes the need for future funding for an upgrade to the SES building.
9. That Council amend the draft 2012/13 program of works for the recurrent Community Infrastructure funding program to include \$13,000 for the provision of screening at Williams Reserve and the deferral of the blackout blinds and portable stage.

Attachment(s)

Nil

4.7 Delivery Program and Operational Plan - 2012/13 to 2015/16

4.7 Delivery Program and Operational Plan - 2012/13 to 2015/16

Delivery Program Governance

Objective To approve the exhibition of the draft Delivery Program and Operational Plan

Background

The Division of Local Government's (DLG's) Integrated Planning and Reporting Framework requires councils to review the Delivery Program and prepare a new Operational Plan each financial year.

The purpose of this report is to obtain Council approval to exhibit those documents for public comment.

Key Issues

- Format and content of documents
- Ensuring documents reflect objectives of Council, particularly for 2012/13

Information

The DLG's 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 four year period commencing on 1 July following the election.
- 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

4.7 Delivery Program and Operational Plan - 2012/13 to 2015/16

- 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 2011/12 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 2012/13 financial year.

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 2012/13 need to be incorporated into the Operational Plan as this plan will form the staff workload for 2012/13.

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.

4.7 Delivery Program and Operational Plan - 2012/13 to 2015/16

Notices of motion can result in the redirection of staff resources towards other projects which then impact 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. Council may wish to review the staging of these public meetings as generally they have not been well attended, unless there is a specific topic of controversy included in the draft 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.

RECOMMENDATIONS

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

Attachment(s)

1. Draft Delivery Program (Under separate cover)
2. Draft Operational Plan (Under separate cover)