



Notice of Finance Committee Meeting

Notice is hereby given that a Finance Committee Meeting will be held in the Ballina Shire Council Chambers, 40 Cherry Street, Ballina on **Monday 4 March 2013 commencing at 4.00 pm.**

Business

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

A handwritten signature in black ink, appearing to read 'Paul Hickey', with a long horizontal line extending from the end of the signature.

Paul Hickey
General Manager

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

2. Declarations of Interest

3. Deputations

4.1 Election of Chair

4. Committee Reports

4.1 Election of Chair

The Committee should elect a new Chair and decide if the term for the Chair should be 12 months or the term of the current Council (ie until September 2016). Either option is acceptable, with Council traditionally electing chairs for these Committees for the entire term, due to the limited number of meetings held on an annual basis.

4.2 Financial Performance Indicators and Benchmarks

4.2 Financial Performance Indicators and Benchmarks

Delivery Program Financial Management

Objective To provide Council and the community with key performance indicators (KPI), benchmarks and comparisons, that if achieved, will assist Council to be financially sustainable.

Background

The Quarterly Budget Review Statement and Long Term Financial Planning (LTFP) Guidelines released by the Division of Local Government requires Council to establish a suite of key performance indicators (KPIs) that monitor Council's financial performance and also measure Council's long term financial sustainability. Council has adopted a Financial Planning Policy which details the performance indicators that are to be monitored.

That policy requires an annual report to Council with a comment in respect to Council's performance against those agreed indicators, and where a benchmark has not been achieved a recommended strategy should be identified to achieve that benchmark into the future.

Key Issues

- Financial performance against indicators

Information

This report includes ratios for Council's General, Water and Wastewater operations, as well as all three combined (consolidated), although the primary focus is on the results of the individual operations. This is because each operation is financially and legally independent and the consolidated result can be misleading as one operation may perform particularly well in one area, which masks a poor outcome in another.

Key Performance Indicators

1. Operational Liquidity - Short Term Focus

- 1.1 Unrestricted Current Ratio - Unrestricted current assets divided by unrestricted current liabilities. The purpose of this ratio is to measure Council's ability to meet its short term liabilities with its short term assets.

Benchmark: >2:1

	2009/10	2010/11	2011/12
General Fund	2.17:1 Pass	2.75:1 Pass	2.90:1 Pass

4.2 Financial Performance Indicators and Benchmarks

The unrestricted current ratio reflects a pass as Council's liquidity is in a satisfactory position as at 30 June 2012. It is forecast that the ratio trend will head downwards as available cash is expended and more loans taken up.

In 2012/13 it is predicted that total cash reserves will fall from \$33 million to \$24 million whilst internally restricted reserves are forecast to decrease from \$22 to \$12 million.

Further borrowings are proposed which will also affect the ratio adversely. It is likely that the ratio will fall beneath the 2:1 pass mark. The ratio movement should be looked upon as a guide for future strategic and policy decisions.

The 2009/10 ratio was artificially low due to the intricacies of the ratio calculation. In that year loans were up for renewal which meant that the entire loan balance, as opposed to just one year's capital repayment, was shown as current.

Hence the ratio in 2009/10, but for this anomaly, would have been closer to 3:1.

- 1.2 Rates and Annual Charges Outstanding Ratio - Rates and annual charges outstanding divided by rates and annual charges collectible. The purpose of this percentage is to measure the impact of uncollected rates and charges on Council's liquidity and the adequacy of Council's debt recovery efforts.

Benchmark: <6%

	2009/10	2010/11	2011/12
Consolidated	12.17	9.8	7.62
	Fail	Fail	Fail

The result to 30 June 2012 does not achieve the benchmark. This is mainly due to the fact that during 2009/10 and 2010/11 limited recovery action was taken due to the new Civica system installation which meant very limited resource was available to pursue recovery action.

It is expected that this ratio will fall, hopefully to within the benchmark, as rates recovery is now being pursued as per normal. Reasonable time to pay is being allowed given that some accounts have built up to amounts that are difficult to manage.

In respect to Water and Wastewater annual charges, the balance outstanding includes the fourth quarter levy for non-residential customers. These accounts are raised during July and due in August and are included as outstanding by the ratio.

The ratepayer has not even been asked to pay the account as at 30 June however the ratio looks at all monies outstanding regardless of logical anomalies such as this issue.

4.2 Financial Performance Indicators and Benchmarks

Corrective Strategy

Council's rating staff are continuing debt collection actions and the ratio is expected to improve.

- 1.3 Available Working Funds (General Fund Only) - Total of cash, investments, receivables and inventory assets less total payables, liabilities, externally restricted receivables, internally and externally restricted investments and real estate inventory. The benchmark is set at \$3 million which is based on percentages of income and expenses. The purpose of this measure is to show Council's short term ability to cover financial shocks, whether they be reductions in anticipated revenues or unplanned additional expenditure.

Benchmark: \$3m

	2009/10	2010/11	2011/12
General	\$2.96m	\$2.77m	\$3.50m
	Fail	Fail	Pass

The assessed amount of working funds, being \$3.5 million exceeds the benchmark and is considered a satisfactory result.

2. Fiscal Responsibility - Council Elected Term Focus

- 2.1 Operating Balance Ratio - Net operating result from continuing operations (excluding capital items) as a percentage of operating revenue (excluding capital items). The purpose of this percentage is to measure whether the Council is sustainable in terms of its operating result. Ideally Council should not be recording recurring operating deficits or funding operating results from capital revenues.

Benchmark: < (10%)

	2009/10	2010/11	2011/12
Consolidated	1.1	(7.7)	(15.75)
	Pass	Pass	Fail

The result is a fail despite the fact that it is quite a generous benchmark which is accepting of an operating loss up to 10%. Given that Council will always have a strong cash flow, failing this benchmark does not present an immediate problem.

The issue is that over the long term there may be insufficient discretionary funds to apply to assets to maintain them in an acceptable or satisfactory standard. It suggests that over the long term the organisation may not be sustainable.

The operating loss and long term sustainability are issues raised by both the auditor and the TCorp financial assessment that was recently conducted as part of the approval process for the Local Infrastructure Renewal loans.

4.2 Financial Performance Indicators and Benchmarks

This is a particularly difficult issue. Council typically does make a cash surplus and a loss once depreciation is included. Council is responsible for infrastructure assets of over one billion dollars hence the amount of funds required to maintain this asset base in a satisfactory standard is substantial.

However it is a subjective process to determine what is a satisfactory standard. Some customer surveys suggest residents are reasonably happy with a lot of the infrastructure. Perhaps this indicates that the decisions being made to apply the discretionary funds that are available are targeting the right assets.

It is also an estimate as to the amount of funds required to adequately maintain our assets into the future. A great deal of work has gone into improving the accuracy of estimating the rate at which our assets are depreciating and this work will continue.

Corrective Strategy

To improve the operating deficit Council needs to endeavour to reduce operating expenses and or increase recurrent revenue. In this regard efforts have been ongoing to improve recurrent revenue via increases to annual rates and charges and entrepreneurial activities.

Decisions affecting operating income and expense and also the application of discretionary funds need to be carefully considered with a view to improving operating performance and maintaining the existing asset base as a first priority.

	2009/10	2010/11	2011/12
General	1.3	(3.88)	(12.43)
	Pass	Pass	Fail

The ratio outcome is a fail. Refer to comments in 'Consolidated' that are relevant for each of the funds.

	2009/10	2010/11	2011/12
Water	(19.6)	(24.3)	(22.47)
	Fail	Fail	Fail

This is a very poor outcome and is a continuation of similar results for this fund. Fortunately the fund is in a very strong position in terms of low debt and reasonable reserves.

The strategy in the short term needs to be to elevate the charging structure and continue a close watch on expenses.

	2009/10	2010/11	2011/12
Wastewater	12.78	(11.28)	(22.42)
	Pass	Fail	Fail

It can be seen that the trend for this fund is very poor. This trend is due to the enormous borrowings that have been taken up that are testing the financial capacity of the fund.

4.2 Financial Performance Indicators and Benchmarks

The strategy has been to graduate the annual charges up to meet the borrowing costs and this has been going on for some years. It is also the case that very close attention has been paid to operating expenses to ensure that all spending is effective.

The gradual approach to tariff increase is designed to minimise the impact of the increases on ratepayers. Financial modelling indicates that with sustained price increases to the annual charge this ratio will improve to acceptable over the next five years.

- 2.2 Debit Service Ratio - Loan principal and interest payments divided by revenue from continuing operations, excluding capital items and specific purpose grants and contributions. (as per Note 13). Measured as a percentage. The purpose of this ratio is to test if Council has excessive debt servicing costs, relative to operating revenue.

Benchmark: < 12%

	2009/10	2010/11	2011/12
Consolidated	4.9	6.3	8.4
	Pass	Pass	Pass

The result reflects relatively low debt levels across the organisation. Wastewater loans will impact this ratio quite dramatically in the near future.

	2009/10	2010/11	2011/12
General	7.2	6.70	6.05
	Pass	Pass	Pass

The outcome falls well within the benchmark. Council has typically funded projects from accumulated cash reserves and this approach shows up in this ratio.

The trend over recent years has been for a reduction to the ratio which is pleasing, However future forecasts are that the ratio will increase as borrowings are taken up to finance capital projects on roads, town centres and buildings. The outlook indicates that over the next two to three years the benchmark will struggle to meet a pass mark.

	2009/10	2010/11	2011/12
Water	0.1	0.05	0.04
	Pass	Pass	Pass

The fund is essentially debt free.

	2009/10	2010/11	2011/12
Wastewater	0.2	9.4	21.43
	Pass	Pass	Fail

This ratio is just at the start of what will be a number of years of extremely poor results. The movement between 2009/10 and 2011/12 reflects the interest free loans that were taken up. As the \$63 million borrowing is brought to account, this ratio will increase.

4.2 Financial Performance Indicators and Benchmarks

There is not a lot that can be done about this other than to ensure that operating revenue is elevated sufficiently to meet all obligations and commitments. Significant amounts of infrastructure are in the process of renewal that will serve the community for many years to come. The cost of the assets will be spread over many years via the loan arrangements.

- 2.3 Rates and Annual Charges Coverage Ratio - Rates and annual charges levied divided by total operating revenue from continuing operations. Measured as a percentage. The purpose of this measure is an indicator of a Council's financial self sufficiency. It indicates how a council covers its operating costs through its taxation revenue. Councils that have a low ratio tend to more reliant on grants, fees and commercial activities and are arguably more vulnerable to economic cycles.

Benchmark: >40%

	2009/10	2010/11	2011/12
Consolidated	35.88	34.06	38.39
	Fail	Fail	Fail

Refer to individual comments.

	2009/10	2010/11	2011/12
General Fund	34.20	31.62	33.56
	Fail	Fail	Fail

The ratio outcome is a fail and indicates that Council would be better positioned if a higher proportion of income came from a guaranteed source such as rates and annual charges. It suggests that we rely too much on revenue from areas such as grants, fees and property rentals which are not reliable income sources.

Further to the point on grant funding it is relevant to note that the denominator of the ratio includes capital grants as operating income. In 2011/12 Council received capital grants to almost \$20 million which is probably higher than is typically the case. This is significant because capital grants relate to one off projects that will probably not affect the ratio next financial year.

Council has achieved rate rises above the rate pegged limit in recent years and there is a year of extra increases to come. This is perhaps the best strategy to improve the result of this ratio and it is already in place. It is likely that the level of funding from capital grants will fall in future years that may result in the benchmark being achieved.

	2009/10	2010/11	2011/12
Water	21.85	20.42	24.65
	Fail	Fail	Fail

The ratio excludes user charges, which is why the outcome is poor. This situation will not change as one of the primary drivers of water demand management is that a high proportion of the funds revenue is derived from the usage charge.

4.2 Financial Performance Indicators and Benchmarks

It does highlight that the operating position of the business is vulnerable to water consumption patterns.

	2009/10	2010/11	2011/12
Wastewater	50.01	52.13	67.79
	Pass	Pass	Pass

The ratio highlights that the majority of the income comes from statutory charges which is seen to be a positive because it is guaranteed. It is also one of the reasons why financial institutions are prepared to loan funds to a level that are arguably beyond the operation's current capacity to pay.

- 2.4 Outstanding Employee Leave Entitlements Ratio - Total of outstanding employee leave entitlements divided by total wages and salaries paid. Measured as a percentage. This indicator shows possible excessive build up of leave liabilities.

Benchmark: < 47%

	2009/10	2010/11	2011/12
Consolidated	49.81	45.88	44.79
	Fail	Pass	Pass

Refer to individual comments.

	2009/10	2010/11	2011/12
General	54.53	51.00	55.78
	Fail	Fail	Fail

The result reflects policies in previous years that did not enforce staff to take long service leave and also a policy that longer term staff are entitled to be paid 50% of accumulated sick leave up to 12 months (i.e. there has been an inducement not to take sick leave).

Going forward, staff are being required to take long service leave and new staff are not entitled to the sick leave policy. Both of these initiatives will help to improve Council's financial position in respect to this ratio. It is also the case that as the baby boomers retire this ratio will fall.

	2009/10	2010/11	2011/12
Water	37.63	25.51	10.55
	Pass	Pass	Pass

The result falls well within the benchmark. Some longer term staff have left and new people have been employed which assists the outcome of the ratio.

	2009/10	2010/11	2011/12
Wastewater	21.31	22.95	13.93
	Pass	Pass	Pass

As per water.

4.2 Financial Performance Indicators and Benchmarks

- 2.5 Cost Efficiency per Resident - Total operating costs divided by Shire population. Measured in \$'s. This indicator measures the cost of Council's operations on a per head basis and is provided for information only.

	2009/10	2010/11	2011/12
General	1,024	1,058	1,102

This indicator is useful in the context of how other councils perform. The Group 4 average for 2010/11 was \$1,440 which suggests we are operating with comparative efficiency.

	2009/10	2010/11	2011/12
Water	211	226	240

Comparative information is prepared by the Division of Local Government in respect to General Fund only, hence there is no ready comparison with other water utilities. However in comparison to the previous year the ratio has increased by 6% which is due to costs rising in a number of areas including the purchase of water from Rous Council.

	2009/10	2010/11	2011/12
Wastewater	263	275	351

In comparison to the previous year the ratio has increased by 27%. The dramatic increase is due to the interest cost of the \$63 million loan.

3. Financial Sustainability - Long Term Intergenerational Focus

- 3.1 Asset Consumption Ratio - Depreciated replacement cost of assets divided by current replacement cost of depreciable assets. Measured as a percentage. This ratio seeks to highlight the aged condition of Council's physical assets. The indicator shows the depreciated replacement cost of the assets relative to their "as new" (replacement) value.

Benchmark: >40%

	2009/10	2010/11	2011/12
Consolidated	63.49 Pass	69.15 Pass	68.30 Pass

The result is satisfactory and suggests that our assets are in reasonable condition.

	2009/10	2010/11	2011/12
General	69.07 Pass	74.74 Pass	64.84 Pass

The outcome indicates that the state of General Fund infrastructure is reasonable. This is due to a combination of the age of the infrastructure (ie it is not decrepit) and the money spent on refurbishing our assets and creating new assets such that they remain at a satisfactory state.

4.2 Financial Performance Indicators and Benchmarks

In particular the creation of new assets in the building class will have improved this ratio. This is obviously a fairly 'rough' test that may vary between asset classes however it is at least well within the benchmark.

	2009/10	2010/11	2011/12
Water	57.51	58.67	77.32
	Pass	Pass	Pass

The ratio is within the pass area.

	2009/10	2010/11	2011/12
Wastewater	48.82	53.52	78.16
	Pass	Pass	Pass

Excellent improvement for this ratio. The ratio is within the pass mark and the trend has been for a rapid improvement over recent years as new infrastructure is constructed. This ratio will continue to improve with the current capital works program.

- 3.2 Net Financial Liabilities Ratio - Total liabilities less current assets divided by total operating revenues. Measured as a percentage. This indicator measures the long term debt position of Council and Council's ability to meet its financial obligations from revenue streams.

Benchmark: < 60%

	2009/10	2010/11	2011/12
Consolidated	21.14	(6.22)	11.69
	Pass	Pass	Pass

The ratio indicates that organisationally we have low debt levels in comparison to current assets and revenues.

	2009/10	2010/11	2011/12
General	(4.92)	24.16	(5.88)
	Pass	Pass	Pass

It can be seen that this ratio is quite variable and sensitive to different financial movements. The large improvement from 2010/11 to 2011/12 is mainly attributable to the fact that our investments are being shifted, in accord with the Minister's Investment Order, from longer term floating rate notes to term deposits.

The longer term investments did not qualify for inclusion in the ratio and now that the funds are shifting to shorter terms they are included and have improved the outcome.

Looking forward the trend is likely to go back towards a positive as loans are taken up and cash is converted to infrastructure.

	2009/10	2010/11	2011/12
Water	(116.41)	(120.88)	(136.72)
	Pass	Pass	Pass

4.2 Financial Performance Indicators and Benchmarks

The ratio indicates that, amongst other things, the business has next to no borrowings. This suggests it is in a cruise mode in terms of the infrastructure lifecycle.

	2009/10	2010/11	2011/12
Wastewater	(116.41)	(47.59)	173.24
	Pass	Pass	Fail

The ratio has shifted from a comfortable pass to a substantial fail in a very short period of time reflecting the massive shift in the financial position of the fund.

It is likely that this ratio will be in the fail zone for many years. The strategy is to reduce debt as soon as possible and grow cash reserves.

Legal / Resource / Financial Implications

This report has no direct financial or legal implications, however indicators should be used to guide strategic financial decisions.

Consultation

This report is presented to encourage public comment on Council's financial performance.

Options

This report is for information only, although Council could vary or review the indicators if it so wished. If Council wishes to review any indicators a further report on the specific indicators requiring review could be submitted to the next Finance Committee meeting.

RECOMMENDATION

That Council notes the contents of this report in respect to the Financial Performance Indicators and Benchmarks.

Attachment(s)

Nil

4.3 Rating Structure - Ordinary Land Rates

4.3 Rating Structure - Ordinary Land Rates

Delivery Program Financial Management

Objective To consider the preferred rating structure for the levying of ordinary land rates in 2013/14.

Background

This report contains information to assist Council in determining a fair and equitable rating structure for the 2013/14 rating year.

The information provided within the report covers the following issues:

- Overview of ordinary rates and their relationship to land valuations, rating structures, rating principles, calculations, rating options, and income limits (rate pegging)
- Historical rating options utilised by Council
- Key elements of our current 2012/13 rating structure
- Proposed rating structure for 2013/14, including comparisons to 2012/13

Ultimately it is the elected Council that determines what is fair and equitable in regard to a rating structure.

Key Issues

- Equity and fairness for a rating structure

Information

Ordinary rates are **calculated** on a rateable property by multiplying a rate in the dollar by the land valuation and imposing a “minimum” or “base” rating structure. The “minimum” is set by legislation and as suggested, requires a property to pay a minimum amount or more than the minimum depending upon the land valuation.

The “base” structure is a two part calculation where a flat amount is paid by all properties and the remainder payable is calculated by multiplying the rate in the dollar by the property’s land value. Generally, the base amount reduces the impact of land values in determining how much a property pays and has the effect of “flattening out” fluctuations between properties. We currently utilise the base amount rating structure.

Properties are **categorised** for rating purposes as residential, business, farmland or mining. Rates and base amounts can be different for each category. Furthermore, Council can choose to create sub categories and impose different rates for each sub category.

Currently we do not use sub categorisation and effectively rely on land values to determine variances for rates payable on a property.

4.3 Rating Structure - Ordinary Land Rates

Unimproved **land valuations** are supplied to Council by the Valuer General and are updated every three years. The latest land valuations we are using for rating have a base date of July 2011 and were utilised for the first time in 2012/13. The same valuations will be used for 2013/14 and 2014/15.

Fluctuations in land values may have a significant effect on Council's rating structure. As we are not utilising new land values in 2013/14, this report does not provide information comparing our current 2011 base date land values to our previous 2008 land valuations. Generally, there was very little movement between those land valuations.

It is important to note that changes in land valuations do not result in additional income to Council, they simply spread the rate burden across rateable properties.

The following table provides the recent history of new land valuations received from the Valuer General.

History of Valuer General Revaluations - Total Land Values

Base Date (1 July)	Total Land Valuation (\$)	Land Valuation Change (%)	Number of Properties	Property Number Change (%)
2011	5,438,581,840	0.75%	14,491	2.21%
2008	5,398,146,560	11.72%	14,178	1.71%
2005	4,831,846,180	79.72%	13,940	2.87%
2002	2,688,605,130	63.65%	13,551	3.78%
1999	1,642,898,463	N/A	13,057	N/A

The Division of Local Government and Local Government Act (LGA) outline two **principles of rating**:

- *Ability to pay principle* – This method assumes there is a relationship between land values and the ability to pay rates
- *Benefit principle* – this is the "user pays" principle

The mix between the rate in the dollar and the base amount is primarily determined by Council after consideration of certain restrictions contained in the LGA.

Council is limited by how much total general (ie ordinary rate) income it receives each year. This is known as the **rate pegging limit** and is supplied to Council by the Independent Pricing and Regulatory Tribunal (IPART) through the Division of Local Government. It is expressed as a percentage and is used to calculate the following year's allowable income.

Other factors are also considered in this calculation such as growth within the Shire, and income lost due to rate adjustments as a result of land value objections. Councils may also apply for a variation to the rate pegging percentage.

History of Rating by Ballina Shire Council

The **minimum rating structure** was the only option available to councils until the base amounts structure was made available within the 1993 LGA.

Council continued to utilise the minimum structure until an extensive review of our rating structure was undertaken in 2003. The catalyst for this review was significant land valuation increases in the Lennox Head locality in comparison to the rest of the Shire. This comprehensive review spanned several months and included extensive research and modelling, comparisons to other councils, Councillor workshops, a ratepayer survey, and public meetings.

The result was a move to the **base rating structure from 2005/06**, which had the result of reducing the impact of land valuations in determining the total ordinary rate payable by an individual property. The base amount rating structure has an underlying assumption that properties are benefiting equally from council services.

The base amount part of the ordinary rate was set at just under 50% of the total allowable income for each category, with 50% being the maximum percentage allowable of a council's rate income under the LGA to be sourced from base rates.

A **review of the base amounts** payable by each category was then undertaken in 2008. The result was that the residential base amount was retained at just under 50% of the total allowable residential income.

This dollar value of the base amount was also utilised for the business and farmland categories, rather than setting a base amount being just under 50% of the allowable income for those categories.

This change was introduced in **2009/10** and meant that land values became the dominant factor in determining how much a business or farmland property paid.

This structure was deemed to be more equitable than the previous structure on the basis that land values for business and farmland category properties indicate an ability to pay. The assumption being that, generally, the higher the land value, the higher the likely income production from the land and ability to pay.

In **2006/07**, Ballina Shire Council had the lowest average **business category** ordinary rate for group four councils as categorised in the Division of Local Government's annual comparative information publication. Group four councils are defined as regional towns / centres with a population of up to 70,000.

Based on the comparative information Council resolved to increase the yield from business properties from 10% of the total rate yield to 20%, over a period of five years, through increments of 2% per annum. This strategy was commenced in the 2006/07 rating year and in 2010/11 the yield from the business category reached the desired 20% of the total. Since that time the percentage of total rates paid by the business category has been maintained at 20%.

4.3 Rating Structure - Ordinary Land Rates

Key Elements of Current Rating Structure

Base Amounts

Council has adopted a uniform base amount charged to all residential, business, and farmland properties. The residential base charge derives just less than the maximum 50% of total category income. The dollar value of the residential base amount is then applied to the business and farmland categories. This means that, because business and farmland categories tend to have higher land values, the base charge in business and farmland categories raises less than the maximum 50% (currently around 15% and 33% respectively).

As a result, the land value is used to calculate the majority of the total ordinary rate for business and farmland properties, which results in higher valued properties accepting a greater share of the rate burden. The primary reason for implementing this strategy was to provide a more equitable distribution of the rate burden for business and farmland properties. Unlike residential properties, business and farmland properties are generally income producing, so it can be argued that our rating structure recognises a correlation between the land valuation and the level of potential income able to be generated by the land (i.e. the “ability to pay” principle), whether or not a profit is actually made.

There are no changes proposed to the base amount structure in 2013/14, as compared to 2012/13, other than to increase the base amount and rate in the dollar in accordance with allowable rate increases.

Yield from Business Category to be 20% of the total yield

Since 2011/12 Council has retained the 20% yield from the business category regardless of annual growth and income adjustments between rating categories. In the last few rating years, if the 20% yield setting was ignored, the income adjustment to the business category was within 0.2% of the 20% setting. Using usual growth adjustments, the percentage of the total income yield coming from the business category would be 19.8% in 2013/14 (i.e. a minor reduction) and it is assumed that Council wishes to maintain the 20% yield for 2013/14.

Total Allowable Income – Special Variation expires 2013/14

Council applied for and was approved a special variation from the Division of Local Government (DLG) to the notional total rate income over a four year period in May 2010. The percentages approved were as follows.

Year	2010/11	2011/12	2012/13	2013/14
Percentage	6.2%	6.1%	5.7%	6.0%

In addition to Council’s approved limits, the DLG allowed Council to increase its allowable total income in 2012/13 by an additional 0.4% to allow for any unexpected cost increases resulting from the introduction of the carbon tax. This additional variation will be deducted from our 2013/14 and 2014/15 limits by 0.1% and 0.3% respectively. This means that our actual 2013/14 limit is now 5.9% and as our special variation expires in 2013/14, our limit in 2014/15 will be the future rate pegging limit less 0.3%.

4.3 Rating Structure - Ordinary Land Rates

IPART has set a rate pegging limit of 3.4% for councils that do not have a special variation in place for 2013/14

Calculation Methodology – Base Amounts and Rates in the Dollar

The following points summarise the current ordinary rate calculation process;

1. **Calculate the total notional income for 2012/13 and total notional yield allowable for 2013/14.** This is completed by calculating a notional 2012/13 total income which entails using the base amount and rate in the dollar set in 2012/13 and applying it to the current properties and land valuations on hand (rather than those on hand when the rates were set at the start of the rating year). This effectively creates a growth allowance to total allowable income for 2013/14. In addition to this, legislative adjustments are taken into account such as income lost in previous years due to land value objections. The rate pegging limit (or special variation of 5.9% in our case) is then applied to the calculated 2012/13 notional income to result in total allowable income yield for 2013/14.
2. Implement the current strategy adopted by Council to set the total **business category income as 20%** of the total allowable income. As reported earlier, Council may wish to consider allowing “natural” growth between years to calculate this in future. This report assumes Council wishes to retain the 20% setting.
3. **Take into account growth in assessments and land valuations** between categories from the previous year to arrive at a percentage of total income required from the farmland and residential categories (business already set at 20% and currently no mining category properties).
4. **Calculate the base amount (flat charge) for the residential category to be marginally less than 50%** to conform to legislative requirements. This base charge is then used for the business and farmland categories.
5. **Calculate the rate in the dollar for each category** with the mining category to be set at the same rate as the business category. This is calculated by dividing the total land valuations within the category by the total remaining allowable income for the category (ie excluding previously calculated income derived by the base amount for each category).

Proposed 2013/14 Rating Structure

This section presents a proposed rating structure for 2013/14 based on the current structures, strategies and calculation methodologies described earlier in this report. Comparisons are also provided to previous year/s.

Table one shows the adopted rating structures for 2011/12 and 2012/13 and table two details the proposed structure for 2013/14, which incorporates the 5.9% increase. 2011/12 rates were based on 2008 base date land valuations and 2012/13 and 2013/14 rates are based on 2011 base date land valuations. Prior to our last revaluation by the Valuer General, changes in rates in the dollar between revaluation years were noticeable due to significant valuation increases. There was very little movement between the 2008 and 2011 land valuations.

4.3 Rating Structure - Ordinary Land Rates

The figures in tables two and three are draft and may change slightly by the time they are adopted in the 2013/14 Operational Plan. This is because ratepayers may object to current valuations and be successful and there could be variations due to growth in assessment values.

Table One: 2011/12 and 2012/13 Rating Structures

Rate Category	2011/12		2012/13	
	Base Charge	Rate in Dollar	Base Charge	Rate in Dollar
Residential	374	0.140421	398	0.152206
Business	374	0.508970	398	0.539356
Farmland	374	0.117018	398	0.123163

The next table presents a draft rating structure based on a 5.9% increase and uses Council's current rating structure.

We do not have any mining categorised land within the Shire however, it is important for Council to adopt a base amount and rate in the dollar in case any such categorised land arises in the future.

The base amount and rate in the dollar suggested to Council for the mining category within this report has been set as the same as the business rating category.

Table Two: Proposed 2013/14 Rating Structure

Rate Category	5.9% Increase	
	Base Amount	Rate in Dollar
Residential	420	0.161054
Business	420	0.575440
Farmland	420	0.130375
Mining	420	0.575440

Table three details the income that will be generated for each rating category, the percentage of revenue each category derives and the average rate per category.

The base amount listed in table two generates 49.84% of residential, 14.76% of business, and 32.63% of farmland rating category total income.

The increase in total income between 2012/13 and 2013/14 equates to \$1,032,051. This amount will be slightly different to the notional allowable income calculations as 2012/13 figures in the table are based on rates set for the actual levy rather than growth adjusted figures for recent notional income yield calculations.

Table Three: Proposed 2013/14 Income per Category at 5.9%

Rate Category	2012/13			2013/14		
	6.1% increase	% of total	Ave Rate	5.9% increase	% of total	Ave Rate
Residential	11,972,439	72.15	799	12,722,924	72.19	841
Business	3,318,583	20.00	2,632	3,525,028	20.00	2,793
Farmland	1,302,099	7.85	1,225	1,377,220	7.81	1,287
Mining	0	0.00	0	0	0.00	0.00
Total	16,593,121	100.0	958	17,625,172	100.0	1,010

4.3 Rating Structure - Ordinary Land Rates

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

Table Four: Residential Rates Payable in 2013/14

Land Value (\$)	Number of Properties	2012/13 Rate	2013/14 Rate	Difference	% Change
50,000	237	474	501	26	5.6%
100,000	1,492	550	581	31	5.6%
150,000	1,257	626	662	35	5.6%
200,000	3,811	702	742	40	5.7%
250,000	2,480	779	823	44	5.7%
300,000	1,424	855	903	49	5.7%
400,000	2,524	1,007	1,064	57	5.7%
500,000	933	1,159	1,225	66	5.7%
600,000	336	1,311	1,386	75	5.7%
800,000	362	1,616	1,708	93	5.7%
1,000,000	127	1,920	2,031	110	5.8%
2,000,000	123	3,442	3,641	199	5.8%

Table Five: Business Rates Payable in 2013/14

Land Value (\$)	Number of Properties	2012/13 Rate	2013/14 Rate	Difference	% Change
50,000	118	668	708	40	6.0%
100,000	183	937	995	58	6.2%
150,000	108	1,207	1,283	76	6.3%
200,000	171	1,477	1,571	94	6.4%
250,000	101	1,746	1,859	112	6.4%
300,000	70	2,016	2,146	130	6.5%
400,000	141	2,555	2,722	166	6.5%
500,000	100	3,095	3,297	202	6.5%
600,000	67	3,634	3,873	239	6.6%
800,000	62	4,713	5,024	311	6.6%
1,000,000	35	5,792	6,174	383	6.6%
1,500,000	51	8,488	9,052	563	6.6%
2,000,000	21	11,185	11,929	744	6.6%
2,500,000	11	13,882	14,806	924	6.7%
5,000,000	18	27,366	29,192	1,826	6.7%
10,000,000	6	54,334	57,964	3,630	6.7%

4.3 Rating Structure - Ordinary Land Rates

Table Six: Farmland Rates Payable in 2013/14

Land Value (\$)	Number of Properties	2012/13 Rate	2013/14 Rate	Difference	% Change
50,000	1	460	485	26	5.6%
100,000	2	521	550	29	5.6%
150,000	0	583	616	33	5.6%
200,000	18	644	681	36	5.7%
250,000	21	706	746	40	5.7%
300,000	42	767	811	44	5.7%
400,000	170	891	942	51	5.7%
500,000	269	1,014	1,072	58	5.7%
600,000	149	1,137	1,202	65	5.7%
800,000	176	1,383	1,463	80	5.8%
1,000,000	96	1,630	1,724	94	5.8%
1,500,000	76	2,245	2,376	130	5.8%
2,000,000	20	2,861	3,028	166	5.8%
2,500,000	14	3,477	3,679	202	5.8%
5,000,000	12	6,556	6,939	383	5.8%
10,000,000	3	12,714	13,458	743	5.8%

For **eligible pensioners**, the general concession (ie ordinary rates plus domestic waste charges) in accordance with the LGA is 50% of the general levy to a maximum of \$250 per annum.

This maximum has remained unchanged for many years. All properties have paid greater than \$500 per annum in ordinary rates and domestic waste charges for some time now and as a result, pensioners will meet the full cost of any increase.

Council is reimbursed for 55% of the total pensioner concessions granted by the State Government.

Legal / Resource / Financial Implications

Rates are a very important component of a council's resource or revenue base. They provide a guaranteed income source and rate income can be used to finance essentially any service provided by a council.

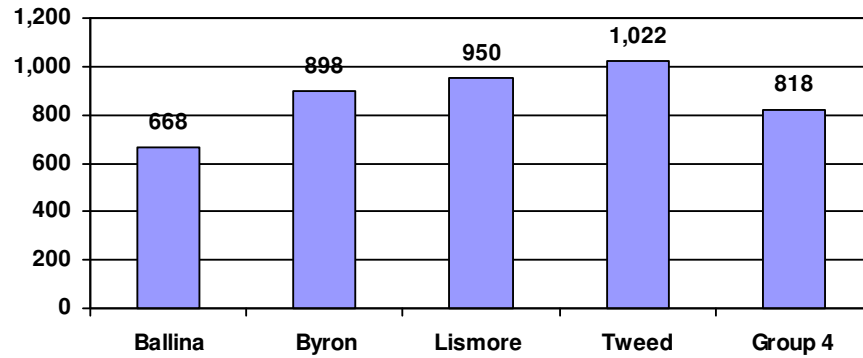
Ballina Shire has been acknowledged as a low rating council, on a comparative basis to other councils, for many years. This strategy worked well when Council was generating substantial entrepreneurial revenues, particularly from residential land development. However the opportunities for residential land development have reduced significantly in the last ten years, primarily due to Council selling its two major residential land holdings at North Angels Beach and the Henderson Farm.

With the global financial crisis also making it extremely difficult for any investor to make a reasonable return on entrepreneurial activities it is important that Council ensure that it has adequate rate revenue to finance essential services.

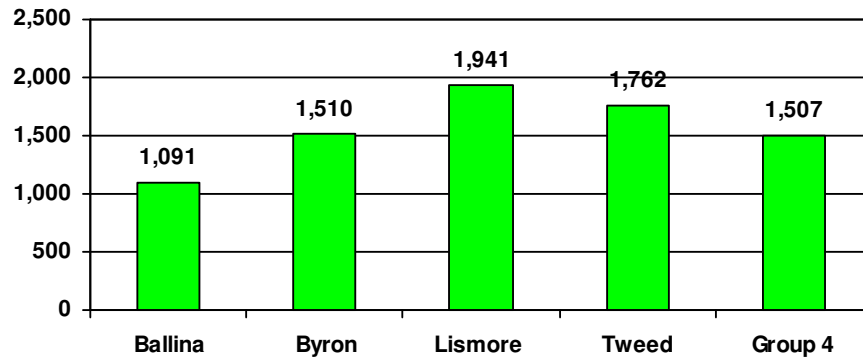
4.3 Rating Structure - Ordinary Land Rates

The latest published information from the DLG on comparative information for rating purposes was for the 2010/11 financial year and that information is reproduced in the following three tables for a sample of our neighbouring councils and also for the entire group four category of councils.

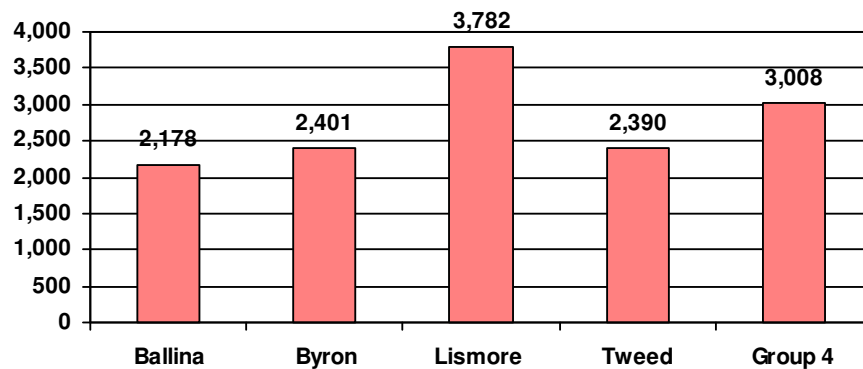
Residential Average Rates – 2010/11 DLG Comparative Data



Farmland Average Rates – 2010/11 DLG Comparative Data



Business Average Rates – 2010/11 DLG Comparative Data



4.3 Rating Structure - Ordinary Land Rates

What these figures highlight is that even with our recent above rate pegging limits, the average rates in Ballina Shire will, in many cases, remain well below comparative councils. Those councils still struggle to provide essential services with those higher rate bases.

Another issue with the low rate base is the difficulties it places on Council to try and fund additional projects or services.

For example, an upgrade to the Ballina swimming pool, with an estimated cost of \$4 million, could be funded by a loan with the loan then repaid by an increase in rate income. A \$4 million loan based on a term of 15 or 20 years would be fully funded by an increase in rate income of 2.34% (15 year loan) or 1.98% (20 year loan) respectively. The current rate pegging regime makes it very difficult to obtain this type of approval due to the exhaustive consultation process and subsequent review by IPART and the DLG that currently needs to be followed.

The panel members for the Independent Review into Local Government have stated that they are well aware of the impacts that rate pegging is having on infrastructure delivery and renewal and it is hoped that councils will be provided with greater autonomy in respect to determining their rate income levels as part of the review. With this review underway there is no recommendation for Council to seek further rate increases, however Council needs to be mindful of the limitations that the low rate base places on our service delivery. This is one of the prime reasons why Council's commercial activities and associated revenues have been so critical for the organisation.

Consultation

The rating structure will be placed on exhibition for public comment within the Draft 2013/14 Operational Plan.

Options

There a number of options in respect to rating structures however, the key point is that the total rate income yield remains the same, regardless of the rating structure, unless Council wishes to apply for a special variation to the rate income. The rating structure determines how the ordinary rates are apportioned rather than increasing rate income.

The recommendation that follows endorses the current structure and if Council wishes to consider alternative options they can be examined at this meeting or if they require calculations, they will need to be presented to a future meeting or workshop.

Typically the community is very interested in any significant changes to the rating structure. If Council were to consider making significant changes to the current rating structure, extensive community engagement would be required.

4.3 Rating Structure - Ordinary Land Rates

RECOMMENDATIONS

1. That Council, for the purposes of the 2013/14 Draft Operational Plan, endorses a base rating structure modelled on the following principles:
 - a) Marginally less than 50% of the rate income for the residential category of properties being generated from the base amount
 - b) Business, farmland and mining categories to have the same base amount as the residential base amount
 - c) A total of 20% income from the rate yield to be sourced from the business category properties
 - d) The mining category rate in the dollar to be set as the same rate as the business category (currently no mining category properties exist within the shire).
2. Preliminary figures for this rating structure for 2013/14, as per tables two and three within this report, are outlined below:

Table Two: Proposed 2013/14 Rating Structure

Rate Category	5.9% Increase	
	Base Amount	Rate in Dollar
Residential	420	0.161054
Business	420	0.575440
Farmland	420	0.130375
Mining	420	0.575440

Table Three: Proposed 2013/14 Income per Category 5.9%

Rate Category	2012/13			2013/14		
	6.1% increase	% of total	Ave Rate	5.9% increase	% of total	Ave Rate
Residential	11,972,439	72.15	799	12,722,924	72.19	841
Business	3,318,583	20.00	2,632	3,525,028	20.00	2,793
Farmland	1,302,099	7.85	1,225	1,377,220	7.81	1,287
Mining	0	0.00	0	0	0.00	0.00
Total	16,593,121	100.0	958	17,625,172	100.0	1,010

Attachment(s)

Nil

4.4 Water Operations - Long Term Financial Plan

4.4 Water Operations - Long Term Financial Plan

Delivery Program Financial Management

Objective To review the long term financial plan for Council's water operations and consider a pricing strategy for 2013/14.

Background

Council's water and wastewater (sewer) operations are two distinct businesses, or functions, where Council is in a position to set mandatory charges for the provision of those services. Both operations form a significant part of Council's finances and the purpose of this report is to review the long term financial plan for water.

Water is anticipated to have accumulated reserves of approximately \$8.6 million and nil loans outstanding at the end of the current financial year (2012/13). This means the business is in a sound financial position to plan for the future.

The major financial issue for the business is that the operating result is not strong and needs to be improved. The business struggled for a number of years with 10% to 15% increases in the charges paid to Rous Water for the bulk water supply (being the largest single expense for the business), which coincided with on-going reductions to water consumption per capita (being the primary source of income).

The high bulk water price increases ceased from 2012/13 and the indications are that gross water consumption per capita has at least plateaued.

However whilst Rous has capped their price increase at 3.4% for 2013/14, Ballina's share of the total water consumption for the region has increased. This means that our actual price increase will be in the order of 5.6% based on preliminary estimates.

The report that follows provides an overview of the water business in respect to the long term financial plan.

Key Issues

- Pricing Structure
- Affordability
- Financial Performance

Information

The cash operating result for water has been marginal for a number of years.

The next table provides a summary of the operating results for recent years together with the current year's estimate.

4.4 Water Operations - Long Term Financial Plan

Table One - Water Supply Operating Results

Item	2008/09 Actual (\$'000)	2009/10 Actual (\$'000)	2010/11 Actual (\$'000)	2011/12 Actual (\$'000)	2012/13 Estimate (\$'000)
Operating Revenues	6,387	7,404	7,899	8,614	9,042
Operating Expenses	6,149	8,858	9,815	10,467	10,929
Operating Result (Deficit)	(1,741)	(1,454)	(1,916)	(1,853)	(1,887)
Remove Depreciation	2,004	2,132	2,246	2,266	2,300
Cash Surplus / (Deficit)	263	678	330	413	413

The cash surplus ranges from approximately \$263,000 to \$678,000 for the four year actual results. This is the total amount of recurrent discretionary funds available to spend on upgrading or providing new assets for the business.

This result also includes interest earned on accumulated section 64 development contributions, which is typically around \$400,000 per annum. These monies are restricted and can only be used for specific purposes in specific localities relating to capital works. If these funds are excluded from the operating result the position is close to break even on a cash basis annually.

The last valuation had the carrying value of water assets at over \$100 million. This represents a vast amount of infrastructure that needs to be maintained in a satisfactory condition. Assuming every item had a 100 year life would mean that we should be investing at least \$1 million per annum back into the infrastructure. Assuming a 50 year life represents \$2 million per annum. These simplistic figures highlight that the business needs to improve its operating result over time to ensure that existing assets are able to be adequately maintained.

This also raises the question as to whether we are currently spending enough on the existing network to maintain it to a satisfactory standard, given that the business currently has such a small cash surplus (excluding depreciation). The Civil Services Group is committing more and more resources to asset condition assessments and this is a big step forward in gathering the information necessary to answer this question in a holistic manner.

Forward Financial Plan

A forward financial plan is included as an attachment to this report. The attached plan represents a preferred financial model for 2013/14. Later in this report different scenarios are presented however the main variable in the scenarios is the pricing structure for the annual availability and consumption charges. Hence the alternate options are presented in summary only.

In preparing the draft long term financial plan for water the key considerations have been:

- a continuation of the existing tariff structure based on fixed and consumption charges. This structure is weighted such that the majority of the income is derived via consumption charges, which mean that the primary income source is subject to large variations depending on the weather and population trends. Best practice guidelines from the State Government target 75% of income from consumption and the financial plan is just below this target.

4.4 Water Operations - Long Term Financial Plan

- maintenance and operation expenses have been increased by approximately 3% representing CPI. Generally speaking all expenditure items are essential costs of operating the business.
- early advice is that the cost of the bulk water from Rous will increase by 5.6% to \$5.4 million. This equates to 60% of the total operating expenses, excluding depreciation.
- income from section 64 contributions has been quite slow over recent years and the forecast is for capital contributions of \$350,000.
- capital works are estimated to be \$4 million in 2013/14 followed by a few years of approximately \$1.5 million then in 2017/18 expenditure to \$5 million is anticipated.
- depreciation expense is forecast to reduce by approximately \$500,000 to \$1.8 million following a revaluation of the infrastructure. This reduction reflects improved accuracy on estimating the annual deterioration of assets.
- there are no loan borrowings included in the model.

The attached financial model assumes increases to the annual charges of 8% in 2013/14 graduating down over the next five years. A summary of the major outcomes from this model are outlined in the following table.

Table Two: Financial Plan - 8% increase to Annual Charges for 2013/14

Description	12 13 \$,000	13/14 \$,000	14/15 \$,000	15/16 \$,000	16/17 \$,000	17/18 \$,000	18/19 \$,000	19/20 \$,000	20/21 \$,000	21 22 \$,000	22 23 \$,000
Operating Revs	9,042	9,302	9,925	10,654	11,340	11,917	12,290	12,844	13,446	14,124	14,839
Operating Exps	10,929	10,850	11,164	11,501	11,849	12,207	12,577	12,957	13,349	13,752	14,167
Operating Result	(1,887)	(1,548)	(1,238)	(847)	(508)	(290)	(286)	(113)	97	372	672
Add back deprec	2,300	1,810	1,860	1,916	1,973	2,033	2,094	2,156	2,221	2,288	2,357
Sur/(Def) ex Depn	413	262	622	1,068	1,465	1,743	1,807	2,043	2,318	2,659	3,028
Capital Income	419	350	372	372	372	372	372	444	444	444	444
Capital Expend	2,868	3,982	1,692	1,382	1,545	5,134	2,783	2,292	610	628	647
Reserve Movement	(2,036)	(3,370)	(698)	59	292	(3,019)	(603)	196	2,152	2,475	2,825
Total Reserves	8,693	5,323	4,625	4,683	4,975	1,956	1,353	1,549	3,701	6,176	9,001
% Deprec funded	17.96	14.46	33.42	55.77	74.24	85.73	86.33	94.76	104.36	116.24	128.51
% Change Fees	5.9	8	8	7	6	5	4	4	4	4	4
Charge 200kl	519	561	605	648	687	721	750	780	811	843	877

4.4 Water Operations - Long Term Financial Plan

Key points of this model are:

- a gradual improvement in the operating result such that there is a surplus inclusive of depreciation by 2020/21, with depreciation 100% funded by 2020/21
- the minimum reserve balance is \$1.3 million which is considered satisfactory in terms of a buffer to meet budget shocks
- the reserves figure includes section 64 reserves which are restricted in their use. In 2018/19 (year of lowest reserve balance) the section 64 funds amount to \$413,000
- the maximum reserve balance rises to \$9 million in 2022/23 which is arguably excessive however it is likely that our expenditure on assets will rise as the system ages. If this is proven not to be the case price increases could be reduced in later years
- the 8% increase in 2013/14 takes into consideration the fact that the cost of bulk water will increase by 5.6%. So we need to match this increase plus improve the operating result.

Price increases are elevated early in the plan and graduate down primarily to take a large step quickly towards improving the operating result. If Council were to adopt this model for inclusion in the draft 2013/14 Operational Plan the primary charges would be as per the table below.

Table Three - Draft Water Supply Charges

Charge Type	2012/13	2013/14	% Increase
Water Access Charge 20mm meter (1)	165	178	8
Water Consumption under 350kl	1.77	1.91	8
Water Consumption over 350kl	2.66	2.87	8
Vacant Land Charge	165	178	8

(1) Access charges vary depending on meter size. The figures shown above reflect a 20mm meter which is the typical residential size meter.

Water is in a sound financial position in terms of the balance sheet. This does mean that there is no driving urgency to improve the operating position to meet a particular deadline. Therefore Council does have a variety of options at its disposal in terms of the financial model and pricing structure. The next two tables present a brief summary of the key indicators for two alternative scenarios.

4.4 Water Operations - Long Term Financial Plan

Table Four - Summary of Outcomes 7% Increase

Description	12 13 \$,000	13/14 \$,000	14/15 \$,000	15/16 \$,000	16/17 \$,000	17/18 \$,000	18/19 \$,000	19/20 \$,000	20/21 \$,000	21 22 \$,000	22 23 \$,000
Operating Result	(1,887)	(1,548)	(1,349)	(1,054)	(734)	(533)	(546)	(388)	(184)	56	335
Total Reserves	8,693	5,323	4,514	4,366	4,433	1,171	308	228	2,100	4,259	6,747
% deprec funded	18	14	27	45	63	74	74	82	92	102	114
% Change Fees	5.9	7	7	6	6	5	4	4	4	4	4
Charge 200kl	519	555	594	630	668	701	729	758	789	820	853

This scenario relies on a price increase of 7% which means that an operating surplus is achieved in 2021/22.

Reserves do maintain a positive balance however it does become quite tight for a few years commencing 2018/19. Presumably if this were Council's preferred option the pricing structure could be modified as you approached 2018/19 to improve the outlook.

The next table summarises the main model indicators assuming Council wants to improve the operating position quicker than the preferred model and is based on a 9% increase for the 2013/14 financial year.

Table Five - Summary of Outcomes from 9% Increase

Description	12 13 \$,000	13/14 \$,000	14/15 \$,000	15/16 \$,000	16/17 \$,000	17/18 \$,000	18/19 \$,000	19/20 \$,000	20/21 \$,000	21 22 \$,000	22 23 \$,000
Operating Result	(1,887)	(1,548)	(1,213)	(820)	(385)	(156)	(143)	40	261	547	859
Total Reserves	8,693	5,323	4,650	4,736	5,152	2,267	1,807	2,156	4,472	7,123	10,135
% deprec funded	18	14	35	57	81	92	93	102	112	124	136
% Change Fees	5.9	9	8	7	7	5	4	4	4	4	4
Charge 200kl	519	566	611	654	699	734	764	794	826	859	894

This scenario has a higher price in 2013/14 which means that an operating surplus is achieved in 2019/20 and depreciation is 100% funded at the same time. Reserves remain satisfactory over the life of the model.

There are a number of scenarios that can be used to achieve similar outcomes, including:

1. generating a reasonable operating surplus and
2. working towards funding depreciation and
3. retaining positive reserve balances

Each of the models presented assumes that Council does want to take steps towards improving the operating result. Price increases will always remain a year to year decision but there is an opportunity to work towards long term goals.

4.4 Water Operations - Long Term Financial Plan

Annual and Consumption Charges

The next table provides a comparison of our existing water charges to our immediate neighbours.

Table Six – Comparison of Water Charges 2012/13

Item	Ballina	Byron	Lismore	Richmond
Access	\$165	\$145	\$167	\$114
Consumption per kilolitre	\$1.77 to 350kl \$2.66 350kl +	\$2.10 to 450kl \$3.15 450kl +	\$2.48	\$1.76 to 200k \$2.64 200kl +
Charge based on 200kl	519	565	663	466

In setting prices Council has been following the guidelines promoted by the Office of Water.

Two targets set by the Office of Water are:

- of the income raised by charges levied on residential consumers, 75% should be derived from the consumption charge. At this stage approximately 60% of Ballina Council's income is derived from consumption. Council has been reluctant to move further towards the 75% as that increases the overall variability of the forecast revenue even further, as a higher percentage is based on consumption.
- the charge for annual consumption over 350kl should be at least 50% greater for residential properties than the charge under 350kl. Typically the charges are set at this target.

In preparing the long term financial plan an increase of 8% has been recommended for the annual availability and consumption charges for 2013/14.

Legal / Resource / Financial Implications

This report provides a financial overview of the water business.

Council's Civil Services Group is currently preparing an options report for reducing our water leakage percentage. That report should be submitted to the next Finance Committee meeting and will assist Council in determining whether further changes are needed either to the budget or to the annual charges to finance that program of works.

At the next Finance Committee there will also be further discussion on the operating costs for the business.

Consultation

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

4.4 Water Operations - Long Term Financial Plan

Options

There are a range of options in respect to the budget and the proposed charges for the water business. Based on the information outlined in this report, and particularly considering the Rous Water increase of almost 6%, it is recommended that for the purposes of public exhibition Council endorse an 8% increase in annual and consumption charges for water. Alternatively Council could resolve to analyse further scenarios as the draft Operational Plan does not need to be exhibited until May this year.

RECOMMENDATION

That Council approves the inclusion of the following water charging structure in the draft 2013/14 Operational Plan.

Charge Type	2012/13	2013/14	% Increase
Water Access Charge 20mm meter (1)	165	178	8
Water Consumption under 350kl	1.77	1.91	8
Water Consumption over 350kl	2.66	2.87	8
Vacant Land Charge	165	178	8

Attachment(s)

1. Water Financial Model Summary
2. Water Operations Cash Forecast (2012/13 to 2022/23)
3. Water Operations (Budget Summary)
4. Capital Expenditure - Water Operations

Water Financial Model Summary

1. Longterm Financial 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 important that this return to a surplus. This surplus represents the funds discretionary funds.
- 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 interest figure.
- Operating Result Including Depreciation - This highlights the result once depreciation is included. The forecast is for operating deficits and one strategy to avoid this position would include higher price increases.
- Reserves (including movements and closing balances) - This section shows the cash movement (increase or decrease) for the entire business each year (after items such as capital expenditure), along with the movements in the water reserves and section 64 contributions.

2. Operating Revenues and Expenses - Ten Year Forward Plan

The key pieces of information in this attachment are:

- Operating Revenues – Details the forecast incomes and expenses for the fund. The assumptions include percentage increases based on price and growth.
- Total Operating Expenses (Excluding Depreciation) – operating expenses are generally forecast to increase by cost of living adjustments although certain expenditure items will be adjusted based on current information. For example salaries will be based on specific enquiries.
- Cash Result - Surplus / (Deficit) – shows operating position exclusive of non cash items and prior to capital income and expense.

3. Capital Expenditure

This attachment outlines the forward capital works program for the fund.

Water Operations - Long Term Financial Plan (2012/13 to 2022/23)												
ESTIMATE	ITEMS	ESTIMATED										
2012/13		2013/14	%	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
8,617,200	Operating Revenues	9,032,000	5	9,753,200	10,453,700	11,120,400	11,743,400	12,288,300	12,823,100	13,401,600	14,055,300	14,745,200
8,629,100	Less Operating Expenses	9,040,300	5	9,303,600	9,585,300	9,875,400	10,174,400	10,483,000	10,800,400	11,127,600	11,464,200	11,810,700
(11,900)	Operating Result Excl Dep & Sec 64 Interest	(8,300)	(30)	449,600	868,400	1,245,000	1,569,000	1,805,300	2,022,700	2,274,000	2,591,100	2,934,500
	Add Developer Contributions - Operating Revenues											
425,000	Section 64 Interest Earned on Contributions Held	270,000	(36)	172,000	200,000	220,000	173,500	2,000	20,700	43,900	68,300	93,900
413,100	Operating Result before Depreciation	261,700	(37)	621,600	1,068,400	1,465,000	1,742,500	1,807,300	2,043,400	2,317,900	2,659,400	3,028,400
2,300,000	Less Depreciation	1,810,000	(21)	1,860,000	1,915,800	1,973,300	2,032,500	2,093,500	2,156,400	2,221,100	2,287,800	2,356,500
(1,886,900)	Net Operating Result	(1,548,300)	(18)	(1,238,400)	(847,400)	(508,300)	(290,000)	(286,200)	(113,000)	96,800	371,600	671,900
	Add Capital Grants and Contributions											
125,000	Capital Grants and Contributions	0	(100)	0	0	0	0	0	0	0	0	0
294,000	Section 64 Contributions Collected	350,000	19	372,000	372,000	372,000	372,000	372,000	444,000	444,000	444,000	444,000
	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											
(2,830,000)	Capital Expenditure	(3,947,700)	39	(1,657,600)	(1,346,600)	(1,508,800)	(5,096,200)	(2,744,000)	(2,252,000)	(568,900)	(586,100)	(603,800)
(3,800)	Repayment of Principal on Loans	0	(100)	0	0	0	0	0	0	0	0	0
(34,000)	Dividends Paid	(34,000)	0	(34,000)	(35,100)	(36,200)	(37,300)	(38,500)	(39,700)	(40,900)	(42,200)	(43,500)
	Add Back Non-Cash Expense											
2,300,000	Depreciation	1,810,000	0	1,860,000	1,915,800	1,973,300	2,032,500	2,093,500	2,156,400	2,221,100	2,287,800	2,356,500
(2,035,700)	Reserves Movement - Increase / (Decrease)	(3,370,000)	66	(698,000)	58,700	292,000	(3,019,000)	(603,200)	195,700	2,152,100	2,475,100	2,825,100
	Movement in Reserves - Increase / (Decrease)											
(574,700)	Water Reserves	(1,632,500)		(60,300)	219,500	703,700	411,300	(977,200)	(269,000)	1,664,200	1,962,800	2,287,200
(1,461,000)	Developer Contributions - Section 64	(1,737,500)		(637,700)	(160,800)	(411,700)	(3,430,300)	374,000	464,700	487,900	512,300	537,900
(2,035,700)	Total Movement in Reserves (incl Section 64)	(3,370,000)		(698,000)	58,700	292,000	(3,019,000)	(603,200)	195,700	2,152,100	2,475,100	2,825,100
	Reserves - Balances as at 30 June											
2,275,100	Water Reserves	642,600		582,300	801,800	1,505,500	1,916,800	939,600	670,600	2,334,800	4,297,600	6,584,800
6,417,500	Developer Contributions - Section 64	4,680,000		4,042,300	3,881,500	3,469,800	39,500	413,500	878,200	1,366,100	1,878,400	2,416,300
8,692,600	Total Reserves (including Section 64)	5,322,600		4,624,600	4,683,300	4,975,300	1,956,300	1,353,100	1,548,800	3,700,900	6,176,000	9,001,100

WATER OPERATIONS									
ACTUAL 2010/11	ACTUAL 2011/12	ESTIMATE 2012/13	LEDGER ACCOUNT	BUDGET ITEMS	ESTIMATED				
					2013/14	%	2014/15	2015/16	2016/17
OPERATING REVENUES									
2,158,190	2,432,668	2,500,500	10000	Annual Charges	2,782,000	11	3,092,700	3,315,900	3,526,400
4,551,136	4,919,002	5,261,000	10010	User Charges	5,424,000	3	5,898,000	6,354,700	6,783,200
191,213	147,615	172,100	10003	Operating Grants	149,000	(13)	153,500	158,200	163,000
285,849	143,029	202,000	10011	Regulatory Fees and Fines	192,000	(5)	197,800	203,800	210,000
150,388	202,718	357,600	10012	Other Revenues	349,000	(2)	359,600	370,500	381,800
562,345	768,488	549,000	10004	Interest	406,000	(26)	223,600	250,600	276,000
7,899,121	8,613,520	9,042,200		Total Operating Revenues	9,302,000	3	9,925,200	10,653,700	11,340,400
OPERATING EXPENSES									
Direct Expenses									
201,371	191,425	255,200	50000	Engineering Management	336,500	32	346,800	357,300	368,100
532,655	410,454	513,300	50005	Administration and Customer Service	482,900	(6)	498,300	514,100	530,300
98,030	185,794	63,000	50000	Engineering and Technical	43,000	(32)	34,000	35,100	36,200
4,264,266	5,034,600	5,143,000	50100	Purchase of Water	5,430,000	5.6	5,592,900	5,760,800	5,933,700
35,793	36,497	44,400	50102	Energy Costs	46,500	5	48,400	50,400	52,400
34,862	41,832	45,000	50101	Groundwater Bores	45,000	0	46,600	48,200	49,900
58,899	46,736	60,000	50105	Reservoirs	62,000	3	63,900	65,900	67,900
71,230	69,415	91,000	50107	Water Treatment Plants	83,500	(8)	86,100	88,800	91,600
363,903	316,908	390,000	50110	Water Supply Mains	410,000	5	422,300	435,000	448,200
886,662	777,008	849,000	50109	Water Supply Operations	892,000	5	919,000	946,900	975,700
5,417	9,516	20,000	50112	Telemetry Operations	20,000	0	20,600	21,300	22,000
7,289	8,763	8,000	50008	Miscellaneous	8,500	6	8,800	9,100	9,400
1,000	0	2,000	50008	Conservation Promotion	1,000	(50)	1,100	1,200	1,300
Indirect Expenses - Overheads									
1,007,004	1,071,996	1,145,000	50005	Overheads Distributed	1,179,400	3	1,214,800	1,251,200	1,288,700
Debt Servicing									
506	302	200	50010	Interest On Loans	0	(100)	0	0	0
Non-cash Expenses									
2,245,973	2,266,457	2,300,000	50112	Depreciation	1,810,000	(21)	1,860,000	1,915,800	1,973,300
9,814,860	10,467,703	10,929,100		Total Operating Expenses	10,850,300	(1)	11,163,600	11,501,100	11,848,700
(1,915,739)	(1,854,183)	(1,886,900)		Operating Result - Surplus / (Deficit)	(1,548,300)	(18)	(1,238,400)	(847,400)	(508,300)
2,245,973	2,266,457	2,300,000		Add Back Depreciation	1,810,000		1,860,000	1,915,800	1,973,300
330,234	412,274	413,100		Cash Result - Surplus / (Deficit)	261,700	(37)	621,600	1,068,400	1,465,000
Capital Movements									
3,354	3,554	3,800		Less Loan Principal Repayments	0		0	0	0
380,159	403,606	425,000		Less Transfer to Reserves	270,000		172,000	419,500	923,700
871,601	465,371	574,700		Add Transfer from Reserves	1,632,500		60,300	0	0
17,963	274,429	2,305,000		Add Capital Income	2,357,500		1,181,700	732,800	1,003,700
802,285	710,914	2,830,000		Less Capital Expenditure	3,947,700		1,657,600	1,346,600	1,508,800
34,000	34,000	34,000		Cash Result after Capital Movements	34,000	0	34,000	35,100	36,200

Water Operations - Capital Expenditure											
Expenditure Description	Expenditure Summary										
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Water Storage											
Reservoirs - Ballina Heights	2,000,000										
Reservoirs - Pacific Pines								878,500			
Reservoirs - Ross Lane (New)											
Water Pump & Bore Stations											
Pumping Stations - Ballina Heights Booster		228,400									
Pumping Stations - North Creek Road Booster		398,500									
Pumping Stations - North Lennox Booster											
Pumping Stations - Basalt Court Booster	180,000	8,300									
Pumping Stations - Pacific Pines Booster											
Pumping Stations - East Ballina Booster		385,000									
Pumping Stations - Russellton Booster		385,000									
Pumping Stations - Upgrade Wollongbar Booster								223,600			
Pressure Management Zones											
Lumley's Lane PMZ		107,900									
Southern Cross Dr PMZ			111,700								
Fox St PMZ			144,100								
Temple St PMZ			164,300								
Owen St PMZ			150,600								
Bassalt Court Reservoir DMA		66,500									
Silver Gull Dr DMA		66,500									
Seaview St DMA		66,500									
Water Trunk Mains - Extension											
Balina Heights Distribution Augmentation			611,000								
Water Trunk Mains - Augmentation											
Wollongbar - WD40 Distribution Main Upgrade											
Balina - Reticulation Duplication - East Ballina											
Balina Island Distribution Augmentation		100,000			503,700	2,000,000					
North Ballina Distribution Augmentation		100,000			400,000	2,575,800	500,000				
West Ballina Loop Main							1,707,900				
Lennox Head Distribution Augmentation		444,900									
Lennox Heights Distribution Augmentation				732,800							
Skenners Head Distribution Augmentation								597,600			
Wardell Distribution Augmentation				123,500	100,000						
East Ballina Boosted Pressure Zone		989,600									
Russelton Booster Pressure Zone		138,600									
Miscellaneous											
Vehicle and Plant Replacement	100,000	50,000	51,500	53,100	54,700	56,400	58,100	59,900	61,700	63,600	65,600
Telemetry Instalation											
Asset Software	150,000										
Water Mains Renewal Program	400,000	412,000	424,400	437,200	450,400	464,000	478,000	492,400	507,200	522,500	538,200
Total Capital Expenditure	2,830,000	3,947,700	1,657,600	1,346,600	1,508,800	5,096,200	2,744,000	2,252,000	568,900	586,100	603,800

4.5 Wastewater (Sewer) Operations - Long Term Financial Plan

4.5 Wastewater (Sewer) Operations - Long Term Financial Plan

Delivery Program Financial Management

Objective To review the long term financial plan for Council's wastewater operations and to consider a pricing strategy for 2013/14.

Background

Council's water and wastewater (sewer) operations are two distinct businesses, or functions, where Council is in a position to set mandatory charges for the provision of those services. Both operations form a significant part of Council's finances and the purpose of this report is to review the long term financial plan for Council's wastewater operations. These operations are currently in the middle of a major capital expenditure program as per the following table.

Table One: Wastewater Capital Expenditure (\$millions)

2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Estimate	Total
\$4.9 m	\$9.9m	\$28.8m	\$27	\$70.6

By the end of the current year Council will have expended in the order of \$70 million on capital improvements to the wastewater system over the last four years, largely funded from borrowings. This has been a massive undertaking.

The primary income source for wastewater is annual charges and these charges have been increased each year to enable the business to cope with the external borrowings. The strategy has been to increase the charges over a number of years in an effort to smooth out the impost on customers as much as possible.

The next table shows the annual charges and the increases that have occurred in recent years.

Table Two: Annual Residential Charge and Percentage Price Increase

Year	2008/09	2009/10	2010/11	2011/12	2012/13
Annual Charge	\$440	\$480	\$550	\$630	\$674
% Change	N/A	9%	14.5%	14.5%	7%

The price increases have been considerable however the annual approach has avoided one or two massive increases to price.

4.5 Wastewater (Sewer) Operations - Long Term Financial Plan

The capital expenditure program is now nearing its final stages and it is a matter of evaluating our current financial position and forecasting where we are heading. In preparing this report changes to the capital works program have been identified. The amendments to the capital program affect most years in the ten year financial plan but the largest change is in respect to the current year where approximately \$10 million has been deferred from the 2012/13 budget and carried forward to 2013/14.

This change reflects the actual works completed to date and likely to be completed this current financial year. A complete copy of the revised capital works program is included as an attachment to this report.

The report that follows provides an overview of the wastewater business in respect to the long term financial plan.

Key Issues

- Pricing Structure
- Affordability
- Financial Performance

Information

The table below shows operating results in recent years. It can be seen that both income and expenses have been increasing quite quickly but there was an improvement in the operating result prior to 2012/13. The poor forecast for 2012/13 is because the impact of the \$63 million loan is starting to take effect.

Table Three - Wastewater Operating Results

Item	2008/09 Actual (\$'000)	2009/10 Actual (\$'000)	2010/11 Actual (\$'000)	2011/12 Actual (\$'000)	2012/13 Estimate (\$'000)
Operating Revenues	8,580	9,517	10,729	12,450	13,213
Operating Expenses	10,952	11,060	11,944	13,053	16,008
Result – Surplus / (Deficit)	(2,372)	(1,543)	(1,215)	(603)	(2,795)
Remove Depreciation	3,937	3,363	4,113	4,171	4,411
Cash Surplus / (Deficit)	1,564	1,820	2,898	3,568	1,616

In considering the financial position for wastewater some of the key financial considerations are:

- the primary loan (\$63 million) taken out to finance the capital works is structured such that Council has received monthly draw downs over the past three years. The loan has required interest only repayments until the end of the current financial year.

This loan structure has meant that the business has been shielded from the real impost of loan repayments until the works have been completed. Importantly it has also provided additional time to elevate revenue. From 2013/14 the interest and principal repayment will be in the order of \$7.1 million per annum.

- the business has benefitted from receiving loan income at a faster rate than the funds have been expended; i.e. actual expenditure has not occurred as quickly as was originally anticipated. This has enabled

4.5 Wastewater (Sewer) Operations - Long Term Financial Plan

unexpended funds to be invested, and for some time we were achieving a higher return than the interest charged.

This has resulted in the business achieving returns from funds invested of well over the million dollar mark. Going forward, as the loan funds are expended, the annual interest income will fall to around \$300,000.

- following the latest revaluation of wastewater assets it is anticipated that depreciation will fall by approximately \$1.2 million. This is because the manner in which depreciation is calculated has been refined to more correctly reflect the latest refurbishment techniques, particularly in relation to pipes.

Forward Financial Plan

A forward financial plan is included as an attachment to this report. In reviewing this plan it is essential that the business always maintains a positive reserve balance that is sufficient to cope with budget shocks. It is equally important not to accumulate reserves that are not necessary. To maintain positive reserve balances price increases above CPI are necessary as the business needs to position itself to meet loan repayments.

This report presents three scenarios. The preferred option is scenario one which is summarised in table four. Also the attachments that accompany this report provide detailed information on scenario one.

Given that the primary variable between the scenarios is the percentage by which the annual charge is increased, the other two scenarios (tables five and six) are presented through a summary of the main indicators. Each scenario assumes that Council wishes to graduate the price increase over several years. The modelling indicates that it will still be a few years before price increases can return to a figure that is more closely aligned to CPI. Table four provides a summary of the preferred financial model based on 8% increases for the next three years.

Table Four (Scenario One) – Financial Plan - 8% Increases for Three Years

Description	12/13 \$'000	13/14 \$'000	14/15 \$'000	15/16 \$'000	16/17 \$'000	17/18 \$'000	18/19 \$'000	19/20 \$'000	20/21 \$'000	21 22 \$'000	22 23 \$'000
Operating Revs	13,213	13,732	14,440	15,587	16,621	17,726	18,724	19,598	20,359	21,429	22,379
Operating Exps	16,008	16,250	16,355	16,482	16,614	16,784	16,952	17,108	17,262	17,481	17,695
Operating Result	(2,795)	(2,518)	(1,915)	(895)	7	942	1,773	2,490	3,098	3,948	4,683
Remove Deprec	4,411	3,104	3,109	3,101	3,099	3,130	3,158	3,183	3,208	3,304	3,403
Cash Surplus	1,616	586	1,194	2,206	3,106	4,071	4,930	5,673	6,305	7,253	8,087
Capital Funding	17,810	520	536	552	568	585	603	621	640	659	679
Capital Expend	28,018	8,063	12,088	6,367	3,259	3,413	3,574	10,520	2,958	3,164	3,388
Reserve M'tment	(8,591)	(6,958)	(10,358)	(3,610)	415	1,244	1,959	(4,226)	3,987	4,747	5,378
Total Reserves	24,664	17,706	7,348	3,739	4,153	5,397	7,356	3,130	7,117	11,864	17,242
% Deprec Funded	37	19	39	71	100	130	156	178	197	220	238
% Change Fees	6.9	8	8	8	6	6	6	3	3	3	3
Annual Charge	674	728	786	849	899	954	1,011	1,042	1,073	1,105	1,138

4.5 Wastewater (Sewer) Operations - Long Term Financial Plan

It can be seen that the model always has a reasonable level of reserves available. It is considered that a reserve of \$1 to \$2 million is the minimum balance that should be on hand to support the fund and a higher balance is preferred when capital works programs are underway.

The 2016/17 financial year will be the first year in which there is a positive reserve movement and a cash surplus that is sufficient to fully fund the loan repayment. Prior to this time the business is effectively using reserves to fund loan commitments. This is an important point as it is not desirable to fund loan repayments from reserves. In order for the business to be cash positive sooner annual charges will need to increase higher than the model proposes.

Other items of note in the model include:

- the model predicts that in 2016/17 an important milestone will be achieved in terms of an operating surplus through the positive reserve movement
- operating expenses are presumed to increase by CPI
- the forward capital works program is detailed in the attachments but suffice to say that the plan includes substantial works
- the forward capital works plan does not include Reverse Osmosis which may increase operating expenses. This is a process to remove salinity to assist with re-use strategies. This matter is still being investigated and at this stage has not been included in the modelling.
- revenues other than annual charges are presumed to increase by CPI (generally 3%)
- section 64 contributions are predicted to be around the \$500,000 mark.

A single reserve balance is shown which includes section 64 reserves. As the capital program progresses there will be minimal section 64 reserves on hand as they will mainly be required to repay existing reserves for works undertaken in advance of the developer contributions being collected. In a net sense the business will be in debt for many years and all available funds will be put towards loan repayments.

The next table presents a brief summary of the key indicators based on a 7% increase to annual charges.

Table Five (Scenario Two) - Financial Plan – 7% Increases for Three Years

Description	12/13 \$'000	13/14 \$'000	14/15 \$'000	15/16 \$'000	16/17 \$'000	17/18 \$'000	18/19 \$'000	19/20 \$'000	20/21 \$'000	21 22 \$'000	22 23 \$'000
Operating Result	(2,795)	(2,518)	(2,028)	(1,155)	(271)	645	1,455	2,160	2,756	3,594	4,315
Total Reserves	24,664	17,706	7,235	3,365	3,502	4,449	6,091	1,535	5,180	9,573	14,582
% Dep Funded	37	19	35	63	91	121	146	168	186	209	227
% Change Fees	6.9	7	7	7	6	6	6	3	3	3	3
Annual Charge	674	721	772	826	875	928	983	1,013	1,043	1,075	1,107

4.5 Wastewater (Sewer) Operations - Long Term Financial Plan

It can be seen that this scenario, based on 7% increases also works reasonably well. Reserves remain at a satisfactory level although the 2019/20 year is a bit tight but this is many years in advance and the modelling will be adjusted several times before that year. Using this model an operating surplus is achieved in 2017/18 which is one year later than the 8% scenario.

Table Six (Scenario Three) – Financial Plan – 9% Increases for Three Years

Description	12/13 \$'000	13/14 \$'000	14/15 \$'000	15/16 \$'000	16/17 \$'000	17/18 \$'000	18/19 \$'000	19/20 \$'000	20/21 \$'000	21/22 \$'000	22/23 \$'000
Operating Result	(2,795)	(2,518)	(1,802)	(633)	287	1,241	2,092	2,821	3,442	4,306	5,055
Total Reserves	24,664	17,706	7,461	4,114	4,809	6,352	8,630	4,736	9,068	14,173	19,922
% Dep Funded	37	19	42	80	109	140	166	189	207	230	249
% Change Fees	6.9	9	9	9	6	6	6	3	3	3	3
Annual Charge	674	735	801	873	925	981	1,040	1,071	1,103	1,136	1,170

This model is similar to the other models but is just that bit stronger in terms of reserves and operating surplus.

In all three models the first positive reserve movement occurs in 2016/17 and this is the point at which the loan is being completely funded from the operating surplus. Modelling indicates that to achieve this outcome one year earlier, 2015/16, there would need to be three years of 10% increases.

Clearly there are options open to Council in terms of pricing structures. The forecast of strong reserve balances is why there are a variety of options. The available reserves can be run down and this provides more time to graduate in price increases over several more years.

The 8% increase has been chosen because it is a middle ground. The increase could be less because using the 8% model reserves remain strong over the life of the model. However the business is going through significant change in terms of both operations and ongoing capital works. In particular the capital budget has been amended by millions of dollars on numerous occasions over the last few years. Given the size and scope of works this is understandable and there is a fair possibility of this continuing over the next two years.

The 8% increase looks to minimise the impact on customers whilst keeping the business strong in a period of ongoing volatility.

Annual Charges

The next table provides a comparison of our existing wastewater charge compared to our immediate neighbours. Each charging structure has its own nuances and it is not always easy to compare apples with apples, however the table provides an idea of the relative charging levels.

Table Seven – Comparison of Annual Charge 2012/13 Residential urban

Council	Ballina	Byron	Lismore	Richmond
Residential Charge	\$674	\$735	\$701	\$829

Table four is the preferred scenario being a 8% increase and if this option were to be endorsed the annual charge for 2013/14 would be \$728 representing an increase of \$54 from the current annual charge of \$674.

Legal / Resource / Financial Implications

This report provides a financial overview of the wastewater business.

At the next Finance Committee there will be further discussion on the operating costs for the 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 wastewater business. Based on the information outlined in this report it is recommended that for the purposes of public exhibition Council endorse an 8% increase in the annual charges.

Alternatively Council could resolve to analyse further scenarios as the draft Operational Plan does not need to be exhibited until May this year.

RECOMMENDATION

That Council approves the inclusion of the following wastewater charging structure in the draft 2012/13 Operational Plan.

Charge Type	2012/13	2013/14	% Increase
	674	728	8

Attachment(s)

1. Wastewater Financial Model Summary
2. Wastewater Operations Cash Forecast (2012/13 to 2022/23)
3. Wastewater Operations (Budget Summary)
4. Capital Expenditure - Wastewater Operations

WasteWater Financial Model Summary

1. Longterm Financial 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 important that this is a surplus. This surplus represents the Wastewaters discretionary funds.
- 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 interest figure.
- Operating Result Including Depreciation - This highlights the result once depreciation is included. The forecast is for operating deficits and one strategy to avoid this position would include higher price increases.
- Reserves (including movements and closing balances) - This section shows the cash movement (increase or decrease) for the entire business each year (after items such as capital expenditure), along with the movements in the water reserves and section 64 contributions.

2. Operating Revenues and Expenses - Ten Year Forward Plan

The key pieces of information in this attachment are:

- Operating Revenues – Details the forecast incomes and expenses for the fund. The assumptions include percentage increases based on price and growth.
- Total Operating Expenses (Excluding Depreciation) – operating expenses are generally forecast to increase by cost of living adjustments although certain expenditure items will be adjusted based on current information. For example salaries will be based on specific enquiries.
- Cash Result - Surplus / (Deficit) – shows operating position exclusive of non cash items and prior to capital income and expense.

3. Capital Expenditure

This attachment outlines the forward capital works program for the fund.

Wastewater Operations - Long Term Financial Plan (2012/13 to 2022/23)												
ESTIMATE	ITEMS	ESTIMATED										
2012/13		2013/14	%	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
12,923,200	Operating Revenues	13,632,000	5	14,440,100	15,586,700	16,621,200	17,725,500	18,724,000	19,597,800	20,359,100	21,428,900	22,378,700
11,596,900	Less Operating Expenses	13,146,200	13	13,246,000	13,380,900	13,515,400	13,654,300	13,793,900	13,924,900	14,053,700	14,176,300	14,291,900
1,326,300	Operating Result before Capital Amounts	485,800	(63)	1,194,100	2,205,800	3,105,800	4,071,200	4,930,100	5,672,900	6,305,400	7,252,600	8,086,800
	Add Developer Contributions - Operating Revenues											
290,000	Section 64 Interest Earned on Contributions Held	100,000	(66)	0	0	0	0	0	0	0	0	0
1,616,300	Operating Result before Depreciation	585,800	(64)	1,194,100	2,205,800	3,105,800	4,071,200	4,930,100	5,672,900	6,305,400	7,252,600	8,086,800
4,411,300	Less Depreciation	3,104,000	(30)	3,109,000	3,101,000	3,099,000	3,129,500	3,157,600	3,183,400	3,207,900	3,304,200	3,403,400
(2,795,000)	Net Operating Result	(2,518,200)	(10)	(1,914,900)	(895,200)	6,800	941,700	1,772,500	2,489,500	3,097,500	3,948,400	4,683,400
	Add Capital Grants and Contributions											
10,000	Capital Grants and Contributions	0	(100)	0	0	0	0	0	0	0	0	0
487,000	Section 64 Contributions Collected	520,000	7	535,600	551,700	568,300	585,400	603,000	621,100	639,800	659,000	678,800
	Add Non-operating Funds Employed											
17,800,000	Loan Funds Received	0	(100)	0	0	0	0	0	0	0	0	0
	Subtract Funds Deployed for Non-operating Purposes											
(27,032,600)	Capital Expenditure	(5,658,500)	(79)	(9,573,400)	(3,733,200)	(497,000)	(512,000)	(528,000)	(7,310,600)	(560,000)	(577,000)	(594,000)
(985,000)	Repayment of Principal on Loans	(2,384,800)	142	(2,494,700)	(2,613,200)	(2,741,000)	(2,878,800)	(3,023,700)	(3,186,200)	(2,373,900)	(2,562,400)	(2,767,700)
(20,000)	Dividends	(20,000)	0	(20,000)	(20,600)	(21,300)	(22,000)	(22,700)	(23,400)	(24,200)	(25,000)	(25,800)
	Add Back Non-Cash Expense											
4,411,300	Depreciation	3,104,000	0	3,109,000	3,101,000	3,099,000	3,129,500	3,157,600	3,183,400	3,207,900	3,304,200	3,403,400
(8,124,300)	Sewer Reserves - Increase / (Decrease)	(6,957,500)	(14)	(10,358,400)	(3,609,500)	414,800	1,243,800	1,958,700	(4,226,200)	3,987,100	4,747,200	5,378,100
	Movement in Reserves - Increase / (Decrease)											
(8,901,300)	Wastewater Reserves	(5,909,500)		(6,078,800)	(1,242,600)	(153,500)	658,400	1,355,700	339,900	3,347,300	4,088,200	4,699,300
777,000	Developer Contributions - Section 64	(1,048,000)		(4,279,600)	(2,366,900)	568,300	585,400	603,000	(4,566,100)	639,800	659,000	678,800
(8,124,300)	Total Movement in Reserves (incl Section 64)	(6,957,500)		(10,358,400)	(3,609,500)	414,800	1,243,800	1,958,700	(4,226,200)	3,987,100	4,747,200	5,378,100
	Reserves - Balances as at 30 June											
18,934,100	Wastewater Reserves	13,024,600		6,945,800	5,703,200	5,549,700	6,208,100	7,563,800	7,903,700	11,251,000	15,339,200	20,038,500
5,729,800	Developer Contributions - Section 64	4,681,800		402,200	(1,964,700)	(1,396,400)	(811,000)	(208,000)	(4,774,100)	(4,134,300)	(3,475,300)	(2,796,500)
24,663,900	Total	17,706,400		7,348,000	3,738,500	4,153,300	5,397,100	7,355,800	3,129,600	7,116,700	11,863,900	17,242,000

WASTEWATER OPERATIONS									
ACTUAL 2010/11	ACTUAL 2011/12	ESTIMATE 2012/13	LEDGER ACCOUNT	BUDGET ITEMS	ESTIMATED				
					2013/14	%	2014/15	2015/16	2016/17
OPERATING REVENUES									
8,378,108	9,762,704	10,460,600	12000	Annual Charges	11,529,000	10	12,499,900	13,627,800	14,578,700
811,039	839,242	933,000	12010	User Charges	969,000	4	1,044,800	1,126,700	1,193,300
159,830	162,051	159,600	12002	Operating Grants	150,000	(6)	150,000	155,000	160,000
85,983	64,700	60,000	12012	Regulatory Fees and Fines	72,000	20	74,200	76,500	78,800
379,511	346,907	343,000	12014	Other Revenues	307,000	(10)	316,200	325,700	335,400
914,403	1,274,946	1,257,000	12004	Interest	705,000	(44)	355,000	275,000	275,000
10,728,874	12,450,550	13,213,200		Total Operating Revenues	13,732,000	4	14,440,100	15,586,700	16,621,200
OPERATING EXPENSES									
Direct Expenses									
586,716	406,352	536,500	55000	Engineering Management	550,500	3	568,000	583,000	599,000
646,164	919,719	784,000	55002	Administration and Customer Service Costs	746,500	(5)	769,000	791,000	814,000
279,982	215,558	315,000	55002	Engineering and Technical Costs	320,000	2	330,000	340,000	350,000
841,451	888,448	1,015,000	55012	Energy Costs	1,047,500	3	1,079,200	1,111,600	1,144,900
1,401,121	1,221,321	1,334,000	55011	Pumping Stations	1,372,000	3	1,372,000	1,411,000	1,453,000
1,705,333	1,718,548	1,690,000	55015	Reuse Water Facilities	1,742,000	3	1,794,000	1,848,000	1,904,000
575,340	522,700	530,000	55010	Mains	546,000	3	562,000	579,000	596,000
26,794	41,798	60,000	55022	Telemetry Operations	62,000	3	64,000	66,000	68,000
20,312	21,771	24,000	55004	Donations	24,000	0	25,000	26,000	27,000
830	0	1,000	55004	Legal Costs	1,000	0	1,000	1,000	1,000
98,146	125,976	110,000	55004	Conservation Promotion	107,000	(3)	110,000	113,000	116,000
195,828	76,169	97,000	55004	Preparation of Plans and Investigations	41,000	(58)	42,000	43,000	44,000
206,382	247,492	270,000	55022	Other Costs	272,000	1	279,000	288,000	297,000
Indirect Expenses - Overheads									
1,238,004	1,302,000	1,503,000	55002	Overheads Distributed	1,548,000	3	1,594,000	1,642,000	1,691,000
Debt Servicing									
8,196	1,173,636	3,327,400	55006	Interest on Loans	4,766,700	43	4,656,800	4,538,300	4,410,500
Non-cash Expenses									
510,185	474,241	435,500	55022	Unwinding Interest Free Loan	394,000	(10)	349,000	301,000	249,000
3,603,258	3,697,923	3,975,800	55022	Depreciation	2,710,000	(32)	2,760,000	2,800,000	2,850,000
11,944,022	13,053,652	16,008,200		Total Operating Expenses	16,250,200	2	16,355,000	16,481,900	16,614,400
(1,215,148)	(603,102)	(2,795,000)		Operating Result - Surplus / (Deficit)	(2,518,200)	(10)	(1,914,900)	(895,200)	6,800
4,113,443	4,172,164	4,411,300		Add Back Depreciation	3,104,000		3,109,000	3,101,000	3,099,000
2,898,295	3,569,062	1,616,300		Cash Result - Surplus / (Deficit)	585,800	(64)	1,194,100	2,205,800	3,105,800
Capital Movements									
1,185,000	985,000	985,000		Less Loan Principal Repayments	2,384,800		2,494,700	2,613,200	2,741,000
2,944,311	19,382,307	290,000		Less Transfer to Reserves	100,000		0	0	0
11,131,923	0	8,901,300		Add Transfer from Reserves	5,909,500		6,078,800	1,242,600	153,500
5,860	45,569,227	17,810,000		Add Capital Income	1,668,000		4,815,200	2,918,600	0
9,886,767	28,750,982	27,032,600		Less Capital Expenditure	5,658,500		9,573,400	3,733,200	497,000
20,000	20,000	20,000		Cash Result after Capital Movements	20,000	0	20,000	20,600	21,300

Wastewater Operations - Capital Expenditure												
Asset Description	Job No	S64 %	Expenditure Summary									
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Wastewater Management Strategy												
Land Acquisition Feasibility & Investigations	7520.4007.0401	100%										
Technical Design		100%										
Wastewater Strategy - Technical Consultancies												
Recycled Water Distn Sys - Detailed Design	7521.4970.0401	100%	60,000									
Recycled Water Environmental Assessments	7521.4008.0401	100%	50,000									
Technical Consultancies - Project Mgmt	7521.4971.0401	100%										
Ballina Wastewater Treatment Plant												
Ballina Upgrade - Project Management	7525.4882.0401	75%	500,000	400,000								
Ballina - Concept Design Finalisation	7526.4885.0401	75%	12,000									
Ballina - Detailed Design	7526.4886.0401	75%	62,000									
Ballina - Other	7526.4884.0401	75%	4,000,000	200,000								
Ballina - Civil Const	7526.4809.0401	75%	2,000,000	600,000								
Ballina - Mech Const	7526.4810.0401	75%	3,200,000	350,000								
Ballina - Elect Const	7526.4811.0401	75%	1,581,000									
Ballina - Telemetry	7526.4812.0401	75%	12,000									
Ballina - Commissioning	7526.4813.0401	75%	1,000,000	70,000								
Ballina - Demolition of Existing Facility	7526.4814.0401	75%	350,000									
Ballina - Construction of Sludge Storage	7526.4815.0401	75%	1,570,000									
Ballina - Post Completion Works	7526.4816.0401	75%		230,000								
Lennox Head Wastewater Treatment Plant												
Lennox Head - Project Management	7530.4887.0401	100%										
Lennox Head - Optimisation Upgrade Contract	7530.4888.0401	100%										
Concept Design Finalisation	7531.4972.0401	100%										
Detailed Design	7531.4973.0401	100%	50,000									
Capacity Upgrade - Other	7531.4974.0401	100%	245,000									
Capacity Upgrade - Civil Const	7531.4809.0401	100%	500,000									
Capacity Upgrade - Mech Const	7531.4810.0401	100%	1,070,000									
Capacity Upgrade - Elect Const	7531.4811.0401	100%	769,000									
Capacity Upgrade - Telemetry	7531.4812.0401	100%	5,000									
Capacity Upgrade - Commissioning	7531.4813.0401	100%	360,000									
Post Completion Works	7531.4816.0401	100%	91,000									
Catchment Works												
Ballina - Diversion Ancillary Works	7535.4830.0401	100%	120,000									
Ballina - Catchment Diversion Works	7535.4831.0401	100%	1,500,000									
Alstonville - Biosolids Management						332,600						
Urban Dual Reticulation (UDR) Program												
UDR - Project Management	7508.4931.0401	100%	260,000									
Distribution Systems Ballina / Lennox	7508.4933.0401	100%	1,008,000						4,867,200			
Land Acquisition - Ballina Heights	7508.4935.0401	100%	0									
Land Acquisition - Ross Lane	7508.4934.0401	100%										
Construct Dual Retic Res - Ballina Heights	7508.4936.0401	100%	1,000,000									
Construct Dual Retic Res - Kings Court	7508.4938.0401	100%	600,000									
Construct Dual Retic Res - Ross Lane		100%				2,462,400						
Ballina Heights Booster Pump RWRBP2				222,800								
Recycled Water Implementation - Open Space												
Open Space Irrigation - Design Systems	7508.4932.0401	100%	0					0	0	0	0	0
Open Space Irrigation - Installations	7508.4930.0401	100%	100,000					0	0	0	0	0
OSR Reuse Ballina Heights Sportsfield	7508.4943.0401											
OSR Reuse Skonnars Head	7508.4925.0401		58,000									
OSR Reuse Saunders Oval	7508.4926.0401		198,000									
OSR Reuse Chickiba Oval	7508.4927.0401		50,000									
OSR Reuse Central System	7508.4929.0401											
Recycled Water Implement - Veg Regeneration												
Vegetation Regeneration - Feasibility		100%										
Vegetation Regeneration - Land Acquisition		100%										0
Vegetation Regeneration - Irrigation Systems		100%										0
Vegetation Regeneration - Trunk Mains		100%										0
Wastewater Capital Expenditure Carried Forward												

Wastewater Operations - Capital Expenditure (Carried Forward)												
Asset Description	Job No		Expenditure Summary									
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Pumping Stations												
SP3001 - Upgrade Pumps - Byron Street, Lennox	7502.4835.0401	50%	282,000	918,000								
SP3002 - Emerg Storage - Rutherford St, Lennox	7502.4836.0401	32%	10,000	93,500								
SP2309 - Emerg Storage - Anderson St, Ballina	7502.4837.0401	31%	10,000	93,500								
SP3101 - Emerg Storage - Skennars Hd Rd, Lennox	7502.4838.0401	77%	10,000	93,500								
SP3101 Upgrade Pumps - Skennars Hd Rd	7502.4840.0401	52%	0	82,800								
SP4106 - Upgrade Pumps - Kays Lane, Alstonville	7502.4841.0401	8%	30,000									
SP2001 - Polyurea Lining Pump - Swift St, Ballina	7502.4842.0401	50%	30,000	20,000								
SP2301 - Upgrade Pumps - Angels Bch Dr, Ballina	7502.4843.0401	0%	0	206,200								
SP2002 - Pump Capacity Upgrade	7502.4844.0401	0%	15,000									
SP2012 - Pump Capacity Upgrade	7502.4845.0401	0%	0	20,700								
SP2009 - Pump Capacity Upgrade	7502.4846.0401	0%	15,000	5,700								
SP2202 - Upgrade Pumps - Racecourse Rd, Ballina	7502.4847.0401	49%	15,000									
SP2205 - Upgrade Pumps - Piper Drive, Ballina	7502.4848.0401	48%	15,000									
SP2206 - Upgrade Pumps - Dehavilland Cr, Ballina	7502.4849.0401	78%	15,000									
SP2207 - Upgrade Pumps - Sthn Cross Dr, Ballina	7502.4850.0401	49%	0	10,300								
SP2210 - Upgrade Pumps - Whiting Way	7502.4851.0401	57%	0	20,700								
SP4002 - Upgrade Pump Station - Coral St	7502.4852.0401	30%		15,500								
SP4004 - Emergency Storage - Granada Place	7502.4853.0401	50%	10,000	93,500								
SP4004 - Upgrade Pumps				15,500								
SP4003 - Storage Capacity Upgrade	7502.4854.0401	0%	10,000	93,500								
SP4001 - Storage & Pump Upgrade	7502.4855.0401	0%	10,000	93,500								
North Ballina - New Pumping Station	7502.4856.0401	100%	6,000						300,000			
Wollongbar Expansion - NHS1 Pump Station	7502.4857.0401	100%	200,000									
Wollongbar Expansion - NHS2 Pump Station	7502.4858.0401	100%										
SP3107 - Upgrade Pumps - Seamist, Lennox Hd	7502.4859.0401	77%										
SP3107 - Emergency Storage - Seamist, Lennox	7502.4860.0401	77%										
SP2306 - Emerg Storage - Serpentine, Ballina	7502.4861.0401	0%	10,000	93,500								
SP2309 - Upgrade Pumps - Anderson St, Ballina	7502.4862.0401	52%	75,000	28,500								
SP2312 - Pump Capacity Upgrade	7502.4863.0401	0%	0	51,800								
SP2313 - Storage Capacity Upgrade	7502.4864.0401	0%	10,000	93,500								
SP2311 - Storage Capacity Upgrade	7502.4865.0401	0%	10,000	93,500								
SP2013 Upgrade Pumps - Skinner St, Ballina	7502.4866.0401	60%	0	20,700								
River Oakes - Pump Station	7502.4867.0401	100%										
SP3201 Headlands Dr PS Upgrade	7502.4869.0402	0%										
SP2108 - Storage Capacity Upgrade	7502.4834.0401	0%	10,000		107,100							
SP2105 - Pump Upgrade	7502.4833.0401	0%			16,100							
SP3102 Upgrade Pumps	7502.4832.0401	0%		20,700								
SP3102 - Storage Capacity Upgrade					107,100							
SP3103 - Storage Capacity Upgrade	7502.4870.0401	0%	10,000		97,100							
SP3110 - Upgrade Pumps					289,800							
SP3110 - Storage Capacity Upgrade					458,500							
SP2001 - Upgrade Pump Motors - Swift St	7502.4871.0401	100%	50,000									
SP2006 - Pump Capacity Upgrade				15,500								
SP2109 - Pump Capacity Upgrade					16,100							
SP2112 - Pump Capacity Upgrade					27,400							
SPN82- New Pump Station Nth Ballina					279,800							
SP2305 - Storage Capacity Upgrade					20,700							
SP2317 - Pump Capacity Upgrade					32,400							
SP2401 Pump Capacity Upgrade					62,300							
SP2401 - Storage Capacity Upgrade									362,600			
SP2402 - Pump Capacity Upgrade									210,500			
SP2402 - Storage Capacity Upgrade					633,300							
PMP-BHE-PS3 - New Transfer SPS through to Ballina STP					758,600							
PMP-BHE-PS3 - Emergency Storage for New Pump Station						316,000						
SP4102 - Storage Capacity Upgrade					106,100							
Wastewater Capital Expenditure Carried Forward												

Wastewater Operations - Capital Expenditure (Carried Forward)												
Asset Description	Job No		Expenditure Summary									
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Cumbalum (Ballina Heights/Ross Lane)												
Cumbalum Pump Station - Upgrade Pumps		100%										
Existing Cumbalum Pump Station - New gravity main		100%										
Skennars Head												
Stewart Land - New Pump Station		100%										
Stewart Land - New Gravity Main		100%										
Stewart Land - New Rising Main		100%										
North Ballina												
River Oakes - Gravity Main	7506.4911.0401	100%										
Rivor Oakes Rising Main	7506.4912.0401	100%										
Trunk Mains												
SP4106 - Rising Main - Kays Lerie, Abstonville	7506.4868.0401	100%	25,000									
SP3001 - Rising Main - Byron Street, Lennox	7506.4892.0401	100%	70,000									
Diversion of SP2101 to Ballina, North Ballina	7506.4893.0401	100%	260,000									
SP2001 - Rising Main - Rehab - Swift St, Ballina	7506.4894.0401	0%		350,000								
Diversion of North Ballina Pump Station to Ballina	7506.4896.0401	100%	175,000									
New Rising Main North Ballina to Ballina	7506.4897.0401	100%	690,000									
SPN R2 Rising Main North Ballina					231,800							
Diversion of Ballina Heights to Ballina	7506.4898.0401	100%	525,000									
Gravity Trunk Mains - Wollongbar Expansion	7506.4899.0401	100%										
Underbores - Wollongbar	7506.4906.0401	100%										
SP3106 to SP3107 - Gravity Main - Seamist	7506.4907.0401	100%	2,000									
SP3110 - Parallel Gravity Main - Hutley Dr	7506.4909.0401	100%			391,200							
Rising Main - Skennars Ridge Sthn	7506.4910.0401	100%	16,000									
Preliminaries - Wollongbar	7506.4913.0401	100%	1,200									
Contingency - Wollongbar	7506.4914.0401	100%	300,000									
WUEA Trenched Mains (Sewer)	7506.4915.0401	100%	200,000									
SP4004 Gravity Trunk Main Astorville		100%	0		13,600							
SP4006 - Gravity Trunk Main Astorville				132,500								
SP4104 - Gravity Trunk Main WUEA					145,200							
WUEA Mains TD/TB/TC (WPE)	7506.4917.0401	100%	0									
WUEA Underbored Mains (Sewer)	7506.4918.0401	100%	3,000									
WUEA Electrical	7506.4919.0401	100%	64,000									
WUEA Mains	7506.4920.0401	100%	0		1,693,200							
WUEA Mains TL	7506.4921.0401	100%	0									
Gravity Trunk Main B13 - Wollongbar	7506.4922.0401	100%	0									
Gravity Trunk Main Ramsas Street - Wollongbar	7506.4923.0401	100%										
Gravity Main - Pacific Pines	7506.4979.0401	100%	0									
Nth Creek Rd Pipeline	7506.4980.0401		2,400									
SP2301 Duplicate Gravity Main East Ballina					859,800							
SP2102 New Gravity Main West Ballina									412,500			
SP2101 Duplicate Gravity Main West Ballina						140,200						
Astonville STW Gravity Main												
SP2309 Replacement Rising Main East Ballina				64,900								
SP2305 Replacement Rising Main East Ballina				78,800								
SP2017 Replacement Rising Main Ballina				174,600								
SP2401 New Sewer RM 150mm					131,500							
SP2402 New Sewer RM 300mm									14,000			
SP2402 New Sewer RM 225mm												
New Sewer RM, 300mm, to DHC-PS3												
New Sewer RM, 300mm, to BHE-PS3												
New Sewer RM, 300mm, to BHE-PS3												
Rising Main New Nth Creek SPS Skennars Hd												
SP3004 - New Rising Main Lennox Hd												
SPS1 - New Rising Main Lennox Hd												
SP3003 - Replacement Rising Main Lennox Hd					6,500							
SP3001 - New Rising Main Lennox Hd												
SP3001 - Replacement Rising Main Lennox Hd												
SP3111 - New Rising Main Lennox Hd												
Sewer Mains - Renewals												
Sewer Mains - Miscellaneous Renewals	7500.4820.0401	0%	200,000	200,000	0	0	0	0	0	0	0	0
Inflow & Infiltration Program - Renewals	7500.4939.0401	100%	1,000,000	400,000	412,000	424,000	437,000	450,000	464,000	478,000	492,000	507,000
Inflow & Infiltration Program - Project Mgmt	7500.4940.0401	100%	100,000									
Plant and Equipment												
Telemetry Installation	7510.4967.0401	0%	90,000		0	0	0	0	0	0	0	0
Plant Replacement Sewer	7512.4965.8800	0%	52,000	54,000	56,000	58,000	60,000	62,000	64,000	66,000	68,000	70,000
Other Miscellaneous Works												
Backlog	7510.4963.0401	100%	12,000	0	0	0	0	0	0	0	0	0
Total Capital Expenditure			27,032,600	5,658,500	9,573,400	3,733,200	497,000	512,000	528,000	7,310,600	560,000	577,000

4.6 Community Infrastructure Projects - Priorities

4.6 Community Infrastructure Projects - Priorities

Delivery Program Financial Management

Objective To confirm Council's priorities for the non recurrent capital works program for community infrastructure.

Background

There are a number of non-recurrent capital infrastructure projects that Council would like to complete. The cost of these works exceeds Council's short term financial capacity so it is important that Councillors confirm priorities to allocate any available funding.

A workshop was held in December 2012 to consider this matter and even though workshops do not make decisions there was general agreement in respect to a number of projects.

The intent of this report is to formalise priorities, or a preferred approach, by way of a Council resolution.

This report does not deal with the various road, drainage, footpath, sports fields, playgrounds etc priorities that are funded on a recurrent basis by Council. A report on those priorities will be submitted to the next Finance Committee meeting.

Key Issues

- Magnitude of projects
- Limited funding
- Methodology to determine priorities
- Forecast funding

Information

A copy of the discussion paper considered at the December 2012 workshop is attached and this paper provides the material for discussion. The paper has been altered slightly, from that presented in December, primarily to update figures where new information has become available or changes have occurred.

At the risk of repetition some important points that are contained within the discussion paper include:

- the discussion paper lists various projects considered by Council in recent times. This is not a definitive list and Councillors may wish to add projects for consideration.

4.6 Community Infrastructure Projects - Priorities

- assuming Council agree to adopt priorities, it does not mean that projects that receive a low priority will not be completed in the short to medium term. Rather priority projects need to be advanced where possible so that they may be undertaken if grant funding or other opportunities arise.
- the focus of this report is the capital cost of the project and potential funding sources. The implications of the project, once completed, on recurrent income and expenditure also need to be examined once capital funding is assured and prior to final approval for the works.

Following are priorities and comments that were noted from the December workshop.

- Ballina Surf Club – funded and construction underway
- Lennox Head Surf Club – currently conducting an expression of interest for design and development approval services but project requires grant funds
- Ballina swimming pool – focus to be on 25 metre indoor facility plus essential improvements
- Alstonville swimming pool – lower priority than Ballina and agreed to defer works, excepting approximately \$50,000 to improve the tanks / drainage
- Shared Pathway – need to maximise funding but focus on essential works (i.e. lower priority being existing accessible areas)
- Sports and Events Centre – defer unless significant grant funding available – need to determine whether existing consultancy contract should continue
- Coastguard Tower – currently conducting an expression of interest process for design and development approval services - remains high priority
- Wollongbar Sports Fields – funded and construction underway
- Skennars Head Sports Field – lower priority – need to confirm overall cost – Cost now confirmed at approximately \$900,000. Also an assessment by Council's Open Spaces Section has identified that there is an existing deficiency in sports fields for Lennox Head and Skennars Head.
- Ballina Town Centre – priority is the Moon Street roundabout to Fawcett Street / Richmond River
- North Creek Dredging – interest in this project – subject to commercial viability
- Lennox Head Cultural and Community Centre – priority for funding to assist with events
- Wigmore Arcade – dependent upon feasibility study

4.6 Community Infrastructure Projects - Priorities

Other high priority projects for the term also identified include:

- Bicentennial Park upgrade – master plan needed
- Ballina Town Entry Treatments – increased funding to complete this work comprehensively
- Missingham Park – improve market site
- Street Trees Program – need to increase funding
- Naval Museum – agreed master plan needed for this precinct to determine priorities
- Public Toilets – need to establish recurrent maintenance program

In respect to three of the projects listed Council has funds allocated in the 2012/13 budget to advance the work. A brief update on each of these projects follows.

Lennox Head Surf Club

The current budget includes \$400,000 to progress this matter. Council has called for expressions of interest to prepare a design to either refurbish the existing club or replace it entirely, along with considering options for drainage improvements and the closure of the road on the eastern side of Lake Ainsworth.

Registrations of interest have now closed and responses are currently being evaluated.

Coastguard Tower

Funds have been included in the budget for this project however they are dependent on three different funding sources coming to fruition (as per the comment in the discussion paper).

Tenders for the design of the structure have been received and are currently being evaluated. The cost for design is estimated to be in the order of \$150,000 to \$200,000.

The funds to construct this project are not yet available. There is also an argument as to whether this project is a Council responsibility. On this issue correspondence has previously been sent to the State Government for assistance with funding and at a Federal Government level, both the incumbent member, Ms Janelle Saffin and the National Party candidate, Mr Kevin Hogan, are aware of the need to fund this high priority project.

Sports and Events Centre

The 2012/13 budget includes \$409,000 to progress this project with \$17,000 expended to date. In addition to this \$34,000 was expended in 2011/12.

4.6 Community Infrastructure Projects - Priorities

A contract for design services has been awarded however this has been put on hold pending receipt of a soil test report on the suitability of the old depot site as a suitable location for the Centre.

A copy of the soil test report is attached under separate cover.

Previously Council has identified Kingsford Smith Oval and the old depot site as potential locations for this facility. Council wrote to the Department of Primary Industries in 2012 in respect to whether or not they would consider providing approval for the Centre to be located on either one of these sites. A copy of that response is provided as an attachment to this report.

The response identifies a preference for Kingsford Smith, but it does not rule out the old depot site.

Council has also previously considered reports from PDT Architects, the firm engaged to finalise the design and development concepts for this project. A copy of the Community Consultation report and a revised Building Options report that were presented to the June 2012 Facilities Committee meeting are also attached as further background information.

As a result of that Facilities Committee meeting Council resolved to allocate \$18,000 to PDT from the Community Infrastructure Reserve to undertake a master plan for the Kingsford Smith Reserve precinct.

Subsequent to that decision, at the July 2012 Ordinary meeting, Council resolved as follows:

- 1. That Council confirms the minutes of the Facilities Committee meeting held 18 July 2012 and that the preferred recommendation in the minutes be superseded as follows.*
- 2. That this current Council confirms that its preferred concept for the proposed Ballina Sports and Events Centre is the construction of a new facility at Kingsford Smith Oval integrated with the Ballina Seagulls Rugby League Club House.*
- 3. The preferred concept design for this facility, based on likely construction costs and Council's limited funding sources, is the two court design (option 2B in the PDT report), with the design allowing for the addition of one or two more courts.*
- 4. That prior to PDT commencing the master plan design work for the Kingsford Smith Precinct, as approved by Council at the June Ordinary meeting, that Council staff facilitate an engagement with the Councillors elected following the September 2012 elections, that will confirm the major capital projects, along with possible funding sources, for that term of Council. This engagement will then allow the newly elected Council to confirm their priorities for the 2012 to 2016 term.*
- 5. That Council conduct preliminary site investigations, such as soil testing, on the suitability of the old depot site for community and / or recreational facilities. A budget of \$15,000 is to be allocated to this work, with that funding sourced from Council's waste reserves, as the old depot site was originally used for waste disposal purposes.*

4.6 Community Infrastructure Projects - Priorities

As per this resolution Council's current preference is for a Sports and Events Centre at Kingsford Smith Oval. However, as per point five, Council also asked for the old depot site to be investigated for contamination purposes. As mentioned that report will be distributed shortly. It should be noted that the cost of this work was more than \$30,000.

PDT has been placed on hold for six months, as a result of point four of the resolution, and direction is now needed as to how Council wishes to proceed with this project.

Legal / Resource / Financial Implications

This report looks to establish priorities for capital works that can be achieved in a financially sustainable way.

Consultation

A workshop was held in December 2012 with all Councillors present except Councillor Jeff Johnson.

Options

Staff are looking for Council to provide direction in terms of priorities for non recurrent community capital projects. Council may choose to provide this direction in a definitive manner or it may be more along the lines of a preferred approach.

At this stage staff have not provided a recommendation in respect to priorities as Councillors need to take ownership of the projects they wish to complete during this term.

Therefore the recommendation is to resolve into Committee of the Whole, to allow more open discussion on the methodologies to determine the priorities. It is hoped that through the Committee of the Whole process a priority listing, or approach, can then be agreed upon. Certainly further reports may be needed but it is important that Councillors provide clear direction, on a majority basis, as to which projects are to be pursued.

Importantly a Federal Government election has now been called for September and this provides one opportunity to secure significant funding for projects.

RECOMMENDATION

That Council resolve into Committee of the Whole to allow discussion to occur on the preferred community project priorities for this term of Council.

Attachment(s)

1. 2012/13 Property Reserves and Capital Works - Discussion Paper
2. Letter from Department of Primary Industries
3. PDT - Summary Community Consultation Session
4. PDT - Revised Building Options Report
5. Soil Test Results (Old Depot site) (Under separate cover)

Discussion Paper - Community Infrastructure Capital Works

Introduction

The purpose of this discussion paper is to examine the priorities for Council's non recurrent capital community/commercial infrastructure program of works. The discussion paper is split in to two sections. The first section looks to identify and provide a ball park estimate of cost for Council's preferred projects. The second section of the paper considers proposed entrepreneurial activities and likely income/expense and net profit that may be derived from these activities. The forecast returns from these activities are included in a forward forecast for the property reserves.

The table of forecast property reserves provides an idea of the timeline over which discretionary funds may become available, assuming land sales and property rentals are received as anticipated. By comparing the forecast expense to forecast revenue an idea as to what may be achievable is provided. This discussion paper does not purport to be a comprehensive chronicle of all relevant issues/works/activities that have been considered in varying degrees over the last few years. Hence if matters have not been included in this paper that Councilors consider important then they should be raised for consideration at the workshop.

Community Infrastructure Program

A start point for this paper is the projects listed in a Council resolution from December 2011. The discussion paper does consider other projects in addition to those in the resolution because they have been considered by Council over recent times.

Council's resolution of December 2011 is as follows:

1. *That Council endorses the following components as the preferred program of works for the Ballina and Alstonville swimming pools.*

Phase 1

Address all safety related matters and essential maintenance works

- a) *Ensure adequate disabled access*
- b) *Provide adequate shading and seating*
- c) *Provide heating across both pools*
- d) *Extend the existing training pools to larger pools for enclosure training and other uses*

Phase 2

- e) *Provide contemporary toddlers' facilities*
- f) *Upgrade the 50 m pools to eight lanes*

2. *That Council confirms that its short to medium term community infrastructure priorities are as follows:*

- a) *Ballina and Lennox Head Surf Clubs*
- b) *Ballina and Alstonville Swimming Pools – Redevelopment Phase 1*
- c) *Coastal Pathway*
- d) *Sports and Events Centre*
- e) *Ballina Coastguard Tower*
- f) *Wollongbar Sports Fields*
- g) *Skennars Head Sports Fields – Expansion*
- h) *Ballina and Alstonville Swimming Pools – Redevelopment Phase 2*

3. *That Council hold a Finance Committee meeting, or workshop, to consider our options to fund the works outlined in points one and two. This meeting is also to consider other planned major infrastructure projects such as improvements to the road network and the Ballina Aviation Precinct, being Southern Cross Industrial Estate and the Ballina-Byron Gateway airport*
4. *That Council write to the NSW Minister for North Coast and the Federal Member for Page to commence a dialogue that allows Council to seek opportunities for funding to assist with the re-development of the Ballina and Alstonville swimming pools.*

This resolution is now 12 months old and a new Council has been elected. It is important that Council provides direction on the projects that are seen to be a priority because the desired list of works exceeds our short term financial capacity. The prioritisation of works is important, particularly in terms of what is achievable in this term of Council.

Below is a summary of the projects listed in the November resolution (headed A-H) with current information on the project, followed by other projects (i-iv) that have been considered by Council over recent times.

A1) Ballina Surf Club: Budget of \$5.5 million included in 2012/13 budget

This project is well advanced and has funding of \$5.5 million in the 2012/13 budget (total budget \$5.8m). This project is not included in the expenditure table (table 7) that forms part of this report because it is already in the budget.

A2) Lennox Head Surf Club: Estimated cost of works unknown

Council has funds set aside to \$1,355,000 for this project sourced from the sale of land at Lennox Head. The 2012/13 budget includes expenditure of \$400,000 to investigate options. Whilst Council is yet to confirm the preferred option for the club, for discussion purposes, the option included in table 7 is replacement.

If Council were to look at replacing the structure it is likely that the cost would be in the order of \$4 to \$5 million. The table of indicative costs (table 7) assumes a \$4 million outlay with funding of \$1,355,000 from reserve and \$2,645,000 from grant as it is possible that substantial grant funding may be available for this project.

B1) Ballina Pool: Estimate \$4.3m

A discussion paper prepared by Civil Services in approximately November 2011 distinguished between 'required' works and 'desired' works. Required works mainly include relining of the pools and a full upgrade of the plant room and was estimated to cost \$1,992,000. A list of desired works is shown in the next table.

Table One: Desired Works Ballina Pool

Description	Location	Estimate (\$)
Access ramp and steps into 50 metre pool	50 metre pool	83,000
Optional additional lane	50 metre pool	150,000
25 metre training/program pool	Extension of existing training pool including external disabled access ramp	450,000
Enclosure for 25 metre pool	Existing training pool area	500,000
Balance tank and new reticulation	25 metre pool	55,000

4.6 Community Infrastructure Projects - Priorities

New Pool Plant	25 metre pool	275,000
Pool Heating	50 metre pool	195,000
	25 metre pool	96,000
BBQ and picnic facilities		30,000
Cover spectator tiered seating	50 metre pool	120,000
Children's wet play area	Existing toddlers pool area	240,000
Engineering and other professional fees		50,000
Ancillary services		Unknown
Total estimated cost		2,244,000

The total estimated cost for the required and desired works is \$4,236,000. The December 2011 resolution breaks the work up into phase 1 and phase 2. The majority of the expense resides in phase 1 and the break up of estimated costs is shown below.

Phase 1: \$3,846,000

Phase 2: \$ 390,000

Council needs to provide direction as to whether all works in the desired schedule are a priority. It has been assumed that the required works are a must. The expenditure table (table 7) assumes an outlay of \$4, 236,000 with grant funding of 50%.

B2) Alstonville pool: Estimate \$6.7m

Again the discussion paper prepared by Civil Services distinguished between 'required' works and 'desired' works. Required works included relining of the pools and a full upgrade of the plant room and was estimated to cost \$2,054,000. A list of desired works is shown in the next table.

Table Two: Desired Works Alstonville Pool

Description	Location	Estimate (\$)
Install access ramp and steps as additional part lane	50 metre pool	87,000
Install additional pool lane	50 metre pool	150,000
Enclosure for pool	50 metre pool	700,000 - 1,000,000
Expand existing pool to a 50 x 25 metre pool	50 metre pool	2,000,000
Expand the training pool to enable a multipurpose pool to 16m x 16m	Existing training pool area	400,000
Enclosure for pool	Multipurpose/Training pool	350,000 - 500,000
Pool Heat – Heat pump	Multifunction/Training pool	85,000
Install covered spectator seating	Along the length of the 50 metre pool	120,000
Install a children's wet play area	In lieu of existing toddlers pool	240,000
Install BBQ facilities	In appropriate area of the pool grounds	30,000
Engineering and design work		50,000
Ancillary services		Unknown
Total (assumes higher cost if a range)		4,662,000

The total estimated cost for the required and desired works is \$6,716,000. The December 2011 resolution breaks the work up into phase 1 and phase 2.

4.6 Community Infrastructure Projects - Priorities

As with Ballina pool the majority of the expense resides in phase 1 and the break up of estimated costs is shown below.

Phase 1: \$6,326,000

Phase 2: \$ 390,000

Council needs to provide direction as to whether all works in the desired schedule are a priority. It has been assumed that that the required works are a must. The indicative expenditure table (table7) assumes an outlay of \$6,716,000 with grant funding to 50%.

C) Coastal Pathway: Estimate \$6.6m

Significant progress has been achieved in respect to this project even though there remains much to be done. Works that remain outstanding and an approximation of cost are detailed below. The latest estimates are suggesting a total cost of approximately \$6,601,000.

Table Three: Coastal Walkway (East of Coast Road)

GeoLINK estimate updated Nov 2012	Estimate (\$)
Underpass to overpass	275,000
Overpass to Flat Rock Tent Park	550,000
Flat Rock Tent Park to Flat Rock car park (north)	154,000
Flat Rock car park (north) to Sharpes Creek	154,000
Sharpes Creek to Sharpes Beach carpark (south)	198,000
Sharpes Beach carpark (south) to underpass	77,000
Sharpes Beach underpass to Rocky Point Rd	198,000
Rocky Point Rd and Boulder Beach carpark	66,000
Boulder Beach carpark to Lennox Point Headland	1,034,000
Total	2,706,000

Table Four: Coastal Shared Path

GeoLINK est estimate (West of road)	Estimate (\$)
Sliver Gull Dve and The Terrace	11,000
North Angels Beach estate to Headlands Estate	583,000
Skennars Head Road	616,000
Nth Creek Rd intersection and to Elevation Dve	209,000
North Creek Road - Tara Downs to Palisade Way	418,000
North Creek Road - Palisade Way to Castle Dve	176,000
North Creek Road - Castle Dve to Amber Dve	187,000
Sub Total	2,200,000
Geolink estimate (East of road)	
Coast Road - Skennars Head Road to Pat Morton	
Civil works	220,000
Path	220,000
Boardwalk	1,200,000
Skennars Head Rd - Headlands Dve to Coast Rd	55,000
Sub Total	1,695,000
Total	3,895,000

Council has recurrent funding for capital works of \$200,000 per annum. These funds were secured as part of a rate rise above the rate peg cap and arguably they could be put towards

this project annually. The estimate of grant funding in the expenditure table has assumed that only works west of the Coast Road will be eligible for funding.

D) Sports and Events Centre: Estimate \$10m

There are various options for this proposal including different types of usage and numbers of courts. It is not clear which is Council's preferred option for this project so for the purposes of the expenditure table a figure of \$10 million has been chosen with \$4 million in grant funding.

E) Coastguard Tower: Estimate \$1.75m

The Coastguard Tower is included in the 2012/13 (\$150,000) and 2013/14 (1,600,000) budget. Therefore this project is not included in the expenditure table as it is part of the adopted Delivery Program. The budget identifies the Community Infrastructure reserve as the sole funding source for this project. However it is necessary for at least two of the following three income forecasts to come to fruition prior to there being sufficient funds in the reserve to carry out this project. Each of these three income sources are predicted to occur in 2013/14.

Sale of land adjoining the ARC building (50% of forecast sale)	\$880,000
Sale of land adjoining BP service station (50% of forecast sale)	\$550,000
Reimbursement of legal expenses LHCC	\$800,000

Alternatively Council may be successful in securing grants for this project, possibly up to 100% of the total cost. The financial plan assumes all funding from property reserves.

F) Wollongbar Sports Fields: Estimate \$6.18m

This project is included in the budget and is in progress and is not included in the expenditure table as it is part of the adopted Delivery Program. The majority of this project is grant funded and it is included in the 2012/13 (\$1,858,000) and 2013/14 (\$4,322,000) financial years. The Commercial Opportunities reserve is designated to contribute \$1,684,000 to this project. The Commercial Opportunities reserve has this outlay within the cash flow and the funds are available.

G) Skennars Head Sports Fields: Estimate \$825,000

An estimate has recently been prepared to expand the Lennox sports fields, which may be summarised as follows:

Internal works (site establishment/earthworks/carpark/retaining wall)	\$480,000
External works (widening Skennars Head road)	\$ 95,000
Lighting	<u>\$ 250,000</u>
Total	\$825,000

No grant funding has been assumed for this project at this stage.

H) Ballina and Alstonville Swimming pools, phase two.

Refer to comments items B1) and B2)

I) Ballina Town Centre: Estimate \$4.4m

The 2012/13 budget includes \$2.9 million for the continuation of this project. These funds are expected to enable the completion of River Street (Cherry to Martin), Cherry Street (River to Richmond River) and Cherry Street/River Street roundabout. Tasks that are required to be completed in addition to these works are shown in the next table.

Table Five: Ballina Town Centre

Works	Estimate (\$)
Martin Street roundabout	500,000
Moon Street	800,000
Moon Street roundabout	500,000
River Street (Moon to Grant)	2,100,000
Grant Street roundabout	500,000
Total	4,400,000

There is no provision for non streetscape works such as a water playground at Captain Cook Park. It is estimated that a very small wet play area could cost from \$150,000 to \$300,000 and prices would go up from here. The wet play area has not been included in the expenditure table.

II) North Creek Dredging: Estimate \$350,000 plus

A preliminary costing from consultants is available which advises that:

- the cost to complete studies/EIS would be \$200,000 to 300,000
- licensing costs vary depending on the quantity of material extracted and range from \$2,000 to \$50,000. As an example if 200,000 cubic meters of sand were extracted a fee of \$15,000 would be payable
- extraction costs will amount to \$15 to \$20 per cubic meter plus a further \$5/cubic meter if pumped more than a kilometer away
- Royalty payments are very difficult to predict and could vary from \$0.62/cubic meter up to \$2/cubic meter based on known precedent.

These costs do not include the development application but it seems that you would need to budget for some \$350,000 for the approval process.

III) Lennox Head Cultural and Community Centre: Estimated total cost \$305,000

The 2012/13 budget includes \$37,500 for new chairs, sound proofing consultancy, black out blinds and a portable stage. Possible extra works are listed in the table below.

Table Six: Improvements to the Lennox Centre

Project	Amount (\$)
Lighting	6,000
Install PA and AV system in auditorium	36,000
Commercial equipment for kiosk	20,000
Customer Service/Tourism desk in foyer	20,000
Security camera for customer service area	Not quoted
External seating for courtyard	6,000
Internal curtain for stage area	10,000
Increase stage size	6,000
Install under sink meeting rooms	6,000
Install wireless internet in meetings rooms	5,000
Additional air conditioning	100,000
Replace energy intensive lights	13,000
Sub Total	228,000
Change of primary use to cultural/music	
Install theater stage	80,000
Retractable seating	50,000- 100,000
Carpet squares to protect flooring	10,000
Sub total	190,000
Total (total most expensive in range)	418,000

Items falling beneath the first sub total row are relevant if Council chose to divert the primary purpose of the centre to cultural/ musical pursuits. The estimate for further sound proofing is unknown.

IV) Wigmore Arcade

This is not a community infrastructure project however it will be funded from property reserves so needs to be considered along with other priorities. The alternatives for redevelopment will vary from cosmetic improvements such as painting and lighting up to major works. For the purposes of this report a figure of \$5 million has been adopted.

Summary

The next table summarises the projects discussed. It can be seen that the total cost of works is in the order of \$43 million. A leap of faith has been taken in respect to possible grant funding with the remaining funds coming from reserves.

Funding sources do not include loans as it is considered that the existing level of General Fund debt is approaching maximum capacity for the fund. Also reserves refer to both property and section 94 reserves as section 94 funds are being used to reimburse property reserves for past and current projects.

It is considered that the expenditures are dependant upon the income being received prior to the expense being committed.

Table Seven: Estimate of expenditure and income for Community Infrastructure projects

	Project description	Estimated Cost \$	Grant funding \$	Reserve Funding \$
A1)	Ballina surf Club	In Delivery Program		
A2)	Lennox Head surf club	4,000,000	2,645,000	1,355,000
B1)	Ballina pool	4,236,000	2,118,000	2,118,000
B2)	Alstonville pool	6,716,000	3,358,000	3,358,000
C)	Coastal Pathway/Walkway	6,601,000	1,100,000	5,501,000
D)	Sports and events centre	10,000,000	4,000,000	6,000,000
E)	Coastguard tower	In Delivery Program		
F)	Wollongbar sport fields development	In Delivery Program		
G)	Lennox Head Sport Field expansion	825,000		825,000
i)	Ballina town centre plus roundabouts	4,400,000		4,400,000
II)	Dredging of North Creek	350,000		350,000
III)	Improvements to Lennox Head CC	418,000		418,000
IV)	Wigmore Arcade	5,000,000		5,000,000
	Total	42,546,000	13,221,000	29,325,000

This is not an exhaustive list of projects and Councillors may wish to raise others. It is important to note that the figures in table seven represent the estimated capital cost of the works. No estimates have been provided on the projected recurrent cost to operate/maintain the new assets once complete. The ongoing maintenance of new assets must be considered in the context of the budget and Council's recurrent operational loss (inclusive of depreciation).

Once Council has confirmed priorities then staff will firm up estimates of project costs and possible grant opportunities.

Entrepreneurial Activities

This section of the paper looks at proposed entrepreneurial projects and their impact on the property reserves. The property reserves are the primary source of funds for the community infrastructure program. It is important to note that the reserve forecasts only include community capital expenditure projects that are included in the advertised Delivery Program.

The Ballina Surf Club, Coastguard Tower and Wollongbar Sports fields are the only projects included in the property reserve forecasts. This means that the property reserve forecast increases annually as rental income and other sales are predicted.

The intent is to show the funds available after the immediate commitments included in the Delivery Program have been satisfied. This will show the reserve funds available for the Council's community project priorities and give an approximate idea of what discretionary funds become available over the next few years.

The cash flow forecasts for the projects have been prepared for indicative purposes only and are subject to change depending on formal cost estimate and tender prices. Also forecast sales revenue is of course subject to the prevailing market.

Each property reserve is treated separately however the reserves do support each other hence it is acceptable for one reserve to be in a negative position as long as the combined balance of the three reserves is positive \$1 million as a minimum. The balance of \$1 million comes from a Council policy that sees the property reserves as necessary to meet short term budget shocks.

Russellton Industrial Estate

Develop and sell residue: it is estimated that to develop approximately 29 lots at this estate will cost in the order of \$3,149,000 incurred over the next three years. This will be the end of available land at this estate. Income is anticipated to be \$6,882,000 recouped over the next six years. A positive cash flow from the project is predicted to commence from 2016/17 with a net surplus of \$3.7 million predicted.

Russellton tennis courts: one off sale of land that becomes available following the development of the Wollongbar sports fields. i.e. the existing tennis courts will be relocated leaving this site available for sale. It is a large block of land so potential purchasers are limited particularly in the current market. It is estimated that a net sale price of \$2,250,000 to \$2,500,000 will be achieved however there may be other works involved such as relocating the fire shed. A sale date of 2014/15 is forecast and the modeling assumes net income of \$2,250,000.

Wollongbar Residential Estate

It is anticipated that approximately 50 lots will be developed over three years commencing from 2013/14. The cost to develop is anticipated to be \$5,865,000 and sales are forecast to be \$9,500,000 over four years. A positive cash flow is predicted in year 1 being 2013/14 with a net surplus of \$3.6 million predicted for the project.

Southern Cross Industrial Estate

Cessna Crescent: there are five developed industrial lots fronting Cessna Crescent. These lots are on the market and have been since 2010. A net sale price of \$1,660,000 is anticipated and modeling assumes that these sales will be spread across the next three financial years.

Endeavour Close (land adjoining BP): the reserves forward plan predicts, in 2012/13, income from the sale of land adjoining the BP service station to \$1,100,000.

Stinson St/Cessna Cr (land adjoining ARC): the reserves forward plan predicts, in 2013/14, income to \$1,760,000 from the sale of developed industrial land surrounding the ARC rental site.

Southern Cross master plan and stage 15: stage 15 comprises two large semi developed allotments. It is estimated that it will cost a further \$6 million to complete the development of these lots and sales should return in the order of \$10 million. Any surplus from these sales will be needed to go towards construction of the alternate road network to the airport (sales may even be conditional upon these works). Hence the property reserves forward plan assumes a break even situation.

Miscellaneous

Lennox Head Community Centre insurance: the reserves forward plan predicts a reimbursement of \$800,000 associated with the construction of the Lennox Head Community and Cultural Centre.

Skennars Head sports fields residue: the reserves forward plan predicts land sale income to \$400,000 for left over land surrounding the sports fields land acquisition.

Land at Henderson lane: Council has a plot of land remaining at the old Henderson farm site. This land is entrepreneurial in purpose however it is not factored in to the property reserves forward plan. It is considered that it will not be timely to sell or develop this land within the near future.

Property Reserve Forecasts

The tables that follow forecast reserve balances over the next ten years to provide an indication of discretionary funds available. The forecast for the Community Infrastructure reserve includes funds from the Ross Street Lennox Head land sale. These funds are designated for the Lennox Surf Club and within the accounting system reside in a separate reserve. However they have been included in the Community Infrastructure reserve for this report because the expense for this project has been included the expenditure table.

Table Eight: Community Infrastructure Reserve forward forecast

Item	2011/12 Actual	2012/13 (Estimate)	2013/14 (Estimate)	2014/15 (Estimate)	2015/16 (Estimate)	2016/17 (Estimate)	2017/18 (Estimate)	2018/19 (Estimate)	2019/20 (Estimate)	2020/21 (Estimate)	2021/22 (Estimate)
Opening Balance	917,300	909,300	(931,100)	461,000	1,268,200	2,097,500	2,970,500	3,894,000	4,933,000	6,372,500	7,881,500
Add: Revenues											
Land sale at Ross street	0	1,355,000	0	0	0	0	0	0	0	0	0
Interest Accrued	177,000	20,000	50,000	50,000	25,000	20,000	20,000	25,000	20,000	25,000	20,000
Rental - ARC (50%)	196,000	158,800	163,500	168,400	173,500	178,700	184,000	189,500	195,200	201,100	207,100
Rental - 89 Tamar St	841,000	696,300	706,900	728,100	750,000	772,500	795,500	794,500	843,800	869,100	895,200
Rental - Fawcett Pk (100%)	65,000	0	50,000	55,200	60,900	67,200	74,100	81,700	90,100	99,400	109,500
Dividend - Harvey Norman	1,730,000	0	0	0	0	0	0	0	0	0	0
Dividend - Southern Cross	400,000	0	0	0	0	0	0	0	0	0	0
Dividend - Land Adjoining	0	0	550,000	0	0	0	0	0	0	0	0
Dividend - ARC Residual	0	0	880,000	0	0	0	0	0	0	0	0
Insurance - Lennox Head	0	0	800,000	0	0	0	0	0	0	0	0
Rate - Roundabouts (30%)	308,000	0	0	0	0	0	0	0	0	0	0
Section 94 - Recouped	325,000	450,000	463,500	477,300	491,700	506,400	521,700	537,300	553,500	570,000	587,100
Sub Total	3,852,000	2,670,100	3,663,900	1,479,000	1,501,100	1,544,800	1,595,300	1,628,000	1,702,600	1,764,600	1,819,000
Less: Expenditure											
Loan Repayments	428,100	501,500	671,800	671,800	671,800	671,800	671,800	589,000	263,100	255,600	255,600
Lennox Head Surf Club	0	400,000	0	0	0	0	0	0	0	0	0
Development Application	27,000	0	0	0	0	0	0	0	0	0	0
Plan - Captain Cook Park	60,000	0	0	0	0	0	0	0	0	0	0
Legale - Lennox Head C.C.	0	0	0	0	0	0	0	0	0	0	0
Concessions	0	5,000	0	0	0	0	0	0	0	0	0
Property Investigations	20,000	18,000	0	0	0	0	0	0	0	0	0
Sharpes Beach Masterplan	40,000	0	0	0	0	0	0	0	0	0	0
Capital - Animal Shelter	280,000	0	0	0	0	0	0	0	0	0	0
Capital - Ballina Sports	34,000	409,000	0	0	0	0	0	0	0	0	0
Capital - Coastal Path	324,800	0	0	0	0	0	0	0	0	0	0
Capital - Coastguard Tower	0	150,000	1,600,000	0	0	0	0	0	0	0	0
Capital - Hockey Field	0	0	0	0	0	0	0	0	0	0	0
Capital - Lennox Fire Shed	0	55,000	0	0	0	0	0	0	0	0	0
Capital - Lennox Head C.C.	382,000	72,000	0	0	0	0	0	0	0	0	0
Capital - Main St	0	0	0	0	0	0	0	0	0	0	0
Capital - Main St - Ballina	1,500,000	0	0	0	0	0	0	0	0	0	0
Capital - Newrybar Hall	5,000	0	0	0	0	0	0	0	0	0	0
Capital - Street Lighting	13,000	0	0	0	0	0	0	0	0	0	0
Capital - Surf Club - Ballina	746,000	2,900,000	0	0	0	0	0	0	0	0	0
Capital - Surf Club - Lennox	0	0	0	0	0	0	0	0	0	0	0
Capital - Solar Panels	0	0	0	0	0	0	0	0	0	0	0
Sub Total	3,860,000	4,510,500	2,271,800	671,800	671,800	671,800	671,800	589,000	263,100	255,600	255,600
Closing Balance	909,300	(931,100)	461,000	1,268,200	2,097,500	2,970,500	3,894,000	4,933,000	6,372,500	7,881,500	9,444,900

4.6 Community Infrastructure Projects - Priorities

Table Nine: Industrial Land Reserve

Item	2011/12 Actual	2012/13 (Estimate)	2013/14 (Estimate)	2014/15 (Estimate)	2015/16 (Estimate)	2016/17 (Estimate)	2017/18 (Estimate)	2018/19 (Estimate)	2019/20 (Estimate)	2020/21 (Estimate)	2021/22 (Estimate)
Opening Balance	303,600	4,436,100	3,769,600	5,968,300	7,716,000	8,764,700	9,579,800	10,774,600	11,975,600	11,752,700	11,500,700
Add: Cash Inflows											
Interest Accrued	261,000	190,000	25,000	116,000	109,000	185,000	98,000	95,000	89,000	83,000	77,000
Rental - Norfolk Homes	153,600	131,300	146,800	143,100	147,400	151,900	156,500	161,200	166,100	171,100	176,300
Rental Income - ARC (60%)	158,000	158,800	183,500	188,400	173,500	178,000	184,000	189,500	195,200	201,100	207,100
Internal Loans Repaid - Waste	288,500	0	0	0	0	0	0	0	0	0	0
Sales - Harvey Norman	3,819,500	0	0	0	0	0	0	0	0	0	0
Sales - Southern Cross	429,500	0	700,000	700,000	260,000	0	0	0	0	0	0
Sales - 1st/2/3 stage 15					10,000,000						
Sales - Russellton and sales	0	413,000	1,031,000	1,031,000	1,031,000	1,031,000	1,379,000	1,379,000	0	0	0
Sales - Russellton tennis court site	0	0	0	2,250,000	0	0	0	0	0	0	0
Dividends - Land Adjoining BP (50%)	0	0	500,000	0	0	0	0	0	0	0	0
Dividends - ARC Residual (50%)	0	0	900,000	0	0	0	0	0	0	0	0
Sub Total	6,086,100	496,800	3,618,400	4,408,600	11,720,900	1,484,600	1,817,600	1,822,700	460,300	456,200	480,400
Less: Cash Outlays											
Operating Expenditure											
North Creek Driveway	5,000	0	0	0	0	0	0	0	0	0	0
WUEA - Operating Expenses	7,500	15,000	5,200	5,400	5,900	5,900	6,000	6,200	6,400	6,600	6,800
Siter Cranes - Operating Exp	85,000	170,000	57,700	59,000	61,500	63,500	65,000	67,000	69,000	71,000	74,100
Overheads - Southern Cross	132,400	110,000	113,300	116,700	120,200	123,900	127,500	131,500	135,200	139,300	143,500
Southern Cross Mastrolan	83,000	0	0	0	0	0	0	0	0	0	0
Russellton - Operating Exps	35,400	11,000	11,400	11,600	12,200	12,600	13,000	13,400	13,900	14,400	14,900
Overheads - Russellton	60,000	75,000	77,300	79,600	82,000	84,500	87,000	89,500	92,000	94,500	97,000
Sub Total	368,600	387,000	264,800	273,100	281,500	290,200	298,000	306,100	317,600	327,300	337,300
Capital Expenditure											
Bridge Club Site Legal's	42,000	0	0	0	0	0	0	0	0	0	0
Siter Cranes - Development	186,000	50,000	0	0	10,000,000	0	0	0	0	0	0
Russellton - Development	60,400	610,000	573,000	1,966,000	10,000,000	0	0	0	0	0	0
Sub Total	300,400	660,000	673,000	1,966,000	10,000,000	0	0	0	0	0	0
Dividends											
General Fund	261,500	516,200	401,700	421,700	380,700	359,300	320,700	313,700	355,600	379,900	397,100
Total Outlays	960,600	1,666,200	1,319,800	2,860,800	10,672,200	649,600	622,700	621,800	673,100	707,200	734,400
Closing Balance	4,436,100	3,769,600	5,968,300	7,716,000	8,764,700	9,579,800	10,774,600	11,975,600	11,752,700	11,500,700	11,226,700

Table 10: Commercial Opportunities reserve

Item	2011/12 Actual	2012/13 (Estimate)	2013/14 (Estimate)	2014/15 (Estimate)	2015/16 (Estimate)	2016/17 (Estimate)	2017/18 (Estimate)	2018/19 (Estimate)	2019/20 (Estimate)	2020/21 (Estimate)	2021/22 (Estimate)
Opening Balance	3,536,600	2,350,200	2,445,300	2,293,300	3,474,800	3,375,800	5,007,800	5,036,800	5,066,800	5,097,800	5,129,800
Add: Revenues											
Interest Accrued	178,000	100,000	100,000	27,000	28,000	29,000	29,000	30,000	31,000	32,000	32,000
Wollongbar residential land sales			2,850,000	2,850,000	1,900,000	1,900,000					
Sale - Balance Skennars Ild	0	0	400,000	0	0	0	0	0	0	0	0
Sale - Altonville Tennis Courts	0	0	0	0	0	0	0	0	0	0	0
Section 94 Recoupment	122,200	0	0	0	0	0	0	0	0	0	0
Int Loan Repaid - St Lighting	33,000	0	0	0	0	0	0	0	0	0	0
Int Loan Repaid - Flat Rk	41,000	41,300	27,500	0	0	0	0	0	0	0	0
Int Loan Repaid - Airport	0	0	0	0	0	0	0	0	0	0	0
Int Loan Repaid - Plant	33,500	33,800	0	0	0	0	0	0	0	0	0
Sub Total	407,700	175,100	3,377,500	2,877,000	1,928,000	1,929,000	29,000	30,000	31,000	32,000	32,000
Less: Expenditure											
Dividends - General Fund	0	0	0	0	0	0	0	0	0	0	0
Wollongbar residential development	0	0	1,845,500	1,695,500	2,027,000	297,000	0	0	0	0	0
Fields Wollongbar - Purchase	1,573,000	0	0	0	0	0	0	0	0	0	0
Fields-Wollongbar - Embelish	0	0	1,081,000	0	0	0	0	0	0	0	0
Fields-Skennars - Purchase	0	0	0	0	0	0	0	0	0	0	0
Fields-Skennars - Fields Approval	21,000	20,000	0	0	0	0	0	0	0	0	0
Henderson Farm - Consent	0	60,000	0	0	0	0	0	0	0	0	0
Internal Loan - Street Lighting	0	0	0	0	0	0	0	0	0	0	0
Internal Loan - Industrial Land	0	0	0	0	0	0	0	0	0	0	0
Sub Total	1,694,000	80,000	3,628,500	1,695,500	2,027,000	297,000	0	0	0	0	0
Closing Balance	2,350,200	2,445,300	2,293,300	3,474,800	3,375,800	5,007,800	5,036,800	5,066,800	5,097,800	5,129,800	5,161,800

Table 11: Property reserves combined Balance

	2011/12 Actual	2012/13 (Estimate)	2013/14 (Estimate)	2014/15 (Estimate)	2015/16 (Estimate)	2016/17 (Estimate)	2017/18 (Estimate)	2018/19 (Estimate)	2019/20 (Estimate)	2020/21 (Estimate)	2021/22 (Estimate)
Total as Per Sheets	7,697,600	6,283,700	8,722,600	12,469,000	14,238,000	17,568,100	19,705,400	21,975,300	23,223,000	24,512,000	25,833,400
Industrial	4,438,100	3,789,500	5,968,300	7,716,000	8,764,700	9,579,800	10,774,600	11,975,500	11,752,700	11,500,700	11,226,700
Commercial Opportunities	2,350,200	2,445,300	2,293,300	3,474,800	3,375,800	5,007,800	5,036,800	5,066,800	5,097,800	5,122,800	5,161,800
Community Infrastructure	909,300	(931,100)	461,000	1,268,200	2,097,500	2,970,500	3,894,000	4,933,000	6,372,500	7,881,500	9,444,900
	7,697,600	6,283,700	8,722,600	12,469,000	14,238,000	17,568,100	19,705,400	21,975,300	23,223,000	24,512,000	25,833,400

The forecasts in these tables focus on income. The only expenditures included are those that are currently included in the Operational plan and Delivery Program. It is anticipated that there will be discretionary income available in 2013/14 of \$8.7 million increasing to \$12.5 million in 2014/15.

There are some large assumptions that make up these forecasts and there is any number of issues that may cause amendments and delays. The intent is to provide a very broad picture of potential incomes, expenses and time frames for consideration. As previously mentioned the priorities that Council establishes will be important in terms of what is achieved in the short to medium term.

Conclusion

Capital expenditure associated with the list of proposed projects exceeds our immediate financial capacity. It is important that funds are not committed until such time as forecast revenues have been received. The receipt of income should be seen as the trigger for the next phase of works.

The expenditure estimate in table seven shows projects with a total cost of approximately \$44 million of which \$29.3 million is projected to come from property reserves. The combined property reserves forward plan (table 11) indicates that reserves may climb to a balance of approximately \$26 million by 2021/22. So the forecast is that virtually all of the projects can be accommodated however it will take time.

In some ways it is beneficial that new assets, in the quantities described in this paper, come on line in a staged basis because, as already mentioned, each new asset comes with an operational cost that must be accommodated into the operating budget. If all of the proposed new assets were constructed in a relatively short space of time our operating deficit would increase and service standards may fall. Even with a staged implementation it may still be the case that certain services or maintenance programs need to be modified to accommodate the operational impost that will come with some of these assets.

Another issue for Council to consider is that it has been a strategy whereby approximately 50% of profits from entrepreneurial activities are put towards community infrastructure and 50% is reinvested into future entrepreneurial activities. If all surplus funds are applied to constructing community infrastructure then there will be no funds available to put towards entrepreneurial activities. Council is fortunate to have the commercial activities income stream that will enable these projects to become a reality.

The primary issue at this stage is to identify the project priorities so that more accurate forecasting and estimating can be done in respect of those projects. This is not to say that those projects that do not receive a high priority rating will be left to stagnate. It will be important that they are progressed to points where they are in a position to proceed as funding allows. It may well be that discretionary funds become available earlier than anticipated or depending on the outcome of grant applications the staging of projects may alter to accommodate available grant funds.

For discussion.



Department of
Primary Industries
Catchments & Lands

Our Reference: 12/06157/ DOC12/105362
Your Reference: Indoor Sports & Events Centre (97)

30 August 2012

The General Manager
Ballina Shire Council
PO Box 450
BALLINA NSW 2478

Attention: Mr Chris Allison

Dear Mr Allison

Re: Location of Proposed Sports and Events Centre

I refer to your letter of 30 July 2012 requesting advice from the Department of Primary Industries – Crown Lands (Crown Lands) as to whether or not Kingsford Smith Reserve, being Crown Reserve 82164 for Public Recreation notified 20 November 1959, would be a viable option for a proposed multi-use sports and events centre, and regarding the process that would need to be followed in order to progress the matter if the Reserve were to be considered viable.

Crown Lands considers that Kingsford Smith Reserve provides a logical location for the proposed centre given the notified purpose of the Reserve (Public Recreation), its current and proposed zoning under local environmental plans (6(a) Open Space and RE1 Public Recreation respectively), and the fact it is already within an established sporting precinct.

Crown Lands has registered Council's interest in the Old Council Depot Site, comprising Crown Reserve 755684 for Future Public Requirements notified 29 June 2007 and Crown Reserve 57352 for Sanitary Purposes notified 1 August 1924, as a fall-back option to Kingsford Smith Reserve. Whilst there is no in-principle objection to locating a recreational facility on this Site, the land appears to possess more planning and environmental constraints than Kingsford Smith Reserve. For example, it may be contaminated as a result of its former use as a Council dump and/ or night soil depot. Additionally, there may be other opportunities for the Site that would be more in keeping with its surrounding land uses. For example, the land may be more suitably developed in the future as an expanded industrial area.

It is noted Kingsford Smith Reserve is under the care, control and management of the Ballina Kingsford Smith Reserve Trust, of which Council is the appointed Manager. If the Trust were to construct and maintain the centre (that is, if the Trust were to own the building), then there would be no need for a separate interest in the land to be created. However, it is Crown Lands understanding that Council in its Council capacity and not as the Reserve Trust Manager intends to construct and maintain the centre (that is, Council will own the building). If this is the case, then the Trust in theory could grant Council tenure over the land, which in effect would mean Council would issue a lease or licence for the facility to itself.

Department of Primary Industries | Catchments and Lands | Crown Lands Far North Coast
Level 1, 49-51 Victoria Street, PO Box 272 Grafton NSW 2460
Tel: 02 6640 3400 Fax: 02 6642 5375
www.crownland.nsw.gov.au | ABN: 335 377 620 19

4.6 Community Infrastructure Projects - Priorities

Current Crown Lands policy (prepared in consultation with the Division of Local Government and the Local Government and Shires Associations of NSW), however, provides that where a council is seeking to establish major infrastructure on Crown land and the associated improvements are to vest in council, then the land should be acquired under Section 186 of the *Local Government Act 1993*. Compensation is generally to be at market value. A lease or licence under the *Crown Lands Act 1989* is generally not considered appropriate in cases where major Council-owned infrastructure is proposed on Crown land.

If Council ultimately decides to lodge a development application (DA) for the proposed sports and events centre and the DA involves Crown land, Crown Lands will require written confirmation from Council it is prepared to acquire the land needed to accommodate the centre at a value to be determined by the Valuer General. This undertaking will be sought prior to the lodgement of the DA.

It is noted Council does not have suitable interest in all of the Crown land under consideration as part of this proposal. To assist in preparing a DA encompassing Kingsford Smith Reserve or the Old Council Depot Site, Council is invited to apply for a licence for investigation over the Crown reserves. This will allow Council to enter onto the reserves to conduct all necessary preliminary investigations. To this end, please find attached an 'Application for a licence over Crown land'. Please forward the completed application form and fee of \$383.60 to this office at your earliest convenience. Please note Crown Lands will be seeking, as a condition of the licence, access to all intellectual property and copyrighted material prepared or collated under the authority of the licence.

If you would like to discuss these matters further, please feel free to contact Ian Hanson, Group Leader Natural Resources and Property Services, on 02 6640 3436 or at ian.hanson@lands.nsw.gov.au.

Yours sincerely,



Brad Crispin
A/ Senior Manager Far North Coast
Crown Lands

PAGE 2 OF 2



www.pdt.com.au

masterplanning

architecture

interiors

landscape



Ballina indoor sports and event centre
Community consultation return brief.

February 2012

design in detail

QA Review

Project	Stage	Doc. No	Issue	Copyright
6464	SD	1	1	All rights reserved. This work is copyright and cannot be reproduced or copied in any form or by any means without the written permission of PDT Architects. Any licence expressed or implied to use the document for any purpose whatsoever is restricted to the terms of agreement or implied agreement with PDT Architects.

Amendments

Date	Issue	Activity	Author	Superintendent
22.02.12	1	Draft	Trent Watson	Laurence Taylor

Author	Superintendent	Quality Check
Trent Watson	Laurence Taylor	Laurence Taylor

design in detail

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Ballina Breakers – “Ballina Indoor Sports and Event Centre”	12
Ballina Lighthouse Club – “ <i>Sourcing of Venues</i> ”	17
Ballina Chamber of Commerce and Industry “ <i>Ballina Sports Arena Wish List</i> ”	19

design in detail

executive summary

On the 17th February 2012 PDT Architects and Chris Allison of Ballina Shire Council meet with interested parties of the Community to help generate a brief for the new Ballina Sport and Events centre. Through individual meetings throughout the day with each group, and there associated briefing documents that are included in the appendix, a return brief has been compiled for issue to Ballina Shire Council for review and comment.

return brief from Community Consultation

Ballina Indoor Sports and Events Centre

6434

Client contact: Chris Alison

Site: Kingsford Smith Park

Programme: Pre-design

Scope: User Group Consultation Brief.

General

- Review implications of moving rugby field over 3+m to accommodate facility
- Review possibility of replacing rugby building with new tiered seating area attached to new complex.
- Queenstown Lakes Events Centre is a strong precedence.
- High sound mitigation for concert use at night.
- Good & ease of operation, ventilation system to take advantage of the "sea breeze".
- Master plan for future indoor, outdoor pools & slides to be located on site.

- Electronic access to all spaces
- User programmable air-conditioning to all spaces.
- Mix mode lighting to stadium and function spaces
- Hirer access to power sub board.
- Good ventilation to accommodate max capacity
- Security cameras to cover all accessible spaces
- Design of building to encourage passive surveillance.
- Lift access to upstairs function rooms.
- Building to be future proofed is unable to accommodate facilities in budget.

Site & Access

- Covered porte-cochere to accommodate buses
- Bus parking
- Mobility scooter parking
- Bicycle parking
- Bus stop
- Large parking facility
- Full disabled access to entrances.
- Area at main entrance for ticketing, registration and sales area.

Sports Courts

- To accommodate 750 – 800 patrons for live music concerts.
- Durable floor, either timber or Pulastic synthetic sports floor.
- Retractable seating
- Ceiling mounted court dividers (futsal preference for clear netting)
- Staging area with good acoustics for voice projection.

- Large storage space to accommodate table, chairs, portable stage and sporting equipment. Storage space to include wall brackets for sports equipment storage.
- Direct access loading dock.
- Acoustics and infrastructure for to accommodate bump in music events & sit down award ceremonies.
- Lighting bars
- Brown out capability for day functions.
- Large retractable video screen and projector.
- "Plug and play" av/pa system with access points at court and mezzanine levels.
- 3 phase power to floor boxes including standard power and comms.
- Electronic score boards.
- Electronic height adjustable backboards.
- Roll out protective flooring.
- Height adjustable back boards.
- 100sqm storage space or Basketball + other sports.
- High level, maned camera location, near centreline of court.
- 100 + permanent seating.
- Infrastructure ready for TV broadcast capabilities.

Function Rooms

- Sound proof rooms from sports hall including retractable walls.
- Floor boxes for power and comms.
- Some walls to be mirrored.
- Data projector and PA/AV system
- Preference for function space on ground floor to accommodate 120 siting at rectangular tables, with direct loading access.
- Lockable/rentable storage cupboards
- Recording facility (possible support from Australia Council & Sony Music)
- Kitchenette associated with function space to include:
 - Fridge
 - Microwave
 - Under sink boiling/chilled water
 - Cutlery draws
 - Crockery Cupboards
 - Cushioned non-slip surface that is not contoured.
 - Lockable cupboards for patron use & storage.

Kitchen

- Commercial fit out to include:
 - Commercial fridge(cool room)
 - Oven
 - Microwave
 - Bain-maries
 - Dishwasher with extraction fan.
 - Movable S.S. prep benches.
- Adequate Cutlery and Crockery storage for max. dining of sports hall.
- Storage space
- POS facilities.
- Indoor/outdoor social areas.

4.6 Community Infrastructure Projects - Priorities

Offices

- Customer friendly & well located service desk
- Ticket sales and collection space at service desk
- Closed off, back office area.
- Permanent office for Basketball.
- Secure cash handling facility
- Break out area for staff.
- Blinds to windows
- Kitchenette with draws
- Security camera feed.
- Hirers hot desk locations for 6 – 8 people.

Gym

- Secure, limited afterhours access
- (Council staff prefer more function space over gym)

Amenities

- First aid room
- Showers to be in stalls.
- Accessible toilets to have auto doors.
- Practical space with easy clean surfaces.
- Oversized Cleaners room with storage.
- Preference for all toilet cubicles near function rooms to be ambulant.

ESD

- Water re-use
- Recycled water available on site
- Future proof for Solar panel installation

appendices

1. Council staff – *“Consideration for Regional Sports Centre – Community Facilities”*
2. Ballina Breakers – *“Ballina Indoor Sports and Event Centre”*
3. Ballina Lighthouse Club – *“Sourcing of Venues”*
4. Ballina Chamber of Commerce and Industry *“Ballina Sports Arena Wish List”*

Considerations for Regional Sports Centre – Community Facilities

General

- All spaces fitted with and accessible using electronic security keys.
- All spaces fitted with option of user programmable air conditioning.
- All spaces to be hireable / accessible by public to have a mix of lighting options and/or dimmable lights (includes sports courts).
- All spaces accessible by disabled patrons.
- Comprehensive car parking, pick-up/set down and loading zones.

Cleaning

- Realistically sized cleaners store with provision for both storage of bathroom stock, chemical cabinet, and floor scrubber on lower level.
- Smaller cleaners station on upper level
- Consideration given to finishes in high public use spaces as operational budget for cleaning will always be small

Sports Courts / Event Space

- More durable floor preferred, possibly wooden
- Retractable seating for large events
- Retractable ceiling mounted court divider
- Large storage spaces including wall brackets for sports equipment and large, lockable storage cupboards for regular users equipment etc.
Should also fit portable stage, large collection of tables and chairs equal to maximum capacity, less seats supplied on retractable seating.
- Loading Dock directly behind Southern wall to enable uncomplicated set up of stage for live events
- A mix of lighting options and/or dimmable lights organised into individual sections to enable a range of events. Should also include lighting bar or ceiling mounted (protected) lighting bank for live events.
- Windows/glass provided with black out furnishings to enable private functions/daytime AV screenings etc.
- Large retractable ceiling/wall mounted video screen with projector
- AV/PA System for live community events and private functions with user-friendly interface and input. Possibly access points both on lower level and on upper viewing area.
- Multiple under-floor access points for power and communications.
- Combination of both three phase and 240 power outlets with a hidden/contained power board accessible to hirers - possibly via electronic lock only – in the event of power tripping.
- Hidden/contained first aid kit accessible to hirers - possibly via electronic lock only – in the event of power tripping. Prefer also small first aid room for large events.
- Similar acoustic treatment of ceiling and walls to Lennox Head Cultural and Community Centre.
- Ventilation equal to maximum capacity of possible patrons.
- Electronic Scoreboards

Function/Meeting Rooms

- User programmable air conditioning
- Any room dividers **must** be soundproof – otherwise do not bother
- The rooms **must** be soundproof to the noise of the sports courts and vice versa.
- Multiple under-floor access points for power and communications,
- Combination of Mirrored Wall and Plain Walls to enable combination of uses.
- Ceiling mounted Data Projector
- Kitchenette with fridge, under-sink hydroboil for boiling/chilled water, cutlery draws and cupboard space for crockery; also should have linoleum or non-slip tiled surface that is smooth (not contoured)

Kitchen / Canteen / Kiosk

- Fitted with commercial fridge, oven, microwave, bain-maries and dishwashers extraction fan and air conditioning as per section one.
- Has moveable stainless steel preparation trolleys/islands.
- Cutlery and Crockery storage for maximum cabaret seating capacity of hall.
- Power, communications and secure draw space to enable cash handling/sales.
- Storage space for stock.

Gym

- No preference to have a gym. Prefer additional meeting/function rooms.
- If provided, electronic systems etc to enable electronic access connected to membership systems etc.
- Possible after hour's access that does not enable entry to other sections of the building (other than change rooms). External access direct to gym after hours?

Toilets/Change Rooms

- Practical - not designer – with easy clean surfaces
- Consultation on dispensers of toilet paper, hand towel, soap etc.
- Showers in stalls – not open within the rooms
- Flush buttons for toilets located **above** the raised seat height.
i.e. not hidden behind raised seats.
- All accessible toilets to have automatic doors.

Entry / Administration / Office Space

- Customer Service Desk that is customer friendly and easily located upon entry to the building.
- Has ticketing sales and collection space.
- Information display/TV in foyer.
- Front office (Customer Service) and back office (Administration)
- Private space for
 - Secure cash handling facilities (end of day banking etc)
 - Working without interruption
 - Lunch breaks for staff
- Ergonomic benches at a decent height with adjustable keyboard spaces
- Mix of Stationary and File Hanging drawers, some with locks fitted to the master key system
- Consideration given to glare/lighting/ergonomics in selecting PC stations
- Windows that can be fitted with blinds
- Quiet and adjustable air conditioning
- Kitchenette with draws
- Security System and Camera feeds to the office

Security

- Security Cameras of sufficient quality to capture facial details and cover all accessible spaces.
- Overall centre design encourages passive surveillance. No hidden alcoves etc toward rear of building.



BALLINA INDOOR SPORTS AND EVENTS CENTRE

1 Current Facility use

1A Southern Cross High Gym

2. Type/frequency/duration

2A 6 nights per week + 4 afternoons per week + Saturday morning

3. Current fee hire/rental

3A \$27:00 (presently negotiation for complete hire for \$25,000 year)

4 Number of players in a typical season

4A 340 players. 2 seasons a year. We have currently 290 registered Junior's and 185 registered Senior's

5. Maximum numbers of people on site at one time (i.e. include spectators, officials, players etc.)

5A when holding a state league Game can be up to 350 (7 weekends per year). Monday Nights is 90-100 in Men's comp (4 games). Tuesday Nights (Junior's) (9 games x 8 players per team) is 144 players plus handful of parents. Wednesday nights (Women's) is (3 games x 8 players per team) is 48 plus few supporters and 3 officials. Other times involve personal Representative team training.

6 Anticipated type/frequency/duration/ of usage of facility

6A Basketball competition senior and junior + school competitions, State League training and NJL training. Drop in facilities for children to shoot baskets and do their personal training.

7. Anticipated event usage of new facility including court requirements

7A All of the above + applying NJL rounds and State and Country Championships as well as interschool championships these ALL require a minimum 3 court events facilities

8. Number of spectator/participates at events and typical sessions in new centre

8A From to 500 to 700 could be more if we build the correct facilities to be able to accommodate the above events



9 Fee/rental expectations

9A The same we are paying at the moment as this facility should be built to encourage sport for all within the Shire + encourage event participation and outpricing would be the best way of encouraging families Not to utilise the facility and association not to stage events.

10. Playing facility requirements in terms of amenities for players/coaches etc.

10A Amenities office Referees/coaches room, 6 toilets and showers for both male and female facilities

11. First aid requirements

11A First Aid room (a requirement of all sporting venues)

12. Storage requirement

12A 1 area 10 x 10

13. Support requirements (spectators seating, officials etc)

13A This would depend on the size of the facility and whether we can accommodate major events to Ballina If built correctly it would.

14. Requirement for temporary and permanent office/meeting rooms requirements

14A Basketball would require a permanent office within the facility

15. Attitude toward shared use of space.

15A No shared storage or office area. The facility should be functional to all indoor sports

16. Preference for flooring type

16A Sprung wood flooring as per National sporting standards.

17. Preference for sports equipment type

17A Correct rings for basketball, volleyball nets, bad mitten and the floor markings for all user groups etc.

18. F & B requirements

18A ????

19 VIP/Corporate spectator requirements

19A Not required (But would be a benefit)



20. Car park and transport requirements.

20A. As per council requirements + bus parking areas. The two proposed site both has good infrastructure on bus routes, easily accessible.

21. Drug testing major events.

21A. This would be carried out in the first aide room if required.

FURTHER REQUIREMENTS

- 1 Correct runoff around and between courts.
- 2 At least 2 of the courts with wooden sprung floors that comply to National sporting standards of International Sporting Federation.
- 3 Electronic height adjustable rings on all courts
- 4 Electronic state of the art Scoreboards to all courts.
5. Scoreboard facilities and connection between all courts
6. Gauzed, electronic louvered window system, around the top of the walls of the courts for correct cost effective cooling.
7. Sola hot water and electricity.
8. Correct seating
9. Cafeteria facilities with indoor/outdoor
10. Full commercial kitchen facilities

11. A permanent balcony above foldaway seating, with lockable ladder or staircase to set up movie camera fixture for recording games from centre of court. Recording games effectively MUST be done, high from centre of Court, (not at the end) .We prefer 3 or 4 rows of permanent seating for parents to use without losing court space! We think that fold away stuff is eventually broken and becomes an awkward task, that becomes "too Hard" so nobody does it.

MAJOR CONCERNS

1. Key mistakes occurred on another project in Ballina Shire at Lennox Head. The fact that we are NOT allowed to play at Ballina High school Stadium because the runoff is too close and somebody sued the Association some 15 years ago, the school will NOT let us play there. We as rate payers don't wish to have our money wasted on a sub-standard facility that does not for fill the standard requirements of an Indoor Sports and Entertainments facility, or



cater for all indoor sporting organisations **We stress a 3 court minimum is required.** Ballina is crying for help with the bypass and we believe we can hold State Cup and County Championships here for juniors with at least 3 courts, bringing many tourist in to town on at least 4 weekends a year in Basketball alone.

2. Correct costing of the project (e.g. Tamworth/Maitland value for money)
3. Proficient Project Management (concerns re: previous project)
4. User group input (Listen to the different sporting bodies and user groups - utilise skills and value their input)
5. This area requires at least a three court facility as shown in a previous feasibility study 5 years age. **Creditable council's don't build for yesteryear they build for tomorrow.**
6. Large footprint of land for club growth. Believe we are one of the only growing businesses in this current economic climate, and now we have television coverage on local broadcast stations. In a rainy climate, (our games double in size when it rains and other sports are denied. It is a great time to act, as our current team on committee has never been stronger with a wide base of experience.

Additional for Event Usage

Typical size and type of event

Physical bump in and out requirements

Power requirements

In floor requirements (power water communications etc)

TV/broadcast requirements

Adjacent accommodation requirements for event

Meeting room requirements

Storage requirements (internal and long term)

Staging requirements

A/V requirements

F&B requirements

Security overlay requirements



Post event cleaning requirements

VIP/corporative sponsor requirements

Tamworth Dome boasts the following facilities:

Work on the new \$9.5million stadium complex began this year and will give the city the biggest and most multi-functional sports centre in regional NSW.

The Dome boasts the following facilities:

18 outdoor netball courts

6 indoor courts – 4 wooden sprung floors and 2 Aura Pulastic sports floor courts

2 outdoor basketball courts

Utility/function room

Multi-purpose room

Board/function room

Gymnasium area – available for weddings and functions

Caf eteria with indoor and outdoor seating

Council 17/2/12

	BALLINA LIGHTHOUSE CLUB	Thursday Use
	SOURCING OF VENUES	
	Morning Tea & Lunch From	approx 8.00a.m. to 2p.m.
	Setting Up of Room	
1	Identify Venue: get name of	
2	Available Thursdays weekly	
3	Covered Entrance	Principal Person to deal with
4	Bus set down area & parking	for disembarking & alighting members
5	Parking for volunteers	buses: cabs: gophers: bikes
6	Wheelchair Access	ramp or similar
7	Ground Level	
8	If Upstairs/Lift access	
9	AIR CONDITIONED	Type of FLOOR COVERING
10	Seating for 120 persons	Chairs: (side arms) are cushions req'd/protectors
11	in own function area:	Style of tables (rect./O) & legs.
12	Is it All weather friendly	
13	Distance to travel	
14	Adequate Toilet Facilities	including disable. <i>HANDRAILS?</i> #NAME?
15	Is there any Room Hire: set up:	dismantle: cleaning: costs involved
16	Area for Badging In	
17	Area for 2x Sign In/Pay Tables	
18	Wheellie Walkers once at club	

19	Competition Sales Area		
20	Trading Table requirements		
21	Bread Delivery		
22	KITCHEN: flooring re girls legs	:sink re backs	
	:Fridge: Urn: Microwave	Dishwasher: Hot Plates: Switch	making area/ bench: sink/s
23	Storage - required similar to R.R	2 Cupboards or 1 larger in size	cups: glasses: Trays
	LH c/pieces: games: admin	water & milk Jugs: serviettes	crockery/cutlery: 6x Tables
	Mop: Bucket: Cleaning Materials	Supplies: Tea: Cof: Sug: Stirrers	platters: etc. etc. etc.
24	Provision for Sausage Sizzle &	other outside catering i.e. Pies:	Fish & Chips: Xmas in July
25	Is there a Stage &/or area for entertainment:	dressing room	
26	P.A. System/microphone outlet for microphone use		
27	Spot for PIANO & stool		
28	Are Cushions required	are Seat Protectors Covers Req'd	
	Rear projector & screen		
	ANY OFFICE SPACE??		

**BALLINA CHAMBER OF COMMERCE AND INDUSTRY
BALLINA SPORTS ARENA 'WISH LIST'
17 FEBRUARY 2012**

- Facilities big enough and of a high enough standard to attract large sporting and music events to Ballina. An arena (that can double as a sports function room)with indoor netball, basketball facilities, squash courts, cafeteria, licensed bar, outdoor grass and/or artificial pitches for soccer, cricket etc.
- Swimming pool Olympic size (with a separate water slide). This would also allow for relocation of the current pool to make way for the establishment of a Marina at its current site.
- Acoustics and infrastructure to accommodate conferences and music events. This includes adequate PA system, ports for IT equipment, Stage and Seating (this can be electronically stored within a wall cavity).
- Sound proofing so restraints to sport, music and theatre events are minimised in terms of residential locality.
- Also a must is a commercial sized kitchen to cater for big sporting events/evening functions with license availability ie events for 800+ people at tables (large dinner events like awards dinners or dinner shows).
- Removeable Walls so small sports matches can play concurrently or small spaces can be created for conference breakout sessions or smaller corporate events.
- Ticket booths, change rooms, bicycle storage space, storage rooms for hire by sporting groups. Potentially a fitness centre with gym and aerobics area.
- Whatever is built should show great consideration to the afternoon "seabreeze" with "ventilation" of the indoor multipurpose sports area a great consideration incorporating the sea breeze e.g. big automatic louvers. Goonellabah Sports centre is hot and not well ventilated and is very noisy, I don't think we want those problems.
- Indoor pool, great outdoor sport facilities.....make this the sporting hub of Ballina incorporating the Hockey arena, Rugby ground and netball courts.
- Large car park.
- Bus Stop.

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design in detail



Ballina indoor sports and event centre
design options review

may 2012

design in detail

4.6 Community Infrastructure Projects - Priorities

QA Review

Project	Stage	Doc. No	Issue	Copyright
6434	SD	2	1	All rights reserved. This work is copyright and cannot be reproduced or copied in any form or by any means without the written permission of PDT Architects. Any licence expressed or implied to use the document for any purpose whatsoever is restricted to the terms of agreement or implied agreement with PDT Architects.
6434	SD	2	2	
6434	SD	2	3	
6434	SD	2	4	

Amendments

Date	Issue	Activity	Author	Superintendent
16/04/12	1	Draft	Trent Watson	Laurence Taylor
10/05/12	2	Final	Trent Watson	Laurence Taylor
22/05/12	3	Additional options	Trent Watson	Laurence Taylor
31/05/12	4	Minor amendments	Trent Watson	Laurence Taylor

Author	Superintendent	Quality Check
Trent Watson	Laurence Taylor	Laurence Taylor

design in detail

contents	
executive summary	4
building options matrix	5
option 1, 2 courts, single level.	6
option 2, 2 courts with mezzanine and function rooms	8
option 2b, 2 courts with mezzanine, function rooms, gym and external tiered seating area	10
option 3, 3 courts, single level	12
option 4, 3 courts with mezzanine, gym and function rooms	14
option 5, 3+1 courts with mezzanine, gym and function rooms.	16
option 6, 4 courts with permanent tiered spectator seating.	18
summary	20
appendices	21
Site plan of option 2b at Kingsford Smith Park	22
Site plan of option 6 at Kingsford Smith Park	23
Davis Langdon – Indicative Cost Plan for Design Options	24
Starena Australia – retractable seating quotation	30

design in detail

executive summary

This report is a compilation of a range of building options, ranging from the general 2 court "tin shed" indoor sports centre through to a full multi use indoor facility providing for function, regional events and multiple sporting activities.

The construction cost estimates included in the options are provided from the Davis Langdon report of appendix 1. Amount shown is base building costs only, with exclusions as shown in item 3 of the Davis Langdon report. These Exclusions may add 10-15% to the construction cost dependant on site conditions and level of fixtures and finishes.

Also included in the appendix is a quotation from Starena Group for the retractable seating arrangement as shown in these options.

building options analysis matrix

Ballina Indoor Sports and Event Centre
6434

Scale of 1 - 5, 1 = poor, 5= best

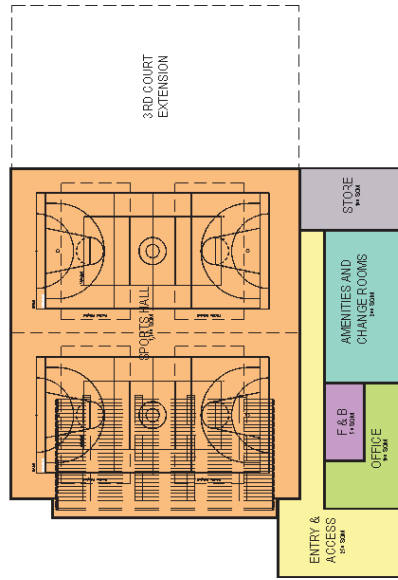
Criteria	Option 1 2 courts, single level	Option 2 2 courts with mezzanine and function rooms	option 2b, 2 courts with mezzanine, function rooms and external tiered seating	Option 3 3 courts, single level	Option 4 3 courts with mezzanine, gym & function rooms	Option 5 3+1 courts with mezzanine, gym and function rooms.	option 6, 4 courts with permanent tiered spectator seating
Integration of Build scale in context to location	4	5	5	3	4	3	2
Integration with neighbouring sporting facilities	2	4	5	3	4	4	3
Potential of strong building aesthetics	2	4	4	2	4	3	2
Potential to be a main sporting hub for the region	1	3	4	2	4	5	2
Provision for future expansion	3	5	5	3	4	3	2
Show court facilities for demonstration games.	1	4	4	4	5	5	3
Host regional sporting competitions	2	2	2	3	4	4	5
Host state sporting competitions	1	1	1	2	3	4	3
Multiple sport usability	2	3	5	3	4	5	3
Dedicated sport facilities for emerging sports	1	2	2	2	3	5	3
Ability to accommodate small groups	1	5	5	1	5	5	3
Ability to accommodate large groups	2	4	4	2	5	5	2
Ability to accommodate entertainment events	3	4	5	3	5	5	2
Ability to host conferences, trade shows & events	2	4	4	2	5	5	2
Ability to accommodate activities for all age groups	2	4	4	2	4	5	3
Ability to incorporate high level of ESD initiatives	1	3	3	1	4	4	1
Highly flexible function spaces	1	4	5	1	5	5	1
Highly flexible sports hall for non-sport functions	2	4	4	3	5	5	2
Ability to host numerous functions at once	1	4	5	2	5	5	2
Onsite catering facilities	1	4	5	2	4	4	1
Onsite professional suites	1	2	2	1	5	5	1
Potential to benefit the broader community	2	4	4	2	4	5	2
Total Score	38	79	87	49	95	99	50

option 1, 2 courts, single level.

General community sports centre with the ability to host a regional basketball or netball match. As the centre is air-conditioned it can accommodate basic trade shows or community events. Finishes can vary from "tin shed" type or precast construction. Facility can be expended to 3 courts in the future, to accommodate regional competitions.

- 2 full size courts
- 1 set of retractable seating
- Single set of male and female amenities and change rooms
- Canteen
- Office & reception area.
- Fully air-conditioned & mechanical ventilation

Seating Capacity: 980
Area (sqm): 2,400
Construction Cost: \$5 - \$5.5m



GROUND FLOOR PLAN

OPTION 1

FLOOR AREA

GROUND FLOOR	2,400
MEZZANINE LEVEL	-
TOTAL	2,400

SEATING CAPACITY

GROUND, TIERED	760
GROUND, ON FLOOR	220
MEZZANINE LEVEL	-
TOTAL	980

PRELIMINARY

Scale 1:500

NO. OF SEATS	760
NO. OF SEATS @ 1500	510
TOTAL	1270
DATE	04/03/13
PROJECT NO.	SK001
SCALE	1

pdt.
ARCHITECTS

PROJECT NO. SK001
BALLINA INDOOR SPORTS AND EVENTS CENTRE
OPTION 1
2 COURT WITH FUTURE PROOF FOR 3 SINGLE LEVEL

for information only

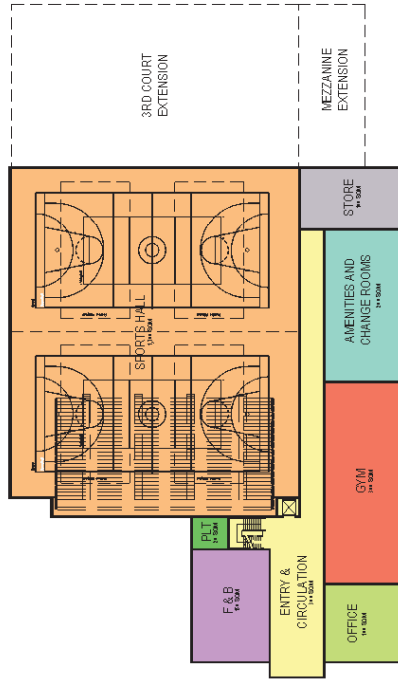
DATE	04/03/13
NO. OF SEATS	760
NO. OF SEATS @ 1500	510
TOTAL	1270
DATE	04/03/13
PROJECT NO.	SK001
SCALE	1

option 2, 2 courts with mezzanine and function rooms

The facility provides for community sports and events. The facility can host a regional basketball or netball match along with small trade shows or local indoor concerts and performances. The facility also includes a catered function centre with bar. The function centre will have movable internal walls to allow for a fully flexible space that can be 1 large function room or divided up to form as many as 4 individual rooms. The facility also includes a gym to provide a more rounded sporting experience. Finishes will be medium level quality to provide for multiple uses. The facility can be expended to 3 courts in the future, to accommodate regional competitions and events.

- 2 full size courts
- 1 set of retractable seating
- Mezzanine level with tiered seating
- Multi use function rooms space.
- Single level Gym
- Single set of male and female amenities and change rooms
- Full cook kitchen
- Office & reception area.
- Fully air-conditioned & mechanical ventilation

Seating Capacity: 1,210
Area (sqm): 3,810
Construction Cost: \$8.5 - \$9m



GROUND FLOOR PLAN

OPTION 2

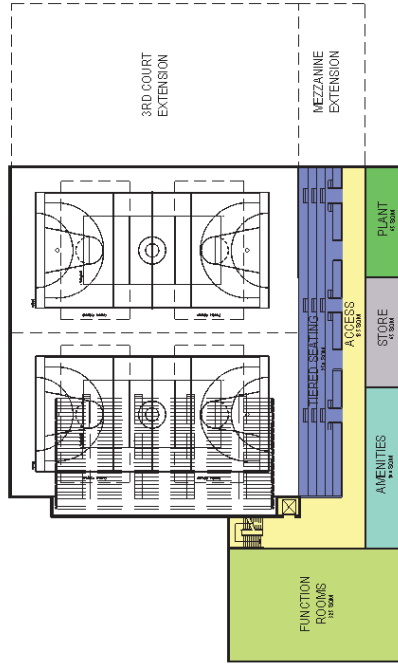
FLOOR AREA

GROUND FLOOR	2,870
MEZZANINE LEVEL	940
TOTAL	3,810

PRELIMINARY

FOR INFORMATION ONLY

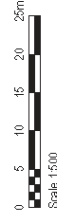
NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL
1	CONCRETE	m ³	12	75	900
2	STEEL	kg	1	1000	1000
3	GLASS	m ²	1	1000	1000
4	MEZZANINE	m ²	1	1000	1000
5	MEZZANINE	m ²	1	1000	1000
6	MEZZANINE	m ²	1	1000	1000
7	MEZZANINE	m ²	1	1000	1000
8	MEZZANINE	m ²	1	1000	1000
9	MEZZANINE	m ²	1	1000	1000
10	MEZZANINE	m ²	1	1000	1000



MEZZANINE FLOOR PLAN

SEATING CAPACITY

GROUND, TIERED	760
GROUND, ON FLOOR	220
MEZZANINE LEVEL	230
TOTAL	1,210



NO.	DATE	BY	REVISION
01	10/01/18	SK002	ISSUE FOR RFP
02	15/01/18	SK002	ISSUE FOR RFP
03	15/01/18	SK002	ISSUE FOR RFP
04	15/01/18	SK002	ISSUE FOR RFP
05	15/01/18	SK002	ISSUE FOR RFP
06	15/01/18	SK002	ISSUE FOR RFP
07	15/01/18	SK002	ISSUE FOR RFP
08	15/01/18	SK002	ISSUE FOR RFP
09	15/01/18	SK002	ISSUE FOR RFP
10	15/01/18	SK002	ISSUE FOR RFP

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architects
2 LEVELS WITH FUNCTION SPACE

option 2b, 2 courts with mezzanine, function rooms, gym and external tiered seating area

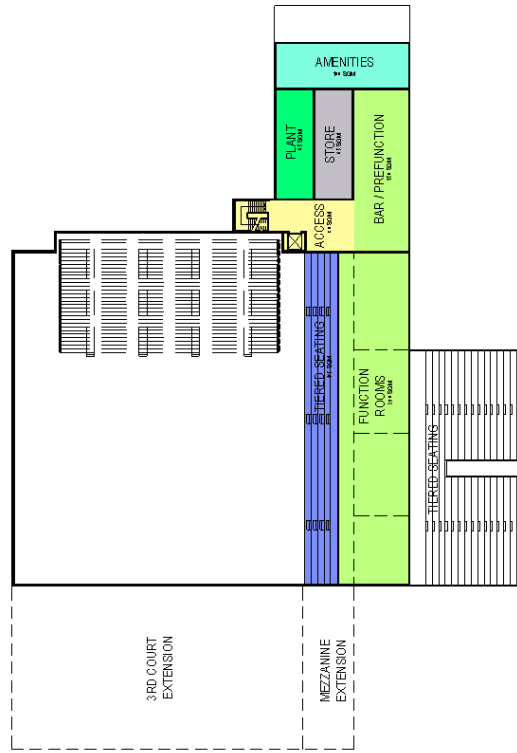
The option is a variant on option 2 with the addition of the external tiered seating area for viewing field sports. By locating the complex next to a sporting field it allows the facilities of the centre to be utilised by a broader segment of the community. While it does require increased change rooms and storage space, the function rooms, restaurant, gym and offices can be utilised by both the indoor and field sporting clubs and event organisers. The fully catered function rooms are designed in this scheme to have views across the sporting field and the sports hall, and with the use of the operable walls, allows the function room to be divided up into corporate suite or private meeting rooms. The finishes will be medium level quality and fully air-conditioned to provide for multiple uses and facilitate the ability to host events other than sport. The scheme maintains the ability to be expended to 3 courts in the future, to accommodate regional competitions and events.

- 2 full size courts
- 1 set of retractable seating
- Mezzanine level with tiered seating
- Exterior tiered seating with partial protection
- Multi use function rooms space.
- Single level Gym
- double set of male and female amenities and change rooms
- Full cook catering kitchen with internal and external serveries.
- Office & reception area.
- Fully air-conditioned & mechanical ventilation

Seating Capacity: 1,370 internal
824 external
Area (sqm): 4,190
Construction Cost: \$10.2 - \$10.7m

Demolition costs of Rugby club house at Kingsford Smith site: \$0.1m

Refer to appendix 1 for proposed location of location at Kingsford Smith site.



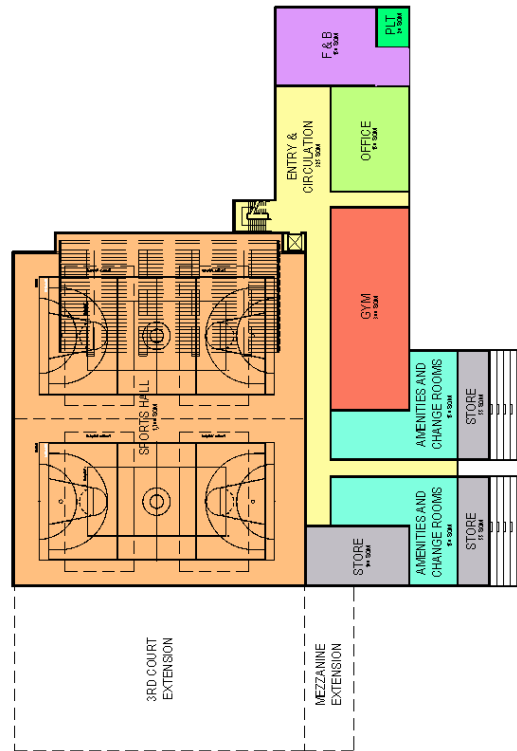
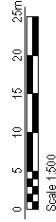
MEZZANINE FLOOR PLAN

SEATING CAPACITY

INDOOR STADIUM	760
GROUND, TIERED	220
GROUND, ON FLOOR	330
MEZZANINE LEVEL	1,370
TOTAL	2,680

RUGBY FIELD

TIERED SEATING	824
----------------	-----



GROUND FLOOR PLAN

OPTION 2B

FLOOR AREA

GROUND FLOOR	3,165
MEZZANINE LEVEL	1,035
TOTAL	4,199

PRELIMINARY

OPTION 2B
 PRELIMINARY
 FOR INFORMATION ONLY
 BALLINA INDOOR SPORTS AND EVENTS CENTRE
 OPTION 2B
 2 COURT WITH FUTURE PROOF FOR 3 FUNCTION SPACE AND TIERED EXTERNAL SEATING

NO.	DESCRIPTION	DATE	BY	FOR
1	ISSUED FOR PERMIT	22/06/12	SK 012	SK 012
2	ISSUED FOR PERMIT	22/06/12	SK 012	SK 012
3	ISSUED FOR PERMIT	22/06/12	SK 012	SK 012
4	ISSUED FOR PERMIT	22/06/12	SK 012	SK 012
5	ISSUED FOR PERMIT	22/06/12	SK 012	SK 012
6	ISSUED FOR PERMIT	22/06/12	SK 012	SK 012
7	ISSUED FOR PERMIT	22/06/12	SK 012	SK 012
8	ISSUED FOR PERMIT	22/06/12	SK 012	SK 012
9	ISSUED FOR PERMIT	22/06/12	SK 012	SK 012
10	ISSUED FOR PERMIT	22/06/12	SK 012	SK 012

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 PH: 02 6621 1111 FAX: 02 6621 1112
 WWW.PDTARCHITECTS.COM.AU

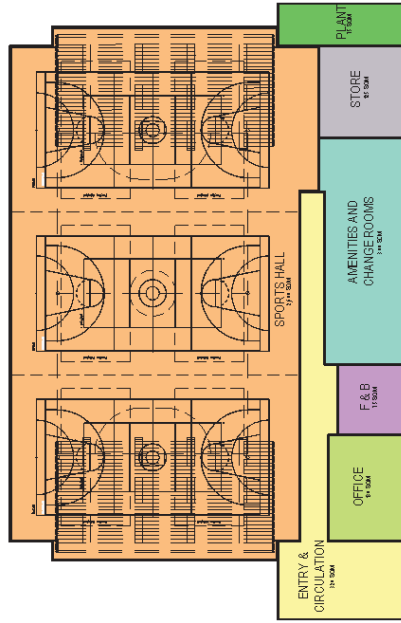
PROJECT NO.	22/06/12
DATE	22/06/12
SCALE	1:500 @ A3
PROJECT	SK 012
DATE	22/06/12
SCALE	1:500 @ A3
PROJECT	SK 012
DATE	22/06/12
SCALE	1:500 @ A3
PROJECT	SK 012

option 3, 3 courts, single level

This option is an expansion to option 1, being a community sports centre. The facility is capable of hosting regional indoor sport competitions along with national league matches but no permanent seating is provided. Trade shows and indoor performances can be accommodated but minimal catering is provided. Finishes can vary from "tin shed" type or precast construction.

- 3 full size courts
- 2 sets of retractable seating
- 2 sets of male and female change rooms
- Canteen
- Office & reception area.
- Fully air-conditioned & mechanical ventilation

Seating Capacity: 1,520
Area (sqm): 3,625
Construction Cost: \$7.8 - \$8.3m



GROUND FLOOR PLAN

OPTION 3

FLOOR AREA
 GROUND FLOOR 3,625
 MEZZANINE LEVEL -
TOTAL 3,625

SEATING CAPACITY
 GROUND, TIERED 1,520
 GROUND, ON FLOOR 440
 MEZZANINE LEVEL -
TOTAL 1,960

PRELIMINARY



DATE: 14/08/2018
 DRAWING NO: 18-00018
 PROJECT: BALLINA INDOOR SPORTS AND EVENTS CENTRE
 SHEET: 1 OF 1

FOR INFORMATION ONLY

NO.	REVISION	DATE



BALLINA INDOOR SPORTS AND EVENTS CENTRE
OPTION 3
3 COURTS
SINGLE LEVEL

NO. 001	DATE	15/08/18	BY	SK
NO. 002	DATE	15/08/18	BY	SK
NO. 003	DATE	15/08/18	BY	SK
NO. 004	DATE	15/08/18	BY	SK
NO. 005	DATE	15/08/18	BY	SK
NO. 006	DATE	15/08/18	BY	SK
NO. 007	DATE	15/08/18	BY	SK
NO. 008	DATE	15/08/18	BY	SK
NO. 009	DATE	15/08/18	BY	SK
NO. 010	DATE	15/08/18	BY	SK

option 4, 3 courts with mezzanine, gym and function rooms

(similar to Logan Metro Indoor Sports Centre)

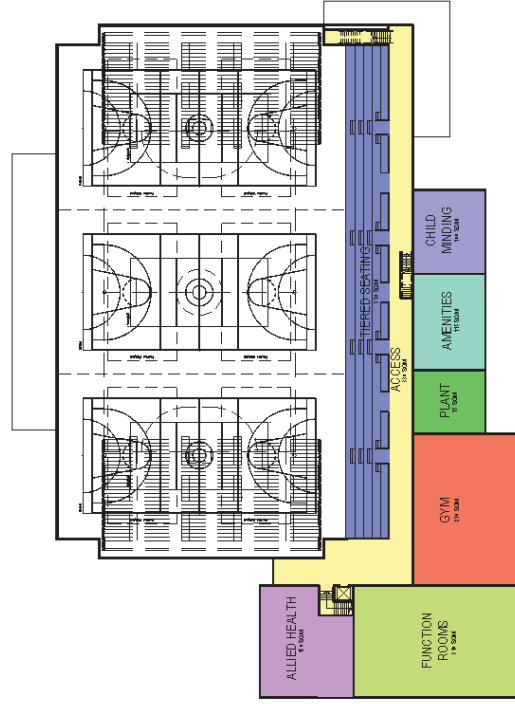
The facility can provide for regional sports and events. The facilities are capable of hosting regional indoor sport competitions with all games being viewed from the permanent mezzanine seating. It also has the capability of being a permanent fixture of a national league. The facility includes a catered function centre with bar. The function centre will have movable internal wall to allow for a fully flexible space that can be 1 large function room or divided up to form 4 individual rooms.

The facility includes a gym, child minding and specialist allied health consulting offices to create a full service regional sporting facility. The gym can be divided up into multi use facility to include a weights room, group fitness rooms and individual work out rooms.

Finishes will be medium to high level quality to be able to accommodate the diverse uses.

- 3 full size courts
- 2 set of retractable seating
- Mezzanine level with tiered seating
- Multi use function rooms space.
- 2 level gymnasium
- Child minding facility
- Allied health consulting rooms.
- 2 sets of male and female change rooms
- Full cook kitchen
- Officials change room and Drug testing room.
- Office & reception area.
- Fully air-conditioned & mechanical ventilation

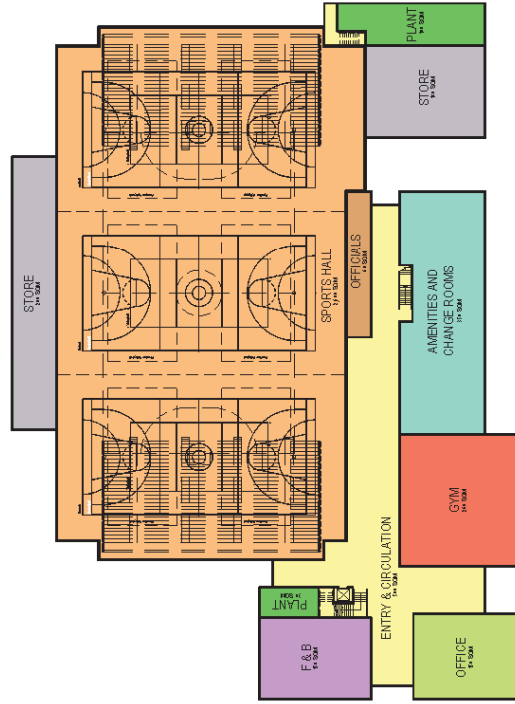
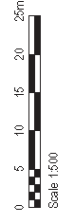
Seating Capacity: 2,310
Area (sqm): 6,300
Construction Cost: \$14 - \$14.5m



MEZZANINE FLOOR PLAN

SEATING CAPACITY

GROUND, TIERED	1,520
GROUND, ON FLOOR	440
MEZZANINE LEVEL	350
TOTAL	2,310



GROUND FLOOR PLAN

FLOOR AREA

GROUND FLOOR	4,580
MEZZANINE LEVEL	1,720
TOTAL	6,300

OPTION 4, SIMILAR TO LOGAN METRO INDOOR SPORTS CENTRE

PRELIMINARY

FOR INFORMATION ONLY

NO.	DESCRIPTION	DATE	BY
1	ISSUED FOR PERMIT	12/03/21	JL
2	ISSUED FOR PERMIT	12/03/21	JL
3	ISSUED FOR PERMIT	12/03/21	JL
4	ISSUED FOR PERMIT	12/03/21	JL
5	ISSUED FOR PERMIT	12/03/21	JL
6	ISSUED FOR PERMIT	12/03/21	JL
7	ISSUED FOR PERMIT	12/03/21	JL
8	ISSUED FOR PERMIT	12/03/21	JL
9	ISSUED FOR PERMIT	12/03/21	JL
10	ISSUED FOR PERMIT	12/03/21	JL

pdt. architects
 BALLINA INDOOR SPORTS AND EVENTS CENTRE
 OPTION 4
 3 COURTS
 2 LEVELS WITH FUNCTION SPACE

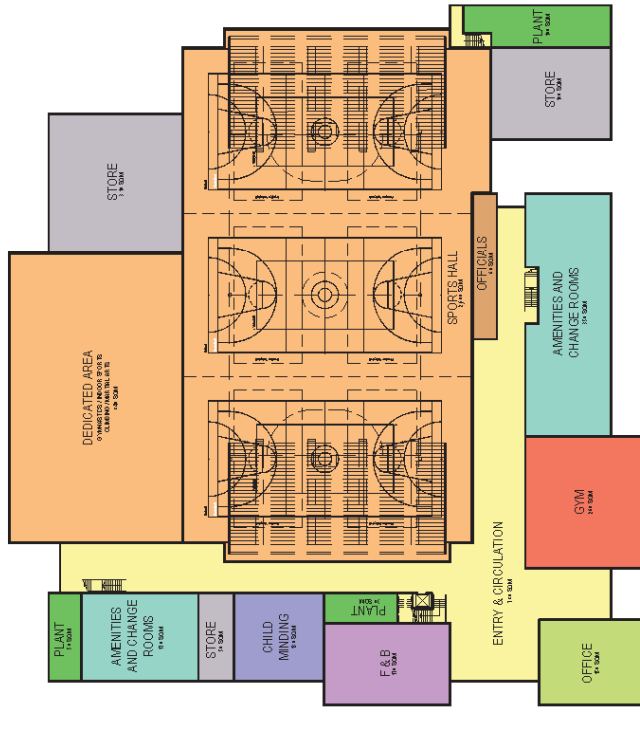
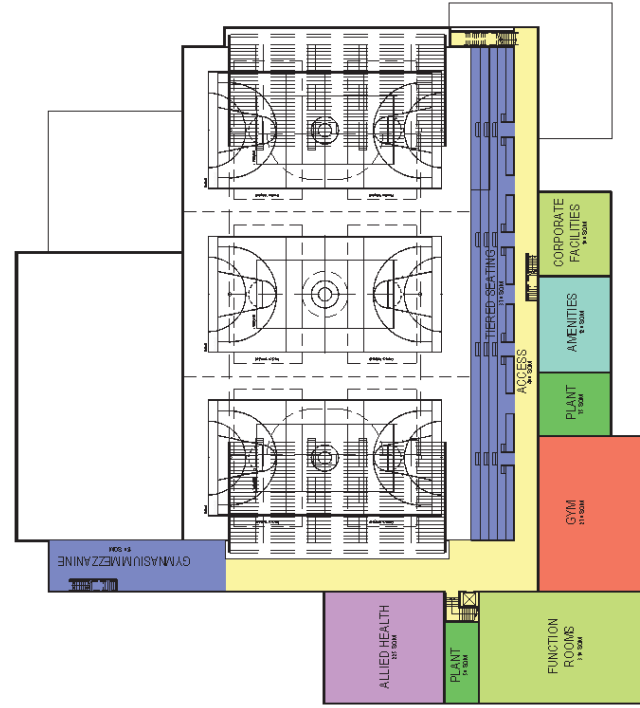
PROJECT NO: 21/01/2021
 DRAWING NO: 54/34 SK/004
 DATE: 12/03/21
 SCALE: 1:500

option 5, 3+1 courts with mezzanine, gym and function rooms.

Along with the benefits of option 4, this facility also include dedicated purpose built facilities for sports including but not limited to gymnastics, indoor sports climbing or martial arts to provide a full range of indoor sporting facilities encapsulating the current popular trends.

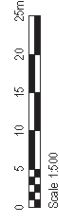
- 3 full size courts
- Dedicated area for Gymnastics, Indoor sports climbing and martial arts.
- 2 set of retractable seating
- Mezzanine level with tiered seating
- Multi use function rooms space.
- 2 level gymnasium
- Child minding facility
- Allied health consulting rooms.
- 3 sets of male and female change rooms
- Full cook kitchen
- Officials change room and Drug testing room.
- Office & reception area.
- Fully air-conditioned & mechanical ventilation

Seating Capacity: 2,360
Area (sqm): 8,300
Construction Cost: \$18.5 - \$19m



SEATING CAPACITY

GROUND, TIERED	1,520
GROUND, ON FLOOR	440
MEZZANINE LEVEL	400
TOTAL	2,360



NO. OF SPACES	NO.	NO.
10,000	1,500 @ 40	500
700	100 @ 10	100
5434	SK 006	1

OPTION 5

FLOOR AREA

GROUND FLOOR	6,230
MEZZANINE LEVEL	2,070
TOTAL	8,300

PRELIMINARY

FOR INFORMATION ONLY

DATE	NO.	DESCRIPTION	DATE
12/12/18	1	ISSUED FOR PERMIT	12/12/18
14/01/19	2	REVISED PER PERMIT	14/01/19
14/01/19	3	REVISED PER PERMIT	14/01/19
14/01/19	4	REVISED PER PERMIT	14/01/19
14/01/19	5	REVISED PER PERMIT	14/01/19
14/01/19	6	REVISED PER PERMIT	14/01/19
14/01/19	7	REVISED PER PERMIT	14/01/19
14/01/19	8	REVISED PER PERMIT	14/01/19
14/01/19	9	REVISED PER PERMIT	14/01/19
14/01/19	10	REVISED PER PERMIT	14/01/19

pdt.
architects

100 RIVERVIEW DRIVE, SUITE 101, BALLINA NSW 2463
PH: 02 6621 1111 | WWW.PDTARCHITECTS.COM.AU

PROJECT OVERVIEW:
BALLINA INDOOR SPORTS AND EVENTS CENTRE
OPTION 5
3 COURTS + 1
2 LEVELS WITH FUNCTION & GYMNASIUM SPACE

option 6, 4 courts with permanent tiered spectator seating.

This option is a further expansion to the "tin shed" model of options 1 & 3 but the primary use of the complex being a community sports centre. The facility is capable of hosting regional and state indoor sport competitions along with national league matches (with additional bump in seating). Permanent bleacher style tiered seating is provided at one end of the sports hall spectators and while good for regional sporting events, additional bump in seating will be required for feature events.. The facility has limited capabilities of hosting trade shows and indoor performances as no air conditioning or mechanical ventilation is provided to the sports hall. A kiosk is also provided for snacks and drinks.

- 4 full size courts
- 2 sets of male and female change rooms
- permanent tiered spectator bleacher style seating
- kiosk
- office & reception area.
- no air-conditioning provided.

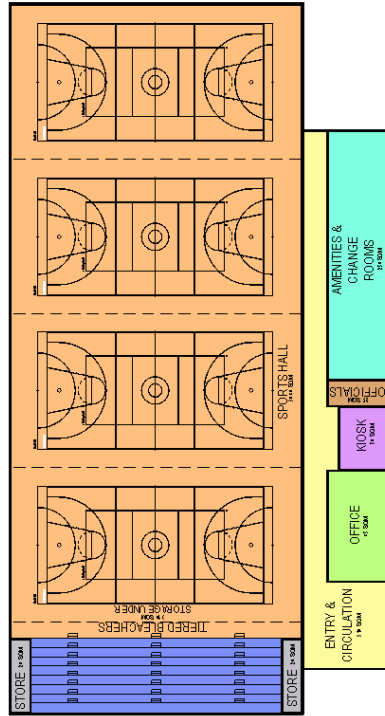
Seating Capacity: 670
Area (sqm): 4,150
Construction Cost: \$7.4 - \$7.9m

options:

- to air-condition the whole complex: \$1.65m
- 1 tiers of retractable seating (1,456 seats): \$400,000 (inc extra floor area to store units)

Note that this is a basic "tin shed" facility primary designed for sporting activity with very limited event facilities. Even with the options above, support spaces would need to be increased to adequately support additional building uses.

Refer to appendix 2 for proposed location of location at Kingsford Smith site.



OPTION 6 - 4 COURT

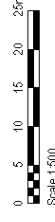
GROUND FLOOR PLAN

OPTION 6

FLOOR AREA
 GROUND FLOOR 4,150
 MEZZANINE LEVEL nil
TOTAL 4,150

SEATING CAPACITY
 GROUND, TIERED 450
 GROUND, ON FLOOR 220
TOTAL 670

PRELIMINARY



for information only

NO.	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL
1	CONCRETE	m ³			
2	STEEL	kg			
3	GLASS	m ²			
4	PAINT	litres			
5	LABOUR	hours			
6	PERMITS				
7	PROFESSIONAL FEES				
8	CONTINGENCY				
9	TOTAL				

PROJECT INFORMATION

PROJECT NAME: BALLINA INDOOR SPORTS AND EVENTS CENTRE
 OPTION 6
 4 COURTS WITH PERMANENT TIERED SEATING

CLIENT: BALLINA SHIRE COUNCIL

ARCHITECT: pdt architects

DATE: 12.04.12

SCALE: 1:500 @ A3

PROJECT NO.: 6-134

SKETCH NO.: SK011

REVISIONS: 2

summary

For the success of a facility and its economic sustainability, it is important that a sporting and events facility has the capability of being highly flexible with the ability of accommodating a wide diversity of events and programmes to provide for a broad cross section of the community. To maximise the benefit to the community as a whole, the centre should extend beyond being simply a sporting venue for one or two sports but needs to offer a full range of highly flexible spaces and services beyond the traditional "tin shed style" sports hall. The centre needs to accommodate functions from a small board meeting, craft and social groups through to live entertainment events, trade shows and national conferences.

A new sports and event centre that is integrated into an existing sporting precinct such as Kingsford Smith Park needs to complement the surrounding sport services. The centre should provide or replace facilities not currently available and not simply duplicating, or facilitating as a standalone entity. It is also important that when integrated into existing sporting facilities, such as the Kingsford Smith site, the scale of the building and the articulation of the building elements needs to be a strong consideration in the building assessment.

The building options analysis matrix on page 5 reviews each of the options in relation to the critical issues noted above. As is illustrated in the matrix, building options 5, 4 and 2b offer the best mix of the desired outcomes. Option 5 for its diverse range of facilities and spaces provided including for rock climbing, gymnastics and martial arts, beyond the those of option 4 which include function rooms, gym, allied health, child minding and multipurpose sports hall. While Option 2b excels by integrating into the existing site by replacing the existing rugby club building, providing new seating, function rooms, bar and change rooms that is accessible by both users of the sports and event centre as well as the surrounding field sports.

The provision of additional facilities of the complex of option 4 and 5 allows for the potential imposing scale of the sports hall to be broken up so as it is not a large, monolithic building as would occur in option 6. The reduced sports hall size in options 2 and 2b with the additional facilities surrounding the sports hall will arguably provide the best integration into the Kingsford Smith site.

To this end, options 5 and 2b offer in different ways, the desired flexibility and range of services desired for an sports and event centre. Option 5 with its provision of highly flexible, broad ranging services that would benefit the whole Kingsford Smith sporting precinct, while option 2b by replacing the old rugby building and providing a well-integrated facility providing combined, highly flexible amenities for both the field and indoor sports. This in turn has the potential of forming a central hub point for the Kingsford Smith sporting precinct. Option 2b also has the flexibility that in view of the master plan of the precinct be designed as stage 1 of a 20+ year plan with final outcome in line with option 5 with minimal impact.

appendices

1. Site plan of option 2b at Kingsford Smith Park.
2. Site plan of option 6 at Kingsford Smith Park.
3. Davis Langdon – indicative cost plan for design options.
4. Starena Australia – retractable seating quote



KINGSFORD SMITH PARK - OPTION 2B

PROJECT BRIEF

FOR INFORMATION ONLY

DATE: 11/08/09
 DRAWN BY: SK 010
 CHECKED BY: SK 010
 SCALE: 1:1000

PROJECT INFORMATION

PROJECT NAME: BALLINA INDOOR SPORTS AND EVENTS CENTRE AND EVENTS CENTRE
 PROJECT NUMBER: 0424 SK 010

PROJECT DESCRIPTION

PROJECT LOCATION: BALLINA INDOOR SPORTS AND EVENTS CENTRE AND EVENTS CENTRE
 PROJECT STATUS: OPTION 2B SITE PLAN

PROJECT CONTACTS

PROJECT MANAGER: SK 010
 PROJECT ARCHITECT: pdt architects

PROJECT APPROVALS

DATE: 11/08/09
 DRAWN BY: SK 010
 CHECKED BY: SK 010
 SCALE: 1:1000



KINGSFORD SMITH PARK - OPTION 6

for information only

NO.	DESCRIPTION	DATE	BY	REVISION
1	ISSUED FOR INFORMATION	15/09/18	SK	1

PROJECT INFORMATION
 BALLINA INDOOR SPORTS AND EVENTS CENTRE AND KINGSFORD SMITH PARK
 OPTION 6 SITE PLAN

CLIENT
 BALLINA SHIRE COUNCIL

DESIGNER
 pdt. architects

DATE
 15/09/18

PROJECT NO.
 6434 SK 013

SCALE
 1:1000

PROJECT LOCATION
 KINGSFORD SMITH PARK, BALLINA NSW

PROJECT STATUS
 FOR INFORMATION ONLY

PROJECT VALUE
 \$1,500,000

PROJECT RISK
 LOW

PROJECT PHASE
 PRELIMINARY DESIGN

PROJECT TYPE
 SPORTS AND RECREATION

PROJECT AREA
 10,000 SQM

PROJECT PERIOD
 12 MONTHS

PROJECT TEAM
 PROJECT MANAGER: SK
 DESIGNER: SK
 CLIENT REPRESENTATIVE: SK

PROJECT CONTACT
 SK
 SK
 SK

Indicative Cost Plan for Design Options



Davis Langdon, an AECOM company

Ballina Indoor Sports & Events Centre
Indicative Cost Plan for Design Options

Indicative Cost Plan for Design Options

Prepared for

Ballina Shire Council

Prepared by

Davis Langdon Australia Pty Ltd
Level 8, 540 Wickham Street, PO Box 1307, Fortitude Valley QLD 4006, Australia
T +61 7 3221 1788 F +61 7 3221 3417 www.davislangdon.com
ABN 40 008 657 289

23 May 2012

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Revision 3 - 23 May 2012

4.6 Community Infrastructure Projects - Priorities

Davis Langdon, an AECOM company

Ballina Indoor Sports & Events Centre
Indicative Cost Plan for Design Options

Quality Information

Document Indicative Cost Plan for Design Options

Ref

Date 23 May 2012

Prepared by Dwayne Beeton

Reviewed by Malcolm Butcher

Revision History

Revision	Revision Date	Details	Authorised	
			Name/Position	Signature
1	11 November 2011	Indicative Cost Plan	Brad Jackson / Technical Director	
2	16 April 2012	Indicative Cost Plan	Brad Jackson / Technical Director	
3	23 May 2012	Indicative Cost Plan	Malcolm Butcher / Director	

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Revision 3 - 23 May 2012

Davis Langdon, an AECOM company

Ballina Indoor Sports & Events Centre
Indicative Cost Plan for Design Options

Table of Contents

Executive Summary	1
1.0 Cost Plan Summary	1
2.0 Inclusions & Assumptions Used in the Cost Plan	1
3.0 Exclusions from the Cost Plan	2

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Revision 3 - 23 May 2012

Executive Summary

This indicative cost plan has been prepared from the documentation provided by PDT Architects for the Ballina Indoor Sports and Events Centre. This document has been prepared to provide indicative costs only for each option presented by the Architect.

The following notes should be read in conjunction with the costs below:

- We have assumed competitive lump sum tendering to appropriate sized builders.
- We have assumed the project is tendered in 4th Qtr 2012 and have priced accordingly.
- The cost plan is for comparative costs and is based on building footprints. It excludes external works, site works and landscaping etc.
- No allowance has been made for GST

1.0 Cost Plan Summary

Option	GFA (m2)	Total Cost Range (Excl. GST)
Option 1	2,410	\$5.0 - \$5.5m
Option 2	3,810	\$8.5- \$9.0m
Option 3	3,625	\$7.8 - \$8.3m
Option 4	6,190	\$14.0 - \$14.5m
Option 5	8,300	\$18.5 - \$19m
Option 6	3,980	\$7.1 – \$7.6m

Option 2B – Demolition	-	\$0.1m
Option 2B	4,190	\$10.2- \$10.7m
Option 2B Total	4,190	\$10.3 - \$10.8m

Option 6 – Rev. A	4,150	\$7.4 – \$7.9m
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Note - Above costs excludes site works.

2.0 Inclusions & Assumptions Used in the Cost Plan

The cost plan includes for the following:

- Architects Drawings 6434 SK 001 – SK 005 (Rev 1) Received on 10 November 2011.
- Architects Drawings 6434 SK 011(Rev. 1) Received on 12 April 2012.
- Architects Drawings 6434 SK 011(Rev. 2) & SK 012(Rev. 1) Received on 22 May 2012.
- The cost plan is reflective of the building footprint only as directed by PDT Architects.
- Design / Construction Contingency of 15%
- The building is Air-conditioned incl. the Sports Hall with the exception of Option 6 & Option 6 Rev. A (Air Conditioning to Office & Multi-Purpose rooms only)
- We have assumed the project is tendered in 4th Qtr 2012.

\\Q:\data\q3\3.0 JOBS\00000 - Ballina Indoor Sports & Events Centre\COST PLAN\22 MAY 2012\Ballina Indoor Sports & Events Centre - Scheme Options 22052012.docx
Revision 3 - 23 May 2012

3.0 Exclusions from the Cost Plan

The cost plan specifically excludes the following:

- GST.
- Legal Fees.
- Demolition to existing buildings (which the exception of Option 2B)
- Works Outside Site Boundaries (unless noted otherwise).
- External works, Site works and Landscaping.
- Disposal of Contaminated Soil.
- Abnormal Ground Conditions.
- Rock Excavation and Disposal.
- Works associated with accommodating future extension to building fabric.
- ESD Initiative allowances.
- Commissioning & Decanting.
- Professional Fees.
- Headwork Charges.
- Latent Conditions, removal /treatment of contaminated material
- Land Acquisition costs.
- Artwork.
- Escalation beyond current programme.
- Stormwater mains external to the site.
- Gas Supply.
- Easements.
- Option 6 excludes re-tractable seating & air-conditioning (Air-con to offices only)

Starena Australia Pty Ltd

ABN 52 090 881 637
Unit 1/16 Jusfrute Drive, West Gosford NSW 2250 Australia
Telephone: +61 2 4323 9092
Facsimile: +61 2 4325 0004
Email: info@starenaaust.com
Web Site: www.starenaaust.com

Thursday 17th November, 2011

PDT Architects
184 Wharf St
Spring Hill, Qld, 4000
Att : Trent Watson

Re: Ballina Sports Centre

Q11-1797

Dear Trent,

We have pleasure in providing ESTIMATION for the supply of **Retractable Seating** for the above project.

Starena is recognised as being the leading supplier of **Retractable Seating** systems at the quality end of the market. **Starena** places a major emphasis on the design of quality engineered telescopic seating systems; each system is fully engineered and certified by an independent engineering consultancy to international standards. We are currently undertaking a number of major Retractable projects throughout Australia and Overseas.

Industry concerns with Telescopic Platforms revolve around several issues:

1. Structural integrity of the System.
2. Quality of finish.
3. Operational characteristics.
4. Seating choices and operational modes.

Starena Telescopic Systems are considered to be graded towards the upper end in quality and reliability when compared to some other competitor products.

Some features not included in other competitor products are:

- Starena uses integral structural steel channel riser member fixed to the vertical deck support members, whereas other competitors use a plywood kicker board which adds nothing to the structural integrity of the System. This approach also is not as aesthetically pleasing to the eye.
- Starena's structural steel riser and nosing is powder coated to the client's nominated colour.
- The Starena System uses deck supports, deck joiners and nosing connectors at nominally 600mm centres, some competitors do not.
- All Starena steel members are powder coated for a long life and an aesthetic finish, some competitor's wet coat.

Starena has an impressive history of **Telescopic Seating System** design; we make no apology for the fact that our Systems can come with a 10 year warranty, subject to annual yearly maintenance.

As with all quality systems, there is a price to pay for a high end, engineered solution, which matches the décor and ambience of the facility.

Recent Completed Projects:

- Adelaide Convention Centre, Australia
- Leibler College, Victoria
- Kardinia College, Victoria
- St. Aiden's College, Brisbane
- The Friends School, Hobart
- Commonwealth Games, New Delhi
- St. Monica's College
- Sydney Catholic Vocational College
- Golden Grove Community Centre
- Anderson Creek, Victoria
- Yeppoon Town Hall, Queensland
- AK Reserve , Perth

Current Projects

- Diamond Creek Stadium, Victoria
- Kuwait Tennis Centre
- Redbank High School, Queensland
- Pacific Hills Christian School , NSW
- Mackillop College, Tasmania
- Stadium Southland, New Zealand
- Ziggo Dome, Amsterdam – 15,000 Seats
- Kiev National Stadium , Ukraine - (EURO 2012) – 70,000 Seats
- LVIV Stadium, Ukraine (EURO 2012) – 35,000 Seats

Internationally the Starena group has become a major seat of choice with installations in recent years totalling in excess of 450,000 seats. Some of these projects include:

- | | |
|--------------------------------------|-------------------------------------|
| • Campo Pequeno Arena – Portugal | • Al Jazeera Stadium – Abu Dhabi |
| • National Stadium – Egypt | • National Aquatic Centre – Ireland |
| • Omagh Stadium – Ireland | • National Aquatic Centre – Hanoi |
| • Ballymena Stadium – Ireland | • Yangzhou Stadium – China |
| • Portladow Stadium – Ireland | • Resch Arena – USA |
| • Jindrichuv Hradec – Czech Republic | • Sears Point – USA |
| • Objednávka – Czech Republic | • Boston University – USA |
| • Ceske Budejovice – Czech Republic | • San Diego University – USA |
| • Opava Stadium – Czech Republic | • Hong Kong Tennis Centre |
| • Asteras Tripolis – Greece | • Start Stadium – Norway |
| • Hala Widowiskowa – Poland | • Kadriog Stadium – Estonia |
| • Sparta Rotterdam – Netherlands | • Benajemi Arena – Spain |
| • Kensington Oval – West Indies | • Aquatic Centre - Vietnam |
| • Cirque Du Soleil – Canada | • Macau Entertainment Centre |
| • Sunderland Pool – England | • Ballymena Showgrounds – Ireland |

To view some installations of our extensive range, as well as other options, please visit our gallery at www.starenaaust.com.

1. Telescopic Seating Quotation Overview

The estimation is based upon the Logan Arena project, and in accordance with the attached Starena drawings

The supply, install and commissioning of a fully motorised platform structure in accordance with the attached drawings.

- 1.1 Seat Type –
- Option 1 - AST 3000 Polymer Seat
 - Option 2 - Polymer Bench Seat
 - Option 3 - Integra T100 Solara Seats

4.6 Community Infrastructure Projects - Priorities

- 1.2 Half steps to all locations as required.
- 1.3 Motorised control of platforms via front mounted plug-in pendant – mounted control box, connected to client supplied three (3)-phase electrical supply.
- 1.4 Polyurethane plywood finish as standard to all platform surfaces, carpet or vinyl options available upon request.
- 1.5 Seat and structure compliance to all relevant Australian / New Zealand Standards.
- 1.6 Powder coated under structure and seat bracket fixings.
- 1.7 Platform width and riser height as noted on drawings supplied.
- 1.8 Handrails as noted.
- 1.9 Side Curtains (not quoted) are optional if required.
- 1.10 Ecoglo safety illumination to aisle locations - optional

2.0 **Financial**

To supply, install and commission the above, including nominated accessories in Aus Dollars, ex GST.

Estimated Price :

Seat Type –

Option 1 - AST 3000 Polymer Seat	QTY 728	\$355,787
Option 2 - Polymer Bench Seat	QTY 728	\$361,343
Option 3 - Integra T100 Solara Seats	QTY 788	\$415,154

Optional

Ecoglo safety illumination to aisle locations	\$8,000
Side Curtains	on request

3. **Product Warranty / Maintenance**

- 3.1 Starena shall provide a warranty for the total seating installation, including all components supplied under this subcontract, against all defects due to faulty materials and workmanship.

The warranty period is to commence at the date of Practical Completion of the contract, for a five-year period.

- 3.2 **Optional Preventative Maintenance Warranty**

The Telescopic Seating System, warranty can be extended to 10 years by entering in a optional maintenance contract which includes annual inspection and routine preventative maintenance check of the system. This is an annual maintenance contract from the Certificate of Completion, costs available upon discussion.

Parts damaged through misuse or abuse, shall be outside of the warranty terms.

4. **Leadtime**

14 – 16 weeks from date of order.

5. Trading Terms

- 25% deposit with order
- 50% against BOL documents ex works
- 12.5% goods to site
- 12.5% net seven (7) days upon commissioning of System.

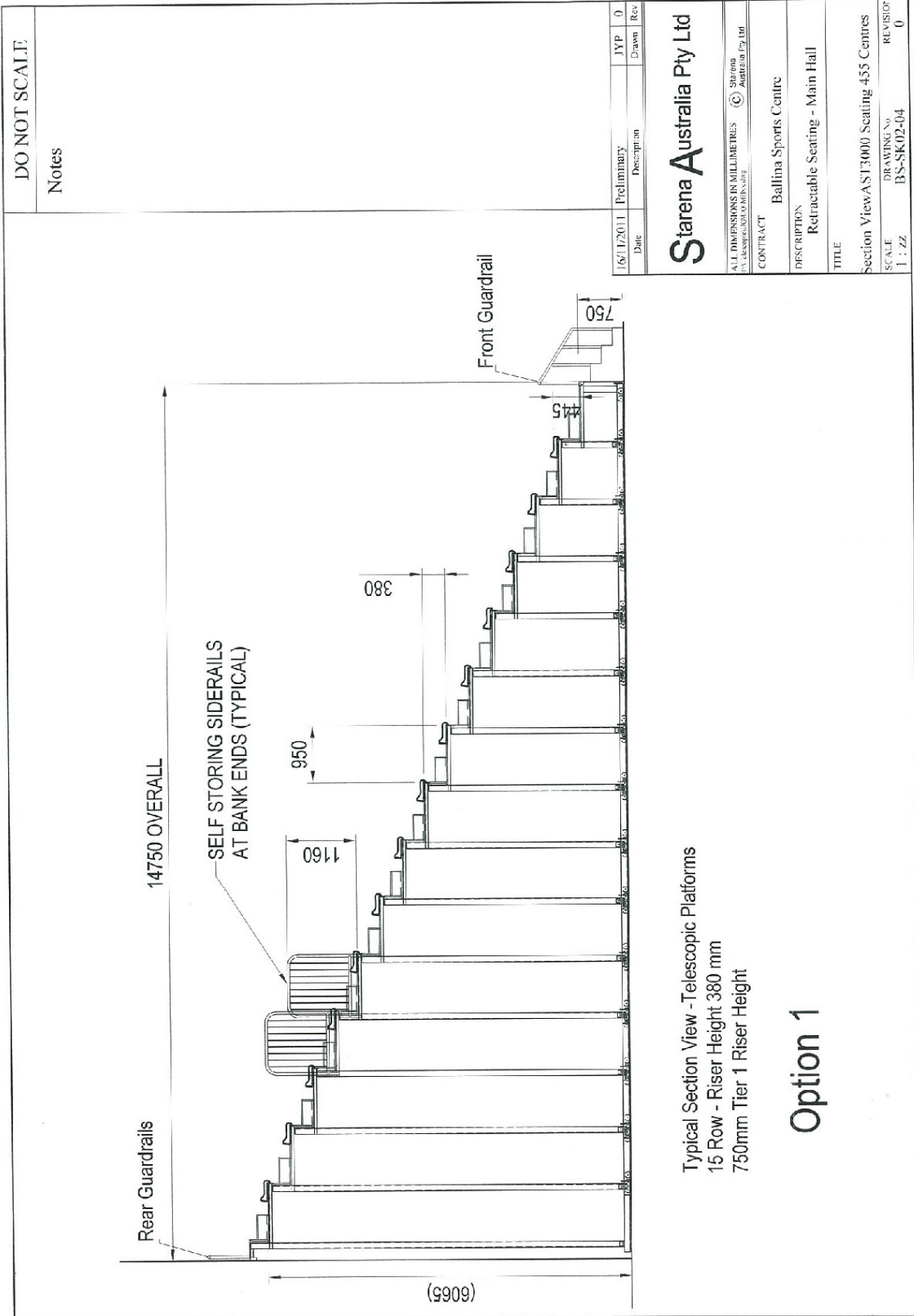
As a Major supplier of Fixed, Telescopic and Demountable Seat Structures in Australasia, Starena brings to this project considerable design, project management and commissioning expertise.

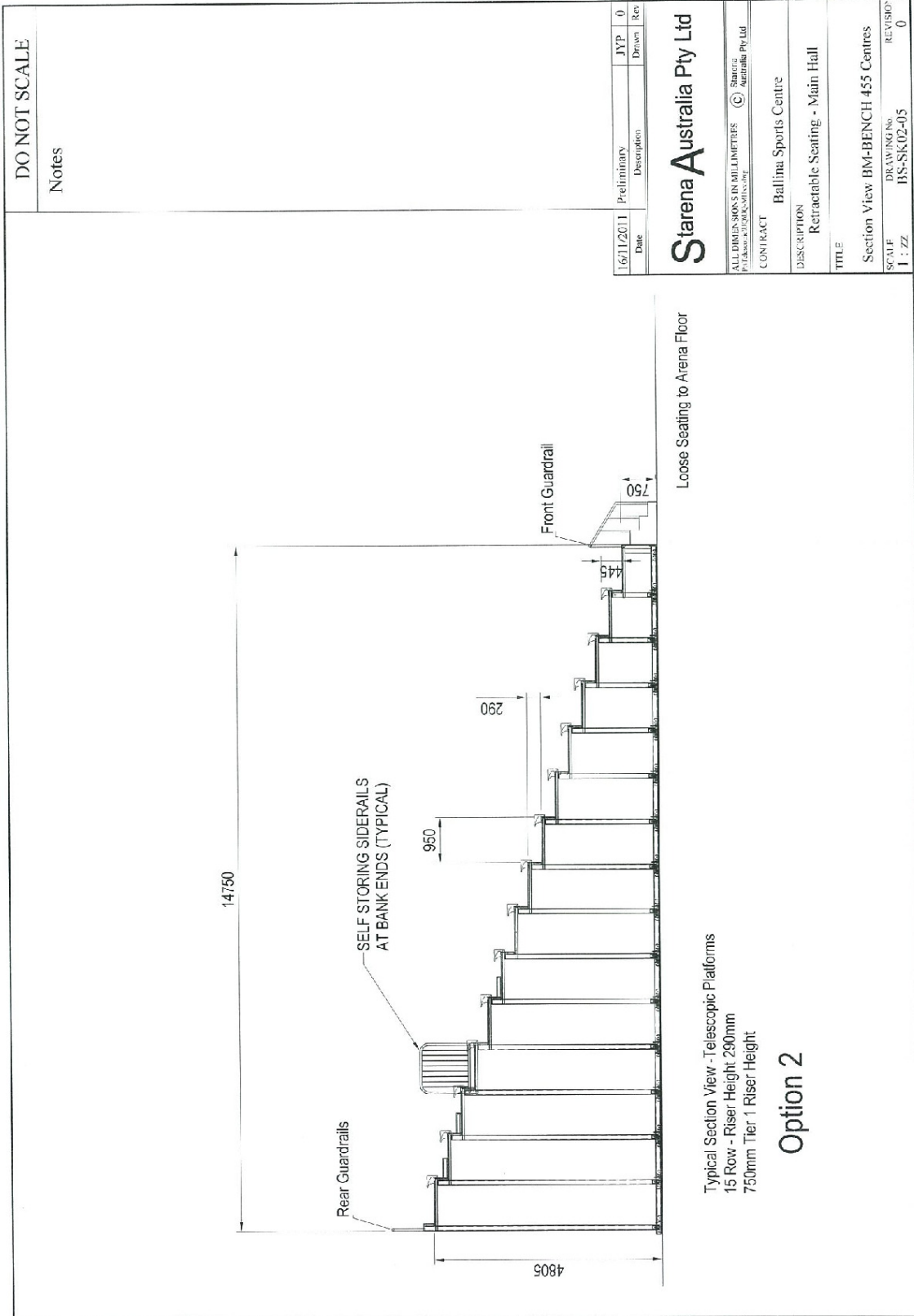
Unlike other possible seating suppliers, with Starena you are dealing with the OEM and not a dealer representative, at arms length to the design and project management process.

Best regards,
Starena Australia Pty Ltd

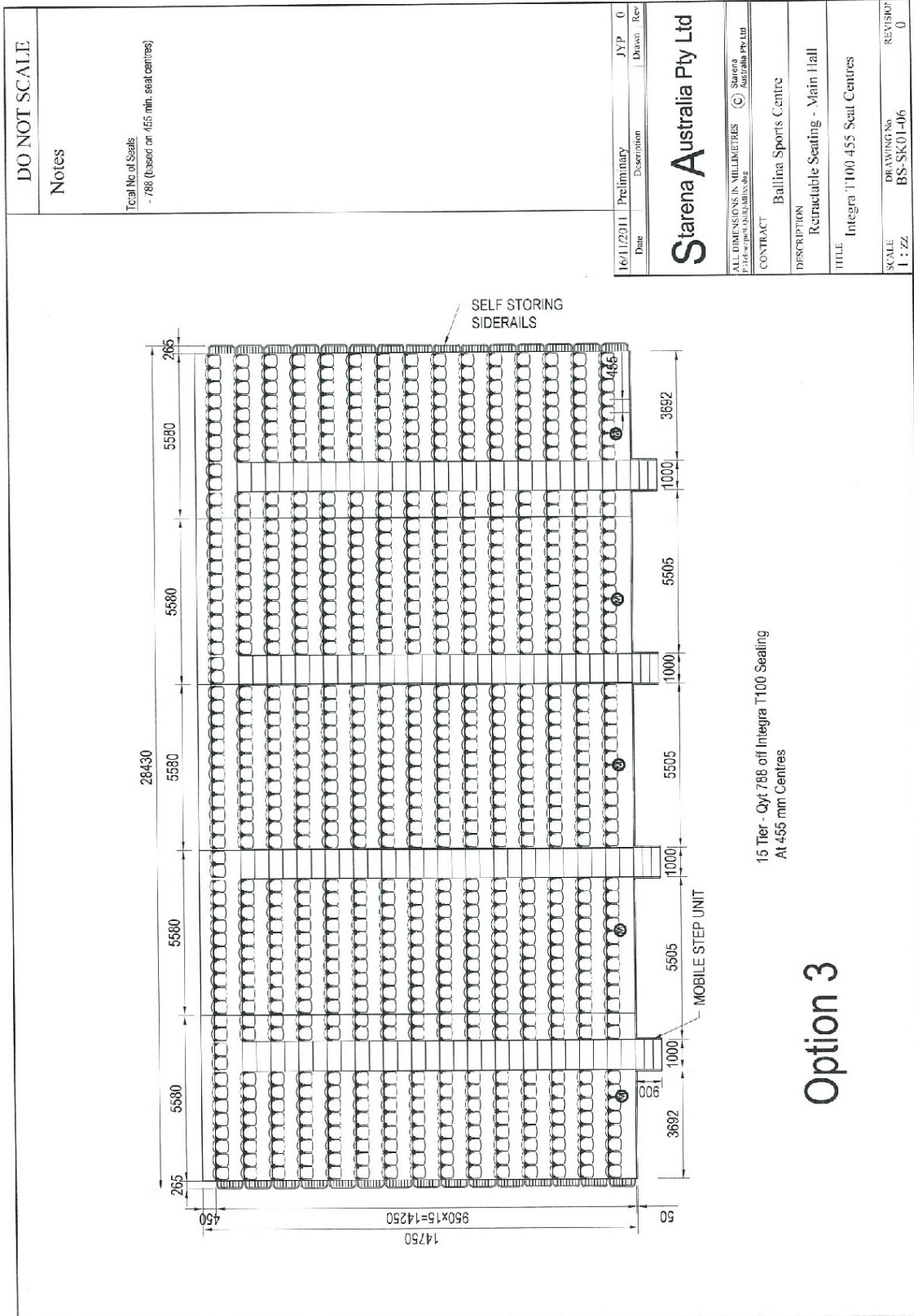


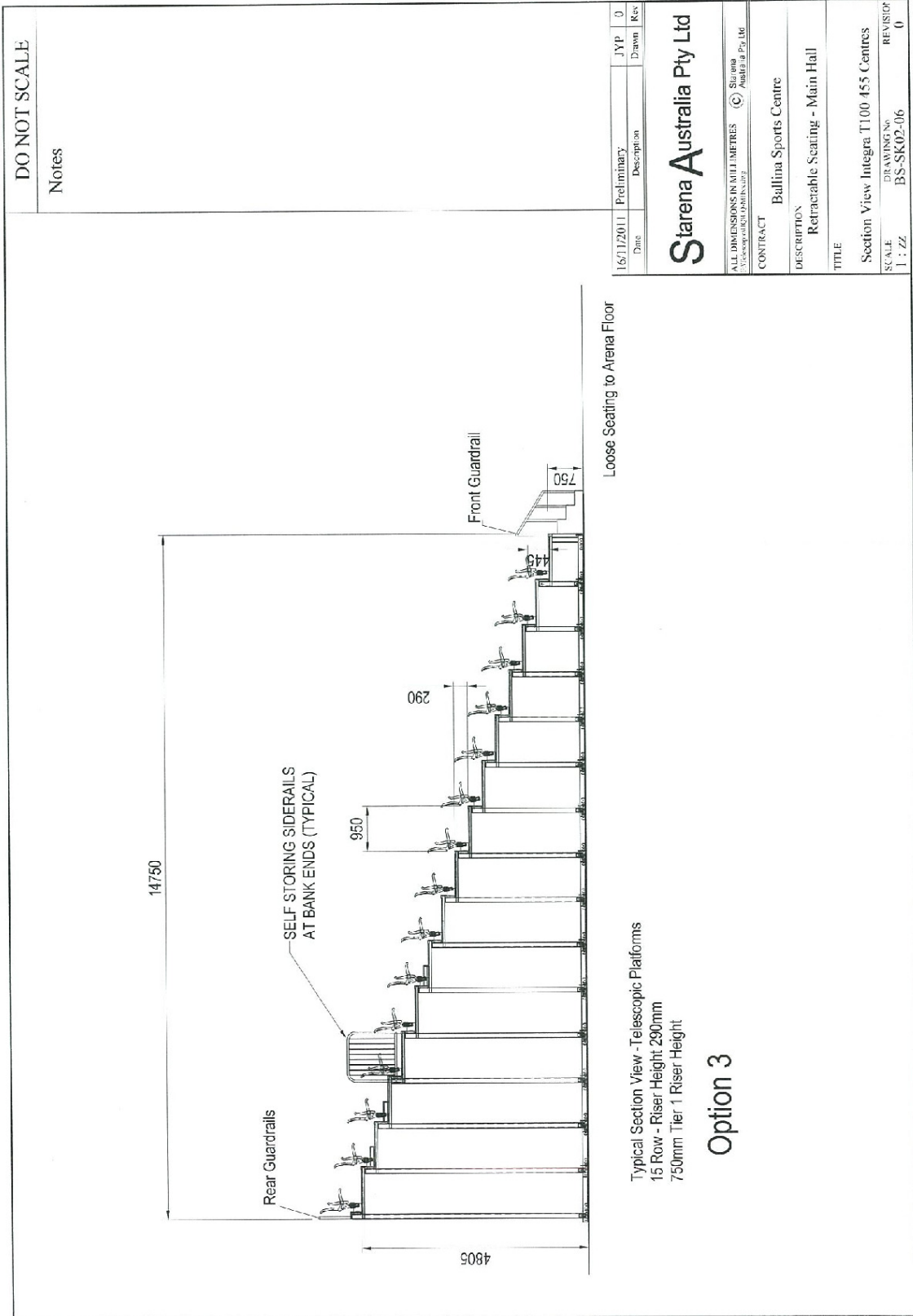
Grant Cawley
Operations Manager





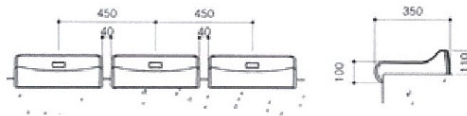
4.6 Community Infrastructure Projects - Priorities





SG AST-3000

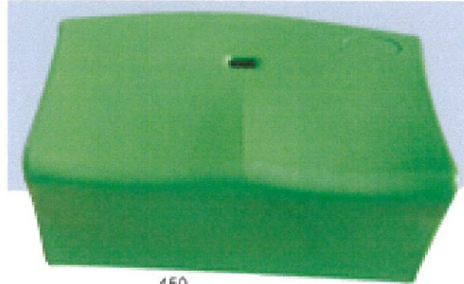
Blow molded
Individual Sports
Bench Seat with
raised back and
variable seat
spacing



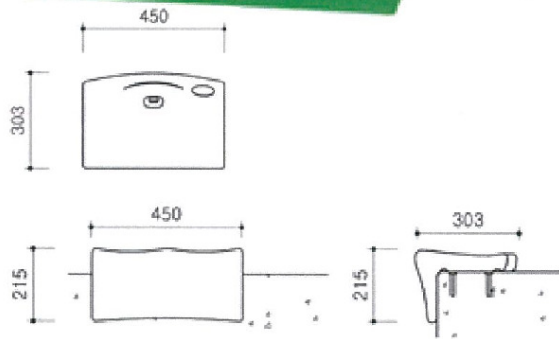
Seat Types

BENCH SEAT OPTIONS

SG AST-2000



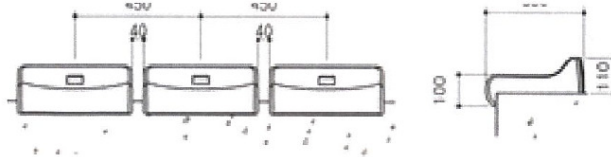
Blow molded individual Sports Bench Seat with variable seat spacing



SG AST-3000



Blow molded Individual Sports Bench Seat with raised back and variable seat spacing



The **Starena** Group



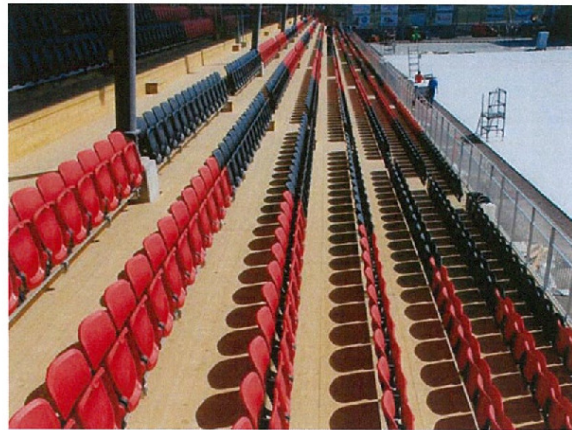
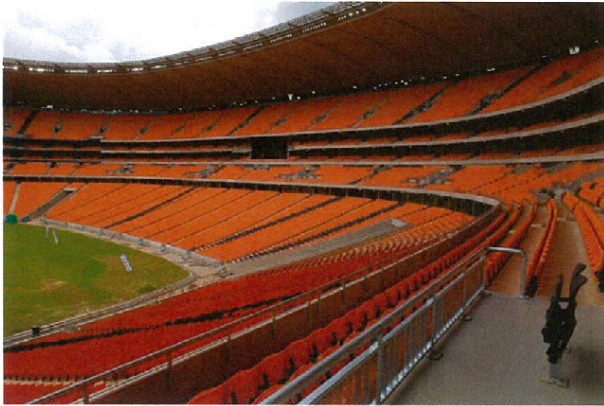
Integra T 100
Polymer Seat and
Back



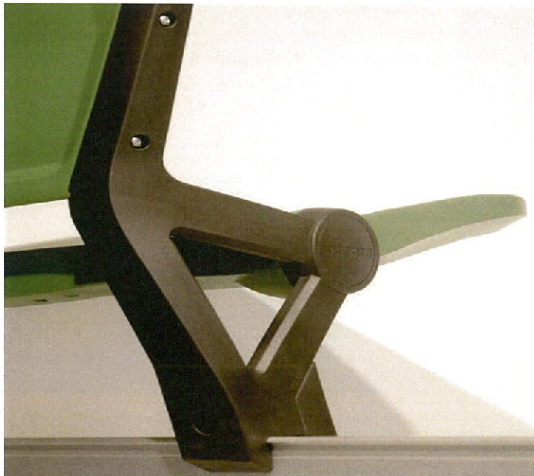
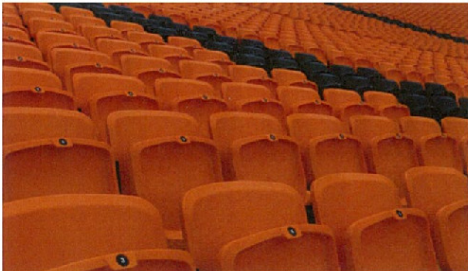
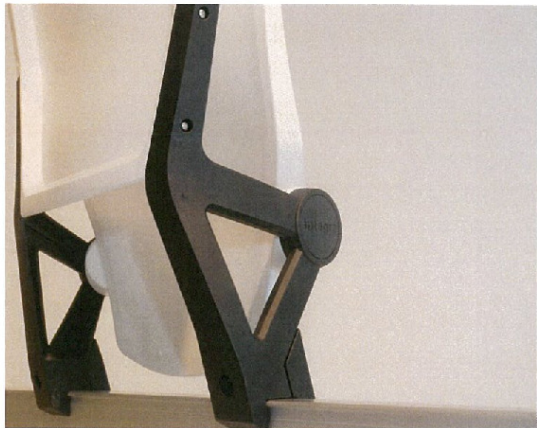
Polymer Seat and Back
With integrated arms



Integra T100 Seats



INTEGRA T100



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