



Notice of Commercial Services Committee Meeting

a Commercial Services Committee Meeting will be held in the Ballina Shire Council Chambers, 40 Cherry Street, Ballina on **Tuesday 18 February 2014 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 stroke underneath.

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 Wollongbar Residential Estate - Sale of Stage One Lots

4. Committee Reports

4.1 Wollongbar Residential Estate - Sale of Stage One Lots

Delivery Program Commercial Services

Objective To seek Council's authority to sell "off the plan" the lots pertaining to Stage One of the Wollongbar Residential Estate.

Background

At the Commercial Services Meeting of 15 October, 2013, Council recommended as follows:

- 1. That, subject to gaining development consent, Council approves the development of stage one of the Wollongbar Urban Expansion development, as outlined in this report, comprising 15 serviced residential lots.*
- 2. That Council take immediate steps to clear the land.*
- 3. That the lot layout be reviewed in respect to the impact of the teak tree on the three current lots.*

This recommendation was subsequently adopted at the October 2013 Ordinary meeting.

The objective of this report is to provide Councilors with an update on the progress of the project and seek Council's authority to sell Stage One lots "off the plan".

Key Issues

- Progress
- Teak tree
- Lot pricing and marketing

Information

On 24 October, 2013, Stage One, located on the corner of Rifle Range Road and Plateau Drive was granted development consent (DA 2013/302) to create 15 serviced residential Torrens title lots.

Clearing on the site took place in November 2013 to remove noxious and other vegetation in accordance with the relevant development consent conditions. Removal of the bamboo has been problematic, however the contractor engaged to remove the vegetation recently sprayed as a further step to eradicate the bamboo.

4.1 **Wollongbar Residential Estate - Sale of Stage One Lots**

Consultants Newton Denny Chapelle (“NDC”) has completed detailed design and documentation for Stage One. Tenders have been called and closed to undertake development of Stage One and this matter will be reported to Council at the February 2014 Ordinary meeting.

The tender prices have not been released publicly however they are below the budget estimates for the project. Details will be available at the February Ordinary meeting.

Assuming Council resolves to accept a construction tender at the February meeting and a civil construction certificate is issued, construction works could commence in March and be completed by August 2014 (subject to weather).

In accordance with point three of the October 2013 Council resolution, NDC was instructed to review the Stage One lot layout, with and without a large teak tree that has remained onsite. Their advice is as follows:

- Removal of the teak tree would enable Lot 5 to be split into two lots, thus creating an additional lot for Stage One.
- With or without the teak tree, it is difficult to reconfigure the lot layout of Stage One due to the configuration of the site and the fact that the lots will be serviced by a cul-de-sac road. Wherever the road is shifted to, it will have a positive and negative impact on lots. The current location of the cul-de-sac road is considered to be the “line of best fit”.

In regards to the teak located on site, Condition 36 of DA 2013/302 requires the teak tree to be retained.

Following removal of the noxious vegetation from the site, NDC, under instructions from Council, requested Blackwood Ecological to re-inspect the teak tree, comment on its health and the suitability for retention in the proposed development.

Blackwood Ecological undertook the initial ecological assessment of the site for the development application. Upon re-inspection of the teak tree, Blackwood’s arborist advises that the tree “can survive in good condition for up to 50 years, provided that impacts within the Tree Protection Zone (TPZ) are managed appropriately”. The arborist recommends that the dead limbs on the tree be pruned, and that the tree be retained.

A copy of the Blackwood Ecological report is included as **Attachment One**.

Should Councillors still wish to pursue removal of the teak tree a resolution will need to be passed instructing staff to lodge a Section 96 Application.

In regards to placing the Stage One lots on the market for sale “off the plan”, HTW Property Valuers and Consultants were requested to assess asking prices for the proposed lots “as if complete”; i.e. “on completion” of development works.

The asking prices attributed to the proposed lots are as follows and are based upon a review of the “on completion” values assessed in the HTW Feasibility Assessment Report of 10 September, 2013 and presented to the Commercial Services meeting of 15 October, 2013.

4.1 Wollongbar Residential Estate - Sale of Stage One Lots

A copy of HTW's assessment is contained in **Attachment Two**.

HTW – Recommending Selling Prices

Lot No.	Site Area (m ²)	Asking Price \$/m ²	Asking Price \$	Comments
1	861	\$238	\$205,000	Corner lot; moderate slope
2	817	\$251	\$205,000	Two street frontages, moderate to gentle slope
3	809	\$253	\$205,000	Two street frontages, moderate to gently sloping.
4	780	\$263	\$205,000	Backs onto roundabout; gently sloping.
5	1,458	\$175	\$255,000	Level site, two street frontages; encumbered by teak tree.
6	837	\$239	\$200,000	Level triangular shaped site
7	775	\$271	\$210,000	Level triangular shaped site
8	680	\$324	\$220,000	Level site
9	666	\$345	\$230,000	Level site
10	626	\$367	\$230,000	Level site
11	627	\$367	\$230,000	Level to gently sloping site.
12	650	\$354	\$230,000	Gentle to moderately sloping site.
13	890	\$247	\$220,000	Moderately sloping site.
14	879	\$222	\$195,000	Corner site, moderately sloping.
15	798	\$238	\$190,000	Moderately to steep sloping site, access off Plateau Drive.
Total			\$3,230,000	

The “as if complete” asking prices are considered fair and reasonable.

The “as if complete” values attributed to the lots in HTW's previous report totaled \$3,040,000 (inclusive of GST).

In regards to marketing the lots the following plan is proposed.

- a. Instruct one of Council's panel solicitors to prepare sale contracts for each of the fifteen lots.
- b. Offer general selling agreements to all local real estate agents with Commercial Services acting as co-ordinator. Commission rate offered to agents; 3.00% + GST of selling price payable upon settlement of contracts.

4.1 Wollongbar Residential Estate - Sale of Stage One Lots

- c. Erect a for sale board on site directing enquiries to Council's website and all local agents.
- d. Provide information package to all local agents who apply for a general agency agreement.
- e. Place asking prices, lot layout and other information on Council's website.

It is not proposed to run an advertising campaign through the media. Stage One enjoys a high profile location. The commission rate offered to agents should encourage them to promote the project through their respective web resources.

Legal / Resource / Financial Implications

Legal

Contracts for sale for each of the proposed lots will be prepared and available prior to the lots being offered for sale "off the plan".

Resources

Commercial Services is adequately resourced to co-ordinate the sale campaign for Stage One.

Financial

The tender prices received for Stage One are within budget and the asking prices for lots are in excess of previous estimates. Assuming favourable market conditions prevail, the project is viable and should provide a sound economic return to Council.

Consultation

The sale of lots will be through an open process.

Options

1. If Council wishes to pursue removal of the teak tree on proposed Lot 5 of Stage 1, it should do so by resolving to lodge a Section 96 Application accordingly. Until such time as this matter was resolved, Lot 5 would then be withdrawn from sale. This option is not recommended due to the external report included as an attachment to this report.
2. Council resolves to place the lots pertaining to Stage One on the market for sale by private treaty at the asking prices as assessed by HTW. If option one was supported this option could still proceed subject to the removal of Lot 5.

To allow this project to advance to the next stage option two is recommended.

In situations such as this the Council may, at times, also provide the General Manager with a delegated authority to negotiate a sale price within certain parameters. That delegation range would need to be confidential to ensure it was not available to any prospective purchaser. At this point in time the preference is not to provide any flexibility in the selling prices, primarily as it is early days and we are proposing to sell "off the plan".

4.1 Wollongbar Residential Estate - Sale of Stage One Lots

Dependent on the market reaction a future confidential report may be required to provide that delegation if it is considered that it would assist with sales.

RECOMMENDATIONS

1. That Council approves the sale “off the plan”, by private treaty, of the 15 lots identified in Stage One of the Wollongbar Residential Estate”, as per the prices provided in the HTW report included as an attachment to this report.
2. The General Manager is authorised to execute general agency agreements with any local agent seeking a listing to sell the lots pertaining to Stage One at a commission rate of 3.00% + GST payable upon settlement of contracts.
3. The Council seal is authorised to be attached to the sale contracts and any associated documents.

Attachment(s)

1. Wollongbar Teak Tree Report
2. Wollongbar Urban Expansion Area - HTW Report on Asking Prices

Tree Report

Teak Tree Plateau Rd Wollongbar

Report compiled by
Northern Tree Care
Po Box 81, Burringbar NSW 2483.
Ph 0414186161
24th January, 2014.



Client: Blackwood Ecological
Cnr Rifle Range Rd and Plateau Rd. Compiled by Northern Tree Care. 24th January, 2014.

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1. Introduction

Ballina Shire Council is undertaking the development of a subdivision in Plateau Rd Alstonville. A mature aged Teak *Flindersia australis* is growing in the proposed development at the corner of Rifle Range Rd and Plateau Rd. The tree is a significant tree and this report has been requested by Blackwood Ecological Services to look at the suitability of the tree for retention in the development.

The tree was inspected on 11th November, 2013 and a letter describing the tree was provided to Blackwood Ecological (see Attachment 3. Letter to Blackwood Ecological). The tree was inspected again on 22nd January, 2014.

This report was compiled by Peter Gray Dip Hort (Arb) of Northern Tree Care. Peter Gray is an arborist with over 15 years experience. He has been providing tree reports for Local Government, State Government and private clients for over 15 years and is a registered member of Arboriculture Australia. The information contained in this report is true and accurate to the best knowledge of the author. Best professional judgement was used to make the recommendations contained in this report.

The information in the report is derived from a site visit conducted on 11th November, 2013 and information provided by Blackwood Ecological. The meeting was attended by and Peter Gray from Northern Tree Care and Mark Free from Blackwood Ecological. The tree was also inspected on 22nd January, 2014 after the Bamboo and Jacarandah trees had been removed.

This report relies on this information and assumes it is true and accurate.

This report should be read as a whole.

2. Scope

Ballina Shire Council is developing land for residential living in Plateau Rd, Alstonville. A mature aged Teak tree is growing on the site.

This report describes the tree and reports on the suitability of the tree for retention in the development. The tree was inspected on 11/11/13 and again on 22/1/14.

The tree was assessed visually from the ground. The DBH was measured with a girthing tape and height of the trees was measured with an inclinometer.

Trees A ~ Z (Barrell J. 2006) was used to determine whether the tree should be considered important or not.

3. Description

The land is flat and the soil is red krasnozem that is considered to be deep fertile soil suited to growing trees. There is a stand of Bamboo growing next to and under the tree (see Attachment 1. Aerial Photo). The tree branches at 1.5m and forms a crown low to the ground. There are 8 major branches arising from 1.5m to 3m.

At the time of the first inspection the stand of bamboo was growing around and up into the tree. At the time of the second inspection the bamboo and several Jacaranda trees had been removed from around the tree (see Attachment 2. Plate 1). The bamboo is regrowing from the roots. The removal of the vegetation surrounding the tree enabled a more comprehensive assessment of the tree carried out on 22/1/14.

The tree was measured as being 18m high with a diameter at breast height (DBH) of 1160mm and a crown spread of 20m. The Tree Protection Zone (TPZ) is given as 14m (AS 4970-2009 Protection of trees on development sites).

There are approximately 20 branches from 75 to 200mm that have died (see Attachment 2. Plate 2). It is considered likely that the competition from the bamboo has contributed to the death of the branches. There is some sunburn and decay in the tops of 3 major branches. The decay area has occluded and the damage to the branches is stabilizing (see Attachment 2. Plate 3).

There is new growth occurring in the tips of the tree following the removal of the bamboo and the tree is in good condition (Mattheck C. 2003). The increased light and decreased competition from the bamboo is likely to lead to the tree developing a more leafy canopy over time.

The tree is protected by Ballina Shire Council's Development Control Plan 2012. 2a Vegetation Management.

Large mature aged Teak trees are relatively rare and this tree provides considerable visual, ecological and historic amenity to the area.

The tree is considered to be an important tree (Barrell. 2006).

4. Appraisal and Recommendations

The tree is a mature aged tree that is near the corner of Rifle Range Rd and Plateau Rd. It can be clearly seen at the entrance to the subdivision and is a relatively rare example of a mature aged Teak tree. It is considered that the tree can survive in good condition in the long term and up to 50 years provided that impacts within the TPZ are managed appropriately.

The tree is in good condition and is considered to be a significant important tree. It is the recommendation of this report that the tree be retained in the proposed subdivision where its retention is consistent with the objectives of the proposed development.

If the tree is retained it is recommended that the dead branches be pruned off in accordance with the Australian Standard AS4373-2007 Pruning of amenity trees. The aesthetic appeal of the tree will be enhanced by the removal of the dead limbs. The pruning should be carried out by an arborist qualified to a minimum AQF 3. The bamboo regrowth in the TPZ should be poisoned with a herbicide that will not persist in the soil and in such a way as to minimize any damage to the root system of the tree.

It is recommended that the tree be protected in accordance with the recommendations of AS4970-2009 Protection of trees on development sites. This would largely involve the removal of the bamboo from the TPZ and the prevention of any works in the TPZ as outlined in 5. Tree Protection below.

5. Tree Protection

The aim of the tree protection measures is to allow for the construction of the development and retain the trees in a safe viable state. It is critically important for the viability of the trees that any damage or stress to the trees during construction is minimised. The Australian Standard AS 4970 Protection of trees on development sites makes recommendations for the protection of trees on development sites. The standard recommends that an area around the tree be protected based on the DBH of the tree calculated as $12 \times \text{DBH}$ (Draper 2009). Encroachments may be made into the Tree Protection Zone where significant damage is not caused to the roots or canopy. The standard recommends that the roots in the Structural Root Zone not be damaged as they are required for the stability of the tree.

The area identified as the TPZ should be protected during construction works. The Australian Standard AS 4970 - 2009 Protection of trees on development sites makes recommendations for the protection of trees on development sites. Certain activities are recommended to be restricted in the TPZ. These include:

- machine excavation including trenching
- excavation for silt fencing
- cultivation
- storage
- preparation of chemicals, including preparation of cement products
- parking of vehicles and plant
- refuelling
- dumping of waste
- wash down and cleaning of equipment
- placement of fill
- lighting of fires
- soil level changes
- temporary or permanent installation of utilities and signs, and
- physical damage to the tree.

A temporary fence should be erected around the TPZ. Types of suitable fencing include chain wire mesh panels held in place with concrete feet.

The tree protection measures should be supervised by the project arborist.

6. Disclaimer

The information contained in the report is true and accurate to the best knowledge of the author. Best professional judgement was used to make recommendations. However no responsibility is taken by the authors of this report for any action which might be taken in reliance on it.

This report remains the property of the authors and Blackwood Ecological Services. It may not be used or reprinted without their express permission.

Peter Gray agrees to be bound by the Expert Witness Code of Conduct.

7. Bibliography

Australian Standards, AS4373-2007. Pruning of amenity trees. StandardsAustralia. Sydney.

Australian Standards, AS4970-2009. Protection of Trees on Development Sites. StandardsAustralia. Sydney.

Barrell J. 2006. Workshop Manual Trees on Construction Sites. Barrell Tree Consultancy. Brisbane

Draper D. Richards P. 2009. Dictionary for Managing Trees in Urban Environments. CSIRO Publishing. Collingwood.

Mattheck C. Breloer H. 2003. The Body Language of Trees. TSO. London.

8. Attachment 1. Aerial Photo

Aerial Photo of the proposed subdivision. The photo was taken before the bamboo and other trees were removed.



9. Attachment 2. Plates

Plate 1 Bamboo and Jacarandah regrowth



Plate 2 Dead branches in the crown



Plate3 Sunburn and decay on the tops of 3 major branches



10. Attachment 3. Letter to Blackwood Ecological



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PO Box 81
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Ph 0266 771697 0414186161 ABN 73 674526681

Northern Tree Care
Consulting Arborist
and
Tree Surgeons
www.northerntreecare.com.au

11/7/13

Blackwood Ecological
PO Box 336
Bangalow 2479

Re: Teak tree at Wollongbar.

Dear Mr. Free,

I inspected a Teak tree *Flindersia australis* at the corner of Rifle Range Road and Plateau Drive, Wollongbar today with you.

The tree is growing on land planned to be subdivided for residential housing. The land is flat with red krasnozem soil. There is a stand of bamboo growing next to and under the tree. The tree branches at 1.5m and forms a crown low to the ground. This indicates the tree grew up in the open as a 'paddock tree'.

The tree is a large old mature tree. The DBH of the tree is 1180mm, height of approximately 20m and a canopy spread of 20m. The tree is in good condition. There are a number of dead branches in the tree up to 100mm in diameter. The dead wood in this species of tree does not decay readily and the dead branches in the tree are likely to have been there for 5 years or more. A sounding taken of the trunk and branches indicated that there is little decay in the trunk and major branches of the tree. It is estimated that this tree could grow in good condition for at least another 50 years.

The Australian Standard AS 4970 - 2009 makes recommendations for the protection of trees on development sites. The standard seeks to protect an area around the tree that includes the canopy. The Tree Protection Zone (TPZ) is calculated to be 14.1m from the outside of the base of this tree.

Large mature Teak trees are relatively rare and so this tree is considered to be important in the local environment (Barrell 2006).

In our opinion the tree should be retained and protected where that is consistent with the objectives of the development. The area that should be protected is the TPZ.

If you require further information or clarification please contact Peter Gray on 0414186161.

Regards

Peter Gray Dip Hort (Arb).

4.1 Wollongbar Residential Estate - Sale of Stage One Lots

9 February 2014



Paul Tsikleas
Commercial Services Manager
Ballina Shire Council
Cherry St
BALLINA NSW 2478

Our Ref: NNC085294 -1

Dear Paul

Re: Asking Prices – Subdivision of Part Lot 5 Plateau Dr, Wollongbar

We refer to your recent instructions to undertake a review of the proposed allotments "as if complete" assessment completed in September 2013 and set asking prices for the lots to be used for the marketing of the abovementioned subdivision.

The full description of the subdivision is contained in our detailed valuation report which is dated 10 September 2013 (our reference NNC082537). This assessment must be read in conjunction with our previous full report and is considered to form part of the previous report.

In accordance with your instructions, our assessment of asking prices is presented in a brief letter format. A detailed report can be prepared based on the receipt of further instructions. In order to set asking prices, we have analysed further sales evidence for individual allotments situated within the Wollongbar Urban Expansion Area. The sales evidence is discussed in the following section of the letter.

Sales Evidence

There have been no further sales in the adjoining Killarney Park Residential Estate, Stage 1, which consists of 6 lots, still has one lot remaining with an asking price of \$170,000. The sales detailed within this estate indicate the value tolerance for the subject lots with Plateau Dr frontage. The reported sale details (land yet to be registered) to date as noted in our previous report are as follows:

Lot No.	Address	Area (sqm)	Lot Type	Sale Date	Sale Price
2	Plateau Dr	600	Standard	1/08/2013	\$165,000
3	Plateau Dr	600	Standard	1/08/2013	\$170,000
4	Plateau Dr	601	Standard	1/08/2013	\$170,000
1	Plateau Dr	800	Duplex	1/08/2013	\$235,000
6	Plateau Dr	616	Standard	1/08/2013	\$165,000

Recently, stage 1 of a subdivision called Spring Creek Place Estate which is situated to the north of the subject subdivision was released. The estate benefits from the Land Buyers Subsidy Scheme.

The estate has had a good response with higher priced allotments compared to the nearby Wollongbar Park Estate subdivision. This is due to the larger size of the allotments and that the majority of the lots have been tiered with rock retaining walls to create level building sites. The lots are situated on Spring Creek Pl, which is a quiet cu de sac. To date, a total of 13 allotments have been sold in the Spring Creek Place Estate. Stage 1 has a yield of 30 lots.

NSW Far North Coast

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4.1 Wollongbar Residential Estate - Sale of Stage One Lots



The sale prices in Spring Creek Place Estate (since our previous valuation) are summarised as follows:

Lot No.	Address	Area (m ²)	Lot Type	Sale Date	Sale Price
*12	Spring Creek Pl	1050	Standard	11/10/2013	\$250,000
29	Spring Creek Pl	1379	Standard	15/11/2013	\$270,000
21	Spring Creek Pl	966	Standard	1/12/2013	\$220,000
17	Spring Creek Pl	771	Standard	2/12/2013	\$205,000
13	Spring Creek Pl	895	Standard	15/12/2013	\$250,000
25	Spring Creek Pl	1581	Duplex	15/12/2013	\$310,000
*11	Spring Creek Pl	1078	Standard	1/01/2014	\$245,000
24	Spring Creek Pl	1092	Standard	1/01/2014	\$265,000
16	Spring Creek Pl	764	Standard	1/01/2014	\$205,000
22	Spring Creek Pl	995	Standard	1/01/2014	\$265,000

In addition to the above sales there has only been one recent comparable sale since our previous valuation in the Avalon Estate. This estate is located directly opposite the subject development on the northern side of Rifle Range Rd.

The sale is summarised as follows:

Lot No.	Address	Area (m ²)	Lot Type	Sale Date	Sale Price
1	2 Woodbury Pl	564	Standard	19/11/2013	\$195,000

There have been several sales within the Wollongbar Park Estate. The lower sales prices are reflective smaller size and moderately sloping topography of the lots, with the higher sale prices being for lots with a more level and usable land content.

The sales prices in Wollongbar Park Estate (since our previous valuation) are summarised as follows:

Lot No.	Address	Area (m ²)	Lot Type	Sale Date	Sale Price
55	Plateau Drive	600	Standard	Reported	\$165,000
*39	Bolwarra Circuit	564	Standard	21/10/2013	\$185,000
*41	Bolwarra Circuit	653	Standard	31/10/2013	\$210,000
*48	Bolwarra Circuit	544	Standard	5/11/2013	\$165,000
45	Bolwarra Circuit	674	Standard	5/11/2013	\$180,000
51	Quandong Place	545	Standard	Reported	\$218,000
28	Callicoma Court	663	Standard	Reported	\$175,000
61	Bolwarra Circuit	650	Standard	Reported	\$190,000
59	Bolwarra Circuit	676	Standard	Reported	\$162,000
60	Bolwarra Circuit	605	Standard	Reported	\$162,000

* Denotes sale subject to the Wollongbar Urban Expansion Area Land Buyers Subsidy Scheme.

4.1 Wollongbar Residential Estate - Sale of Stage One Lots



Sales Commentary and Considerations

The recent sale detailed within the Avalon Estate is considered to be the relevant in terms of assessing the asking prices for proposed lots 1 to 4, 6, 7, 14 and 15.

There have been no further sales within the Killarney Park estate, with one lot remaining with an asking price of \$170,000. The sales detailed within the previous report indicate the lower value tolerance for the subject lots.

The Spring Creek Estate sales evidence provides a good indication of value for proposed lots 5 and 8 to 13. We note that lots 11 to 13, 29 and 25 to 21 within Spring Creek Estate have larger land areas and are benched sites, with stone retaining walls which results in level building sites. The recent sales evidence does suggest that there will be good market acceptance for more level lots within the subject estate.

The more recent sales evidence within the Wollongbar Park estate is also considered to provide an overall guide to value for the more sloping lots within the subject estate (proposed lots 2 to 4 and 13 to 15).

Overall, the residential land market in the Wollongbar locality is relatively unchanged from the market conditions which prevailed at the time of our original valuation report in September 2013. The release of further stages within the Estates situated within the Wollongbar Urban Expansion Area, the number of available lots within other competing subdivisions and the recent introduction of the Land Buyers Subsidy Scheme for the Ballina Heights Estate may contribute to a slow to moderate rate of sale within the proposed subject subdivision once marketing commences.

As per our instructions, we have provided asking prices for the lots to be used for the marketing of the subject subdivision based on both asking prices within the competing estates situated within the Wollongbar Urban Expansion Area and the resultant sale prices. Our assessments of the asking prices for the lots to be used for the marketing of the subject subdivision are as follows:

Lot	Land Area (sqm)	Asking Price
1	861	\$205,000
2	817	\$205,000
3	809	\$205,000
4	780	\$205,000
5	1458	\$255,000
6	837	\$200,000
7	775	\$210,000
8	680	\$220,000
9	666	\$230,000
10	626	\$230,000
11	627	\$230,000
12	650	\$230,000
13	890	\$220,000
14	879	\$195,000
15	795	\$190,000
Total Asking Price - Inclusive of GST		\$3,230,000

The asking prices are also noted on the attached site plan.



Note: If the subject residential subdivision lots were to be sold individually by the developer they would attract a GST liability on sale.

Our assessment is subject to the registration of the plan of subdivision, and the issue of separate titles for the individual allotments.

Our assessment is also based on a professional marketing and promotion campaign, undertaken by selling agents experienced with the sale of this type of property, and an appropriate marketing and promotion budget and sales period.

This assessment is current as at the date of letter only. The asking prices are subject to negotiation and the prices herein may change significantly and unexpectedly over a relatively short period of time, including as a result of general market movements or factors specific to the particular property. We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of this comment, we do not assume any responsibility or accept any liability where this assessment is relied upon after the expiration of three months from the date of the assessment, or such earlier date if you become aware of any factors that have any effect on the assessment.

This report is for the use of and may be relied upon only by Ballina Shire Council and no other parties are entitled to use or rely upon it and the valuer does not assume any liability or responsibility to any other party who does so rely upon the valuation without the express written authority of Herron Todd White (NSW North Coast) Pty Ltd.

Neither the whole nor any part of this report or any reference thereto may be included in any published documents, circular or statement, nor published in part or full in any way, without written approval of the form and context of which it may appear.

Liability limited by a scheme approved under Professional Standards Legislation. The scheme does not apply within Tasmania.

Should you require any further information regarding our assessment, do not hesitate to contact the undersigned.

Regards

A handwritten signature in blue ink, appearing to read "David Sullivan", written over a light blue grid background.

DAVID SULLIVAN
Director
CPV / AAPI
QLD 2250 / NSW 4052

4.1 Wollongbar Residential Estate - Sale of Stage One Lots



4.2 Ballina Naval Museum - Deteriorating Asbestos Cladding

4.2 Ballina Naval Museum - Deteriorating Asbestos Cladding

Delivery Program Operations Support

Objective To respond to a Council resolution seeking further information on options for the management of the deteriorating asbestos cladding on the Ballina Naval Museum.

Background

At the 19 November 2013 Facilities Committee Meeting Council received a report providing information on the Ballina Naval Museum in terms of management of the historical vessels on the site, building design options and also the deteriorating asbestos roof.

Council was provided information in the report regarding the deterioration of the buildings asbestos roof, based on a report provided by OCTIEF Pty Limited in May 2012 (Attachment One), a specialist in that area. OCTIEF recommended replacement of the asbestos cladding, and in endeavouring to source funding for the asbestos removal and replacement, Council applied for and received a Community Building Program Grant for \$94,981 (ex GST). The grant funding was allocated toward the removal and replacement of the asbestos roof and wall cladding on the exterior of the Ballina Naval and Maritime Museum.

As a result of the November 2013 meeting Council provided a recommendation that its preference was to seal the asbestos roof pending further information.

In order to seek further supporting information, Council approached a second specialist environmental auditor Tim Fitzroy & Associates, to carry out an inspection and report on the Naval Museum asbestos claddings, further details are provided in the body of this report.

Key Issues

- Second Asbestos Report
- Timing of Grant Funding

Information

Second Asbestos Report

A second asbestos inspection and report on the Ballina Naval Museum asbestos claddings was requested by Council and this was carried out by Tim Fitzroy & Associates (refer to Attachment Two).

They carried out a full inspection of the building and provided the attached report and further correspondence to clarify their recommendations.

4.2 Ballina Naval Museum - Deteriorating Asbestos Cladding

The conclusions and recommendations of the report stated that the original roof is deteriorating and that there is evidence of asbestos fibres leaching from the roof surface and becoming friable. This is evident within the weep holes of the northern stormwater gutters and in depositions on the roof of the PV Richmond (vessel). Given the age and condition of the original roof it is our view that the roof should be replaced with a non asbestos material. The walls of the La Balsa display appear to be in fair condition and consideration could be given to the sealing of the walls to enhance their longevity, with a 12 month review to assess the integrity.

Tim Fitzroy was asked to clarify his position on the possibility of sealing or painting the roof surface in lieu of replacement.

On 11 Feb 2014, at 8:35 pm, "Tim Fitzroy" wrote:

*"RE: Asbestos Assessment Ballina Naval Museum
Further to our recent Asbestos Assessment of the Ballina Naval Museum it remains my view that given the age and condition of the original asbestos roof that the roof should be replaced with non asbestos material. In addition it is my considered view, given the condition of the roof, that attempting to seal and repainting the roof would be problematic and ineffective in reducing the risk.*

Regards

*Tim Fitzroy
Environmental Health Scientist"*

The previous report by OCTIEF included the following within their recommendations:

"The asbestos corrugated fibre cement sheeting ('Super Six') lower roof to the building is in a poor condition with significant weathering and deterioration noted. The 'Super Six, 'upper level roof was not accessible during the time of the site inspection but is assumed to be in a similar condition to the 'Super Six' lower roof. Discussions with Ballina Shire Council have indicated that all 'Super Six' roof sheeting and wall cladding is scheduled for removal within the immediate future (<12months). Taking this fact and the with results of the background asbestos air monitoring conducted into account, OCTIEF does not recommend any additional painting/ sealing measures be implemented prior to the complete removal of said materials."

It should be noted that OCTIEF prepared their report approximately 22 months ago in April 2012. And that the roof asbestos material continues to deteriorate, as identified in Tim Fitzroy's most recent report. The friable material could become a public health issue if the removal is not acted upon promptly.

Timing of Grant Funding

Council received advice from the Community Building Program (CBP) in April 2013 that we were successful in a grant application, being for the replacement of the asbestos cladding on the Naval Museum. The grant funding is to be dollar for dollar matched, giving approximately \$190,000 toward the asbestos cladding replacement. The agreement with the CBP specified a completion date of 31 March 2014.

4.2 Ballina Naval Museum - Deteriorating Asbestos Cladding

As a result of the delays, Council has recently asked the CBP whether an extension to the finalisation date is possible, with no confirmation received from them to date.

The removal and replacement of the asbestos cladding is a major project in terms of size, accessibility and safety. The project will have a large impact on the site and will require closure of the site whilst work is carried out. This will need to be discussed and coordinated with the volunteers and other users of the site in advance of the project beginning.

Legal / Resource / Financial Implications

Potential loss of Community Building Program grant funding

Consultation

Council engaged Tim Fitzroy & Associates to prepare a condition report on the asbestos materials used in the Naval Museum when built.

Options

The options relate to the works program in terms of the asbestos cladding replacement and recognising the restrictions placed on the timing and use of the grant funds. The CBP grant funding is for the asbestos cladding replacement, although there is a small possibility that the conditions and timing could be amended by applying to the NSW State Government, however the timeframe is now very limited.

All of the options presented in the November 2013 report were actually in excess of the \$190,000 budget. Those options included some major building alterations. However the intent of this report is focus on the asbestos cladding replacement.

Given that a second professional report has now been received expressing the need to remove and replace the asbestos roof the options are limited to proceeding with the asbestos removal and re-cladding or reviewing the viability of the building.

As noted in the November report, Council will call tenders for this work and if the tender is below the \$190,000 this will provide an opportunity, at that time, for Council to identify any other minor works it wishes to see completed.

Ultimately it is important to refer back to the November Facilities Committee meeting where the other options available were all in excess of the existing budget. Council needs to be realistic in respect to its current expectations for this project as there are currently no funds identified in our Long Term Financial Plan for major renovations to the Ballina Naval Museum. If Council does wish to undertake a major refurbishment then funds need to be allocated.

Without that occurring and with it unlikely that Council will allocate funds in the short to medium term the undertaking of this replacement roof project will remedy what is currently a major deficiency and risk with the existing building.

RECOMMENDATIONS

That Council confirms that the \$190,000 budget remaining for the Ballina Naval and Maritime Museum is for the asbestos roof replacement works with the General Manager authorised to call tenders / quotations for this work.

Attachment(s)

1. Octief, asbestos report Ballina Naval Museum
2. Tim Fitzroy & Associates, Ballina Naval Museum Asbestos



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Date: 18/05/2012

Job #: CLQ00103568.1

Site Investigation

Client: Ballina Shire Council
Client Contact: Chris Trainor
Client Email: christ@ballina.nsw.gov.au
Client Phone: 0448 934 261

Site Details / Reference: Ballina Naval & Maritime Museum
Site Address: 5 Regatta Ave, Ballina, NSW, 2478

Project Description: Site Investigation and Asbestos Sampling.
OCTIEF Field Consultant: Brendan Warrell
Date of Investigation: 11/05/2012

1.0 BACKGROUND

OCTIEF Pty Limited (OCTIEF) was commissioned to conduct a site investigation along with asbestos sampling and background air monitoring at the Ballina Naval & Maritime Museum located at 5 Regatta Ave, Ballina, NSW. The site investigation and sampling was conducted by Brendan Warrell on the 11th of May 2012

2.0 INSPECTION DETAILS

2.1 Areas Visually Inspection

A thorough visual inspection for asbestos contamination was conducted in the following areas:

1. All areas within the boundaries of the site including:
 - Internals of the building;
 - Lower level external roof and wall cladding;
 - External perimeter of building;
 - P.V Richmond (Vessel); and
 - M.V Florrie (Vessel)

2.2 Areas Excluded From Visual Inspection

The following areas were excluded from the visual inspection and are not covered by this report:

1. The upper level roof of the building; and
2. Areas outside of the boundaries of the site.



Date: 18/05/2012

Job #: CLQ00103568.1

2.3 Additional Sampling

Background asbestos air monitoring was conducted along the perimeter of the site in order to assess whether asbestos fibres were being released from the fibre cement ‘Super Six’ roof and upper wall sheeting of the building.

All asbestos air monitoring was conducted and analysed in accordance with NOHSC: 3003 (2005) and OCTIEF’s in-house procedure QP-920-001.

One bulk (tape) sample was collected during the visual inspection of the S.V. Richmond (Vessel) and analysed in OCTIEF’s NATA accredited laboratory for asbestos fibres in accordance with AS 4964–2004 and OCTIEF’s in-house procedure QP-930-001.

3.0 RESULTS

The visual inspection of the S.V Richmond identified visible fibre cement sheeting debris throughout the top of the vessel. One tape sample of this fibre cement debris was collected from the site and analysed for the presence of asbestos. Chrysotile and Amosite asbestos was detected in this tape sample. All background asbestos air monitoring conducted yielded results the limit of detection, 0.01 fibres/mL.

The corrugated fibre cement sheeting (‘Super Six’) lower level roof, upper level roof, and wall cladding is assumed to contain asbestos. As stated in the NSW Workcover Code of Practice: How to manage and control asbestos in the workplace, if a material is assumed to be asbestos it is considered to be asbestos for legal purposes.

Exact locations of samples are shown in Appendix 1 – Site Map. Laboratory certificates of analysis for all samples are attached as Appendix 3 – Laboratory Reports. Tables 1 & 2 show the summary of results.

Table 1 – Bulk sample results [Ref: BSQ111535.0]

Location	Sample ID	Asbestos Detected (Yes/No)	Asbestos Fibre Types Detected	Non-Asbestos Fibre Types Detected
South side top of S.V Richmond (Vessel)	1535-01	Yes	Chrysotile, Amosite	Organic

Table 2 – Air monitoring results [Ref: AMQ00103568.0]

Location	Filter ID	Fibre Count (fibres/fields)	Results (fibres/mL)
Air Monitoring Station 1 – NE Perimeter	568.0-01	0.0/100	<0.01
Air Monitoring Station 2 – N Perimeter	568.0-02	0.0/100	<0.01
Air Monitoring Station 3 – NW Perimeter	568.0-03	0.0/100	<0.01
Air Monitoring Station 4 – S Perimeter	568.0-04	0.0/100	<0.01

No further visible asbestos contamination was identified within the boundaries of the site.





Date: 18/05/2012

Job #: CLQ00103568.1

4.0 CONCLUSION & RECOMMENDATIONS

The air monitoring results indicate that there is no immediate health risks relating to asbestos exposure to persons within the vicinity of the site.

The asbestos corrugated fibre cement sheeting ('Super Six') lower roof to the building is in a poor condition with significant weathering and deterioration noted. The 'Super Six' upper level roof was not accessible during the time of the site inspection but is assumed to be in a similar condition to the 'Super Six' lower roof. Discussions with Ballina Shire Council have indicated that all 'Super Six' roof sheeting and wall cladding is scheduled for removal within the immediate future (<12months). Taking this fact and the with results of the background asbestos air monitoring conducted into account, OCTIEF does not recommend any additional painting/ sealing measures be implemented prior to the complete removal of said materials.

The asbestos contamination identified within the boundaries of the site is isolated to the S.V Richmond (Vessel), which is located under a 13m x 4m colourbond roof adjacent to the main entrance of the site.

Based on the results of the visual inspection and bulk sampling, the S.V Richmond (vessel) is deemed contaminated with asbestos and requires remediation as soon as practical.

OCTIEF makes the following remediation recommendations:

- Ensure that access to the S.V Richmond (Vessel) area is restricted until remediation is finalised. The use of Respiratory Protective Equipment (RPE) and protective clothing should be enforced to all persons accessing this specific area (minimum P2 mask, disposable coveralls, gloves and shoe covers);
- Implement a Clean-up Management Plan whereby a suitably licensed asbestos removal contractor is engaged to HEPA filter vacuum and wet-wipe all surfaces of the S.V. Richmond (Vessel) and conduct a systematic "walkover" of the colourbond under covered area immediately surrounding the S.V Richmond (Vessel) on a grid basis with the purpose of removing any other visible asbestos contamination.
- All contaminated materials are to be double bagged within heavy duty 200µm thick asbestos bags onsite;
- All contaminated waste must be transported to a registered landfill and waste tracking documentation obtained; and
- Upon completion of works, a Clearance Certificate for this area of the site must be issued.

Reported by:

Approved by:

Brendan Warrell (BSc)
Occupational Hygienist

Jay Spencer (BSc)
Laboratory Manager

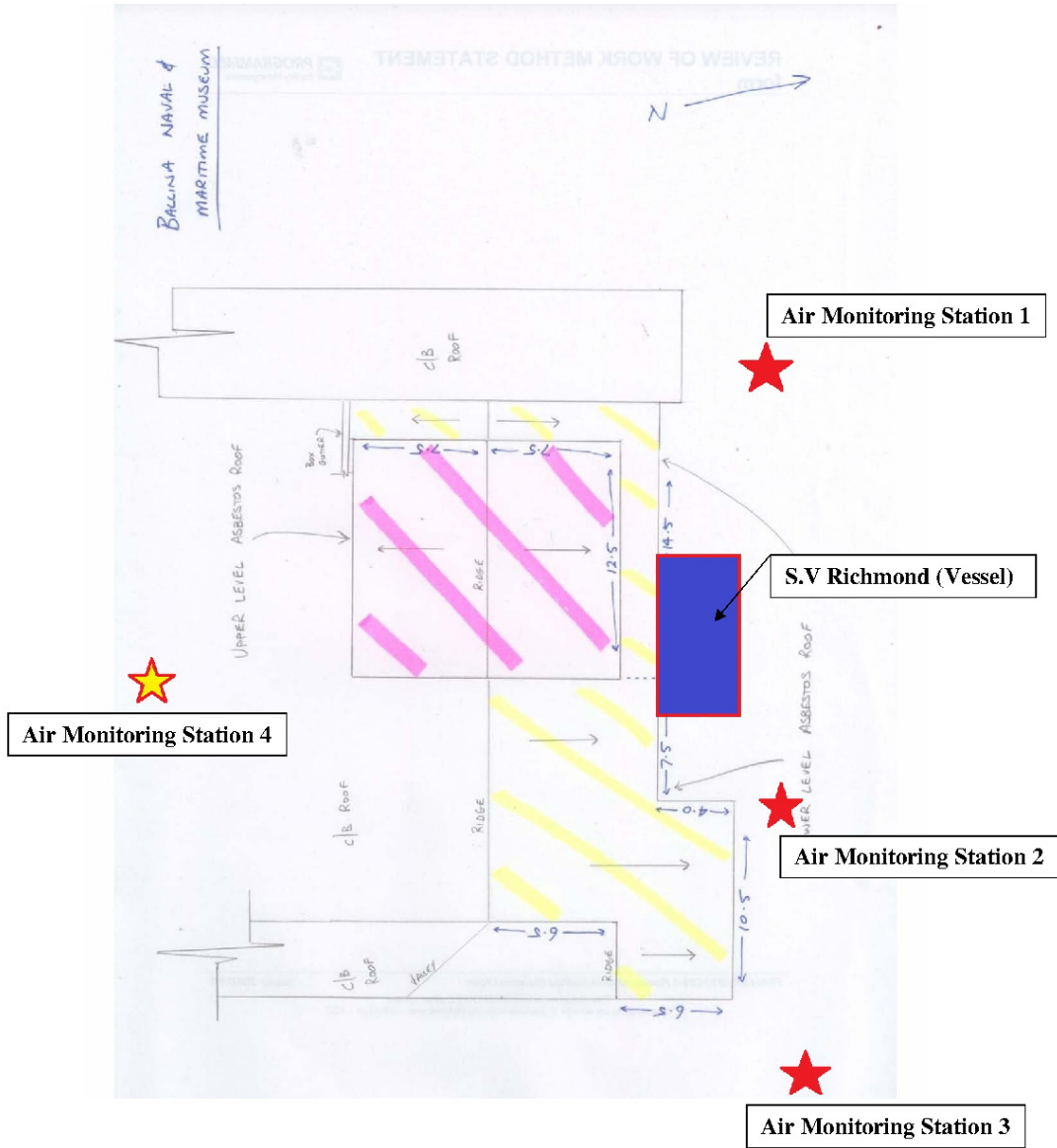




Date: 18/05/2012

Job #: CLQ00103568.1

APPENDIX 1 – SITE MAP





Date: 18/05/2012

Job #: CLQ00103568.1

APPENDIX 2 – SITE PHOTOGRAPHS

Photograph 1: Ballina Naval & Maritime Museum – Site ID Photograph.



Photograph 2: S.V Richmond (Vessel) and colourbond under covered area





Date: 18/05/2012

Job #: CLQ00103568.1

Photograph 3: Asbestos contaminated debris to south elevation top of S.V Richmond (Vessel)





Date: 18/05/2012

Job #: CLQ00103568.1

APPENDIX 3 – LABORATORY REPORTS

Occupational Hygiene & Environmental Consulting

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Issue Date: 17/05/2012

Job #: BSQ111535.0

Certificate of Analysis
Laboratory Report

Client:	Ballina Shire Council	Sampled By:	Brendan Warrell
Client Contact:	Chris Trainor	# of Samples Submitted:	1
Telephone:	0448 934 261	Sampling Date:	11/05/2012
Email:	Christ@ballina.nsw.gov.au	Date Received:	15/05/2012
Project:	CLQ00103568	Identification Date:	16/05/2012
Site Location:	Ballina Navel & Maritime Museum - 2 Regatta Ave, Ballina, NSW 2478		

Scope: Microscope examination for the presence of asbestos
Methodology: Samples are examined in accordance with the methodology outlined in the Australian Standards (AS4964-2004) and In-House Procedure QP-930-001

NATA Approved Identifier: Tim Trembath

Report Approved By: Jay Spencer

Acronyms

Asbestos Fibre Types

CH Chrysotile (White Asbestos) fibres detected
A Amosite (Brown / Grey Asbestos) fibres detected
C Crocidolite (Blue Asbestos) fibres detected
- No asbestos fibres detected

Non-Asbestos Fibre Types

ORG Organic fibres detected
SMF Synthetic mineral fibres detected
UMF Unidentified mineral fibres detected
- No non-asbestos fibres detected

SCOPE OF ACCREDITATION: Class 7.82.31: Qualitative identification of asbestos types in bulk samples by polarised light microscopy

Page 1 of 2



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4.2 Ballina Naval Museum - Deteriorating Asbestos Cladding



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Issue Date: 17/05/2012

Job #: BSQ111535.0

Table 1 - Results of sample examination using polarised light microscopy (PLM) including dispersion staining

Sample Identification Number	Sample Location	Sample Description	Approximate Size or Weight	Asbestos Detected (Yes/No)	Asbestos Fibre Types Detected	Non-Asbestos Fibre Types Detected
1535-01	South side top of S.V. Richmond (Vessel)	Surface tape sample	-	Yes	CH, A	ORG

Detection Notes

N/A

SCOPE OF ACCREDITATION: Class 7.82.31: Qualitative identification of asbestos types in bulk samples by polarised light microscopy

Page 2 of 2



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Issue Date: 15/05/2012

Job #: AMQ00103568.0

Certificate of Analysis
Laboratory Report

Client:	Ballina Shire Council	Sampled By:	Brendan Warrell
Client Contact:	Chris Trainor	# of Samples Submitted:	4
Telephone:	0448 934 261	Sampling Date:	11/05/2012
Email:	Christ@ballina.nsw.gov.au	Analysis Date:	15/05/2012
Project:	Ballina Naval and Maritime Museum		
Site Location:	5 Regatta Ave, Ballina, NSW 2478		
Scope:	Determination of airborne asbestos concentration		
Methodology:	Sampling and analysis is conducted in accordance with the methodology outlined in the NOHSC:3003 (2005) and In-House Procedure QP-920-001		

NATA Approved Counter: Gabriel Sinclair

Approved By: Tim Trembath

SCOPE OF ACCREDITATION: Class 7.82.01: Estimation of airborne asbestos dust by the membrane filter method



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4.2 Ballina Naval Museum - Deteriorating Asbestos Cladding



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Issue Date: 15/05/2012

Job #: AMQ00103568.0

Table 1 – Analytical results obtained from conducting fibre count analysis

Filter ID Number	Monitoring Type (control/clearance)	Sample Location	Start Time (HH:MM)	Finish Time (HH:MM)	Total Time (min)	Average Flow Rate (L/min)	Fibre Count (fibres/fields)	Result (fibres/mL)
568.0-01	Background	Air monitoring station 1 – NE perimeter	09:00	12:00	180	3.0	0.0/100	<0.01
568.0-02	Background	Air monitoring station 2 – N perimeter	09:00	12:00	180	3.0	0.0/100	<0.01
568.0-03	Background	Air monitoring station 3 – NW perimeter	09:00	12:00	180	3.0	0.0/100	<0.01
568.0-04	Background	Air monitoring station 4 – S perimeter	09:00	12:00	180	3.0	0.0/100	<0.01
Reporting limit								0.01
Control / clearance limit								0.01



Asbestos Report

Ballina Naval Museum
Regatta Ave
Ballina



HEALTH SCIENCE ENVIROMENTAL EDUCATION
ENVIRONMENTAL AUDITOR

Asbestos Report

Ballina Naval Museum
Regatta Ave
Ballina
a

Prepared for: Ballina Shire Council

Job No: 90/2013
Date: July 2013
Tim Fitzroy & Associates
ABN: 94120188829
ACN: 120188829

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Asbestos Report
Ballina Naval Museum,
Regatta Street
Ballina

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Asbestos Report
Ballina Naval Museum,
Regatta Street
Ballina



1. Introduction

1.1 Background

A new Code of Practice on *how to manage and control asbestos in the workplace* was approved under section 274 of the Work Health and Safety Act (the WHS Act) 2011. The approved code of practice is a practical guide to achieving the standards of health, safety and welfare required under the WHS Act and the Work Health and Safety Regulations (the WHS Regulations). The Code of Practice was endorsed by the Workplace Relations Ministers' Council on 10 August 2011.

In addition to the review and revision of the existing Asbestos Register regulation 429 states that a person with management or control of a workplace must ensure a written asbestos management plan is prepared for the workplace if asbestos or ACM has been identified or assumed present, or is likely to be present from time to time at the workplace. The asbestos management plan must be maintained to ensure that the information is up to date.

Asbestos is a naturally occurring material that has been used as an insulating material for thousands of years. The use of asbestos as a versatile building material became popular in Australia after the introduction of corrugated sheeting (super-six) in 1926 and various types of board during the 1940's to 1980's.

Asbestos is the only natural mineral that can be spun and woven like cotton or wool into useful fibers and fabrics. In the past it has been used as insulating material, heat resistant fire doors, and electricity back boards and also for noise-proofing and decorative purposes.

In NSW the production of the most common form of asbestos building material (fibro sheeting) ceased in 1982, corrugated sheeting in 1984 and all other products by 1986. The use of asbestos as a building material was totally banned in Australia in 2003.

Although asbestos has been used in the manufacture of hundreds of different items due to its fire retardant and insulation properties the asbestos containing materials most commonly found in NSW premises are in a range of building materials including:

- Corrugated roofing material (super six)
- Fibro products (fibrolite, tilux etc)
- Water pipe lagging particularly in and around boilers
- Telephone & electric switchboard bases
- Old vinyl tiles
- Wall and roof insulation
- Sofits
- Eaves
- Wet areas

Asbestos containing materials composed of loose fibres that can be crumbled between fingers (e.g. insulation material, some pipe lagging) is considered to be 'friable'. Friable asbestos is the most hazardous as the loose fibres become easily airborne and can be inhaled.

Asbestos containing materials made of 'bonded' asbestos (i.e. where the asbestos is held in cement based matrix such as fibro or super six) can be relatively safely used if in good condition. However the asbestos product is damaged revealing loose fibres (e.g. badly weathered corrugated sheeting) it then becomes hazardous as the exposed fibres can become loose and be inhaled.

In practice, products made of bonded asbestos are comparatively safe until broken, sawn, drilled, smashed, burnt or otherwise damaged, often during the course of demolition.

Asbestos Management Plan

Regulation 429 A person with management or control of a workplace must ensure a written asbestos management plan is prepared for the workplace if asbestos or ACM has been identified or assumed present, or is likely to be present from time to time at the workplace.

The asbestos management plan must be maintained to ensure the information is up-to-date.

The single most important document that drives the Asbestos Management Plan is the Asbestos Register. The purpose of the register is to identify all known sources of asbestos in buildings or other sites together with the risk assessment and proposed control method. The register is then used as a diary system to monitor the condition of the asbestos for possible deterioration and /or change in the control method.

The WHS Regulations require that an asbestos register must be placed in every building where asbestos has been identified and brought to the attention of the tenant, contractor, or tradesman who may be engaged to work with asbestos.

1.2 Site Details

Tim Fitzroy & Associates were engaged by Ballina Shire Council to undertake an inspection of the Ballina Naval Museum, Regatta Street, Ballina to conduct an evaluation of the asbestos roof and cladding at the Ballina Naval Museum, Regatta Avenue Ballina. A previous assessment conducted by OCTIEF in May 2012.

An inspection of the subject site was undertaken by Tim Fitzroy on the 21st of January 2014. Photographs of the subject premises are located in **Appendix A**.

Asbestos Report
Ballina Naval Museum,
Regatta Street
Ballina

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8

2. The Property

2.1 Site Description

The Ballina Naval Museum was established in 1979. The original building was constructed of concrete floor, masonry walls and asbestos (super six) roof. In 1983 the building was expanded to accommodate the La Balsa raft display and the Ballina Historical Society. This process included the raising of the roof and the extension of the original building footprint to the south. Asbestos sheet (super six) was used for the walls and roof in the La Balsa display area. The additions for the Ballina Historical Society comprise concrete floor, masonry walls and colourbond roof. The southern section of the original asbestos roof (to the ridge) was replaced with colourbond while the remainder of the roof (northern section) comprising asbestos was retained.

A further extension to the west consisting of a portal steel frame and colourbond roof was undertaken post 1983 to house the MV Florrie (vessel).

Plans of the aforementioned alterations and additions were not made available by Council to Tim Fitzroy & Associates. A search of council records uncovered an undated floor plan (see **Appendix B**).

Our assessment has been limited to external and internal inspection of the Ballina Naval Museum. No external inspection was conducted of the roof of the La Balsa display.

2.2 Inaccessible Areas

All inaccessible areas at this property, including but not limited to wall cavities, between floors, inside skillion roofing and inside the eaves; areas behind or concealed by fixed ceilings, wall linings, floor coverings, fixtures, fittings, furniture, clothes, stored articles/materials, thermal insulation, sarking, pipe/duct work, builders debris, vegetation, pavements or earth; areas accessible only through manholes and trapdoors where these are locked or otherwise not readily accessible and areas located in rooms such as garages or laundries which are locked or also otherwise inaccessible at the time of our inspection, are presumed to contain asbestos in accordance with **Regulation 422**: A person with management or control of a workplace must:

- assume the material is asbestos or ACM if it cannot be identified but a competent person reasonably believes it is asbestos or ACM, and
- assume asbestos is present if part of the workplace is inaccessible and it is likely to contain asbestos or ACM.

It is not necessary to engage a competent person to identify asbestos if the person with management or control of the workplace assumes that asbestos is present or if that person has reasonable grounds to believe that asbestos is not present.

2.3 Asbestos Register to be kept onsite

An Asbestos Register has been compiled the Ballina Naval Museum (see **Appendix C**) as a result of the above Asbestos Inspection must be kept on site. Any tradesmen working in or on the building must be provided with a copy of the Asbestos Register prior to carrying out any work on the building. Please note that only appropriately licensed and accredited tradesmen should be allowed to undertake any work on asbestos containing materials. All work carried out to asbestos containing materials should be carried out in accordance with the Safe Work Australia Code of Practice How to Safely Remove Asbestos (December 2011).

*No asbestos audit can guarantee identification of all asbestos present in the building. All personnel utilising this register must be advised that in the event that unexpected or concealed asbestos may be encountered, correct procedures must be followed in accordance with the Safe Work Australia Code of Practice for How to Manage and Control of Asbestos in the Workplace (2011). A copy of the Code of Practice can be obtained from the Safe Work Australia website:
<http://www.safeworkaustralia.gov.au/sites/swa/about/publications/pages/manage-control-asbestos-cop>*

3. Asbestos Register

An asbestos register for the Ballina Naval Museum is provided in **Appendix C**. A summary of the outcomes of our inspection for each location is provided below.

3.1 Internal Museum Display

The La Balsa display area consists of concrete floor and asbestos walls and roof known as *super six*. The roof is unlined. The remainder of the construction consists of concrete floor and masonry walls.

3.2 Public Toilets

The public toilets at the eastern side of the building consist of concrete, masonry and plasterboard ceiling. There was no evidence of asbestos containing material from visual inspection.

3.3 Office and Workshop

The office and workshop at the eastern end of the building consist of concrete, masonry and plasterboard ceiling. The office floor is covered with approximately 20m² of vinyl floor tiles which may have adhesive with asbestos containing material (acm).

3.4 External

What remain of the original roof are asbestos (*super six*) as well as the walls and roof of the La Balsa display area. It is noted that asbestos fibres are present on the roof and penetrating the weep holes of the guttering on the northern side. Asbestos fibres were also located on the top of the PV Richmond (vessel) which have translocated from the roof. In addition there a small pieces of 5 to 20mm acm that have been broken away from the roof.

Two small holes were identified one in the roof and one in wall of the La Balsa display area.

3.5 PV Richmond (Vessel) and MV Florrie (Vessel)

The PV Richmond is located external to and immediately adjacent to the northern side of the Ballina Naval Museum. The PV Richmond is protected from the weather beneath an open sided colourbond roof. Asbestos fibres from the adjacent roof have lodged on the top of the PV Richmond.

The MV Florrie is located in a purpose built steel portal frame with colourbond roof and is not impacted by asbestos residues.

4.0 Conclusion

4.1 Asbestos Containing Materials

The inspection of the tenancies, storerooms and toilet facilities identified a number of asbestos containing materials as identified in section 3 and Appendix B. A risk assessment has been undertaken for each identified ACM for inclusion in an Asbestos Register for the subject property.

4.2 Risk Assessment and Risk Ratings

The following criteria have been taken into account in assessing the risk of exposure to airborne asbestos fibres and dust:

- (i) the identification of asbestos containing materials at the property;
- (ii) the condition of the asbestos containing materials at the property;
- (iii) the likelihood of exposure to asbestos fibres and dust;
- (iv) the consequences of exposure to asbestos fibres and dust; and
- (v) the nature and location of work and/or other activities that may disturb asbestos containing materials at the property.

The Risk Ratings (severity of the risks) stated in the Asbestos Register have been established by assessing the consequences of the risks and the likelihood of the risks occurring, in accordance with Appendix E of Australian Standard AS4360:1999 Risk Management.

Measure of Consequence for Personal Injury

<u>Level</u>	<u>Descriptor</u>	<u>Description</u>
1	Insignificant	No medical treatment required.
2	Minor	First aid treatment or medical treatment with no lost time required.
3	Moderate	Medical treatment required with lost time.
4	Major	Single fatality and/or severe irreversible disability to one or more persons.
5	Catastrophic	Multiple deaths or significant irreversible effects on more than 50 persons

4.2 Ballina Naval Museum - Deteriorating Asbestos Cladding

Measure of Likelihood of Risk

Level	Descriptor	Description
A	Almost certain	Expected to occur in most circumstances.
B	Likely	Will probably occur in most circumstances.
C	Possible	Might occur in some circumstances.
D	Unlikely	Could occur in some circumstances, but not likely to occur.
E	Rare	Unlikely to occur in most circumstances.

Risk Rating Matrix

		Consequence				
		1	2	3	4	5
Likelihood	A	H	H	X	X	X
	B	M	H	H	X	X
	C	L	M	H	X	X
	D	L	L	M	H	X
	E	L	L	M	H	H

Risk Rating

Risk Rating	Descriptor	Action
X	Extreme risk	Immediate action required.
H	High risk	Urgent action required.
M	Moderate risk	Action required.
L	Low risk	No action required at this time.

It is necessary to differentiate between 'asbestos hazard' and 'asbestos risk'. 'Hazard' indicates the potential for harm, while 'risk' refers to the probability of that harm occurring. For example, the presence of asbestos in a building is a hazard, but while that asbestos remains in sound condition and does not release fibres into the air, the risk is negligible.

The Recommended Actions stated in the Asbestos Register in this report have been determined taking into account the above criteria for assessing the risk of exposure to asbestos fibres and dust.

It should be noted that the Recommended Actions stated in the Asbestos Register are recommended only and that implementation of the Recommended Actions is the responsibility of the controller of the premises.

5. Important Notes

This Asbestos Inspection Report is a visual Report confined to reporting, as the date of the inspection, on the possible existence or absence of asbestos and its level of safety and danger based solely upon visual inspection of those areas of the property readily visible and fully accessible to the inspector on the date of the inspection. The presence of asbestos is determined by visual inspection as there is no instrument, short of testing in a laboratory, currently available to establish whether any material contains asbestos. We do not as a rule as part of our inspection take samples of any materials we suspect may contain asbestos to have them analysed in a laboratory, however two samples were analysed as part of the subject assessment.

The presence or absence of asbestos on the property is determined by the Inspectors assessment of the age of the structures present on the property, the location on the property where materials that contain asbestos were commonly used such as in bathrooms, laundries and kitchens, being wet areas of the property, and the methods used in the installation of materials that contain asbestos which may distinguish these materials from materials that do not contain asbestos. Accordingly, even where we report that no asbestos was found in a particular section of the property, this should not be taken as warranting there are no materials that contain asbestos on the property because we do not as part of our inspection chemically analyse any of the materials on the property whether we believe they contain asbestos or do not contain asbestos.

Because we only report on the existence or absence of asbestos and its level of safety and danger in the visually observable and readily accessible parts of the property at the time of the inspection this Company will not accept any responsibility and cannot be held liable for any asbestos and for its condition that may be present in any concealed or non-readily accessible sections of the property, including areas where asbestos has become discoverable only because alterations or other works to the property have resulted in new areas becoming accessible or visible. The inspector CANNOT SEE and accordingly CANNOT REPORT on the existence or absence of asbestos and on its condition in the areas inside walls, between floors, inside skillion roofing and inside the eaves; areas behind or concealed by fixed ceilings, wall linings, floor coverings, fixtures, fittings, furniture, clothes, stored articles/materials, thermal insulation, sarking, pipe/duct work, builders debris, vegetation, pavements or earth; areas accessible only through manholes and trapdoors where these are locked or otherwise not readily accessible and areas located in rooms such as garages or laundries which are locked or also otherwise inaccessible at the time of our inspection. The client will be charged an additional fee to inspect these areas if access becomes available at a later date. We cannot, as part of our inspection, make penetrations into, dig, gouge, break apart, dismantle, remove or move any structures or objects including but not limited to furnishings, floors, walls and ceilings and their coverings, insulation, appliances, foliage and personal possessions. Accordingly, even where we report that no asbestos was found in a particular section of the property, this should not be taken as warranting or representing that no asbestos exists in those parts not readily visible or readily accessible at the time of our inspection.

All works/actions recommended in the recommended actions should be carried out in accordance with the Safe Work Australia Code of Practice *How to Safely Remove Asbestos* (December 2011).

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6. Legislative Requirements

6.1 Requirements for Asbestos Risk Management in NSW

As part of the Work Health and Safety regulatory reforms introduced in NSW in 2011, there are important obligations now placed on building owners, managers and employers in relation to managing asbestos risks in workplaces.

6.2 Asbestos in Work Premises

The WHS Regulation sets out specific duties of controllers of premises in relation to managing asbestos risks. A controller of premises is defined as “a person who has control of premises used by people as a place of work”, including:

- (i) A person who has limited control of the premises;
- (ii) A person who has, under contract or lease, an obligation to maintain or repair the premises.

Controllers of premises may therefore include building owners, managing agents, tenants and/or employers

6.3 Duty to Identify Asbestos Hazards

The WHS Regulation requires controllers of premises “to identify any foreseeable hazard arising from the premises that has the potential to harm the health or safety of any person accessing, using or egressing from the premises.” This duty specifically extends to the identification of hazards associated with the presence of asbestos containing materials.

6.4 Duty to Assess Risks

Where asbestos is identified in the workplace the controller of premises must then assess the risk to health and safety of any person. This includes risks to tenants, employees, contractors and visitors to the workplace. The risk assessment should consider a range of factors such as nature, age, layout and condition of asbestos materials.

6.5 Asbestos Register

A controller of premises must ensure that an Asbestos Register is established for each workplace. The register should outline the type, condition and location of all asbestos material.

6.6 Duty to Eliminate or Control Risks

The controllers of premises must eliminate or control any risk, arising from the premises (including asbestos), to the health and safety of any person accessing, using or egressing from the premises.

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Tim Fitzroy and Associates declares that does not have, nor expects to have, a beneficial interest in the subject project.

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A Site Audit Photographs

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Ballina Naval. Museum

Monday, 20 January 2014

Prepared for Ballina Shire Council

Identified 14 Issues
Tim Fitzroy

Tim Fitzroy & Associates

4.2 Ballina Naval Museum - Deteriorating Asbestos Cladding

Issue 1

BNM 12 External north



Masonry construction super six on wall of upper level and roof of older section (1979 & 1983)

BNM 13 Roof on original section



Super six northern side, photo taken of lower roof, evidence of loose fibre

BNM 11 Roof on original section Northern side



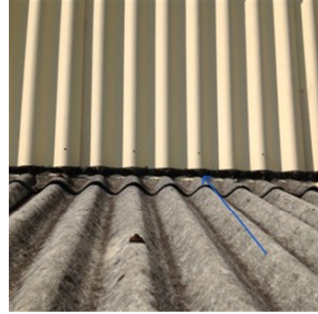
Lichen small pieces of acm 50mm x12mm broken off, most of roof intact. Roof is not painted & subject to further deterioration

BNM 2 Top of PV Richmond



Friable acm on top of Richmond board sourced from adjacent roof. Residual friable acm was removed by dingo demolition 12 months ago, then sprayed with pva.

BNM 3 Wall & Roof Northern side



Deterioration at base of wall, evidence of friable acm and lichen

4.2 Ballina Naval Museum - Deteriorating Asbestos Cladding

BNM 4 External eastern



Masonry construction, colour bond roof, new section colour bond southern half of single storey upgraded from acm roof to colorbond, Northern side roof, original asbestos

BNM 5 External southern side



New section masonry end colorbond, rear old section acm wall painted (ok), no inspection of top of roof undertaken, Sim on 1-ay BSC 3rd inspection of top storey with cherry picker more than 3 years prior to 2011.

BNM 6 External western side MVP floor



Colourbond, portal frame (steel), 2 storey acm wall & roof in background

BNM 7 Walls & Roof Internal new section



AcM wall not lined, 2 small holes, 1 in ceiling, 1 in wall, most likely due to hail damage.

BNM 8 Internal office vinyl floor tiles



Vinyl floor, potential acm in adhesive within office, 20sqm approx.

BNM 9 Roof of old building, north east



Deteriorated unpainted acm, evidence of friable acm, breaking through weep holes in metal guttering

4.2 Ballina Naval Museum - Deteriorating Asbestos Cladding

BNM 10 River of children's pre school



River street community preschool is located 20m north of the Ballina Naval Museum

BNM 11 MV Richmond



The MV Richmond is Located under metal carport adjacent to acm roof. Friable asbestos is being washed off the adjacent asbestos roof onto the top of the MV Richmond.

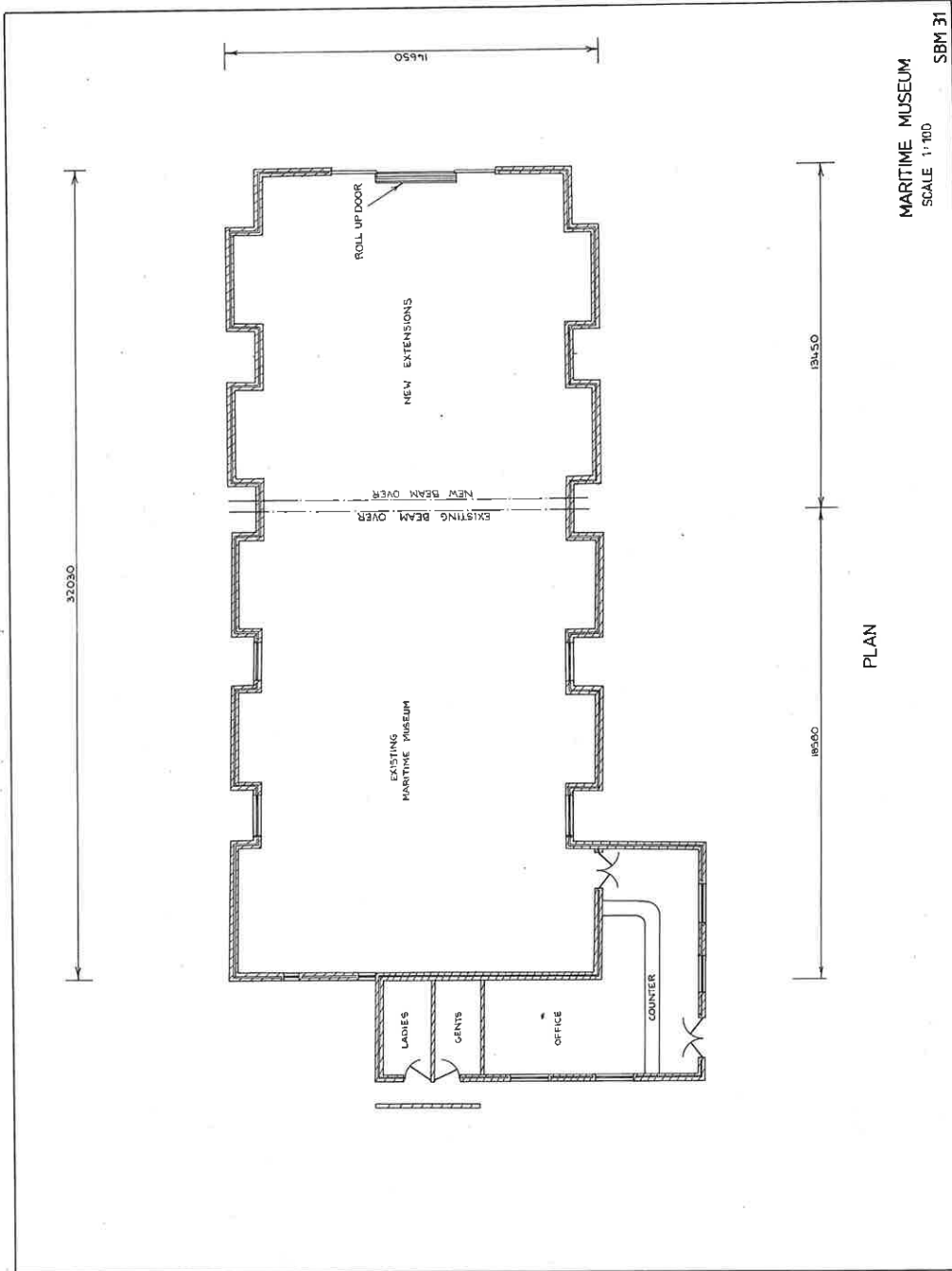


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4.2 Ballina Naval Museum - Deteriorating Asbestos Cladding

SBM/31



C Asbestos Register

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4.2 Ballina Naval Museum - Deteriorating Asbestos Cladding

BALLINA SHIRE COUNCIL
ASBESTOS REGISTER SITE ASSESSMENT REPORT



Property: Ballina Museum

Site Description: Museum

Inspected by: Tim Fitzroy, Tim Fitzroy & Associates

Date of Inspection: 21 January 2014

Date of Report: 2 February 2014

Version: 1.0

1

Document Reference No. **Ballina Naval Museum January 2014**

4.2 Ballina Naval Museum - Deteriorating Asbestos Cladding

BALLINA SHIRE COUNCIL
ASBESTOS REGISTER SITE ASSESSMENT REPORT



GUIDE TO ASBESTOS PRESENCE

RATING	DEFINITION
HIGH	<i>Asbestos Present. Very High to High Risk of Exposure</i>
MEDIUM	<i>Asbestos Present. Some problems identified and/or potential for incident to occur. Improvement required.</i>
LOW	<i>Asbestos Present. Bonded, good condition</i>
OK	<i>No Asbestos identified</i>

ASBESTOS PRESENCE

RATING	
HIGH	✓
MEDIUM	
LOW	
OK	

ASSET STRUCTURE

STRUCTURE DETAILS	
FLOORS	Concrete with vinyl tiles in office
WALLS	Masonry and asbestos
CEILING	Plasterboard
ROOF	Asbestos and colourbond

2

Document Reference No. **Ballina Naval Museum January 2014**



INSPECTION FINDINGS

1. Is ACM present in Council's Asset/Plant/Equipment?

Yes No Unsure

2. Are there any inaccessible areas that are likely to contain ACM?

Yes No

3. If yes, please identify the location?

- Above ceiling

4. Have any areas been presumed to contain ACM?

Yes No

5. If yes where is the presumed ACM located?

REFERENCE	LOCATION
BNM 1	Roof of original building and La Balsa Display
BNM 2	Top of PV Richmond Vessel friable asbestos
BNM 3	Walls of La Balsa display & original roof Northern Side
BNM 7	Internal Walls and Roof of La Balsa Display
BNM 8	Adhesive of vinyl tiles in office
BNM 13	Roof of original building (friable asbestos in weep holes of gutter)



ASBESTOS IDENTIFICATION- A SUMMARY

Where asbestos has been identified, the location, type and condition of the ACM are provided in the table below.

LOCATION OF ACM	TYPE OF ACM (FRIABLE/NON FRIABLE)	CONDITION OF ACM
Roof (Original unpainted)	Non Friable and Friable	Poor
Walls (La Balsa display)	Non Friable	Fair
Vinyl Floor Tiles	Non Friable	Good

LABORATORY ANALYSIS:

No samples were collected during the site inspection.

COMMENTS & OSERVATIONS:

What remains of the original roof is asbestos (super six) as well as the walls and roof of the La Balsa display area (see BNM 1 & BNM 3). It is noted that asbestos fibres are present on the roof and penetrating the weep holes of the guttering on the northern side (see BNM 13). Asbestos fibres were also located on the top of the MV Richmond which have translocated from the roof (see photo BNM 2).

In addition there a small pieces of 5 to 20mm acm that have been broken away from the roof.

Two small holes, one in wall and one in the roof of were identified in the La Balsa display area, most likely as a result of hail damage (see BNM 7).



CONCLUSIONS AND RECOMENDATIONS

Our evaluation of the asbestos roof and cladding at the Ballina Naval Museum, Regatta Avenue Ballina concludes that:

- The original roof is deteriorating. There is evidence of asbestos fibres leaching from the roof surface and becoming friable. This is evident within the weep holes of the northern stormwater gutters and in depositions on the roof of the PV Richmond (vessel). We are advised (pers. com Chris Trainor January 2014) that asbestos fibres has previously been removed as a result of the recommendation of OCTIEF (2012). There is evidence of an accumulation of asbestos post cleanup that requires attention.
- Asbestos fibres identified on eth roof of the PV Richmond and weep holes and northern ends of the asbestos roof ought to follow the follow standard procedures for asbestos remediation:
 - Ensure that access to the P.V Richmond (Vessel) area and roof is restricted until remediation is finalised. The use of Respiratory Protective Equipment (RPE) and protective clothing should be enforced to all persons accessing this specific area (minimum P2 mask, disposable coveralls, gloves and shoe covers);
 - Implement a Clean-up Management Plan whereby a suitably licensed asbestos removal contractor is engaged to HEPA filter vacuum and wet-wipe all surfaces of the P.V. Richmond (Vessel) and conduct a systematic “walkover” of the colourbond under covered area immediately surrounding the S.V Richmond (Vessel) and the curtiledge of the building (northern side) on a grid basis with the purpose of removing any other visible asbestos contamination;
 - All contaminated materials are to be double bagged within heavy duty 200µm thick asbestos bags onsite;
 - All contaminated waste must be transported to a registered landfill and waste tracking documentation obtained; and
 - Upon completion of works, a Clearance Certificate for this area of the site must be issued by a Licensed Asbestos Removalist.
- Given the age and condition of the original roof it is our view that the roof should be replaced with a non asbestos material. The walls of the La Balsa display appear to be in fair condition and consideration could be given to the sealing of the walls to enhance their longevity, with a 12 month review to assess the integrity. No inspection of the roof of the La Balsa display area has been conducted.

4.2 Ballina Naval Museum - Deteriorating Asbestos Cladding

Asbestos Register Summary (Location, Condition and Management)

Batch Reference:

Property Details: **Ballina Naval Museum Regatta Street Ballina**

Date Inspected: **21 January 2014**

Ref No	Location, Description, Condition & Photo ref	Type & Condition of ACM						Controls	Risk Rating (Residual)	Labelled Y/N/na	Responsibility for Action	Review Date	
		Friable	Nonfriable / bonded	Presumed ACM	Inaccessible area, asbestos possible	Test required Y/N/na	ACM test result						Risk Rating (Initial)
BMN 1	Wall of La Balsa Display & original roof		✓	✓		N		M	Replace original roof, monitor walls	L	Y	BSC	1 to 12 mths
BNM 2	Top of PV Richmond (vessel)	✓		✓		N		H	Undertake remediation (see recommendations)	L	Y	BSC	1 month
BNM 13	Friable asbestos in weep holes of gutter	✓		✓		N		H	Undertake remediation (see recommendations)	L	Y	BSC	1 month
BNM 8	Floor Tiles Office (potential acm)		✓	✓		N		L	No action at this time, Avoid mechanical damage & abrasion. Remove if refurbishment or structural change	L	Y	BSC	2 years

4.3 Wigmore Arcade Complex - Refurbishment

4.3 Wigmore Arcade Complex - Refurbishment

Delivery Program Commercial Services

Objective To provide an update on the progress of a cosmetic upgrade and refurbishment proposal for the Wigmore Arcade Complex and seek Council's concurrence to proceed with the project.

Background

At the Commercial Services Meeting held on 17 September, 2013, a report was presented to consider the following options in respect of the Wigmore Arcade Complex:

- 1. Place on hold preparation of plans and development application for redevelopment of the arcade section of the Wigmore Complex. The General Manager be instructed to engage consultants to prepare plans and cost estimates to undertake a cosmetic upgrade of the Wigmore Arcade Complex as generally outlined in this report. Upon completion of such works, a detailed report on the proposal be presented to Councillors.*
- 2. Continue with the preparation plans and a development application for redevelopment of the arcade section of the Complex;*
- 3. Abandon preparation of plans and development application for redevelopment of the arcade section of the Wigmore Complex. The General Manager be instructed to engage consultants to prepare plans and cost estimates to undertake a cosmetic upgrade of the Wigmore Arcade Complex as generally outlined in this report. Upon completion of such works, a detailed report on the proposal be presented to Councillors.*

The resolution arising from that meeting was as follows:

- 1. That based on the contents of this report that Council confirms that its preferred approach for the short-term improvement to Wigmore Arcade is a more cosmetic upgrade as outlined within this report.*
- 2. That Council approves an allocation of \$20,000 from the Property Development Reserve to confirm the exact details and estimated costs of this upgrade with that information to be presented to Council for further review.*
- 3. That Council approves an allocation of \$50,000 from the Property Development Reserve for the payment of commissions and legal expenses related to the on-going negotiations for tenancies for the Wigmore Arcade.*
- 4. That Council approves an allocation of \$55,000 from the Property Development Reserve in respect to the refurbishment works undertaken for 139 River Street.*

4.3 Wigmore Arcade Complex - Refurbishment

Following on from that meeting Dominic Finlay-Jones Architects (“DFJA”) was commissioned to prepare concept plans and cost estimates for a cosmetic upgrade and refurbishment of the Wigmore Arcade Complex. This work has now been completed and is presented with this report.

Key Issues

- Relocation of tenants
- Staging of works
- Timeframes
- Cost and funding

Information

DFJA has prepared concept plans for a cosmetic upgrade and refurbishment of the Wigmore Arcade Complex, copies of which are in **Attachments 1 and 2**. Mr Finlay Jones will be in attendance at the Commercial Services Meeting to present these plans and answer questions. The general scope of works are summarised as follows:

1. Remodel the River Street entrance to the arcade by removing a section of the corrugated iron clad awning and replace it with a glazed section to improve natural lighting and create a point of difference to other premises in River Street. It is not proposed to undertake any works to the River Street façade of the Complex other than repairs and repainting.
2. Clean, repair and repaint, as required, the underside of the awning to the River Street shops and faced above.
3. Reduce the size of 145 River Street (Corries) to open up the arcade entrance to River Street. Swish Café (147 River Street) has expressed strong interest in leasing the reconfigured shop and open space as an alfresco dining area.

These works will give an open and inviting feel to the arcade providing a sense of arrival with pleasant coffee and food aromas.

4. Subdivide 141 River Street into two shops.
5. Open up the northern walls of Shops 6 and 12 to what is proposed as the Northern Terrace Area to create opportunities for food type uses.
6. Reshape and tile the floor of the arcade to remove threshold steps, provide better access for the disabled and improve presentation.
7. Install new shop fronts to all arcade shops.
8. Install timber panelling above shop fronts to improve the aesthetics and ambience of the arcade.
9. Install new lighting to the arcade to improve ambience and aesthetics.
10. Repaint the internal areas of the arcade.

4.3 Wigmore Arcade Complex - Refurbishment

11. Refurbish and repaint existing toilets.
12. Reconfigure existing storage areas to create smaller storage spaces due to increasing demand for such space.
13. Tidy up the two car parking areas pertaining to the Complex and create specific bin storage areas.
14. Undertake paving, painting, lighting, signage and other works to create what is referred to in the plans as the Northern Terrace to Winton Lane.
15. Create a new south western vehicular entrance to the Wigmore car park to improve traffic flows and pedestrian safety.
16. Create a shared traffic zone on Winton Lane between the rear of the Arcade and the Wigmore car park to improve pedestrian safety.
17. Create a landscaped area with public seating leading off the shared traffic zone into the Wigmore Car park.

In respect to the proposed works the relevance of Items 13, 14, 15, 16 and 17 cannot be understated. The expansion of the Wigmore car park, currently underway, will create the largest central public car park in the Ballina CBD. Local shoppers and visitors using these car parks will often enter River Street via the Wigmore Arcade. It is important visitors (business people and tourists) experience a positive sense of arrival to the CBD.

Informal discussions with other land holders having frontages to Winton Lane have expressed interest in upgrading and refurbishing their properties to capitalize upon the benefits of the new Tamar Street car parks and compliment the works proposed for the Wigmore Arcade Complex.

Meetings have been held with existing tenants in the Arcade to discuss staging of the proposed works, interim re-location, and permanent relocation. Following on from these meetings, DFJA has prepared an initial staging plan that proposes the works be undertaken over four stages. A copy of this plan is contained in **Attachment 3**.

The following indicative time frame for the project has been prepared assuming Council agrees to proceed in February, 2014:

Time Frame	Task
March	Prepare and lodge development application
April	Prepare detailed design and documentation for construction certificate and tender documentation
May	Call construction tenders
June	Appoint construction contractor
July - September	Under take refurbishment works
October 2014	Handover completed premises to tenants

4.3 Wigmore Arcade Complex - Refurbishment

It is important these timeframes be met if the upgrade works are to be completed by October, 2014. Tenants will want to be established in their new premises well before the Christmas trading period. DFJA has obtained quotes from consultants required for a project such as this and is ready to commence the development process outlined above once instructed to do so by Council.

Legal / Resource / Financial Implications

Legal

Tenants within the Arcade are on short term leases and as such there is no impediment to gaining vacant possession and enable works to proceed should Council resolve to do so. Meetings have been held with tenants to discuss the proposed works and relocation.

Resource

Commercial Services staff and the project architect have the capacity to manage the Project and co-ordination of tenants.

Financial

The following development budget has been formulated based upon a quantity surveyor's estimate of the proposed works and consultants' fee proposals. The indicative cost estimate of the project is \$1,550,000 + GST summarized as follows:

QS Cost Estimate		1,295,000
Consultants	8.85%	114,624
		1,409,624
Contingency	10.00%	\$140,962
Total		1,550,586

A summary of the QS report is included as the **Attachment 4**. Due to the early stages of this project a contingency closer to 15% is preferred and on that basis the recommended budget is \$1.6 million.

It is worth noting that a significant portion of the QS's cost estimate relates to external works to northern section of the Arcade (including car parks), the Winton Lane shared zone.

North Terrace	200,000
Bin Storage	22,000
Share Zone and Car Park	140,000
Total	362,000

These works are largely transport infrastructure related works, rather than refurbishments to the actual Arcade.

4.3 Wigmore Arcade Complex - Refurbishment

The cost estimates are subject to development consent and construction certificate conditions and pricing by construction tenders. Cost management of the project will be required to ensure it comes in within the agreed budget.

It was originally hoped that Council undertake the refurbishment for around the \$1m mark, albeit that Council's long term financial plan includes an amount of \$1.475 million for these works.

Attachment 5 to this report is the most recent summary of the Property Development Reserve as presented to the October 2013 Commercial Services Committee meeting. As per the forecast cash flows for that reserve there are adequate cash flows to finance this expenditure.

However it is intended to provide an updated report on the Community Infrastructure Reserve and the Property Development Reserve to the March 2014 Finance Committee meetings, as these reserves are subject to regular fluctuations due to land sales (and non sales) along with variances in capital works programs.

For the purposes of this report the final attachment (**Attachment 6**) to this report is a preliminary update of the Property Development Reserve based on known changes since October 2013.

The revised forecast defers some forecast land sales to 2015/16 as it is essential that Council not have the situation where expenditure is incurred and income from sales is not realised.

The major changes included in Attachment 6, as compared to Attachment 5, are as follows:

Cash Inflows

- **Interest Accrued for 2013/14** – This item has increased from \$65,000 to \$159,000 based on latest forecasts, as per the December 2013 Quarterly Financial Review, which will be presented to the February 2014 Ordinary meeting
- **Sale - Alstonville Tennis Courts** – Transferred from 2014/15 to 2015/16. No purchaser has been identified as yet and by moving the sale to 2015/16, this means we can plan with certainty for 2014/15.
- **Sale - Alstonville Plaza** – This is a new item with Council resolving to sell a road reserve to the Plaza Owners. As a road closure is required for this sale to be completed, the income has been included in 2014/15.
- **Sale - ARC Residual** – Similar to the Alstonville Tennis Courts, this item has been transferred to 2015/16, as no purchaser has been identified.
- **Sale - Balance Skennars Head** – Moved from 2014/15 to 2013/14. This land recently went to auction and contracts are in the process of being exchanged, with settlement anticipated in March 2014.
- **Sale – Land Adjoining BP** – There is no change to this item with contracts having now exchanged and settlement due by the end of March 2014.
- **Sale – Russellton (Major Sale)** – Deferred as per the Alstonville Tennis Courts and ARC residual

4.3 Wigmore Arcade Complex - Refurbishment

- **Sales – Russellton and Southern Cross** – Deferred as per the Alstonville Tennis Courts and ARC residual. There is some interest in the Southern Cross lots and sales are anticipated, however due to the variable nature of industrial land sales, no income has been included until 2015/16.
- **Sales – Wollongbar Urban Expansion Area** – For the purposes of this review, the land sale numbers have been reduced from the forecast 16 lots to 8. If sales do not proceed as planned there would be a corresponding reduction in the expenditure allocation for the development of future stages of this Estate.

Cash Outlays

- Wollongbar Sports Field – To balance this project's budget Council approved funding of \$400,000 from this reserve. These funds will not be expended until 2014/15.
- Lennox Head Community Centre Legals – Council has approved \$55,000 to fund legal expenditure this financial year for the damages claim and another \$60,000 is recommended in an earlier report in this agenda.
- Wigmore Arcade – As per this report it is recommended that Council allow \$1.6m for this project with \$150,000 to be incurred on consultants and approvals in 2013/14 and \$1.45m in 2014/15 on construction works.

Based on this revised cash flow there is sufficient funds in the Property Development Reserve to finance this project.

The Property Development Reserve is starting to be emptied and it is hoped that with the property market showing a bit more activity in recent months that the income sales, now forecast largely for 2015/16, will eventuate (possibly in 2014/15) and thus allow funds to be generated for other projects (both commercial and community).

Rental Income

Rental income projections for the proposed project over a five year period have been prepared assuming:

- A reduction in rental income during construction works.
- An increasing level of occupancy as shops are leased and concessions cease.

	2013/14	2014/15	2015/16	2016/17	2017/18
Gross Rent	\$321,756	\$433,860	\$548,767	\$669,659	\$689,749
Less Outgoings	\$111,774	\$115,127	\$118,581	\$122,138	\$125,803
Net Rental	\$209,982	\$318,733	\$430,186	\$547,521	\$563,946

For comparative purposes the current rental income for the complex in its existing state is as follows:

	2013/14
Gross Rent	\$384,887
Less Outgoings	\$111,774
Net Rental	\$273,113

4.3 Wigmore Arcade Complex - Refurbishment

The variance in the rentals between the two tables for the 2013/14 year is due to the fact that some tenants may vacate and or rental abatements may be granted during the construction period.

In regards to the level of leasing risk for the proposed development, Commercial Services have received positive feed back from existing tenants as well as prospective tenants interested in securing new premises in the arcade. It is difficult to secure new tenants until such time as Council formally commits to the project and definite time frames can be given.

In order to assess the financial merits of undertaking this refurbishment a Net Present Value (NPV) analysis of the forecast cash flows is outlined below.

Forecast Net Cashflows

Year	1	2	3	4	5	6	7	8	9	10
Refurbish	(1,390,000)	319,000	430,000	548,000	564,000	581,000	598,000	616,000	635,000	654,000
Current	273,000	281,000	290,000	298,000	307,000	317,000	326,000	336,000	346,000	356,000

The refurbishment line represents the forecast income for 2013/14, less the \$1.6 million in refurbishment costs. Income for years one to five is as per the earlier forecast with years six onwards indexed by 3% CPI.

The current line represents the forecast income for 2013/14, as outlined earlier, indexed by 3% CPI.

If a 6% discount factor is applied the NPV of the refurbishment is \$2.271m, whereas the current option is \$2.123m. In other words the refurbishment is considered to have a higher return to Council. The NPV for both projects is similar when a discount factor of 4% is applied.

The discount factor is considered to represent the time value of money and there is no right or wrong answer as to what discount factor should be applied.

Even though this is a simple analysis it does help to highlight that Council should be able to generate a return on its investment over time. Of course the forecast rents can be varied to provide different results and only time will be the true test of this investment.

Importantly this refurbishment is not purely about financial return in that a major part of this project is about investing in the Ballina town centre, improving infrastructure and encouraging economic growth.

Consultation

Meetings have been held with existing Arcade tenants to discuss staging of the proposed works, interim re-location, and permanent relocation. Following on from these meetings DFJA has prepared an initial four stage plan for the proposed works, as per the previously mentioned **Attachment 3**.

Options

1. Proceed with the cosmetic upgrade and refurbishment of the Wigmore Arcade Complex as proposed in the concept plans prepared by Dominic Finlay-Jones Architects, as attached. Engage Dominic Finlay-Jones Architects and relevant consultants to prepare and lodge a development application for the Project, all necessary plans and documentation to apply for a construction certificate and call for construction tenders. A budget of \$1.6m is recommended for the entire project.

This option is recommended as there is a reasonable level of enquiry from parties seeking to lease premises in the Arcade if it is refurbished, however until such time as Council formally commits to the project securing such tenants will continue to be difficult.

Upgrading of the Wigmore Arcade Complex will also compliment construction of the additional public car parks in Tamar Street, and hopefully stimulate further private sector investment and development in the CBD.

2. Not proceed with the cosmetic upgrade and refurbishment of the Wigmore Arcade Complex as proposed in the concept plans prepared by Dominic Finlay-Jones Architects as attached to this Report.

This option is not recommended as existing and prospective tenants in the Arcade will lose confidence in Council as a landlord resulting in an increase in vacancies and further drop in rental income.

In summary Council has had a number of extensive debates, along with independent feasibility reports, on the future of the Wigmore Arcade and this report is responding to the latest decision of Council, which is to undertake a refurbishment. The plan as presented responds to that resolution of Council and on that basis it is recommended that Council now commit to the project.

RECOMMENDATIONS

1. That Council proceed with the cosmetic upgrade and refurbishment of the Wigmore Arcade Complex, as proposed in the concept plans prepared by Dominic Finlay-Jones Architects, and as attached to this report.
2. That Council provides a budget of \$1.6 million for the project as per the revised Property Development Reserve cash flow as per attachment six to this report.
3. That for the purposes of Council's Long Term Financial Plan Council adopts the revised Property Development Reserve cashflows, as per Attachment Six, along with the revised cashflows for the Wigmore Arcade as outlined within this report.

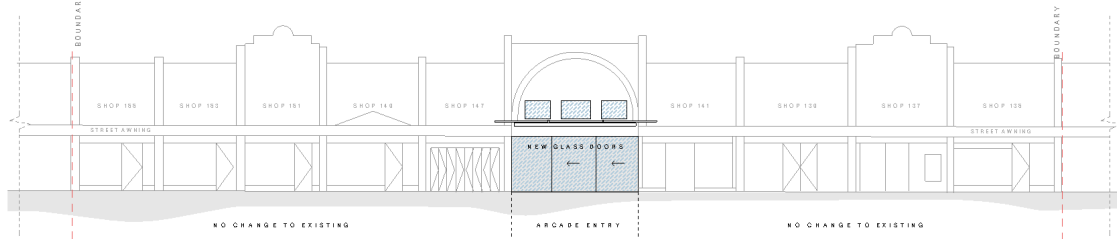
Attachment(s)

1. Plans - Elevations & Sections
2. Layout Plan
3. Staging Plan
4. QS Report
5. Cashflow - October 2013
6. Cashflow - February/March 2014

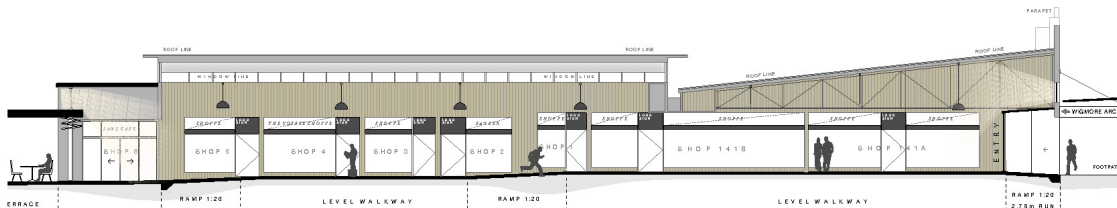
4.3 Wigmore Arcade Complex - Refurbishment



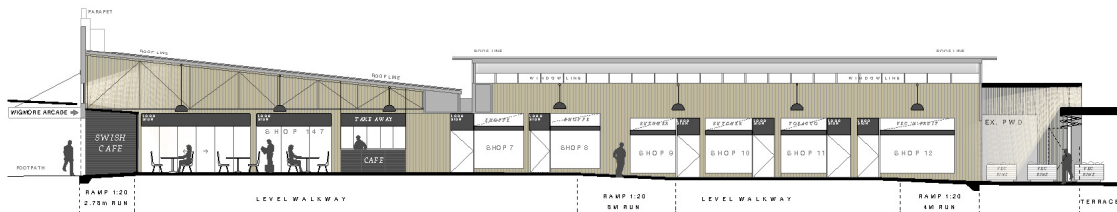
WINTON LANE
ELEVATION



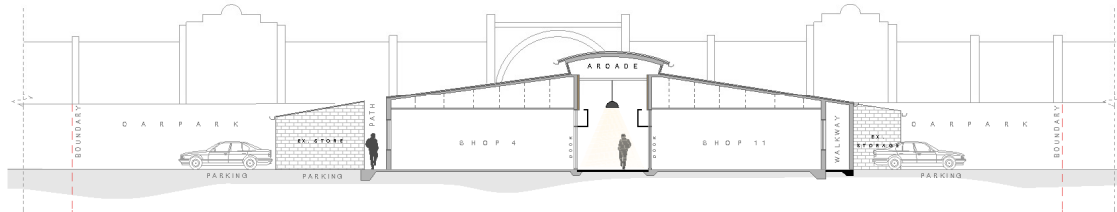
RIVER STREET
ELEVATION



WIGMORE ARCADE
LONG SECTION



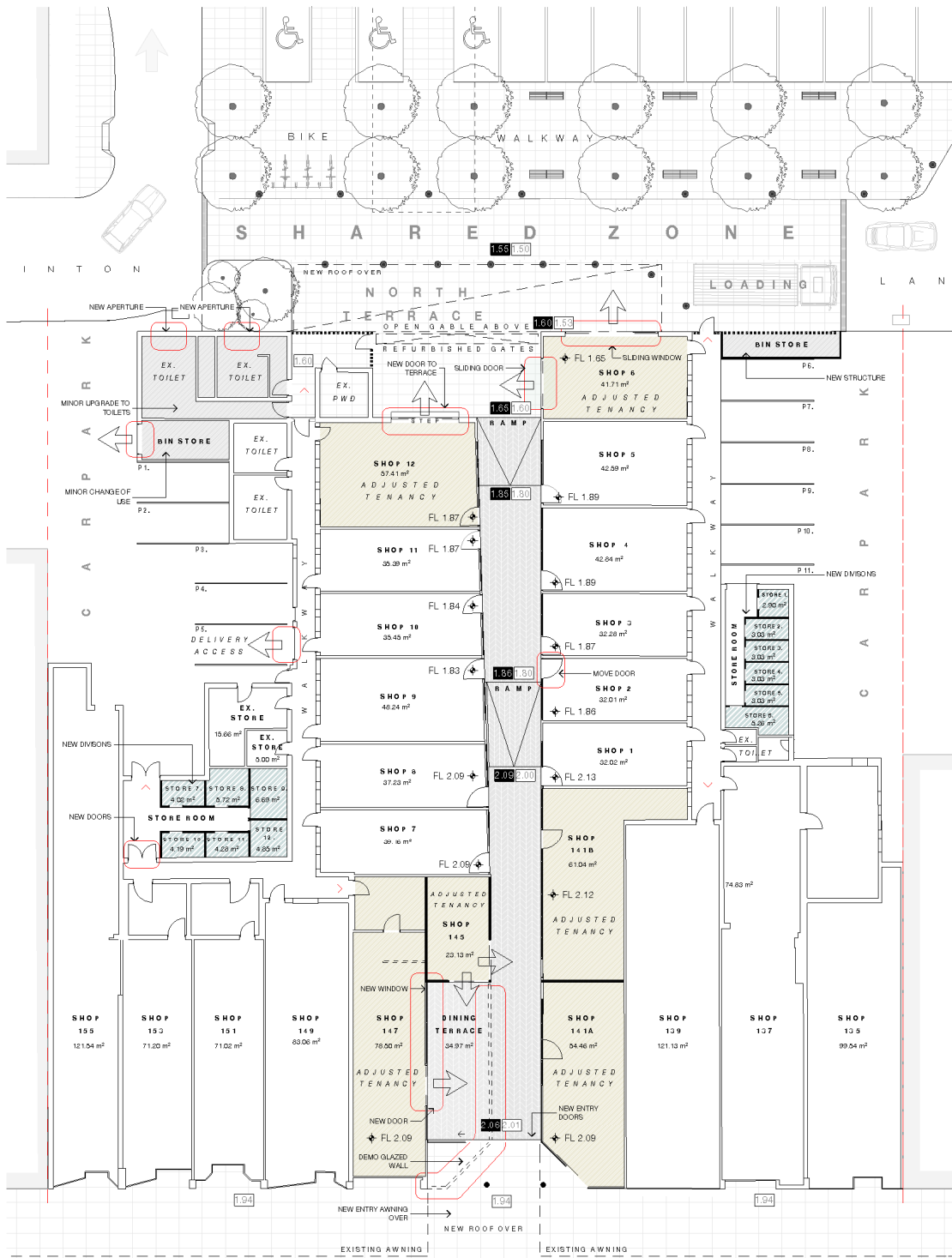
WIGMORE ARCADE
LONG SECTION



WIGMORE ARCADE
SHORT SECTION

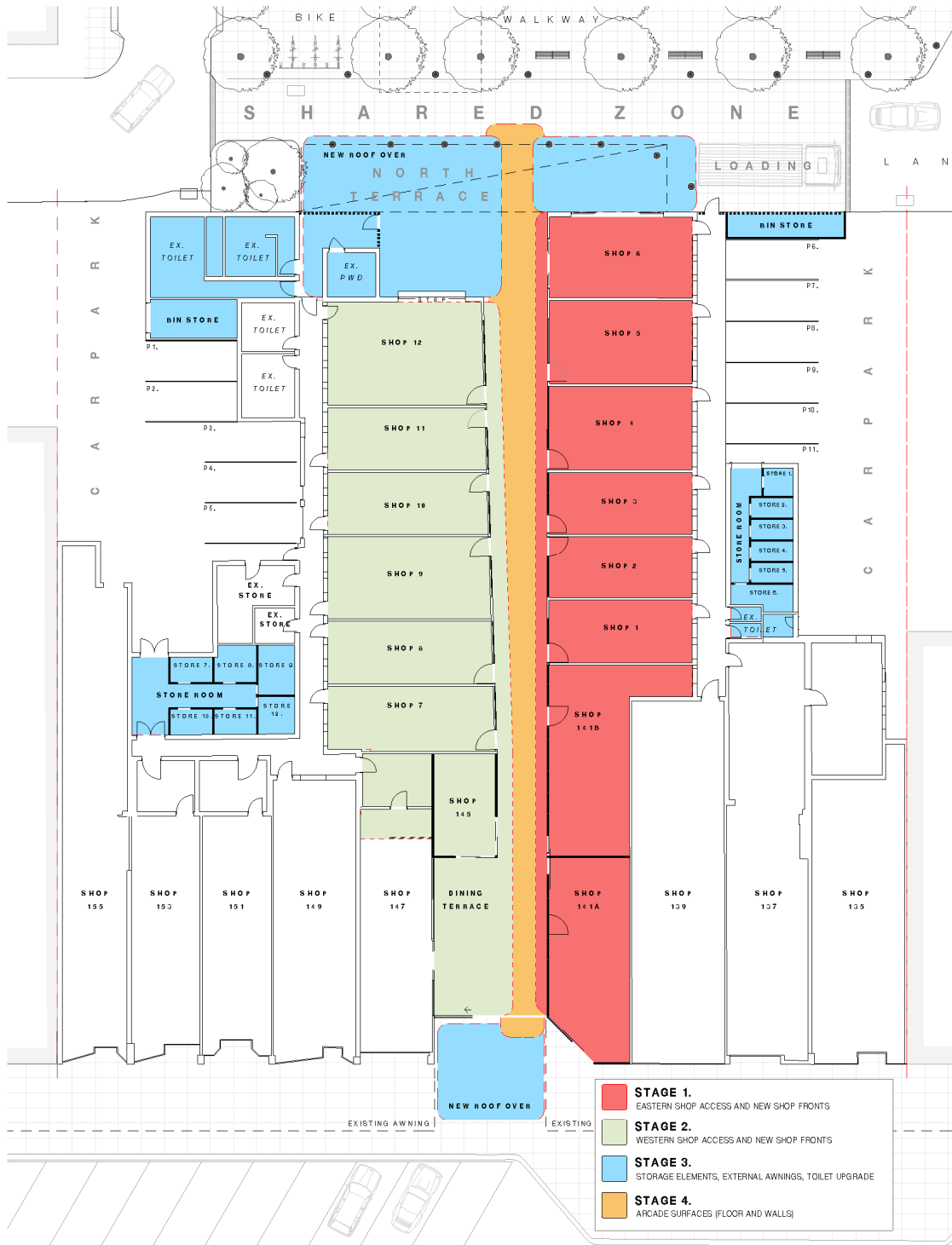
<p>DOMINIC FINLAY JONES ARCHITECTS PTY LTD 10 George Street Ballina NSW 2478 PO Box 475 Ballina NSW 2478 PH: 02 669 1402 www.dfj.com.au</p> <p>WE WILL ALWAYS BE AT YOUR SERVICE & STRIVE TO EXCEED YOUR EXPECTATIONS. THE BALLINA SHIRE COUNCIL HAS EMPLOYED US AS ARCHITECTS FOR THIS PROJECT. ANY REPRODUCTION OF THIS DOCUMENT WITHOUT THE WRITTEN PERMISSION OF THE ARCHITECT IS STRICTLY PROHIBITED.</p>	<p>NO. SUBJECT</p> <p>A SKETCH 0006</p>	<p>NO. DATE</p> <p>9/12 08/12/13</p>	<p>PROJECT</p> <p>WIGMORE ARCADE</p> <p>FOR</p> <p>BALLINA COUNCIL</p> <p>AT</p> <p>LOT 4-8 DP 977545</p> <p>RIVER STREET BALLINA NSW</p> <p>FOR MORE INFORMATION, PLEASE CONTACT THE ARCHITECT</p>	<p>DRAWING TITLE</p> <p>SECTIONS/ELEVATIONS</p>	<p>PORTFOLIO LINK</p> <p>SK 02</p>	<p>JOB NUMBER</p> <p>DFJ066</p>	<p>SCALE (A1)</p> <p>SCALE (A3)</p> <p>1:200</p>
	<p>B SKETCH 0006</p>	<p>9/12 08/20/14</p>					
	<p>C SKETCH 0006</p>	<p>9/12 11/20/14</p>					
	<p>REVISION</p> <p>C</p>						

4.3 Wigmore Arcade Complex - Refurbishment



<p>DOMINIC FINLAY JONES ARCHITECTS PTY LTD 10/100 The Strand, Ballina NSW 2460 PO Box 471, Ballina NSW 2460 T: (61) 61 651 100 F: (61) 61 651 100 www.dominicfinlayjones.com.au</p> <p><small>VERY FULL ENDS/REVISIONS/ALTERATIONS/NOTES BY CONTRACTOR/OWNER. DO NOT SCALE FROM THIS DRAWING. THE DIMENSIONS OF OBJECTS REPRESENTED ON THIS DRAWING ARE TO BE TAKEN FROM THE REVISIONS UNLESS OTHERWISE STATED BY THE ARCHITECT.</small></p>	<p>NO. SUBJECT DT DATE JOB</p> <p>A SHEET 006E 3/11 05/13/11 </p> <p>B SHEET 007E 3/11 05/13/11 </p> <p>C SHEET 008E 3/11 11/03/14 </p>	<p>PROJECT WIGMORE ARCADE BY BALLINA COUNCIL AT LOT 4-8 DP 977545 RIVER STREET BALLINA NSW</p> <p><small>ISSUED BY SHEET 1 DOMINIC FINLAY JONES ARCHITECTS PTY LTD</small></p>	<p>DRAWING TITLE SKETCH PLAN</p>	<p>DATE PLOTTED 05/06/14</p> <p>SCALE 1:200</p> <p>PROJECT NO. C</p>
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4.3 Wigmore Arcade Complex - Refurbishment



<p>DOMINIC FINLAY JONES ARCHITECTS PTY LTD 10 George Street (Opposite) Ballina NSW 2478 PO Box 475 Ballina NSW 2478 PH: (02) 6621 1100 F: (02) 6621 1101 E: info@dfj.com.au</p> <p>THIS PLAN IS THE PROPERTY OF DOMINIC FINLAY JONES ARCHITECTS PTY LTD AND IS NOT TO BE REPRODUCED OR COPIED IN ANY FORM OR BY ANY MEANS WITHOUT THE WRITTEN CONSENT OF THE ARCHITECT.</p>	<table border="1"> <thead> <tr> <th>REV</th> <th>ISSUED</th> <th>BY</th> <th>DATE</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>SKETCHY ISSUE</td> <td>DFJ</td> <td>08/12/13</td> </tr> <tr> <td>B</td> <td>SKETCHY ISSUE</td> <td>DFJ</td> <td>08/01/14</td> </tr> <tr> <td>C</td> <td>SKETCHY ISSUE</td> <td>DFJ</td> <td>11/02/14</td> </tr> </tbody> </table>	REV	ISSUED	BY	DATE	A	SKETCHY ISSUE	DFJ	08/12/13	B	SKETCHY ISSUE	DFJ	08/01/14	C	SKETCHY ISSUE	DFJ	11/02/14	<p>PROJECT WIGMORE ARCADE FOR BALLINA COUNCIL AT LOT 4-B DP 977545 RIVER STREET BALLINA NSW</p> <p>FORWARDED BY: JAMES FINLAY JONES ARCHITECTS</p>	<p>DRAWING TITLE CONSTRUCTION STAGES</p>	<p>DATE PUBLISHED JAN 2014</p> <p>JOB NUMBER DFJ066</p> <p>SCALE 1:1 SCALE 1:200</p> <p>DRAWING NUMBER SK 03</p> <p>REVISION C</p>
	REV	ISSUED	BY	DATE																
	A	SKETCHY ISSUE	DFJ	08/12/13																
B	SKETCHY ISSUE	DFJ	08/01/14																	
C	SKETCHY ISSUE	DFJ	11/02/14																	

Full Estimate Summary

Job Name : WIGMORE ARCADE R2	Job Description
Client's Name:	Proposed Alterations & Additions Wigmore Arcade Ballina R2 10/02/2014

Trd No.	Trade Description	Trade %	Cost/m2	Sub Total	Mark Up %	Trade Total
1	SITE PREPARATION	6.41		83,000		83,000
2	SUBSTRUCTURE	0.23		3,000		3,000
3	STRUCTURAL STEEL / TIMBER	1.16		15,000		15,000
4	STAIRS	0.06		800		800
5	EXTERNAL WALLS	0.77		10,000		10,000
6	EXTERNAL WINDOWS AND EXTERNAL DOORS	15.84		205,090		205,090
7	INTERNAL WALLS	6.48		83,929		83,929
8	SUBTOTAL FOR STRUCTURE (arcade)					<u>400,819</u>
9	FLOOR FINISHES	3.93		50,856		50,856
10	CEILING FINISHES	0.93		12,100		12,100
11	SERVICES	6.01		77,800		77,800
12	PAINTING	2.82		36,480		36,480
13	SUBTOTAL FOR FINISHES (arcade)					<u>177,236</u>
14	PRELIMINARIES	6.16		79,700		79,700
15	BUILDERS MARGIN @ 10%	5.08		65,776		65,776
16	SUBTOTAL FOR PRELIMINARIES / MARGIN					<u>145,476</u>
17	TOTAL for ARCADE					<u>723,531</u>
18	RIVER STREET ENTRY AWNING	11.74		152,039		152,039
19	EXISTING TOILETS	2.93		37,910		37,910
20	NEW STORE 5	0.87		11,209		11,209
21	NEW STORE 6	0.52		6,692		6,692
22	NORTH TERRACE	15.43		199,787		199,787
23	BIN STORE	1.75		22,605		22,605
24	SHARED ZONE	10.89		140,930		140,930
25	COST PLAN NOTES					
		100.00		1,294,703		1,294,703
Final Total : \$						1,294,703

Cash Flow - Property Development Reserve - 10 Year Financial Plan Updated as at October 2013												
Item	2011/12 Actual	2012/13 Actual	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	2022/23 Estimate
Opening Balance	303,500	4,438,100	4,613,900	2,715,900	5,303,900	5,726,400	6,343,000	4,341,200	4,403,700	4,462,900	4,513,700	4,562,600
Add: Cash Inflows												
Interest Accrued	261,000	178,000	65,000	68,000	133,000	143,000	159,000	109,000	110,000	112,000	113,000	114,000
Internal Loans Repaid - Waste	288,500	0	0	0	0	0	0	0	0	0	0	0
Rental - Norfolk Homes	133,600	136,500	138,000	142,200	146,500	150,900	155,500	160,200	165,100	170,100	175,300	180,600
Rental - ARC (50%)	156,000	158,500	163,500	168,400	173,500	178,600	184,100	189,600	195,200	201,100	207,100	213,300
Sale - Alstonville Tennis Courts	0	0	0	2,000,000	0	0	0	0	0	0	0	0
Sale - ARC Residual (50%)	0	269,000	262,500	365,000	0	0	0	0	0	0	0	0
Sale - Balance Skennars Hd	0	0	0	400,000	0	0	0	0	0	0	0	0
Sale - Harvey Norman	4,246,000	0	0	0	0	0	0	0	0	0	0	0
Sale - Land Adjoining BP (50%)	0	0	250,000	0	0	0	0	0	0	0	0	0
Sale - Russellton (Major Sale)	0	0	0	1,500,000	0	0	0	0	0	0	0	0
Sale - Russellton (Standard Lots)	0	413,000	0	200,000	200,000	200,000	200,000	206,000	206,000	206,000	206,000	206,000
Sale - Southern Cross (Standard Lots)	0	0	0	300,000	300,000	300,000	310,000	310,000	310,000	310,000	310,000	310,000
Sale - WUEA (Standard Lots)	0	0	0	2,560,000	2,400,000	2,400,000	3,200,000	0	0	0	0	0
Sub Total	5,085,100	1,155,000	879,000	7,703,600	3,353,000	3,372,500	4,208,600	974,800	986,300	999,200	1,011,400	1,023,900
Less: Cash Outlays												
Operating Expenditure												
Internal Overheads - Russellton	60,000	80,000	66,000	68,000	70,000	72,100	74,300	76,500	78,800	81,200	83,600	86,100
Internal Overheads - Southern Cross	132,400	67,000	69,000	71,100	73,200	75,400	77,700	80,000	82,400	84,900	87,400	90,000
Internal Overheads - WUEA	0	0	75,000	77,300	79,600	82,000	84,500	87,000	89,600	92,300	95,100	98,000
Russellton - Operating Exps	35,400	30,000	13,000	89,400	29,900	30,400	16,500	15,400	15,900	16,400	16,900	17,500
Southern Cross - Operating Exps	65,600	66,000	65,000	67,000	69,200	71,400	73,700	76,000	78,400	80,800	83,300	85,900
WUEA - Operating Expenses	7,200	15,000	35,000	48,100	49,300	50,500	52,100	41,000	42,400	43,800	45,200	46,600
Sub Total	300,600	258,000	323,000	420,900	371,200	381,800	378,800	375,900	387,500	399,400	411,500	424,100
Community Infrastructure												
Animal Shelter	0	0	370,000	0	0	0	0	0	0	0	0	0
Ballina Surf Club	0	0	134,000	0	0	0	0	0	0	0	0	0
Community Infrastructure Dividend	0	0	0	0	400,000	300,000	1,700,000	300,000	300,000	300,000	300,000	300,000
Sub Total	0	0	504,000	0	400,000	300,000	1,700,000	300,000	300,000	300,000	300,000	300,000
Property Development Projects												
ARC Residual - Selling Costs	0	0	230,000	0	0	0	0	0	0	0	0	0
Bridge Club Sale Legals	42,000	0	0	0	0	0	0	0	0	0	0	0
North Creek Dredging	5,000	0	0	0	0	0	0	0	0	0	0	0
Russellton - Development	60,400	0	100,000	1,800,000	0	0	0	0	0	0	0	0
Southern Cross - Development	198,000	115,000	0	0	0	0	1,600,000	0	0	0	0	0
Southern Cross - Masterplan	63,000	110,000	0	0	0	0	0	0	0	0	0	0
Wigmore Arcade - Development	0	0	125,000	1,350,000	0	0	0	0	0	0	0	0
WUEA - Development	0	48,000	900,000	900,000	1,650,000	1,650,000	2,200,000	0	0	0	0	0
Sub Total	368,400	273,000	1,355,000	4,050,000	1,650,000	1,650,000	3,800,000	0	0	0	0	0
Dividends												
General Fund	281,500	448,200	595,000	644,700	509,300	424,100	331,600	236,400	239,600	249,000	251,000	253,300
Total Outlays	950,500	979,200	2,777,000	5,115,600	2,930,500	2,755,900	6,210,400	912,300	927,100	948,400	962,500	977,400
Closing Balance	4,438,100	4,613,900	2,715,900	5,303,900	5,726,400	6,343,000	4,341,200	4,403,700	4,462,900	4,513,700	4,562,600	4,609,100

Cash Flow - Property Development Reserve - 10 Year Financial Plan Updated as at February / March 2014												
Item	2011/12 Actual	2012/13 Actual	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	2022/23 Estimate
Opening Balance	303,500	4,438,100	4,613,900	2,961,900	1,002,900	4,662,400	5,253,000	3,223,200	3,257,700	3,287,900	3,308,700	3,327,600
Add: Cash Inflows												
Interest Accrued	261,000	178,000	159,000	74,000	25,000	117,000	131,000	81,000	81,000	82,000	83,000	83,000
Internal Loans Repaid - Waste	288,500	0	0	0	0	0	0	0	0	0	0	0
Rental - Norfolk Homes	133,600	136,500	138,000	142,200	146,500	150,900	155,500	160,200	165,100	170,100	175,300	180,600
Rental - ARC (50%)	156,000	158,500	163,500	168,400	173,500	178,600	184,100	189,600	195,200	201,100	207,100	213,300
Sale - Alstonville Tennis Courts	0	0	0	0	2,000,000	0	0	0	0	0	0	0
Sale - Alstonville Plaza	0	0	0	180,000	0	0	0	0	0	0	0	0
Sale - ARC Residual (50%)	0	269,000	262,500	0	365,000	0	0	0	0	0	0	0
Sale - Balance Skenars Hd	0	0	400,000	0	0	0	0	0	0	0	0	0
Sale - Harvey Norman	4,246,000	0	0	0	0	0	0	0	0	0	0	0
Sale - Land Adjoining BP (50%)	0	0	250,000	0	0	0	0	0	0	0	0	0
Sale - Russellton (Major Sale)	0	0	0	0	1,500,000	0	0	0	0	0	0	0
Sales - Russellton (Standard Lots)	0	413,000	0	0	200,000	200,000	200,000	206,000	206,000	206,000	206,000	206,000
Sales - Southern Cross (Standard Lots)	0	0	0	0	300,000	300,000	310,000	310,000	310,000	310,000	310,000	310,000
Sales - WUEA (Standard Lots)	0	0	0	1,280,000	3,680,000	2,400,000	3,200,000	0	0	0	0	0
Sub Total	5,085,100	1,155,000	1,373,000	1,844,600	8,390,000	3,346,500	4,180,600	946,800	957,300	969,200	981,400	992,900
Less: Cash Outlays												
Operating Expenditure												
Internal Overheads - Russellton	60,000	80,000	66,000	68,000	70,000	72,100	74,300	76,500	78,800	81,200	83,600	86,100
Internal Overheads - Southern Cross	132,400	67,000	69,000	71,100	73,200	75,400	77,700	80,000	82,400	84,900	87,400	90,000
Internal Overheads - WUEA	0	0	75,000	77,300	79,600	82,000	84,500	87,000	89,600	92,300	95,100	98,000
Russellton - Operating Exps	35,400	30,000	13,000	89,400	29,900	30,400	16,500	15,400	15,900	16,400	16,900	17,500
Southern Cross - Operating Exps	65,600	66,000	65,000	67,000	69,200	71,400	73,700	76,000	78,400	80,800	83,300	85,900
WUEA - Operating Expenses	7,200	15,000	35,000	36,100	49,300	50,500	52,100	41,000	42,400	43,800	45,200	46,600
Sub Total	300,600	258,000	323,000	408,900	371,200	381,800	378,800	375,900	387,500	399,400	411,500	424,100
Community Infrastructure												
Animal Shelter	0	0	370,000	0	0	0	0	0	0	0	0	0
Ballina Surf Club	0	0	228,000	0	0	0	0	0	0	0	0	0
Wollongbar Sports Field	0	0	0	400,000	0	0	0	0	0	0	0	0
Community Infrastructure Dividend	0	0	0	0	400,000	300,000	1,700,000	300,000	300,000	300,000	300,000	300,000
Sub Total	0	0	598,000	400,000	400,000	300,000	1,700,000	300,000	300,000	300,000	300,000	300,000
Property Development Projects												
ARC Residual - Selling Costs	0	0	230,000	0	0	0	0	0	0	0	0	0
Bridge Club Sale Legals	42,000	0	0	0	0	0	0	0	0	0	0	0
Lennox Head Comm Centre Legals	0	0	115,000	0	0	0	0	0	0	0	0	0
North Creek Dredging	5,000	0	0	0	0	0	0	0	0	0	0	0
Russellton - Development	60,400	0	100,000	0	1,800,000	0	0	0	0	0	0	0
Southern Cross - Development	198,000	115,000	0	0	0	0	1,600,000	0	0	0	0	0
Southern Cross - Masterplan	63,000	110,000	0	0	0	0	0	0	0	0	0	0
Wigmore Arcade - Development	0	0	150,000	1,450,000	0	0	0	0	0	0	0	0
WUEA - Development	0	48,000	900,000	900,000	1,650,000	1,650,000	2,200,000	0	0	0	0	0
Sub Total	368,400	273,000	1,495,000	2,350,000	3,450,000	1,650,000	3,800,000	0	0	0	0	0
Dividends												
General Fund	281,500	448,200	609,000	644,700	509,300	424,100	331,600	236,400	239,600	249,000	251,000	253,300
Total Outlays	950,500	979,200	3,025,000	3,803,600	4,730,500	2,755,900	6,210,400	912,300	927,100	948,400	962,500	977,400
Closing Balance	4,438,100	4,613,900	2,961,900	1,002,900	4,662,400	5,253,000	3,223,200	3,257,700	3,287,900	3,308,700	3,327,600	3,343,100

4.4 Lennox Head Community Centre - Damages Claim Update

4.4 Lennox Head Community Centre - Damages Claim Update

Delivery Program Commercial Services

Objective To provide an update on the matter of Council v Greenway Hurst Page in regards to a claim lodged by Council for additional costs incurred by Council for work undertaken on the Lennox Head Cultural and Community Centre.

Background

In a confidential session of the Commercial Services Meeting held on 9 December, 2013, a legal update was prepared in regards to Council (BSC) v Greenway Hirst Page (“GHP”).

As a brief background on this matter, Council is seeking damages from the initial project architect (GHP) as a consequence of Council’s claim for GHP’s defective design and breaches of the Consultancy Agreement for the Project.

Council’s claims against GHP are currently the subject of arbitration under the Consultancy Agreement.

In the course of the arbitration, the parties agreed on mediation to settle the dispute. The mediation was held in Sydney in September 2012 where Council made an offer, (exclusive of costs) to settle the dispute. The offer was made without prejudice. On 2 July, 2013 GHP’s solicitor finally made a counter offer exclusive of costs to settle the matter. On 30 July 2013, Council rejected this offer and made a counter offer.

This report deals with the current status of the matter. Specific details are contained in the confidential report elsewhere in this agenda.

Key Issues

- Difficulty in finalising this matter
- On-going costs

Information

Since this matter was last reported to the Commercial Services Committee on 9 December, 2013, GHP has not made an offer to reach a settlement of this matter.

Earlier this month Council’s solicitor in this matter, Maddocks, received correspondence from GHP’s solicitor requesting that Council serve its evidence in the arbitration. This correspondence appears to indicate that GHP is currently not intending to progress the without prejudice process in relation to Council’s informal.

4.4 Lennox Head Community Centre - Damages Claim Update

GHP's solicitor also requested that the arbitrator issue directions requesting Council's evidence be served by 3 March 2014. The arbitrator has issued directions accordingly.

Maddocks has prepared a plan of the evidence and supporting statements to be prepared and cost estimate for same. That information has been listed as privileged and confidential and is included in the confidential report elsewhere in this agenda. Given the mood of Council at the Commercial Services meeting of 9 December, 2013, was to continue pursuing this matter, Maddocks has been instructed to commence the preparation of evidence in order to meet the deadline of 3 March 2014.

Legal / Resource / Financial Implications

Legal - Given GHP's refusal to date to increase its offer to settle this matter, Council has little choice but to continue with the matter, abide by the arbitrator's directions and serve its evidence by 3 March, 2014 as requested.

Financial - Maddocks has prepared an estimate of fees (\$60,000) likely to be incurred in preparing and serving the evidence required. It is proposed that this amount be sourced from the Council Property Development Reserve. There are adequate funds in this reserve to finance this expenditure. The previously allocated funds have been expended on advice to date.

Consultation

Consultation is on-going between all parties.

Options

1. Council can resolve to comply with the arbitrator's directions to prepare and serve its evidence by 3 March, 2014. The funds to be sourced from the Property Development Reserve.

This option is recommended as GHP has failed to make a counter offer to settle this matter. This option also allows Council to pursue a higher settlement.

2. Council can resolve not to comply with the arbitrator's directions to prepare and serve its evidence by 3 March, 2014.

This option is not recommended as it will be construed by the arbitrator, GHP and its professional indemnity insurer that Council wishes to drop the action.

RECOMMENDATIONS

1. That in respect to Council's claim for damages from the original architect, for work undertaken on the Lennox Head Cultural and Community Centre, Council agrees to comply with the Arbitrator's directions to prepare and serve our evidence by 3 March, 2014.
2. That Council approves an allocation of \$60,000 in funds (as per the confidential report elsewhere in this agenda) from the Property Development Reserve for the estimated legal fees for this work.

Attachment(s)

Nil

5. Confidential Session

In accordance with Section 9 (2A) of the Local Government Act 1993, the General Manager is of the opinion that the matters included in the Confidential Business Paper, and detailed below are likely to be considered when the meeting is closed to the public.

Section 10A(4) of the Local Government Act, 1993 provides that members of the public are allowed to make representations to or at a meeting, before any part of the meeting is closed to the public, as to whether that part of the meeting should be closed.

A brief summary of each of the reports recommended for consideration in confidential session follows:

5.1 Lennox Head Community Centre - Damages Claim Update

As per the earlier report in this agenda this report contains more precise financial details in respect to the ongoing offers for the Council damages claim against the architect who initially oversaw the construction of the Lennox Head Cultural & Community Centre.

RECOMMENDATION

That Council moves into committee of the whole with the meeting closed to the public, to consider the following items in accordance with Section 10A (2) of the Local Government Act 1993.

5.1 Lennox Head Community Centre - Damages Claim Update

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 10A(2)(c) (g) of the Local Government Act 1993. which permits the meeting to be closed to the public for business relating to the following:-

- c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business; and
- g) advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege

and in accordance with 10D(2)(c), on balance, the discussion of the matter in an open meeting is not considered to be in the public interest as this matter is the subject of ongoing legal negotiations and the release of any information relating to this matter prior to the finalisation of those negotiations could prejudice the ability of Council to maximise the settlement returned to the community.