Notice of Finance Committee Meeting

A Finance Committee Meeting will be held in the Ballina Shire Council Chambers, 40 Cherry Street, Ballina on **Tuesday 4 March 2014 commencing at 4.00 pm.**

Business

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

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General Manager

Table of Contents

1. Apologies

2. Declarations of Interest

3. Deputations

4. Committee Reports

4.1 Financial Performance Indicators and Benchmarks

Delivery Program	Financial Management
Objective	To provide Council and the community with key performance indicators (KPI), benchmarks and comparisons to provide an understanding of financial health of the organisation.

Background

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

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

Key Issues

- Financial performance against indicators
- Financial sustainability

Information

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

Key Performance Indicators

1. Operational Liquidity - Short Term Focus

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

Benchmark: >1.5:1

General Fund

	2010/11	**2011/12**	**2012/13**
Ratio	2.75:1	2.90:1	2.61
	Pass	Pass	Pass

The unrestricted current ratio reflects a pass as Council's liquidity is in a satisfactory position as at 30 June 2013. This means that there are sufficient short term assets available to meet known short term commitments. The ratio is reasonably strong and has been for some time.

It is forecast that the ratio will trend down over the next 12 months as available cash reserves expended on capital works.

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

Benchmark: <6%

Consolidated

	2010/11	**2011/12**	**2012/13**
Ratio	9.8	7.62	7.07
	Fail	Fail	Fail

The result to 30 June 2013 is a fail in comparison to the benchmark. This is disappointing as it was anticipated that the benchmark may have been achieved.

Prior to 2009/10 the balance outstanding benchmark was achieved. During 2009/10 and 2010/11 limited recovery action occurred due to the new Civica system installation, as resources were simply not available to pursue recovery action.

Over recent times normal recovery procedures have returned and the percentage is slowly dropping. Staff have been reasonably lenient with arrangements to pay given the difficult times that many ratepayers have seen

In respect to Water and Wastewater annual charges, the balance outstanding includes the fourth quarter levy for non-residential Wastewater customers and all water customers. These accounts are raised during July and are due in August, however they are included as outstanding by the ratio. This issue does mean that it will be difficult to reduce the percentage to far below the benchmark

Council has made submissions to have the ratio calculation changed however this has not occurred to date.

Corrective Strategy

The strategy going forward is to continue to pursue recovery with reasonable vigour. It is expected that this ratio will fall, hopefully to within the benchmark, particularly as some of the larger debts are now drawing to a head in terms of the legal process.

1.3 Available Working Funds (General Fund Only) - Total of cash, investments, receivables and inventory assets less total payables, liabilities, externally restricted receivables, internally and externally restricted investments and real estate inventory.

The benchmark is set at $3 million which is based on percentages of the organisation's total income and expenses. The purpose of this measure is to show Council's short term ability to cover financial shocks, whether they are reductions in anticipated revenues or unplanned additional expenditure.

Benchmark: $3m

General

	2010/11	**2011/12**	**2012/13**
Ratio	$2.77m	$3.50m	$3.41m
	Fail	Pass	Pass

The assessed amount of working funds, being $3.4 million exceeds the benchmark and is considered a satisfactory result.

2. Fiscal Responsibility - Council Elected Term Focus

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

Benchmark: < (10%)

Consolidated

	2010/11	**2011/12**	**2012/13**
Ratio	(7.7)	(15.75)	(16.38)
	Pass	Fail	Fail

The result is a fail despite the fact that it is quite a generous benchmark which is accepting of an operating loss up to 10%.

There are numerous factors at play in the calculation of this ratio but needless to say the 'fail' is not desirable, nor is the trend for an increase to the ratio (operating loss).

The upward trend of the ratio has occurred through a period of sustained rate increases beyond cost of living which raises further concerns. Hence whilst more revenue has been raised it has been exceeded by the increase to spending.

Given that Council will always have a strong cash flow, failing this benchmark does not present an immediate problem. The issue is that over the long term there may be insufficient discretionary funds to apply to assets to maintain them in a satisfactory standard.

It suggests that over the long term the organisation may not be sustainable in terms of maintaining current service standards. It is a matter of the legacy left by today's decisions on future generations.

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

However it is a subjective process to determine what is a satisfactory standard. Typically with Local Government there is a very active dynamic between the decision makers of the day and the community. So in many respects it the community satisfaction, or lack there of, that determines what is satisfactory.

Some surveys suggest residents are reasonably happy with a lot of the infrastructure and services provided by Council. Perhaps this indicates that the decisions being made to apply the discretionary funds that are available are targeting the right assets.

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

The result must be considered in the context of it being for all funds (consolidated) and it is best to consider the ratio and a corrective strategy on a fund basis. This information is provided below.

General Fund

	2010/11	**2011/12**	**2012/13**
Ratio	(3.88)	(12.43)	(14.11)
	Pass	Pass	Fail

The ratio outcome is a fail and the trend is upwards. Special rate variations have been achieved at approximately 7% for six of the last seven years. It is disappointing that the ratio has continued to climb during this period and indicates operating expense has more than matched the revenue increases, although to be fair the depreciation expense has increased significantly in recent years.

Corrective Strategy

To improve the operating deficit Council needs to endeavour to reduce operating expenses and or increase recurrent revenue. In this regard efforts have been ongoing to improve recurrent revenue via increases to annual rates, scrutinising annual fees and promoting entrepreneurial activities. Expenses are closely monitored via reporting and the General Manager meets with managers of key operational areas on a monthly basis to keep budgets on track.

Decisions affecting income/expense including the application of discretionary funds need to be carefully considered.

For example if we apply discretionary funds to maintain/refurbish existing assets you may reduce future maintenance costs (operating expenses) because the asset is in better condition than previously. Alternatively if discretionary funds are applied to new assets operating expenses typically increase as there is additional cost to operate and maintain the new asset.

Hence from a strategic perspective the ratio outcome will be assisted if discretionary funding is targeted towards the renewal of existing assets as opposed to creating new assets.

Water

	2010/11	**2011/12**	**2012/13**
Ratio	(24.3)	(22.47)	(13.50)
	Fail	Fail	Fail

The trend has been for a steady improvement in this ratio. Water consumption increased in 2012/13 in comparison to the previous year which contributed to a much improved operating performance.

Corrective Strategy

The strategy in the short term is to continue the process of elevating annual charges as the main driver to improve the outcome of this ratio.

Wastewater

	2010/11	**2011/12**	**2012/13**
Ratio	(11.28)	(22.42)	(26.92)
	Pass	Fail	Fail

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

Corrective Strategy

The strategy has been to graduate the annual charges up to meet the borrowing costs and this has been going on for some years. The forecasting has been difficult however given that the new infrastructure being created is shifting operating expenses, generally upwards.

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

Whilst the ratio result is poor there remains a high level of confidence in the financial sustainability of the fund as Council has complete autonomy over the charging structure.

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

Benchmark: < 12%

Consolidated

	2010/11	**2011/12**	**2012/13**
Ratio	6.3	8.4	12.34
	Pass	Pass	Fail

The ratio result on a consolidated basis fails the benchmark and the trend is for a rather rapid increase over the last three years.

Large loans have been taken out in Wastewater Fund and General Fund is steadily increasing borrowings to finance infrastructure works.

General

	2010/11	**2011/12**	**2012/13**
Ratio	6.70	6.05	8.04
	Pass	Pass	Pass

The outcome falls within the benchmark. Council took up several new loans this financial year totalling $13.5 million, the largest being $7.3m by the Airport. Loans to $8.3 million are under the Local Infrastructure Renewal Program which provides low interest rates

Taking into account capital repayments in the year the portfolio balance increased by 63%. The full magnitude of these borrowings is not reflected in the ratio and this will occur next financial year.

The forecast is that the ratio will rise to approximately 11 to 12 percent in 2013/14 suggesting that General Fund is at its borrowing capacity.

Water

	2010/11	**2011/12**	**2012/13**
Ratio	0.05	0.04	0.00
	Pass	Pass	Pass

The fund is now debt free.

Wastewater

	2010/11	**2011/12**	**2012/13**
Ratio	9.4	21.43	34.03
	Pass	Fail	Fail

This ratio reflects the take up of the $63m loan.

Corrective Strategy

The ratio will go even further behind next year as the cost of the repayments impact Wastewater Fund.

From 2014/15 onwards this ratio will gradually improve as increased annual charges raise Income.

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

Benchmark: >40%

Consolidated

	2010/11	**2011/12**	**2012/13**
Ratio	34.06	38.39	31.04
	Fail	Fail	Fail

Refer to individual comments.

General Fund

	2010/11	**2011/12**	**2012/13**
Ratio	31.62	33.56	25.23
	Fail	Fail	Fail

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

Further to the point on grant funding it is relevant to note that the denominator of the ratio includes capital grants as operating income. In 2012/13 Council received capital grants to almost $37 million which is higher than is typically the case.

This is significant because capital grants relate to one off projects that will probably not affect the ratio next financial year.

Corrective Strategy

Council has achieved rate rises above the rate pegged limit in recent years.

This is perhaps the best strategy to improve the result of this ratio and it is already in place.

It is likely that the level of funding from capital grants will fall in future years that may result in the benchmark being achieved.

Water

	2010/11	**2011/12**	**2012/13**
Ratio	20.42	24.65	24.46
	Fail	Fail	Fail

The fund fails this benchmark however the ratio does not include User Charges.

Corrective Strategy

Given that the ratio excludes user charges it is unlikely that this fund will ever achieve a pass mark for this benchmark. This is because one of the primary drivers of water demand management is that a high proportion of the funds revenue is derived from the usage charge.

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

Wastewater

	2010/11	**2011/12**	**2012/13**
Ratio	52.13	67.79	69.47
	Pass	Pass	Pass

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

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

Benchmark: < 47%

Consolidated

	2010/11	**2011/12**	**2012/13**
Ratio	45.88	44.79	45.18
	Pass	Pass	Pass

Refer to individual comments.

General

	2010/11	**2011/12**	**2012/13**
Ratio	51.00	55.78	56.72
	Fail	Fail	Fail

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

Corrective Strategy

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

Water

	2010/11	**2011/12**	**2012/13**
Ratio	25.51	10.55	10.81
	Pass	Pass	Pass

The result falls well within the benchmark. Some longer term staff have left which tends to reduce accumulated leave balances.

Wastewater

	2010/11	**2011/12**	**2012/13**
Ratio	22.95	13.93	13.56
	Pass	Pass	Pass

See comments for Water Fund.

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

General

2010/11	**2011/12**	**2012/13**
1,058	1,102	1,411

The trend shows a large increase in comparison to previous years and there are numerous issues to consider when looking at the movement in this ratio. Some examples include additional operating expenses relating to items such as road maintenance (funded from grant), storm damage (funded from grant) and additional expense in the Landfill and Resource Management area and new costs associated with Lennox Head Community Centre.

Water

2010/11	**2011/12**	**2012/13**
226	240	260

The increase from 2011/12 to 2012/13 was 8.3%. One of the issues reflecting this trend is the increased cost to purchase bulk water.

Wastewater

2010/11	**2011/12**	**2012/13**
275	351	416

In comparison to the previous year the ratio has increased by 18%. The dramatic increase is mainly due to the interest cost of the $63 million loan.

3. Financial Sustainability - Long Term Intergenerational Focus

3.1 Asset Consumption Ratio - Depreciated replacement cost of assets divided by current replacement cost of depreciable assets. Measured as a percentage.

This ratio seeks to highlight the aged condition of Council's physical assets.

The indicator shows the depreciated replacement cost of the assets relative to their "as new" (replacement) value.

Benchmark: >40%

Consolidated

	2010/11	2011/12	2012/13
	69.15	68.30	67.72
	Pass	Pass	Pass

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

General

	2010/11	2011/12	2012/13
Ratio	74.74	64.84	66.11
	Pass	Pass	Pass

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

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

Water

	2010/11	2011/12	2012/13
Ratio	58.67	77.32	65.30
	Pass	Pass	Pass

The ratio is within the pass area.

Wastewater

	2010/11	2011/12	2012/13
Ratio	53.52	78.16	74.32
	Pass	Pass	Pass

The ratio is well over the pass mark. The strong performance is due to spending on infrastructure over recent years.

3.2 Net Financial Liabilities Ratio - Total liabilities less current assets divided by total operating revenues. Measured as a percentage.

This indicator measures the long term debt position of Council and Council's ability to meet its financial obligations from revenue streams.

Benchmark: < 60%

Consolidated

	2010/11	**2011/12**	**2012/13**
Ratio	(6.22)	11.69	36.04
	Pass	Pass	Pass

The large increase between 2011/12 and 2012/13 shows affect of the large borrowing program that has occurred over the last few years.

General

	2010/11	**2011/12**	**2012/13**
Ratio	24.16	(5.88)	(5.15)
	Pass	Pass	Pass

The outcome is a very sound pass mark in relation to the benchmark. This indicates that our current assets are really quite strong in comparison to total liabilities.

This ratio is quite sensitive to different financial movements. The large improvement from 2010/11 to 2011/12 is mainly attributable to the fact that our investments were shifted, in accord with the Minister's Investment Order, from longer term floating rate notes to term deposits over a shorter period.

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

Water

	2010/11	**2011/12**	**2012/13**
Ratio	(120.88)	(136.72)	(116.68)
	Pass	Pass	Pass

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

Wastewater

	2010/11	**2011/12**	**2012/13**
Ratio	(47.59)	173.24	298.06
	Pass	Fail	Fail

The ratio has shifted from a comfortable pass to a substantial fail in a very short period of time reflecting the massive shift in the financial position of the fund as loans are taken out and reserves run down to finance infrastructure upgrades.

<u>Corrective Strategy</u>

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

Legal / Resource / Financial Implications

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

Consultation

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

Options

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

RECOMMENDATION

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

Attachment(s)

Nil

4.2 Rating Structure - Ordinary Land Rates

Delivery Program	Financial Management
Objective	To consider the preferred rating structure for the levying of ordinary land rates in 2014/15.

Background

This report contains information to assist Council in determining a fair and equitable rating structure for the 2014/15 rating year.

The information provided within the report covers the following issues:

- Overview of ordinary rates and their relationship to land valuations, rating structures, rating principles, calculations, rating options, and income limits (rate pegging)
- Key elements of our current 2013/14 rating structure
- Proposed rating structure for 2014/15, including comparisons to 2013/14.

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

Key Issues

- Equity and fairness for a rating structure

Information

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

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

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

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

4.2 Rating Structure - Ordinary Land Rates

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

Fluctuations in land values may have a significant effect on how the rate burden is shared. As we are not utilising new land values in 2014/15, this report does not provide information comparing our current 2011 base date land values to our previous 2008 land valuations. Generally, there was very little movement between those land valuations.

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

History of Valuer General Revaluations - Total Land Values

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

The Division of Local Government and Local Government Act 1993 (LGA) outline two **principles of rating:**

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

- *Benefit principle* – this is the "user pays" principle

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

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

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

Key Elements of Current Rating Structure

Base Amounts

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

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

There are no changes proposed to the base amount structure in 2014/15, as compared to 2013/14 other than to increase the base amount and rate in the dollar in accordance with allowable rate increases.

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

Prior to 2011/12, Council implemented a strategy to increase the percentage of income from the business category to a level comparable with other similar sized councils. This goal was achieved when the business category income reached around 20% of total income. In the past few years, Council has decided to retain the 20% income generated from the business category regardless of what the percentage would have been if using usual growth adjustments between each of the rating categories from year to year.ie; as property numbers rise or fall the percentage of total income derived from each category increases or decreases.

In the last few rating years, if the 20% setting was ignored, the income derived from the business category would have been within about 0.3% of the 20% setting, which is highlighted in the following table.

Rating Year	2014/15	2013/14	2012/13	2011/12
Percentage of Income derived from business category	20.00%	20.00%	20.00%	20.00%
Percentage of Income that would have been derived from business category ignoring 20% setting	19.88%	19.84%	20.35%	19.92%

Total Allowable Income – Rate peg allowable increase

Council applied for and was approved a special variation from the Division of Local Government (DLG) to the rate peg maximum for a four year period commencing from the 2010/11 financial year. This special variation expires at the end of the current 2013/14 rating year.

IPART announced a maximum allowable increase to the notional income yield (ie rate pegging limit) for 2014/15 of 2.3%. The calculations within this report assume Council wishes to take up the maximum allowable increase.

Calculation Methodology – Base Amounts and Rates in the Dollar

The following points summarise the current ordinary rate calculation process;

1. **Calculate the total notional income for 2013/14 and total notional yield allowable for 2014/15**. This is completed by calculating a notional 2013/14 total income which entails using the base amount and rate in the dollar set in 2013/14 and applying it to the current properties and land valuations on hand (rather than those on hand when the rates were set at the start of the rating year). This effectively creates a growth allowance to total allowable income for 2014/15 before the allowable rate pegging increase is applied. In addition to this, legislative adjustments are taken into account such as income lost in previous years due to land value objections. The rate pegging limit is then applied to the calculated 2013/14 notional income to result in total allowable income yield for 2014/15.

2. Implement the current strategy adopted by Council to set the total **business category income as 20%** of the total allowable income. As reported earlier, Council may wish to consider allowing “natural” growth between years to calculate this in future. This report assumes Council wishes to retain the 20% setting. The business category would have generated 19.88% of total income had the set 20% limit been ignored.

3. **Take into account growth in assessments and movement of land valuations** between categories from the previous year to arrive at a percentage of total income required from the farmland and residential categories (business already set at 20% and we currently have no mining category properties).

4. **Calculate the base amount (flat charge) for the residential category to be marginally less than 50%** to conform to legislative requirements. This base charge is then used for the business and farmland categories.

5. **Calculate the rate in the dollar for each category** with the mining category to be set at the same rate as the business category. This is calculated by dividing the total land valuations within the category by the total remaining allowable income for the category (ie excluding previously calculated income derived by the base amount for each category).

Proposed 2014/15 Rating Structure

This section presents a proposed rating structure for 2014/15 based on the current structures, strategies and calculation methodologies described earlier in this report. Comparisons are also provided to previous years.

Table one shows the adopted rating structures for 2012/13 and 2013/14 and table two details the proposed structure for 2014/15, which incorporates the 2.3% rate pegging increase. The figures in tables two and three are draft and will change slightly by the time they are adopted in the 2014/15 Operational Plan. This is because ratepayers may object to current valuations and be successful and there could be variations due to growth in assessment and land values.

Table One: 2012/13 and 2013/14 Rating Structures

Rate Category	2012/13		2013/14	
	Base Charge	Rate in Dollar	Base Charge	Rate in Dollar
Residential	398	0.152206	420	0.161054
Business	398	0.539356	420	0.575440
Farmland	398	0.123163	420	0.130375

The next table presents a draft rating structure based on a 2.3% increase and uses Council's current rating structure. Even though we do not have any mining categorised land it is important for Council to adopt a base amount and rate in the dollar in case any such categorised land arises in the future.

Table Two: Proposed 2014/15 Rating Structure

Rating Category	2.3% Increase	
	Base Amount	Rate in Dollar
Residential	429	0.165769
Business	429	0.589130
Farmland	429	0.133990
Mining	429	0.589130

Table three details the income that will be generated for each rating category, the percentage of revenue each category derives and the average rate per category. The increase in total notional income between 2013/14 and 2014/15 equates to **$517,638**.

Table Three: Proposed 2014/15 Income per Category (Cat) at 2.3%

	2013/14				2014/15			
Rate Category	5.9% increase	Cat.% from base	Cat % of yield	Ave Rate	2.3% increase	Cat % from base	Cat % of yield	Ave Rate
Residential	12,722,924	49.84	72.19	841	13,124,373	49.83	72.34	861
Business	3,525,028	14.76	20.00	2,793	3,628,551	14.67	20.00	2,815
Farmland	1,377,220	32.63	7.81	1,287	1,389,886	32.53	7.66	1,320
Mining	0	0	0.00	0.00	0.00	0.00	0.00	0.00
Total	**17,625,172**	**N/A**	**100.0**	**1,010**	**18,142,810**	**N/A**	**100.00**	**1,031**

4.2 Rating Structure - Ordinary Land Rates

The next three tables provide examples of the rates payable for a range of land values, based on the residential, business and farmland categories. The average increase tends to be greater than the rate peg limit of 2.3% due to the growth included in the calculation.

Table Four: Residential Rates Payable in 2014/15

Land Value	Number of properties	2013/14 rate	2014/15 rate	Difference ($)	Change (%)
50,000	246	501	512	11	2.3%
100,000	1,517	581	595	14	2.4%
150,000	1,288	662	678	16	2.4%
200,000	3,848	742	761	18	2.5%
250,000	2,499	823	843	21	2.5%
300,000	1,439	903	926	23	2.6%
400,000	2,532	1,064	1,092	28	2.6%
500,000	938	1,225	1,258	33	2.7%
600,000	335	1,386	1,424	37	2.7%
800,000	364	1,708	1,755	47	2.7%
1,000,000	137	2,031	2,087	56	2.8%
2,000,000	118	3,641	3,744	103	2.8%

Table Five: Business Rates Payable in 2014/15

Land Value ($)	Number of properties	2013/14 rate	2014/15 rate	difference ($)	Change (%)
50,000	123	708	724	16	2.2%
100,000	187	995	1,018	23	2.3%
150,000	105	1,283	1,313	30	2.3%
200,000	167	1,571	1,607	36	2.3%
250,000	103	1,859	1,902	43	2.3%
300,000	70	2,146	2,196	50	2.3%
400,000	138	2,722	2,786	64	2.3%
500,000	100	3,297	3,375	77	2.3%
600,000	66	3,873	3,964	91	2.4%
800,000	60	5,024	5,142	119	2.4%
1,000,000	32	6,174	6,320	146	2.4%
1,500,000	49	9,052	9,266	214	2.4%
2,000,000	19	11,929	12,212	283	2.4%
2,500,000	12	14,806	15,157	351	2.4%
5,000,000	18	29,192	29,886	694	2.4%
10,000,000	7	57,964	59,342	1,378	2.4%

Table Six: Farmland Rates Payable in 2014/15

Land Value ($)	Number of properties	2013/14 rate	2014/15 rate	difference ($)	Change (%)
50,000	2	485	496	11	2.2%
100,000	3	550	563	13	2.3%
150,000	0	616	630	14	2.3%
200,000	15	681	697	16	2.4%
250,000	20	746	764	18	2.4%
300,000	41	811	831	20	2.4%
400,000	166	942	965	23	2.5%
500,000	263	1,072	1,099	27	2.5%
600,000	150	1,202	1,233	31	2.6%
800,000	173	1,463	1,501	38	2.6%
1,000,000	95	1,724	1,769	45	2.6%
1,500,000	75	2,376	2,439	63	2.7%
2,000,000	21	3,028	3,109	81	2.7%
2,500,000	13	3,679	3,779	99	2.7%
5,000,000	13	6,939	7,129	190	2.7%
10,000,000	2	13,458	13,828	371	2.8%

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

This maximum has remained unchanged for many years. All properties have paid greater than $500 per annum in ordinary rates and domestic waste charges for some time now and as a result, pensioners will meet the full cost of any increase. Council is reimbursed for 55% of the total pensioner concessions granted by the State Government.

For the 2013/14 rating year to date, we have provided a total of $877,701 in general pensioner concessions for the ordinary rate/Domestic Waste Management. Council will be reimbursed $482,735 by the State Government and the remaining cost of $394,966 will be borne by Council. These amounts will only vary slightly by the end of the rating year.

Legal / Resource / Financial Implications

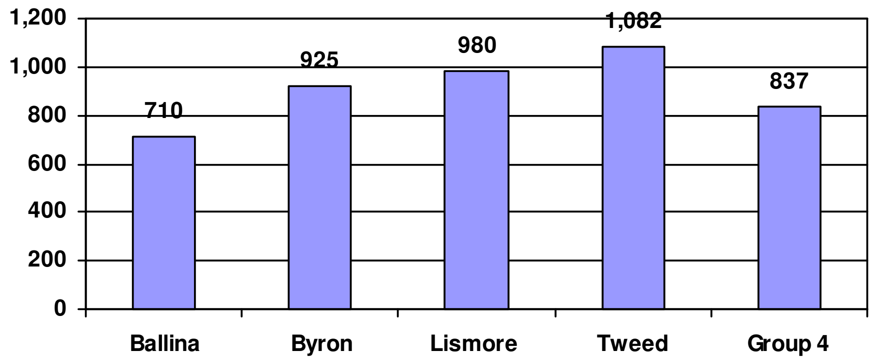
Rates are a very important component of a council's resource or revenue base. They provide a guaranteed income source and rate income can be used to finance essentially any service provided by a council.

Ballina Shire has been acknowledged as a low rating council, on a comparative basis to other councils, for many years. This strategy worked well when Council was generating substantial entrepreneurial revenues, held strong cash reserves and had a low debt service ratio. Council now faces limited cash reserves, debt that is at the maximum end of the benchmark and an economy that is making it difficult to generate a reasonable return on investments. This position increases the importance of the ordinary rate income.

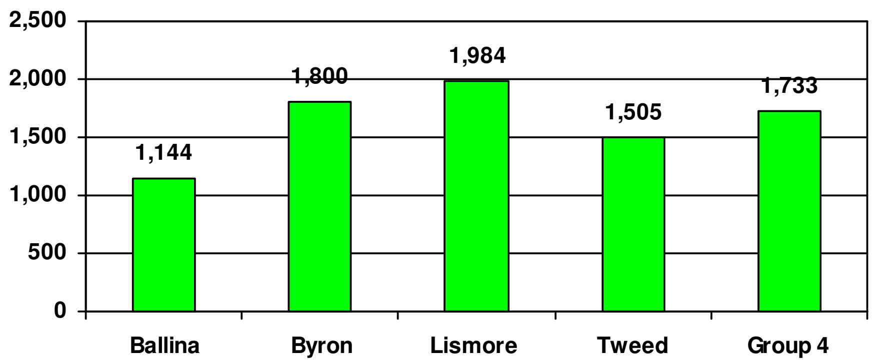
4.2 Rating Structure - Ordinary Land Rates

The latest published information from the DLG on comparative information for rating purposes was for the 2011/12 financial year and that information is reproduced in the following three tables for a sample of our neighbouring councils and also for the entire group four category of councils.

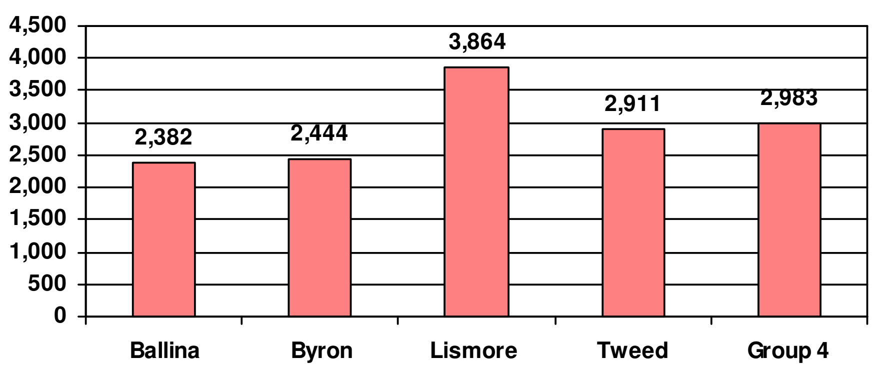
Residential Average Rates – 2011/12 DLG Comparative Data



Farmland Average Rates – 2011/12 DLG Comparative Data



Business Average Rates – 2011/12 DLG Comparative Data



Council received approval for a special variation above the rate pegging limit for seven of the last eight years (up to and including 2013/14) with an average increase over that time of approximately 6%. Despite these increases that exceed rate peg limits, Ballina Shire will, in many cases, remain below comparative councils and those councils still struggle to provide essential services even with a higher rate base.

Consultation

The rating structure will be placed on exhibition for public comment within the Draft 2014/15 Operational Plan.

Options

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

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

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

RECOMMENDATIONS

1. That Council, for the purposes of the 2014/15 Draft Operational Plan, endorses a base rating structure modelled on the following principles:

   a) Marginally less than 50% of the rate income for the residential category of properties being generated from the base amount

   b) Business, farmland and mining categories to have the same base amount as the residential base amount

   c) A total of 20% income from the rate yield to be sourced from the business category properties

   d) The mining category rate in the dollar to be set as the same rate as the business category (currently no mining category properties exist within the shire).

2. Preliminary figures for this rating structure for 2014/15, as per tables two and three within this report, are outlined below:

Table Two: Proposed 2013/14 Rating Structure

Rating Category	2.3% Increase	
	Base Amount	Rate in Dollar
Residential	429	0.165769
Business	429	0.589130
Farmland	429	0.133990
Mining	429	0.589130

Table Three: Proposed 2014/15 Income per Category 2.3%

	2013/14				2014/15			
Rate Category	5.9% increase	Cat % from base amt	Cat % of total yield	Ave Rate	2.3% increase	Cat % from base amt	Cat % of total yield	Ave Rate
Residential	12,722,924	49.84	72.19	841	13,124,373	49.83	72.34	861
Business	3,525,028	14.76	20.00	2,793	3,628,551	14.67	20.00	2,815
Farmland	1,377,220	32.63	7.81	1,287	1,389,886	32.53	7.66	1,320
Mining	0	0	0.00	0.00	0.00	0.00	0.00	0.00
Total	**17,625,172**	**N/A**	**100.0**	**1,010**	**18,142,810**	**N/A**	**100.00**	**1,031**

Attachment(s)

Nil

4.3 Community Infrastructure - Non-recurrent Capital Projects

Delivery Program	Governance and Finance
Objective	To discuss the forward works program in respect to major community capital infrastructure projects that are non-recurrent.

Background

In respect to the provision of new or replacement community infrastructure, Council's long term financial plan (LTFP) has two main components, being recurrent and non-recurrent funded projects.

Recurrent funded refers to items in the LTFP where an allocation of general revenue funding is provided, each and every year, to assist Council deliver what is considered essential infrastructure. The recurrent funded items in the LTFP are:

1. Roads – Capital funding of approximately $1.8m with this amount subject to change dependent on the use of other income sources such as loans, grant and Section 94 contributions
2. Stormwater / Drainage – Approximately $350,000 pa
3. Footpaths / Shared Paths – Approximately $400,000 pa
4. Depot Improvements – Approximately $150,000 pa
5. Community Buildings – Approximately $200,000 pa
6. Street Lighting – Approximately $45,000 pa
7. Parks and Reserves – Approximately $150,000
8. Sports Fields – Approximately $150,000
9. Public Amenities – New program with Council striving to achieve an annual recurrent capital budget of approximately $100,000.

For each of these items a forward works plan is included in the Council's Delivery Program, to identify the projects planned for the next four years.

The current level of funding for some of these items could be increased to meet the needs of ageing infrastructure however the important point is that funding is available for capital expenditure on these items every year.

Items four to nine did not have recurrent budgets until Council pursued additional rate pegging increases in recent years, with funding for roads and footpaths also increased as part of the special rate increase approvals.

A difficultly for any council is trying to fund other classes of community infrastructure that are not required to be financed every year, (i.e. they are non-recurrent) yet when they do need to be funded they require significant cash contributions. Trying to find the cash contributions is always difficult in an already tight council budget. The report that follows examines projects that Council has identified as priorities that are of a non-recurrent nature.

Key Issues

- Priorities and funding limitations

4.3 Community Infrastructure - Non-recurrent Capital Projects

Information

Non-recurrent community infrastructure projects that Council has under consideration include:

- Coastal Shared Path / Walk – Approximately $4.5m
- Ballina Town Centre – Approximately $4m
- Lennox Head Surf Club – Approximately $4m
- Skennars Head Sports Field Expansion – Approximately $1m
- Sports and Events Centre – anywhere from $4m to $14m
- Ballina and Alstonville Swimming Pool Upgrades – Anywhere from $2m to $8m depending on works program.

This list excludes smaller scale items such as improvements to Bicentennial and Missingham Parks, the Ballina Town Entry Treatments or major upgrades to buildings such as the Naval Museum.

Council has been fortunate since the 1970s to be able to raise non standard revenues from property development activities that have assisted in financing major community infrastructure. Projects such as Angels Beach Drive, the Lennox Head bypass, the Ballina Surf Club, Lennox Head Cultural and Community Centre, Community Gallery and Kentwell Centre have come to fruition through these property development activities.

The Council's property reserves remain the primary source of funding for these projects with the two main reserves being the Community Infrastructure Reserve and the Property Development Reserve.

The most recent review of the Property Development Reserve was undertaken at the February 2014 Commercial Services Committee meeting and a copy of the latest cash flows for that reserve is included as the first attachment to this report.

The second attachment to this report is a further review of the Community Infrastructure Reserve. What that attachment highlights is that this reserve remains overdrawn in 2013/14 and 2014/15, with the major remaining commitment being to the new Marine Rescue Centre. This project is supported by an income item of $1,050,000 for grant contributions from the State and Federal Governments, as previously resolved by Council. It is uncertain whether Council will be successful in obtaining these funds.

The cash flow for this reserve also includes $550,000 in income from the professional indemnity claim for the Lennox Head Cultural and Community Centre. Due to the uncertainty over this claim it would be inappropriate to incur any expenditure linked to that income, until the claim was finalised.

Council has a third property reserve being the Commercial Opportunities Reserve however as per the third attachment to this report, this reserve should be fully expended by the end of 2013/14.

The fourth attachment to this report is the three reserves consolidated. As per that attachment the estimated closing balance as at 30 June 2015 is $304,300, which effectively means there are limited spare monies available for the 2014/15 financial year. If the Lennox Head Cultural and Community Centre insurance claim is deleted the consolidated balance is overdrawn.

The consolidated balance significantly increases from 2015/16 onwards based on income being generated from land sales, assuming those sales do eventuate.

On a positive note Council has funds set aside to finalise the Ballina Surf Club and the Wollongbar Sports Fields and assuming grant income is forthcoming we are in a position to finance the Marine Rescue Centre. Monies are also allocated for the Wigmore Arcade refurbishment.

The issue that Council needs to determine is whether it wishes to pursue other major projects and if so how those projects are to be funded. The list of major projects outlined earlier in the report is as follows:

- Coastal Shared Path / Walk – Approximately $4.5m
- Ballina Town Centre – Approximately $5m
- Lennox Head Surf Club – Approximately $4m
- Skennars Head Sports Field Expansion – Approximately $1m
- Sports and Events Centre – anywhere from $4m to $14m
- Ballina and Alstonville Swimming Pool Upgrades – anywhere from $2m to $8m

Commentary on each of these items follows.

Coastal Shared Path / Walk

The Coastal Shared Path / Walk has been constantly mentioned as one of the highest priority projects for Council and the various sections / segments currently unfunded are listed below, including very preliminary estimates.

Sections and Segments

Section A: Western Side of The Coast Road – Shared Path

1. Intersection of Headlands Drive / Skennars Head Road to Henderson Drive - $130,000
2. Henderson Drive to Tara Downs (North Creek Road) - $710,000
3. Tara Downs to Palisade Way - $410,000
4. Palisade Way to Castle Drive - $190,000
5. Castle Drive to Amber Drive - $190,000

Section B: Eastern Side of The Coast Road – Shared Path

6. Angels Beach to Flat Rock - $800,000
7. Flat Rock to Sharpes Beach - $600,000

Section C: Eastern Side of The Coast Road – Coastal Walk

8. Sharpes Beach to Iron Peg / Boulder Beach - $300,000
9. Boulder Beach to start of Pat Morton Headland - $1,100,000

Section D: Eastern and Western Side of The Coast Road – Shared Path

10. Skennars Head Road to The Coast Road to Pat Morton (initially west of The Coast Road and then east of The Coast Road) - $1.7 million

For this project it is important that Council confirm its order of priority for works to assist with our long term financial planning.

From a staff perspective segments six and seven are the highest priority for 2014/15 onwards as they will then provide a shared path / cycleway all the way from West Ballina to Sharpes Beach.

This segment will also join the segment Council is constructing in 2013/14 on the western side of The Coast Road between Headlands Estate and North Angels Beach, which also connects back to Ballina.

Council has applied for grant funding from the RMS for the segments, however as reported to the February 2014 Ordinary meeting the RMS appears to have a preference to grant fund the western side pathway. Based on this Council has also submitted grant applications for segments one to five (i.e balance of western side shared path).

From a funding perspective, as also reported to the February 2014 Ordinary meeting, a funding strategy for segments six and seven is as follows:

- Existing shared path / cycleway reserves – estimated balance as at 30 June 2014 - $187,400
- Remaining funding from existing 2013/14 shared pathway budgets as per Capital Expenditure report to the February 2014 Ordinary meeting (excluding the $600,000 western segment of the cycleway planned for construction in 2013/14) - $289,100
- Funding currently allocated in Council's LTFP for the Coastal Shared Path in 2014/15 - $194,000
- SIC Reserve – remaining balance assuming $40,000 has been allocated to the Better Boating Program - $225,700
- Various small Civil Services Ancillary Infrastructure Reserves including car parking, street lighting, bus shelters - $135,700
- Various small Civil Services Asset Management Reserves including SES and Section 94 Administration - $31,200
- Various small Civil Services Reserves for marine infrastructure and RMS related works - $65,400
- Quarry Dividend - $271,500 – This leaves an estimated quarry reserve balance of $1,157,800, as at 30 June 2015, based on the current LTFP.

This remains a viable funding strategy and it is recommended that Council endorse this proposal for the purposes of preparing the draft LTFP for 2014/15 onwards.

Assuming this approach is supported, Council then needs to determine its order of priority for the other three main sections of this project, being Sections A, C and D.

Again, from a staff perspective, Section C is considered to have the lowest priority as this delivers a coastal walk, not a shared pathway, and people are already able to walk from Sharpes Beach to Pat Morton. This work will only improve or formalise the existing track.

This then leaves Sections A and D.

Section A provides connectivity for the largest growth areas of Lennox Head, being the Pacific Pines Estate and also removes a current deficiency where many local residents are not able to ride on a shared path to access the schools, beaches and sports fields at Skennars Head.

Section D provides the best direct connectivity between Lennox Head and Ballina and with the pathway meeting the Pat Morton Car Park, it also connects to Council's existing pathway in that location.

This section could have the highest tourist benefits due to its connectivity to Pat Morton and direct connection between Ballina and Lennox Head.

Both sections A and D have a high probability of receiving grant funding from the RMS, albeit that Council has to identify its preference for the grant funds. The recommendations for this report seek that direction as that determination can then be factored into Council's LTFP and also support the RMS grant applications.

If Council is successful with any grant applications there will most likely be a matching commitment required from Council and that level of commitment will depend on the amount of grant funding approved.

Council may need to reallocate monies from recurrent capital works programs to match any successful grant application, as the majority of our internal reserves are already committed to other projects.

At this point in time the preference is for Council to confirm its priority order of works, with staff to then report back on how the priorities can be factored into the LTFP.

Ballina Town Centre

The major remaining stage of the Ballina Town Centre project is the section of River Street from Moon to Grant Streets. Council is not in a position to finance this project in the short term unless we achieve significant land sales. With funding already approved for the Moon / Cherry Street roundabout to Fawcett Street section, this represents a significant contribution to this project in the short term.

Lennox Head Surf Club

Council has $1.35m in reserve, from the Ross Street land sale, set aside for works in this precinct. With the consultant's report on options to be presented to Council shortly no actions are recommended until that report is reviewed and direction provided by Council.

What is clear is that Council is not in a position to fund any surf club redevelopment in the short term and this may well be a project where Council obtains development consent for the building and then seeks funding as part of future Federal and / or State elections. The existing reserve funds will undoubtedly be fully expended on any approvals plus remediation works for the eastern side of Lake Ainsworth.

Skennars Head Sports Field Expansion

This project is considered to be a high priority as there is a deficit of sports fields in Lennox Head and ideally funds from a future land sale should be identified for these works.

Preferably Council should link future land sales with these works.

Sports and Events Centre

Council has $401,000 set aside for this project with a contract awarded to PDT Pty. Ltd. to prepare designs and to obtain approvals for the project.

A range of sites continue to be investigated (Kingsford Smith / Old Depot / private land holdings) and with Council continuing to have a very split vote on the preferred option (being 5-5 between an events / sports centre and a four court sports stadium) a decision really needs to be made as to how we progress this concept. The lack of certainty with the project is causing some angst within sections of the community.

The draft Kingsford Smith Master Plan should be presented to Council in the near future and Council will then need to determine whether it exhibits this proposal.

There are concerns that we are trying to construct too large a facility on Kingsford Smith and the difficulties in eventually obtaining approvals for that location should not be understated.

Ballina and Alstonville Swimming Pool Upgrades

From a financial management perspective these two projects are important as they relate to the renewal of existing infrastructure, rather than creating additional liabilities for Council through the construction of new community infrastructure.

Council has received various reports on options for the pools. The Community Infrastructure Reserve cash flow has $200,000 allocated in 2014/15 for the initial concept plans / approvals for any upgrades to the Ballina pool and $50,000 to improve existing stormwater and drainage issues at the Alstonville pool.

This funding is somewhat dependent on the insurance claim for Lennox Head being settled. If these funds are not realized the entire property reserves are in deficit and these works should not proceed until that claim is finalised.

In the longer term Council needs to determine how it wishes to fund the major upgrades required for the pools.

Other Projects

Two other projects being sought by the community include:

a) Alstonville Pre-school – Council will be asked to improve the car parking and drainage in this location and possibly even for a contribution to the capital cost of the building. The financial implications of this are unclear and could range into the hundreds of thousands of dollars

b) Ballina Sub- Branch – The final attachment to this report is a request from the Sub-branch seeking Council assistance with the relocation and upgrading of the Ballina cenotaph with these funds required sooner than later. The overall contribution being sought is well over $100,000.

Legal / Resource / Financial Implications

The purpose of this report has been to highlight the financial demands facing Council for non-recurrent community infrastructure projects.

Consultation

The projects listed in this report reflect community aspirations for the Ballina Shire.

Options

The purpose of this report is to generate discussion in respect to the various community projects under consideration by Council and for Councillors to provide further direction on the projects they wish to actively pursue.

In respect to options, what is being sought at this time is feedback from Councillors on priorities.

As to funding, Council needs to acknowledge that there is limited funding available from the property reserves for at least the next 12 to 18 months. If projects are to be pursued earlier, then the options available relate to other funding options.

Funding options are saving monies from the existing Council budget (i.e. reducing or cutting current programs), generating additional revenues (i.e. rate increase above the rate pegging limit) or a combination of both.

The latest rate pegging protocols require Council to consult during 2014/15, if we wish to apply for an above pegging increase in 2015/16. It is too late to apply for any additional increase for 2014/15.

The recommendations that follow are not designed to be adopted, but rather to encourage Councillors to provide direction for options that could be considered in drafting our 2014/15 Delivery Program and Long Term Financial Plan. Direction is specifically sought in respect to the Coastal Shared Path / Walk Project.

RECOMMENDATIONS

1. That Council notes the contents of this report in respect to non-recurrent community infrastructure projects.

2. That Council identify its priorities for the Coastal Shared Path / Walk project based on the sections and segments as outlined within this report.

3. That Council confirms it supports for the funding proposal outlined in this report for the Coastal Shared Path segments from Angels Beach to Sharpes Beach, with this information to be considered in the drafting of Council's long term financial plan for 2014/15 onwards.

4. That Council provide guidance on the priorities and funding options for the various projects identified in this report, along with any other projects that are to be considered as part of the 2014/15 Delivery Program and Operational Plan deliberations.

Attachment(s)

1. Cash Flow - Property Development Reserve
2. Cash Flow - Community Infrastructure Reserve
3. Cash Flow - Commercial Opportunities Reserve
4. Cash Flow - Total Property Reserves
5. Ballina RSL Sub-Branch - Request for Assistance

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 Skennars 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
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**

Cash Flows - Community Infrastructure 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	**917,300**	**909,300**	**245,600**	**(559,500)**	**(698,600)**	**312,100**	**1,383,100**	**4,038,300**	**5,443,200**	**7,211,400**	**9,033,200**	**10,901,800**
Add: Cash Inflows												
Interest Accrued	177,000	54,000	17,000	0	0	24,000	51,000	80,000	78,000	83,000	88,000	93,000
Community Infrastructure Dividend	0	0	0	0	400,000	300,000	1,700,000	300,000	300,000	300,000	300,000	300,000
Grants - Marine Rescue Tower	0	0	0	1,050,000	0	0	0	0	0	0	0	0
Insurance Claim - Lennox Head C.C.	0	0	0	550,000	0	0	0	0	0	0	0	0
Rate Revenue - Roundabouts (30%)	308,000	0	0	0	0	0	0	0	0	0	0	0
Rental - 89 Tamar St (100%)	641,000	656,000	698,500	685,000	740,900	763,000	785,800	809,300	833,600	858,500	884,200	910,700
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
Rental - Fawcett Pk (100%)	65,000	0	0	45,500	47,000	48,000	49,000	50,000	52,000	54,000	56,000	58,000
Rental - Wigmore Arcade (Target 50%)	0	0	0	0	110,000	220,000	350,000	360,000	370,000	380,000	390,000	400,000
Sale - ARC Residual (50%)	0	250,000	262,500	0	0	0	0	0	0	0	0	0
Sale - Harvey Norman Sale (Part)	1,780,000	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 - Southern Cross Sale	400,000	0	0	0	0	0	0	0	0	0	0	0
Section 94 - Recouped	325,000	631,300	100,000	103,000	106,000	109,000	112,000	115,000	118,000	122,000	126,000	130,000
Sub Total	**3,852,000**	**1,749,800**	**1,491,500**	**2,601,900**	**1,577,400**	**1,642,600**	**3,231,900**	**1,903,900**	**1,946,800**	**1,998,600**	**2,051,300**	**2,105,000**
Less: Cash Outlays												
Operating Expenditure												
Development Application Refund	27,000	0	0	0	0	0	0	0	0	0	0	0
Donations	0	5,000	0	0	0	0	0	0	0	0	0	0
Fawcett Park Café - Operating Expenses	0	33,000	0	0	0	0	0	0	0	0	0	0
Master Plan - Captain Cook Park	60,000	0	0	0	0	0	0	0	0	0	0	0
Master Plan - Kingsford Smith Park	0	0	18,000	0	0	0	0	0	0	0	0	0
Property Investigations	20,000	0	0	0	0	0	0	0	0	0	0	0
Sharpes Beach Masterplan	40,000	0	0	0	0	0	0	0	0	0	0	0
Sub Total	**147,000**	**38,000**	**18,000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Community Infrastructure												
Animal Shelter	280,000	0	0	0	0	0	0	0	0	0	0	0
Ballina Sports and Events Centre	34,000	26,000	383,000	0	0	0	0	0	0	0	0	0
Coastal Path / Walk	324,900	0	0	0	0	0	0	0	0	0	0	0
Marine Rescue Centre	0	21,000	100,000	1,929,000	0	0	0	0	0	0	0	0
Lennox Head Rural Fire Shed	0	72,000	0	0	0	0	0	0	0	0	0	0
Lennox Head C.C.	382,000	73,000	0	0	0	0	0	0	0	0	0	0
Loan Repayments Community Infrastructure	428,100	501,500	557,600	562,000	566,700	571,600	576,700	499,000	178,600	176,800	182,700	104,200
Main Street - Ballina	1,500,000	0	0	0	0	0	0	0	0	0	0	0
Newrybar Hall	5,000	0	0	0	0	0	0	0	0	0	0	0
Street Lighting	13,000	0	0	0	0	0	0	0	0	0	0	0
Surf Club - Ballina	746,000	1,682,000	1,218,000	0	0	0	0	0	0	0	0	0
Swimming Pool - Ballina	0	0	0	200,000	0	0	0	0	0	0	0	0
Swimming Pool - Alstonville	0	0	0	50,000	0	0	0	0	0	0	0	0
Wardell Hall	0	0	20,000	0	0	0	0	0	0	0	0	0
Sub Total	**3,713,000**	**2,375,500**	**2,278,600**	**2,741,000**	**566,700**	**571,600**	**576,700**	**499,000**	**178,600**	**176,800**	**182,700**	**104,200**
Total Outlays	**3,860,000**	**2,413,500**	**2,296,600**	**2,741,000**	**566,700**	**571,600**	**576,700**	**499,000**	**178,600**	**176,800**	**182,700**	**104,200**
Closing Balance	**909,300**	**245,600**	**(559,500)**	**(698,600)**	**312,100**	**1,383,100**	**4,038,300**	**5,443,200**	**7,211,400**	**9,033,200**	**10,901,800**	**12,902,600**

Cash Flow - Commercial Opportunities 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	**3,536,500**	**2,350,200**	**2,472,800**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Add: Cash Inflows												
Interest Accrued	178,000	67,000	95,000	0	0	0	0	0	0	0	0	0
Int Loan Repaid - Flat Rock	41,000	41,300	0	0	0	0	0	0	0	0	0	0
Int Loan Repaid - Plant	33,500	33,800	0	0	0	0	0	0	0	0	0	0
Int Loan Repaid - Street Lighting	33,000	36,500	53,500	0	0	0	0	0	0	0	0	0
Fawcett Park Café - Insurance Claim	0	0	75,000	0	0	0	0	0	0	0	0	0
Section 94 Recoupments	122,200	0	0	0	0	0	0	0	0	0	0	0
Sub Total	**407,700**	**178,600**	**223,500**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Less: Cash Outlays												
Property Development Projects												
Ballery Gallery - Refurbishment	0	0	55,000	0	0	0	0	0	0	0	0	0
Fawcett Park Café - Mtce and Refurbishment	0	34,000	156,300	0	0	0	0	0	0	0	0	0
Henderson Farm - Consents	0	2,000	0	0	0	0	0	0	0	0	0	0
River Street - 139 Refurbishment	0	0	50,000	0	0	0	0	0	0	0	0	0
Shellys on the Beach - Land Purchase	0	0	300,000	0	0	0	0	0	0	0	0	0
Sports Fields - Skennars - Approvals	21,000	20,000	0	0	0	0	0	0	0	0	0	0
Tamar Street - 89 Refurbishment (Air-con)	0	0	180,000	0	0	0	0	0	0	0	0	0
Sub Total	**21,000**	**56,000**	**741,300**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Community Infrastructure												
Sports Fields - Wollongbar	1,573,000	0	1,684,000	0	0	0	0	0	0	0	0	0
Contingency - Ballina Surf Club	0	0	271,000	0	0	0	0	0	0	0	0	0
Sub Total	**1,573,000**	**0**	**1,955,000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Outlays	**1,594,000**	**56,000**	**2,696,300**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Closing Balance	**2,350,200**	**2,472,800**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Cash Flow - Total Property Reserves - 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	**4,757,300**	**7,697,600**	**7,332,300**	**2,402,400**	**304,300**	**4,974,500**	**6,636,100**	**7,261,500**	**8,700,900**	**10,499,300**	**12,341,900**	**14,229,400**
Add: Cash Inflows												
Interest Accrued	616,000	299,000	271,000	74,000	25,000	141,000	182,000	161,000	159,000	165,000	171,000	176,000
Community Infrastructure Dividend	0	0	0	0	400,000	300,000	1,700,000	300,000	300,000	300,000	300,000	300,000
Fawcett Park Café - Insurance Claim	0	0	75,000	0	0	0	0	0	0	0	0	0
Grants - Marine Rescue Tower	0	0	0	1,050,000	0	0	0	0	0	0	0	0
Insurance Claim - Lennox Head C.C.	0	0	0	550,000	0	0	0	0	0	0	0	0
Internal Loans Repaid	396,000	111,600	53,500	0	0	0	0	0	0	0	0	0
Rate Revenue - Roundabouts (30%)	308,000	0	0	0	0	0	0	0	0	0	0	0
Rental - 89 Tamar Street	641,000	656,000	698,500	685,000	740,900	763,000	785,800	809,300	833,600	858,500	884,200	910,700
Rental - ARC	312,000	317,000	327,000	336,800	347,000	357,200	368,200	379,200	390,400	402,200	414,200	426,600
Rental - Fawcett Park Café	65,000	0	0	45,500	47,000	48,000	49,000	50,000	52,000	54,000	56,000	58,000
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 - Wigmore Arcade	0	0	0	0	110,000	220,000	350,000	360,000	370,000	380,000	390,000	400,000
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	0	519,000	525,000	0	365,000	0	0	0	0	0	0	0
Sale - Balance Skennars Hd	0	0	400,000	0	0	0	0	0	0	0	0	0
Sale - Harvey Norman	6,026,000	0	0	0	0	0	0	0	0	0	0	0
Sale - Land Adjoining BP	0	0	500,000	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
Sale - Russellton (Standard Lots)	0	413,000	0	0	200,000	200,000	200,000	206,000	206,000	206,000	206,000	206,000
Sale - Southern Cross (Standard Lots)	400,000	0	0	0	300,000	300,000	310,000	310,000	310,000	310,000	310,000	310,000
Sale - WUEA	0	0	0	1,280,000	3,680,000	2,400,000	3,200,000	0	0	0	0	0
Section 94 - Recouped	447,200	631,300	100,000	103,000	106,000	109,000	112,000	115,000	118,000	122,000	126,000	130,000
Sub Total	**9,344,800**	**3,083,400**	**3,088,000**	**4,446,500**	**9,967,400**	**4,989,100**	**7,412,500**	**2,850,700**	**2,904,100**	**2,967,800**	**3,032,700**	**3,097,900**
Less: Cash Outlays												
Operating Expenditure												
Development Application Refund	27,000	0	0	0	0	0	0	0	0	0	0	0
Donations	0	5,000	0	0	0	0	0	0	0	0	0	0
Fawcett Park Café - Operating Expenses	0	33,000	0	0	0	0	0	0	0	0	0	0
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
Master Plan - Captain Cook Park	60,000	0	0	0	0	0	0	0	0	0	0	0
Master Plan - Kingsford Smith Park	0	0	18,000	0	0	0	0	0	0	0	0	0
Property Investigations	20,000	0	0	0	0	0	0	0	0	0	0	0
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
Sharpes Beach Masterplan	40,000	0	0	0	0	0	0	0	0	0	0	0
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	**447,600**	**296,000**	**341,000**	**408,900**	**371,200**	**381,800**	**378,800**	**375,900**	**387,500**	**399,400**	**411,500**	**424,100**
Community Infrastructure												
Animal Shelter	280,000	0	370,000	0	0	0	0	0	0	0	0	0
Ballina Sports and Events Centre	34,000	26,000	383,000	0	0	0	0	0	0	0	0	0
Coastal Path / Walk	324,900	0	0	0	0	0	0	0	0	0	0	0
Marine Rescue Centre	0	21,000	100,000	1,929,000	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
Lennox Head Cultural and Community Centre	382,000	73,000	0	0	0	0	0	0	0	0	0	0
Lennox Head Rural Fire Shed	0	72,000	0	0	0	0	0	0	0	0	0	0
Loan Repayments for Infrastructure	428,100	501,500	557,600	562,000	566,700	571,600	576,700	499,000	178,600	176,800	182,700	104,200
Main Street - Ballina	1,500,000	0	0	0	0	0	0	0	0	0	0	0
Newrybar Hall	5,000	0	0	0	0	0	0	0	0	0	0	0
Sports Fields - Wollongbar	1,573,000	0	1,684,000	400,000	0	0	0	0	0	0	0	0
Street Lighting	13,000	0	0	0	0	0	0	0	0	0	0	0
Surf Club - Ballina	746,000	1,682,000	1,717,000	0	0	0	0	0	0	0	0	0
Swimming Pool - Alstonville	0	0	0	50,000	0	0	0	0	0	0	0	0
Swimming Pool - Ballina	0	0	0	200,000	0	0	0	0	0	0	0	0
Wardell Hall	0	0	20,000	0	0	0	0	0	0	0	0	0
Sub Total	**5,286,000**	**2,375,500**	**4,831,600**	**3,141,000**	**966,700**	**871,600**	**2,276,700**	**799,000**	**478,600**	**476,800**	**482,700**	**404,200**
Property Development Projects												
ARC Residual - Selling Costs	0	0	230,000	0	0	0	0	0	0	0	0	0
Ballery Gallery - Refurbishment	0	0	55,000	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
Fawcett Park Café - Mtce and Refurbishment	0	34,000	156,300	0	0	0	0	0	0	0	0	0
Henderson Farm - Consents	0	2,000	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
River Street - 139 Refurbishment	0	0	50,000	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
Shellys on the Beach - Land Purchase	0	0	300,000	0	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
Sports Fields - Skennars - Approvals	21,000	20,000	0	0	0	0	0	0	0	0	0	0
Tamar Street - 89 Refurbishment (Air-con)	0	0	180,000	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	**389,400**	**329,000**	**2,236,300**	**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	**6,404,500**	**3,448,700**	**8,017,900**	**6,544,600**	**5,297,200**	**3,327,500**	**6,787,100**	**1,411,300**	**1,105,700**	**1,125,200**	**1,145,200**	**1,081,600**
Closing Balance	**7,697,600**	**7,332,300**	**2,402,400**	**304,300**	**4,974,500**	**6,636,100**	**7,261,500**	**8,700,900**	**10,499,300**	**12,341,900**	**14,229,400**	**16,245,700**
Commercial Opportunities												
Summary												
Property Development	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
Community Infrastructure	909,300	245,600	(559,500)	(698,600)	312,100	1,383,100	4,038,300	5,443,200	7,211,400	9,033,200	10,901,800	12,902,600
Commercial Opportunities	2,350,200	2,472,800	0	0	0	0	0	0	0	0	0	0
Total	**7,697,600**	**7,332,300**	**2,402,400**	**304,300**	**4,974,500**	**6,636,100**	**7,261,500**	**8,700,900**	**10,499,300**	**12,341,900**	**14,229,400**	**16,245,700**

THE RETURNED AND SERVICES

LEAGUE OF AUSTRALIA
(New South Wales Branch)
"The Price of Liberty is Eternal Vigilance"
BALLINA SUB-BRANCH
Email: rslsubbr@bigpond.net.au
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PATRONS:

Cmdr Rod Fayle, RAN (Ret)
Cr D. Wright, Mayor of Ballina
Mr D. Page, Member for Ballina
Mr Gary Hooley, Chairman Ballina RSL Club Ltd

Mr Paul Hickey,
CEO Ballina Shire Council,
P.O. Box 450,
Ballina,
N.S.W., 2478

22nd January 2014

Dear Sir,

Further to your communications with Mr Peter Cucilovic regarding the relocation and upgrading of the Cenotaph in Ballina RSL Sub-Branch Memorial Park, please find enclosed the costings supplied by Council to the Ballina RSL Sub-Branch (*not* the Ballina RSL Club Ltd).

The Ballina RSL Sub-Branch is formally requesting that the Ballina Shire Council provides the funding for the items in the attached list. The RSL Sub-Branch will be providing funding from its own sources to cover the actual cost of the cenotaph proper. Current cost estimates for the Sub-Branch portion of the relocation is in excess of $125,000.

It is the Ballina RSL Sub-Branch's earnest request to have this project completed for the 1915 Centenary of ANZAC Commemoration, so time will be of the essence to get this project underway as there is a large lead time to provide the granite and to install it prior to ANZAC Day 2015. (The granite is quarried in Australia and then sent to China for manufacture.)

If you wish to discuss this matter further, the Ballina RSL Sub-Branch can be contacted via the Secretary on the contact details in the above letterhead, or Peter Cucilovic mobile: 0412 011 489, phone: (02) 6686 5177 or email: toughguy@bigpond.net.au

Yours faithfully,

Charles Nicholson,
Honorary Secretary

Please address all correspondence to the Honorary Secretary

THE RETURNED AND SERVICES

LEAGUE OF AUSTRALIA
(New South Wales Branch)
"The Price of Liberty is Eternal Vigilance"
BALLINA SUB-BRANCH
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Cmdr Rod Fayle, RAN (Ret)
Cr D. Wright, Mayor of Ballina
Mr D. Page, Member for Ballina
Mr Gary Hooley, Chairman Ballina RSL Club Ltd

BALLINA RSL CENOTAPH RELOCATION COSTINGS

The works that Ballina RSL Sub-Branch requires the Council to undertake as part of the cenotaph relocation are as follows:

1. Supply and erect temporary fencing ($500)
2. Survey and mark position for new Cenotaph footings and pedestal (Council to undertake costing TBA)
3. Construct footings and pedestal for the new Cenotaph (note final drawings will be supplied shortly) ($17043)
4. Electrical reticulation for Cenotaph eternal flame and power box relocation ($3718)
5. Remove any trees or shrubs in the immediate area around the Cenotaph which will interfere with the access and construction of the Cenotaph footings and pedestal ($4000)
6. Build up ground level for approximately a 15 metre radius around the new Cenotaph pedestal and pave and tile as necessary (awaiting Council estimate/costing)
7. Turfing, paving and landscaping to be done by Council once the Cenotaph construction is complete ($139,200)
8. Removal of original Cenotaph footings and pedestal to be done by Council at Council's convenience ($9004)

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