

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 15 July 2014 commencing at 4.00 pm.**

Business

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

Paul Hickey

General Manager

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

4. Committee Reports

4.1 <u>Ballina Byron Gateway Airport - Long Term Tenure Options</u>

Delivery Program Commercial Services

Objective To examine the long-term tenure options for the

Ballina Byron Gateway Airport.

Background

The Ballina Byron Gateway Airport ("BBGA") has experienced sound growth over the past four years. Evidence of this growth is apparent in the increase in passenger numbers (PAX) escalating from 271,615 in 2009/10 to approximately 400,000 in 2013/14. Gross turnover has increased from \$2,376,000 in 2009/10 to \$4,650,000 in 2013/14 (estimated). Over the same period approximately \$12,820,000 has been spent on infrastructure works to assist in catering for this growth.

Since its inception in 1986 the Ballina Airport (as it was then known) has grown from being a local airport to a regional airport. This growth brings with it an increasing need for capital investment. What is becoming apparent is that the BBGA's need for capital investment is moving beyond the capacity of Council to comfortably raise and manage debt to cater for such growth.

The Councillors and staff who were responsible for the inception and development of Ballina Airport, had a vision for its success and long term growth. These people probably always assumed that at some time in the future options to cater for future growth would have to be considered.

To assist in exploring long term tenure options for the BBGA, Council has consulted with The Airport Group ("TAG") who have had extensive experience with regional and capital city airports throughout Australia and New Zealand. TAG is currently assisting Council staff on a consultancy basis with the rezoning of the next stage of Southern Cross Industrial Estate to create an enterprise zone adjoining BBGA.

Key Issues

- Long term management options
- Security, tenure and cash flows
- Investment capital
- Improved air services for people of the region
- Ongoing economic benefits to the region including tourism
- An ongoing economic return for Council

Information

Consultants from TAG will provide a presentation at the Commercial Services Meeting schedule for 15 July, 2014, on long-term tenure options available that may be of interest and benefit to Council. Attachment 1 contains a copy of the document to be presented at the Commercial Services meeting. This document includes a summarized CV of the consultants who will be in attendance.

In discussions with Council staff, TAG has advised that in the current investment market there is strong demand from institutional investors to lease Australian infrastructure assets. Typically this class of investor seeks to invest for the longer term and they are well capitalized to facilitate development and growth of leased assets such as airports and sea ports.

The practice of granting long-term leases over airports has numerous precedents as evidenced by the Commonwealth Government entering into lease partnerships with private investors for 22 major and eight regional airports around Australia since 1997.

TAG advises that the performance of these airport lease agreements has proven successful in achieving the Commonwealth's objectives of maintaining a level of control, effective and stable operations, and meeting stipulated planning and development objectives.

TAG also advises that the 2012 Productivity Commission inquiry into the economic regulation of airport services endorsed the Commonwealth's course of action in leasing out its airports around Australia. The Commission expressed the view that the Commonwealth was achieving its objectives of competitive pricing, continued infrastructure investment, and management with an understanding of the public interest.

TAG's presentation identifies five core elements Council should be mindful of when engaging with the private sector over long term tenure options for the BBGA:

- 1. Retention of some form of control and oversight of airport operations and management.
- 2. Selection of an investment partner / lessee who understands the responsibility of managing public infrastructure such as a regional airport.
- 3. The economic return to Council for granting a long-term lease in the form of an upfront premium payment to secure a lease and / or annual lease payments.
- 4. The capital expenditure program Council may require a lessee to undertake including off site works such as the construction of a link road from North Creek Road to BBGA.
- 5. Transfer from Council to the lessee, the responsibility for future development of BBGA and operational costs; i.e. transition the BBGA into a commercial management environment.

Council staff are in agreement with TAG that granting a long term lease over BBGA is far more preferable than a sale of the asset.

The option of selling BBGA, would result in Council losing control immediately in return for a one off payment. This would not be in the public interest in terms of maintaining air services and assisting in the growth of the regional economy. Key terms can be written into a long term lease setting performance criteria that a lessee must commit to. Such terms may include, but not be limited to:

- A capital expenditure program for the first ten years of the lease.
- Expenditure reviews every five years.
- o Annual independent audited report on expenditures.
- Annual independent audited report on the operational performance of the airport.

Additional controls can include cancellation of the lease if:

- The lessee fails to promote and use the airport as an airport by denying access to air transport; i.e. seeks to collude with other airports for anti-competitive reasons.
- The lessee fails to comply with CASA regulations and directives and loses operating licences.

There are ample precedents with Commonwealth airport leases to enable a lease document to be drafted that strikes a balance to protect Council's interest and provide opportunities for investors.

An added attraction or incentive for investors seeking to lease the BBGA is the land earmarked for the expansion of the Southern Cross Industrial Estate. This portion of land is identified in the site plan contained in Attachment Two, comprising an area of approximately 36.5 hectares that is currently going through a rezoning process. This land could be included in a lease agreement or joint venture agreement with the BBGA whereby the lessee provides capital for the development of the land and both parties share in the development profits on a pre-agreed formula.

Further information on the various long-term tenure options will be provided in TAG's presentation.

Should Council resolve to further investigate the opportunities presented it could pursue a two step process generally outlined as follows:-

 Through a competitive tendering process, select a consultant to advise Council on the various long term options available and indicative financial returns. Once Council resolves to pursue a particular course of action the consultant would then "package up" a proposal or opportunity that could be put to the open market. 2. Through a competitive tendering process, call for expressions of interest from parties seeking to secure a long-term lease over BBGA. The consultant selected to advise Council in step one outlined above, would run this process on behalf of Council and assist in negotiations to ensure Council achieves the best result possible. This would be somewhat similar to engaging a specialist real estate agent to run a tender to lease or sell a specialized property on behalf of Council.

Legal / Resource / Financial Implications

Legal

The land holdings pertaining to the BBGA are freehold property classified as operational land and as such Council has the authority to lease the holdings should it resolve to do so.

Resource

The ongoing growth of the BBGA will continue to place demand on Council's limited financial and staff resources.

Financial

The options available to Council to be put forward by TAG in their presentation to Councillors at the Commercial Services meeting include the concept of granting a long term lease over the BBGA and its landholdings. This would pass on the responsibility of funding capital projects to a lessee and provide an economic return to Council in the form of an upfront premium (payment) or annual lease payment or a combination of both.

The payment by a lessee of a premium upfront to secure a long term lease may assist Council in paying down the debt currently pertaining to the BBGA.

The outstanding debt on the BBGA for year ending 30 June, 2014 is noted at \$9,160,000 in Attachment Three "Operating Results and Cash Flow Analysis 2002/03 to 2023/24". This debt level is forecast to rise and fall over the next ten years relative to the capital project to be undertaken on the BBGA.

A forecast ten year capital expenditure program has been prepared by the Airport Manager and is contained in Attachment Four. This forecast allocates expenditure by Council to be approximately \$21,200,000. Please note that Council has not resolved to support this program, it is more of a "wish list" of projects that the Airport Manager considers necessary for the continued growth of BBGA.

This forecast excludes the proposal to construct a link road from North Creek Road to BBGA. This road would also provide a linkage to Boeing Avenue and open up the next stage of Southern Cross Industrial Estate assuming the land is zoned appropriately. The estimated cost of these road works is in the order of \$5,000,000.

Consultation

Council staff have consulted with TAG.

Options

1. Council can resolve to note the contents of this report and proceed no further with this proposal.

This option is not recommended as it fails to recognize the ongoing issues Council will have in raising capital to invest in infrastructure necessary for BBGA to grow and service the air transport needs of the NSW North Coast. It is becoming apparent that the BBGA's need for capital investment is stretching the capacity of Council to comfortably raise and manage debt to cater for such growth.

2. Council can resolve to explore the opportunities and financial returns that may be available in offering a long term lease to the investment market.

In resolving to pursue this course of action, Council can resolve to run a competitive tendering process to select a consultant to advise Council on the various long term tenure options available and indicative financial returns.

Following on from this process, Council could then resolve to pursue a particular course of action recommended by the consultant who would then "package up" a proposal or opportunity that could be put to the open market.

The final step would be a competitive tendering process calling for expressions of interest from parties seeking to secure a long-term lease over BBGA. The consultant selected to advise Council as outlined above, would run this process for Council and assist in negotiations to ensure Council achieved the best result possible. This would be somewhat similar to engaging a specialist real estate agent to run a tender to lease or sell a specialized property on behalf of Council.

This option is recommended as it provides Council with the opportunity to explore the opportunities that may exist in the market to deliver Council a return and relieve it from the ongoing responsibility of raising capital to grow and maintain the BBGA.

Also this option allows Council to stop the process at any time. The first step will be to examine the response to Council's call for tenders for the initial valuation. It is possible for proponents to package their proposals to Council whereby the majority of any fees will only be paid upon entering a future lease. Therefore it is uncertain what this initial stage will actually cost. This being the case the preferred option is to call tenders for this service and then allow Council to assess the response to those tenders to determine whether or not this process progresses to the next stage.

RECOMMENDATION

That Council authorises the General Manager to run a competitive tendering process to select a consultant to advise Council on the various long term tenure options available and indicative financial returns for the Ballina Byron Gateway Airport.

Attachment(s)

- 1. The Airport Group Presentation
- 2. Ballina Byron Gateway Airport Site Plan
- 3. Ballina Byron Gateway Airport Operating Results & Cash Flow Analysis 2002/03 to 2023/24
- 4. Forecast Capital Expenditure Program

Ballina Byron Gateway Airport

Private Sector Partnership

July 2014



Disclaimer

This document has not been approved by or registered with any approving authority.

Any financial product advice that The Airport Group provides in this document is general advice only and does not take into account your objectives, financial situation or needs.

Before acting on such general advice, you should therefore consider the appropriateness of the advice to your situation.

The Airport Group recommends that you obtain financial, legal and taxation advice before making any financial investment or disinvestment decision.



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- Summary
- Private Australian Infrastructure Leasing Market
- Commonwealth Airports Leases
- Private Sector Partnership
- The Airport Group: An Integrated Advisory Solution



Summary



Summary

Highlights

- There is an unprecedented demand from Institutional investors to lease Australian infrastructure assets. They invest for the long term and are well funded to facilitate development and growth of the leased assets.
- The Commonwealth government experience entering into lease partnerships with private sector investors for 22 major and 8 regional Airports since 1997 has been overwhelmingly positive.
- Performance of these Airports leases has proven to be successful in achieving the Commonwealth's objectives of maintaining supervision, effective and stable operations and meeting stipulated planning and development.
- The Productivity Commission inquiry into the economic regulation of Airport Services (2012) endorsed the process undertaken by the Federal Government citing the objectives of competitive pricing, continued infrastructure investment and management with an understanding of public interest continues to be achieved.



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Summary

Objectives

- Five core requirements for Council in any engagement with the private sector:
 - Retain control through oversight over the Airport operations and development.
 - Select an investor Partner that recognises the responsibility of managing public infrastructure.
 - Receive a mix of significant upfront receipts and a regular long term income stream from those investors to fund priority public projects and services.
 - Facilitate development of the link road and land adjoining the Airport without further investment by Council.
 - Move responsibility for future development and operational costs of the Airport to the Partner – transition the Airport into a commercial management environment.



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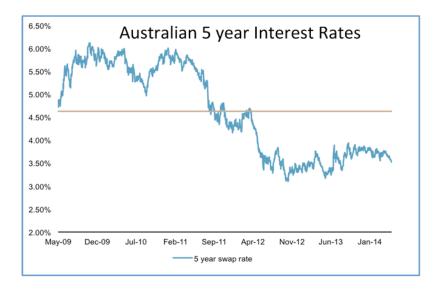
Summary

- There has been an unprecedented demand for Australian infrastructure leases from domestic and international investors.
- Lower interest rates, strong investor and lender appetite are resulting in increased prices paid for infrastructure leases to all time highs.
- Compared with other areas of the infrastructure sector (roads, rail, seaports), there has been a scarcity of Airport leases offered in recent years:
 - There is significant pent-up demand for Australian Airports from domestic and international investors.
- Commonwealth government policy combined with the above demand has created the most opportune environment for regional councils to lease existing infrastructure assets and seek commitments from the private sector to fund infrastructure development and facilitate regional growth.

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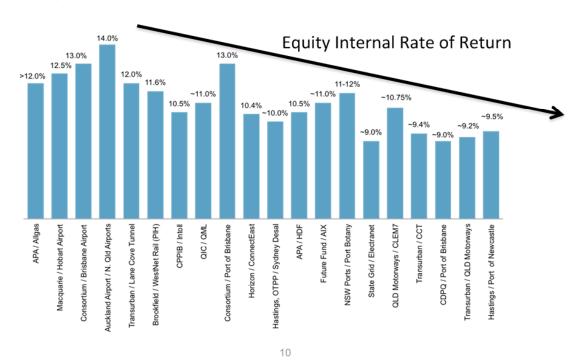


- Australia has a mature and highly sought after private infrastructure market with a growing appetite from institutional and corporate equity investors.
- Investors have access to attractively priced debt finance.



The Airport Group

 Returns on capital demanded by investors in infrastructure are dropping to historical lows.





Private Australian Infrastructure **Leased Assets**

Australian Infrastructure Lease Transactions in the last 12 months				
Government infrastructure	Buyer(s)	Price	EBITDA multiple	
QML (roads)	Transurban, Australian Super, ADIA	\$7.1 billion (100%)	29	
Port of Brisbane	CDPQ	\$1.4 billion (26.7%)	28	
Port of Newcastle	Hastings, China Merchants	\$1.75 billion (100%)	27	
Port of Botany	IFM, QSuper, ADIA	\$5.1 billion (100%)	25	



Private Australian Infrastructure Leased Major Airports

Australian Airport Lease Transactions since 2007				
Airport(s)	Buyer(s)	Year	EBITDA multiple	
Sydney	Мар	2007	20.2	
NT Airports	Hastings	2007	12.4	
Perth	Hastings	2007	14.9	
Melbourne	Hastings	2007	15.9	
Brisbane	Existing Shareholders	2008	17.3	
Mackay	JPM, Hastings, Perron	2008	26.9	
Cairns	JPM, Hastings, Perron	2008	14.7	
Mackay, Cairns	Auckland Airport	2010	18.8	
Melbourne	Aust. Infra. Fund	2010	14.9	
Sydney	Мар	2011	19.3	
AIX*	Future Fund	2012	14.4	

*Includes shares in the following Airports: Perth, Melbourne, Launceston, Gold Coast, Townsville, Mt Isa, Darwin, Alice Springs, Tennant Creek, HOCHTIEF Airports.



Private Australian Infrastructure **Leased Regional Airports**

Privately Leased Regional Airports				
Airport	Private 'Owner'/operator	PAX/Mvmts*	Year Leased	
Avalon	Linfox	5,400*	1997	
Mackay	JP Morgan Infra, Hastings, Perron Investments, SunSuper, Electricity Super, BUSS Super, Suncorp	917,238	2008	
Alice Springs	IFM (Australian Super Funds), Palisades (Australian Super funds)	681,295	1998	
Parafield	UniSuper, Statewide Super, Colonial (Australian super funds), IFM (Australian super funds), Perron	212,862*	1998	
Mt Isa	Queensland Airports Ltd	173,813	1998	
Essendon	Linfox, Becton	50,000*	2001	
Moorabbin	Goodman Group	274,082*	1998	
Jandakot	Hastings, Future Fund, Australian Super, CBA Super, SunSuper, Electricity Super, BUU Super, Suncorp.	275,506*	1997	
Bankstown	Mirvac, Colonial First State, Australian Super	250,000*	2003	

*Aircraft movements

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- The Commonwealth has entered into long term leases (mostly 50 years with an option of an additional 49 years) for 22 of its Airports and rejected an outright sale.
- Almost all of these leases have been operating for over a decade and most for more than 15 years.

Commonwealth Airports	Lease from (year)	Term of lease (years)
Brisbane, Melbourne, Perth, Essendon	1997	50/49
Adelaide, Parafield, Canberra, Launceston, Gold Coast, Darwin, Tennant Creek, Hobart, Townsville, Mt Isa, Archerfield, Moorabbin, Jandakot, Alice Springs, Cairns	1998	50/49
Sydney	2002	50/49
Bankstown, Camden	2003	99

An established set of lease terms can be applied readily to regional Airports.



Key Terms

- All relevant assets, contractual rights and obligations, and employees are transferred to the lessee.
- Mechanisms are built in to protect the Commonwealth and ensure the lessee behaves in a way which is consistent with the Commonwealth's objectives.
- A range of requirements are stipulated relating to: use of the Airport, access for air transport, insurance, environment, compliance with relevant licences, maintenance of the site, community consultation, and development of the Airport.
- The leases put extensive and strict insurance obligations on the lessee that covers loss and damage to structures, plant and equipment, Airport property, consequential loss of revenue, and legal liability of claims by third parties.



Key Terms (contd)

- The lessee must meet the Airport development commitments which include requirements that the lessee commit to:
 - a detailed capex budget for the first 10 years of the lease;
 - expenditure reviews every 5 years;
 - annual audited reports that lay out expenditures incurred over the prior year; and
 - annual report verifying that the lessee is compliant with the terms of the lease.
- These leases can be cancelled if the lessee:
 - fails to use the Airport as an Airport by denying access to air transport; or
 - loses the necessary licencing requirements, including an aerodrome licence.
- The lessee is required to cover the Commonwealth's asset management cost, including for administrative oversight.



Structure

- Lease investors are typically consortiums of three or more institutions bound together by a shareholder agreement.
- The investors form a Board to oversee the management of the Airport. Representation on the Board and other governance rights are determined by the relative size of equity commitment.
- The capital structure for a lease is typically 60% equity, 40% debt based on the value of the lease at inception.
- Debt is usually underwritten and arranged by major banks and has tenor of 3 to 5 years.
- The investors who provide equity are typically Australian superannuation and pensions funds that invest in the lease in a spirit of partnership with the Commonwealth.



Private Sector Partnership



Private Sector Partnership

Ballina Shire Council Objectives

- Core objectives may include:
 - To facilitate passenger and related services growth, the development of the link road and the land adjoining the Airport and the civil works investment that is required;
 - Retain supervisory controls over the Airport operations and development;
 - Shift future development and operational costs away from Council into a commercial environment while ensuring there is adequate funding, over the long term, for these purposes;
 - Realise a mix of significant upfront receipts and long term income streams to improve Council's current financial position and/or release capital for redeployment for other uses; and
 - A Partner that recognises the responsibility of managing public infrastructure.
- Other objectives may include:
 - Increase the commercial focus in operating the Airport;
 - Transfer Airport risks to a suitable private sector operator;
 - Ensure property development is consistent with control mechanisms (LEP and Airport Master Plan) without recourse and additional cost to Council;
 - Seek participation in broader regional economic development initiatives; and
 - Separate Airport management from Council / community.

A single-minded focus on Airport development and growth with dedicated financial resource will further advance the improvement of infrastructure, increase passenger numbers and enhance safety and the environment.



Private Sector Partnership

Structure

- There are a range of options for engagement with the private sector.
- However, the option that best meets the core objectives is a long term operating lease with an appropriate Partner for all or part of the Airport and adjacent property as demonstrated by the path taken by the Commonwealth government.
- The optimal lease is likely be for 50 years, including a wide range of requirements and obligations for development and operations while ensuring an appropriate balance between autonomy and Council control, covering all of the Airport facilities.

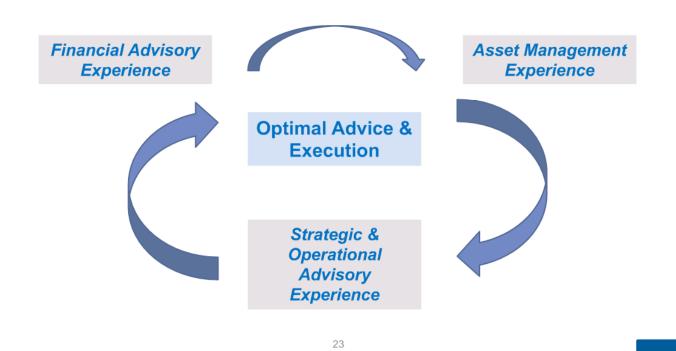


The Airport Group: An Integrated **Advisory Solution**

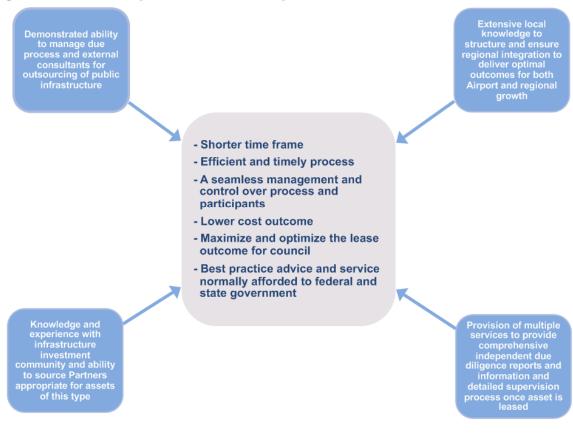


The Airport Group

The Airport Group combines specialist expertise that offer an integrated service unmatched in the Australian Airport advisory market.



Why The Airport Group?



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The Airport Group: Financial Advisory & Asset Management

The Airport Group has been involved on both sides of infrastructure leasing including and ongoing management.

- Tendering
- Due Diligence
- Negotiation
- Structuring

- Government Liaison
- Acquisition
- Managing



















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*Includes Parafield. ** Includes Jandakot.



The Airport Group: Strategic & Operational Advisory

Queensland	Australian Capital Territory	New South Wales	Other
Brisbane	Canberra	Sydney	Qantas Airways Ltd –
Gold Coast		Bankstown	all major domestic and
Sunshine Coast	Western Australia	Ballina	international Airports
Archerfield	Perth	Ballina Byron Gateway	(terminal, aerobridge
Bedourie	Port Hedland	Forbes	and aircraft parking bay
Blackwater	Boolgeeda	Moree	design and construction
Boulia	Busselton	Murwillumbah	 Heathrow, UK
Bundaberg	Paraburdoo	Port Macquarie	(terminal 5)
Chinchilla	Gingin (RAAF)	Taree	 Sharjah, UAE (Airport
Clermont	Pearce (RAAF)	Salt Ash (RAAF)	Facilities assessment)
Cloncurry		Young	 Dubai, UAE (aeronautical
Cunnamulla	Tasmania	Newcastle	Assessment)
Dysart	Hobart		 Ardmore, NZ (aeronautical
Emerald	Launceston	Victoria	Assessment)
Gayndah	Burnie	Melbourne	
Gladstone	Devonport	Essendon	Authorities
Great Keppel Island	Flinders Island	Corryong	 Airservices Australia
Hughenden		Latrobe Valley	 Civil Aviation Authority,
Julia Creek	Northern Territory	Moorabbin	UAE
Kingaroy	Darwin	Mt Hotham	 Civil Aviation Safety
Longreach	Alice Springs	West Sale	Authority
Miles	Ayers Rock	Ballarat	 Department of
Monto	Tennant Creek		Infrastructure and
Moranbah		South Australia	Transport
Palm Island		Adelaide	 Airways New Zealand
Proserpine		Parafield	
Quilpie		Whyalla	
Roma		•	
St George		International	
Taroom		Port Moresby (PNG)	
Thangool		Schiphol Real Estate (NL)	
Thargomindah		United Arab Emirates (UAE)	
Toowoomba		,	
Wellcamp			



- · Airport Management Advisory
- Commercial Advisory and Transaction Management
- Airport Master Planning

- Airspace and Instrument Flight Procedure Design
- Airfield Compliance
- Engineering Design and Construction Management
- Airfield Design and Planning

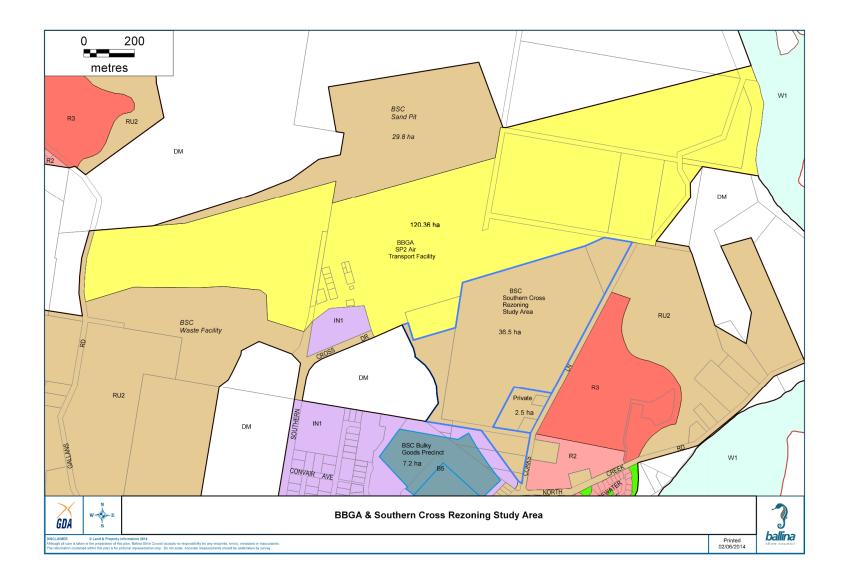


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									Dallin	a Byron Ga	eway Airpo	rt - Operating Result and Cash Flow Analysis - 2002/03 to 20	123124									
002/03	2003/04	2004/05	2005/06	2006/07	Actual 2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	Estimated 2013/14	Description	2014/15	2015/16	2016/17	2017/18	Estir 2018/19	mated 2019/20	2020/21	2021/22	2022/23	2023/24
												OPERATING REVENUES										
00 677	2%	124%	40%	20% 319,579	(2%) 312,548	6% 330,185	(18%) 271,615	6% 287,226	14% 327,906	9% 356,740		Passenger Numbers (Percentage Growth) Passengers	12% 438,800	1% 441,100	0% 441,100	3% 456,100	0% 456,100	3% 471,100	0% 471,100	3% 485,100	0% 485,100	0% 485,100
82,577	(30%)	189,202	265,481	13%	(4%)	(4%)	(6%)	9%	35%	7%		Landing Fees (Percentage Growth in Income)	6%	2%	0%	1%	0%	1%	0%	1%	0%	0%
318,905 53,724	573,442 38,764	1,075,375 113,592	1,257,290 40,681	1,453,706 18,737	1,369,602 42,671	1,299,623 49,805	1,217,640 45,029	1,299,255 80,108	1,909,451 55,038	1,931,200 65,000		Passenger Charges Landing Fees Other	2,263,000 75,000	2,307,000 76,500	2,307,000 78,100	2,333,000 79,700	2,333,000 81,300	2,359,000 83,000	2,359,000 84,700	2,385,000 86,400	2,385,000 88,200	90,000
0	0	256,660	408,635	584,568	649,870	1,099,968	637,841	751,098	881,421	847,700		Other Fees and Charges Security Charges Jet Airlines	1,130,000	1,152,600	1,175,700	1,199,300	1,223,300		1,272,800	1,298,300	1,324,300	1,350,800
8,520 18,484	8,607 23,376	19,652 21,287	21,385 28,851	56,103 25,918	60,930 37,444	64,755 45,200	63,482 48,955	90,999 47,915	184,415 51,577	210,300 56,000	55,000	Car Rental Franchises Hanger Site Rentals	250,000 55,000	255,000 56,100	260,100 57,300	265,400 58,500 37,300	270,800 59,700 38,100	276,300 60,900 38,900	281,900 62,200 39,700	287,600 63,500 40,500	293,400 64,800 41,400	299,300 66,100 42,300
9,510 10,505	9,739 12,373	9,964 10,925	7,652 4,521	10,593 2,898	10,778 7,464	24,480 26,836	24,808 23,802	25,527 25,286	26,498 26,622	27,000 47,300	55,000	Airport Fuel Site Rent Rental New Terminal Building	35,000 55,000	35,700 56,100	36,500 57,300	58,500	59,700	60,900	62,200	63,500	64,800 29,700	66,100 30,300
3,687	7,836	14,133 3,635	18,380 3,600	21,947 3,705	26,233 4,441	20,807 4,173	19,609	20,257 6,427	20,442 3,823	20,400 9,000		Rental Old Terminal Building Aviation Security Cards	25,000 2,500	25,500 2,600	26,100 2,700	26,700 2,800	27,300 2,900	27,900 3,000	3,100	3,200	3,300	3,400
0	0	0	0	76,127 1,497	172,800 808	175,916	192,541 CI	238,570	293,618	363,000 56,000		Airport Car Parking Advertising	625,000 70,000	637,500 71,400	650,300 72,900	663,400 74,400	676,700 75,900	690,300 77,500	704,200 79,100	718,300 80,700	732,700 82,400	747,400 84,100
0	0	0	0	13,979	59,359	67,504	79,561	112,753	111,342	118,000		Airport Shuttle Bus Rents Contributions to Improvements	130,000	132,600 0	135,300	138,100	140,900 C	143,800	146,700 ()	149,700 0	152,700 0	155,800
0	0	0	0	0	0	0	0	0	0	138,600	259,800	Contributions to Loan Interest NSW LIRS Interest Earned	235,600	210,500	184,400	157,300	129,100 0	99,700	69,100	37,300	6,300	0
0	0	0	0	12,045	22,978	20,235	21,319	20,750	20,026	23,200	30,000	Airport Car Parking Fines Terminal Recoupment Charges	000,00	30,600	31,300 0	32,000 320,000	32,700 935,000	33,400 935,000	34,100 935,000	34,800 935,000	35,500 935,000	36,300 935,000
23,335	674,137	1,525,223	1,790,995	2,261,821	2,465,378	2,899,302	2,376,779	2,718,945	3,483,273	4,005,300	4,649,300		4,981,100	5,049,700	5,075,000	5,446,400	6,086,400	6,137,400	6,162,300	6,212,900	6,239,500	6,291,900
												OPERATING EXPENSES Management										
9,828	17,121 2,770	3,132 (764)	68,325 3,890	80,390 4,384	132,877 3,495	168,944 7,37€	277,623 7,554	356,584 13,321	399,969 9,773	436,000 17,000		Salaries and Oncosts Conferences and Seminars	443,000	456,300 15,500	470,000 16,000	484,100 16,500	498,600 17,000	513,600 17,500	529,000 18,000	544,900 18,500	561,200 19,100	578,000 19,700
0	0	0	0	0	0	1,357	5,195 12,504	20,231	45,554 21,500	45,000 21,600	30,000	Office Expenses Vehicle	30,000 20,100	30,900 20,700	31,800 21,300	32,800 21,900	33,800 22,600	34,800 23,300	35,800 24,000	36,900 24,700	38,000 25,400	39,100 26,200
	4		-			12,00	12,001	21,000	27,000			Buildings and Facilities - Maintenance										
39,221	39,104 41,198	49,506 49,180	64,647 47,498	89,330 52,197	105,575 55,742	129,747 74,606	134,131 94,680	142,589 96,018	121,994 132,401	121,100 144,500		Cleaning Airport Building M & R	125,000 75,000	128,800 77,300	132,700 79,600	136,700 82,000	140,800 84,500	145,000 87,000	149,400 89,600	153,900 92,300	158,500 95,100	163,300 98,000
16,972	12,670	22,179	22,267	46,394	26,253	33,791	35,772	44,920	59,606	40,700		Airport Building Area, Roads & Services	30,000	30,900	31,800	32,800	33,800	34,800	35,800	36,900	38,000	39,100
											120,000	Operation Expenses Reporting Officers	165,000	170,000	175,100	180,400	185,800	191,400	197,100	203,000	209,100	215,400
4,843	2,957	0	4,248	1,444	0	0	0	6,400	4,911	15,000	10,000	Legal Fees	10,000	10,300	10,600	10,900 8,700	11,200 9,000		11,800 9,600	12,200 9,900	12,600	13,000
2,948 36,325	3,331 10,005	3,707 40,000	4,035 40,764	4,390 36,007	8,158 43,577	4,480 19,833	5,289 18,979	39,977	7,894 85,919	7,700 76,600	65,000	Telephone Airport Consultancies	65,000	67,000	69,000	71,100	73,200	75,400	77,700	80,000 6,400	82,400 6,600	84,900 6,800
6,451	7,225	8,803	11,807	10,973	11,550	18,913	1,343	1,500 22,753	2,034 26,027	4,200 23,000	21,000	Bank Fees Insurance	5,000 26,000	5,200 26,800	5,400 27,600	5,600 28,400	5,800 29,300		6,200 31,100	32,000	33,000	34,000
11,283	9,769 76,562	11,584 248,383	13,592 376,486	9,987 520,269	20,092	31,055 938,520	28,311 486,120	31,703 548,678	25,287 622,690	28,600 758,000	25,000 820,000	Rates Security in Departure Lounge	27,000 950,000	27,800 978,500	28,600 1,007,900	1,038,100	1,069,200	1,101,300	32,200 1,134,300	33,200 1,168,300	34,200 1,203,300	1,239,400
0	0	2,352	6,325	1,619 5,567	3,503 6,309	33,669 6,715	24,007 3,570	22,667 5,147	21,311 7,494	25,500 10,600	18,000	Vermin Control Aviation Security Card	15,000 6,000	15,500 6,200	16,000 6,400	16,500 6,600	17,000	17,500 7,000	18,000 7,200	18,500 7,400	19,100 7,600	19,700 7,800
0	17,580	21,063	16,247	21,437	29,778	61,506 2,312	64,885 4,519	77,450 4,127	78,141 818	83,000 500	000,08	Bird Control Strategy Drug & Alcohol Management	75,000 500	77,300 500	79,600 500	82,000 500	84,500 500	87,000 500	89,600 500	92,300 500	95,100 500	98,000
30,560	73,406	70,051	151,269	77,419	55,991	80,157	88,750	79,896	96,435	96,000	45,000	Aircraft Movement Area	50,000 50,000	51,500	53,000 53,000	54,600 54,600	56,200 56,200	57,900 57,900	59,600 59,600	61,400	63,200 63,200	65,100 65,100
45,891 10,224	37,661 21,566	32,757 21,031	85,202 17,910	67,820 16,935	74,105 17,888	76,623 15,693	81,211 19,974	78,231 10,536	90,050 20,669	100,000 21,000	14,000	Remainder Of Movement Area Fencing and Security	20,000	20,600	21,200	21,800	22,500	23,200	23,900 7,200	24,600 7,400	25,300 7,600	26,100 7,800
971 0	3,964	988 1,856	1,094	9,305	5,441 5,254	2,897	3,425	1,267	4,093 2,211	5,000 1,500		Approach Clearing Approach Survey	6,000 1,000	6,200 1,000	6,400 1,000	6,600 1,000	6,800 1,000	7,000	1,000	1,000	1,000	1,000
4,308	3,943	2,026	2,528 1,972	4,628 2,030	8,701	9,342	7,728	8,681 3,163	14,445	8,400		Extraordinary Inspections Lighting Inspections	5,000 2,000	5,200	5,400 2,200	5,600	5,800 2,400	6,000 2,500	6,200 2,600	6,400 2,700	6,600 2,800	6,800 2,900
2,661	2,000	569	4,280	5,506	790	3,942	1,407	4,726 2,676	4,378 1,775	4,000 2,600	4,000	Markers, Cones and Wind Indicators Service Charges	5,000 15,000	5,200 15,500	5,400	5,600	5,800 17,000	6,000 17,500	6,200	6,400 18,500	6,600 19,100	6,800
165	156	100	697 0	259 236	4,126 2,102	1,559 172	1,420	1,890	480	100	1,000	Airport Emergency Exercises	3,000	3,100	3,200 10,600	3,300 10,900	3,400 11,200	3,500	3,600 11,800	3,700 12,200	3,800 12,600	3,900
24,387 28,800	16,292 24,025	15,253 28,963	13,427 24,041	32,286 31,631	11,283 37,835	17,110 56,883	15,399 80,395		17,601 103,955		120,000	Lighting Electricity Airport Lighting	120,000	123,600	127,300	131,100	135,000	139,100	143,300	147,600	152,000	156,600
5,172	6,592	14,101	3,947	8,031 24,541	8,059 20,569	33,162	1,551 42,975	242 81,307	3,253	2,100 192,000		Airport Emergency Generator Promotion	5,000 150,000		5,400 159,100					184,500	6,600 190,000	195,700
3,000	3,000	3,000 107	3,000 270	3,000	3,300 238	3,300 238	3,300	3,300 204	3,000	6,000 500		Airport Owners Assoc Membership Aviation Publications	7,500 1,000		7,900	8,100 1,000	8,300 1,000	8,500 1,000	8,800 1,000	9,100	9,400 1,000	9,700
0	0	0	0	35,658	59,026		66,445		67,201	65,000	65,000	Paid Car Parking RWP Procedures	60,000	61,800	63,700	65,600 0	67,600	69,600	71,700	73,900 C)	76,100 0	
0	0	0	٥	0	0	0	808		9,029	7,000	10,000	Airport Signs Airport NDB M and R	10,000				11,200 14,600		11,800 15,500	12,200	12,600 16,500	13,000
0	0		0	O	0	0	4,200	9,128	7,400	יטעע	0,500		10,000	10,100	10,000	13,655					(1,0,0,0,0)	
29,480	118,097 69,728	134,771 59,000	114,000 51,053	87,998 41,763	156,996 101,791	176,003 109,522	204,000 243,472		267,996 237,881	280,000 423,600		Overheads and Debt Servicing Overheads to Airport Interest On Loans Airport	304,000 551,600		322,500 451,100					374,000 584,600	385,200 495,200	
67,215	167,574	165,000	170,948	270,515	329,373	271,000	555,057	734,952	783,980	830,000	830,000	Non-Cash Depreciation - Airport	854,900	880,500	906,900	934,100	962,100	991,000	1,020,700	1,051,300	1,082,800	1,115,300
93,903		1,008,698				2,466,678	2,656,645	3,077,889	3,552,223	4,056,000	4,170,900	Total Operating Expenses	4,334,600	4,421,200	4,465,000	4,814,400	5,196,900	5,161,900	5,192,100	5,238,100	5,288,200	5,368,100
29.432	(114,282)	516,525	465,226	655,054	523,918	432,624	(279,866)	(358,944)	(68,950)	(50,700)	478,400	Operating Result - Surplus / (Deficit)	646,500	628,500	610,000				970,200			923,800
67,215 96,647	167,574 53,292	165,000 681,525	170,948 636,174	270,515 925,569	329,373 853,291	271,000	555,057	734,952	783,980	830,000	830,000	Add Back Depreciation Cash Result - Surplus / (Deficit)	854,900 1,501,400	1,509,000	906,900	934,100 1,566,100	962,100 1,851,600	991,000	1,020,700	1,051,300 2,026,100		
		400.5-5	475.55	405 5	007.000	254 520	400 000	207 100	250.000	E20 400	620 700	Capital Movements Less Loan Principal Repayments	880,700	1,170,500	1.213.800	1,011,000	1,355.600	1,506.300	1,587,500	1,604,100	1,214,000	685,600
96,647	53,292		175,981 460,193	185,852 927,841	237,568 853,290	703,623	433,076	142,000	250,600 464,430	247,200	469,700	Less Transfer to Reserves	620,700	338,500	303,300	555,100	496,000	460,200	403,400	422,000	820,100	1,353,500
CI	0	636,500 0	617,228	826,810 1,000,000		2,800,000	254,000	500,000		4,998,700	4,647,700	Add Transfer from Reserves Add Capital Funding	725,000 1,125,000	0	0	8,000,000	0	1,125,200	0	0	0	
0	0	636,466 0	617,228 Ø	0 a88,888,1	538,543	3,904,966	96,115 0	496,606	731,900 0	5,786,600	4,999,000	Less Capital Expenditure Cash Result after Capital Movements	0 0	200,000	00,000	0,212,200	0	0	0	0	0	
02/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Key Financial Indicators	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
3%	(17%) 8%	34% 45%	26% 36%	29% 41%	21% 35%	15% 24%	(12%) 12%	(13%)	(2%) 21%	(1%) 19%	10%	Operating result as a percentage of income Operating result as a percentage of income (ex deprec)	13% 30%	12%	12% 30%	12% 29%	15% 30%	32%	16% 32%		15% 33%	159 329
10%	10%	15%	13%	10%	14%	12%	28% 20%	17%	14% 21%		30%	Debt Ratio Non-standard income as a percentage of income	29%	34%	33% 30%	31%	38% 40%	37%	37% 40%		27% 39%	189 399
5% 6%	9% 8%	5% 8%	5% 6%	10%	16% 21%	16% 18%	18%	19%	21%	29%	35%	Non-standard income as a percentage of expenses	35%	34%	34% 43%	38%	47% 58%	47%	47% 59%			469
7%	10%	9%	7%	17%	25%	20%	23%	25%	27%	36%	43%	Non-standard income as a percentage of expenses (ex dep)	43%	43%	43%	4/%	56%	59%	28%	30%	30%	

			Airport - Ca	apital Expen	diture Sumn	nary						Funding	Sources	2013/14	Funding	Sources	2014/15	Funding	Sources	2015/16	Funding	Sources	2016/17	Funding	Sources	2017/18
Asset Description	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	Grants	Loans	Reserves	Grants	Loans	Reserves	Grants	Loans	Reserves	Grants	Loans	Reserves	Grants	Loans	Reserve
Ballina Airport																										
Apron Extension		90,000					500,000							0			90,000		1	0	l .		0			1
Car Park / Entrance Road		30,000					000,000							0		l	0		1	0	l		0			
Car Park / Shade Structures (Loan Funded)	1 1	725,000							1					0		725,000	0		1	0			0			1
CCTV		720,000												0		,	l 0		1	0			0			1
Drainage Works	9,000					1								9,000		l	1 0		1	0	l .		0			1
Electronic Gate	9,000	- 1												0		l	0		1	0	1		0			1
Fence to Airside	60,000	60,000							ľ		ľ			60,000		1	60,000		1	0			0			1
Fire Fighting Infrastructure (contribution etc)	80,000	40.000							l l					0			40,000		I	0			0			1
Hardstand	214,500	40,000												214,500		1	0		1	0	l .		0			1
Land Acquisition	214,500													214,000			l 0		1			1 :	0	1		
Land Acquisition Landside Terminal Awning														٥		1	l 0		1	0			0			1
	6,500	- 1												6.500			l 6		1	0			0			1
Lease Area - Stage One	6,500	- 1												0,500			1 6		1	l ŏ			0			1
Long Term Car Park					040.000	040.000	005 000	232,000	239,000	246,200	253,600	ı		l š			l ŏ		1	200,000			206,000			212,20
Miscellaneous Infrastructure	400 000		200,000	206,000	212,200	218,600	225,200	232,000	239,000	246,200	253,600		100,000	Ĭ			l ő		1	200,000			0			_,,
Obstacle Tower Lennox Head	100,000								1				100,000	l š			130,000		1	1 6		1	0			4
Overlay to Rental Car Park	1 1	130,000							050 000			ı		,			150,000		1	l ő			ه ا			1
PAPI / PAALC									250,000					,			1 6		1	I š			ه ۱			
Pedestrian Crossing		- 1						400.000						,			1 6		1	1 6		1	ه ا			
Runway Lighting	l	- 1		i '			400,000	100,000					4 544 000				1 6		1	1 6			0	l .		1
Runway Upgrade	4,511,000											ı	4,511,000			1	20,000		li .	1 %			ň			1
Storage Containers	8,000	20,000						h				ı	00.700	8,000 53,300			20,000		1	1 %			l ő			
Storage Shed	90,000											ı	36,700	53,300		1	60,000		II.	1 %		l	l ő		8,000,00	ام
Terminal Renovation (Loan Funded)	1 1	60,000			8,000,000							ı		0	l	1	30,000		1		1	1	٥		5,550,00	Ĭ
Toilets to Departure Lounge	[]							[]				1	1	0			1 "			1	1					
Total	4,999,000	1,125,000	200,000	206,000	8,212,200		1,125,200	332,000	489,000	246,200	253,600	_	4,647,700	351,300	_	725,000	400,000	-	-	200,000	-	0	206,000	0	8,000,00	0 212,20

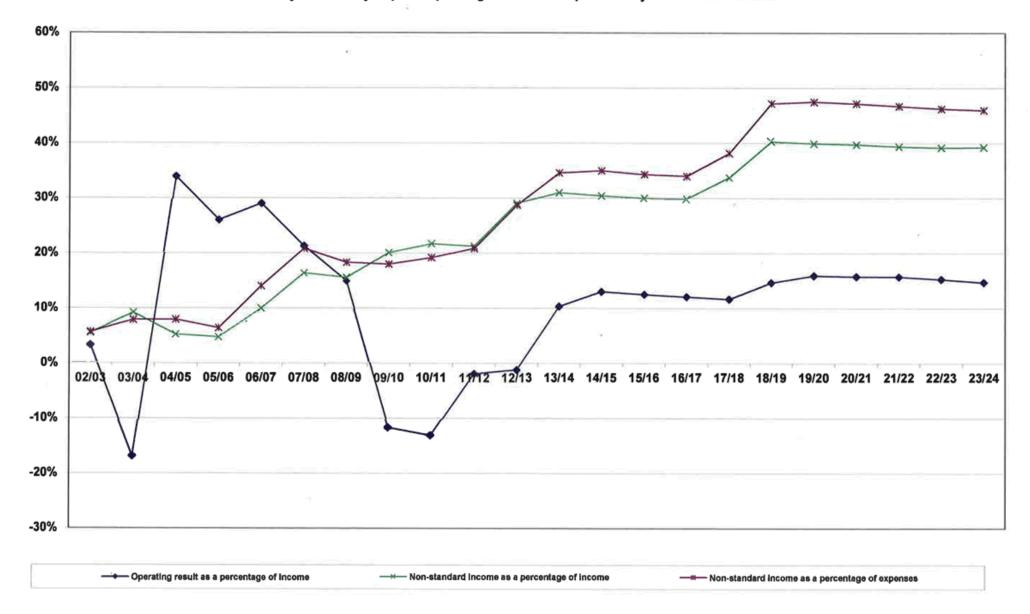
Source of Capital Funding	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Capital Grants and Contributions	1,155,600	2,344,400	0	0	0	0	0	이	0	0	0	0	0
Loan Funds	0	2,652,300	4,647,700	725,000	0	0	8,000,000	0	0	0	0	0	246,200
Reserves	76,300	789,900	351,300	400,000	200,000	206,000	212,200	218,600	1,125,200	332,000	489,000	246,200	0
Total	1,231,900	5,786,600	4,999,000	1,125,000	200,000	206,000	8,212,200	218,600	1,125,200	332,000	489,000	246,200	246,200
		' '											

Cash Balance	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
O	220.000	07.000	(455.700)	(227 200)	(440.000)	04.000	440.000	400.400	739,500	74 500	145,900	78,900	652.800
Opening Balance	239,600	,	(455,700)	(337,300)	(116,600)	21,900		,		74,500			,
Movement	(152,600)	(542,700)	118,400	220,700	138,500	97,300	342,900	277,400	(665,000)	71,400	(67,000)	573,900	1,099,900
Closing Balance	87,000	(455,700)	(337,300)	(116,600)	21,900	119,200	462,100	739,500	74,500	145,900	78,900	652,800	1,752,700
Dissection of Total Cash			1									1	
Council Reserve Balance	(454,400)	(455,700)	(337,300)	(116,600)	21,900	119,200	462,100	739,500	74,500	145,900	78,900	652,800	1,752,700
Unexpended Grant Funds	541,400	Ó	0	0	0	0	0	0	0	0	0	0	0
Unexpended Loan Funds	0	4,647,700	0	0	0	0	0	0	0	0	0	0	0
Total Cash Held	87,000	4,192,000	(337,300)	(116,600)	21,900	119,200	462,100	739,500	74,500	145,900	78,900	652,800	1,752,700
I													

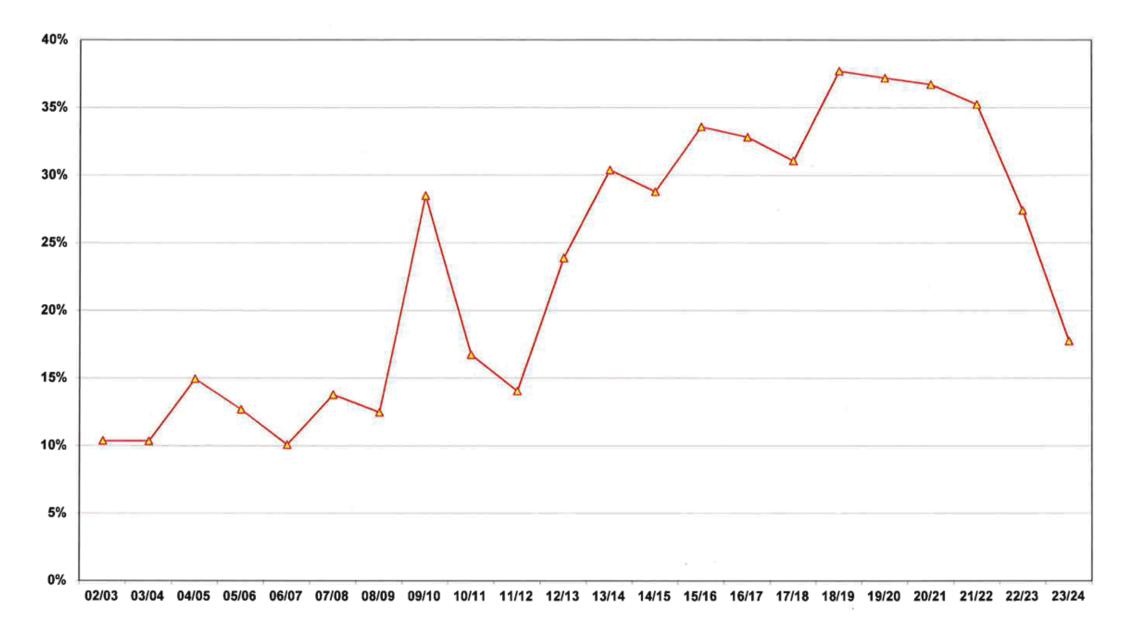
Loan Summary	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Loan Principal Loan Interest Total	250,600 234,700 485,300	532,100 416,400 948,500	838,700 572,900 1,411,600	880,700 551,600 1,432,300	524,200	451,100	679,800	1,355,600 938,200 2,293,800	1,506,300 775,400 2,281,700	1,587,500 674,300 2,261,800	584,600	1,214,000 495,200 1,709,200	685,600 431,000 1,116,600
Total Principal Outstanding - 30 June	3,229,000	9,996,900	9,158,200	8,277,500	7,107,000	5,893,400	12,882,400	11,526,800	10,020,500	8,433,000	6,828,900	5,614,900	4,929,300

	201	1/2012	2013	/2013	2013	2014	2014	2015	2015	2016	201	6/17	2017/	2018	2018/	2019	2019	9/2020	202	0/21	2021/2	2022	2022	/2023	2023	3/2024
Loan Repayment Dissection	PRINCIPAL			INTEREST	PRINCIPAL	INTEREST	PRINCIPAL		PRINCIPAL		PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
Airport Airport Airport - LIRS	48,269 166,670 35,692	54,554 145,782 34,333	46,791 166,670 38,315 280,300	134,364 31,709	50,790 166,670 40,864 580,420	52,033 122,931 29,161 368,813	54,607 166,670 44,006 615,383	26,018	58,464 166,670 47,000 648,346	44,359 105,000 23,000 300,887	166,670	39,834 93,000 20,000 265,300	67,737 166,670 55,000 721,549	35,087 82,000 15,000 227,684	166,670 60,000	30,160 70,000 10,000 188,000	166,670 63,000	24,331 58,000 7,000 147,092	166,670 66,100	2,000		35,000 0	166,670	30,000	166,620	15,000
Airport - Car Park / Shade Covers Airport - Terminal				,	,			25,500	250,000	51,000	250,000	33,000		320,000	295,000	640,000	396,000	539,000	423,000	512,000	453,000	482,000	485,000	450,000	519,000	416,00
	250,631	234,669	532,076	416,405	838,744	572,938	880,666	551,584	1,170,480	524,246	1,213,592	451,134	1,010,956	679,771	1,355,568	938,160	1,506,303	775,423	1,587,519	674,308	1,604,075	584,645	1,214,025	495,245	685,620	431,00

Ballina Byron Gateway Airport - Operating Income and Expense Analysis - 2002/03 to 2023/24



Ballina Byron Gateway Airport - Debt Ratio - 2002/03 to 2023/24



			Airport -	Capital Expe	nditure Sumr	mary					
Asset Description	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Ballina Airport											
Apron Extension	 	90,000		-		250,000	500,000				
Car Park / Entrance Road		30,000			5,500,000	230,000	300,000				
Car Park / Shade Structures (Loan Funded)		725,000			3,300,000						
Non Directional Beacon	 	725,000	1,000,000								
Drainage Works / Retaining Wall	9,000		1,000,000		1,000,000						
Electronic Gate	3,000				1,000,000						
Fence to Airside	60,000	60,000									
Fire Fighting Infrastructure (contribution etc)	00,000	20,000,000									
Hardstand	214,500	20,000,000									
Land Acquisition	214,000										
Landside Terminal Awning											
Lease Area - Stage One	6,500			1,700,000		2,000,000			1,500,000		
Long Term Car Park (Secure and Covered)	0,000			1,1 00,000		2,000,000		2,000,000	1,000,000		
Miscellaneous Infrastructure			200,000	206,000	212,200	218,600	225,200	232,000	239,000	246,200	253,600
Obstacle Tower Lennox Head	100,000		200,000	200,000	2.2,200	2.0,000	220,200	202,000	200,000	2.0,200	
Overlay to Rental Car Park	,	130,000									
PAPI / PAALC		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	250,000						250,000		
Pedestrian Crossing											
Runway Lighting					500,000		400,000	100,000			
Runway Upgrade / Grooving	4,511,000		300,000								
Storage Containers	8,000	20,000									
Storage Shed	90,000										
Terminal Renovation (Loan Funded)		60,000		4,000,000			4,500,000				
Toilets to Departure Lounge											
Apron Overlay (Bays 2 and 3)				2,000,000							
Air Traffic Control Tower						10,000,000					
Total	4,999,000	21,085,000	1,750,000	7,906,000	7,212,200	12,468,600	5,625,200	2,332,000	1,989,000	246,200	253,600

Overall Progressive total \$4,999,000 \$26,084,000 \$27,834,000 \$35,740,000 \$42,952,200 \$55,420,800 \$61,046,000 \$63,378,000 \$65,367,000 \$65,613,200 \$65,866,800

													TOTAL
	Airservices Australia		20,000,000	1,000,000			10,000,000						\$31,000,000
l	Progressive tota	0	20,000,000	21,000,000	21,000,000	21,000,000	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000	
₽	Airlines				4,000,000			4,500,000					\$8,500,000
چ <u>ا</u>	Progressive tota	0	0	0	4,000,000	4,000,000	4,000,000	8,500,000	8,500,000	8,500,000	8,500,000	8,500,000	
₽	Ballina Shire Council	4,999,000	1,085,000	750,000	2,206,000	7,212,200	468,600	1,125,200	2,332,000	489,000	246,200	253,600	\$21,166,800
Z	Progressive tota	4,999,000	6,084,000	6,834,000	9,040,000	16,252,200	16,720,800	17,846,000	20,178,000	20,667,000	20,913,200	21,166,800	
l	Other				1,700,000		2,000,000			1,500,000			\$5,200,000
	Progressive tota	0	0	0	1,700,000	1,700,000	3,700,000	3,700,000	3,700,000	5,200,000	5,200,000	5,200,000	

Barana Numbana	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Passenger Numbers	400,000	440,000	480,000	520,000	560,000	600,000

4.2 Classification of Community Land to Operational

Delivery Program Commercial Services

Objective To determine if Council wishes to reclassify a number

of parcels of Community Land to Operational Land

Background

The Local Government Act 1993 (LGA) requires that all public land in Council ownership must be classified as either Operational Land or Community Land. Council may deal with Operational Land without any restrictions under the LGA. Such land is generally held and used in connection with Council's administrative operations, utilities (water and sewer) and/or commercial activities.

Community Land consists typically of open space owned by Council for which there is a range of restrictions under the LGA to ensure that these valuable community assets are retained and managed for the benefit of the community. The LGA prohibits the sale of Community Land and imposes restrictions on its development and use.

Council staff have identified a number of parcels of land that are currently classified as Community Land that are considered unsuitable under this classification and propose to reclassify them to operational.

The parcels of land that have been identified for the purposes of this report include water reservoirs, sewer pump stations and two parcels of land that adjoin child care centres; one in East Ballina and one in West Ballina. The child care centre lands are currently held under lease by Goodstart Early Learning Ltd and the Catholic Church respectively.

Council's Commercial Services staff have discussed the proposed reclassification with the Manager of Water and Wastewater as well as a representative of the Lessee of the West Ballina child care centre.

The parcels of land are:

- Lot 1 DP 598548, Pine Avenue, East Ballina
- Lot 2 DP 598548, Pine Avenue, East Ballina
- Lot 1 DP 632176, Suvla Street, East Ballina
- Lot 47 DP 240657, Basalt Court, Lennox Head
- Lot 1 DP 604567, Regatta Avenue, Ballina
- Lot 2 DP 604567, Regatta Avenue, Ballina
- Lot 1 DP 856703, North Creek Road, Lennox Head
- Lot 43 DP 1168665, Seamist Place, Lennox Head
- Lot 104 DP 871675, Links Avenue, East Ballina
- Lot 1 DP 850774, Westland Drive, West Ballina

The report that follows outlines details of the land recommended for reclassification. Locality maps are attached for each parcel of land.

Key Issues

• Suitability of land classification

Information

The following information is supplied for each lot proposed to be reclassified:

Description	Comment
Lot 1 DP 598548 Pine Avenue, East Ballina	This land is currently occupied by a water reservoir. The proposed reclassification will provide Council with flexibility in the management and maintenance of the land for water infrastructure
Lot 2 DP 598548 Pine Avenue, East Ballina	This land is currently occupied by a water reservoir. The proposed reclassification will provide Council with flexibility in the management and maintenance of the land for water infrastructure
Lot 1 DP 632176, Suvla Street, East Ballina	This land is currently occupied by a water reservoir. The proposed reclassification will provide Council with flexibility in the management and maintenance of the land for water infrastructure
Lot 47 DP 240657 Basalt Court, Lennox Head	This land is currently occupied by a water reservoir. The proposed reclassification will provide Council with flexibility in the management and maintenance of the land for water infrastructure
Lot 1 DP 604567 Regatta Avenue, Ballina	This land is currently occupied by a sewer pump station. The proposed reclassification will provide Council with flexibility in the management and maintenance of the land for sewer infrastructure.
Lot 2 DP 604567 Regatta Avenue, Ballina	This land is currently occupied by a sewer pump station. The proposed reclassification will provide Council with flexibility in the management and maintenance of the land for sewer infrastructure.
Lot 1 DP 856703 North Creek Road, Lennox Head	This land is currently occupied by a sewer pump station. The proposed reclassification will provide Council with flexibility in the management and maintenance of the land for sewer infrastructure.
Lot 43 DP 1168665 Seamist Place, Lennox Head	This land is currently occupied by a sewer pump station. The proposed reclassification will provide Council with flexibility in the management and maintenance of the land for sewer infrastructure.

Lot 104 DP 871675 Links Avenue, East Ballina	This land is currently occupied by a child care centre. There is a 20 year lease over the land due to expire 31 March 2017. This area is part of open space reserve adjoining Prospect Lake. The area has been fenced off with the Lessee having exclusive use of the site over the period of the Lease.
	The proposed reclassification will provide Council with flexibility in resale or lease of the site, if it chooses.
Lot 1 DP 850774 Westland Drive, West Ballina	This land is currently occupied by a child care centre. There is a 20 year lease over the land due to expire 31 March 2017. This area is part of open space reserve backing onto the industrial properties in Barlows Road. The area has been fenced off with the Lessee having exclusive use of the site over the period of the Lease.
	The proposed reclassification will provide Council with flexibility in resale or lease of the site, if it chooses.

When the Local Government Act was introduced in 1993 all Council land was automatically classified as community unless otherwise classified. This blanket approach had shortcomings as circumstances and land uses change and evolve over time.

Consequently, reclassifying the parcels of land identified above to operational would provide Council with greater flexibility in dealing with the uses to such parcels are currently put and provide scope for the sale of land that has no strategic benefit to Council and the community. The sale of surplus community land would also reduce Council's ongoing financial liability to maintain such land if not held under lease to a third party.

Legal / Resource / Financial Implications

The reclassification of the lands will require the expenditure of funds to prepare a planning proposal, exhibit such and hold a public hearing. These funds will be obtained from both Commercial Services and Water and Wastewater Sections within Council.

In regards to the child care centre lands, the reclassification will enable Council to realise the value of those parcels of land through sales, should it resolve to do so at a later time. In regards to the water reservoir and sewer pump station sites, reclassification would allow more flexibility in the management of these sites.

Consultation

Council's Commercial Services Staff have consulted with Council's Water and Wastewater section as well as a representative of the Lessee of the West Ballina child care centre.

Options

 Council resolves to commence the process for the reclassification of all parcels of land identified in this report from Community Land to Operational Land.

This option is recommended as it is the first step in providing Council with the flexibility needed to more efficiently and adequately deal with these parcels of land and the uses to which they are currently being put.

 Council resolves not to commence the process for the reclassification of all parcels of land identified in this report from Community Land to Operational Land.

This option is not recommended as it fails to provide Council with the flexibility needed to deal with these parcels of land and the uses to which they are currently being put.

The first option is recommended as it allows public comment on the proposal.

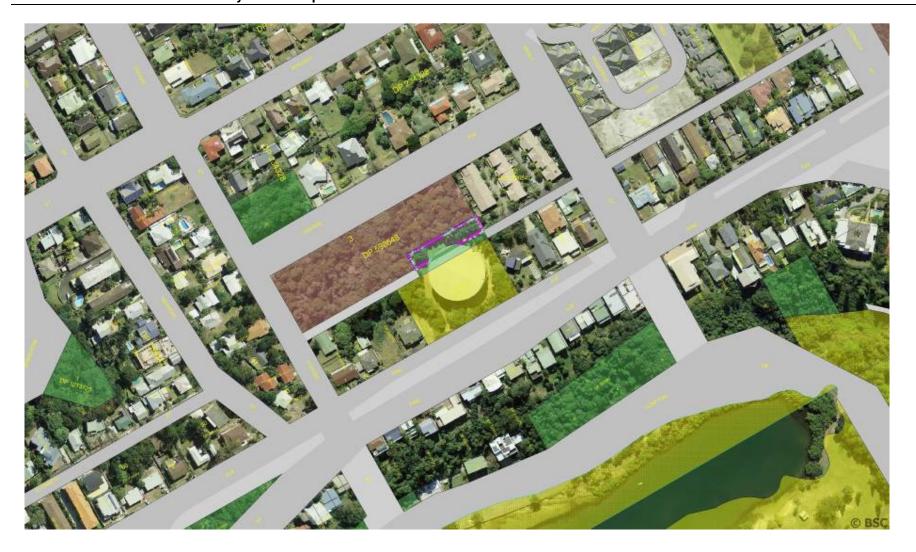
RECOMMENDATION

That Council commence the process for the reclassification of the land referred to below from Community Land to Operational Land for the purpose of the *Local Government Act, 1993*.

- Lot 1 DP 598548, Pine Avenue, East Ballina
- Lot 2 DP 598548, Pine Avenue, East Ballina
- Lot 1 DP 632176, Suvla Street, East Ballina
- Lot 47 DP 240657, Basalt Court, Lennox Head
- Lot 1 DP 604567, Regatta Avenue, Ballina
- Lot 2 DP 604567, Regatta Avenue, Ballina
- Lot 1 DP 856703, North Creek Road, Lennox Head
- Lot 43 DP 1168665, Seamist Place, Lennox Head
- Lot 104 DP 871675, Links Avenue, East Ballina
- Lot 1 DP 850774, Westland Drive, West Ballina

Attachment(s)

- 1. Lot 1 DP 598548 Pine Avenue, East Ballina (Water Reservoir)
- 2. Lot 2 DP 598548 Pine Avenue East Ballina (Water Reservoir)
- 3. Lot 1 DP 632176 Suvla Street East Ballina (Water Reservoir)
- 4. Lot 47 DP 240657 Basalt Court Lennox Head (Water Reservoir)
- 5. Lot 1 DP 604567 Regatta Avenue Ballina (Sewer Pump Station)
- 6. Lot 2 DP 604567 Regatta Avenue Ballina (Sewer Pump Station)
- 7. Lot 1 DP 856703 North Creek Road Lennox Head (Sewer Pump Station)
- 8. Lot 43 DP 1168665 Seamist Place Lennox Head (Sewer Pump Station)
- 9. Lot 104 DP871675 Links Avenue East Ballina (rear of child care centre)
- 10. Lot 1 DP 850774 Westland Drive West Ballina (rear of child care centre)



Locality Plan - Lot 1 DP 598548 Pine Avenue East Ballina (Water Reservoir)

Locality Plan - Lot 2 DP 598548 Pine Avenue East Ballina (Water Reservoir)



Locality Plan - Lot 1 DP 632176 Pine Avenue East Ballina (Water Reservoir)



Locality Plan - Lot 47 DP 240657 Basalt Court Lennox Head (Water Reservoir)

Locality Plan - Lot 1 DP 604567 Regatta Avenue Ballina (Sewer Pump Station)



Locality Plan - Lot 2 DP 604567 Regatta Avenue Ballina (Sewer Pump Station)



Locality Plan - Lot 1 DP 856703 North Creek Road Lennox Head (Sewer Pump Station)



Locality Plan - Lot 43 DP 1168665 Seamist Place Lennox Head (Sewer Pump Station)



Locality Plan - Lot 104 DP 871675 Links Avenue East Ballina (rear of child care centre)



Locality Plan - Lot 1 DP 850774 Westland Drive West Ballina (rear of child care centre)

4.3 Land Sale - Cessna Crescent, Southern Cross Industrial Estate

Delivery Program Commercial Services

Objective To provide an overview of the proposed land sale.

Background

Council owns a 1,100m² vacant site on Cessna Crescent in the Southern Cross Industrial Estate, described as Lot 92 DP 1161854.

Council has negotiated a sale of the property with a local party who have previously acquired land on the industrial estate.

Key Issues

Sale price

Information

The subject property, Lot 92 DP 1161854, is one of seven lots that were put to public auction on 20 May, 2010. These lots being Lots, 87, 88, 89, 90, 91, 92 and 93 (see plan **attached**). Two of these lots have sold since auction. Details of these sales and two more recent sales are noted as follows:

Lot / DP	Price (excl. GST)	Area	Date of Sale	Purchaser	\$/m2
93/1161854 Cessna Cres.	\$290,000	1,100 m ²	11/6/2010	Croft ANORS	\$264/m ²
89/1161854 Cessna Cres.	\$424,000	1,663m ²	22/12/2010	Nasmyth P/L	\$254/m ²
95/1184435 Cessna Cres.	\$533,150	2,269m ²	4/10/2012	Nasmyth P/L	\$235/m ²
97/1194043 Stinson St.	\$570,058	2,429m ²	2/8/2012	Nasmyth P/L	\$235/m ²

The asking prices for the five remaining Cessna Crescent lots (including the subject property, Lot 92) have not changed since they were set by Council in 2010, and are noted on the plan attached. The plan attached also includes all remaining Council available for sale on the Southern Cross Industrial Estate shaded in blue.

For comparative purposes the sale of the Council site on Tamarind Drive / Endeavour Close to NSW Fire and Rescue in 2014, was sold at an imputed price of \$1,200,000 (ex. GST) reflecting \$257/m² on the proviso that Council acquired 60 Crane Street (Fire Station).

The asking price for Lot 92 is \$290,000 (ex. GST) reflecting \$264/m². The final price negotiated is considered fair and reasonable in the current market.

Details of the proposed sale price are listed in the confidential report later in this agenda. There have been no other serious offers on this site.

The enquiry rate for lots on Cessna Crescent has been slow due to the state of the economy in recent years and the fact Cessna Crescent is a no through road which deters some potential purchasers. Cessna Crescent was designed and has approval to link up with Piper Drive however these works cannot be undertaken until Norfolk Homes vacate the site they currently lease until 31 December, 2015. The current rental for Norfolk Homes is \$142,000 p.a. (ex. GST).

Legal / Resource / Financial Implications

The subject land is classified as operational land pursuant to the Local Government Act 1993. There is no impediment to the sale of the land as proposed.

Consultation

The land has been on the open market.

Options

The purpose of this report is to provide an overview of the proposed land sale. Details of the land sale are outlined in the confidential report elsewhere in this agenda.

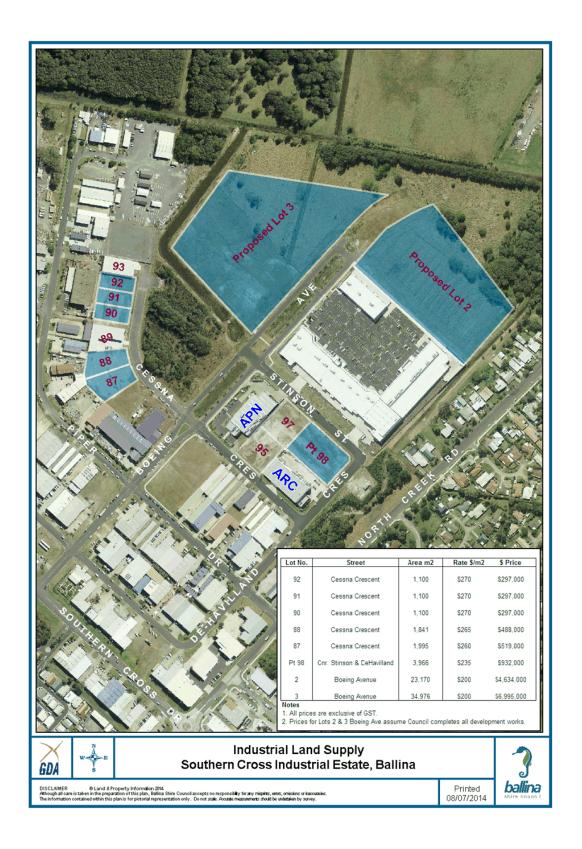
Therefore this report is for noting purposes only.

RECOMMENDATION

That Council notes the contents of this report in respect to the proposed sale of land at Cessna Crescent in the Southern Cross Industrial Estate, described as Lot 92 DP 1161854.

Attachment(s)

Locality Plan



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 Land Sale Price - Cessna Crescent, Southern Cross Industrial Estate

Refer to Item 4.3 of this agenda.

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 <u>Land Sale Price - Cessna Crescent, Southern Cross Industrial Estate</u>

Reason for Confidentiality

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

- d) commercial information of a confidential nature that would, if disclosed:
- (i) prejudice the commercial position of the person who supplied it, or
- (ii) confer a commercial advantage on a competitor of the council, or
- (iii) reveal a trade secret

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 Council is in the process of negotiating a sale for the property in question.