



Budget 2017/18 to 2027/28

Adopted 25 January 2018

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Part A

Introduction

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OVERVIEW

The document provides more comprehensive information on Council's budget along with our long term financial planning. The document is divided into eight distinct sections as follows:

Section	Description
A. Overview	This section provides a summary of the information contained in this document, along with an outline of our scenario modelling. The scenario modelling relates to the General Fund and a proposed special rate variation.
B. Operating Budgets	Details of all operating budgets on a program basis. The programs are classified in the four groups which form Council's organisation structure.
C. Capital Expenditure	Outlines the capital projects included in the budget for the General, Water and Wastewater (Sewer) Funds.
D. Section 94 and Capital Income	Summary of the movement in Section 94 contributions along with other capital income such as Grants, Contributions, Loans and Asset sales.
E. Reserves	Details the transfers to and from reserves for the General Fund, along with the estimated reserve balances.
F: Loan Repayments	Principal and interest repayment summary for the General Fund.
G. Appendices	Additional supporting information.

OVERVIEW

Ballina Shire Council is a general purpose local government authority, undertaking a wide range of activities including the provision of water and wastewater (sewer) services. All revenues raised from charges levied for the provision of water and wastewater services must be expended on those activities.

To ensure a high level of accountability Council operates its water and wastewater functions as separate business activities. This is often referred to as Fund Accounting (i.e. Water Fund and Wastewater Fund). This process ensures that the income and expenses from these activities is not mixed with Council's general purpose activities. All the remaining Council activities are referred to as the General Fund.

Council prepares an Income Statement for each of the Funds, as well as preparing results on a consolidated basis for all three Funds.

In addition to this it is also important for Council to monitor its financial performance on a cash basis to ensure that there is adequate cash held to finance our current and future works and services.

The following pages provide the Income Statements for each of the Funds and on a consolidated basis.

The information for each Income Statement includes a summary of all income from continuing operations and operating expenses, as well as the Net Operating Result for the Year. A Net Operating Result before Capital Income figure is also provided as this is a more reliable identifier of the operations of Council due to the variability that can occur from year to year in capital income received. The main example of this is grant income which does vary significantly dependent on the grant programs being offered by the State and Federal Government and Council's success in securing those grants.

The estimates for 2017/18 represent the budgets for that year whereas the estimates from 2018/19 onwards provide a guide as to where the organisation is heading. Actual figures are included for previous years.

The following Income Statements include Council's proposed special rate variation as this is the preferred financial model. We refer to this as scenario one and more information on this is available in our Delivery Program / Operational Plan and the Long Term Financial Plan documents prepared by Council.

CONSOLIDATED OPERATIONS - INCOME STATEMENT (2013/14 to 2027/28)

ACTUAL				ITEM	ESTIMATED											
2013/14	2014/15	2015/16	2016/17		2017/18	%	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
OPERATING RESULTS																
Operating Activities																
38,830,200	40,827,600	43,406,800	46,877,300	Rates and Annual Charges	46,985,600	0	48,959,800	51,076,400	52,480,700	53,943,300	55,447,300	56,993,300	58,581,300	60,214,000	61,892,100	63,618,500
16,972,700	17,541,100	18,582,000	20,138,200	User Charges and Fees	19,056,700	(5)	19,601,400	20,192,300	20,696,400	21,211,600	21,742,400	22,286,900	22,847,100	23,418,700	24,008,400	24,599,200
3,487,300	2,499,400	2,133,600	2,299,200	Interest and Investment Revenues	1,659,900	(28)	1,856,600	1,900,700	1,589,000	1,635,200	1,563,800	1,583,000	1,663,300	1,799,200	2,097,900	2,406,000
5,800,100	5,245,000	3,584,300	5,868,900	Other Revenues	6,395,500	9	5,871,700	6,583,000	6,115,800	6,954,200	6,454,700	7,408,900	6,811,600	7,703,200	7,188,800	8,107,600
6,082,600	8,150,300	9,389,200	12,037,300	Grants and Contributions for Operating Purposes	8,038,500	(33)	7,533,900	7,767,700	7,773,200	7,879,800	7,990,800	8,137,800	8,297,800	8,463,500	8,632,700	8,805,500
13,608,500	15,880,800	15,014,000	12,312,600	Grants and Contributions for Capital Purposes	18,930,300	54	14,943,600	11,790,300	18,067,500	18,499,600	10,941,500	11,193,200	11,458,900	11,729,400	12,005,700	12,287,100
Other Income:																
5,700	0	0	0	Net Gain from Disposal of Assets	0	0	0	0	0	0	0	0	0	0	0	0
84,787,100	90,144,200	92,109,900	99,533,500	Total Income from Continuing Operations	101,066,500	2	98,767,000	99,310,400	106,722,600	110,123,700	104,140,500	107,603,100	109,660,000	113,328,000	115,825,600	119,823,900
Operating Expenses																
19,710,600	20,435,100	21,690,000	22,308,000	Employee Benefits and On-costs	23,001,000	3	23,715,000	24,452,000	25,211,000	25,994,000	26,801,000	27,633,000	28,491,000	29,376,000	30,288,000	31,229,000
6,839,800	6,560,800	5,993,600	5,523,000	Borrowing Costs	5,620,400	2	5,173,300	4,892,600	4,490,500	4,470,600	4,109,800	3,790,200	3,490,900	3,212,000	2,952,200	2,690,300
22,518,700	24,785,700	23,953,600	22,932,800	Materials and Contracts	25,632,600	12	23,544,800	24,281,700	24,399,400	24,963,600	25,315,800	25,937,600	26,402,000	26,753,100	27,146,600	27,574,800
20,368,600	17,939,000	19,197,600	15,978,600	Depreciation and Amortisation	18,538,900	16	19,013,400	19,486,200	19,877,800	20,276,700	20,684,000	21,098,600	21,522,000	21,954,300	22,394,300	22,843,000
11,259,000	7,759,200	10,445,100	12,188,500	Other Expenses	11,504,800	(6)	11,070,000	12,004,700	11,905,700	12,659,500	12,370,100	13,364,100	13,343,800	14,122,700	13,787,400	14,899,600
4,035,000	13,192,200	40,500	6,003,500	Net Loss from Disposal of Assets	0	(100)	0	0	0	0	0	0	0	0	0	0
84,731,700	90,672,000	81,320,400	84,934,400	Total Expenses from Continuing Operations	84,297,700	(1)	82,516,500	85,117,200	85,884,400	88,364,400	89,280,700	91,823,500	93,249,700	95,418,100	96,568,500	99,236,700
55,400	(527,800)	10,789,500	14,599,100	Net Operating Result for the Year	16,768,800	15	16,250,500	14,193,200	20,838,200	21,759,300	14,859,800	15,779,600	16,410,300	17,909,900	19,257,100	20,587,200
(13,553,100)	(16,408,600)	(4,224,500)	2,286,500	Net Operating Result Before Capital Income	(2,161,500)	(195)	1,306,900	2,402,900	2,770,700	3,259,700	3,918,300	4,586,400	4,951,400	6,180,500	7,251,400	8,300,100

GENERAL FUND - INCOME STATEMENT (2013/14 to 2027/28)

ACTUAL				ITEM	ESTIMATED											
2013/14	2014/15	2015/16	2016/17		2017/18	%	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
OPERATING RESULTS																
Operating Activities																
24,301,000	24,729,500	26,093,600	28,107,400	Rates and Annual Charges	27,609,100	(2)	29,094,800	30,710,900	31,594,700	32,503,900	33,440,500	34,403,100	35,393,700	36,413,000	37,461,700	38,541,700
9,284,000	10,070,700	10,785,800	10,998,500	User Charges and Fees	10,705,500	(3)	11,016,700	11,368,400	11,615,200	11,865,000	12,123,000	12,386,500	12,657,500	12,932,500	13,216,500	13,492,300
2,105,000	1,403,300	1,298,100	1,462,800	Interest and Investment Revenues	982,900	(33)	1,116,800	1,300,400	1,043,100	1,014,800	1,042,600	1,139,900	1,231,300	1,394,700	1,536,700	1,671,200
4,577,000	3,984,700	2,303,300	4,651,000	Other Revenues	5,091,000	9	4,536,500	5,213,900	4,711,800	5,514,500	4,978,500	5,895,300	5,259,600	6,111,800	5,557,000	6,434,300
5,780,000	7,846,000	9,075,200	11,718,300	Grants and Contributions for Operating Purposes	7,750,900	(34)	7,244,700	7,476,700	7,480,600	7,585,500	7,694,800	7,840,100	7,998,300	8,162,300	8,329,800	8,500,900
10,914,000	12,768,000	11,484,100	11,107,000	Grants and Contributions for Capital Purposes	16,009,800	44	11,968,100	8,754,800	14,972,000	15,344,100	7,726,000	7,917,700	8,113,400	8,313,900	8,520,200	8,731,600
Other Income:																
0	0	0	0	Net Gain from Disposal of Assets	0	0	0	0	0	0	0	0	0	0	0	0
56,961,000	60,802,200	61,040,100	68,045,000	Total Income from Continuing Operations	68,149,200	0	64,977,600	64,825,100	71,417,400	73,827,800	67,005,400	69,582,600	70,653,800	73,328,200	74,621,900	77,372,000
Operating Expenses																
14,771,000	15,453,100	16,138,000	15,939,000	Employee Benefits and On-costs	16,434,000	3	16,945,000	17,472,000	18,015,000	18,575,000	19,152,000	19,746,000	20,359,000	20,992,000	21,644,000	22,316,000
1,679,000	1,564,000	1,334,300	1,074,400	Borrowing Costs	1,370,500	28	1,295,000	1,225,600	1,050,700	1,231,400	1,060,600	933,900	832,600	748,700	685,900	622,000
15,428,000	17,761,300	17,592,600	16,790,800	Materials and Contracts	19,391,000	15	17,170,500	17,825,000	17,818,600	18,242,000	18,431,500	18,975,300	19,310,100	19,596,800	19,842,300	20,162,400
15,866,000	14,146,000	14,166,800	11,005,700	Depreciation and Amortisation	13,383,900	22	13,754,800	14,122,400	14,406,200	14,695,800	14,991,200	15,292,300	15,599,600	15,913,100	16,232,700	16,558,400
4,928,000	1,228,600	3,934,400	5,283,600	Other Expenses	4,695,600	(11)	4,185,800	4,959,000	4,695,000	5,220,200	4,675,800	5,493,500	5,240,300	5,779,500	5,214,700	6,082,000
3,924,000	974,000	0	5,601,500	Net Loss from Disposal of Assets	0	(100)	0	0	0	0	0	0	0	0	0	0
56,596,000	51,127,000	53,166,100	55,695,000	Total Expenses from Continuing Operations	55,275,000	(1)	53,351,100	55,604,000	55,985,500	57,964,400	58,311,100	60,441,000	61,341,600	63,030,100	63,619,600	65,740,800
365,000	9,675,200	7,874,000	12,350,000	Net Operating Result for the Year	12,874,200	4	11,626,500	9,221,100	15,431,900	15,863,400	8,694,300	9,141,600	9,312,200	10,298,100	11,002,300	11,631,200
(10,549,000)	(3,092,800)	(3,610,100)	1,243,000	Net Operating Result Before Capital Income	(3,135,600)	(352)	(341,600)	466,300	459,900	519,300	968,300	1,223,900	1,198,800	1,984,200	2,482,100	2,899,600

WATER FUND - INCOME STATEMENT (2013/14 to 2027/28)

ACTUAL				ITEM	ESTIMATED											
2013/14	2014/15	2015/16	2016/17		2017/18	%	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
OPERATING RESULTS																
Operating Activities																
2,860,500	3,092,600	3,226,000	3,371,900	Rates and Annual Charges	3,439,500	2	3,524,000	3,610,500	3,707,000	3,825,400	3,947,800	4,074,200	4,203,600	4,337,000	4,474,400	4,616,800
6,590,600	6,432,000	6,654,300	7,771,200	User Charges and Fees	7,000,200	(10)	7,161,500	7,327,100	7,509,700	7,735,300	7,967,900	8,207,500	8,454,100	8,706,800	8,967,500	9,236,200
413,500	417,400	339,000	343,900	Interest and Investment Revenues	368,800	7	468,300	382,400	356,900	380,600	277,700	212,900	151,800	100,400	138,000	182,000
672,700	797,900	822,400	762,900	Other Revenues	825,900	8	845,200	866,600	888,600	911,100	934,100	957,800	981,900	1,006,700	1,032,100	1,058,200
151,800	152,600	157,400	159,900	Grants and Contributions for Operating Purposes	144,000	(10)	144,700	145,500	146,200	147,000	147,800	148,600	149,500	150,300	151,100	151,900
851,300	981,400	1,059,900	469,100	Grants and Contributions for Capital Purposes	775,000	65	800,000	820,000	840,000	860,000	880,000	900,000	920,000	940,000	960,000	980,000
Other Income:																
0	0	0	0	Net Gain from Disposal of Assets	0	0	0	0	0	0	0	0	0	0	0	0
11,540,400	11,873,900	12,259,000	12,878,900	Total Income from Continuing Operations	12,553,400	(3)	12,943,700	13,152,100	13,448,400	13,859,400	14,155,300	14,501,000	14,860,900	15,241,200	15,723,100	16,225,100
Operating Expenses																
1,429,000	1,763,000	1,876,000	1,920,000	Employee Benefits and On-costs	1,980,000	3	2,041,000	2,104,000	2,169,000	2,236,000	2,305,000	2,377,000	2,451,000	2,527,000	2,605,000	2,686,000
0	0	0	0	Borrowing Costs	0	0	0	0	0	0	0	0	0	0	0	0
1,802,400	1,354,100	1,264,400	1,267,300	Materials and Contracts	1,502,200	19	1,553,100	1,541,700	1,570,500	1,599,700	1,679,300	1,658,200	1,687,500	1,717,400	1,748,200	1,778,700
1,859,500	1,478,700	1,498,900	1,399,600	Depreciation and Amortisation	1,380,000	(1)	1,407,600	1,435,800	1,464,600	1,493,900	1,523,800	1,554,300	1,585,400	1,617,200	1,649,600	1,682,600
5,909,700	6,200,600	6,172,600	6,533,400	Other Expenses	6,363,200	(3)	6,510,300	6,661,800	6,816,700	7,035,000	7,229,400	7,445,000	7,666,900	7,895,300	8,113,300	8,296,400
111,000	20,600	38,000	0	Net Loss from Disposal of Assets	0	0	0	0	0	0	0	0	0	0	0	0
11,111,600	10,817,000	10,849,900	11,120,300	Total Expenses from Continuing Operations	11,225,400	1	11,512,000	11,743,300	12,020,800	12,364,600	12,737,500	13,034,500	13,390,800	13,756,900	14,116,100	14,443,700
428,800	1,056,900	1,409,100	1,758,600	Net Operating Result for the Year	1,328,000	(24)	1,431,700	1,408,800	1,427,600	1,494,800	1,417,800	1,466,500	1,470,100	1,484,300	1,607,000	1,781,400
(422,500)	75,500	349,200	1,289,500	Net Operating Result Before Capital Income	553,000	(57)	631,700	588,800	587,600	634,800	537,800	566,500	550,100	544,300	647,000	801,400

WASTEWATER FUND - INCOME STATEMENT (2013/14 to 2027/28)

ACTUAL				ITEM	ESTIMATED											
2013/14	2014/15	2015/16	2016/17		2017/18	%	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
OPERATING RESULTS																
Operating Activities																
11,668,700	13,005,500	14,087,200	15,398,000	Rates and Annual Charges	15,937,000	4	16,341,000	16,755,000	17,179,000	17,614,000	18,059,000	18,516,000	18,984,000	19,464,000	19,956,000	20,460,000
1,098,100	1,038,400	1,141,900	1,368,500	User Charges and Fees	1,351,000	(1)	1,423,200	1,496,800	1,571,500	1,611,300	1,651,500	1,692,900	1,735,500	1,779,400	1,824,400	1,870,700
968,800	678,700	496,500	492,500	Interest and Investment Revenues	308,200	(37)	271,500	217,900	189,000	239,800	243,500	230,200	280,200	304,100	423,200	552,800
550,400	462,400	458,600	455,000	Other Revenues	478,600	5	490,000	502,500	515,400	528,600	542,100	555,800	570,100	584,700	599,700	615,100
150,800	151,700	156,600	159,100	Grants and Contributions for Operating Purposes	143,600	(10)	144,500	145,500	146,400	147,300	148,200	149,100	150,000	150,900	151,800	152,700
2,014,200	2,131,400	2,470,000	736,500	Grants and Contributions for Capital Purposes	2,145,500	191	2,175,500	2,215,500	2,255,500	2,295,500	2,335,500	2,375,500	2,425,500	2,475,500	2,525,500	2,575,500
Other Income:																
5,700	0	0	0	Net Gain from Disposal of Assets	0	0	0	0	0	0	0	0	0	0	0	0
16,466,700	17,468,100	18,810,800	18,609,600	Total Income from Continuing Operations	20,363,900	9	20,845,700	21,333,200	21,856,800	22,436,500	22,979,800	23,519,500	24,145,300	24,758,600	25,480,600	26,226,800
Operating Expenses																
3,510,600	3,219,000	3,676,000	4,449,000	Employee Benefits and On-costs	4,587,000	3	4,729,000	4,876,000	5,027,000	5,183,000	5,344,000	5,510,000	5,681,000	5,857,000	6,039,000	6,227,000
5,160,800	4,996,800	4,659,300	4,448,600	Borrowing Costs	4,249,900	(4)	3,878,300	3,667,000	3,439,800	3,239,200	3,049,200	2,856,300	2,658,300	2,463,300	2,266,300	2,068,300
5,288,300	5,670,300	5,096,600	4,874,700	Materials and Contracts	4,739,400	(3)	4,821,200	4,915,000	5,010,300	5,121,900	5,205,000	5,304,100	5,404,400	5,438,900	5,556,100	5,633,700
2,643,100	2,314,300	3,531,900	3,573,300	Depreciation and Amortisation	3,775,000	6	3,851,000	3,928,000	4,007,000	4,087,000	4,169,000	4,252,000	4,337,000	4,424,000	4,512,000	4,602,000
421,300	330,000	338,100	371,500	Other Expenses	446,000	20	373,900	383,900	394,000	404,300	464,900	425,600	436,600	447,900	459,400	521,200
0	12,197,800	2,500	402,000	Net Loss from Disposal of Assets	0	(100)	0	0	0	0	0	0	0	0	0	0
17,024,100	28,728,000	17,304,400	18,119,100	Total Expenses from Continuing Operations	17,797,300	(2)	17,653,400	17,769,900	17,878,100	18,035,400	18,232,100	18,348,000	18,517,300	18,631,100	18,832,800	19,052,200
(567,400)	(11,259,900)	1,506,400	490,500	Net Operating Result for the Year	2,566,600	423	3,192,300	3,563,300	3,978,700	4,401,100	4,747,700	5,171,500	5,628,000	6,127,500	6,647,800	7,174,600
(2,581,600)	(13,391,300)	(963,600)	(246,000)	Net Operating Result Before Capital Income	421,100	(271)	1,016,800	1,347,800	1,723,200	2,105,600	2,412,200	2,796,000	3,202,500	3,652,000	4,122,300	4,599,100

PROPOSED SPECIAL RATE VARIATION – SCENARIOS

In 2015 Ballina Shire was declared as a Fit for the Future Council by the NSW State Government. This was based on a Council submission provided to the Office of Local Government (OLG) and the Independent Pricing and Regulatory Tribunal (IPART) which outlined a number of actions Council would undertake to improve our financial sustainability.

Included in our submission was a proposal to permanently increase our total general rate income by way of an application to IPART for a Special Rate Variation (SRV). The purpose of the proposed SRV is to increase our general rate income above the standard rate peg limit, which will then allow us to increase the level of funding we provide for key infrastructure renewal in areas such as roads, stormwater, playgrounds, sporting fields and community buildings, as well as implementing a new healthy waterways program. IPART annually set a rate peg, which limits the amount by which councils can increase their total rate revenue from year to year - for 2017/18 it is 1.5%.

In February 2017, Council made an application to IPART for the following increases above the rate peg:

- 4.9% in 2017/18 (includes actual rate peg limit of 1.5%)
- 5.9% in 2018/19 (includes estimated rate peg limit of 2.5%)
- 5.9% in 2019/20 (includes estimated rate peg limit of 2.5%)

The outcome of that application was determined by IPART in May 2017. IPART approved a temporary increase of 4.9% for 2017/18 only. The application for subsequent years was not endorsed as IPART wanted our Delivery Program and Operational Plan (this document) to more accurately and explicitly outline the SRV proposal.

To ensure consistency with our Long Term Financial Plan and to meet our Fit for the Future benchmarks, Council is now proposing to again apply to IPART, for a SRV, for the financial years 2018/19 and 2019/20. This means that Council will be applying for the following increases to the general rate income.

- 9.1% in 2018/19 (includes actual rate peg of 2.3%)
- 5.9% in 2019/20 (includes estimated rate peg of 2.5%)

The 9.1% in 2018/19 represents the actual 2.3% rate peg, a 3.4% additional increase for 2018/19, along with retaining the additional 3.4% increase already approved by IPART for 2017/18. The 5.9% in 2019/20 represents an estimated 2.5% rate peg and a 3.4% additional increase for 2019/20. In total this will be a cumulative increase of 15.54% for 2018/19 and 2019/20, however 3.4% was actually levied by Council in 2017/18, albeit that is a temporary approval only. These increases will be built into the rate base and be permanently retained, if approved by IPART. The additional income generated from these special rate variations will be used to fund increased asset renewal and a healthy waterways program.

The figures included in this document assume that Council will apply for the SRV and it will be approved by IPART. However there is a risk that the application will not be approved and the following page highlights the difference in the Net Operating Result for the General Fund if the SRV is not approved. The variation in General Rate income is also outlined on the following page. We refer to this as scenario two.

For further information on the impacts of the proposed SRV refer to Council's Delivery Program / Operational Plan and the Long Term Financial Plan documents.

GENERAL FUND – CASH FORECAST AND LONG TERM FINANCIAL PLAN

As mentioned earlier it is essential that Council understands its cash position on a regular basis. The following pages outline the forecast cash results for each Fund and on a consolidated basis.

The opposite page provides the cash forecast for General Fund. The estimates for 2017/18 represent the budgets for that year whereas the estimates from 2018/19 onwards provide a guide as to where the organisation is heading. Explanations for each item are:

Operating Revenues Represents total operating revenues for General Fund as per Part B of this document.

Operating Expenses Represents total operating expenses for General Fund, as per Part B of this document.

Operating Results This records the operating result for the fund, both before and after non-cash items such as depreciation.

Capital Grants and Contributions As the operating result does not include income items that are of a capital nature, they must be included to determine the overall cash result.

- *Capital Grants and Contributions*: This item represents the capital grants and capital contributions recognised in Part D of this document
- *Section 94 Contributions Collected*: Represents Section 94 developer contributions collected. A full explanation of this item is detailed in Part D of this document

Non-operating Funds Employed Includes income items that do not form part of the operating result.

- *Loan Funds Used*: Represents loans applied during the year
- *Proceeds from Disposal of Assets*: Represents funds derived from estimated asset sales, which primarily relate to land holdings.

Funds deployed for Non-operating Purposes Represents expenditure of a capital nature.

- *Capital Expenditure*: Represents capital works as per Part C of this document.
- *Repayment of Principal on Loans*: Represents total loan principal repayments for the General Fund.

Net movement in other working capital items

- *Net Increase / (decrease) in leave liabilities*: In order to determine the actual cash result for the year it is necessary to estimate the net increase / (decrease) in leave liabilities matched against the leave expense accruals in the operating budget.

Cash Surplus / (Deficit) This section details the estimated increase / (decrease) in cash for the financial year.

Reserve Movements This section shows how the cash surplus, or deficit, is funded.

- *Reserves*: This represents the net movement in reserves. Full details of the movements are detailed in Part E of this document. Internally restricted reserves are funds restricted in their use by Council policy. Externally restricted reserves are funds restricted in their use by legislation.
- *Working Capital*: This represents the net movement in unrestricted working capital available (i.e. cash).

Reserve Balances This section shows the estimated closing balances for the equity items relating to cash. This includes internal reserves, external reserves, section 94 contributions and working capital.

WATER OPERATIONS – CASH FORECAST AND LONG TERM FINANCIAL PLAN

The opposite page provides the cash forecast for the Water Operations.

Explanations for each item are:

Operating Revenues Represents total operating revenues for the Water Fund as per Part B of this document.

Operating Expenses Represents total operating expenses, excluding depreciation for the Water Fund, as per Part B of this document.

Operating Results This records the operating result for the fund, both before and after non-cash items such as depreciation.

Capital Grants and Contributions As the operating result does not include income items that are of a capital nature, they must be included to determine the overall cash result.

- *Capital Grants and Contributions*: This item represents the capital grants and capital contributions recognised in Part D of this document.
- *Section 64 Contributions Collected*: Total Section 64 contributions collected for the year.

Non-operating Funds Employed This item includes income items that do not form part of the operating result.

- *Loan Funds Used*: Represents loans applied during the year.

Funds deployed for Non-operating Purposes This item represents expenditure of a capital nature.

- *Capital Expenditure*: Represents capital works as per Part C of this document.
- *Repayment of Principal on Loans*: Represents total loan principal repayments for the Water Fund.
- *Section 64 Funds (Unexpended) / Reserves Expended*: This item identifies whether there are funds drawn from Section 64 contributions held, inclusive of interest earned, or whether the expenditure from Section 64 contributions for the year is less than the amount collected.
- *Dividend*: Represents a compulsory dividend paid to the General Fund.

Cash Surplus / (Deficit) This section provides the estimated movement in cash for the financial year.

Reserve Movements This section shows how the cash surplus or deficit is funded:

Restricted Reserves: This represents the net movement in internal reserves held by the Water Fund. All reserves held by the Water Fund are externally restricted by legislation in that they must be expended on Water Fund activities. However, even though they are restricted, Council maintains internal reserves to finance future capital works, along with the externally restricted Section 64 contributions.

Reserve Balances This section shows the estimated closing balances for the equity items relating to cash. This includes reserves and section 64 contributions.

WASTEWATER OPERATIONS – CASH FORECAST AND LONG TERM FINANCIAL PLAN

The opposite page provides the cash forecast for the Wastewater Operations.

Explanations for each item are:

Operating Revenues Represents total operating revenues for the Wastewater Fund as per Part B of this document.

Operating Expenses Represents total operating expenses, excluding depreciation, for the Wastewater Fund, as per Part B of this document.

Operating Results This records the operating result for the fund, both before and after non-cash items such as depreciation.

Capital Grants and Contributions As the operating result does not include income items that are of a capital nature, they must be included to determine the overall cash result.

- *Capital Grants and Contributions*: This item represents the capital grants and capital contributions recognised in Part D of this document.
- *Section 64 Contributions Collected*: Total Section 64 contributions collected for the year.

Non-operating Funds Employed This item includes income items that do not normally form part of the operating result.

- *Loan Funds Used*: Represents loans applied during the year.

Funds deployed for Non-operating Purposes This item represents expenditure of a capital nature.

- *Capital Expenditure*: Represents capital works as per Part C of this document.
- *Repayment of Principal on Loans*: Represents total loan principal repayments for the Wastewater Fund.
- *Section 64 Funds (Unexpended) / Reserves Expended*: This item identifies whether there are funds drawn from Section 64 contributions held, inclusive of interest earned, or whether the expenditure from Section 64 contributions for the year is less than the amount collected. A positive figure represents a drawdown from reserves and a negative figure represents a net transfer to reserves.
- *Dividend*: Represents a compulsory dividend paid to the General Fund.

Cash Surplus / (Deficit) This section provides what the estimated movement in cash is expected to be for the financial year.

Reserve Movements This section shows how the cash surplus or deficit is funded.

- *Restricted Reserves*: This represents the net movement in reserves held by the Wastewater Fund. All reserves held by the Wastewater Fund are externally restricted by legislation in that they must be expended on Wastewater Fund activities. However, even though they are restricted, Council maintains internal reserves to finance future capital works, along with the externally restricted Section 64 contributions.

Reserve Balances This section shows the estimated closing balances for the equity items relating to cash. This includes reserves and section 64 contributions.

Part B

Operating Budgets

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INTRODUCTION

This section of the document provides an analysis of the activities that Council undertakes on a regular basis. Each program is presented with two distinct sets of information, based on the left and right hand pages of the document. Explanations for each page are as follows:

Left Hand Page

This page provides narrative information relating to each program; i.e.

Manager and Budget Comments Person responsible for ensuring that the estimates are met and comments in respect to the estimates as per the right hand page.

Right Hand Page

This page provides numerical information for each program:

Actual (2012/13 to 2016/17) These columns represent the actual results for previous years. There can be changes in reporting formats over time, however the information is provided as a **guide** to what has occurred in the past.

Ledger Account and Budget Items These two columns include the ledger account number and a description of the main budget items for the program.

Estimated 2017/18 This is the estimate for the 2017/18 financial year.

Percentage This column provides figures expressed as a percentage, as to what the 2017/18 estimate has varied by as compared to the 2016/17 actual.

2018/19 to 2027/28 Forward estimates have been provided as a **guide** to show the overall financial trend for a ten year forecast period.

The bottom two lines, before the "Capital Movements" section, show:

Operating Result - Surplus / (Deficit) This line shows the operating result with depreciation included.

Cash Result - Surplus / (Deficit) Provides the cash result for the year, excluding depreciation.

Capital Movements

This section provides an overview of the capital movements for each program. The components of this section are:

Less Principal Repayments Represents any loan principal repayments relevant to the program.

Transfer to Reserves and Transfer from Reserves These two lines represent a summary of the various reserve movements for the program. Full details of reserve movements are contained in Part E.

Capital Income and Capital Expenditure These two lines highlight the capital income and expenditure for the program. Full details of capital movements are contained in Part C and Part D.

Cash Result after Capital Movements This final line shows the bottom line cash result for the program.

If the program is showing a deficit, this figure represents the amount that is being funded from general purpose revenues (i.e. rate income and the financial assistance grant) and other surplus revenue generating programs. If the program is showing a surplus these funds are being applied to assist in delivering other Council services.

STRATEGIC AND COMMUNITY FACILITIES GROUP - SUMMARY

Manager: Steve Barnier - "Group Manager – Strategic and Community Facilities"

Background

This section of the document provides details of the programs that form part of the Strategic and Community Facilities Group. There are five distinct programs being Strategic Planning, Community Facilities, Library Services, Swimming Pools and Tourism.

Strategic Planning

This program includes all revenues and expenses related to strategic planning projects such as planning proposals (land rezonings), local environmental plans, development control plans, heritage studies and economic development programs.

Community Facilities

This program includes revenues and expenses for the operation of the Kentwell Centre, Lennox Head Cultural and Community Centre, Alstonville Leisure and Entertainment Centre, the Richmond Room, the Ballina Surf Club, the Northern Rivers Community Gallery, Naval Museum and a number of small halls.

Library Services

Costs associated with the operation of the Council owned libraries, which are managed by the Richmond Tweed Regional Library, through Lismore City Council.

Swimming Pools

Revenues and expenses associated with the operation of the Ballina and Alstonville swimming pools.

Tourism

Includes costs associated with the management of a range of activities including visitor services, marketing and grant administration.

STRATEGIC PLANNING

Manager: Matthew Wood - "Manager – Strategic Planning"

Background

Revenues and expenses related to the provision of strategic planning projects including heritage studies and economic development programs.

Budget Comments

Operating Revenues

Fees and Charges

Income for strategic planning publications and services and planning proposals.

Grants and Contributions

Relate to any specific operating grants that Council may be successful in receiving.

Interest on Section 94 Contributions

This program oversees Council's section 94 plans and the interest generated on the contributions held is transferred back to the Section 94 Plans.

Operating Expenses

Employee Costs

Based on seven full-time and one part time employees (total of 38 days), plus two motor vehicles.

Office Expenses

Includes allowances for advertising, printing and stationery and legal expenses.

Economic Development, Aboriginal, Heritage Programs and Koala Management Programs

Allowances for consultancies and projects for these programs.

Strategic Plans and Studies

This figure represents discretionary funds that are available for planning studies.

Planning Proposals

Expenditure based on a fee for service (offset by income).

Capital Movements

Transfer to and from Reserves - Represents Section 94 contributions collected plus interest earned on Section 94 contributions held, along with transfers from reserves for projects that have not been completed in the previous year and the funding is carried forward to the current year.

Capital Income

Represents Section 94 contributions collected as per Part D of this document.

COMMUNITY FACILITIES

Manager: Craig Brown - "Manager – Community Facilities"

Background

Revenues and expenses related to the operation of Council's community centres, halls, gallery etc.

Budget Comments

Operating Revenues

Fees and Charges

Revenues for the Alstonville Leisure and Entertainment Centre, Ballina Surf Club, Kentwell Centre, Lennox Head Cultural and Community Centre, Richmond Room, Northern Rivers Community Gallery and other miscellaneous community service programs.

Operating Expenses

Employee Costs

Based on one full-time and one part-time employee (8 days).

Employee Costs – Community Centres

Based on two full-time and one part-time employee (14 days) plus a significant allowance for relief staff to assist with annual leave, sick leave etc.

Community Centres / Halls / Gallery

Operating expenses for the facilities identified.

Public Halls

Insurance, rates and maintenance allowance for public halls that are leased to community groups. All revenue is retained by the lessees.

Naval Museum

Insurance and maintenance allowance for the Naval Museum. All revenue is retained by the volunteers who operate the museum.

Community Gallery

Operating expenses for the Northern Rivers Community Gallery. Includes one full time employee and one part time employee (total of 8 days)

Community Services Programs and Services

Allowance for social service programs including Youth Week, NAIDOC Week and Seniors Programs. Also includes items such as the life education van and rent payable to the State Government for a pre-school leased by Council on crown land.

Capital Movements

Loan Principal Repayments

Represents principal repaid on loans taken out for the Kentwell Centre and Naval Museum.

Transfer from Reserves

Refer to Part D for further details of reserve movements.

Capital Expenditure

This item includes all capital works planned for the year. Refer to Part C of this document for further information.

LIBRARY SERVICES

Manager *Craig Brown - "Manager – Community Facilities"*

Background

This program details all costs associated with the provision of library services to the local government area.

Budget Comments

Operating Revenues

Library Per Capita

State Government grant towards the operation of the Ballina, Lennox Head and Alstonville Libraries. This grant is based on the population of the local government area, plus an incentive component for maintaining or increasing funding to the Library.

Special Projects

Subject to applications each year. Offset by expenditure.

Operating Expenditure

Contribution to Richmond Tweed Regional Library (RTRL)

The RTRL co-ordinates and controls library services in the region. The RTRL is administered by Lismore City Council.

Other Library Expenses

In accordance with the agreement with the RTRL Council provides land and buildings for the provision of library services. This expenditure is provided to ensure that the buildings are maintained and operated effectively. This expenditure includes electricity and gas, cleaning and security and other operating expenses.

SWIMMING POOLS

Manager: Craig Brown - "Manager – Community Facilities"

Background

This program outlines income and expenses for the Ballina and Alstonville swimming pools.

Budget Comments

Operating Revenues

Fees and Charges

Generated primarily from entrance fees.

Operating Expenses

Ballina Swimming Pool

Includes various costs required to operate and maintain the Ballina Pool. The pool management is provided by a contractor.

Alstonville Swimming Pool

Includes various costs required to operate and maintain the Alstonville Pool. The pool management is provided by a contractor.

Capital Movements

Loan Principal Repayments

Represents principal repayments for loans taken out for capital works at both pools.

Transfer from Reserves

Transfer from reserves to finance capital expenditure. Refer to Part E of this document for further details.

Capital Income

Represents loan funds for capital works planned for the year. Refer to Part D of this document for further details.

Capital Expenditure

Represents capital works planned for the year. Refer to Part C of this document for further details.

TOURISM

Manager: Craig Brown - "Manager – Community Facilities"

Background

This program includes all revenues and expenses incurred in the management of tourism.

Budget Comments

Operating Revenues

Commissions and Merchandise Sales

Commissions earned at the tourism information centre.

Marketing and Destination Development Revenues

Contributions to marketing campaigns.

Operating Expenses

Employee Costs

Based on one full-time and four part time employees (14 days).

Visitor Information Centre (VIC) - Office Expenses

Operating costs for the tourism information centre. This includes items such as cleaning expenses, telephone, printing and stationery, postage etc.

Merchandise Purchases

Cost of goods sold. Offset by sales revenue.

Commission Expenses

Costs incurred in taking reservations. Offset by reservation revenue.

Marketing and Development

Promotional expenses such as membership of Regional Tourism Organisations and general promotional activities and advertising.

DEVELOPMENT AND ENVIRONMENTAL HEALTH GROUP - SUMMARY

Manager: Vacant - "Group Manager – Development and Environmental Health"

Budget Comments

The next section of the document provides details of the programs under the control of the Group Manager – Development and Environmental Health. The opposite page provides a summary of each of those programs.

The major programs in the Development and Environmental Health Group are:

Development Services

Costs associated with the assessment and management of development applications.

Building Services

Costs associated with the provision of building certification services and the assessment of the building application section of development applications.

Environmental and Public Health Services

Costs associated with the provision of services such as environmental health, food premise inspections and licences required under the Local Government Act.

Public Order

Costs associated with the delivery of ranger services and a parking officer.

DEVELOPMENT SERVICES

Manager: Andrew Smith - "Manager - Development Services"

Background

Revenues and expenses associated with the management of development applications and planning controls.

Budget Comments

Operating Revenues

Regulatory Fees and Fines

Includes administration and advertising charges, development application fees, subdivision fees and planning certificates.

Operating Expenses

Employee Costs

Based on staffing structure totalling 70 days. Other costs include motor vehicles.

Office Expenses

Major costs include advertising for development applications and sundry office expenses.

Legal Costs

Provision for legal action undertaken in respect to development applications and approvals.

DEVELOPMENT SERVICES																			
ACTUAL					LEDGER ACCOUNT	BUDGET ITEMS	ESTIMATED												
2012/13	2013/14	2014/15	2015/16	2016/17			2017/18	%	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
						OPERATING REVENUES													
334,000	384,200	337,700	622,300	711,100	21000	Regulatory Fees and Charges	688,900	(3)	688,900	706,800	725,200	744,000	763,200	782,900	803,100	823,900	845,200	867,000	
30,000	0	0	0	0	21002	Operating Grants and Contributions	0	0	0	0	0	0	0	0	0	0	0	0	
19,000	34,700	5,100	19,700	90,000	21001	Other Revenues - Legals and Fines	110,000	22	60,000	61,500	63,100	64,700	66,400	68,100	69,900	71,700	73,500	75,400	
383,000	418,900	342,800	642,000	801,100		Total Operating Revenues	798,900	(0)	748,900	768,300	788,300	808,700	829,600	851,000	873,000	895,600	918,700	942,400	
						OPERATING EXPENSES													
1,262,000	1,119,600	1,121,500	1,184,100	1,481,600	31000	Employee Costs	1,504,500	2	1,543,000	1,578,700	1,615,200	1,652,500	1,690,800	1,729,900	1,769,900	1,810,900	1,852,800	1,895,600	
53,000	64,600	53,400	69,700	81,200	31000	Office Exps, Advertising, Consultants	73,000	(10)	77,000	79,100	81,200	83,300	85,600	88,000	90,500	93,000	95,500	98,000	
58,000	100,100	103,000	49,500	326,800	31000	Legal Costs	150,000	(54)	160,000	164,000	168,100	172,400	176,800	181,300	185,900	190,600	195,400	200,300	
1,373,000	1,284,300	1,277,900	1,303,300	1,889,600		Total Operating Expenses	1,727,500	(9)	1,780,000	1,821,800	1,864,500	1,908,200	1,953,200	1,999,200	2,046,300	2,094,500	2,143,700	2,193,900	
(990,000)	(865,400)	(935,100)	(661,300)	(1,088,500)		Operating Result - Surplus / (Deficit)	(928,600)	(15)	(1,031,100)	(1,053,500)	(1,076,200)	(1,099,500)	(1,123,600)	(1,148,200)	(1,173,300)	(1,198,900)	(1,225,000)	(1,251,500)	
0	0	0	0	0		<i>Add Back Depreciation</i>	0	0	0	0	0	0	0	0	0	0	0	0	
(990,000)	(865,400)	(935,100)	(661,300)	(1,088,500)		Cash Result - Surplus / (Deficit)	(928,600)	(15)	(1,031,100)	(1,053,500)	(1,076,200)	(1,099,500)	(1,123,600)	(1,148,200)	(1,173,300)	(1,198,900)	(1,225,000)	(1,251,500)	
						Capital Movements													
0	0	0	0	0		Less Principal Repayments	0	0	0	0	0	0	0	0	0	0	0	0	
22,000	0	0	50,000	233,000		Less Transfer to Reserves	0	(100)	0	0	0	0	0	0	0	0	0	0	
0	21,600	0	0	0		Add Transfer from Reserves	23,000	100	0	0	0	0	0	0	0	0	0	0	
0	0	0	0	0		Add Capital Income Applied	0	0	0	0	0	0	0	0	0	0	0	0	
0	0	0	0	0		Less Capital Expenditure	0	0	0	0	0	0	0	0	0	0	0	0	
(1,012,000)	(843,800)	(935,100)	(711,300)	(1,321,500)		Cash Result after Capital Movements	(905,600)	(31)	(1,031,100)	(1,053,500)	(1,076,200)	(1,099,500)	(1,123,600)	(1,148,200)	(1,173,300)	(1,198,900)	(1,225,000)	(1,251,500)	

BUILDING SERVICES

Manager: Vince Hunt - "Manager - Building Services"

Background

Revenues and expenses associated with the provision of building inspection services.

Budget Comments

Operating Revenues

Regulatory Fees and Fines

Includes various fees and charges related to construction certificates, inspection fees, development applications, compliance and occupation certificates.

Operating Expenses

Employee Costs

Based on staffing structure of 53 days. Other costs included are training and expenses relating to motor vehicles. The budget also includes a preliminary allowance for a compliance officer to assist with pool inspection programs.

Office and Other Expenses

Includes legal, advertising and sundry office expenses.

BUILDING SERVICES																		
ACTUAL					LEDGER ACCOUNT	BUDGET ITEMS	ESTIMATED											
2012/13	2013/14	2014/15	2015/16	2016/17			2017/18	%	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
572,000	846,400	1,144,000	1,387,400	1,479,800	21020	OPERATING REVENUES												
						Fees and Charges	1,360,600	(8)	1,311,000	1,344,300	1,379,000	1,414,400	1,450,800	1,487,900	1,525,900	1,564,900	1,605,000	1,645,900
572,000	846,400	1,144,000	1,387,400	1,479,800		Total Operating Revenues	1,360,600	(8)	1,311,000	1,344,300	1,379,000	1,414,400	1,450,800	1,487,900	1,525,900	1,564,900	1,605,000	1,645,900
						OPERATING EXPENSES												
950,000	929,600	906,000	1,031,800	1,080,800	31020	Employee Costs	1,091,500	1	1,102,300	1,127,900	1,154,100	1,180,800	1,208,100	1,236,100	1,264,700	1,294,000	1,323,900	1,354,600
14,000	13,800	14,600	25,900	22,900	31020	Office Exps, Advertising, Consultants	12,000	(48)	15,000	15,400	15,800	16,200	16,700	17,200	17,700	18,200	18,700	19,200
36,000	5,600	6,300	12,900	11,400	31020	Legal Costs	70,000	514	20,000	20,500	21,100	21,700	22,300	22,900	23,500	24,100	24,800	25,500
1,000,000	949,000	926,900	1,070,600	1,115,100		Total Operating Expenses	1,173,500	5	1,137,300	1,163,800	1,191,000	1,218,700	1,247,100	1,276,200	1,305,900	1,336,300	1,367,400	1,399,300
(428,000)	(102,600)	217,100	316,800	364,700		Operating Result - Surplus / (Deficit)	187,100	(49)	173,700	180,500	188,000	195,700	203,700	211,700	220,000	228,600	237,600	246,600
(428,000)	(102,600)	217,100	316,800	364,700		Cash Result - Surplus / (Deficit)	187,100	(49)	173,700	180,500	188,000	195,700	203,700	211,700	220,000	228,600	237,600	246,600
						Capital Movements												
0	0	0	0	0		Less Principal Repayments	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0		Less Transfer to Reserves	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0		Add Transfer from Reserves	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0		Add Capital Income Applied	0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0		Less Capital Expenditure	0	0	0	0	0	0	0	0	0	0	0	0
(428,000)	(102,600)	217,100	316,800	364,700		Cash Result after Capital Movements	187,100	(49)	173,700	180,500	188,000	195,700	203,700	211,700	220,000	228,600	237,600	246,600

ENVIRONMENTAL AND PUBLIC HEALTH

Manager: Kerri Watts - "Manager - Environmental and Public Health"

Background

Represents revenues and expenses associated with public and environmental health control activities such as health inspections, food premise inspections, market fees and inspections and environmental monitoring.

Budget Comments

Operating Revenues

Regulatory Fees and Fines

Includes fees for regulation of commercial premises and on site sewerage management.

Environmental Health Expenses

Employee Costs

Based on staffing structure of 46 days. Other costs included are training and expenses relating to motor vehicles.

Office Expenses

Advertising, legal and other sundry office expenses.

Projects and Kits

Environmental health projects, sediment control kits and technical equipment maintenance.

Water Monitoring

Allowance for regular testing of water for items such as public swimming pools and Lake Ainsworth.

Shaws Bay Coastal Zone Management Plan and Lake Ainsworth Management Plan

Funding to implement actions in each of these plans and to review the plans.

Healthy Waterways

Allowance for this program if approved by IPART.

Manager: Kerri Watts - "Manager - Environmental and Public Health"

Background

This program includes income and expenses in respect to enforcement activities undertaken by Council's rangers.

Budget Comments

Regulatory Fees and Fines

Fees and Charges - Includes revenue from activities such as dog registrations and impounding fees.

Fines and Other Revenues - Includes revenue from activities such as fines for parking and dog control.

Operating Expenses

Rangers

Council has a total of four full time rangers and one part time parking officer (total of 23 days).

Impounding Expenses

Includes pound expenses such as cleaning, electricity, food etc.

CIVIL SERVICES GROUP – SUMMARY (GENERAL FUND)

Manager: John Truman - "Group Manager – Civil Services"

Budget Comments

The next section of the document provides details of the programs under the control of the Group Manager – Civil Services that relate to the General Fund activities of Council. The opposite page provides a summary of each of those programs. The programs include:

Engineering Management

Includes costs related to the supervision and administration of the programs provided by Civil Services.

Procurement and Building Management

Includes costs to manage and maintain a number of corporate and community buildings including the Council Administration Centre and the Council depot, along with costs associated with Council's procurement functions.

Stormwater and Environmental Management

Relates to services such as flood plain management and pollution control activities such as stormwater drainage.

Roads and Bridges

Provision of urban and rural road services and the maintenance and improvement of bridges.

Ancillary Transport Services

Includes ancillary transport services such as street lighting, footpaths, kerb and gutter and parking.

Roads and Maritime Services (RMS)

All revenues and expenses related to works funded through the RMS for RMS controlled roads.

Open Spaces and Reserves

Costs associated with the maintenance of all Council parks, reserves, public amenities, cemeteries, beaches and sporting grounds.

Fleet Management and Workshop

Revenues and expenses related to the management of Council's fleet and workshop.

Rural Fire Service

Costs associated with the provision of rural fire services.

Quarries and Sandpit

Revenues and expenses associated with the lease and operation of the quarries owned by Council.

Landfill and Resource Management

This represents the operation of the Ballina landfill site, along with other waste initiatives.

Domestic Waste Management

Provision of domestic waste collection services to residential properties.

ENGINEERING (ASSET) MANAGEMENT

Manager: John Truman – “Group Manager – Civil Services”

Background

This program includes costs related to the provision of asset management services, engineering supervision and emergency services.

Budget Comments

Operating Revenues

Fees and Charges

Majority of revenue sourced from engineering inspection fees.

Operating Expenses

Employee Costs – Management and Administration

Includes salaries and oncosts related to seven full-time equivalent employees (35 days) and associated oncosts.

Employee Costs – Infrastructure

Includes salaries and oncosts related to six full-time and one part-time employees (34 days) and associated oncosts.

Employee Costs – Engineering Works

Includes salaries and oncosts related to five full-time employees (25 days) and associated oncosts. Other costs include an internal charge to cover the cost of motor vehicles.

Road Safety Officer and Programs

Includes salaries and oncosts for a part-time Road Safety Officer (three days) (50% funded by RMS grant) plus Road Safety Program costs.

Asset Management

Allowance for condition assessments and other asset related matters.

North East Weight of Loads Group (NEWLOG)

This represents a program of truck inspections to ensure weight limits are being met. The program is administered by Ballina Shire and includes the majority of councils in north eastern NSW.

Emergency Services

Includes telephone, insurance and other costs required to perform SES activities.

Capital Movements

Transfer to Reserves

Transfer to fund regular replacement of surveying equipment.

Capital Expenditure

Capital works as per Part C of this document, along with Part E for any Reserve Movements.

PROCUREMENT AND BUILDING MANAGEMENT

Manager: Tony Partridge – “Manager – Support Operations”

Background

This program includes costs related to the maintenance of community buildings including the main corporate buildings being the Council Administration Centre and the Works Depot, along with specialised procurement and contract management staff, including the Council store.

Budget Comments

Operating Revenues

Contributions

Occasionally Council may receive contributions, either internal or external, to offset the cost of maintaining, repairing or improving buildings.

Operating Expenses

Administration Centre

Operating costs for the Council Administration Centre including insurance, rates, security, cleaning, ground maintenance, building maintenance, air conditioning and electricity.

Works Depots

Employee Costs – Includes salaries and oncosts for staff providing procurement, contract management and inventory services. Based on five full-time staff (25 days).

Operating Expenses - Operating costs for the main Works Depot on Southern Kingsford Smith Drive and the more minor depot at Tamarind Drive. Operating costs include insurance, rates, security, cleaning, grounds and yard maintenance, building maintenance, air conditioning and electricity. Protective clothing for staff is also included in this item.

Community Buildings

Represents the maintenance budgets for the buildings identified.

Open Spaces Buildings

Represents the maintenance budgets for the buildings located on Council's open spaces and reserves. This items includes the maintenance and cleaning of public toilets, along with maintenance of community BBQs, picnic tables and cleaning of the Riverwalk Arcade.

Capital Movements

Reserve Movements

Refer to Part E of this document.

Capital Income

Typically relates to internal contributions to finance depot improvement works.

Capital Expenditure

Capital works as per Part C of this document, with capital income also listed in Part C against the various capital expenditure items.

STORMWATER AND ENVIRONMENTAL PROTECTION

Manager: Paul Busmanis – “Manager - Engineering Works”

Background

This program includes costs related to stormwater management flood mitigation and environmental protection activities such as flood mitigation.

Budget Comments

Operating Revenues

Annual Charges

Represents an annual charge levied on all developed urban properties in the shire. Funds raised by this charge must be spent on new stormwater and drainage projects.

Operating Expenses

Stormwater

Allocation for stormwater drainage maintenance.

Contributions

Annual contribution to the Richmond River County Council, which is the flood control authority for this region. This item also includes the drainage union contributions and specific projects.

Flood Management Studies and Plans

Represents on-going work on the Ballina Flood Management Plan.

Coastal Zone Management Plan

Represents on-going work on this project.

Foreshore Protection Works

Annual allocation for foreshore protection works and beach cleaning.

Canal Dredging

Funding for canal dredging which is carried out every few years at Ballina Quays.

Boat Ramps

Cleaning and maintenance of boat ramps.

Capital Movements

Reserve Movements

Refer to Part E of the document.

Capital Expenditure

Capital works as per Part C of this document.

ROADS AND BRIDGES

Manager: Paul Busmanis - "Manager - Engineering Works"

Background

This program outlines all revenues and expenses related to the provision of urban and rural road and bridge maintenance and construction, along with street cleaning services.

Budget Comments

Operating Revenues

Operating Grants and Contributions

Specific grants and contributions that may be sourced for roads projects, along with occasional insurance claims for damages incurred.

Operating Expenses

Roads and Bridges Maintenance

The allocations provided fund all maintenance works on urban and rural roads and bridges. The budgets include wages, oncosts, plant hire and materials related to the provision of the maintenance services.

Street Cleaning

Provision for street and footpath cleaning of town centres.

Debt Servicing

Represents interest paid on loans taken out for road and bridge construction related works.

Capital Movements

Loan Principal Repayments

Represents principal repaid on loans taken out for road and bridge construction related works.

Reserve Movements

Refer to Part E for further information.

Capital Income

Typically represents grants for road construction works. Refer to Part C of this document for further information.

Capital Expenditure

This item includes all capital works planned for the year. Refer to Part C of this document for further information.

ANCILLARY TRANSPORT SERVICES

Manager: Paul Busmanis - "Manager - Engineering Works"

Background

This program outlines all revenues and expenses related to the provision of ancillary services such as street lighting, signage, footpaths, parking, private works and town centre beautification.

Budget Comments

Operating Revenues

Fees and Charges

Private Works Income for private works undertaken by Council, with Council making a margin on these works as per the estimated operating expenses.

Burns Point Ferry Income from the operation of the Burns Point Ferry.

Operating Grants

Street Lighting State Government subsidy towards street lighting costs for main roads.

LIRS Subsidy Represents the rebate Council receives from the State for a local infrastructure renewal scheme (LIRS) loan taken out to assist with road related works.

Operating Expenses

Roads and Traffic Signs Maintenance of street signs and road lines

Street Lighting Electricity charges for street lighting.

Footpaths, Parking Areas and Bus Shelters Provision for maintenance. The majority of the car parking expense relates to a lease payment to the owner of the Sharpes Beach Car Park.

Wharves and Jetties Allocation for maintenance of wharves and jetties in the shire.

Burns Point Ferry Operating expenses. Partly offset by operating revenues.

Debt Servicing Interest payable on loans for town centre redevelopment works and LIRS loans.

Capital Movements

Loan Principal Repayments

Principal payable on town centre re-development loans and LIRS loans.

Reserve Movements

Refer to Part E for further information.

Capital Income

Typically represents grants for projects. Refer to Part C of this document for further information.

Capital Expenditure

This item includes all capital works planned for the year. Refer to Part C of this document for further information.

ROADS AND MARITIME SERVICES (RMS)

Manager: Paul Busmanis - "Manager - Engineering Works"

Background

This program outlines all revenues and expenses related to works funded through the Roads and Maritime Services (RMS).

Budget Comments

Operating Revenues

Preservation Program

Includes maintenance works undertaken under the Single Invitation Maintenance Contract (SIC) arrangements with the RMS. This includes all maintenance works on State Highway 10 – Pacific Highway and State Highway 16 – Bruxner Highway. Roads are to be maintained to an agreed standard. With the recent bypasses of Ballina and Alstonville these programs have largely stopped.

Regional Roads Block Grant

The "Regional Roads Block Grant" refers to funds provided for the maintenance of all RMS regional roads. Council determines how these funds are allocated.

Income items are fully offset by matching expenditure accounts.

Cash Result - Surplus / (Deficit) This program should be self funding (i.e. nil result) as income is offset by matching expenditure.

OPEN SPACES AND RESERVES

Manager: Cheyne Willebrands- "Manager - Open Spaces and Resource Recovery"

Background

This program details costs related to the management of all Council parks, reserves, sporting grounds, beaches and cemeteries.

Budget Comments

Operating Revenues

Fees and Charges Includes income from occasional hire of open space areas, beach permits for four wheel drive vehicles and sales from the Council nursery, the majority of which are internal sales to Council.

Operating Grants and Contributions Funding for the two disabled crews employed by Council (referred to as the Regional Works Crew and Nursery Crew).

Contributions Council receives an on-going contribution from the State Government for maintenance of the crown reserves on which the crown caravan reserve parks reside. A small amount of funding is also provided for capital works.

Cemetery Charges Fees and charges from Council owned or controlled cemeteries (East Ballina, Alstonville, Wardell, Rous and Tintenbar).

Operating Expenses

Management Includes salaries and oncosts for 3.5 full time employees (total of 17.5 days) and one motor vehicle.

Open Spaces and Reserves Includes the various operating budgets for this program. Items in the program include all staff costs, plant hire, materials, plus contracts such as surf lifesaving. 18/6875

Vegetation Management Includes wages, oncosts, plant hire and materials related to the provision of vegetation management services largely provided on crown reserves. The majority of the weed control item represents Council's contribution to the Far North Coast (Noxious Plants) County Council.

Sporting Grounds Includes wages, plant hire and materials for the maintenance and operation of sporting fields.

Cemeteries Includes wages, plant hire and materials for the maintenance of the Council owned cemeteries.

Capital Movements

Transfer to Reserves Typically represents the surplus generated on the Council cemeteries.

Transfer from Reserves Typically this relates to a dividend from the cemeteries to help balance the Council budget or alternatively funds to finance cemetery capital works. Any cemetery capital works are listed in Part C. Refer to Part E of this document for further information on other transfers from reserve.

Capital Income Any capital income typically relates to section 94 funds to finance capital works on parks and sporting fields, plus any forecast capital grants.

Capital Expenditure Refer to Part C of this document for further information.

FLEET AND PLANT

Manager: Tony Partridge - "Manager - Support Operations"

Background

This program includes all income and expenses related to the management of Council's fleet and plant and the operation of the Council workshop.

Budget Comments

Operating Revenues

Fees and Charges

Staff Lease Fees Represents staff deductions where staff are permitted private use of Council's fleet.

Operating Expenses

Plant Running Expenses Includes all costs related to the running of Council's plant fleet such as wages, oncosts, vehicle maintenance, parts, insurance, registration, FBT etc.

Hire Charges Consists largely of internal hire charges. The majority of Council's fleet is charged out against the activity it is working on. This item reflects the credit side of that charge. The plant hire rate reflects both operating costs and depreciation, with the aim being to generate a cash surplus that is used to fund future purchases.

Workshop Operating Expenses Major costs include salaries and oncosts, office expenses, electricity, telephone charges and building maintenance.

Overheads Charged to Plant Represents internal overheads charged to the plant operations

Capital Movements

The plant operations generate a surplus on day to day operations, which is then used to finance Capital Expenditure.

Loan Principal Repayments Loan repayments where the plant operations has borrowed to finance plant purchases.

Transfer to Reserves This item is the cash surplus on operations transferred to reserve to finance the plant purchases planned for the year. Refer to Part E of this document for further information.

Transfer from Reserves This item is the transfer from reserve to finance the plant purchases planned for the year. Refer to Parts C and E of this document for further information.

Capital Expenditure This item relates to plant purchases planned for the year. Refer to Part C of this document for further information.

Cash Result after Capital Movements All income raised from plant charges is expended on the operation and purchase of replacement plant resulting in the program breaking even on a cash basis.

RURAL FIRE SERVICE

Manager: Tony Partridge – “Manager - Support Operations”

Background

This program includes all revenues and expenses in respect to the provision of fire control services to the local government area.

Budget Comments

Operating Revenues

Operating Grants

Includes the NSW Rural Fire Service contribution towards bushfire operations. This amount is determined by Council's annual submission to the NSW Rural Fire Service.

Operating Expenses

Contributions to Bushfire Brigades

Consists of:

Contribution to NSW Fire Brigade - Annual contribution to the NSW Fire Brigade, which co-ordinates all urban fire brigade operations. This item is not funded by any off-setting grants.

Contribution to Rural Fire Fighting Fund - Annual contribution to the Fund, which co-ordinates all rural fire brigade operations. This item represents 13.3% of the estimated operating costs, capital costs and a bushfire services administration charge for the Ballina Rural Fire District.

Fire Control Expenses

Includes various operating expenses that are required to co-ordinate and operate Council's rural fire operations. Major costs include vehicles maintenance, insurance, fuel, bush fire management plans and management co-ordination fee to Byron Council.

QUARRIES

Manager: Tony Partridge – “Manager - Support Operations”

Background

This program includes all revenues and expenses relevant to the quarries owned by Council, being Tuckombil and Stokers quarries. The sandpit located at the Ballina airport is currently not operational.

Budget Comments

Operating Revenues

Tuckombil and Stockers Quarries

Royalties received on mineral extracted.

Airport Sandpit

The future of this business is uncertain and no income has been forecast at this time.

Operating Expenses

Tuckombil Quarry

Includes a small amount for maintenance costs plus on-going remediation assessments.

Airport Sandpit

Some maintenance and environmental monitoring costs.

Capital Movements

Transfer to and from Reserves

Any surplus is transferred to reserve to fund future remediation costs; however Council also typically takes a transfer from this reserve each year, as a dividend, to assist in supporting the Council's General Fund operations. Council is also now taking a dividend to finance a repayment relating to a loan taken out for road works as part of the NSW State Government's Local Infrastructure Renewal Scheme (LIRS).

Cash Result after Capital Movements

Any cash surplus represents the net dividend to General Fund.

LANDFILL AND RESOURCE MANAGEMENT

Manager: *Cheyne Willebrands – “Manager Open Spaces and Resource Recovery”*

Background

This program includes all revenues and expenses related to the management of non-domestic waste collection services (i.e. businesses) and the operation of Council’s waste disposal facilities (landfill sites).

Budget Comments

Operating Revenues

Annual Charges Annual charges for commercial (non residential) waste collection services and an annual waste charge for all residential properties to finance the operations of the Council landfill.

Fees – Self Haul Represents gate charges for users of the Council landfill, including Council internal use.

Contributions Typically represents income reimbursed to Council from the State Government waste levy.

Sundry Fees Sale of waste bins and miscellaneous items.

Operating Expenses

Waste Administration Includes salaries and office expenses related to the operation of the waste facility along with an internal charge for Council overheads.

Internal Fees Represents gate charges for Council internal use of the landfill.

Waste Received Costs related to the operation of the weighbridge and transfer stations.

Waste Collection and Recycling Staff wages and plant hire related to collection of waste from business and non-rateable properties, along with the management of recyclates.

Waste Disposal Landfill operating expenses - Various operating expenses including wages, plant hire and materials. Also includes the State Government levy on waste collected, transport of construction and demolition off site and transfer of green waste off site.

Capital Movements

Loan Principal Repayments Relating to loan borrowings for the Council waste disposal facility. These loans were taken out to finance the remediation of former waste cells and the opening of new waste cells.

Transfer to or from Reserves Any surplus is transferred to reserves to finance future remediation works. Any capital works are funded by a transfer from reserves.

Capital Expenditure Refer to Part C of this document for further information.

DOMESTIC WASTE MANAGEMENT

Manager: *Cheyne Willebrands – “Manager Open Spaces and Resource Recovery”*

Background

This program represents the kerb side collection services for domestic (residential) properties.

Budget Comments

Operating Revenues

Domestic Waste Management This represents income from Council's annual charge to all residential properties for kerb-side waste collection services.

Pensioner Abandonments In accordance with Section 575 of the Local Government Act (1993), eligible pensioners are entitled to a 50% rebate on their general, domestic waste, water and sewerage rates, up to a maximum as determined by the State Government. This cost to Council is partially offset by a subsidy from the State Government. Refer to pensioner subsidy.

Vacant Property Charges Council is entitled to charge vacant properties a domestic waste collection charge even though the property may not be receiving the service. This charge can only be raised if the property is within the defined scavenging area.

Operating Expenses

Administration Includes salaries and office expenses related to the operation of the domestic waste management program.

North East Waste Membership Council's contribution to the North East Waste group.

Waste Trucks - Internal Charges Represents gate charges for Council internal use of the landfill.

Overheads Internal charge for Council overheads.

Collection Includes wages, plant hire, contractor payments and materials related to collection of waste (green waste, recycling and generate waste bins) from residential properties.

Capital Movements

Loan Principal Repayments Repayments relating to loan borrowings for plant and equipment relating to the domestic waste management function.

Transfer to Reserves Represents the operating surplus less principal repayments.

Transfer from Reserves Any transfer from the reserve is used to finance Capital Expenditure planned for the year.

Capital Expenditure Refer to Part C of this document for further information on any planned Capital Expenditure.

Cash Result - Surplus / (Deficit)

In accordance with the Local Government Act (1993), any income and expenses relating to domestic waste management must be treated as an “externally restricted reserve”. Therefore any surplus or deficit on the domestic operations, as against the non-domestic collections is transferred to or from the “Domestic Waste Management” reserve. The program must have a zero cash result after capital movements.

CIVIL SERVICES GROUP - SUMMARY (WATER AND WASTEWATER)

Manager: John Truman - "Group Manager – Civil Services"

Budget Comments

The next section of the document provides details of the programs under the direct control of the Group Manager – Civil Services that relate to the Water and Wastewater activities of Council. The opposite page provides a summary of each of those programs.

The programs include:

Water Operations

Revenue and expenses related to the provision of water supply services to the shire.

Wastewater Operations

Revenue and expenses related to the provision of wastewater services to the shire.

WATER OPERATIONS

Manager: Bridget Walker - "Manager - Water and Wastewater"

Background

This program details the revenue raised to finance the water programs and management and operational expenses associated with the delivery of those programs.

Budget Comments

Operating Revenues

Annual Charges This item represents the fixed charge component of Council's water billing system.

User Charges These items represent the consumption component of Council's water billing system less estimated pensioner abandonment's. This cost is partly offset by the pensioner subsidy, mentioned below.

Operating Grants In accordance with Section 575 of the Local Government Act (1993), eligible pensioners are entitled to a 50% rebate on their rates, up to a maximum as determined by the State Government. This cost to Council is partially offset by a 50% subsidy from the State Government.

Other Revenues Relates to sundry water items for example water connections, extraordinary repairs.

Interest Interest generated on surplus water funds and unexpended grants and contributions.

Operating Expenses

Engineering Management Relates to salaries for engineering and administration staff. A total of 50 days are spread between water and wastewater, with one staff member also shared with waste.

Administration and Customer Service Includes administration expenses such as payroll tax, postage and printing and staff training.

Purchase of Water, Reservoirs, Water Treatment Plants, Mains etc Includes wages, plant hire and materials related to the operation of these items for the water program.

Capital Movements

Transfer to or from Reserves As the working capital for the Water Fund is believed to be at a satisfactory level, any surplus or deficit cash result is transferred to or from reserves. This item is more clearly shown in the cash reconciliation for Water Fund outlined in Part A of this document.

Capital Expenditure Refer to Part C of this document for further information.

Cash Result - Surplus / (Deficit) In accordance with the Local Government Act (1993), any income and expenses relating to the water fund must be treated as a separate fund. Therefore any surplus or deficit on this program is transferred to or from the "Water Fund". The only exception to this rule is compulsory and non compulsory dividends that may be paid to General Fund. These dividends are subject to guidelines set by the Department of Primary Industries Water.

WASTEWATER OPERATIONS

Manager: Bridget Walker - "Manager - Water and Wastewater"

Background

This program details the revenue raised to finance the wastewater programs, management expenses and expenses associated with the delivery of wastewater services to the local government area.

Budget Comments

Annual Charges This item represents the annual charge raised by Council less estimated pensioner abandonment's. This cost is partly offset by the pensioner subsidy from the State Government.

User Charges Major income item relates to trade waste charges.

Operating Grants In accordance with Section 575 of the Local Government Act (1993), eligible pensioners are entitled to a 50% rebate on their rates, up to a maximum determined by the State government. This cost to Council is partially offset by a 50% subsidy from the State Government.

Regulatory Fees and Fines Primarily relates to income for the sale of drainage diagrams.

Interest Includes interest on funds held by the Wastewater Fund.

Operating Expenses

Engineering Management Relates to salaries for engineering and administration staff. A total of 50 days are spread between water and wastewater, with one staff member also shared with waste.

Administration and Customer Service Includes administration expenses such as payroll tax, postage and printing and staff training.

Pumping Stations, Mains etc Includes wages, plant hire and materials related to the operation of these items for the wastewater program, along with wastewater reuse costs.

Capital Movements

Transfer to or from Reserves As the working capital for the Wastewater Fund is believed to be at a satisfactory level, any surplus or deficit cash result is transferred to or from reserves. This item is more clearly shown in the cash reconciliation for the Wastewater Fund outlined in Part A of this document.

Capital Income Represents loan funds utilised and capital grants for augmentation works. Refer to Part C of this document for further information.

Capital Expenditure Refer to Part C of this document for further information.

Cash Result - Surplus / (Deficit) In accordance with the Local Government Act (1993), any income and expenses relating to the wastewater fund must be treated as a separate fund. Therefore any surplus or deficit on this program is transferred to or from the "Wastewater Fund". The only exception to this rule is compulsory and non compulsory dividends that may be paid to General Fund. These dividends are subject to guidelines set by the Department of Primary Industries Water.

GENERAL MANAGER'S GROUP - SUMMARY

Manager: Paul Hickey - "General Manager"

Budget Comments

The next section of the document provides details of the programs under the control of the General Manager. The opposite page provides a summary of each of those programs.

The General Manager's Group consists of the following programs:

Communications

Includes costs associated with the elected councillors and the General Manager's office, which includes the corporate communications function.

Financial Services

This program outlines the financial services such as creditors, debtors, statutory/management reporting, purchasing, rates and customer service.

Information Services

This program outlines the expenses associated with the provision of information services to Council. This includes computer equipment, software and geographical information services.

Human Resources and Risk Management

Costs associated with the human resource management function, payroll and risk management such as insurance premiums.

Property Management

Includes costs associated with Council's commercial property portfolio.

Ballina Byron Gateway Airport

Revenue and expenses associated with the operation of the airport.

COMMUNICATIONS

Manager *Caroline Klose – “Manager - Communications”*

Background

This program relates to expenses associated with the General Manager’s office, the elected Council, donations to community groups, Council’s communications team and frontline customer service staff.

Budget Comments

Operating Expenses

General Manager’s Office

Includes employment costs for four full-time staff and two part – time employees (28 days in total), plus one motor vehicle. Also includes office expenses and the external audit fee.

Employee Costs – Customer Services

Based on one full time and six part time employees for the Customer Services Counter and Switchboard for the Administration Centre (total of 22 days)

Councillors

Includes Councillor allowances and travelling expenses. Also includes attendance fees, meals, insurance, stationery and telephone expenses.

Election Expenses

The cost of Council elections.

Subscriptions and Contributions

Includes subscriptions to Local Government and Shires Association, NOROC, Country Mayors, Sea Change Taskforce and Arts Northern Rivers.

Donations

In accordance with Section 356 of the Local Government Act (1993) “a council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance for the purpose of exercising its functions”. This item includes donations to public halls for rates and charges, capital works contributions for hall, cash donations to community groups and Council fee waivers.

Corporate Office Expenses

Includes corporate expenses for items such as printing and stationery, advertising etc.

Capital Movements

Reserve Movements

The annual transfer to reserve relates typically to the creation of a reserve to fund future election costs. The transfer from reserve is the funding of the election.

FINANCIAL SERVICES – GENERAL PURPOSE REVENUES

Manager Linda Coulter - "Manager – Financial Services"

Background

This program represents revenues obtained from the levying of Council rates, interest on investments and financial assistance grants. Essentially, the surplus generated from this program is used to fund all General Fund programs that operate at a deficit (i.e. Roads, Open Spaces, Planning Services, Community Facilities, etc).

Budget Comments

Operating Revenues

Rates

The rates estimates include provisions for the rate pegging increase plus a growth component.

Abandonments

In accordance with Section 575 of the Local Government Act (1993), eligible pensioners are entitled to a 50% rebate on their rates, up to a maximum stipulated by the State Government. This cost to Council is partially offset by a 50% subsidy from the State Government.

Extra Charges

Represents interest charged on overdue rates.

General Purpose Grants

Financial Assistance Grant (FAG)

This is a general purpose grant received by Council that combined with rate income assists in financing all the Council programs that operate at a deficit.

Pensioner Subsidy

Represents the State Government contribution towards the pensioner abandonments.

Interest on Investments

This figure represents interest earned on investments that is applied to the Council programs that operate at a deficit. Interest earned on areas such as water, wastewater, waste, section 94 contributions etc is applied directly to those areas.

Capital Movements

Cash Surplus

The surplus on this program offsets the programs that operate at a deficit.

FINANCIAL SERVICES

Manager *Linda Coulter - "Manager – Financial Services"*

Background

This program represents revenues and expenses associated with the provision of financial services to Council.

Budget Comments

Operating Revenues

Fees and Charges

Relates to revenue raised through activities undertaken by the Finance Section.

Dividends

Represents the dividends from the Water and Wastewater Operations. This item is subject to Council meeting State Government guidelines.

Operating Expenses

Employee Costs

Salaries and oncosts for ten full time and four part time employees (total of 59 days) employed within the finance section.

Bank Charges

Includes credit card charges, Australia Post and other charges incurred in the collection of Council revenue, payment of accounts and general cash management.

Rating Costs

Represents security mail costs plus legal costs incurred in collecting rate revenue.

Valuation Fees

Charges paid for the provision of land valuation information for rating purposes and re-valuation of certain classes of assets as required by the Department of Local Government.

Audit Fees

Fees for internal audit of specific projects.

Overheads Distributed to Business Activities

Represents the credit side of the distribution of corporate overhead costs to business activities such as the airport, waste, water and wastewater.

INFORMATION SERVICES

Manager *Stewart Littleford – “Manager – Information Services”*

Background

This program represents revenues and expenses associated with the information services section of Council. This includes computer equipment, geographical information services and records management.

Budget Comments

Operating Revenues

A small amount of income is generated from sales of data information and GIS maps.

Operating Expenses

Employee Costs

Information Services - Salaries and oncosts for ten full time and two part time employees (55 days) and one motor vehicle.

Records Management - Includes four full-time and on part-time employees and associated oncosts (total of 23 days).

Hardware Lease and Support Costs

Includes lease fees related to the provision of hardware, along with support costs and internet connection fees.

Software and Consumables

Includes software support agreements, consumables such as toner, insurance and software purchases. Increase reflects current service levels.

Capital Movements

Capital Expenditure

Represents the new capital items for the information services section. Refer to Part C of this document for more information.

HUMAN RESOURCES AND RISK MANAGEMENT

Manager Kelly Brown - "Manager –Human Resources and Risk Management"

Background

This program represents revenues and expenses associated with the management of human resources and risk within Council.

Budget Comments

Operating Revenues

Contributions

Includes insurance adjustments (refunds) and staff training subsidies.

Operating Expenses

Employee Costs

Salaries and oncosts for five full time staff and three part time staff (35 days).

Staff Training and Development

Training, education and recruitment costs for Council employees.

Staff Support Services

Includes allowances for field staff meetings, counselling and support programs, manager agreement expenses and long service recognition awards.

Employee Oncosts

Includes employee oncosts such as annual leave, sick leave, long service leave, superannuation and workers compensation premium.

Risk Management

Provision for insurance premiums for items such as public liability and professional indemnity.

Oncosts Recouped

Relates to the recoupment of employee related expenses through the allocation of an oncost to wages within each program.

Capital Movements

Transfer to Reserve

Typically represents funds transferred to the employees leave reserve.

Capital Income

This is an adjustment for leave accruals - this figure recognises any net increase or decrease in leave liabilities.

PROPERTY MANAGEMENT

Manager: Paul Tsikleas – “Manager Commercial Services”

Background

This program includes revenues and expenses from Council's commercial property portfolio.

Budget Comments

Operating Revenues

Property Revenues Includes income from a variety of properties. The major investment properties are Wigmore Arcade, 89 Tamar Street, Fawcett Park Café, 6 Cessna Crescent (ARC) and land leased at the Southern Cross Industrial Estate. The other Council properties include residential properties and vacant land. The crown reserves rental represents income from properties located on crown reserves over which Council has care and control.

Flat Rock Tent Park Income from campers at the park.

Interest on Investments Interest earnings on the community infrastructure and property development reserves.

Operating Expenses

Employee Costs Salaries and oncosts for two full time staff employed (10 days) plus one motor vehicle.

Land Development Rates and charges applicable for these land holdings.

Property – Operations and Maintenance Represents expenses for managing the various categories of property within the property portfolio.

Flat Rock Tent Park Expenses to manage and run the tent park.

Capital Movements

Transfer to and from Reserves Refer to Part E of this document for further information.

Capital Income and Purchases Refer to Part C of this document for further information.

Cash Result after Capital Movements

This program makes a significant financial contribution to the operations of the Council General Fund.

BALLINA-BYRON GATEWAY AIRPORT

Manager: Paul Tsikleas – “Manager Commercial Services”

Background

This program includes all revenues and expenses for the operation of the airport.

Budget Comments

Operating Revenues

Landing Fees Collected from Regional Express Airlines, Jetstar and Virgin.

Rentals From activities such as car rental franchises, hangar rentals, shuttle rents and building rent.

Other Fees Includes airline contributions to security screening and car parking fees and fines.

Operating Expenses

Employee Costs Includes costs for four full time employees (20 days) two vehicles and conference and travel expenses.

Buildings Maintenance and Repair Maintenance of airport buildings and associated infrastructure plus cleaning costs.

Operations Includes lighting, promotion, publications, contract management and overheads. This item includes provision for two airport grounds persons plus relief staff (10 days plus relief).

Interest on Loans Loans applicable to development of the airport.

Capital Movements

Loan Principal Repayments Loan repayments related to development of the airport.

Transfer to Reserves The operating surplus, less principal repayments for the airport is transferred to the airport reserve.

Transfer from Reserves Transfer to cover any capital expenditure planned for the year.

Capital Income Loan income to finance capital expenditure, where required.

Capital Expenditure Refer to Part C of this document.

Cash Result after Capital Movements The activities of the airport are treated as a self-funded entity, with any surplus or deficit transferred to / from the airport reserve. The airport is forecast to provide a dividend to the General Fund for 2018/19 onwards.

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Part C

Capital Expenditure

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INTRODUCTION

Council generates a cash surplus on its day-to-day operations. This surplus is needed to fund the acquisition of new assets, or improvements to, or replacement of, existing Council assets.

This part of the document provides a summary of the capital works Council intends to undertake, acquire, construct or improve.

The information provided is as follows:

Expenditure Summary

The columns under this heading provide the estimated capital expenditure for the years listed.

Funding Source

The details of the funding sources for the capital expenditure are provided for each year. The funding sources are dissected into the following columns:

- Grants / Contributions – Represents any external grants or contributions to assist in funding the works.
- Section 94 – Represents any Section 94 developer contributions applied to the project. For further details on Section 94 contributions refer to Part D of this document.
- Loans – Represents loan funds applied to the project.
- Reserves – Represents Council reserves applied to the project. For further information on reserves refer to Part E of this document.
- General Revenue – This is the unrestricted Council revenue applied to the project. This revenue can be allocated to any project at Council's discretion. It is this revenue figure that impacts directly on the cash result.

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Part D

Section 94 Contributions and Other Capital Income

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INTRODUCTION

This section of the document provides more detailed information on the Section 94 Plans Council has in place, along with estimated capital income for the year. This information is for the General Fund only.

In addition to Section 94 Contributions, capital income can also include capital grants and contributions from other levels of government and from private entities or individuals, land sales and loan funds.

The next two pages of Part D detail the Section 94 contributions collected and interest raised on the contributions held, along with the Section 94 contributions to be applied during the year to specific works and services.

The final four pages of Part D then provide details on capital grants and contributions, estimated land sales and loan funds to be applied.

SECTION 94 CONTRIBUTIONS

In accordance with Section 94 of the Environmental Planning and Assessment Act, Council is able to levy developers for charges that can be applied to the development of additional infrastructure. The levies collected in accordance with adopted Section 94 Plans that outline the methodology the levies are based on and the works to which the contributions collected can be applied.

Ballina Shire Council has Section 94 Plans in place for the following activities;

- Open Spaces
- Community Facilities
- Wollongbar Urban Expansion Area (WUEA)
- Car Parking
- Heavy Vehicles
- Roads (Future and Existing) - levied on development applications lodged prior to 8 March 2010
- Roads (New) - Levied on developments lodged on and after 8 March 2010

Council's Development and Environmental Health Group oversees the collection of all the Section 94 levies. Council's Strategic and Community Facilities Group oversees the development of the Section 94 Plans.

The first table provides an estimate of the balance of funds held for each Section 94 Plan and the second table the estimated contributions collected each year, along with the interest raised. The income figures are sourced from a combination of previous year's results and current collection rates.

The third table, on the following page, outlines the contributions that are being applied to specific projects.

Any net surplus or deficit between funds collected is either transferred to the Section 94 reserves (surplus) or transferred from the Section 94 Reserves (deficit).

CAPITAL GRANTS AND CAPITAL CONTRIBUTIONS

The table opposite provides details on estimated capital grants and contributions. Brief details on the information provided for 2017/18 is as follows.

Airport

Represents State Government grants for major projects at the airport, along with a forecast in later years.

Depot

The contribution to the Depot upgrade represents contributions from the water / wastewater and waste areas to on-going depot improvements. These contributions recognise the fact that water / wastewater and waste all utilise the services provided at the depot.

Roads and Ancillary Facilities

Various funding for road and transport related projects.

Other Water Transport

Funding approved from the NSW Boating Now Program.

ASSET SALES AND LOAN INCOME

Asset Sales

Council is involved in residential and industrial land development. The major industrial land holdings are at the Southern Cross Industrial Estate Ballina and the Russellton Industrial Estate, Wollongbar. Other major land holdings are at Wollongbar and Lennox Head (residual from sale of Henderson Farm).

The figures provided are indicative only and any land sales will be subject to separate reports to Council.

Loan Funds

Loans are occasionally utilised for capital expenditure. For further detail on any capital projects funded from loans refer to Part C of this document.

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Part E

Reserves

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INTRODUCTION

Reserves relate to funds held by Council that are restricted in their use, by either external legislation or internal policies. The reserves that a council maintains can be categorised under five main headings:

1) *External Legislation*

Certain reserves must be maintained due to government legislation; i.e. the Local Government Act (1993). These reserves are normally restricted in their use due to the manner in which the revenue is raised; i.e. through a rate or a charge. Examples include the “Domestic Waste Management” reserve and the Water and Wastewater reserves.

2) *Self-funding Operations*

Certain programs may generate a surplus on their operations and that surplus can then be transferred to a reserve for the use of that program. This allows the funds to be accumulated for future asset purchases or service level improvements for that program.

3) *Financial Management*

A council may establish reserves as part of its financial management function. These reserves are often established to ensure a sound financial position is maintained. A good example of this is the “Employees Leave Entitlements” reserve. By having such a reserve in place Council ensures that all leave entitlements will be funded along with any unexpected payments that may relate to retirement due to ill health or redundancies.

4) *Asset Replacement*

A council may set funds aside on a regular basis in order to finance future projects. By planning for future capital expenditure a council can reduce the amount of loan funds and other funding sources that may be required. Examples of this can include water and sewerage asset replacement reserves.

5) *Opportunities*

A council may set funds aside to ensure that cash is available to take advantage of opportunities, commercial or otherwise, as they arise.

Summary

The information contained in this section of the document firstly details the various movements in reserves for the General Fund. The figures provided detail transfers to and from each reserve and the net movement on a year by year basis.

The latter part of this section then provides a summary of the estimated opening and closing balances of the General Fund reserves.

All funds held by the Water and Wastewater activities are restricted in their use. Further information on the Water and Wastewater reserve movements and balances is provided in pages 4 to 7 of this document.

The titles for each reserve are relatively self-explanatory.

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Part F

General Fund Loan Principal and Interest Repayment Schedule

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Part G

Appendices

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APPENDICES

The following pages provide supporting information applied in the preparation of this document.

Balance Sheets

The next four pages provide the forecast Balance Sheets for the General, Water and Wastewater (Sewer) Funds. The Balance Sheets include Council's proposed special rate variation as this is the preferred long term financial plan for Council.

