

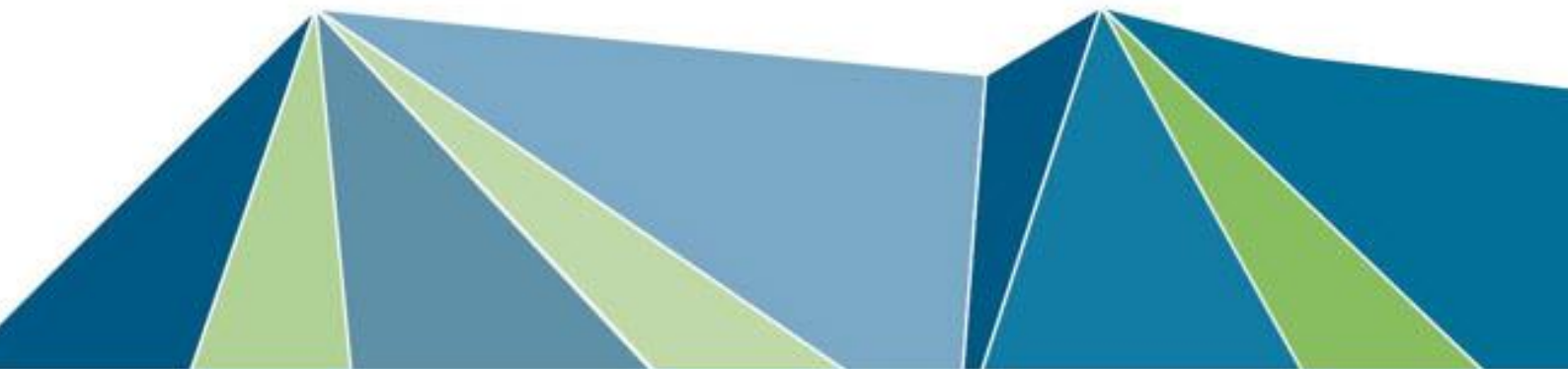
Agenda

Commercial Services Committee Meeting **2 December 2024**

A Commercial Services Committee Meeting will be held in the Ballina Shire Council Chambers, 40 Cherry Street, Ballina on **2 December 2024 commencing at 4:00 PM.**

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

Paul Hickey
General Manager



Ethical Decision Making and Conflicts of Interest

A guide for Councillors, Council employees and community representatives

Ethical decision making

- Is the decision or conduct legal?
- Is it consistent with Government policy, Council's objectives and Code of Conduct?
- What will the outcome be for you, your colleagues, the Council, anyone else?
- Does it raise a conflict of interest?
- Do you stand to gain personally at public expense?
- Can the decision be justified in terms of public interest?
- Would it withstand public scrutiny?

Conflict of Interest

A conflict of interest is a clash between private interest and public duty. There are two types of conflict:

- **Pecuniary** – an interest that you have in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to yourself or another person or entity defined in part 4 of the Council's Code of Conduct, with whom you are associated.
- **Non-pecuniary** – a private or personal interest that you have that does not amount to a pecuniary interest as defined in the Council's Code of Conduct.

These commonly arise out of family or personal relationships, or out of involvement in sporting, social, religious or other cultural groups and associations, and may include an interest of a financial nature.

The test for a conflict of interest

- Is it likely I could be influenced by personal interest in carrying out my public duty?
- Would a fair and reasonable person believe I could be so influenced?
- Conflict of interest is closely tied to the layperson's definition of "corruption" – using public office for private gain.
- It is important to consider public perceptions of whether you have a conflict of interest.

Identifying problems

- Do I have private interests affected by a matter I am officially involved in?
- Is my official role one of influence or perceived influence over the matter?
- Do my private interests' conflict with my official role?

Disclosure and participation in meetings

Pecuniary Interests

- A Councillor or a member of a Council Committee who has a pecuniary interest in any matter with which the Council is concerned, and who is present at a meeting of the Council or Committee at which the matter is being considered, must disclose the nature of the interest to the meeting as soon as practicable.
- The Councillor or member must not be present at, or in sight of, the meeting of the Council or Committee:
 - a) at any time during which the matter is being considered or discussed by the Council or Committee, or
 - b) at any time during which the Council or Committee is voting on any question in relation to the matter.

No Knowledge - A person does not breach this clause if the person did not know and could not reasonably be expected to have known that the matter under consideration at the meeting was a matter in which he or she had a pecuniary interest.

Non-pecuniary Interests

Must be disclosed in meetings. There are a broad range of options available for managing non-pecuniary interests and the option chosen will depend on an assessment of the circumstances of the matter, the nature of the interest and the significance of the issue being dealt with. Non-pecuniary interests must be dealt with in one of the following ways:

- It may be appropriate that no action be taken where the potential for conflict is minimal. However, Councillors should consider providing an explanation of why they consider a conflict does not exist.
- Limit involvement if practical (eg. Participate in discussion but not in decision making or vice versa). Care needs to be taken when exercising this option.
- Remove the source of the conflict (eg. Relinquishing or divesting the personal interest that creates the conflict)
- Have no involvement by absenting yourself from and not taking part in any debate or voting on the issue as per the provisions in the Code of Conduct (particularly if you have a significant non pecuniary interest)

Deputations to Council – Guidelines

- Deputations by members of the public may be made at Council meetings on matters included in the business paper.
- Deputations are limited to one speaker in the affirmative and one speaker in opposition.
- Deputations, per person, will be limited to a maximum of two items on the agenda.
- Requests to speak must be lodged in writing or by phone with the General Manager by noon on the day preceding the meeting.
- Deputations are given five minutes to address Council.
- Deputations on the same matter will be listed together with the opposition first and the speaker in affirmative second.
- Members of the public are advised that any documents tabled or given to Councillors during the meeting become Council documents and access may be given to members of the public in accordance with the requirements of the Government Information (Public Access) Act 2009.
- The use of powerpoint presentations and overhead projectors is permitted as part of the deputation, provided that the speaker has made prior arrangements with the General Manager's Office at the time of booking their deputation. The setup time for equipment is to be included in the total time of five minutes allocated for the deputation.
- To avoid conflicts of interest, real or perceived, deputations will not be accepted from:
 - a) Tenderers during a public tender or request for quotation
 - b) Persons or representatives from organisations seeking financial support from Council that involves an expression of interest
 - c) Consultants who are engaged by Council on the matter the subject of the deputation.

Recording and Livestreaming of Council Meetings

- The meeting (with the exception of the confidential session) is being livestreamed and recorded for on-demand viewing via Council's website (ballina.nsw.gov.au/agendas-and-minutes) and a person's image and/or voice may be broadcast.
- Attendance at the meeting is taken as consent by a person to their image and/or voice being webcast.
- All speakers should refrain from making any defamatory comments or releasing any personal information about another individual without their consent.
- Council accepts no liability for any damage that may result from defamatory comments made by persons attending meetings. All liability will rest with the individual who made the comments. This meeting must not be recorded by others without the prior written consent of the Council in accordance with Council's Code of Meeting Practice.

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1. Acknowledgement of Country
 2. Apologies
 3. Declarations of Interest
 4. Deputations
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1. Acknowledgement of Country

In opening the meeting the Mayor provided an Acknowledgement of Country.

2. Apologies

3. Declarations of Interest

4. Deputations

5.1 Wollongbar Medium Density Housing Project - Design Review

5. Committee Reports

5.1 Wollongbar Medium Density Housing Project - Design Review

Section Commercial Services

Objective To provide an update on Council's proposed Wollongbar Medium Density Housing Project and confirm whether Council wishes to move forward on this Project.

Background

Stage three of Council's Wollongbar Urban Expansion Area comprises 30 serviced residential lots and one large lot, being 10 Dundee Avenue, which is allocated for the development of a childcare facility. The sale of that land is the subject of a report in this agenda.



Image 1 – Location Plan

The construction of the thirty-one lots has been completed and the plan of subdivision has been registered and titles issued.

For the past two years Council has been examining options to build and rent / sell housing on part of this subdivision.

5.1 Wollongbar Medium Density Housing Project - Design Review

The following recommendation from the 15 February 2023 Commercial Services Committee meeting was adopted at the 23 February Ordinary meeting:

1. *That Council conduct a tender process for the design and construction of a residential housing development on Lots 19 to 30 of the Wollongbar Urban Expansion Area – Stage 3 site, with the priority objectives of the development including the:*
 - *Generation of a recurrent revenue scheme for Council, with the project to be financially sustainable*
 - *Delivery of opportunities for housing for key workers*
 - *Design that maximises environmental outcomes and is compatible with the neighbourhood amenity*
 - *Allows opportunities for Council to sell and / or lease out components of the development.*
2. *The tender is to include a requirement for the tenderer to provide a presentation to Council to assist Councillors in their understanding of the concepts proposed and the outcomes to be achieved.*
3. *One of the key assessment criteria in the tender assessment is a proven ability to deliver residential housing projects that create opportunities for key workers.*
4. *That Council take no further action on Lots 1 to 18 until the outcomes from this tender process are known, to minimise any land use conflict that could eventuate from this development.*
5. *That Council continue to lobby the State and Federal Governments to increase the provision of social housing in the Ballina Shire, particularly with the number and percentage of dwellings identified as social housing, having decreased between the 2016 and 2021 census.*

As a result of the tender process, at the 22 February 2024 Ordinary meeting, Council resolved as follows:

1. *That Council confirms its preference is to undertake a residential housing development, on a staged basis, as outlined in Table 5, and as outlined in Attachment 2, to this report.*
2. *Lots 19 to 30 on the plan of subdivision, as per Attachment 1 to this report, are to be retained to allow the completion of Stage 1 (Lots 19, 20,21,22 and 30), with a determination on whether Council proceeds to Stage 2 or Stage 3 dependent on the outcomes secured from Stage 1.*
3. *That Council approves the sale of lots 1 to 18 on the plan of subdivision, as per Attachment 1 to this report, subject to a further report being presented to Council on the timing and method of sale for those lots.*
4. *That Council accepts the tender from The Kollektive, as per the confidential memorandum included as Attachment 5 to this report.*
5. *That Council confirms funding for Stage 1 of the residential housing project is to be sourced from a combination of loan funds, land value and cash held, with that mixture of funding to be confirmed through a future report to Council.*

5.1 Wollongbar Medium Density Housing Project - Design Review

6. *That Council approves the attaching of the Council seal to the contract documents as per point 1 and the sale contracts as per point 3.*
7. *That Council receive a report on the costs and implications of bringing forward the DA for the Council landholding in Lennox Head in the 2024/25 Delivery Program.*

A further report was submitted to the 12 June 2024 Commercial Services Committee meeting, with Council confirming a community consultation process, to seek feedback on the concept designs.

The consultation process included a public meeting, and a mail out to 1,500 local residents, seeking feedback.

The next report to the 5 August 2024 Commercial Services Committee meeting provided Council feedback from the consultation, with the main issues raised including:

- a) Confusion as to the purpose of the project due to various descriptions given to it over the past couple of years including “*affordable housing*”, “*key worker housing*” and most recently, “*medium density housing*”.
- b) Lack of one and two-bedroom dwellings in the proposed project.
- c) Lack of on-site parking
- d) Concentration of development.

As a result of this meeting, the Commercial Services Committee recommended as follows, as adopted at the 22 August 2024 Ordinary meeting:

That Council receive a further report on the Wollongbar Medium Density Housing Project that provides options to increase car parking numbers and to reduce the concentration of development by considering where proposed dwellings could be better placed on any of the 30 lots held by Council.

The Collective has now formulated an alternative development concept that addresses the issues raised.

The purpose of this report is to present the alternative development concept and confirm how Council wishes to advance this project.

Key Issues

- Car parking
- Diversity of accommodation
- Financial viability

Discussion

For illustrative purposes, Image 2 is The Collective’s concept plan for all twelve lots that could be developed over three stages noting the proposed dwellings for each lot.

5.1 Wollongbar Medium Density Housing Project - Design Review

This concept plan was adopted at the 22 February 2024 Ordinary meeting, with Council resolving to proceed with planning and construction approvals for Stage 1 as detailed in Image 3.

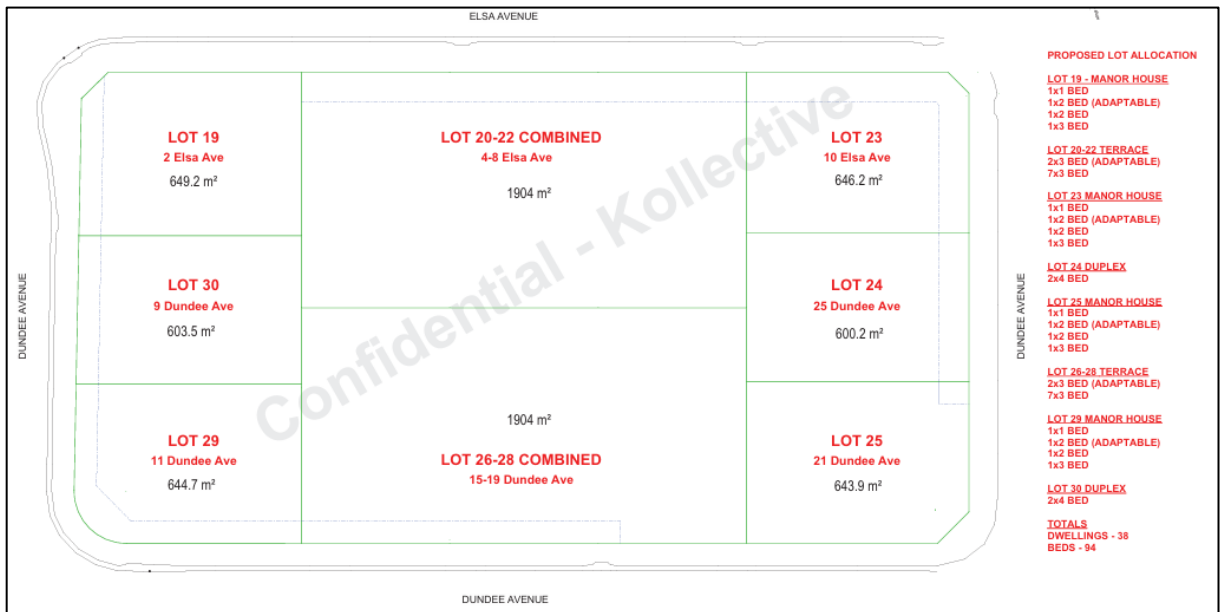


Image 2 – Initial Concept Layout Plan - Proposed Dwellings

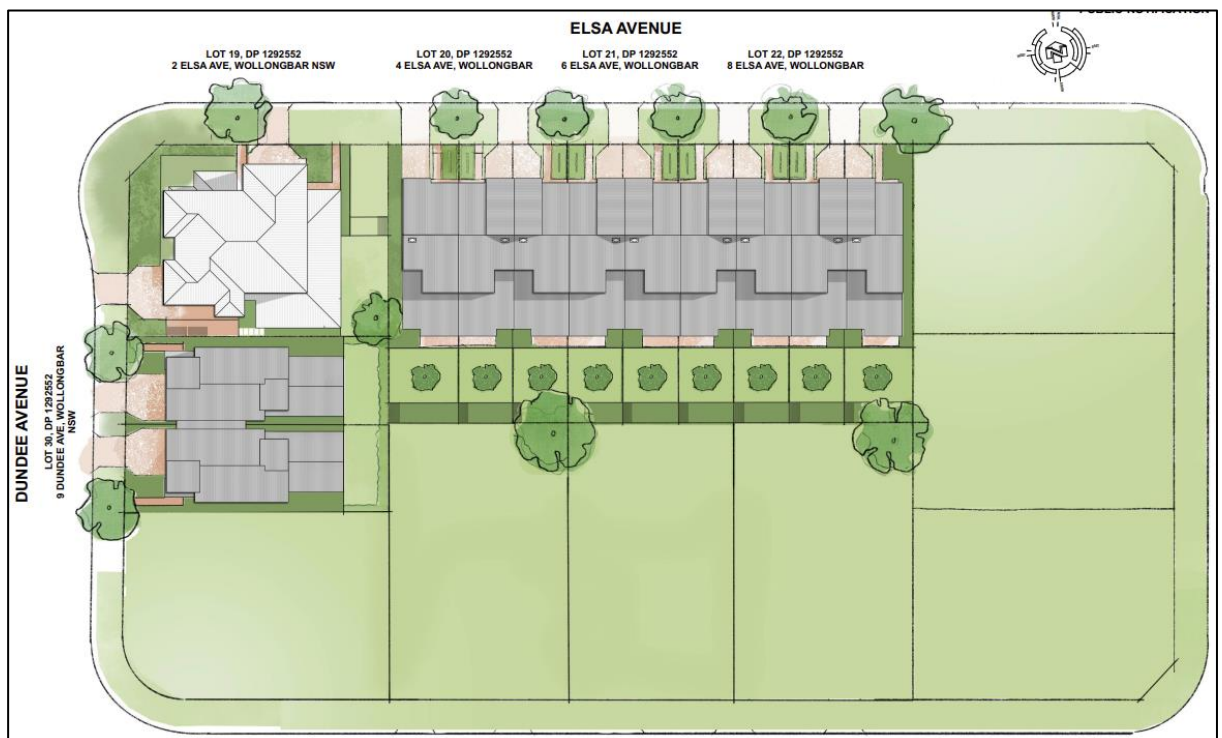


Image 3 – Initial Stage 1 Proposal – Dwelling Types

Images 4, 5 and 6 provide artists impressions of the various types of proposed dwellings.



Image 4 – Manor House (includes one, two and three-bedroom units)



Image 5 – Four Bedroom Duplexes



Image 6 – Three Bedroom Townhouses

5.1 Wollongbar Medium Density Housing Project - Design Review

In accordance with the August 2024 resolution, The Kollektive has formulated an alternative development concept plan that addresses issues raised from the community consultation.

Images 7 and 8 contain the revised layout plans.

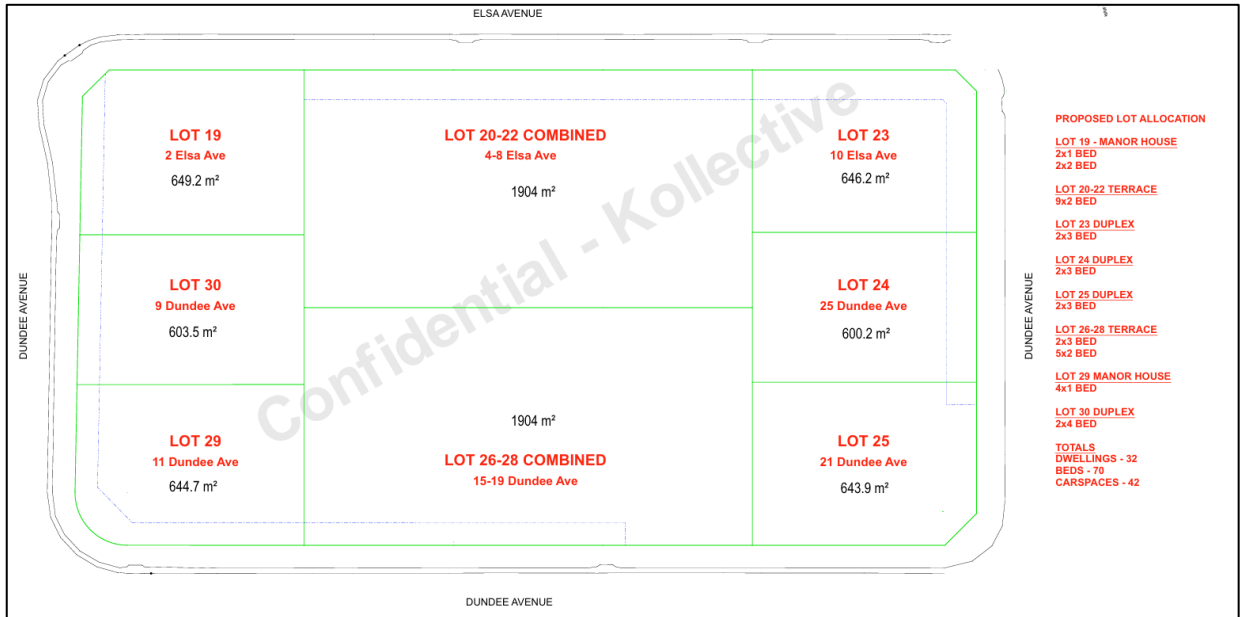


Image 7 – Post Community Consultation Layout Plan Noting Densities



Image 8 – Post Community Consultation Layout Plan Noting Dwelling Types

5.1 Wollongbar Medium Density Housing Project - Design Review

Table 1 provides a summary of the housing types, number of bedrooms per dwelling and onsite car spaces per dwelling, for the building plans, as adopted by Council in February 2024.

Table 1 – Accommodation and Parking as per Adopted Plans – 22 February 2024

Lot No.	Dwelling Type	No. of Bedrooms				No. of Dwells	Total No. of Bedrooms	Car spaces/dwell.
		1	2	3	4			
19	Manor House	1	2	1			8	4
30	Duplex				2		8	4
29	Manor House	1	2	1			8	4
26, 27, 28	Terraces			9			27	9
20, 21, 22	Terraces			9			27	9
23	Manor House	1	2	1			8	4
24	Duplex				2		8	4
25	Manor House	1	2	1			8	4
Totals		4	8	22	4	38	102	42

Table 2 contains a similar analysis of an alternative designs prepared by The Kollektive following concerns raised during the community consultation process. Table 3 contains a comparison of the key indicators.

Table 2 – Accommodation and Parking – Post Community Consultation (Revised)

Lot No.	Dwelling Type	No. of Bedrooms				No. of Dwells	Total No. of Bedrooms	Car spaces/dwell.
		1	2	3	4			
19	Manor House	2	2				6	4
30	Duplex				2		8	4
29	Manor House	4					4	4
26, 27, 28	Terraces		5	2			16	9
20, 21, 22	Terraces		9				18	9
23, 24, 25	Duplex			6			18	12
Totals		6	16	8	2	32	70	42

Table 3 – Comparison of Key Indicators

Indicator	Adopted Plans	Revised Plans
Total No. of Dwellings	38	32
Total No. of Bedrooms	102	70
Ratio of car spaces per dwelling	1.11	1.31
Ratio of car spaces per bedroom	0.41	0.60

The revised plans have addressed key concerns raised during the community consultation, regarding the perceived lack of onsite car parking, and the concentration of development.

5.1 Wollongbar Medium Density Housing Project - Design Review

The comparison of key indicators notes a drop in the number of dwellings from 38 down to 32 and similarly the number of bedrooms has declined from 102 down to 70.

Significantly, the number of car spaces for the post community consultation plans have not been reduced, which improves the ratio of car parking from 1.11 per dwelling to 1.31 per dwelling, and more significantly the ratio of car parking per bedroom improving from 0.41 to 0.60.

To further reduce the concentration of development, The Kollektive considered spreading the various components of the Project over all thirty lots, in effect adopting a “salt and pepper” approach.

The factors impacting this approach include:

- Narrower street frontages: Lots 3 to 8 and Lots 12 to 17 only have frontages of 18.77 metres as opposed to Lots 20 to 22 and Lots 26 to 28 have frontages of 20 metres. The narrower frontages impinge development potential and yield.
- The irregular shape of Lots 1 and 2, building line setbacks, and the location of easements create design issues.

The Kollektive has also revised the location and dwelling types for Stage 1 as indicated in Image 9.



Image 9 – Post Community Consultation Stage 1 Layout Plan and Dwelling Types

Tables 4, 5 and 6 provide an analysis of accommodation types between the adopted Stage 1 concept plan and the post community consultation Stage 1 concept plan.

5.1 Wollongbar Medium Density Housing Project - Design Review

**Table 4 – Stage 1
Accommodation and Parking as per Adopted Plans – February 2024**

Lot No.	Dwelling Type	No. of Bedrooms				No. of Dwells	Total No. of Bedrooms	Car spaces/ dwell.
		1	2	3	4			
19	Manor House	1	2	1			8	4
30	Duplex				2		8	4
20, 21, 22	Terraces			9			27	9
Totals		1	2	10	2	15	43	13

**Table 5 – Stage 1
Accommodation and Parking – Post Community Consultation (Revised)**

Lot No.	Dwelling Type	No. of Bedrooms				No. of Dwells	Total No. of Bedrooms	Car spaces/ dwell.
		1	2	3	4			
30	Duplex				2		8	4
29	Manor House	4					4	4
26, 27, 28	Terraces		5	2			16	9
Totals		4	5	2	2	13	28	13

Table 6 – Comparison of Key Indicators

Indicator	Adopted Plans	Revised Plans
Total No. of Dwellings	15	13
Total No. of Bedrooms	43	28
Ratio of car spaces per dwelling	0.87	1.00
Ratio of car spaces per bedroom	0.30	0.46

Like the analysis undertaken for the total development in Tables 1, 2 and 3, the Stage 1 proposal, pre and post community consultation, reflect a reduction in the number of dwellings, improved car parking ratios, and reduction in the density and concentration of development.

Summary of Outcomes

Diversity in accommodation has also been addressed in the total proposed development, with the number of one-bedroom dwellings increasing from 4 to 6, and the number of two bedrooms dwellings increasing from 8 to 16.

Similarly, the post community consultation Stage 1 scheme reflects an increase in the number of one and two-bedroom dwellings.

The issue of community perception raised during the community consultation has possibly arisen due to the name, or theme, of the Project changing.

Initially terms such as “affordable housing’ and “key worker housing” were used to describe the Project in line with initiatives being undertaken by the State Government and broadly discussed in the media.

5.1 Wollongbar Medium Density Housing Project - Design Review

Point 1 of the 22 February 2024 Ordinary meeting resolution states as follows:

That Council confirms its preference is to undertake a residential housing development, on a staged basis, as outlined in Table 5, and as outlined in Attachment 2, to this report.

Council is now referring to the Project as a “residential housing project” or a “medium density housing project” and there is again a perception in the community that the nature of the Project may be changing to “social housing”.

This has not been the objective of this Project, as reflected in Council resolutions to date.

The primary objectives from a property development perspective have been for Council to hold some residential land, rather than continuing to sell all Council’s residential land holdings, and then construct residential housing that provides greater diversity in the market.

As well as positive outcomes for the community through greater housing diversity, the residential housing will generate recurrent revenue streams that support Council’s long term financial sustainability.

Financial / Risk Considerations

The feasibility assessment contained in the report to the 14 February 2024 Commercial Services Committee meeting, has been updated to reflect the new plans prepared by The Kollektive.

Assessments are based on two scenarios:

1. Develop and sell the completed project; or
2. Develop and hold the completed project.

For comparative purposes, rental rates, property values and interest rates have been kept the same for the original and revised schemes.

Scenario 1 – Develop and Sell Completed Project

The Kollektive have updated their feasibility assessments for the project assuming both scenarios.

This analysis is summarised in Tables 7 and 8.

5.1 Wollongbar Medium Density Housing Project - Design Review

Table 7 – Develop and Sell Feasibility - Stage 1 (5 lots)

Description	Pre-Comm Consult Plans (\$)	Post Comm. Consult Plans (\$)
Development Viability		
Estimated on completion value	11,750,000	9,350,000
Less		
Dev. costs incl prof fees	7,144,000	5,768,000
Land value of 5 lots (based on \$450,000 excl. GST)	2,250,000	2,250,000
Interest @ 5.20% (p.a.)	187,000	176,000
Sales costs and marketing @ 3%	352,500	280,000
Strata subdivision costs	25,000	22,000
Estimated net development profit	1,791,500	854,000
Return on development costs incl. lot values and interest	18.65%	10.42%
Rental Returns on Development Costs		
Est. total gross market rental (p.a.)	572,000	410,800
Est. total development costs incl. land costs, interest but excl. selling costs	9,606,000	8,216,000
Gross rental return on development costs	5.95%	5.00%
Est. total net market rental of dwellings after deducting est. property outgoings and a 2% vacancy factor (p.a.)	457,600	328,640
Gross rental return of total development costs (incl. land, excluding selling costs)	4.76%	4.00%

The difference between the pre and post community consultation assessments is due to the decrease in the number of dwellings which, whilst reducing development costs, impacts on the financial feasibility due to lower forecast financial returns.

A similar outcome applies to the feasibility of developing all 12 lots as indicated in Table 8.

The Stage 1 figures cannot simply be extrapolated as dwelling types vary.

5.1 Wollongbar Medium Density Housing Project - Design Review

Table 8 – Develop and Sell Feasibility - All Stages (12 lots)

Description	Pre-Comm Consult Plans (\$)	Post Comm. Consult Plans (\$)
Development Viability		
Estimated on completion value	29,050,000	23,450,000
Less		
Dev. costs incl prof fees	17,525,000	13,976,000
Land value of 12 lots (based on \$450,000 excl. GST)	5,400,000	5,400,000
Interest @ 5.20% (p.a.)	680,000	421,000
Sales costs and marketing @ 3%	871,500	703,500
Strata subdivision costs	40,000	34,000
Estimated net development profit	4,533,500	2,915,500
Return on development costs incl. lot values and interest	19.17%	14.7%
Rental Returns on Development Costs		
Est. total gross market rental (p.a.)	1,393,600	1,040,000
Est. total development costs incl. land costs, interest but excl. selling costs	23,645,000	19,831,000
Gross rental return on development costs	5.89%	5.24%
Est. total net market rental of dwellings after deducting est. property outgoings and a 2% vacancy factor (p.a.)	1,114,880	832,000
Gross rental return of total development costs (incl. land, excluding selling costs)	4.72%	4.20%

The one constant that does not change are the land values, or costs, which have a significant impact on the post consultation schemes, reflecting that it is an underdevelopment of the site. This is illustrated in Table 9, if the imputed land values for each scheme are added back to the forecast development profit, to reflect the total return.

Table 9 – Total Forecast Returns to Council

Stage	Metric	Pre-Comm. Consult Plans (\$)	Post Comm. Consult Plans (\$)
Stage 1	Estimated net development profit	\$4,041,500	\$3,104,000
Stage 1	Return on development costs incl. lot values and interest	54.94%	52.03%
All Stages	Estimated net development profit	\$9,933,500	\$8,315,500
All Stages	Return on development costs incl. lot values and interest	54.45%	57.62%

Scenario Two - Develop and Hold the Completed Project

This scenario is based on the following assumptions:

- a) Council develop and holds all dwellings for a period of 20 years.
- b) Upon completion of construction, a 20-year principal and interest loan at a rate of 5.20% p.a. is taken out to fund the construction debt.
- c) Council injects cash and land as equity into the project to ensure the project is cash flow neutral at the commencement of the 20-year loan; i.e. net rental covers loan repayments.
- d) Council's land (lots) is accounted for as an equity contribution.
- e) Net rentals grow at a rate of 2.00% p.a.
- f) Capital value of the asset increases at a rate of 2.00% p.a.

The analysis has been undertaken for Stage 1 and All Stages on a pre and post community consultation basis. The results for Stage 1 are summarised in Table 10.

Table 10 - Develop and Hold Stage 1

Description	Pre- Comm Consult Plans (\$)	Post Comm Consult Plans (\$)
Forecast Cash Surplus		
Total rental received	11,118,000	7,985,000
Less: total loan payments	9,152,000	6,573,000
Cash surplus after 20 years	1,966,000	1,412,000
Total Return (Asset Value + Cash Surplus)		
Capital value on completion of construction	11,750,000	9,350,000
Capital growth rate over 20 years @ 2.00%p.a.		
Forecast Capital Value (20 years @ 2.00% p.a.)	17,460,000	13,894,000
Add surplus cash received	1,966,000	1,412,000
Total Return (if dwellings are sold after 20 years)	19,426,000	15,306,000
Council Equity Contribution		
Equity/cash invested	1,749,000	1,939,000
Land - 5 lots @ \$450,000/lot (excl. GST)	2,250,000	2,250,000
Total (equity/funds/assets applied)	3,999,000	4,189,000
Return on Council's Equity Contribution		
Total Return (if dwellings are sold after 20 years)	19,426,000	15,306,000
Less: Initial Council Equity Contribution (equity/funds/assets applied)	3,999,000	4,189,000
Net Return to Council	15,427,000	11,117,000
ROE (Total return divided by initial equity / funds / assets applied)	386%	265%

5.1 Wollongbar Medium Density Housing Project - Design Review

The results indicate Stage 1 to be viable on pre and post community consultation bases, assuming Council makes an equity contribution of \$3.999m (pre community consultation) or \$4.189m (post community consultation), each of which includes the notional value of five lots (\$2.25m) at the commencement of the project enabling it to be cash flow positive throughout the 20-year period. The results again demonstrate from an economic viewpoint, the post community consultation scheme is an underdevelopment of the site.

On both bases, upon the expiry of an assumed 20-year loan, the debt is fully repaid, and the asset is estimated to have a future value of \$17.46m or \$13.894m. If the rental surplus remains unspent over this same period, the total value of the asset plus cash surplus is estimated to have a future value of \$19.426m or \$15.306m. The total return on equity (ROE) over an assumed 20-year period on Council's equity of \$3.999m is 386% (pre community consultation), or on \$4.189m, the return is 265% (post community consultation).

Table 11 - Develop and Hold All Stages

Description	Pre- Comm Consult Plans (\$)	Post Comm Consult Plans (\$)
Forecast Cash Surplus		
Total rental received	27,092,000	20,215,000
Less: total loan payments	22,300,000	16,640,000
Cash surplus after 20 years	4,792,000	3,575,000
Total Return (Asset Value + Cash Surplus)		
Capital value on completion of construction	29,050,000	23,450,000
Capital growth rate over 20 years @ 2.00%p.a.		
Forecast Capital Value (20 years @ 2% p.a.)	43,167,000	34,845,000
Add surplus cash received	4,792,000	3,575,000
Total return (if dwellings are sold after 20 years)	47,959,000	38,420,000
Council Equity Contribution		
Equity/cash invested	4,582,000	4,236,000
Land - 12 lots @ \$450,000/lot (excl. GST)	5,400,000	5,400,000
Total equity/funds/assets applied	9,982,000	9,636,000
Return on Council's Equity Contribution		
Total return (if dwellings are sold after 20 years)	47,958,000	38,421,000
Less: Initial Council Equity Contribution (equity/funds/assets applied)	9,982,000	9,636,000
Net Return to Council	37,976,000	28,785,000
ROI (Total return divided by initial equity / funds /assets applied)	380%	298%

5.1 Wollongbar Medium Density Housing Project - Design Review

The results indicate Stage 1, 2 and 3 to be viable, assuming Council makes an equity contribution of \$9.982m, or \$9.636m, at the commencement of the project, which includes the notional value of 12 lots (\$5.4m), enabling it to be cash flow positive throughout the 20-year period.

At the expiry of the 20-year loan the debt is fully repaid, and the asset is estimated to have a future value of \$43.167m. If the rental surplus remains unspent over this same period, the total value of the asset plus cash surplus is estimated to have a future value of \$47.959m or \$38.420m.

The total return on equity (ROE) over a 20-year period on Council's equity of \$9.982m is estimated to be 380% or 298% on equity of \$9.636m.

The "Develop and Hold" analysis confirms the project is viable, based on the assumptions applied.

On a pre or post community consultation scheme, either Stage 1 or All Stages, could proceed by way of a combination of debt and equity.

The Stage 1 proposal, as per Table 12, has total development costs of \$7.356m which excludes the nominal land value of \$2.25m for the five lots. This means the cash needed is \$1.749m calculated as follows:

Table 12 – Debt Funds Required – Stage 1

Description	Pre-Comm. Consult Plans (\$)	Post Comm. Consult Plans (\$)
Construction costs and professional fees	7,144,000	5,678,000
Interest on construction costs	187,000	176,000
Strata title subdivision fees	25,000	22,000
Total	7,356,000	5,966,000
Less: Cash / Equity contribution	1,749,000	1,989,000
Borrowings required	5,607,000	4,027,000

Depending on which scheme Council may adopt, the project would require cash equity of \$1.749m and borrowings of \$5.607m or \$4.027m.

As per the assumptions applied, the borrowings figure is based on the net rental income offsetting the principal and interest repayments, i.e. the project would be cash neutral in Year 1.

The cash equity could be sourced from the net sale proceeds of the balance of the lots on the estate as follows:

Table 13 – Cash Equity Source

Description	Amount (\$)
18 lots @ \$450,000/lot (excl. GST)	8,100,000
Childcare lot (excl. GST)	2,000,000
Net Sale Proceeds (after commissions, legals and GST)	10,100,000

5.1 Wollongbar Medium Density Housing Project - Design Review

Similarly, the equity for all stages could be sourced from the estimated net sale proceeds of \$10.1m.

Funding avenues through State and Federal Government programs have also been considered.

The recent initiative through the Federal Government's Housing Australia Future Fund excludes local government from borrowing funds through their program.

These loans are limited to 30% of total development costs and come with numerous conditions including rentals that can be charged and minimum time periods that a project must be held before being sold.

Typically, other State and Federal Government programs require a percentage of social or affordable housing, or the project to be managed by a community housing provider.

The analysis undertaken indicates Council is capable of funding this project and in doing so is free to manage the asset as it sees fit.

Council's Property Investment and Development Policy includes the following risk matrix when undertaking commercial property projects. A link to that policy is here: [Property Investment and Development](#)

Risk	Benchmark Above 90 Day BBSW
Low	<2%
Medium	2% to 5%
High	5% to 10%
Speculative	>10%

As at late November 2024 the Bank Bill Swap Rate (BBSW) was approximately 4.40%. The risk for this project could be medium or high, based on Council not having previously undertaken a residential housing project.

Offsetting this, is the demand for housing is very high, and likely to remain high.

On a develop and hold basis the annual return on equity (ROE), land and cash contributed is estimated to be 11.00% to 8.00% for the pre and post community consultation schemes respectively, which is consistent with Council's benchmark for a high-risk project.

Attachments 1, 2, 3 and 4 provide indicative cashflow for each scenario on a develop and hold basis.

Options

The objective of this report is in response to issues raised during the community consultation conducted in June and July 2024 for the proposed Project.

The major issues raised are summarised as follows:

- a) Confusion as to the purpose of the Project due to various descriptions given to it over the past couple of years including "affordable housing", "key worker housing" and most recently, 'medium density housing'

5.1 Wollongbar Medium Density Housing Project - Design Review

- b) Lack of one and two-bedrooms dwellings
- c) Lack of on-site parking and
- d) Concentration of development.

The revised development scheme for the Project prepared by The Kollektive adequately addresses points b, c and d, by providing more one and two-bedroom dwellings, a lower concentration or density of development and improved ratio of onsite parking to dwellings and bedrooms.

The downside to reducing the density of development (number of dwellings) is the revised scheme is an underdevelopment of the site. This point is clearly illustrated in the detailed financial analyses undertaken in this report.

Essentially, the question arises as to whether Council should maximise the value of its assets by adopting the higher density pre community consultation design scheme or adopt a lower density that may have less of a perceived impact on the immediate neighbourhood.

The initial objective of this proposal was to address the lack of housing diversity and rental housing, which may suggest the higher density scheme has a better community outcome.

The solution to satisfying these competing interests may lie in taking elements from both schemes that improve the number of one and two-bedroom dwellings, e.g. the revised manor house designs going on Lots 19, 29 and possibly Lot 25 and the revised townhouse designs going on Lots 20 to 22 and Lots 26 to 28.

The slightly higher density townhouses proposed for Lots 20 to 22 are flipped so they are located on Dundee Avenue.

This leaves Lots 23, 24 and 30 to be developed as duplex lots on Dundee Avenue, which would be more in keeping with the existing houses on the eastern side of the street.

Ultimately, this is a question of whether Council wishes to proceed with this Project in one form or another, or simply sell all 30 lots by public auction.

Holding and developing 12 of the 30 lots as proposed in this report, would not only help to address the lack of rental accommodation, but also create an income producing asset that would escalate in value over time, to the benefit of future generations.

In terms of risk, there's probably been no better asset class that has performed as well as residential property over the past 20 years, particularly in this Shire.

As the Project would be developed over 12 lots, Council could sell off various components, e.g. a manor house, or duplex, if at some time in the future it required cash for other projects.

Option 1

Council resolves to proceed in accordance with the plans endorsed by Council at the 22 February 2024 Ordinary meeting, and continues with the Stage 1

5.1 Wollongbar Medium Density Housing Project - Design Review

design, documentation and approvals that have been placed on hold pending the outcome of this meeting.

Based upon the plans and feasibility assessments undertaken, these plans maximise the development potential of the site and provide a superior financial return to Council.

This option is not recommended as the development scheme could be improved to provide more one and two-bedroom dwellings and provide better outcomes for onsite parking.

Option 2

Council resolves to proceed with Stage 1 of the revised development scheme based upon the plans prepared by The Kollektive in response to the community consultation process undertaken in June and July of 2024.

The designs are to be amended whereby the revised townhouse designs are flipped so the nine two-bedroom townhouses go on Lots 20 to 22 and the five two-bedroom townhouses, and two three-bedroom townhouse go on Lots 26 to 28 as this section of Dundee Avenue could accommodate more on-street parking if required.

In the later stages a manor house could go on Lot 25 to improve the yield of one and two-bedroom units.

This option is recommended as it addresses the issues raised during the community consultation process and endeavours to provide a reasonable financial return to Council.

If this recommendation is supported the next step would be to finalise the approvals and then look at calling tenders for the construction of the Stage 1 works.

The receipt of those tenders would allow Council to reassess the financial viability of the Project, along with confirming funding for the works, prior to proceeding with a construction contract.

Option 3

Council resolves to abandon the Project and proceeds to sell all 30 residential lots by public auction.

This option is not recommended. Holding and developing 12 of the 30 lots, as proposed in this report, would not only help to address a lack of rental accommodation, but also create an income producing asset that would escalate in value over time, to the benefit of future generations.

RECOMMENDATION

That Council resolves to proceed with Stage 1 of the revised development scheme for Wollongbar Medium Density Housing Project, based upon the plans prepared by The Kollektive, as outlined in option 2 in this report.

5.1 Wollongbar Medium Density Housing Project - Design Review

Attachment(s)

1. Forecast Cashflow Develop and Hold Stage 1 - Pre Community Consultation Plans - 15 Dwellings [⇒](#)
2. Forecast Cashflow Develop and Hold Stage 1 - Post Community Consultation Plans - 13 Dwellings [⇒](#)
3. Forecast Cashflow Develop and Hold All Stages - Pre Community Consultation Plans - 38 Dwellings [⇒](#)
4. Forecast Cashflow Develop and Hold All Stages - Post Community Consultation Plans - 32 Dwellings [⇒](#)

5.2 Wollongbar Land Sale - Childcare Lot

5.2 Wollongbar Land Sale - Childcare Lot

Section Commercial Services

Objective To provide an overview of the process conducted for the sale of a Council owned site allocated for the development of a childcare facility, located at 10 Dundee Avenue, Wollongbar.

Background

Council owns a vacant site located at 10 Dundee Avenue, Wollongbar, being Lot 31 in DP 1292522 that comprises an area of 3,164m² and is zoned R3 Medium Density Residential under the Ballina Local Environmental Plan 2012.

Image 1 – Location Plan – Lot 31



Council's planning instruments identify Lot 31 as a site for a childcare facility, which is consistent with the current zoning. This report provides an update on the sale of this site.

5.2 Wollongbar Land Sale - Childcare Lot

Key Issues

- Sale of Council owned property
- State of the local property market
- Financial return

Discussion

Under the provisions of the Local Government Act, Council has classified Lot 31, as Operational Land, which means the land can be sold.

At the Finance and Facilities Committee meeting held 21 April 2022, Council recommended that Lot 31 be sold through an expression of interest (EOI) process, with that recommendation adopted at the 28 April 2022 Ordinary meeting. Only one offer was received through the EOI, being \$2m plus GST.

The offer was subsequently withdrawn, as the proponent no longer considered the proposal viable, and perceived competition from other proposed childcare sites in Wollongbar.

In late 2022, Lot 31 was again placed on the market, for sale by private treaty, at an asking price of \$2m plus GST. Since that time there has been interest from several parties and offers have been made at below the asking price.

The property market has slowed since the peaks of 2022 and early 2023 due to rising interest rates, increased construction costs and difficulties in securing finance for property development projects.

An update report on the progress of marketing Lot 31 was presented to the Commercial Services Committee meeting held 12 June 2024, with that report for noting. After that report, there has been ongoing negotiations with a prospective buyer, resulting in terms and conditions now being agreed.

A confidential report on this matter is included in a confidential report in this agenda, with the report seeking Council approval to sell Lot 31.

Financial / Risk Considerations

There are several risks outlined in the confidential report. Council is seeking to minimise the risks through the terms and conditions of the sale.

Options

This report provides an overview of the sale of Lot 31 and is for noting.

RECOMMENDATION

That Council notes the contents of this report, which provides an overview of the proposed sale of Lot 31, in DP 1292522.

Attachment(s)

Nil

5.3 Tuckombil Quarry Rezoning - Update

5.3 Tuckombil Quarry Rezoning - Update

Section Commercial Services

Objective To provide an update on the outcome of the Tuckombil Quarry rezoning and to determine how Council wishes to move forward in respect to the future use of this site.

Background

The Tuckombil Quarry (the Site) is owned by Council and is located at 540 Gap Road, Alstonville.

Quarrying operations ceased at the site in 2016 and it has remained vacant since then, apart from two tenants occupying different portions of the Site, these being Boral Asphalt and Ron Southon Pty Ltd.

Both leases expire on 31 December 2024.

The lease to Ron Southon Pty Ltd was recently renewed for a term of five years, taking effect from 1 January 2025, and includes a “break clause” should Council require the leased area for redevelopment.

The tenant has occupied the Site for over 20 years and has constructed buildings and other improvements, and importantly employs about 20 people.

The leased area is for the storage of components used in the manufacture of explosives for industrial purposes.

Council has received a report on the activities conducted on this site, which indicate they are low risk.

Council previously resolved not to renew the Boral Asphalt lease due to concerns from nearby residents that the asphalt plant may be emitting odours that could be harmful, along with traffic movements and general compatibility with the adjoining residential areas.

Boral is now in the process of decommissioning the site that will include removal of buildings not wanted by Council.

A breakdown of the Site is included in Table 1 and should be viewed in conjunction with the plan in Figure 1.

Table 1 – Site Areas

Tenancy/Use	Lot	DP	Area (hectares)
Abandoned quarry	22	1243105	23.0
Ron Southon Pty Ltd	3	113030	1.5
Boral Asphalt	21	1243109	1.0
Total			25.50

5.3 Tuckombil Quarry Rezoning - Update

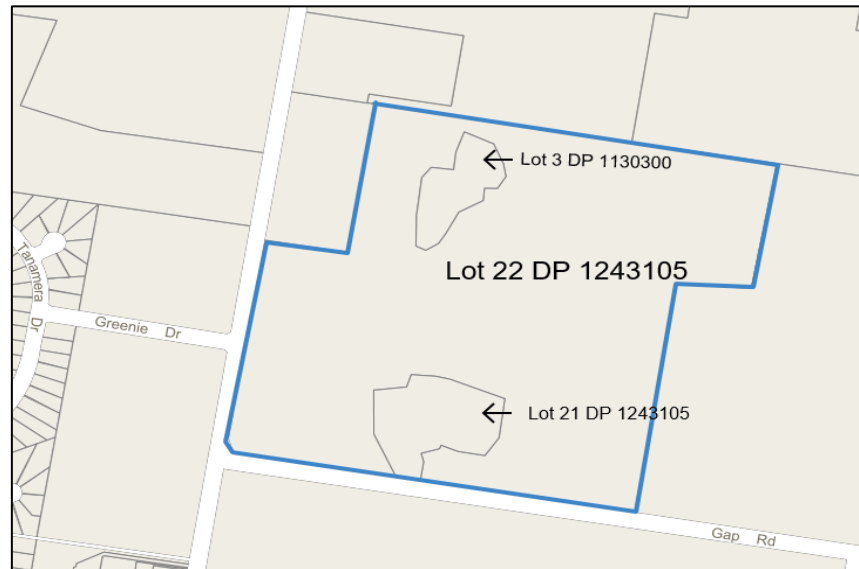


Figure 1 – Tuckombil Quarry Site

Since activities ceased on the quarrying component of the Site, Council has been investigating a range of potential land use options, the outcome of which was reported to the Finance and Facilities Committee meeting held on 19 May 2022, where Council resolved as follows:

1. *That Council engage the relevant experts to prepare a planning proposal to support a proposed rezoning of the property to provide for film, arts, high technology, recreational and community use at the Tuckombil Quarry site.*
2. *That Council seek a Gateway Determination for the site rezoning and authorise the public exhibition of that proposal.*
3. *That Council receive a report on the findings from the public exhibition process.*

A planning proposal was prepared, including supporting studies assessing traffic, biodiversity, noise and potential land use conflict, and potential for contamination.

These studies and reports concluded that the proposed uses could be accommodated on the Site without significant impacts.

The planning proposal sought to rezone the quarry site from the RU2 Rural Landscape zone to part SP4 Enterprise and part C2 Environmental Conservation.

The (then) Department of Planning and Environment issued a Gateway Determination for the proposal in August 2023, conditional on updates to the contamination assessment to include Lot 3 DP 113030 (leased to Ron Southon Pty Ltd).

Following receipt of that assessment, public exhibition of the Planning Proposal occurred between 6 November and 15 December 2023, including consultation with relevant State agencies.

5.3 Tuckombil Quarry Rezoning - Update

The responses received from the public exhibition and State Agency consultation process were reported to the 27 June 2024 Ordinary meeting, where Council resolved as follows:

1. That Council endorses the amendment to rezone the Tuckombil Quarry site at Gap Road, Alstonville to part SP4 Enterprise and part C2 Environmental Conservation, as outlined in Planning Proposal BSCPP 22/006 included as Attachment 1 to this report.
2. That Council submit planning proposal BSCPP 22/006 to the Department of Planning, Housing, and Infrastructure for finalisation.

Following that meeting, the planning proposal was submitted for finalisation to the Department of Planning, Housing, and Infrastructure.

Amendment of the Ballina LEP 2012 (amendment No. 56) was subsequently finalised by notification on the NSW legislation website on 21 October 2024.

The new zoning of the site is shown in Figure 2 (SP4 zone is shaded yellow).

The C2 zone incorporates two areas of vegetation that include Lowland Rainforest.

The SP4 Enterprise Zone provides for land uses that support enterprise and productivity and opportunities for new and emerging creative and high technology industries and recreational land uses.

Associated tourist and visitor accommodation is also enabled.



Figure 2 – Site Zonings

The purpose of this report is to provide an update on the Tuckombil Quarry rezoning, along with considering recommendations on moving forward in respect to the future of the Site.

5.3 Tuckombil Quarry Rezoning - Update

Key Issues

- Planning for future development

Discussion

A key consideration to rezone much of the site to SP4 Enterprise zone is due to the lack of suitably zoned land to accommodate emerging industries that are gaining momentum due to changes in technology and, to some degree, changes in settlement patterns on the Far North Coast post COVID-19.

A copy of LEP Amendment No. 56 is included in Attachment 1. The Land Use Table relating to this amendment is included in Table 2.

Table 2 - Land Use Table

<ol style="list-style-type: none">1. Objectives of Zone<ul style="list-style-type: none">• To provide for development and land uses that support enterprise and productivity.• To provide opportunities for new and emerging creative and high technology industries and recreational land uses.2. Permitted without Consent<ul style="list-style-type: none">Environmental protection works3. Permitted with Consent<ul style="list-style-type: none">Artisan food and drink industries; Building identification signs; Business identification signs; Car parks; Community facilities; Creative industries; High technology industries; Plant nurseries; Recreation areas; Recreation facilities (outdoor); Roads; Take away food and drink premises.4. Prohibited<ul style="list-style-type: none">Any development not specified in item 2 or 3.

Traditionally industrial precincts have had to accommodate a broad spectrum of uses that are not always compatible with uses such as high technology or creative arts due to noise and dust generation. It is hoped a site zoned specifically for high technology and related industries will assist in creating employment opportunities in the Shire.

The idea of creating a precinct for high technology, creative arts and film studios came about following a series of meetings from 2018 onwards, with a local business, Byron Studios, who were seeking a site to develop a movie studio complex in Ballina Shire.

In 2021, the idea of developing the Tuckombil Quarry as a film and creative arts precinct was mooted due to its size, location and perceived capacity to establish such a precinct.

Byron Studios was keen to pursue this opportunity and sought an interim short-term lease to develop a portion of the Site for their immediate needs and a long-term lease to develop the balance of the Site.

Council resolved, in July 2021, as follows, in response to this request from Byron Studios:

5.3 Tuckombil Quarry Rezoning - Update

1. That Council authorises the General Manager to proceed with the preparation of a Memorandum of Understanding, with terms to be agreed upon between Byron Studios and Council, based upon the contents of this report.
2. That Council authorises the General Manager to establish an interim use agreement for part use of the front section of Tuckombil Quarry site, not currently under lease for the purposes of Byron Studios to park vehicles.
3. That a further update report be presented to Council in November / December 2021 at the conclusion of the consultancy and master planning process for the Tuckombil Quarry site.

In August 2021, Council and Byron Studios entered into a Heads of Agreement (memorandum of understanding). A HOA is non-binding document that sets out how two parties might work together to achieve a common goal.

The HOA noted Council's commitment to working with Byron Studios and provided in principle support to assist Byron Studios in securing private sector and/or government funding to support the establishment of a film and creative arts precinct at the Tuckombil Quarry site.

To date, even with Council's support, Byron Studios has not been successful in securing major grant funding. Council is under no legal obligation to consult with Byron Studios in respect to development plans for the Site, however they remain a party with an interest in potential use of the Site.

Given the size of the Site (25.5 ha), the topography and site constraints, including a large water body, cliff faces, areas of over burden etc, careful consideration needs to be given to how the site might be developed, in terms of precincts, road networks, passive and active recreation areas, etc.

Figure 3 provides a view of the Site in its current state.



Figure 3 – Aerial of Site

5.3 Tuckombil Quarry Rezoning - Update

Due to the unique nature of the Site, it is difficult to determine what future use would provide the optimum outcomes for Council and the community.

During 2021, Council engaged AEC Pty. Ltd. to undertake an opportunities assessment for the Site, for the Byron Studios proposal, along with looking at other options such as public recreation and adventure tourism.

A copy of the reports from AEC are included as Attachments 1 and 2.

As a result of these reports Council resolved to proceed with the rezoning proposal.

Council has two main options in respect to moving forward on the Site:

- 1) Call for expressions of interest (EOI) for a long-term lease of the Site, with proponents putting forward ideas / concepts for the Site. Some parameters could be placed around the EOI, clarifying what outcomes Council is seeking for the Site.
- 2) Call for quotations from suitably qualified and experienced consultants to prepare a masterplan for the development / future lease of the Site.

The consultants would hold briefing sessions with Councillors on concepts to allow a masterplan to then be prepared.

This masterplan could potentially be like a prospectus, in that it would set out Council's aims for the Site, along with identifying the potential options available for a developer / lessee.

Once a masterplan was adopted, Council could then determine whether that would be best implemented by Council, or by the private sector, through a long-term lease, or potential sale of the Site.

Leasing would be the preferred option, as Council needs to generate recurrent revenue streams to fund essential services.

Financial / Risk Considerations

It is difficult to estimate how much it may cost to prepare a masterplan for the Site; however, several studies and reports were prepared to support the rezoning that could be used in the preparation of a masterplan.

The AEC reports also provide background information.

An indicative cost for a masterplan, prepared by an external consultant, could be in the order of \$40,00 to \$50,000.

In respect to funding, Council's Property Development Reserves are already over committed with projects such as the Southern Cross - Boeing Avenue, Russellton Industrial Estate and Wollongbar Urban Expansion Area developments.

The Quarry Reserve is also fully allocated to the rehabilitation of Council's Stokers Quarry Site.

5.3 Tuckombil Quarry Rezoning - Update

This being the case, another internal reserve would need to finance this consultancy.

In reviewing all the internal reserves Council has available, the recommendation would be to fund this project from the Strategic Planning Projects Reserve, which has a forecast reserve balance of \$428,000 as at 30 June 2025, with no other commitments identified in the Long-Term Financial Plan.

Options

It is important Council starts planning for development of the Site due to the diminishing supply of industrial and commercially zoned land in the Shire and the region.

Separate reports in this agenda deal with Council's remaining supplies of industrial land, i.e. Boeing Avenue and Russellton Estate that comprise a total of 36 serviced industrial lots. Once these lots are sold and developed, there is no other immediate supply and the future for potential supply is uncertain.

The options are to commence a master planning process for the Site or call for EOs for long term leasing, or potentially sell the Site.

The preference is for Council to have more input into the future planning and operation of the Site, through an adopted masterplan, and the recommendation supports this approach.

One other option available is to conduct direct negotiations with Byron Studios, based on their association with the Site.

There have been ongoing discussions with representatives with Byron Studios however, there has been no confirmation that they have secured grant funding to assist with their proposal, and with any redevelopment of the Site likely to cost millions of dollars, the preference is to proceed with the masterplan.

RECOMMENDATIONS

1. That Council undertake a master planning process for the Tuckombil Quarry Site, through the engagement of a suitably qualified and experienced consultant.
2. That Council allocate up to \$50,000 for this contract, with that funding sourced from the Strategic Planning Projects Reserve.

Attachment(s)

1. Ballina Local Environmental Plan (LEP) - Amendment Number 56 [⇒](#)
2. AEC - Tuckombil Quarry Site Opportunities Assessment - Phase 1 Report [⇒](#)
3. AEC - Tuckombil Quarry Site Opportunities Assessment - Phase 2 Report [⇒](#)

5.4 Tuckombil Quarry - Bitupave (Boral) - Lease Extension

5.4 Tuckombil Quarry - Bitupave (Boral) - Lease Extension

Section Commercial Services

Objective To provide Council with an update on the Bitupave (Boral) decommissioning and remediating of their leased site at the Tuckombil Quarry, Alstonville, and to seek approval for a short lease extension.

Background

Bitupave Pty Ltd (Boral) lease a portion of the Tuckombil Quarry located at Gap Road Alstonville described as Lot 21 DP 1243105, 540 Gap Road Alstonville for an asphalt batching plant.

Boral has been in occupation of the site since the late 1970's. A site plan is contained in Attachment 1.

At the Commercial Services Committee meeting held 20 November 2019, Council resolved, as adopted at the 28 November 2019 Ordinary meeting, not to grant Boral a new lease following the expiry of the current lease on 31 December 2024.

This report provides an update on the status of the termination of the lease and the rehabilitation of the leased area.

Key Issues

- Extension of lease
- Lease make good provisions
- Site remediation works

Discussion

Council advised Boral in writing on 2 December 2019 that they would not be issued a new lease following the lease expiry on 31 December 2024.

Clause 31 of the Lease requires the Lessee (Boral) to:

"... remove all fixtures and fittings from the property prior to the end of the lease, and decontaminate, remediate and remove from the property and from the soil under the property any chemical residues or other hazardous or toxic substances to the satisfaction of the Lessor and the Environment Protection Authority."

Based on an enquiry, Council advised Boral in writing on 8 March 2024, that removal of fixtures, fittings, plant, and equipment constitute "demolition", which meant development consent was required for the decommissioning and rehabilitation of the site.

Accordingly, Boral lodged a development application on 8 May 2024, to undertake the proposed works.

5.4 Tuckombil Quarry - Bitupave (Boral) - Lease Extension

The scope of the works proposed in the development application are deemed to be “Nominated Integrated Development” works, as they are within 40 metres of a mapped water stream and Council is the landowner.

This required the application to be placed on public exhibition for 28 days.

There were delays in processing the development application, in part due to requests for information from, and dealing with, the NSW Department of Planning and Environment – Water (DPE-Water).

Development consent was issued on 4 October 2024, for decommissioning of asphalt plant, including demolition and removal of buildings and structures and make-good site works.

Boral must also obtain a Controlled Activity Approval from DPE -Water before they can undertake any works within the waterfront land.

They have been advised this approval may take up to eight weeks.

Boral has advised Council they anticipate plant, equipment, fixtures and fittings should be removed from the property by 31 December 2024.

Remediation and rehabilitation works will then be undertaken and are likely to be completed by 28 February 2025.

Based on this timeframe, Boral has requested that the current lease be extended for a further two months, until 28 February 2025.

Clause 30 of the current lease provides for the lessor (Council) to grant consent for the lease to continue on a month-to-month basis, on the same terms and conditions including payment of rent.

Either party may give one month’s notice to terminate the month-to-month lease.

Boral has also requested rent relief following the 31 December 2024 expiry date, as they will not be operating on a commercial basis from the site.

Financial / Risk Considerations

Boral currently pay \$55,632.58 pa + GST equating to \$4,636.05 pcm + GST.

The request from Boral is not unreasonable given the leased area has not operated commercially since demobilisation commenced in June 2023.

Boral has also paid Council a commercial rent on the site for approximately 50 years, as well as regularly responding to requests from Council in respect to their operations, often to assist Council in responding to concerns raised by the community.

Other than forgone revenue, the one concern for Council in waiving the rent is that it may reduce Boral’s sense of urgency to undertake the works, required prior to vacating the property.

5.4 Tuckombil Quarry - Bitupave (Boral) - Lease Extension

Council could consider advising Boral they are to continue paying rent until they have met all the conditions of the development consent and satisfied the terms of the lease.

Another option could be to waive the rent for two months, as per the extension request, and then reinstate the rent from March onwards, if the remediation works are not complete.

Council could also incentivise Boral by asking that the current monthly rental be paid, and if completed by 28 February 2025, they would receive a 50% (or any other percentage) refund on the rental paid from 1 January 2025.

If they fail to complete the required works the refund would not apply.

Options

The options relate to approving, or not approving, a month-to-month extension of the lease, along with the rental fee.

In respect to the extension, Boral is committed to rehabilitating the site, and it is reasonable to provide a month-to-month extension, to account for the entire approval process, along with providing adequate time for the works.

Boral has requested two months, however they are dependent on a State Government approval to start the works.

Council can continue the lease on a month-to-month basis, without creating the need for a new lease.

It is recommended that this occur, however if works do not look like being completed in a three-month timeframe, a further report can be submitted to Council with a recommended course of action.

In respect to the rent, with Boral being a very long-term lessee for Council, and not currently operating on a commercial basis from the site, it is reasonable to provide some form of rent reduction, or rebate, while the decommissioning works take place.

The recommendation is to continue to charge the current rent for January and February 2025, and if the works are completed by 28 February 2025, a 50% rebate is provided for those two months. However, if the works are not completed, no rebate is provided and the current monthly rental continues, subject to further direction from Council.

The recommendations support this approach, with Council able to make any adjustment to the proposed extension term, or lease fee.

RECOMMENDATIONS

1. That in accordance with Clause 30 of the lease that expires on 31 December 2024, Council resolves to allow Bitupave Pty Ltd (Boral) to remain in occupation on Lot 21 DP 1243105, 540 Gap Road, Alstonville on a month-to-month basis, until all lease and development consent terms and conditions in relation to decommissioning, remediation and rehabilitation are complied with, to the satisfaction of Council.

5.4 Tuckombil Quarry - Bitupave (Boral) - Lease Extension

2. That in respect to the rental fee, Council continue to charge the current rental fee, with the General Manager authorised to provide a 50% rebate for January and February 2025, if the decommissioning and rehabilitation of the site is completed to Council's satisfaction by 28 February 2025. This rebate is based on the site not being operated on a commercial basis and Bitupave Pty Ltd (Boral) has been a reliable lessee for approximately 50 years.
3. If the decommissioning and rehabilitation of the site is not expected to be completed by 31 March 2025, a further report is to be submitted to Council on the status of the lease.
4. That subject to point two above, all other terms and conditions of the registered lease agreement (AP976897X) remain applicable for the month-to-month extension period.

Attachment(s)

1. Bitupave (Boral) Lease Area, Tuckombil Quarry - Site Plan [⇒](#)

5.5 Boeing Avenue Industrial Land Subdivision - Update

5.5 Boeing Avenue Industrial Land Subdivision - Update

Section Commercial Services

Objective To provide an update on the recently completed Boeing Avenue industrial land subdivision and confirm that Council will proceed to public auction of the completed lots.

Background

Council owns a portion of land opposite the Harvey Norman Complex on Boeing Avenue, Ballina that has recently been developed to create twelve serviced industrial lots. This is the final stage of the Southern Cross Industrial Estate that Council has developed over many years.

Development works to create the twelve lots were completed in September 2024. An application for a subdivision certificate has been lodged with Council and once approved, the plan will be sent to the NSW Land Registry office for registration and issuance of titles for the twelve lots.

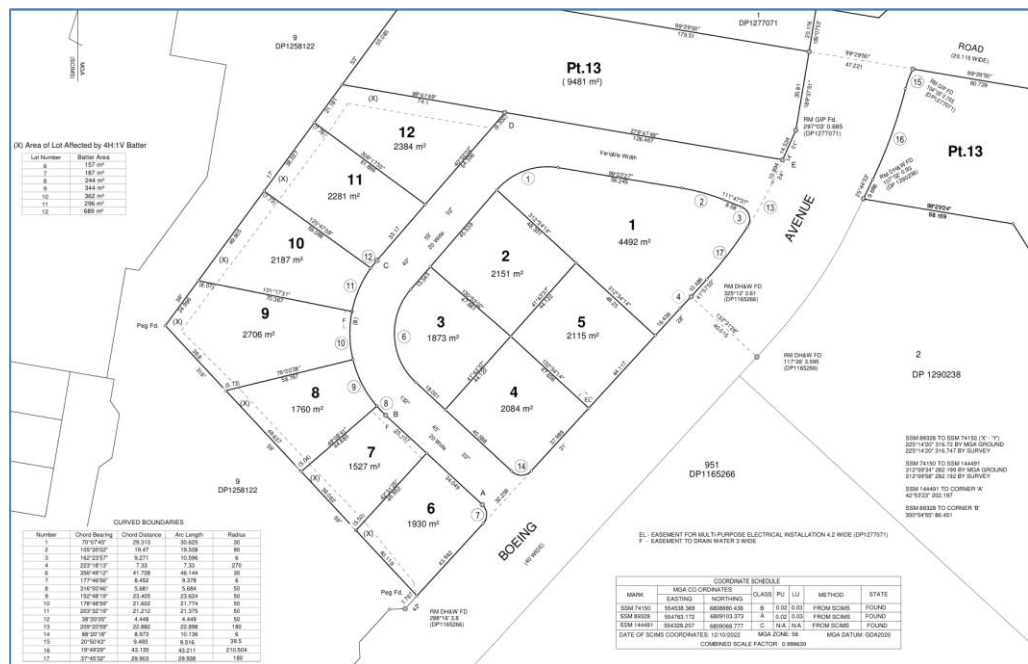


Figure 1 – Plan of Proposed Subdivision

A report to the 14 February 2024 Commercial Services Committee meeting, provided an update on the progress of this project. The resolution arising from that meeting, as adopted at the 22 February 2024 Ordinary meeting, was as follows:

1. That Council authorises the sale of Lots 1 to 9 (inclusive) in proposed plan of subdivision of Lot 1 DP 1290238 and authorises the General Manager to set the price reserve based on market conditions and the current high level of demand for industrial land.

5.5 Boeing Avenue Industrial Land Subdivision - Update

2. *That the contracts for sale of Lots 1 to 9 (inclusive) in point 1, are to include “use it or lose it” provisions to reduce the possibility of land purchase for property speculation and land banking.*
3. *That Council retain Lots 10 11 and 12 in plan of subdivision of Lot 1 DP 1290238 for potential lease, with the General Manager authorised to undertake a marketing campaign for prospective tenants for the remaining lots, with any proposal to be reported back to Council.*
4. *That Council notes the preferred approach for the provision of additional car parking and car storage facilities for the Ballina – Byron Gateway Airport (BBGA) is located on BBGA land, as per the contents of this report.*
5. *That in respect to point 1, the General Manager is authorised to execute all necessary sale documents and affix the Council seal to same.*
6. *That Council receives a report on the option of Council directly marketing and selling this land.*

To address resolution point six from the 22 February 2024 Ordinary meeting resolution, a report was tabled to the 12 June 2024 Commercial Services Committee meeting, with the adopted resolution from the 27 June 2024 Ordinary meeting as follows:

1. *That Council authorises the sale of Lots 1 to 9 (inclusive) in proposed plan of subdivision of Lot 1 DP 1290238 by public auction and authorises the General Manager to set price reserves based on market conditions and the current high level of demand for industrial land.*
2. *That Council authorises the General Manager to enter into open or general agency agreements with local real estate agents who wish to participate in the auction campaign.*
3. *That the contracts for sale of Lots 1 to 9 (inclusive) in point one, are to include “use it or lose it” provisions to reduce the possibility of land purchase for property speculation and land banking.*
4. *That in respect to point one, the General Manager is authorised to execute all necessary sale documents and affix the Council seal to same.*
5. *That the agents commission be set at 1.5% of the sale price.*

Point five confirmed an agents' commission rate of 1.5%.

This report provides an update on the project and seeks confirmation that Council will proceed with a public auction for nine of the twelve completed lots.

Key Issues

- Completion of development works
- Sale of Council assets
- Financial returns to Council

Discussion

The plan registration process and issuance of titles for the lots should be completed early in 2025.

Council will then commence marketing nine of the twelve lots for sale by public auction, with the auction likely to occur prior to June 2025.

The rationale to retain Lots 10, 11 and 12 was noted in the Commercial Services report of 14 February 2024, as follows:

Resolve to sell a smaller number of lots and retain certain lots for potential use by Council for another development, or try and find a tenant who is prepared to lease the land, and / or a building, from Council to generate a recurrent revenue stream.

Following the acquittal of significant loan debt there should be approximately \$3m in surplus funds from this project.

This does allow possibly three lots to be retained and potentially placed on the market for lease. This lease could be a land only lease, or potentially a land and building lease, where Council constructs the building for the tenant.

Council has examples of this already in its commercial property portfolio including land leases for the Shelly Beach Café and Norfolk Homes, as well as major commercial buildings constructed by Council at Tamar Street and Cessna Crescent.

Any leasing proposal would be subject to an individual feasibility assessment, and with this potentially being the last large release of Council industrial land in Ballina, combined with Council's comparably low level of average rate income per property, it is becoming more and more important for Council to generate recurrent revenue streams.

If Council wanted to pursue this option the recommendation would be to retain Lots 9, 10 and 12, as these are large lots that could be attractive to industries that may consider a land lease or a construct and lease deal.

The option is recommended, to allow Council to test the market for leasing. If no viable options are forthcoming the remaining three lots can be auctioned at a future date.

This is a reasonable approach given this will be the last release of serviced industrial lots on the Southern Cross Industrial Estate. This also provides Council with the opportunity to construct premises for tenants and to hold income producing property, subject to the commercial viability of any proposal.

Some parties may argue that the inclusion of a "use it or lose it" clause in auction contracts to reduce the possibility of parties purchasing for speculative or land banking purposes may have a negative effect on prices for the lots.

This is unlikely given the lack of supply of industrial lots and the uncertainty of when other lots will be available in Ballina.

5.5 Boeing Avenue Industrial Land Subdivision - Update

Discussions with local agents who have prospective buyers, with bona-fide intentions of buying land and building premises do not consider the “use it or lose it clause” to be an issue.

Financial / Risk Considerations

An updated financial assessment of the project is as per the following table.

Financial Overview Update – Lots 1 and 2 Boeing Avenue

Item	Feb 2024 (\$)	Nov 2024 (\$)
Estimated Net Sale Proceeds – Lots 1 to 12 (Lot 1) (1)	12,974,000	13,680,000
Net Sale Proceeds – Lot 2 Sale to Harvey Norman (2)	8,261,000	8,261,000
Less Actual Costs to June 2023 (3)	(6,432,000)	(6,432,000)
Less Actual Costs for 2023/24	(1,530,000)	(2,560,000)
Less Actual Costs to date 2024/25	N/A	(18,000)
Less Estimated Costs to Complete (Civil works, professional fees, developer contributions, interest etc)	(936,000)	(57,000)
Estimated Net Proceeds	12,337,000	12,874,000

Notes

1. Estimated selling prices from February 2024 to December 2024 have been increase by about 5.00%.
2. The sale to Harvey Norman was settled in 2022.
3. The actual costs of \$6,432,000 cover the period from 2018 to 2023 and include the combined costs of filling Lot 1 and Lot 2 (Harvey Norman site) and associated development costs.

The financial overview forecasts a net surplus of \$12.874m for the project.

If Council were to retain Lots 10, 11 and 12, the forecast net surplus from lots 1 to 9 and the Harvey Norman sale would be \$9.964m.

The initial contract price agreed with the civil contractor for the project, Cambra Holdings Pty T/A Morgan Earthmoving, was \$2.764m, however there were substantial variations due to adverse ground conditions created by water table levels and reactive soils, as per the following table.

Description	Amount (\$)
Contract sum	2,764,000
Less Contract Amounts Claimed	(2,465,000)
Surplus	299,000
Variations (includes \$15,000 for landscape maintenance)	(901,000)
Adjusted Over Run on Construction Budget	602,000

5.5 Boeing Avenue Industrial Land Subdivision - Update

The variations are summarised as follows:

- Additional sewer connection works
- Removal of unsuitable material for road construction
- Placement of geofabric and suitable road construction material
- Landscaping works and maintenance (outside of contract)
- Increased electrical construction costs
- Additional fencing and retaining wall works.

In recent years, Council has taken out, or planned for, several loans for commercial property projects, summarised as follows:

Project	Loan (\$'000)	Comment
Boeing Avenue – Loan 1	3,600	Paid in 2022/23 from Harvey Norman sale
Boeing Avenue – Loan 2	4,000	Paid in 2023/24 from Property Reserve following Harvey Normal sale
Boeing Avenue – Loan 2	1,524	To be paid in 2024/25 from Lot 1 sales
Airport Boulevard – Loan 1	1,500	To be paid in 2024/25 from Lot 1 sales
Airport Boulevard – Loan 2	2,800	To be paid in 2024/25 from Lot 1 sales
Wollongbar Stage 3 – Loan 1	2,000	Paid in 22/23 from Harvey Norman sale
Wollongbar Stage 3 – Loan 2	2,000	Paid in 22/23 from Harvey Norman sale
Russellton Estate – Loan 1	3,000	To be paid in 2025/26 from Russelton sales
Russellton Estate – Loan 2	4,000	To be drawn in 2024/25 and to be paid in 2025/26 from Russelton sales

Traditionally Council has not carried loan debt for property developments, due to project risk and associated costs, such as loan interest.

However, a lack of cash reserves has resulted in loans being applied for the projects listed.

Council's Long Term Financial Plan is based on the surplus funds from the commercial projects repaying loans, to eliminate any loan debt that exists.

After construction costs and the repayment of loan debt, any remaining funds will then assist in financing major community infrastructure projects, such as the Alstonville Cultural Centre redevelopment.

No other loan facilities have yet been negotiated for projects such as the Wollongbar – Stage 3 – Key Worker/Medium Density Housing Proposal, or the construction of commercial tenancies for the remaining Boeing Avenue lots.

Options

The report provides an update on the Boeing Avenue Industrial Land subdivision, with resolutions already adopted by Council to proceed to sell lots 1 to 9.

5.5 Boeing Avenue Industrial Land Subdivision - Update

The recommendations that follow, note the position of Council, and if any changes are proposed, the recommendations will need to be amended.

RECOMMENDATIONS

1. That Council notes the contents of this report regarding the update on the Boeing Avenue Industrial Land Subdivision project.
2. That Council notes that the General Manager is authorised to sell Lots 1 to 9 (inclusive) in proposed plan of subdivision of Lot 1 DP 1290238 by public auction, along with setting the price reserves based on market conditions and the current elevated level of demand for industrial land.

Attachment(s)

Nil

5.6 Russellton Industrial Estate Land Subdivision - Update

5.6 Russellton Industrial Estate Land Subdivision - Update

Section Commercial Services

Objective To provide an update on the final stage of Council's Russellton Industrial Estate subdivision works and seek Council approval for the proposed method of sale of lots.

Background

Council owns a portion of land on the southern section of the Russellton Industrial Estate. The land is zoned "E4 General Industrial". This is the final stage of the Russellton Industrial Estate that has been developed by Council over many decades.

Attachment 1 contains a location plan.

The land has development consent and construction approvals in place to create 27 serviced industrial lots and a residue lot that includes a water reservoir and buffer zones.

Attachment 2 contains a plan of the proposed subdivision approved for the land.

At the 28 September 2023 Ordinary meeting Council resolved to appoint Civil Contractors (Aust) Pty Ltd T/A CCA Winslow to undertake civil construction works to create 27 serviced industrial lots (there will be 28 lots in the subdivision upon completion due to the renumbering of the lots).

Council also resolved to increase loan funding for the project to \$7m.

The purpose of this report is to provide an update on the project and approve a proposed method of sale for the completed lots.

A confidential report is included in this agenda that relates to the proposed sale of five of the lots that form part of this subdivision.

Key Issues

- Status of development works
- Sale of Council assets
- Financial return to Council

Discussion

Civil Contractors (Aust) Pty Ltd T/A CCA Winslow was appointed to undertake civil construction works to create the 27 serviced industrial lots.

Works commenced in late 2023, and have progressed well, despite periods of wet weather, and are on track to be completed by December 2024.

5.6 Russellton Industrial Estate Land Subdivision - Update

Contract variations have occurred due to:

- Removal of additional rock
- Removal of additional vegetation (camphor laurel trees on Norman Jones Lane) and associated mulching costs
- Relocation of watermain
- Additional stormwater works.

Variations amount to approximately \$335,000, which is less than 10% of the \$4.926m contract price.

Upon completion of the civil construction works, an application will be lodged with Council for a subdivision certificate.

Once a subdivision certificate is issued, the plan of subdivision will be lodged with the NSW Land Registry Office, to allow certificates of title to be issued.

This process will take at least three months, excluding delays for the December / January holiday period.

Once certificates of title are issued, it is proposed to sell 23 of the lots by public auction.

The remaining lots are dealt with in a confidential report later in this agenda.

Financial / Risk Considerations

The feasibility assessment for the project included in the 28 September 2023 Ordinary meeting report has been updated, as per the following table.

Table One – Feasibility Assessment Summary (\$)

Details	September 2023	December 2024
Estimated Gross Sale Proceeds (27 lots)	18,336,000	20,004,000
Less: Agent Commissions and Selling Expenses (1)	316,000	347,000
Net Sale Proceeds	18,020,000	19,657,000
Less: Development Costs and Council Contributions	6,956,000	(2) 7,115,000
Sub Total	11,064,000	12,542,000
Less: Interest on Borrowings	302,000	300,000
Forecast Net Cash Surplus	10,762,000	12,242,000

- 1) Agent commissions and selling expenses have been calculated adopting the same rate.
- 2) The figure of \$7,115,000 includes costs to date and estimated costs to complete the project.

Estimated selling prices for the completed lots have been increased by 10% since the September 2023 price estimates.

The updated figures are based on dollar per square metre rates ranging from \$242/m² to \$484/m² (excl. GST) depending upon size, topography, and configuration.

5.6 Russellton Industrial Estate Land Subdivision - Update

The feasibility assessment indicates the project may generate an estimated surplus of approximately \$12.24m, after repayment of all costs including a \$7m construction loan.

Subject to Council's endorsement, it is proposed to sell 23 of the lots by public auction, with the remaining lots discussed in a confidential report later in this agenda.

A public auction ensures transparency and dependent upon demand, can deliver the best financial return to Council.

Should Council resolve to proceed with a public auction, it would take place following completion of the civil construction works, registration of plan of subdivision and issuance of certificates of title.

The timing of this auction would take place after the proposed auction of the Boeing Avenue lots, located in the Southern Cross Industrial Estate, referred to in a separate report in this agenda.

The current level of demand and limited supply of serviced industrial land on the NSW Far North Coast should ensure the level of enquiry for the proposed lots will continue to escalate, subject to prevailing market conditions.

An auction of the 23 Russellton Industrial Estate lots would follow a similar path that Council recommended at the June 2024 Commercial Services meeting, for the sale of the Boeing Avenue lots.

This is referenced in a separate report in this agenda on the status of the Boeing Avenue Industrial Land subdivision.

It is not proposed to include a "use it or lose clause" in the sale contracts for the Russellton lots, as demand has not been as strong when compared to the Boeing Avenue lots.

However, these circumstances may change once the Boeing Avenue lots sell, and Council may wish to include such a clause, if demand escalates after the auction of the Boeing Avenue industrial lots. This can be revisited following the sale of the Boeing Avenue lots.

Options

In respect to options, this project is now at the stage where approval is sought for the sale of the completed lots.

The Local Government Act does not place any restrictions on how a council may wish to sell operational land. Sale can be by auction, placed on the market at set prices, or by direct negotiation.

As per the contents of this report, based on what is thought to be strong overall demand across the Far North Coast, the preferred option is auction.

Auction ensures that Council meets the market price, and it is a transparent process as the action is conducted in public.

5.6 Russellton Industrial Estate Land Subdivision - Update

Council has previously debated agents' commission for land sales, with the most recent resolution adopting a percentage of 1.5% of the sale price, which is below typical rates requested by agents (often 2% or 2.2%).

In respect to prices, these are normally set by the General Manager, based on market conditions. Pricing is discussed in the confidential report later in this agenda.

Should any lots fail to sell on the day of the auction, they can be placed on the market for sale by private treaty, at prices based on the lots that sell at auction.

In respect to the lots subject to the separate confidential report later in this agenda, four of these lots are proposed to be sold to another local government authority, being Rous County Council, and the final lot is proposed to be sold to an immediate neighbour.

The lots not included in the proposed auction, and discussed in the separate report are Lots 17, 18, part 27 and 28, to Rous County Council and Lot 15 to the immediate neighbour.

Council has previously resolved to sell Lots 17, 18 and 28, as per the following recommendation from a Commercial Services Committee meeting held 15 November 2022. This recommendation was adopted as a resolution at the 24 November 2022 Ordinary meeting.

That based on the contents of this report Council authorises the General Manager to finalise negotiations for the sale of proposed Lots 17, 18 and 28 in the proposed subdivision of Lot 21 DP 1252162 at the Russellton Industrial Estate, Wollongbar at the price negotiated, execute all relevant contract for sale documents and attach the Council seal to same.

Sale contracts have been exchanged for Lots 17, 18 and 28.

RECOMMENDATIONS

1. That Council the authorises the sale of Lots 1 to 13, 14, 16 and 19 to 26 in the proposed plan of subdivision for Lot 21 DP 1252162, as per Attachment 2 to this report, at the Russellton Industrial Estate, by public auction and authorises the General Manager to set price reserves based on market conditions and the high level of demand for industrial land.
2. That Council authorises the General Manager to enter into open or general agency agreements with local real estate agents who wish to participate in the auction campaign.
3. That the agents' commission be set at 1.5% of the sale price.
4. The General Manager is authorised to execute all necessary sale documents and affix the Council seal to same.

Attachment(s)

1. Russellton Industrial Estate - Location Plan [⇨](#)
2. Russellton Industrial Estate - Plan of Proposed Subdivision [⇨](#)

5.7 Alstonville Cultural Centre - Update

5.7 Alstonville Cultural Centre - Update

Section Facilities Management

Objective To provide an update on the status of the Alstonville Cultural Centre upgrade and seek Council approval to call tenders for the project.

Background

The Alstonville Cultural Centre is located on Commercial Road, Alstonville and adjoins residential houses on the northern end and is surrounded by Alstonville Agricultural Society Incorporated land.

Council purchased the land in 1982.

Based on the overall poor state of the Alstonville Cultural Centre, in July 2020, Council resolved to endorse preferred design options for the upgrade of the building.

As part of the proposed redevelopment, consultation has been undertaken with the Alstonville Agricultural Society and the Richmond Tweed Regional Library, both of which are supportive.

In early 2022, as part of the design consultation process, the Alstonville Agricultural Society agreed to a minor boundary adjustment to enable Council to straighten the northern boundary.

This boundary adjustment, which was endorsed by Council at the 26 May 2022 Ordinary meeting, has enabled Council to increase the size of the library courtyard area.

Development consent for the project was obtained in 2022 - DA 2022/705.

The cost estimate in January 2024 for the redevelopment was \$16m, and Council applied for Federal Government grant funding under the Growing Regions Program – Round 1.

Council's application was unsuccessful.

Council reapplied to the Growing Regions Program – Round 2, in October 2024. The application is for \$7.927m, with the applications still being assessed.

This report provides Council with an update on the project and seeks approval to proceed to tender for construction of the redevelopment.

This report also provides an option to relocate the Alstonville Library, whilst the construction works are underway.

Key Issues

- Community benefits
- Funding and risk

5.7 Alstonville Cultural Centre - Update

Discussion

The redevelopment of the Alstonville Cultural Centre will bring the building up to a safe and contemporary standard and ensure that the library space can respond to the growing needs of the Wollongbar and Alstonville communities.

Following is an aerial view of the current building showing the proximity of the Agricultural Society sheds, adjoining houses and show ground:



The detailed design plans are included as Attachment 1 to this report.

A comparison of the existing building and new building is as follows:

Improved Accessibility

Currently individuals with accessibility requirements need to be driven down to the front door via a driveway.

The design of the redeveloped facility will provide improved accessibility to the community with off street access (as per the following image).

5.7 Alstonville Cultural Centre - Update



A lift and stairs will be installed to provide internal access from level one and the ground floor.

Library

The current library space is being demolished and replaced with a two-storey library facility.

The State Library conducted a compliance visit of Ballina Shire libraries in 2021.

The finding from this review identified that the Ballina and Alstonville libraries were significantly below the minimum recommended sizes for our population.

Based on the NSW Public Library Building Guidelines *People Places: a guide for planning public library buildings*, and known population catchments, the recommended size by the State Library for the Alstonville library is 888 m².

This is based on the population benchmark and identified population catchments.

The current redevelopment plans will result in an increase in the size of the library from 145m² to 756m² (360m² on Level 1 and 396m² on ground level).

This excludes common areas such as the foyer and the dedicated outside area for the library.

The expanded library space will have new accessible amenities, new staff room, dedicated children's areas, computer / study areas, and access to meeting rooms.

A lift is being installed to enable all patrons with accessibility support requirements to gain access from level one to the ground floor.

As a side note, the recommendation for the Ballina Library was 1,572 square metres, with the current library space being 876.

5.7 Alstonville Cultural Centre - Update

Sports Hall

The sports hall has historically been used for a range of sports including basketball, netball, and futsal. As part of the redevelopment designs it was identified that the current sports hall was not compliant with the current standard run off requirements.

To address this, the existing eastern wall (which is currently indented at two points) will be pushed out to enable the court to be centralized to meet current standards.

The current flooring is in good condition and will be resealed and remarked as part of the redevelopment process.

The existing toilet facilities are being replaced with a contemporary design that will also meet current accessibility standards.

There is currently no umpires room with the new designs incorporating this requirement.

To address the lack of storage, a new sports storage area is being constructed at the northern end of the sports hall.

Multipurpose Hall

The existing multipurpose hall has historically been used for a range of purposes including exhibitions, weddings, dancing, seminars, and events.

The multipurpose hall has parquet flooring, which is in good condition and will be retained and resurfaced in the redevelopment.

A permanent stage will be constructed in this space between the change rooms. The hall will be air conditioned to improve overall comfort and usage of this space.

General space

Currently there are two meeting rooms in the facility. This has been increased to four meeting rooms.

The general areas, including foyer, kitchen, meeting rooms, and multipurpose hall are not currently air conditioned. These areas of the building will have air conditioning installed.

The existing kitchen facility is being relocated and replaced with a new server kitchen at the front of the building.

The existing staff reception / office space will remain however has been redesigned to improve functionality.

Financial / Risk Considerations

The ACC is currently not operational, excluding the library space, due to the overall poor state of the balance of the building and to allow the redevelopment plans to be implemented.

5.7 Alstonville Cultural Centre - Update

In respect to funding, section 7.11 contributions can be applied to this project, as the Open Spaces and Community Facilities Developer Contributions Plan has \$10.8m included as the estimated value of this redevelopment, with 16% (\$1,728,000) able to be funded from developer contributions. That Plan also includes \$2,190,000 for expanded library facilities, 100% funded from developer contributions.

This potentially allows \$3,918,000 (\$1,728,000 and \$2,190,000) of the total cost to be funded from developer contributions, dependent on whether that amount of contributions has been collected and is held by Council, when the project is ready to proceed.

There is approximately \$4m in Open Spaces and Community Facilities Contributions currently held, with the annual amount collected ranging from \$1m to \$3m in recent years.

A portion of these funds are currently allocated to the Pop Denison Car Park, the Sharpes Beach Master Plan, and the Ballina Pump Track.

There may be a need to allocate additional developer contributions to the Sharpes Beach and Pump Track projects, dependent upon the scope and scale of works Council wishes to see implemented.

Grant funds remain an important funding source for the ACC redevelopment, and a successful application under the Federal Government's Growing Regions Program would help to significantly reduce any financial risk associated with the redevelopment.

After grants and developer contributions, the balance of the funding will need to be sourced from Council internal reserves, loan funding and land sales.

Council's Long Term Financial Plan currently has this project funded as follows:

Description	2024/25	2025/26
Capital Expenditure	1,500,000	14,500,000
Funding Sources		
Section 7.11 Developer Contributions	700,000	3,700,000
Council Community Infrastructure Reserve	800,000	7,800,000
Council Loan Funds	0	3,000,000
Total	1,500,000	14,500,000

This excludes any grant funds and if the Growing Regions application is successful the use of the Council reserve and loan funds can be reduced and / or deleted.

The use of Community Infrastructure Reserve funds, especially in 2025/26, assumes that Council generates potentially \$12.7m in land sales in 2024/25 from land sales at Southern Cross – Boeing Avenue (\$4.2m), Russellton Industrial Estate (\$4.5m) and Wollongbar Urban Expansion Area (\$4m).

The profits generated from Council's property development activities operate by firstly paying off debt and expenses related to the land development activities, and then a transfer or dividend is paid to the Community Infrastructure Reserve to help finance the provision of community infrastructure.

5.7 Alstonville Cultural Centre - Update

Council's Property Development Reserve and Community Infrastructure Reserve had a combined balance of \$1.4m as at 30 June 2024, and the \$12.7m in sales is needed to help replenish those reserves and repay approximately \$5.8m in loan debt associated with recent property developments.

This highlights that the current funding strategy for the ACC has significant financial risk, as there is no certainty that the sales will proceed as per the LTFP forecasts.

The actual land sale forecasts currently in the LTFP for Council's property development activities are as follows.

Description	2024/25	2025/26	2026/27	2027/28
Southern Cross Industrial Estate	4,200,000	4,200,000		
Russellton Industrial Estate	4,500,000	4,500,000	4,500,000	4,500,000
Wollongbar Urban Expansion	4,000,000	4,000,000	3,000,000	
Total	12,700,000	12,700,000	7,500,000	4,500,000

These figures are yet to be updated based on the latest available sales forecasts, and that update can occur as part of the December 2024 Quarterly Financial Review.

The key point is that Council needs to be careful in calling tenders for the ACC redevelopment, as there is potentially \$7.8m in the current funding strategy, which has not yet been realised from land sales.

There is also a risk that Council may need to consider the Section 7.11 Developer Contributions figure allocated in 2025/26 of \$3.7m, potentially being reallocated, in part, to other high priority projects, such as the Sharpes Beach Master Plan or the Ballina Pump Track.

Alstonville Library - Temporary Leasing Options

To enable the renovation works to commence, the Alstonville Library requires relocation so that it can continue to operate.

Council staff have explored leasing options to accommodate the Alstonville Library across the plateau, with options ranging from \$104,000 per annum, to \$30,000 per annum.

The most cost-effective option is Suite 1, 11 Bugden Avenue, Alstonville offered at \$28,525 + GST per annum, plus outgoings of \$4,115 + GST.

Representatives from the Richmond Tweed Regional Library (RTRL) inspected Suite 1, 11 Bugden Avenue and confirmed it is well-suited to the temporary needs of the Alstonville Library.

The layout provides flexible furniture placement options and includes dedicated areas for children's activities that do not require frequent rearrangement. Additional offsite storage within the RTRL network will accommodate books exceeding the suite's capacity.

Given the scarcity of suitable properties, this temporary relocation addresses an immediate need to ensure continued library service during the ACC upgrade.

5.7 Alstonville Cultural Centre - Update

Council will need to budget for this lease over a potential two-year period, depending on when construction starts and the overall construction timeframe.

Council has submitted a proposal to the property agent, seeking in-principle support, contingent upon Council's resolution to confirm the lease.

It is proposed to fund the rental expenditure from internal reserves and a review of operating expense budgets to identify short term savings to offset this increased expenditure.

Options

In respect to the ACC redevelopment, Council can proceed to tender now or defer tendering until there is greater certainty over the funding sources, such as grant funds and land sales.

The tender documentation is ready to commence advertising and if a tender process is commenced it is likely a report would be submitted to the March 2025 Ordinary meeting to accept a preferred contractor.

This would then allow works to commence around May / June 2025.

Alternatively, Council could defer tendering for a period of around six months to allow time for the grant outcome to be known, along with allowing auctions for the land sales to be completed.

The preference is to proceed to tender as:

- The centre is currently closed, excluding the library, resulting in a loss of service to the Alstonville / Wollongbar community, meaning there is a need to move forward with this project
- Further delays potentially result in continuing increases in construction costs
- The tender process will take around three to four months to complete and when the tender is reported to Council, the report will provide an opportunity for Council to be updated on the funding strategy, with the option also being available not to accept any tenders, if the funding risk is too great.
- Confirmed tender prices will allow the cost estimate in the Open Spaces and Community Facilities Developer Contributions Plan to be updated, which then allows a greater percentage of the project to be funded from developer contributions.

It is also recommended that Council approve the lease of the Bugden Avenue premises, as this property will be required for the temporary relocation of the Alstonville Library, while the redevelopment takes place.

RECOMMENDATIONS

1. That based on the contents of this report, Council authorises the General Manager to proceed to call tenders for the redevelopment of Alstonville Cultural Centre.
2. That Council notes the current funding strategy for this the Alstonville Cultural Centre redevelopment carries a high level of risk, due to unrealised land sale proceeds, with the funding strategy to be reviewed as part of the report back to Council on the outcomes of the tender process.
3. That Council authorises the General Manager to enter into a lease agreement for Suite 1, 11 Bugden Ave, Alstonville, for at least a two-year period, for the purposes of temporarily housing the Alstonville Library.

Attachment(s)

1. Alstonville Cultural Centre - Architectural Plans [⇒](#)

5.8 Council Works Depot Land - Licence Agreement - Amplitel Pty Ltd

5.8 Council Works Depot Land - Licence Agreement - Amplitel Pty Ltd

Section Commercial Services

Objective To provide an overview of an application for a licence agreement with Amplitel for telecommunications infrastructure at Council's Works Depot, 81-95 Southern Cross Drive, Ballina

Background

Council has been approached by Amplitel Pty Ltd (Telstra) seeking a parcel of land to install telecommunications infrastructure within the Southern Cross Industrial Estate.

Amplitel has advised Telstra mobile services in the North Ballina area (including the Airport) are inadequate and are investigating sites to suit a mobile base station facility.

Amplitel has been seeking a site for more than three years, reviewing over thirty locations and have identified land on Council's depot as suitable.

This report details the proposal.

Key Issues

- Licensing of Council operational land
- Licence terms and conditions

Discussion

Council staff have been in lengthy negotiations with Amplitel Pty Ltd to licence a portion of land within the Council depot site that could accommodate a mobile base station facility (refer to Attachment 1).

Amplitel is seeking a 100m² site that will be fenced and secured with driveway access from Southern Cross Drive, Ballina.

This proposal does not compromise future planning for the depot.

Amplitel may need to seek further approvals for these works, should Council approve a licence agreement.

A confidential report in this meeting agenda includes a recommendation for Council to provide landowner's consent for any applications that may be required for this proposal, as well as the commercial details.

Community Engagement Strategy

Amplitel has advised they may be required to undertake community consultation as part of any further approval from third parties.

5.8 Council Works Depot Land - Licence Agreement - Amplitel Pty Ltd

Before reporting this matter to Council, consultation has taken place with Council staff, where information relating to the proposed mobile tower was issued to all staff in October 2024.

Amplitel representatives were also invited to meet with Council staff in person, and this meeting occurred on Thursday 24 October 2024.

Eleven staff attended the meeting, with questions relating to the height of the infrastructure, electromagnetic energy and radiation, the site selection process, maintenance arrangements and wildlife impacts.

Financial / Risk Considerations

Financial information is included in the confidential report later in this agenda.

There are risk considerations relating to community perception of the proposed mobile tower.

Given the infrastructure is proposed to be within a Council work site, consultation has occurred with subject matter experts and staff to provide information and limit the potential for misinformation.

Options

This report provides an overview of the licence negotiations for noting, with the confidential report later in this agenda providing the commercial details.

RECOMMENDATION

That Council notes the contents of this report regarding the licence agreement with Amplitel Pty Ltd for Part Lot 67 DP 1022473, 81-95 Southern Cross Drive Ballina, being the Council Works Depot land.

Attachment(s)

1. Amplitel - Locality Plan - Southern Cross Drive Ballina [⇒](#)

5.9 Ballina Surf Club Meeting Rooms - Sublease Proposal

5.9 Ballina Surf Club Meeting Rooms - Sublease Proposal

Section Commercial Services

Objective To provide an overview of a proposal to sublease the three meeting rooms at the Ballina Surf Club.

Background

Far East Company Pty Ltd (FEC) hold the sublease for the Ballina Surf Club Restaurant and Kiosk, known as Capiche.

FEC purchased the business in 2021 and have invested significantly in the fit out of the restaurant. FEC also have other restaurants within their portfolio.

FEC has approached Council with a proposal to sublease the three meeting rooms at the Ballina Surf Club for corporate events, including wedding receptions.

The three rooms are currently operated by Ballina Shire Council's Community Facilities team, who arrange the hire, set up and cleaning.

Key Issues

- Commercial viability of community facilities
- Commercial use of community facilities

Discussion

FEC has a sublease for the upstairs restaurant of the Ballina Surf Club, known as Capiche and the kiosk on the ground floor.

The sublease expired on 24 October 2024, however FEC exercised the option to extend the sublease for a further term for five years, with an option for a further term of three years, seven months and 28 days.

The reason for the unusual term is that Council's headlease with Crown Lands, over the whole Surf Club site, expires on 22 June 2033 and as such, Council cannot offer subleases that extend beyond this date.

When FEC took over the sublease they invested funds into upgrading the restaurant.

FEC has approached Council with a proposal to sublease the three meeting rooms at the Ballina Surf Club. The three meeting rooms are known as:

- Room 1 – Jullum
- Room 2 – Gawandi
- Room 3 – Dirrawong

A layout of the first floor of the Ballina Surf Club is included as Attachment 1.

5.9 Ballina Surf Club Meeting Rooms - Sublease Proposal

FEC's proposal includes fit out works to update Rooms 1 and 2 (Jullum and Gawandi Rooms) to make them more appealing and contemporary for functions and corporate events.

Apart from the recent replacement of a large dividing wall, there has been no major upgrades to any of the three rooms since the building was complete, over ten years ago, aside from general maintenance.

The sublease proposal means that FEC will be taking over the management of the three rooms (Dirrawong, Jullum and Gawandi Rooms).

FEC propose to restructure the fees for Rooms 1 and 2, whilst the hire fee structure for Room 3 will remain unchanged (as per Council's adopted fees and charges 2024/25). FEC will set the fees for Rooms 1 and 2 on an ongoing basis, whereas Room 3 will continue to be set by Council.

Financial / Risk Considerations

Recent and forecast figures in the Long-Term Financial Plan for the Ballina Surf Club are as follows:

Item	2021/22	2022/23	2023/24	2024/25
Operating Revenues				
Café / Kiosk Lease	69,800	71,500	85,700	80,000
Café / Kiosk Outgoings	3,700	6,500	8,300	6,000
Room Hire	38,100	160,700	60,900	62,000
Sub Total	111,600	238,700	154,900	148,000
Operating Expenses	124,400	118,700	143,600	159,000
Net Cash Result	(12,800)	120,000	11,300	(11,000)

Room hire income for the year to date is approximately \$22,000, which is tracking close to budget.

Room hire income is distorted in 2022/23, as the rooms were permanently rented by the State Government, for a large part of the year, due to the provision of flood recovery services to the community.

The operating expenses for 2024/25 only include direct expenses for the building, such as rates, insurance, Crown Land rental, electricity, and cleaning consumables. Staff time for cleaning and management of the building are allocated to a separate cost centre, for all the community facilities.

Options

This report is for noting and to ensure that the community is informed that Council is considering a commercial lease of the meeting rooms.

If Council did not wish to proceed with a commercial lease, the current recommendation could be changed to confirm that is the position of Council.

5.9 Ballina Surf Club Meeting Rooms - Sublease Proposal

RECOMMENDATION

That Council notes the contents of this report in respect to the potential for a commercial sublease of the three meeting rooms at the Ballina Surf Club.

Attachment(s)

1. Ballina Surf Club - First Floor Layout Plan [⇒](#)

5.10 Ballina Byron Gateway Airport - Long Term Financial Plan

5.10 Ballina Byron Gateway Airport - Long Term Financial Plan

Section Commercial Services

Objective To provide the latest review of the Long Term Financial Plan for the Ballina Byron Gateway Airport.

Background

The last update of the Ballina - Byron Gateway Airport (BBGA) Long Term Financial Plan (LTFP) was reported to the April 2024 Finance and Facilities Committee meeting.

This followed the adoption of a BBGA Land Use Plan, at the 20 April 2023 Commercial Services Committee meeting (adopted at the 27 April 2023 Ordinary meeting), with that plan identifying the major infrastructure projects deemed essential for the BBGA for the 20-year period to 2042.

The adopted Land Use Plan provides a guide for future planning and development of the BBGA.

The report on the BBGA LTFP to the 1 August 2023 Commercial Services Committee meeting, highlighted that net operating revenues needed to increase by around 28% to improve the financial sustainability of the business.

Without that increase there were concerns that future capital investment was too reliant on State and Federal Government grants.

The key to this increase of 28%, is income from the two jet airline services, Jetstar and Virgin, which represent approximately 40% of total operating revenues.

Negotiations are underway with the airlines to increase the fees paid to Council.

This is always a complex and lengthy process, with Council having to provide a business plan to the airlines outlining how the revenues will be invested back into the business, with the airlines only wanting their revenue to fund works directly related to the jet services, such as the runway, apron, parking bays and baggage and check-in related facilities.

Currently it is uncertain as to what level of increase in revenues Council will be able to secure, with negotiations likely to continue for a few more months.

This review of the LTFP is based on current forecasts for operating revenues and expenses, along with an update to the capital works program.

A copy of the updated LTFP is included as Attachments 1 and 2 to this report, with the information that follows providing a summary of the key points arising from this review of the LTFP.

Key Issues

- Financial sustainability
- Capital expenditure

5.10 Ballina Byron Gateway Airport - Long Term Financial Plan

Discussion

This latest review of the ten-year forecast Operating Revenues and Expenses, and the Operating Result, for the BBGA is included as pages 1 and 2 of Attachment 1 to this report.

The columns in that attachment, are as follows:

- Actual results from 2002/03 to 2023/24 are provided to highlight overall trends in revenues and expenses for the period (with some previous year's hidden to ensure that the attachment can fit on one page).
- Estimates are provided for 2024/25 to 2033/34, along with the actual results to 31 October 2024 for 2024/25 (33% of the current financial year)

Recent results and forecasts for the four-year life of the 2024/25 to 2027/28 Delivery Program and Operational Plan are summarised in the following table, based on the figures in Attachment 1.

Table 1 - BBGA – Actual and Estimated Operating Results (\$'000)

Item	Actual 2021/22	Actual 2022/23	Actual 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27	Estimate 2027/28
Operating Revs	7,546	9,253	9,387	10,520	10,790	11,867	12,171
Operating Exps	5,890	7,434	8,549	8,061	8,180	8,364	8,553
Operating Result	1,656	2,019	837	2,459	2,610	3,503	3,618
Add Back Deprec	1,087	1,178	1,689	1,297	1,338	1,381	1,425
Cash Result	2,743	3,269	2,526	3,756	3,948	4,884	5,043
Passenger#	528,000	632,000	621,000	642,000	646,000	651,000	661,000

Points of note in this table and the attachment are:

- Passenger charges income is based on a 16% increase for 2024/25, with negotiations underway with the major carriers (Jetstar and Virgin). Negotiations are dragging on and there is a risk that the forecast income might not be achieved.
- Passenger numbers are based on marginal increases in future years, as numbers are plateauing at around the 630,000 to 650,000.

Passenger numbers can vary substantially when a major jet carrier adds a daily flight (can potentially add 50,000 to the annual numbers). The preference is to forecast conservatively, as the BBGA has no control over a jet carrier adding additional flights.

- Car parking income is forecast to grow to \$1.9m in 2024/25. Based on figures to 31 October 2024, this should be achieved.
- There is another substantial increase in car parking income in 2026/27, based on the assumption that the expanded car park will be completed and operational by the end of 2025/26.
- Car Rental Franchise income is forecast to grow 18% in 2024/25, following the finalisation of new agreements.

5.10 Ballina Byron Gateway Airport - Long Term Financial Plan

- Forecast operating expenses are relatively consistent from year to year.
- The forecast operating result for 2024/25 is for a \$2.459m surplus, inclusive of depreciation, which represents a 53% increase on the actual result for 2023/24.

The forecast cash operating surplus (i.e. depreciation eliminated) for 2024/25 is \$3.756m, with the surplus funds reinvested back into the business for loan principal repayments and capital works.

- Earnings before interest, tax, depreciation, and amortization (EBITDA) for 2024/25 is \$4.529m.

EBITDA is important as this figure is often used to determine a business's financial health and ability to generate cash.

In summary the overall operating result remains financially sound, although it needs to be, as all the surplus funds generated, finance the high level of capital expenditure required for the BBGA, along with associated loan repayments, as per the Capital Movements section of this report, which is included as Attachment 2.

Capital Movements (Attachment 2)

Attachment 2 provides the capital movements, which includes the capital expenditure, capital funding sources, Airport Reserve balances, and loan repayments.

The current LTFP includes total capital works of \$1.95m for finalisation of the runway overlay (\$250,000), air-conditioning and checked baggage screening improvements (\$1.2m) and car park expansion preliminaries (\$500,000).

There have been adjustments to this program, as per Attachment 2, with \$50,000 now provided for electrical works related to the Controlled Airspace implementation, \$150,000 for preliminaries to progress the Terminal Expansion project, and \$200,000 for Hangar Site preparation.

The total capital works remain at \$1.95m, as the available funds are redistributed across these projects.

There are numerous capital works that ideally should be brought forward, such as the terminal expansion, bay 1, 3 and 4 upgrades, bay 5 construction, terminal second lane etc, however unless grant funds are secured, there is insufficient funding available to advance those works.

Council continues to apply for grants as opportunities arise and whenever a grant is secured, the overall timing of the forecast works can be reviewed to bring projects forward, where possible.

The final two tables in Attachment 2, are the Airport Reserve Balance movements and the movement in loan repayments and loan debt.

The Airport Reserve closing balance figures highlight that there is little in the way of revenue available to finance additional capital expenditure, which is why grant funding is needed to bring projects forward.

5.10 Ballina Byron Gateway Airport - Long Term Financial Plan

In respect to the revised capital expenditure for 2024/25 the priority projects are:

- Runway – Strengthening – Finalisation of this project.
- Car Park – Eastern Expansion (2024/25 and 2025/26) – This project is a high priority to generate additional revenue for the BBGA.
- Hangar Site Preparation (Lot 1 and Lot 5) – This project will provide an additional hangar in the General Aviation (GA) Precinct. Council receives requests from operators seeking additional space in the GA Precinct, and this site will enable a further recurrent revenue opportunity. Quotes for the works have been obtained, which can be accommodated in the revised 2024/25 capital budget.
- Controlled Airspace – Even though this project is funded by the Federal Government, there is likely to be some works that Council needs to undertake to ensure utility services are connected to the new facility.
- Terminal - Air-conditioning - End of life replacement of three existing air-conditioning package units and associated plant deck, both of which are over 15 years of age and beyond the recommended 10 to 12 years.

The air-conditioning package units and plant deck are in poor condition with significant corrosion and at risk of failure.

- Terminal – Checked Baggage Screening - End of life replacement of the existing Checked Baggage Screening Multiview X-Ray machine.

The budget allows for an upgrade from Multiview technology to Computed Tomography (CT) technology, should a Federal Government direction be received.

- Terminal Expansion – The terminal expansion remains a priority and this funding provides for preliminary works in respect to designs, approvals etc. This also assists with Council being ready to apply for grants.

Financial / Risk Considerations

The BBGA carries a reasonable level of financial risk, particularly when there is a large loan repayment program and major components of the income come from a limited number of jet airlines.

Asset renewal and expansion is also a major financial risk, as Council needs to ensure that critical infrastructure remains in a good operating condition.

Options

The primary purpose of this report is to provide an update on the BBGA LTFP and to identify the proposed changes to the capital expenditure program for 2024/25, along with noting the works planned for future years.

The BBGA remains an important economic driver for the region and a profitable business for Council, albeit that all profits are reinvested back into the BBGA,

5.10 Ballina Byron Gateway Airport - Long Term Financial Plan

as Council continues to upgrade the infrastructure following a period of rapid growth.

The recommendation is to approve the updated changes to the capital expenditure program for the BBGA, as per Attachment 2 to this report.

In approving these changes, it is important to also acknowledge that projects such as the bay 1, 3 and 4 upgrades, as well as the new bay 5, along with the terminal expansion and second screening lane, are all essential projects that needs to be brought forward, however the BBGA is not generating sufficient funding to allow this to occur.

Therefore, grant opportunities will continue to be pursued, along with increases in the jet airline charges, to improve the overall financial sustainability of the BBGA.

RECOMMENDATION

That Council approves the changes to the capital expenditure program, in the Long-Term Financial Plan for the Ballina Byron Gateway Airport, as per Attachment 2 to this report.

Attachment(s)

1. Ballina Byron Gateway Airport - Operating Revenues and Operating Expenses - Forecasts and Actual [⇒](#)
2. Ballina Byron Gateway Airport - Capital Movements [⇒](#)

5.11 Ballina Byron Gateway Airport - Transfer Concession Desk Leasing

5.11 Ballina Byron Gateway Airport - Transfer Concession Desk Leasing

Section Commercial Services

Objective To provide an overview of the process conducted to grant new leases for the airport transfer concession desks at the Ballina Byron Gateway Airport.

Background

Council has two airport transfer operators leasing concession desks within the Ballina Byron Gateway Airport (BBGA) arrivals hall of the terminal building.

The two operators being Tweed Byron Transit Pty Ltd (T/A Byron Easy Bus) and Luenna Pty Ltd (T/A Byron Bay Coastal Transfers) that offer shuttle bus services and private transfers.

Both tenants are currently on month-to-month tenancies.

An expression of interest (EOI) process was undertaken seeking parties to lease three concession desks for airport transfer operators offering lease terms of five years.

A similar process was conducted earlier this year to lease desks to car rental operators.

This report provides an overview of the EOI process and seeks approval to grant new leases.

More detailed information is contained in a confidential report included in this agenda.

Key Issues

- Rentals
- Lease terms and conditions
- Transparency and accountability

Discussion

BBGA has nine concession desks within the arrivals hall of the terminal building. An EOI process was conducted earlier this year to lease six of the nine concession desks to car rental companies.

Attachment 1 contains a layout plan of the terminal building arrivals hall noting the available desks (labelled 6, 7 and 8).

The EOI process seeking airport transfer operators, to lease the three remaining concession desks, closed on 24 September 2024, with two responses received, from the incumbent operators, Byron Easy Bus and Byron Bay Coastal Transfers.

5.11 Ballina Byron Gateway Airport - Transfer Concession Desk Leasing

Council then invited the two respondents to participate in direct negotiations.

The outcome of this process is contained in a confidential report later in this agenda.

Financial / Risk Considerations

The financial terms negotiated with the interested parties are contained in the confidential report later in this agenda.

Options

This report provides an overview of the EOI process and negotiations for noting, with the confidential report providing the commercial details.

RECOMMENDATION

That Council notes the contents of this report regarding the process conducted to allocate the lease concession desks for airport transfer operators at the Ballina Byron Gateway Airport.

Attachment(s)

1. Ballina Byron Gateway Airport - Terminal Layout Plan [↗](#)

6. Confidential Session

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

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

A brief summary of each of the reports recommended for consideration in confidential session, each report contains information relating to due to ongoing commercial negotiations and the release of any information could prejudice those negotiations.

RECOMMENDATION

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

6.1 Wollongbar Land Sale - Childcare Lot

Reason for Confidentiality

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

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

and in accordance with 10D(2)(c), on balance, the discussion of the matter in an open meeting is not considered to be in the public interest as it may compromise negotiations.

6.2 Russellton Industrial Estate Land Subdivision - Sales

Reason for Confidentiality

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

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

and in accordance with 10D(2)(c), on balance, the discussion of the matter in an open meeting is not considered to be in the public interest if details pertaining to the proposed land sales were to be disclosed.

6.3 Council Works Depot - Licence Agreement - Commercial Terms

Reason for Confidentiality

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

- c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business

and in accordance with 10D(2)(c), on balance, the discussion of the matter in an open meeting is not considered to be in the public interest due to ongoing

6. Confidential Session

commercial negotiations and the release of any information could prejudice those negotiations.

6.4 **Ballina Surf Club Meeting Rooms - Sublease Proposal**

Reason for Confidentiality

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

- c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business

and in accordance with 10D(2)(c), on balance, the discussion of the matter in an open meeting is not considered to be in the public interest as it may compromise negotiations.

6.5 **Ballina Byron Gateway Airport - Transfer Concession Desk Leasing**

Reason for Confidentiality

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

- c) information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business

and in accordance with 10D(2)(c), on balance, the discussion of the matter in an open meeting is not considered to be in the public interest due to the ongoing commercial negotiations and the release of any information could prejudice those negotiations.