



Proposed Special Rate Variation



Tonight

- Proposal Overview
- Background and Objectives
- Impact on Ratepayers
- Process and Feedback
- Questions



Proposal Overview (%)

Item	2017/18	2018/19	2019/20
State Government Rate Pegging Limit	1.50	2.50	2.50
Healthy Waterways	1.50	0.00	0.00
Asset Renewal and Fit for the Future	1.90	3.40	3.40
Total Percentage	4.90	5.90	5.90

- Permanent income increase
- Applies to Ordinary Rates – excludes Waste, Water, Wastewater, Stormwater charges



Background – Healthy Waterways

- Richmond River – Echohealth report (UNE) – D minus
- Richmond River – Blackwater Events, Fish Kills
- State of the Beaches Report (Beachwatch) (OEH)
- Priority from Community Surveys
- Councillor Feedback from the Election
- Importance of Waterways to the Ballina Shire

IPC1	ED1	SB1	RR14	RR13	RR12	RR11	RR10	RR9	RR8	RR7	RR6	RR5	RR4	RR3	RR2	RR1	RMC1	NC5	NC4	NC3	NC2	NC1	CHC1
C-	D-	C-	C-	D-	D-	C-	D+	F	F	F	F	D-	D	D	D+	C	D-	D-	C-	C-	C	D+	D+
C	D+	C-	D	F	F	C+	C-	F	F	F	F	F	F	F	D	C-	F	D-	C-	C-	C-	C-	F
D	D-	C+	D+	C-	D	C	B-	C-	F	F	C+	C	C+	C+	C+	C+	C+	C	B-	B-	B-	C+	D
C	F	D+	B-	F	F	D+	D-	C-	F	D+	C+	C	C+	C+	C+	C+	C+	C	B-	B-	B-	C+	B-



Overall Subcatchment Ecohealth Grade



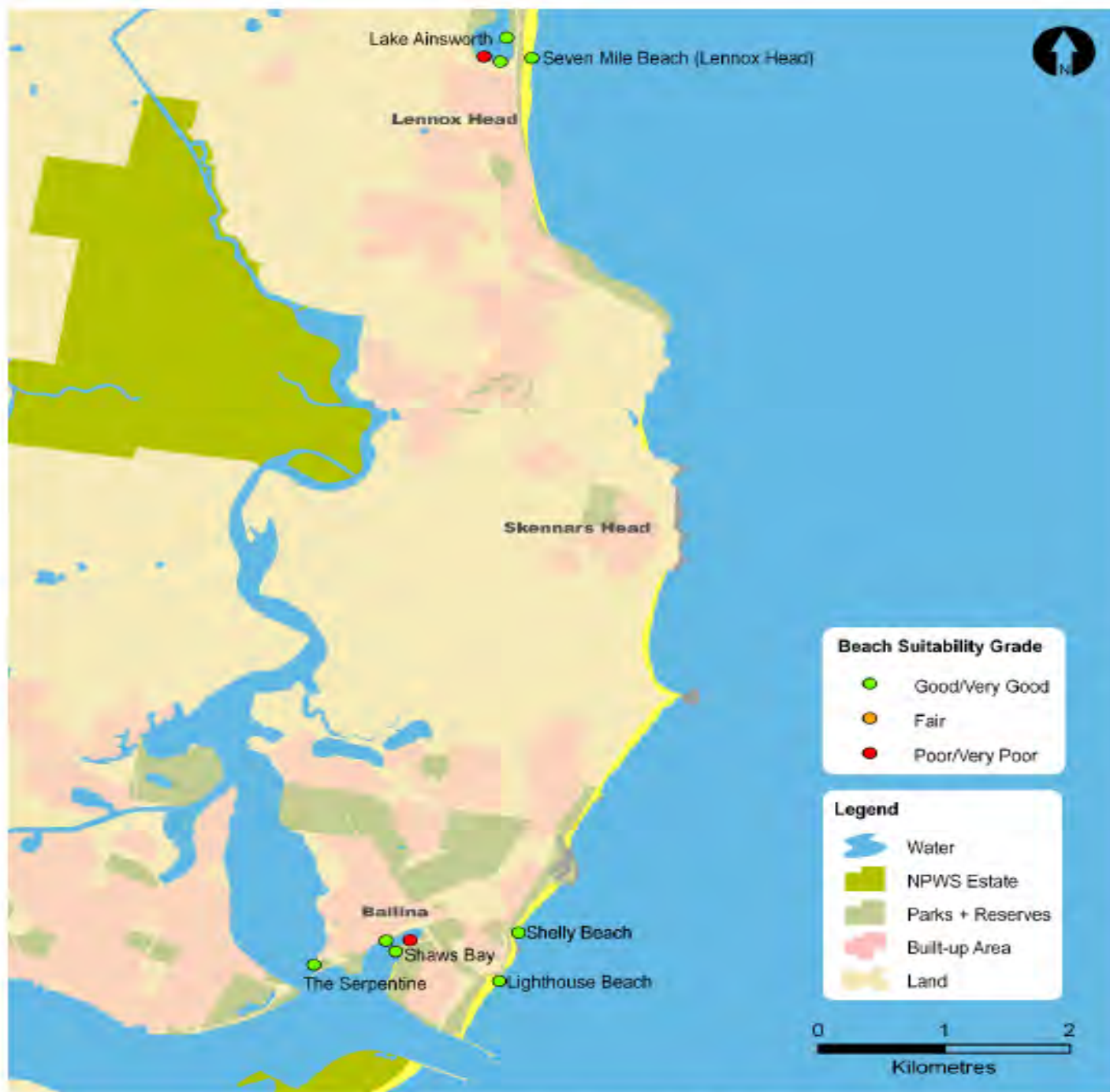
Richmond Catchment





Blackwater and Fish Kills





Sampling sites and Beach Suitability Grades in Ballina Shire Council



Community Survey – Importance Scores

#	Service	Score
1	Roads	4.73
2	Beaches and foreshores	4.67
3	General garbage collection	4.67
4	Overall health of the Richmond River	4.65
5	Water supply	4.60
6	Recycling options	4.57
7	Long term planning	4.53
8	Crime prevention and law and order initiatives	4.52
9	Ballina Byron Gateway Airport	4.52
10	Coastline management	4.50



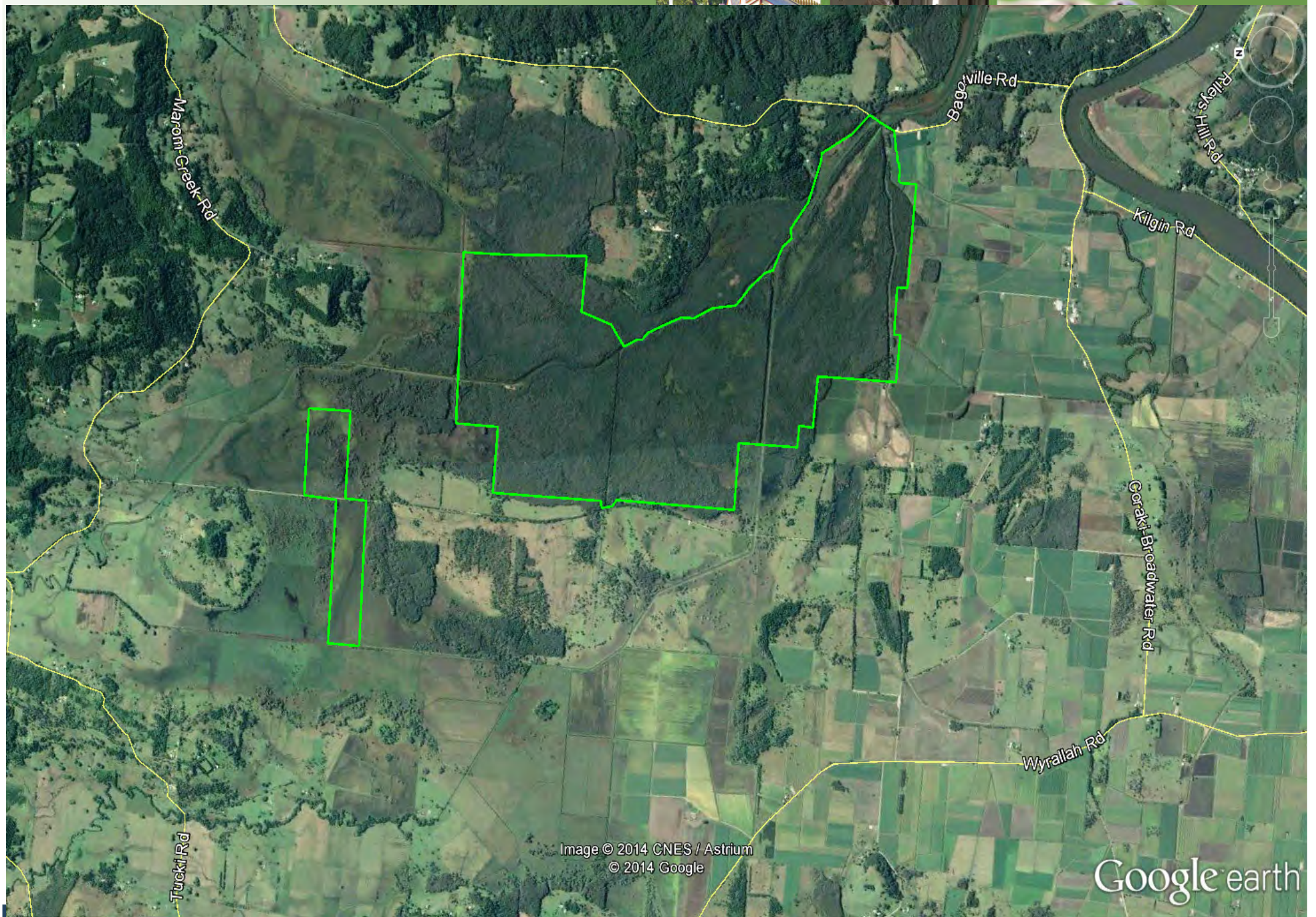
Community Survey – Performance Gap

#	Service	Importance Mean	Satisfaction Mean	Performance Gap
1	Overall health of the Richmond River	4.65	3.23	1.42
2	Roads	4.73	3.42	1.31
3	Long term planning	4.53	3.27	1.26
4	Affordable housing	4.00	2.80	1.20
5	Management of development	4.19	3.16	1.03
6	Crime prevention and law and order	4.52	3.56	0.96
7	Parking	4.37	3.41	0.96
8	Participation in Council decision making	4.01	3.07	0.94



Works Program – Healthy Waterways

- Richmond River Estuary – Coastal Zone Management Plan – 10 year works plan (\$16.5m) - focus on rehabilitating riparian areas – particularly the Tuckean
- Shaws Bay – Coastal Zone Management Plan – 10 year works plan (\$1.6m) – dredging, infrastructure works, stormwater
- Lake Ainsworth – Management Plan – focus on water quality and invasive plants, high nutrient levels
- Coastal Zone Management Plan



Google earth



Healthy Waterways - Benefits

- Improve water quality – possibly allow re-establishment of a commercial oyster industry
- Reverse the decline of fish stocks
- Reduce risk of blackwater events – will not eliminate them
- Enhanced economic and tourism opportunities
- Improved recreational opportunities
- Opportunities to leverage grants



Background – Asset Renewal

- State Government's Fit for the Future Program
- All NSW councils required to meet a range of financial criteria
- Objective is to ensure that councils are of sufficient scale and capacity to deliver a reasonable level of services and that councils are financially sustainable
- Councils had to submit a Fit for the Future Improvement Plan
- Ballina Shire Council deemed Fit for the Future based on that Plan



Fit for the Future - Indicators

Infrastructure and service management

Measure/ benchmark	2013 / 2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
Infrastructure Backlog Ratio (Less than 2%)	0.27%	Yes	0.26%	Yes
Asset Maintenance Ratio (Greater than 100% average over 3 years)	103.0%	Yes	102.7%	Yes
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	8.1%	Yes	11.0%	Yes



Fit for the Future - Indicators

Efficiency

Measure/ benchmark	2013 / 2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	1.08	No	0.96	Yes



Fit for the Future - Indicators

Sustainability				
Measure/ benchmark	2013 / 2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	-12.5%	No	-8.4%	No
Own Source Revenue Ratio (Greater than 60% average over 3 years)	56.7%	No	76.2%	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	77.5%	No	115.1%	Yes



Fit for the Future – Improvement Plan

4.1 Expected improvement in performance

Measure/ benchmark	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Achieves FFTF benchmark?
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	-12.7	-13.7	-8.4	-3.8	-1.4	0.1	Yes
Own Source Revenue Ratio (Greater than 60% average over 3 years)	62.4	73.0	76.2	76.6	78.9	79.5	Yes
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	92.2	102.1	112.3	106.8	101.0	102.4	Yes
Infrastructure Backlog Ratio (Greater than 2%)	0.27	0.26	0.26	0.26	0.26	0.25	Yes
Asset Maintenance Ratio (Greater than 100% average over 3 years)	103.4	97.9	100.7	101.0	101.6	102.1	Yes
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	9.4	11.0	11.0	10.5	9.3	8.2	Yes
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	1.10	1.01	0.96	0.95	0.93	0.92	Yes





Infrastructure Asset Renewal

Asset Class	Depreciation Expense	Council Recurrent Funding	Recurrent Grants Average	Total Funding	Variance (Shortfall)
Stormwater	1,457,000	438,000	0	438,000	(1,019,000)
Roads and Bridges	5,854,000	3,500,000	1,500,000	5,000,000	(854,000)
Ancillary Transport	579,000	550,000	0	550,000	(29,000)
Buildings, Open Spaces	1,829,000	600,000	0	600,000	(1,229,000)
Total	9,719,000	5,088,000	1,500,000	6,588,000	(3,131,000)

- Components of this revenue are applied to new infrastructure
- Additional revenue to be generated for asset renewal – approximately \$2.3m by 2019/20



Works Program – Asset Renewal

Description	2016/17 (\$)	2017/18 (\$)	2018/19 (\$)	2019/20 (\$)
Stormwater	438,000	456,000	474,000	493,000
Asset Data Collection	60,000	61,000	62,000	63,000
Urban Stormwater Management Plan	21,000	22,000	23,000	24,000
Tanamera Drive, Alstonville	41,000	42,000	43,000	44,000
Grant Street, Ballina	36,000	80,000		
Martin Street (River Street to Richmond River)		61,000	24,000	
Megan Crescent / Dodge Lane, Lennox Head	50,000			
Coogee Street Pumping Station	80,000	37,000		
Kerr Street, Ballina	70,000	80,000		
Moon Street, Ballina (Tamar Street to Holden Lane)			80,000	
Henry Philp Avenue, Ballina			32,000	18,000
Williams Reserve, Lennox Head			40,000	
Compton Drive, Ballina			85,000	
Kingsford Smith Drive, Ballina				90,000
River Street, Ballina				45,000
Burns Point Ferry Road Tide Gates	50,000			
Tide Gates to Urban Streets		21,000	52,000	53,000
Skinner Street, Ballina Tide Gates		30,000		
Rutherford Street and Tressie Place, Lennox Head	10,000		10,000	132,000
Urban Lanes	20,000	22,000	23,000	24,000



Works Program – Asset Renewal

Description	2016/17 (\$)	2017/18 (\$)	2018/19 (\$)	2019/20 (\$)
Skennars Head Road	367,000			
Skinner Street (Part), Ballina	172,000			
Friday Hut Road	392,000			
Fawcett Lane, Ballina	74,100			
Sunnybank Drive, Ballina	313,000			
River Drive	468,000			461,000
Kays Lane (Part), Alstonville		378,000		
Crane Street, Ballina		240,000		
Fernleigh Road		370,000	628,000	
Henry Philp Avenue, Ballina		139,000		
Riverbank Road	310,000			
Broadwater Place, Ballina		130,000		
Northumberland Drive, Ballina		277,000		
Teven Road	233,000	476,000		
Johnson Drive, Ballina		204,000		
Hermans Lane		250,000	250,000	
Tamar Street, Ballina (Segment)		191,100	166,000	
Tamar Street, Ballina (Segment)		158,000		
Chickiba Drive, Ballina		187,000		
Winton Lane, Ballina		80,000		
Raglan Street, Wardell		89,000		



Asset Renewal - Benefits

- Asset renewed in a more timely manner
- Increased resealing and heavy patching - \$1.1m current - \$1.8m required
- Less reduction in service levels from deteriorating assets
- Reduced maintenance expenditure – 15% to 20% per annum
- Increased opportunity for Council to enhance existing assets
- Compliance with Fit for the Future Program indicators



What is Council doing to reduce costs?

- Service level reviews – For example - two coat bitumen and asphaltic concrete – saving of \$430,000 pa
- Limited discretionary services
- Technology and online services
- Staff per capita – Ballina - one employee per 152 residents
(Byron 130, Lismore 107, Richmond 94, Tweed 135 - 2014/15 OLG comparative report)
- Governance and Administration expenses – 5.5% (2014/15 OLG)
- Removal of the waste operations charge
- Minimise increases in other Council charges
- Level of rate income compared to similar councils



2016/17 Rate Yield Comparison

Indicators	Ballina	Byron	Coffs	Lismore	Richmond	Tweed
Average residential rate (\$)	943	1,136	1,172	1,207	889	1,348
Average business rate (\$)	3,160	2,644	4,090	4,740	2,514	2,976
Average farmland rate (\$)	1,448	1,606	2,152	2,300	1,450	2,006
Ballina assessments (#)						
Residential properties	15,642 (87%)					
Business properties	1,287 (7%)					
Farmland properties	1,046 (6%)					
Comparative rate revenue (\$'000)	20,332	22,852	25,847	27,386	18,658	27,014
Variance (\$'000) (black = extra p.a.)	0	2,520	5,515	7,054	(1,674)	6,682



Impact on Ratepayers

Category	2016/17	2017/18	2018/19	2019/20	Total Change (\$)
Standard Rate Peg Limit		1.50%	2.50%	2.50%	
Average Residential Rate	943	957	981	1,006	63
Average Business Rate	3,160	3,207	3,288	3,370	210
Average Farmland Rate	1,448	1,470	1,506	1,544	96
With Additional Percentage		4.90%	5.90%	5.90%	
Average Residential Rate	943	989	1,048	1,109	166
Average Business Rate	3,160	3,315	3,510	3,718	558
Average Farmland Rate	1,448	1,519	1,609	1,703	255
Residential extra due to SRV		32	67	103	103
Business extra due to SRV		107	222	348	348
Farmland extra due to SRV		49	103	159	159

(residential and farmland no longer pay waste operations charge of \$73)



Change in Average Residential Bill

Category	2016/17	2017/18	2018/19	2019/20
Ordinary Rate	943	989	1,048	1,109
% Change		4.90	5.90	5.90
Stormwater Charge	25	25	25	25
% Change		0.00	0.00	0.00
Water Access Charge	200	204	210	215
% Change		2.00	2.50	2.50
Water Consumption Charge	368	375	385	394
% Change		2.00	2.50	2.50
Wastewater Charge	925	953	977	1,001
% Change		3.00	2.50	2.50
Domestic Waste Collection	367	374	383	393
% Change		2.00	2.50	2.50
Waste Operations Charge	73	0	0	0
Total	2,901	2,920	3,028	3,137
% Change		0.65	3.70	3.60





Process

- Key steps
- State Government through IPART sets % income increase
- To increase above this % must make application to IPART
- Provide preliminary notice to IPART by mid December 2016
- Community consultation
- Council must consider consultation
- Determine whether to make a formal application to IPART – 13 (or 20) February 2017
- IPART determination – May 2017



Community Feedback

Closes Monday 6 February

- srvproposal@ballina.nsw.gov.au
- On-line survey
- PO Box 450



Questions

