

# Agenda

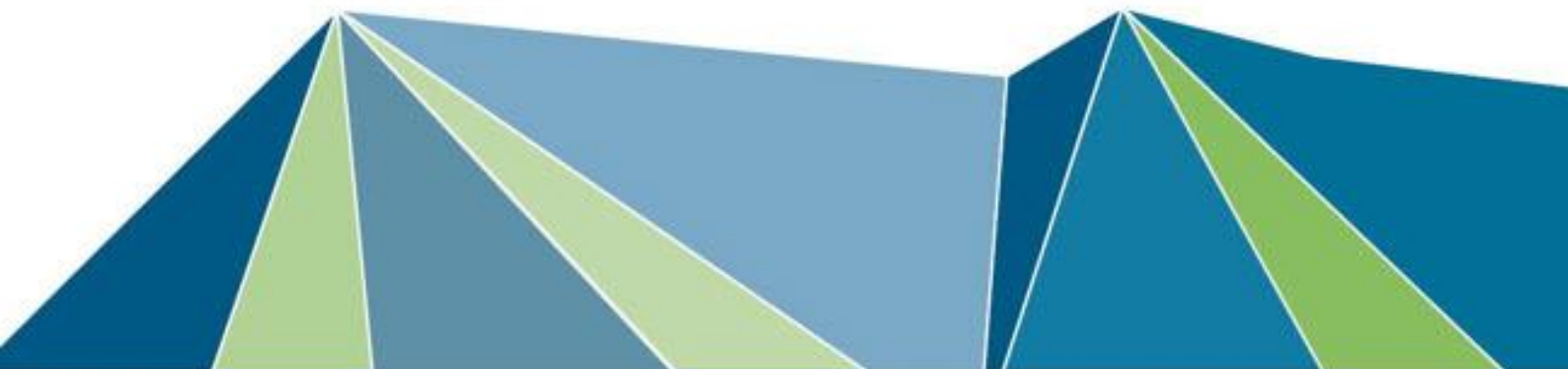
## ***Finance and Facilities Committee Meeting***

**11 February 2026**

An Finance and Facilities Committee Meeting`  
will be held in the Ballina Shire Council Chambers, 40 Cherry Street, Ballina  
on **11 February 2026 commencing at 4:15 PM.**

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

### **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](http://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.
- A person must not live stream or use an audio recorder, video camera, mobile phone or any other device to make a recording of the proceedings of a meeting of the council or a committee of the council without the prior authorisation of the council or the committee.

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1. Acknowledgement of Country
  2. Apologies
  3. Declarations of Interest
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**1. Acknowledgement of Country**

In opening the meeting, the Mayor will provide an Acknowledgement of Country.

We acknowledge the Nyangbul peoples of the Bundjalung nation, the traditional custodians of the land on which we meet today and pay our respects to their Elders, past and present.

**2. Apologies**

**3. Declarations of Interest**

#### **4.1 Ballina Community Safety Infrastructure Upgrade - CCTV Network**

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### **4. Committee Reports**

#### **4.1 Ballina Community Safety Infrastructure Upgrade - CCTV Network**

<b>Section</b>	Information Services
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<b>Objective</b>	To confirm the scope for the community safety infrastructure (CCTV) network to be implemented through Federal Government grant funding.
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#### **Background**

A report on a closed-circuit television (CCTV) scoping study, as prepared by Matryx Pty. Ltd., for the Ballina Shire, was submitted to the 12 December 2024 Ordinary meeting, with Council resolving to apply for grant funding to implement the report recommendations.

Council has now been successful in securing \$1m in Federal Government funding, referenced as the Strengthening Community Safety – Election Commitment Funding for a Ballina Community Safety Infrastructure Upgrade (CCTV) Project.

This report seeks approval on the scope of works to be implemented.

#### **Key Issues**

- Confirm scope
- Procurement lead-times
- Privacy, governance and data security controls

#### **Discussion**

The project is to design, install and commission a modern, scalable closed-circuit television (CCTV) network across priority public spaces in Ballina CBD, Ballina outer corridors and Lennox Head.

This will include Automatic Number Plate Recognition (ANPR) at key gateway locations and the provision of view-only access for the Ballina Police Station.

The objectives of this program are to deter crime and anti-social behaviour, improve perceptions of safety, and support Police investigations through reliable, high-quality evidentiary footage and ANPR capability.

Council will be the data owner and will implement privacy and governance controls, including signage, access controls, audit trails, chain-of-custody protocols and formal access arrangements with NSW Police.

The Federal Government grant funding is based on the recommendations in the Matryx report, which is included as Attachment 1 to this report.

Attachments 2 and 3 to this report, are the Matryx specifications relating to the recommendations in Attachment 1. Attachments 2 and 3 are technical and help

#### **4.1 Ballina Community Safety Infrastructure Upgrade - CCTV Network**

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to clarify the works planned. The tender procurement documentation will be based on the contents of Attachments 2 and 3.

##### *Project Overview and Scope*

As per the recommendations in the Matryx report, Council proposes to deliver a staged CCTV network across Ballina and Lennox Head, incorporating a mix of fixed cameras and Pan-Tilt-Zoom (PTZ) cameras at priority locations, and ANPR at key gateway sites.

The intended architecture includes:

- a dedicated CCTV network (predominantly wireless backhaul where fibre is limited)
- a centralised Video Management System (VMS) with server/storage and operator workstations; and
- view-only live monitoring capability for NSW Police at Ballina Police Station (with any expanded access subject to further arrangements).

The first stage of implementation is the Ballina CBD, with the outer corridors and Lennox Head locations to be rolled out progressively.

Practical completion is expected by April 2027, which will ensure compliance with Council's grant funding requirements. The grant agreement states that the activity completion date is 30 April 2027.

There is a significant amount of technical work required to implement this network, and it is paramount that the project commences as soon as possible.

##### *Procurement Requirements and Tender Basis*

The Matryx CCTV Recommendations provide a comprehensive basis for the tender documentation, including:

- minimum performance and functional requirements for the VMS, cameras, storage integration, mapping/graphics, integrity monitoring, and analytics (including ANPR)
- requirements for commissioning, witness testing, training, and handover documentation (including as-builts and operating/maintenance manuals); and
- requirements for contractor capability, licensing, permits, and Work Health and Safety (WHS) compliance.

The specification also emphasises non-proprietary/open equipment and interoperability to reduce vendor lock-in and ensure the system can be supported by multiple integrators over its life.

A key procurement consideration is sequencing and integration of "works by others" and dependencies such as power supply, licensing, and Council-supplied server/storage elements.

#### **4.1 Ballina Community Safety Infrastructure Upgrade - CCTV Network**

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Tender documentation will allocate responsibilities, define interfaces, and require tenderers to submit a detailed works program reflecting milestones and long-lead items.

##### *Governance, Privacy and NSW Police Access*

Council will own and control the system data and is responsible for ensuring privacy and security safeguards. This includes:

- clear purpose/appropriate use policies for CCTV
- access hierarchy, audit trails, and secure handling of footage (chain-of-custody)
- signage to inform the public of surveillance in operation; and
- formal arrangements with NSW Police, including view-only access and any additional permissions documented and aligned to Council's policy requirements.

These governance actions will be progressed in parallel with procurement, so controls are in place prior to commissioning.

##### **Community Engagement Strategy**

Proposed engagement activities include:

- proactive communications prior to installation (website updates, FAQs, media release) outlining purpose, general locations (high level), privacy safeguards and how footage is managed.
- installation of clear signage at CCTV locations and in key public areas.
- targeted stakeholder engagement with NSW Police and relevant local business/community representatives regarding operational considerations (e.g., installation disruption); and
- a feedback channel for community enquiries/complaints during rollout.

Engagement will focus on transparency, community safety outcomes, and the privacy and governance controls supporting the responsible use.

##### **Financial / Risk Considerations**

The project is estimated to cost \$1m to be spent over two financial years being 2025/26 and 2026/27. The capital cost of project is fully funded by the Federal Government's Strengthening Community Safety – Election Commitment.

Ongoing operational costs are estimated to be \$40,000 per annum. Council's special rate variation (SRV) proposal includes funding for the maintenance and operation of the CCTV network, and if the SRV is unsuccessful, it will be necessary to find offsetting savings from other Council budgets.



#### **4.1 Ballina Community Safety Infrastructure Upgrade - CCTV Network**

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The key risks for this project are long lead times on infrastructure and escalation of costs, which are typical risks associated with any infrastructure project and can be reasonably mitigated through planning.

To reduce this risk, the initial procurement phase has commenced, and if any changes are made to the recommendations outlined in the Matryx report, they will form an addendum to the contact specification.

##### **Options**

###### *Option 1 – Confirm the project scope consistent with the Matryx CCTV Design*

This option confirms the scope of the project is consistent with the Matryx recommendations, which allows Council to use the Matryx CCTV Design Specification, as the basis for the tender documentation.

This option is consistent with the grant application, which was based on the Matryx recommendations.

This option supports the project schedule and reduces delivery risk associated with long-lead items and is the recommended approach.

###### *Option 2 – Amend the project overview and scope*

Council may choose to amend the proposal works plan.

This is likely to delay the delivery of the project and could potentially impact the grant funding commitment and is not recommended.

The preference is to confirm the scope of the CCTV network as being consistent with the Matryx recommendations and reports, to allow the project to proceed in a timely manner, noting that once implemented Council can further enhance the network with future upgrades, if opportunities for improvement are identified.

##### **RECOMMENDATION**

That Council confirms the scope of CCTV network upgrade is consistent with the recommendations provided by Matryx Pty. Ltd., as per Attachment 1 to this report, to allow the implementation to be progressed in a timely manner and to ensure compliance with the Federal Government grant conditions and timelines.

##### **Attachment(s)**

1. Matryx Pty. Ltd. - CCTV Recommendations ➡
2. Matryx Pty. Ltd. - CCTV Design Specifications ➡
3. Matryx Pty. Ltd. - CCTV Design Drawing Set ➡

## **4.2 Audit Risk and Improvement Committee - Appointment of Members**

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### **4.2 Audit Risk and Improvement Committee - Appointment of Members**

<b>Section</b>	Governance
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<b>Objective</b>	To appoint independent members to Council's Audit Risk and Improvement Committee
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#### **Background**

The NSW Guidelines for Risk Management and Internal Audit for Local Government in NSW require councils to have an Audit, Risk and Improvement Committee (ARIC), with an independent chairperson, who meets the Guidelines independence criteria, along with the eligibility criteria for chairperson, and at least two independent members, who meet the independence criteria.

Council's ARIC currently has at least two vacancies, with one independent member's maximum term ending in February 2026, the other independent member resigning in December 2025, and a long-term vacancy existing for over two years, with Council maintaining three independent members, inclusive of the chairperson, since that vacancy occurred.

Due to the two recent vacancies, an expression of interest process commenced in November 2025 and closed in January 2026.

A selection process has now been completed, and this report seeks Council approval to confirm the appointment of the preferred applicants.

#### **Key Issues**

- Compliance with eligibility and independence criteria as per the [Guidelines for Risk Management and Internal Audit for Local Government in NSW](#)

#### **Discussion**

The expression of interest was advertised on Council's website for eight weeks, with 31 applications received.

The selection panel consisted of the Chairperson of the Audit Risk and Improvement Committee, Council's General Manager and the Internal Audit Coordinator, being the Director – Corporate and Community.

As a result of the high quality of the candidates who submitted an expression of interest, the preference is to appoint three independent members, which will result in an ARIC of four, inclusive of the three independent members, and the independent Chairperson.

Council has also approved Cr Karsten as the non-voting Councillor representative to attend the ARIC meetings, with all Councillors able to attend, if they so wish.

The three independent members recommended for appointment are as follows, inclusive of a brief summary of their relevant expertise:

## **4.2 Audit Risk and Improvement Committee - Appointment of Members**

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- Karen Williams – Canberra based, and currently a member of several similar committees, including the Audit and Risk Committees for the Australian Taxation Office, National Competition Council, Commonwealth Grants Commission and Commonwealth Director of Public Prosecutions.
- Soizic Bellemere – Ballina Shire based with 25 years' experience in audit, risk and governance roles across the public and private sectors.
- Cherie Watt – Tweed Shire based with more than 25 years' experience in senior public sector legal leadership roles. Currently City Solicitor and General Manager Legal Services for the City of Logan, with approval from that council to join Council's ARIC.

The preferred candidates have the necessary qualifications and experience to meet the independence criteria, and the combined quality of their experience will result in a high performing ARIC. A confidential memorandum has been provided separately to Councillors with a list of the respondents interviewed.

### **Community Engagement Strategy**

An expression of interest process was undertaken with a high number of quality candidates expressing an interest in joining Council's ARIC.

### **Financial / Risk Considerations**

The applicants meet the eligibility and independence criteria for the role and are subject to criminal record and financial status checks. It is also proposed to review the ARIC fees as part of the draft 2026/27 Fees and Charges preparation, to ensure the fees are consistent with similar sized councils.

### **Options**

Council can appoint or not appoint the recommended applicants, or appoint two members, as the minimum number required. Given that an extensive expression of interest and selection process has occurred, and the number of quality applicants received that meet the eligibility criteria, the recommendation is to appoint the three preferred applicants.

### **RECOMMENDATION**

That based on the selection process completed, Council approves the appointment of the following applicants to the Audit Risk and Improvement Committee, subject to satisfactory background checks:

- Soizic Bellemere
- Karen Williams
- Cherie Watt

### **Attachment(s)**

1. ARIC - Selection Report - Confidential Memorandum - February 2026 (Confidential)

#### 4.3 26 Endeavour Close, Ballina - Status

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#### 4.3 26 Endeavour Close, Ballina - Status

**Section** Commercial Services

**Objective** To update Council on the implementation of the resolution to not renew the lease and licence for 26 Endeavour Close, Ballina.

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#### **Background**

The future use of 26 Endeavour Close, Ballina has been the subject of several reports to Council, the most recent being to the 25 September 2025 Ordinary meeting.

At that meeting Council resolved as follows:

- 1. That Council advise Unit Committee TS Lismore Inc and the Rainbow Region Dragon Boat Club that their lease and licence will not be renewed, as Council's preference is to sell or commercially lease 26 Endeavour Close, Ballina to help match the \$1.1m grant Council has secured through the State Government's Boating Infrastructure for Communities grant program, for the construction of the watercraft facilities identified in the Cawarra Park Master Plan.*
- 2. The General Manager is authorised to negotiate with the Unit Committee TS Lismore Inc and the Rainbow Region Dragon Boat Club to confirm the preferred timing of their relocation from 26 Endeavour Close. These negotiations are to consider the potential timing of the need for the sale proceeds, while also being cognisant of the Rainbow Region Dragon Boat Club needing storage facilities until the watercraft facility is constructed at Cawarra Park.*
- 3. The General Manager is authorised to negotiate to identify an agreed compensation with the Unit Committee TS Lismore Inc, for the fixtures on the site that are not able to be relocated and that were funded by Unit Committee TS Lismore Inc members and volunteers.*
- 4. That the outcomes of points two and three be reported back to Council for approval prior to implementation.*
- 5. That Council confirms acceptance of the Transport for NSW Boating Infrastructure for Communities grants, of \$52,000 for the Brunswick Street Boat Ramp, and \$1.1m for the watercraft storage racks and facilities, as per the Cawarra Park Master Plan, noting that the grants require matching funding, with works to be completed by 30 June 2028.*

In accordance with point one, Unit Committee TS Lismore Inc ("TS Lismore") and the Rainbow Region Dragon Boat Club Inc ("RRDBC") were advised that their respective lease and licence will not be renewed.

The status of these occupants following that notification is summarised as follows.

**TS Lismore**

TS Lismore has commenced preparations to vacate by the lease expiry date of 31 May 2026. Council has been advised that an office area has been allocated to TS Lismore at a Department of Defence base in Lismore. They will be relocating their chattels, office equipment, filing cabinets, memorabilia etc. to that location.

A boat storage area has not been identified for TS Lismore, at the Lismore Defence base, and a new shed will need to be constructed to store boats along with trailers, equipment and other chattels.

A site inspection by Council staff on 5 January 2026 indicated that a shed half the size of the existing main shed at 26 Endeavour Close, Ballina would be needed to store TS Lismore's existing boats and any surplus property.

The Commanding Officer for TS Lismore advised that the existing shed is approximately 18m x 8m, so a half-sized shed would be approximately 9m x 4m.

Arrangements for a new shed have not been finalised between TS Lismore and the Department of Defence, but any building constructed on the Lismore property may need to meet the requirements of the Department of Defence and be installed by their contractors, which would likely increase costs.

The Commanding Officer for TS Lismore has estimated the cost of the new shed in Lismore to be approximately \$60,000, including power and water connections (refer to Attachment 1).

Subject to any specific specifications and site conditions, Council staff estimate the cost to supply and construct a 9m x 4m insulated shed on a concrete slab to be in the order of \$20,000 to \$30,000.

**RDBC**

Preliminary discussions have been held with representatives from RRDBC, noting the strong preference is to remain on the current site until the planned relocation to a new shared facility at Cawarra Park, which is scheduled for completion in early 2028.

Council has secured \$1.1m in grant funding for the new facility, with the funding matched by Council. The budget is distributed over three financial years; 2025/26 - \$50,000, 2026/27 - \$1.075m, 2027/28 - \$1.075m.

If Council does decide to sell this site, the contract settlement date for any potential sale could be delayed, allowing RRDBC to relocate to a temporary storage facility. There are limited waterfront options available, however it may be possible to expand the current storage fencing at Cawarra Park and utilise shipping containers for additional storage, on a temporary basis.

Based on the status of the current negotiations, and with the termination of the lease and licence underway, direction is now required from Council on the future of 26 Endeavour Close.

### Key Issues

- Compensation to a long-term tenant
- Sale or retention of 26 Endeavour Close Ballina

### Discussion

#### *Compensation to TS Lismore*

With points one and two of the 25 September 2025 resolution well advanced, point three referenced negotiating a level of compensation with TS Lismore for any fixtures funded by TS Lismore that cannot be relocated.

TS Lismore has occupied the site since 1988 and been charged a nominal or no rent since approximately 1988. Council paid the ordinary rates for the site for many years, with the Department of Defence and / or TS Lismore paying consumption charges such as water, sewer etc.

In more recent years, TS Lismore has been required to pay the full rates for the site, based on a Council resolution.

The main building on the site was constructed by the Department of Defence about 30 years ago. There have been limited upgrades to the building undertaken by TS Lismore since original construction and the building is dated.

The fixtures and fittings appear to be original, such as the kitchen fit out items (oven, stovetop) and are stamped with Defence asset register barcodes. These items are of nominal value.

The newer fixtures or fittings in the building were funded by the Department of Defence including a ducted air conditioning system, ceiling fans and a hot water zip tap unit.

The Commanding Officer for TS Lismore has advised Council that the estimated cost to construct a new shed at the Lismore Defence Base would be in the order of \$60,000 (as per Attachment 1), and accordingly, has requested Council consider compensating TS Lismore the equivalent sum.

TS Lismore is an incorporated association. In accordance with the laws relating to the operation of incorporated associations, the committee of the association is required to manage the affairs of the association, including signing any dealings on behalf of the association, operating the bank account of the association, lodging any required financial reports, holding annual general meetings etc.

As with many sporting groups or other smaller incorporated associations, the committee members are usually volunteers who have some involvement with the organisation.

The committee members of TS Lismore have traditionally been the parents of naval cadets or other community members interested in the operation of the naval cadets.

#### 4.3 26 Endeavour Close, Ballina - Status

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The Commanding Officer, who is not a member of the committee, runs the cadet training program, but cannot sign off on any documentation on behalf of the incorporated association.

The committee of TS Lismore, including its current public officer (as listed in the Australian Charities and Not For Profits Commission (“ACNC”) public website) have been contacted to seek their confirmation as to whether they agree with the Commanding Officer’s request for compensation of \$60,000.

Council received a response from the Committee President on 4 February 2026, advising they are supportive of the request from the Commanding Officer, Peter Marsh.

Upon inspection of the ACNC website, the last Annual Information Statement lodged by the TS Lismore was in December 2023 (for the year ending 31 May 2023). The ACNC website indicates that all subsequent reports for years ending 31 May 2024, and 31 May 2025 are overdue.

It is proposed that in response to Point 3 of the 25 September 2025 resolution, that Council offer TS Lismore a contribution towards their relocation costs and/or the cost of a new shed at the Defence Base in Lismore.

Compensation is a matter for Council to decide if and how much to offer and whether \$60,000 is reasonable given the Department of Defence funded construction of the building improvements.

The written down value of the fixtures on 26 Endeavour Close, in Council’s asset register, is well above \$60,000 (\$850,000 as at 30 June 2025).

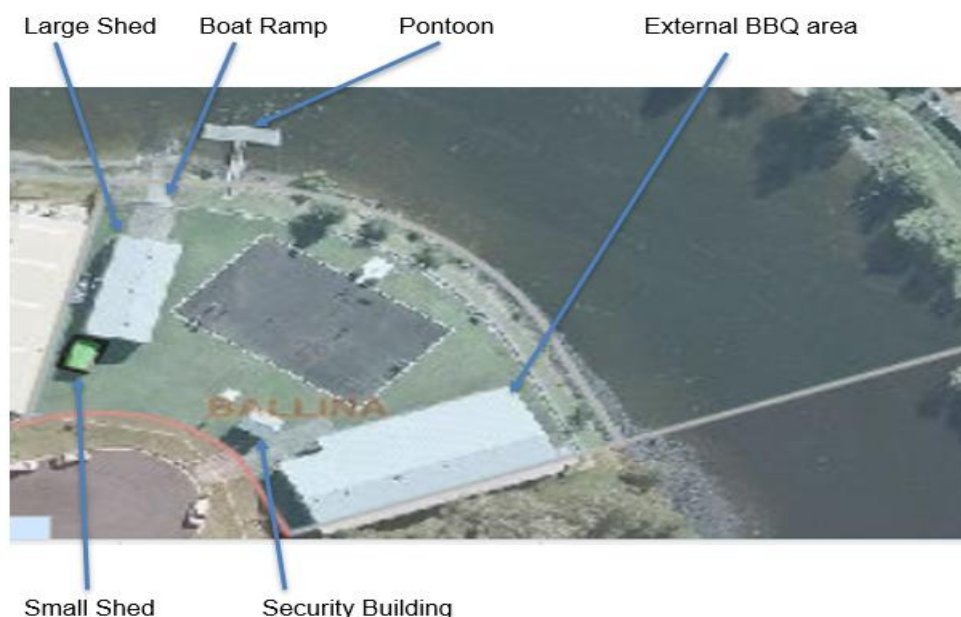
##### *Future Options for 26 Endeavour Close Ballina*

The sit comprises a waterfront parcel of land featuring the following attributes:

Site Configuration	Irregular
Topography	Level
Site Area	2,796m <sup>2</sup>
Zoning	E4 General Industrial
Building Improvements	Main Building Single storey building comprising offices, training rooms, amenities etc. approx. area; 370m <sup>2</sup>  Storage Shed Single storey building. approx. area; 150m <sup>2</sup>
Site Improvements	Pontoon Parade ground Boat ramp

#### 4.3 26 Endeavour Close, Ballina - Status

An aerial view of the property is as follows:



The main building consists of training / seminar rooms, offices, storage rooms, kitchen, armory room, dining hall, male and female amenities and sunroom.

In addition to the main building, there is a large storage shed, small storage shed, security building at the main entrance, large bitumen parade ground, boat ramp and pontoon.

The land is classified operational by Council, under the NSW Local Government Act and Council can lease or sell.

From a commercial viewpoint, the buildings are an underdevelopment of the site and have limited appeal or economic value to the broader commercial property market.

Given these circumstances it is unlikely the economic value of the site would be realised if offered to the market for commercial use on a long-term lease, as most businesses or investors, including their financiers, would prefer freehold property, if they are to invest significant funds in redevelopment.

Long term leases for commercial purposes, are for terms up to 99 years to enable a lessee to recoup the funds they have invested and repay loans.

Based on recent sales of similar property, the capital value of the site is estimated in the order of \$2m plus GST, calculated as follows:

**Table 1 – Estimated Capital Value**

Item	Description	Amount (\$ ex GST)
Land Value	2,796m <sup>2</sup> @ \$750/m <sup>2</sup>	2,097,000
Less	Demolish and remove building improvements – high level estimate of"	(100,000)
<b>Sub Total</b>		<b>1,997,000</b>
Final Value	Say 2,796m <sup>2</sup> @ \$715/m <sup>2</sup>	<b>2,000,000</b>



#### **4.3 26 Endeavour Close, Ballina - Status**

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A reasonable commercial rental for a vacant waterfront industrial site, with the benefit of a long-term lease of up to 99 years, may be in the order of \$80,000 pa to \$100,000 p.a. + GST reflecting a 4% to 5% return on the capital value.

The adopted land value of \$750/m<sup>2</sup> is based on the sale by auction of three vacant waterfront industrial lots in November 2025.

The three lots, located at 1-5 Racecourse Road, Ballina, ranged in size from 1,855m<sup>2</sup> to 2,310m<sup>2</sup> and sold at prices reflecting an average of \$780/m<sup>2</sup>.

These lots are in a superior location to 26 Endeavour Close and enjoy a higher level of exposure.

#### **Community Engagement Strategy**

Council staff have had discussions with the local Commanding Officer TS Lismore in relation to the plans to vacate the site by the lease expiry date of 31 May 2026 and relocate to the Department of Defence base in Lismore. Council has also had discussions with RRDBC.

#### **Financial / Risk Considerations**

After many decades of providing this site for community purposes, the preference of Council is to now take a commercial approach, therefore a decision needs to be made as to whether the site is leased or sold.

#### **Options**

There are two matters that require direction in respect to this report.

The first being the payment of compensation to TS Lismore for funds it (or the Department of Defence) has spent over the years for items including fixtures and fittings that cannot be relocated.

Notwithstanding the fact that the Department of Defence may have been the party who spent the most, as a gesture of goodwill and noting their longevity and service to the local community, Council could offer TS Lismore a portion, or the whole amount of \$60,000, they have requested to construct a storage facility at their new location in Lismore.

With the site being occupied for decades, and there being a significant number of structures on the site, the preference is not to negotiate different figures for compensation, and agree to the \$60,000, as the first and final offer from Council.

This figure is well below the written down asset value of the fixtures on the site and can be funded, in the short term, from Council's Property Development Reserve.

This expenditure can be reimbursed from the future sale or commercial lease of the site.

The second matter is whether to sell or lease.

*Option 1 - Sell the Property with Vacant Possession - Recommended*

The site is worth \$2m + GST (\$715/m<sup>2</sup>) based on the auction results for Council's land at Boeing Avenue in April 2025 and the three lots selling in Racecourse Road in November 2025.

The recent auction results for Council's land at Boeing Avenue achieved square metre rates ranging from \$485/m<sup>2</sup> to \$1,174/m<sup>2</sup> with an average of \$804/m<sup>2</sup>.

The higher rates were pushed along, due to competitive bidding by two buyers, and once these buyers purchased what they required, the \$/m<sup>2</sup> sale rates dropped significantly.

The Boeing Avenue lots are zoned "E4 General Industrial", under Clause 6 of BLEP 2012, with additional retail type uses permitted. The benefit of these additional uses is reflected in the prices paid for six of the lots.

The sale by auction of three vacant waterfront industrial lots, in November 2025, located at 1-5 Racecourse Road, Ballina is a more accurate guide.

The three ranged in size from 1,855m<sup>2</sup> to 2,310m<sup>2</sup> and sold at prices reflecting an average of \$780/m<sup>2</sup>.

This site and the Racecourse Road lots do not have the benefit of the additional permitted uses enjoyed by the Boeing Avenue auction lots.

If Council is to sell, with vacant possession, it could do so by public auction or by expression of interest (EOI).

Council received enquiries from two prospective buyers in late 2025.

Given the favourable location and limited supply of industrial land, it is recommended that Council sell by public auction.

*Option 2 - Offer the Property for Lease for Commercial Purposes – Not Recommended*

Council could offer the site for lease to the open market with the benefit of a long-term lease of up to 99 years.

For this option to be viable and to receive a reasonable rate of return on asset value, Council would need to secure a net return of at least 4% to 5%, equating to a rental of \$80,000 p.a. + GST to \$100,000 p.a. + GST.

Council is unlikely to achieve a rental of this magnitude, as long term commercial ground leases are uncommon in the local market, as businesses, investors and financiers have a strong preference for freehold tenure.

The recommendations that follow, reflect the contents of this report.

In respect to the demolition and removal of the existing buildings, preliminary advice from local real estate agents is to sell the property as is, therefore no funding is provided for demolition. That cost will be reflected in the net sale price, as outlined in Table 1.

#### **4.3 26 Endeavour Close, Ballina - Status**

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Further negotiations will also be required with the RRDBC to confirm their interim arrangements, between the time of sale and their relocation to Cawarra Park.

#### **RECOMMENDATIONS**

1. That the Council approves compensation of \$60,000 (ex GST) to the Unit Committee TS Lismore Inc as an exit payment following the termination of the current lease at 26 Endeavour Close, Ballina, in recognition of the structures on the site and to assist that organisation with the cost of establishing a new facility in Lismore. This compensation is to be funded from Council's Property Development Reserve, with the reserve to be reimbursed from any future sale or lease of this site.
2. That Council approves the sale of 26 Endeavour Close, Ballina by public auction and authorises the General Manager to set a price reserve based on prevailing market conditions for industrial land. If required, the sale contract may include a delayed settlement to assist with the provision of interim boat storage facilities for the Rainbow Region Dragon Boat Club Inc at Cawarra Park, or an alternate location.
3. 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 with a commission rate set at 1.50% plus GST.
4. The General Manager is authorised to execute all necessary sale documents and affix the Council seal to same.

#### **Attachment(s)**

1. Email - Peter Marsh - Commanding Officer, Unit Committee TS Lismore  
[⇒](#)

#### **4.4 89-91 Tamar Street Ballina - Status**

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#### **4.4 89-91 Tamar Street Ballina - Status**

**Section** Commercial Services

**Objective** To confirm the preferred direction for the future of 89-91 Tamar Street, Ballina, due to the existing lease not being renewed.

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#### **Background**

Council owns a large commercial property located at 89-91 Tamar Street, Ballina (the Property).

Erected upon the site is a modern two-level commercial building comprising 2,012m<sup>2</sup> of office space constructed over two levels and 35 undercover secured car spaces at ground level.

Council constructed the building in 2007, after entering into an agreement for lease with Property NSW (NSW Government), with the building to be occupied by what was then known as the Department of Community Services (DOCS).

The building was constructed at a cost of approximately \$4.27m, on a site that had been purchased by Council many years beforehand.

DOCS took up occupation of the building in January 2008, at an initial commencement rental of \$649,012 per annum (ex GST).

The most recent lease with DOCS, since renamed as Department of Community and Justice (DCJ), expired in January 2022.

Council staff have been in negotiations with DCJ since 2021, with DCJ frustrating the process through a lack of response and failing to follow through on what had been agreed.

DCJ remained in occupation on a month-to-month holdover and paying a rental of \$740,000 per annum (ex GST).

In November 2025, DCJ notified Council that it would be vacating, even though it had only occupied the building sporadically over the past two years, with staff either working from home, or reporting to other locations.

DCJ formally vacated the premises in November 2025 and has been invoiced a make good payment of \$141,000, as per the terms and conditions of the expired lease.

Council now needs to decide to continue holding the Property or sell it.

#### **Key Issues**

- Management of Council's commercial assets
- Return on funds and assets applied

##### **Discussion**

Income generated from Council's property investment and development portfolio has supplemented Council's income and capital base for decades.

When a major investment property asset such as 89-91 Tamar Street becomes vacant, it is timely to consider whether it should remain in Council's property portfolio or sell it and apply the funds elsewhere.

Over the past 18 years, the Property has delivered an unbroken income stream, generating an aggregate rental of approximately \$12.42m.

Over that time various repairs and upgrades have occurred including general repairs and maintenance, air-conditioning upgrade, etc.

It's understood the tenant, DCJ, vacated the Property due to a downsizing of operations and or splitting their operations and housing them in smaller premises. Post COVID, many State Government staff prefer to work from home.

An inspection undertaken of the Property upon the tenant vacating indicated the Property to be in good condition, considering its age, however the tenant has left all fit out, furniture and furnishings in the building.

Under the terms of the lease the tenant is permitted to do this upon making a payment of an agreed value, being \$141,000.

Since the Property became vacant Council staff have had interest from one party seeking to lease the ground floor of the building.

The Property has also been inspected by local commercial real estate agents.

The feedback from local agents is that leasing enquiry for 1,000m<sup>2</sup> of commercial office space is virtually non-existent.

Demand for large areas of office space has traditionally come from State and Federal Government Departments seeking to decentralise and / or create a regional presence, however post COVID, demand has virtually ceased.

Working from home is also having a significant negative impact on metropolitan and regional office space markets.

Demand for commercial office space from local businesses usually peaks at about 500m<sup>2</sup> for sub-prime space and the general preference is to buy premises.

Given these circumstances it is highly unlikely a single tenant would be secured to lease the whole building "as is".

If Council wishes to continue holding the Property, funds will need to be expended to subdivide the building into smaller, more marketable, tenancies.

This would be difficult, as it may take a couple of years to fully tenant the building, and at this stage it is unknown how many tenancies may be required and what size those tenancies should be.

There is also the issue of costs associated with subdividing the building to create smaller tenancies.

These costs may include:

- Remodeling existing fit out and stripping fit out considered surplus to needs
- Repainting and recarpeting
- Installing electrical sub-meter boards to each tenancy
- Reconfiguring and upgrading the air-conditioning system including sub-metering and zone controls to each sub-tenancy
- Installing additional amenities, if required
- Upgrading building security system to accommodate multiple tenancies
- Design and consultancy services to redesign the building into multiple tenancies.

Subject to formal designs, specifications and quotes, these works could cost in the hundreds of thousands of dollars.

The unknown factor is the take up rate of tenancies that may be created.

This is also something of a “chicken and egg” question.

When and how much of these works are undertaken, if Council only secures a 25% or 50% pre-commitment in the first twelve months.

In summary, there is a medium to high degree of risk to Council in spending money to subdivide the building and leasing the spaces created.

An alternative course of action would be for Council to sell the Property “as is”.

A private investor may be prepared to take on the risk of subdividing the building and leasing the newly created tenancies and would have the flexibility and funding available to negotiate complex leasing deals.

Details relating to the Property’s value and expected selling price are outlined in the Financial and Risk section of this report

In terms of method of sale, should that be the position of Council, it is proposed to sell the property by expressions of interest (EOI). This is a private treaty style deadline driven by way of inviting offers by a set date.

This method of sale enables Council an ability to weigh up conditions, negotiate settlement timing, and is useful where the market value is uncertain.

The EOI process is typically used for complex assets (i.e. specialised use or multi-tenant development potential). It also allows for more flexibility in the sales process over an alternative method such as a public auction.

#### **Community Engagement Strategy**

Any sale would be subject to a public process.

### Financial / Risk Considerations

The most recent valuation of the Property was undertaken as at 30 June 2025 as follows:

**Table 1 – Estimated Market Value of Property**

Item	(\$)
Market Value assuming fully let as one tenancy	9,195,000
Less: 12-month loss of rent, agent's commission and leasing incentives	(995,000)
<b>Adjusted Market Value</b>	<b>8,200,000</b>

As at the date of valuation the tenant, DCJ, had not signed new lease hence the reason for the valuer deducting a 12-month letting up allowance (loss of rental) agent's commission and leasing incentives. If the building were to be subdivided to create multiple tenancies, a further deduction in the order of \$1m maybe warranted, decreasing the market value to \$7.2m.

In general terms, the Property's financial performance since Council constructed the building can be summarised as follows:

**Table 2 – Indicative Financial Performance of Property**

Item	(\$)
Indicative land value	2,000,000
Initial building construction costs	4,270,000
Estimated cost of air-conditioning upgrades, general repairs and and maintenance etc.; say	1,000,000
<b>Total estimated funds and assets applied</b>	<b>7,270,000</b>
Estimated annual net rental over 18 years	690,000
Estimated annual return on funds and assets applied	9.5%
Estimated aggregate rental - 18 years at average of \$690,000 pa	12,420,000

In regard to investment decisions, Council applies a matrix in determining appropriateness of investment and development activities as noted in Council's Property Investment and Development Policy, adopted 25 September 2025. The policy suggests a margin over the current 90 Day Bank Bill Swap Rate (BBSW) depending upon the level of risk as per Table 3.

**Table 3 – Risk Determination Matrix**

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

The 90-day BBSW is currently 3.78%. Adding a margin of 2% takes it to 5.78%.

The estimated annual return on funds and assets applied at 9.5%, placing the Property's return well above the rate of 5.78% confirming a strong performance as a passive investment over the years.

Now that the Property is vacant, its risk profile has changed and until it is 100% leased it is best described as an underperforming asset.

The loss of the rental income will also have a negative impact on the General Fund operating result, with the net operating surplus from the building, after insurance, rates and charges, maintenance costs etc, being approximately \$600,000 per annum.

There is no annual depreciation figure on commercial properties, as they are revalued to market on a regular basis, as part of the preparation of the Annual Financial Statements.

The loss of \$600,000 and the annual revaluation increment are equivalent to approximately 2% of Council's General Fund rate income.

The net cash surplus each year from the Property, being \$600,000, is currently transferred in full to the Community Infrastructure Reserve, with funds held in that reserve then allocated to community infrastructure projects.

The loss of this recurrent income will have a major negative impact on the future funds available from that Reserve.

If the Property is sold, Council will need to decide how the surplus funds are allocated.

One option could be to allocate part, or all the funds to construction of industrial office space on the three vacant lots Council has retained at Boeing Avenue, in the Southern Cross Industrial Estate.

The demand for industrial land and industrial space remains healthy and this demand is unlikely to reduce with limited options for more industrial land in the Ballina Shire and the region.

Funds could also potentially be allocated to help reduce the loan debt that is forecast for the Bridge Duplications and Alstonville Cultural Centre projects, as retirement of loan debt helps with the long-term sustainability of the General Fund.

There are several options available, and the allocation of any sale proceeds would be subject to further reporting to Council. If the Property is leased, the net revenue will continue to be transferred to the Community Infrastructure Reserve.

### **Options**

#### *Option 1 – Retain and Lease*

Council resolves to retain the Property and seek to lease it through local real estate agents offering a commission rate of six weeks rental plus GST and allocating a budget of \$20,000 for marketing and promotion.

If Council were to adopt this option, it may take some time to fully lease the building and achieve the same level of rental it was receiving from DCJ.

Council must also be prepared to allocate funds to subdivide the building to create smaller tenancies, if one large tenant cannot be secured.



*Option 2*

Council resolves to sell the Property by conducting an Expression of Interest process over an eight-week period, through local agents, offering a commission rate of 2% + GST and allocate a budget of \$20,000 for marketing and promotion.

Considering the current state of the commercial property investment market it could take up to twelve months to complete a sale.

Given the size of the Property, both physically and investment-wise, there are no guaranteed outcomes in leasing or selling the Property.

If Council is of a mind to sell the Property, it is recommended that Option 2 be adopted, as this could hopefully result in a sale, or possibly a tenant or tenants coming forward that could be matched up with a potential buyer.

**RECOMMENDATION**

That Council adopts Option 2 of this report, and approves the sale of 89-91 Tamar Street, Ballina, through an expression of interest process, at a commission rate of 2%.

**Attachment(s)**

Nil

#### 4.5 Wollongbar Medium Density Housing - Construction Tender

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#### 4.5 Wollongbar Medium Density Housing - Construction Tender

**Section** Commercial Services

**Objective** To present the outcome of the tender for construction of the first stage of the Wollongbar Medium Density Housing Project and to seek direction on the future of the project.

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#### **Background**

This report relates to the development of medium density housing on five lots owned by Council on Dundee Avenue, Wollongbar.

The matter was last reported to the Commercial Services Committee meeting on 2 December 2024 where Council then resolved at the 12 December 2024 Ordinary meeting as follows:

1. *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.*
2. *The designs are to be amended whereby the revised townhouse designs are flipped so the nine two-bedroom townhouses go on Lots 26 to 28 and the five two-bedroom townhouses, and two three-bedroom townhouses go on Lots 20 to 22 as this section of Dundee Avenue could accommodate more on-street parking if required.*

Option 2, referenced in point 1, included the following:

*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.*

Pursuant to the resolution, Council's appointed consultant, The Kollektive, finalised designs for the dwellings and obtained the necessary planning approvals.

On 16 October 2025 tenders were called for the construction of:

- a) Two x two level four-bedroom townhouses/duplex
- b) One manor house comprising four x one-bedroom units
- c) Nine x two level two-bedroom townhouses

The tender period closed on 16 December 2025 with three proponents submitting tenders. The purpose of this report is to advise Council of the results of the tender process and the viability of proceeding with the Project.

### Key Issues

- Comply with Local Government Regulation
- Value for money
- Commercial viability of the Project
- Future use of Lots 19 to 30

### Discussion

Tenders were called for the construction of:

- a) Two x two level four-bedroom townhouses
- b) One manor house comprising four x one-bedroom units
- c) Nine x two level two-bedroom townhouses.

99 companies downloaded the documentation with tenders received from:

- Dalski Pty Ltd
- Josh Fisher Building Contractor
- Westbury Constructions Pty Ltd

The tender submissions were assessed to ensure conformance with the conditions of tender and the mandatory criteria, being:

- Construction Accreditation and Registration
- Insurance
- Work Health and Safety
- Quality Management Systems

To encourage smaller local builders to participate in the tender, proponents could submit tenders to construct the whole project (a, b and c), or parts thereof, i.e. (a) and / or (b) and / or (c).

All tender submissions met the mandatory assessment and were assessed using the following weighted assessment criteria:

- |                             |     |
|-----------------------------|-----|
| • Pricing structure         | 60% |
| • Experience and capability | 25% |
| • Local and community       | 15% |

Details of the assessment and pricing options have been provided to Councillors by a confidential memorandum.

Two builders quoted on undertaking the whole Project (a), (b) and (c).

One builder quoted (a), the two x two level four-bedroom townhouses.

The prices quoted make undertaking any part of the Project unviable, from a financial perspective, as noted in the Financial / Risk Considerations section of this report.

This is disappointing, given the tender period was extended to eight weeks, to provide proponents with adequate time to gain prices from sub-contractors and suppliers.

#### 4.5 Wollongbar Medium Density Housing - Construction Tender

Whilst this is a disappointing result it is reflective of the current building construction market.

Building contractors are wary of “fixed price” contracts, as offered with this tender, in preference for “cost plus” contracts, where a building contractor charges a pre-agreed margin of say 10% to 15% or more on all labour and materials.

This approach de-risks a project for a builder, as they are insulated against price rises during construction.

A “cost plus” contract is less preferable to a client and financier, as there is uncertainty over the final price of a building project.

The prevalence of “cost plus” contracts gained momentum after COVID with the trend expected to continue for the foreseeable future.

From a procurement perspective, local government prefers “fixed price” contracts as they provide a high degree of certainty.

In this instance, Council is considering undertaking a commercial venture but is not obligated to proceed if the project is deemed unviable.

#### Community Engagement Strategy

A community engagement process for the Project was conducted in mid-2024, the feedback resulted in amendments to the design of the proposed dwellings to incorporate additional car parking.

Council has also undertaken a public tender process in accordance with the Local Government (General) 2021.

#### Financial / Risk Considerations

The following financial assessment of the Project is based on the prices quoted by the lowest tenderer.

The prices are close to double what were estimated by Council’s consultants in the report to Council on the project in December 2024, as noted in Table 1.

**Table 1 – Comparative Construction Prices (\$)**

Dwelling Type	December 2024 Cost Estimate (excludes GST)	December 2025 Tender Quote (excludes GST)	December 2025 Tender Quote (includes GST)
Two x two level four-bedroom duplex	1,000,000	1,289,500	1,418,400
One manor house comprising four x one-bedroom units.	1,240,000	2,870,500	3,157,500
Nine x two level two-bedroom townhouses	2,945,000 <sup>1</sup>	5,708,300	6,279,000
<b>Totals</b>	<b>5,185,000</b>	<b>9,868,300</b>	<b>10,854,900</b>

#### 4.5 Wollongbar Medium Density Housing - Construction Tender

Notes:

1. December 2024 figures included 5 x 2-bedroom townhouses and 2 x 3-bedroom townhouses but in the final design were changed to 9 x 2-bedroom townhouse to create additional parking.

The major variances occurred in the manor house and townhouses and probably reflect a large margin for risk included by the proponents.

The December 2024 cost estimates were based upon concept plan designs and not detailed design and documentation quoted on by the tenderers.

Discussions with The Kollektive indicate a better outcome may have been possible if a builder was selected through an expression of interest process based upon capability and experience.

The proponent selected from that process would then work with The Kollektive and Council to identify savings price and refine the project.

This approach, known as Early Contractor Involvement (ECI), is better suited to the private sector, as opposed to Council, who may have difficulties from a procurement perspective, due to the general preference for a fixed price contract.

A total construction cost of \$9,868,300 (ex GST) or \$10,854,900 (inc GST) makes the Project unviable, as construction costs exceed the estimated market value of the completed dwellings, or leave too fine a profit margin to warrant the risk.

This is outlined in Table 2, assuming a development and sell scenario.

**Table 2 – Project Viability Summary Table (incl. GST) (\$)**

Item	Four bed Duplex x 2	Manor House	Two bed Townhouses x 9	Totals
Construction Costs	1,418,400	3,157,500	6,279,000	10,854,900
Add: Est. Land Val	550,000	550,000	1,650,000	2,750,000
Costs to date (design & approvals)	160,000	160,000	325,000	645,000
Total Est. Costs	2,128,000	3,867,000	8,253,000	14,248,000
Est. Value on Completion	2,100,000	2,000,000	7,425,000	11,525,000
Est. Profit / (Loss)	-\$28,000	-\$1,867,000	-\$828,000	-\$2,723,000

Council could take a long-term view to proceed with the Project and hold and rent the dwellings, however it is hard to justify this course of action if the Project is unviable from the start.

Unfortunately, these figures are indicative of why rental housing and housing in general is in short supply, high construction costs and land values are making projects unviable.

##### Options

The options for Council are set out in Part 7 Section 178 (1) of the Local Government (General) Regulation 2021, which requires that:

*(1) After considering the tenders submitted for a proposed contract, the council must either:*

- (a) accept the tender that, having regard to all the circumstances, appears to it to be the most advantageous, or*
- (b) decline to accept any of the tenders.*

Based on the tender evaluation, it is recommended that Council declines to accept any tenders.

Sections 178 (3) and (4) of the regulations provide direction in the circumstances where a Council declines to accept any tenders in accordance with section 178(1)(b); i.e.

*(3) A council that decides not to accept any of the tenders for a proposed contract or receives no tenders for the proposed contract must, by resolution, do one of the following:*

- (a) postpone or cancel the proposal for the contract,*
- (b) invite, in accordance with clause 167, 168 or 169, fresh tenders based on the same or different details,*
- (c) invite, in accordance with clause 168, fresh applications from persons interested in tendering for the proposed contract,*
- (d) invite, in accordance with clause 169, fresh applications from persons interested in tendering for contracts of the same kind as the proposed contract,*
- (e) enter into negotiations with any person (whether or not the person was a tenderer) with a view to entering into a contract in relation to the subject matter of the tender,*
- (f) carry out the requirements of the proposed contract itself.*

The preference is to cancel the contract due to the large budget variation.

With the recommendation to decline the tenders, Council now needs to determine the preferred strategy for the lots that were identified for medium density housing.

Attachment 1 to this report is the lot layout for Council's Wollongbar Urban Expansion Area (WUEA) – Stage 3.

Lots 1 to 18 have been approved for sale with Lots 1 to 6 sold, two contracts exchanged on Lots 7 to 12, and Lots 13 to 18 approved for sale, once sales are finalised for Lots 7 to 12.

#### **4.5 Wollongbar Medium Density Housing - Construction Tender**

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Lots 19 to 30 have been identified as the preferred sites for Council's medium density project.

Lot 31 is the childcare lot, with a contract exchanged, subject to development consent and development. Lot 33 is a drainage lot.

In respect to Lots 19 to 30, three options are available.

##### *Option 1 - Sell*

Lots 19 to 30 could be sold on the open market, as per the remaining lots.

Council has significant financial pressure on the General Fund, with the Bridge Duplications and the Alstonville Cultural Centre Refurbishment both underway.

These two projects have monetary values that represent the largest General Fund projects undertaken by Council.

The sale of these 12 lots should generate more than \$6m, that can help to reduce loan debt or be applied to other infrastructure projects.

The approved plans may also be of interest to a local builder who wishes to purchase one or more of the lots.

Council still has potentially up to 60 residential lots for development in Lennox Head, with a report on the preferred development approach for that site to be submitted to Council in the next two months.

In looking at the construction of housing, Council has approached the current tender process ensuring that the project is of a small or medium size to try and attract local builders.

However, the governance processes that Council must follow in dealing with public monies, still results in a significant amount of bureaucracy for any builder interested in submitting a tender to Council.

It may well be that Council has to develop a project of such a scale and size i.e. \$20m plus in value, to attract major builders who have the systems and processes in place to comply with Council's processes.

The Lennox Head site would allow this to happen and that option can possibly form part of the debate on the development of that site.

##### *Option 2 – Call for EOIs from Community Housing Providers*

The Northern Rivers is in a fortunate position to have two major community housing providers located in the region, being Social Futures and Northern Rivers Housing. Council could seek expressions of interest (EOIs) from these two providers, or a broader group, for the sale and development of part or all the lots.

The sales could still be on a commercial basis, although the price could potentially be adjusted depending on the diversity in housing outcomes achieved from the development.

#### **4.5 Wollongbar Medium Density Housing - Construction Tender**

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Also, Round 3 of the Federal Government's Housing Australia Future Fund is now open, with proposals allowed to be submitted at any time, while the funding remains available.

By partnering with a community housing provider, and applying for grant funds, Council may well be able to deliver significant community outcomes, while at the same time retaining the commercial viability of the project.

Council could call for an open EOI, or seek direct responses from the major local providers, being Social Futures and Northern Rivers Housing.

Landcom, being the State Government's land and property development organisation, could also be approached, as they have been working with other councils in the region on similar projects.

##### *Option 3 – Commence a new Tender Process and seek a Cost-Plus Contract*

There is no guarantee that this will result in savings of such a magnitude that the project would become financially viable, albeit that this option could potentially be pursued, later, for example, if Option 2 did not result in a positive outcome to Council.

In respect to the future of Lots 19 to 30, the preference is not to place the lots on the market, yet, as Council is still in the process of selling Lots 7 to 18.

This means there is time for Council to seek EOIs from major community housing providers, to still deliver significant housing outcomes, as per Option 2.

The preference is to follow a limited EOI process by asking for submissions from Social Futures, Northern Rivers Housing and Landcom, all of whom have extensive experience in delivering housing outcomes across the State.

A broader EOI may reflect greater transparency, however the three organisations listed are all long-established businesses, with a key focus on housing.

Council has known benchmarks for the sale price of the land, based on the current sales, and the major objective of the EOI is to see if there is any interest in the organisations, either forming a partnership with Council, or buying, part, or all the lots, to deliver improved housing outcomes for the Ballina Shire.

The NSW Local Government Act does not require Council to call open tenders or EOIs for the sale of land, although it is the preferred practice.

However, in this situation, with Council having other lots for sale, knowing the market value of the land, having planning consents in place, having completed a construction tender, there being the potential to secure Federal Government grant fund, and with three major community housing providers operating in the region, the preferred approach is to seek EOIs from these organisations to assess what opportunities there are for Council to still deliver a diverse range of housing on Lots 19 to 30.



##### **RECOMMENDATIONS**

1. That Council in accordance with the Local Government (General) Regulation 2021 Section 178(1)(b), declines to accept any tenders for the Wollongbar Medium Density Housing - Construction Tender as the tenders submitted would not provide commercial viability for the project.
2. That Council, in accordance with Local Government (General) Regulation 2021 Section 178(3)(a) cancels the proposal for the contract due to the difficulty in Council securing competitive construction tenders for the project.
3. That Council authorises the General Manager to seek expressions of interest (EOI) from Social Futures Limited, Northern Rivers Housing Limited and Landcom, in respect to the sale, and or development, of one or more of Lots 19 to 30 to deliver improved housing outcomes in the Ballina Shire, with the outcomes of the EOI to be reported back to Council.
4. Council has determined that the limited EOI in point three is the preferred approach, as the three organisations listed have extensive and lengthy experience in delivering housing outcomes, they are all operating in the Northern Rivers, and Council has and is continuing to test the market in respect to land sale prices, and housing construction costs. There is also the potential for Council to partner with a community housing provider to secure grant funding through the Federal Government's Housing Australia Future Fund.

##### **Attachment(s)**

1. WUEA - Stage 3 - Plan of Subdivision [⇒](#)
2. Confidential Memorandum for Tender Report - Wollongbar Medium Density Housing (Confidential)