

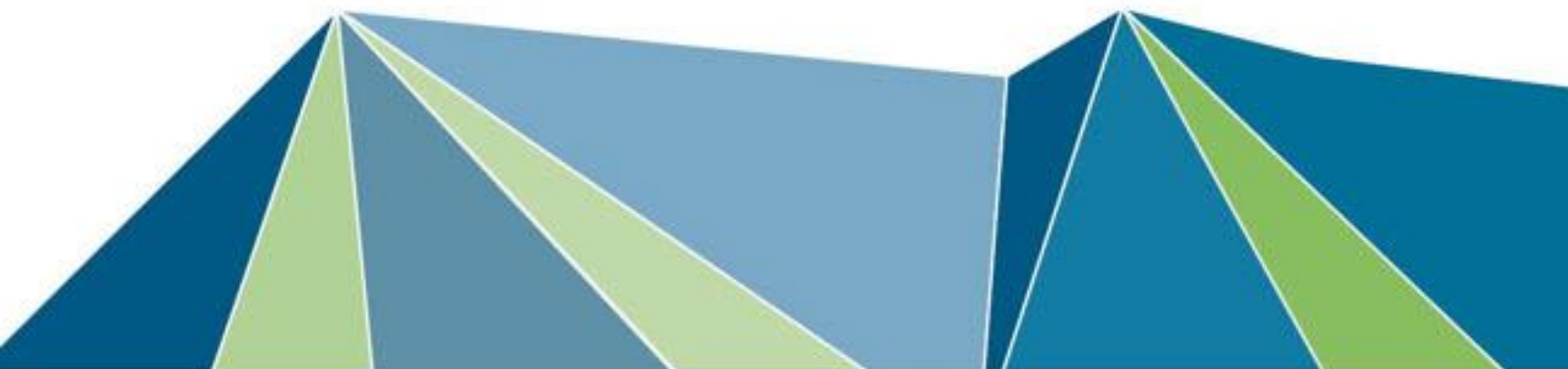
# Agenda

## ***Finance and Facilities Committee Meeting*** **10 June 2026**

An Finance and Facilities Committee Meeting` will be held in the Ballina Shire Council Chambers, 40 Cherry Street, Ballina on **10 June 2026 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 two speakers in the affirmative and two speakers 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 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](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
  4. Deputations
- 

**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. Deputations**

## 5.1 Debt Recovery Matters

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### 5. Committee Reports

#### 5.1 Debt Recovery Matters

<b>Section</b>	Financial Services
<b>Objective</b>	To provide an update on debt recovery matters, along with an overview of the confidential report included in this agenda. This report also seeks direction on one property with overdue rates and charges.

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#### **Background**

Council has exhausted nearly all available debt recovery options in relation to five ratepayers following years of unpaid rates and charges.

One property is held in a business name, and the other four properties are owned by individuals, therefore relevant details are contained in a confidential report in this meeting agenda.

This report seeks Council direction in respect to debt recovery action.

#### **Key Issues**

- Debt Recovery Options

#### **Discussion**

Debt recovery action to date on all five matters has involved Council's Debt Recovery Agency, Executive Collections (EC).

Relevant steps are taken in line with, our [Rates and Charges – Debt Recovery Policy](#), that includes:

- Issuance of Rates and Water Charges Notices
- Reminder Overdue letters
- Phone calls
- Demand letters
- Serving Statement of Liquidated Claim (SLC)
- Pre Judgement Letters
- Judgement Entered
- Post Judgement Letters

Despite repeated correspondence, phone contact and the service of formal legal documents over many years, no legitimate attempt has been made by the property owners to bring their accounts into order.

Judgement has been entered against all owners.

## 5.1 Debt Recovery Matters

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As a result, judgement has been recorded on their credit files, restricting their ability to obtain finance or credit for a period of up to five years.

Details on each of the specific circumstances and assessments is as follows.

### 1. Shelly Beach Holdings Pty Ltd

ABN	20 149 898 126
Assessment #	402896
Address	70 Shelly Beach Road, East Ballina
Arrears rates (\$)	69,551.22
Arrears water (\$)	19,679.47
<b>Total Arrears (\$)</b>	<b>89,230.69</b>

This information is correct as at 31 May 2026.

This assessment has been in debt recovery for approximately four years.

It is Council's understanding that this business is no longer operating.

Council is aware that a "Notice of Proposed Deregistration" is in progress, initiated by the Australian Securities and Investments Commission (ASIC), in relation to Shelly Beach Holdings Pty Ltd.

A "Notice of Proposed Deregistration" means that ASIC has initiated the forced removal of a company from the register, usually due to unpaid fees, failure to lodge documents for 18 months, or ceasing business operations.

The company may be dissolved in two months of the notification if no remedial action is taken by the company.

A company may be able to stop an ASIC initiated deregistration in progress by paying the fees or lodging required documents, depending on the circumstances.

It is possible that this company may move into liquidation, by ASIC, without any further action by Council, however this is not known by Council.

A creditor can ask ASIC to delay or stop deregistration so they can be paid or to take legal action against the company.

Executive Collections solicitor (on behalf of Council) has requested for a deferral of deregistration for a period of 12 months to allow time to be paid outstanding Rates and Charges. Council is still awaiting the outcome of our request, and this was made on 20 March 2026.

### 2. Individual – Subject to Confidential Report (first matter)

Assessment #	263991 (business rating)
Arrears rates (\$)	46,384.02
Arrears water (\$)	3,321.42
<b>Total Arrears (\$)</b>	<b>49,705.44</b>

This information is correct as at 31 May 2026.

## 5.1 Debt Recovery Matters

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This assessment has been in debt recovery for approximately nine years.

More information on this matter is included in the confidential report.

### 3. Individual – Subject to Confidential Report (second matter)

Assessment #	136102 (business rating)
Arrears rates (\$)	42,388.55
Arrears water (\$)	<u>7,028.70</u>
<b>Total Arrears (\$)</b>	<b>49,417.25</b>

This information is correct as at 31 May 2026.

This assessment has been in debt recovery for approximately fifteen years.

More information on this matter is included in the confidential report.

### 4. Individual – Subject to Confidential Report (third matter)

This individual owns two residential properties, both with outstanding debts.

Assessment #	185151 (residential rating)
Arrears rates (\$)	19,544.40
Arrears water (\$)	<u>0.00</u>
<b>Total Arrears (\$)</b>	<b>19,544.40</b>

Assessment #	185169 (residential rating)
Arrears rates (\$)	28,521.87
Arrears water (\$)	<u>2,172.44</u>
<b>Total Arrears (\$)</b>	<b>30,694.31</b>

This information is correct as at 31 May 2026.

These two assessments have been in debt recovery for approximately fifteen years.

More information on this matter is included in the confidential report.

### Community Engagement Strategy

Council has liaised with the debt collection agency Executive Collections, as they worked through the legal process to recover the outstanding debt and associated costs.

The properties in the names of individuals are listed as confidential as this is allowed under Section 10A(2)(b) of the Local Government Act (LGA); i.e. personal hardship of any resident or ratepayer.

As Shelly Beach Holdings Pty Ltd is in the name of a company, it is not covered by the confidential clause, and the matter remains in open Council.

### Financial / Risk Considerations

Council can recover all legal costs, as a last resort, through sale of the property. Interest is continually raised on the outstanding debt, with the interest rate

## 5.1 Debt Recovery Matters

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applied much higher than standard investment rates. The real cost to Council is the staff time in managing outstanding debts.

### Options

The options outlined in this report relate only to Shelly Beach Holdings Pty Ltd.

Options relating to the individual property owners are outlined in the confidential report.

#### 1. Proceed to 'Wind up' Shelly Beach Holdings Pty Ltd

Under Council's Rates and Charges - Debt Recovery Policy:

*In accordance with Section 459 of the Corporations Act 2001, where the ratepayer is a company and has been served with a Statutory Demand and the ratepayer has not complied within the 21 day period, Council has the right to commence proceedings to have the debtor company wound up and a liquidator appointed.*

A winding up order is a court process used where a company is unable to pay its debts.

Once a winding up order is made, the Court appoints a liquidator to take control of the company. This process effectively ends the company's existence. The liquidator assumes control of all company assets, including any property, subject to outstanding Council rates or charges.

The liquidator may sell company assets, including property, to recover amounts owed to creditors. Council rates are treated as a priority debt and would therefore expect to be paid from the sale proceeds.

The legal cost for the Wind-Up Petition to a ratepayer is estimated to be approximately \$7,000 ex GST. This cost would be added to the total debt outstanding and expected to be recoverable to Council.

This action will place the business in the control of liquidators and provide Council with a more immediate solution to the debt recovery matter and is the recommended option.

#### 2. Place debt recovery on hold until the debt is over five years in arrears and then consider Sale of Land.

Council may hold debt recovery for the time being and determine later to proceed to sell the land in accordance with Section 713 (2) of the Local Government Act 1993 (LGA):

*A council may, in accordance with this Division –*

*(a) sell any land (including vacant land) on which any rate or charge has remained unpaid for more than 5 years from the date on which it became payable.*

## **5.1 Debt Recovery Matters**

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This option requires procedural aspects to be completed, such as certification by the General Manager or Public Officer under s713(3) (LGA) and compliance with notice of sale and other provisions under s715 (LGA).

This option is not recommended for Shelly Beach Holdings Pty Ltd, as the sale of land option requires Council to oversee the sale of the property and provides a less timely resolution compared to Option 1.

### **3. Place debt recovery on hold.**

This option would place the matter in abeyance, and Council would continue to apply interest (currently 10% per annum as per the adopted fees for 2025/26) which would be added to the total debt outstanding and be recoverable to Council on the eventual sale of the property.

The debt would continue to increase, with annual rates of approximately \$10,500.

This option is not recommended due to no further debt recovery actions available to proceed with.

Options relating to the three confidential matters, for which properties are in the name of a person/s, are provided within the confidential report later in this agenda.

## **RECOMMENDATIONS**

1. That based on the contents of this report, Council authorises the General Manager to arrange necessary steps to issue an order to 'Wind up' Shelly Beach Holdings Pty Ltd (ABN 20 149 898 126) to recover outstanding rates and charges owed to Council.
2. That Council notes the contents of this report in respect to the confidential debt recovery matters, which are the subject of a report elsewhere in this agenda.

## **Attachment(s)**

Nil

## **5.2 Council Land Use - Corner Snapper and Hutley Drive, Lennox Head**

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### **5.2 Council Land Use - Corner Snapper and Hutley Drive, Lennox Head**

**Section** Commercial Services

**Objective** To respond to a Council resolution to investigate potential uses of operational land located on the corner of Snapper and Hutley Drive, Lennox Head

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#### **Background**

Council resolved as follows at the 27 November 2025 Ordinary meeting:

*That Council:*

1. *Recognises the strategic location and potential of the council owned commercial site situated at the corner of Snapper and Hutley Drive, adjacent to the soon-to-be-constructed basketball court and in close proximity to the existing sports field.*
2. *Notes the rapid development of the surrounding residential community and the planned establishment of a new school in the area, which will significantly increase local activity and demand for community infrastructure and services.*
3. *Requests that Council undertake a comprehensive investigation into potential future uses of the site, including but not limited to:*
  - *Construction of a facility for lease to commercial or community tenants*
  - *Development of a multi-purpose community hub*
  - *Public-private partnership opportunities*
  - *Other innovative or strategic uses that align with community needs and Council's strategic objectives.*
4. *Requests that the investigation include:*
  - *A review of current and projected demographic and economic data for the area*
  - *Engagement with relevant stakeholders including local residents, businesses, and educational institutions*
  - *Financial modelling and feasibility analysis of proposed options.*
5. *Requests that a report outlining findings and recommendations be presented to Council for consideration at a future meeting.*

This report responds to this resolution.

#### **Key Issues**

- Best use of operational land
- Timing and strategic land holding

## 5.2 Council Land Use - Corner Snapper and Hutley Drive, Lennox Head

### Discussion

The land that is the subject of the resolution is located on the corner of Snapper and Hutley Drive in the EPIQ precinct, at Lennox Head and is described as Lot 4, DP1239938.

It is irregular in size, and comprises an area of 1,813m<sup>2</sup>.

The site is Council owned operational land, zoned E1 Local Centre within the Ballina Local Environmental Plan (2012), with a range of permissible uses, including commercial, retail, medical and residential.

The site enjoys a strategic location within a growing precinct and is well situated in regard to services and community facilities.

Figure 1 as follows provides an overview of the land's strategic location.

**Figure 1 – Locality Map, Lennox Head**



There are wastewater pipes located beneath the site and the gravity fed pipe feeds the pumping station from the adjacent housing estate and shopping centre.

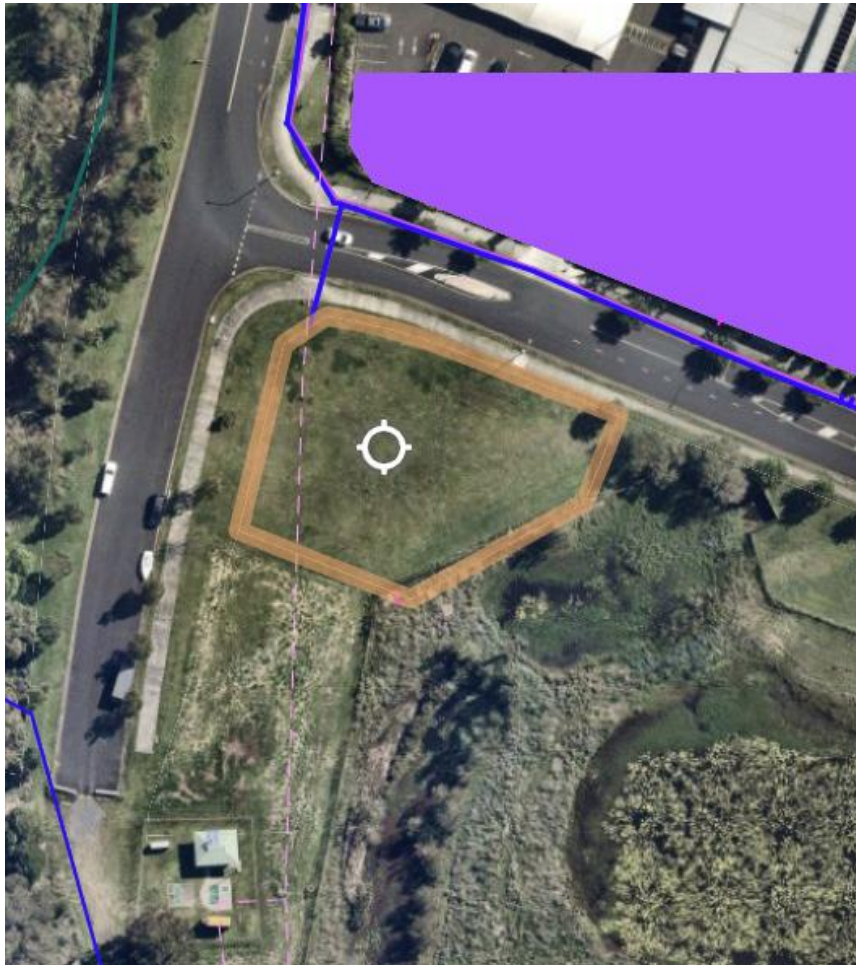
The pipe is identified by the perforated pink line in Figure 2, as follows, in a north-south direction.

This significantly detracts from the development potential of the site as Council policy prohibits the construction of buildings over wastewater pipes.

The current easement amounts to 315m<sup>2</sup> of the land, and it might be necessary to realign the pipes, if a substantial development is to occur.

Council did, however, recently resolve to build over this infrastructure when deciding to proceed with construction of a basketball court on the land immediately to south of the site.

Figure 2 – Wastewater Pipe



To assist in responding to the Council resolution, Planit Consulting Pty. Ltd. (Planit) was engaged to undertake a review of the site and development potential.

A copy of the report prepared by Planit is included as Attachment 1.

A range of possible land uses are explored in that report, with all options aligning with the zoning objectives of the site.

In summary, development options included:

*Option 1 – Mixed use commercial, retail and/or recreational facility*

This scenario may comprise a variety of retail, commercial and recreation type uses housed in a two-level commercial building.

The ground floor may feature retail or medical type uses, with commercial office space housing professional consulting rooms or similar on the first floor.

Recreational type uses such as yoga, Pilates, martial arts, dance, etc. could also be housed, subject to their ability to pay commercial rent.

## **5.2 Council Land Use - Corner Snapper and Hutley Drive, Lennox Head**

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This development option could be attractive if there were no vacancies within the Epiq Marketplace Complex, and the community facility on the sports field adjacent were at 100% capacity.

However, this is not the case at present, and more commercial development is planned for the precinct in the form of live / work accommodation.

### *Option 2 – Mixed use retail and commercial with shop top housing*

This option is similar to option one and proposes retail and commercial tenancies at ground level and residential units on the upper levels of a two or three storey building.

The residential or shop top housing component could house up to 6 x 2 bedroom units and provide diversity in the housing stock that is not currently available in the immediate precinct.

This option would need to consider noise attenuation measures due to the basketball court facilities under construction immediately south of the site.

### *Option 3 – Multi-purpose community hub*

The site could be suitable for a local community centre or regional museum, and whilst there is no identified need for this in the short term, circumstances could change in the medium to longer term with residential growth.

The report (page 14), confirms that Council's Community Facilities Strategy identifies the following gaps when it comes to facilities in the Ballina Shire:

- Multipurpose library, community and cultural hub in the Ballina Town Centre
- Aboriginal Cultural Centre
- Expanded library at Lennox Head Cultural Centre
- Space for creative community participation

The size of the site limits its ability to be developed as a 'regional' or higher order community facility.

### *Option 4 – Centre based childcare facility*

This option identifies the need for a childcare facility that could include long day care, occasional care, out of school hours care, vacation care and preschool.

The size of the lot is sufficient to accommodate this land use, with the facility to comprise of a one or two storey structure, with approximately 75 to 90 placements for children.

This location is well situated alongside other education facilities, such as the school and preschool scheduled for completion in 2027.

This option could include a scenario where Council partners with a service provider, i.e. Council lease the site to an operator who develops and operates a facility.

## **5.2 Council Land Use - Corner Snapper and Hutley Drive, Lennox Head**

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Council has examples of undertaking this type of arrangement such as Shelly Beach Cafe, where the proponent has a long term lease over the land, and constructed a café at their cost.

Normally operators prefer freehold title for sites they propose to develop.

### **Delivery Program Strategy / Operational Plan Activity**

This item can be linked to Delivery Program Strategies:

LP1.1 Support residential development that delivers and connects services close to home and

LP1.2 Facilitate connectivity and provide affordable infrastructure to meet growing demands.

### **Community Engagement Strategy**

There has been no community engagement on this site to date.

### **Financial / Risk Considerations**

Four development options have been provided with a variety of proposed uses including community, social, childcare, residential and recreational.

All scenarios come with financial and risk considerations.

Council has no funds set aside in the Long Term Financial Plan to develop this site. Planit was engaged at a cost of \$8,800 funded from Council's property operating budgets.

### **Options**

Four development options have been provided in Attachment 1, which proposes uses such as community, social, childcare, residential or recreational, with each having merit.

However, the report does state as follows, as part of the Executive Summary (page 6 of 25), that

*"Notwithstanding the opportunities of the subject site, the investigations through this Planning Analysis have not identified clear shortfalls of social infrastructure or economic services for the growing community".*

*"Noting the delivery timeline of additional population growth and the pipeline of enabling infrastructure, it is suggested that a time horizon of 5+ years forms a preliminary benchmark to any development scenario delivery. Pursuit of a longer-term outlook is anticipated to further facilitate a 'fit-for-purpose' development and therefore improve cost efficiencies".*

In summary, Planit is recommending that Council adopt a longer term approach and wait for a fit for purpose development opportunity to arise.

## **5.2 Council Land Use - Corner Snapper and Hutley Drive, Lennox Head**

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Council is already committed to several commercial projects including the development of the Council land to the west of this site, along with current leasing proposals for the Tuckombil Quarry, 89 Tamar Street, vacant industrial land at the Southern Cross Industrial Estate (Hercules Crescent) and 26 Endeavour Close.

Land sales are also still proceeding for Council's properties at the Russellton Industrial Estate and the Wollongbar Residential Estate.

Council needs to ensure that the limited resources available are not over-committed and with several projects underway, the preference, at this point, is to delay any further action on this site.

The recommendation is to note the contents of the Planning Analysis completed by Planit Consulting, while continuing to monitor the use of this site by including it as a recurrent action in the Delivery Program.

There is no immediate urgency for Council to do anything and a level site of this size and configuration in Lennox Head will only improve in value over time, and a preferred use may become more obvious when Council begins to develop the residential lots in the Council owned land in close proximity.

If Council wanted more immediate action, noting that there is no budget in the long-term financial plan for major works on the site, Council could erect a signboard on the site calling for expressions of interest to lease and compile an information memorandum to be sent out to interested parties.

This is a viable option.

However, based on the Planning Analysis, the large number of Council projects already underway, reasonably tough economic conditions and no funding allocated, the preference is to note the information contained in this report and include ongoing review of the site in the Delivery Program and Operational Plan.

### **RECOMMENDATIONS**

1. That Council notes the contents of the Planning Analysis, completed by Planit Consulting Pty. Ltd., as per Attachment 1 to this report, particularly the point in the report indicating a preference to focus on a longer-term outlook to further facilitate a fit for purpose development.
2. That Council continue to monitor the potential development of this site, with an action to be included in the Draft 2026/27 to 2029/30 Delivery Program and Operational Plan that includes a review of the development potential for this site, on a recurring basis, every two years.

### **Attachment(s)**

1. Planning Analysis - Land located Corner Snapper Drive and Hutley Drive, Lennox Head - Planit Consulting Pty. Ltd. [↗](#)

### 5.3 Section 7.11 Developer Contributions Plans - Review

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### 5.3 Section 7.11 Developer Contributions Plans - Review

**Section** Infrastructure Planning

**Objective** To provide an update on the current review of the Section 7.11 Developer Contributions Plans and to seek policy direction from Council on the review.

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#### **Background**

Section 7.11 developer contributions are a key revenue item for councils experiencing population growth.

Developer contribution plans allow councils to include, in planning consents, the payment of a contribution, or the dedication of land, to recoup the cost, or part of the cost, of new infrastructure needed, due to an increase in demand for public services and public amenities, arising from the development approved in the planning consent.

Section 7.11 is the clause in the Environmental Planning and Assessment Act that allows contributions to be charged.

Council has five Section 7.11 Developer Contributions Plans in place for Roads, Open Spaces and Community Facilities, Car Parking, Cumbalum Urban Release Area (CURA) Precinct A and Heavy Haulage.

Briefly the plans provide for:

- Roads – This is a shire wide plan that identifies road improvements needed due to increased traffic, with examples of the works being the duplication of the Fishery Creek and Canal Bridges, the four laning of River Street and Tamarind Drive and the North Creek Bridge reinstatement.

This plan applies to all land within the Ballina Shire and to any development that, in Council's opinion, is likely to result in a net increase in the number of vehicle trips on the surrounding road network.

- Open Spaces and Community Facilities – This is a shire wide plan that focuses on the embellishment of major open space areas, as well as the potential expansion of key community facilities, such as the libraries.

This plan applies to residential accommodation, or manufactured home development, that would, if approved, result in a net increase in dwellings, as well as tourist and visitor accommodation development that would, if approved, result in a net increase in the number of accommodation units or beds.

- Car Parking – This plan applies to distinct precincts, as defined in the plan, in the central business districts of Alstonville, Ballina and Lennox Head.

The plan includes a small list of potential works due to limited car parking options being available.

### 5.3 Section 7.11 Developer Contributions Plans - Review

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Contributions are collected sparingly, as developers will typically opt to provide car parking on site.

- CURA A – This plan applies to a defined precinct in CURA A and includes shared works that are needed as part of the subdivision, including sports fields, district park, community facilities and certain road improvements.
- Heavy Haulage – This plan applies to development that generates heavy haulage traffic movement, essentially being approved quarries.

The plan applies a contribution rate per tonne for material extracted. The contributions must be expended on repairing and renewing roads that form part of the heavy haulage routes for the quarries.

All five plans are available on Council's website as per the following link:

[Developer Contributions | Ballina Shire Council](#)

Reviews of the Roads, Open Spaces and Community Facilities, and Car Parking Plans are actions in the 2025/26 Operational Plan.

The reason for this is that works in the plans have been completed, and / or there is a need to update the value of the remaining works to reflect current construction costs and / or works may need to be added to reflect current and future priorities.

Following a selective quotations process, GLN Planning Pty. Ltd. was appointed as the preferred consultant to undertake a review of all three plans.

GLN Planning, or their key staff, have previously completed plan reviews for Council, as well as acting as key witnesses in court cases, where developers have challenged the application of Council's contribution plans.

GLN Planning, following an extensive review of the Roads, Open Spaces and Community Facilities and Car Parking Plans, has now completed a discussion paper, to seek direction on how Council wishes to approach the development of the updated plans.

The report that follows outlines the options available and seeks direction on the preferred approach.

#### **Key Issues**

- Long term financial planning
- Impact on cost of development and housing
- Financial liability for Council
- Section 7.11 and / or Section 7.12 Contributions Plans

#### **Discussion**

GLN Planning has prepared a Developer Contributions Options Report, which is included as Attachment 1 to this report.

### 5.3 Section 7.11 Developer Contributions Plans - Review

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The Executive Summary of that report, as per pages v and vi, identifies the key issues, which include:

- When the works plans for the Roads and Open Spaces and Community Facilities Plans are combined, the State Government cap of \$20,000 per residential lot, results in Council having a funding gap, or shortfall, of \$109m being the difference in the value of the required works and the contributions collected.

The \$20,000 cap was introduced by the State Government in June 2010.

A \$30,000 cap was also introduced in August 2012, for specific greenfield sites.

Council obtained approval to apply the \$30,000 cap for the CURA A development, as per the CURA A Precinct Developer Contributions Plan.

The \$30,000 approval from the Minister for Planning, was linked to Council making the case that the then rezoning of CURA A, for residential development, was placing a significant financial strain on Council, with the estimated cost, at that time, of providing the associated infrastructure, being approximately \$30,000 per residential lot.

The background to this is interesting, in that Attachment 2 to this report is the letter of support, provided to Council in February 2013, by the consultancy firm acting for all the CURA A landowners, to approach the Minister for approval to charge the \$30,000 limit.

The debate, at that time, related to Council's preference to have a Voluntary Planning Agreement (VPA) attached to CURA A, to ensure the risk of funding infrastructure was transferred to the landowners.

The preference of the landowners was to use a Section 94 (now Section 7.11) Contributions Plan.

As a VPA requires agreement of Council and the landowners, and it was not supported by the landowners, the Section 94 (Section 7.11) CURA A Precinct Developer Contributions Plan was the preferred approach, and this was approved by the Minister.

This has meant that Council now carries the financial risk of funding the infrastructure in that plan.

A VPA was approved for the CURA B precinct, as the then landowner approved the use of the VPA, which means that funding, nearly all the infrastructure in CURA B, rests with the landowners.

- To now obtain approval to increase the contribution per residential lot above the \$20,000, or \$30,000, limit, an application must be made to the Independent Pricing and Regulatory Tribunal (IPART).

IPART can only approve plans that include works that are on the Essential Works List (EWL).

### 5.3 Section 7.11 Developer Contributions Plans - Review

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Works that are not on the EWL largely relate to community facilities such as libraries, community centres etc.

Refer to page 41 of Attachment 1 for further details on the EWL.

The latest information paper released by IPART on the assessment of local infrastructure contribution plans, which includes information on the EWL, is also available as per the following link:

[Information-Paper-IPART-assessment-of-local-infrastructure-contributions-plans-July-2025.PDF](#)

- Council's current plans, primarily the Open Spaces and Community Facilities Plan, have works that are not eligible for the EWL, however the EWL does not apply to the existing plans, as they are under, or equal to, the \$20,000 or \$30,000 limit.

This means Council can currently fund, or part fund, projects, such as the Alstonville Cultural Centre Refurbishment, through contributions from the existing Open Spaces and Community Facilities Contributions Plan

- If Council wants to remove the \$109m shortfall in funding, a more realistic contributions charge, per residential lot, would be \$50,000.

The \$50,000 requires approval by IPART, which then means that approximately \$10m in works not on the EWL would need to be removed from Council's existing plans, albeit that would be more than offset by the increase in revenue from the higher contributions charged.

- In addition to Section 7.11 Contribution Plans, Council could develop a Section 7.12 Contributions Plan, which is based on a percentage of the value of a development, with the works schedule far more flexible.
- The review of the Car Parking Plan could also be included in the new Section 7.12 Plan, as the existing car parking plan collects limited funds.
- For Section 7.11, Council can retain the existing \$20,000 limit (\$30,000 for CURA A) and have control over the works list or apply to IPART for an increase in the threshold, with the works having to comply with the EWL.
- For Section 7.12, Council can apply different percentages, with 1% not requiring approval from the Department of Planning, Housing and Infrastructure (or Minister for Planning and Public Spaces), however higher percentages, such as 3% or 5% require approval.
- The use of Section 7.12 is recommended for development types not currently attracting a contribution e.g. residential and non-residential alterations and additions (refer to page 15 of report)

A summary of the advantages of Section 7.11 and 7.12 is outlined in Table 1 of the report, as per the following extract from page vii.

## 5.3 Section 7.11 Developer Contributions Plans - Review

**Table 1 Summary comparison of income options tested to deliver roads and open space infrastructure**

	Ballina Council Income Options – Roads and Open Space Plans				
	S7.11		S7.12 – Alts and adds (all development) <sup>1</sup>		
	BAU	IPART-reviewed	1%	3%	5%
<b>CP rate / value of development</b>	\$20k / dwelling, capped (new dwellings)	\$50k / dwelling (new dwellings)	\$183m / year <sup>2</sup>	\$183m / year <sup>2</sup>	\$183m / year <sup>2</sup>
<b>15-year income<sup>3</sup></b>	\$103m	\$303m	\$3.3m	\$5.5m	\$9.2m
<b>Funding flexibility</b>	Low	Medium	High	Medium	
<b>Simplicity</b>	Medium	Medium	High	High	
<b>Applicant appeals</b>	Low to Medium risk	Low to Medium risk	No risk		
<b>Likelihood of implementation</b>	High	High	High	Low	Low
<b>Stakeholder risk</b>	Low	Medium	Medium	High	High
<b>Overall</b>	Results in a gap of \$108m once increased construction costs are accounted for	Very good income, cannot fund non-essential works (~\$10m), medium stakeholder risk	Very flexible, additional income that the council currently doesn't collect for	Good income, but unlikely to receive approval from DPHI, high stakeholder risk	High income but unlikely to be supported by DPHI, high stakeholder risk

<sup>1</sup> New plan to collect for applications relating to development that requires consent but is not a new dwelling

<sup>2</sup> Forecast figures derived from DA data supplied by Ballina Council for the last five years of approved development that was not a new dwelling.

<sup>3</sup> Assumes 275 new dwellings per year for 15 years (4,125 new dwellings in total) and includes the \$15m calculated for non-residential development in Table 8.

In respect to the review of the existing contribution plans, the updated works plan for the Roads Plan is underway, as Council is updating the existing Ballina Strategic Road Network Model, which forecasts traffic movements to 2046.

This project is expected to take a couple more months to complete and once available it will form the basis of the works plan for the new Roads Contribution Plans, subject to formal reporting to Council.

That work is important, as it is essential that Council includes the updated value of the Fishery Creek and Canal Bridges projects, to allow a higher level of expenditure to be recouped from developer contributions.

### **5.3 Section 7.11 Developer Contributions Plans - Review**

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The existing Roads Contributions Plan has these works valued at approximately \$19m. The Council budget is now more than \$80m, with \$48m funded by grants, \$18m from loans and the balance from developer contributions held.

The grant funding cannot be recouped from developer contributions, however it will be possible to include the loan funding in the new Roads Contributions Plan, with contributions then able to offset the loan repayments, to help minimise the impact of the loan repayments on Council's recurrent budget.

If Council applies to IPART, for what would be a combined Roads and Open Spaces and Community Facilities Plan, most of the works included in the existing Open Spaces and Community Facilities Plan would need to be removed, as the EWL permits primarily land dedications only, for these facilities, with some minor embellishments.

A large part of the existing work in the current plan focuses on embellishment and refurbishment, with recent projects, partly or fully funded from Open Space and Community Facilities contributions, including the Ballina Pump Track and Sharpes Beach Car Park.

The Alstonville Cultural Centre Refurbishment and the Pop Denison Car Park are another two projects, funded in part from these contributions, that are planned for delivery over the next 12 months.

Funds collected under the existing plan could still be applied to those projects and projects of this type can be included in the list of works to be funded through a new Section 7.12 Plan, as Council determines that works plan.

The logical approach is to include any works in the existing contributions plan, that are not allowed under the EWL, to form the works plan for the new Section 7.12 Contributions Plan.

#### **Delivery Program Strategy / Operational Plan Activity**

The review of the Roads, Open Spaces and Community Facilities and Car Parking Contributions Plan are actions in the 2025/26 Operational Plan and 2026/27 Draft Operational Plan.

#### **Community Engagement Strategy**

The updated contributions plans must be exhibited for public comment.

The Department of Planning Housing and Infrastructure (DPHI) is also in the process of progressing work on improvements to the local infrastructure contributions system, "*in response to issues raised by councils and other stakeholders*". The issues from a council perspective include the cap, and the difficulty in funding works in advance, when contributions are collected on a progressive basis, as developments roll out. Councils are also regularly criticized for not spending contributions in a timely manner.

### 5.3 Section 7.11 Developer Contributions Plans - Review

The advice from DPHI in respect to the current review also states as follows:

*“The proposed changes aim to improve the expenditure of local infrastructure contributions and strengthen the integrity of the system. This work will focus on:*

- *The repeal of contributions plans and use of repealed funds*
- *Access to and use of higher rate section 7.12 levies*
- *Probity in the management of planning agreements*
- *The role of private certifiers in local contributions.”*

As part of this work they have stated that *“broader reform to the local infrastructure contributions system is not proposed”*.

DPHI conducted an online discussion forum with councils, on the review, during May 2026, and Attachment 3 to this report is a copy of the presentation delivered as part of that engagement. The presentation provides a good overview of the issues that DPHI is examining in relation to the existing local infrastructure contributions framework.

This does create some risk that Council’s current review might need to be further reviewed, following the DPHI work, but nevertheless it is important that Council update the current plans, especially to recoup the significant cost increases in the Fishery Creek and Canal Bridge duplications, and the Alstonville Cultural Centre refurbishment.

As well as the bridge cost increases, the Alstonville Cultural Centre refurbishment is currently in the Open Spaces and Community Facilities Plan at a value of \$10.8m and the current Council budget is approximately \$18m.

#### Financial / Risk Considerations

Developer contributions represent a significant component of Council’s overall funding mix and the inadequate collection of contributions places financial pressure on Council’s restricted revenue sources to fund new or expanded infrastructure, that is connected to development and population growth.

The amount of Section 7.11. contributions collected for the last four years, along with the closing balance held, as at 30 June 2025 is as follows.

#### Summary of Contributions Collected and Held as at 30 June 2025 (\$'000)

Contributions Plan	2021/22	2022/23	2023/24	2024/25	Held 30 June 2025
Open Spaces/Comm Fac	1,910	1,194	957	962	5,232
CURA A	0	226	3	30	1,833
Car Parking	204	27	4	0	1,190
Heavy Vehicles	270	277	283	259	1,188
Roads (New)	4,623	3,805	2,064	2,394	15,163
<b>Total</b>	<b>7,007</b>	<b>5,529</b>	<b>3,311</b>	<b>3,645</b>	<b>24,606</b>

The major funds held are with the Open Spaces and Community Facilities and Roads Plans, with essentially all the Open Spaces and Community Facilities funds allocated to the Pop Denison Car Park, Sharpes Beach Car Park, Ballina Pump Track and the Alstonville Cultural Centre Refurbishment and the Roads funds fully allocated to the bridge duplications.

**Options**

Attachment 1 to this report outlines the options available in respect to Section 7.11 and Section 7.12 Plans.

Direction from Council is needed in respect to the preferred approach to guide the development of the updated contribution plans. The options are:

**Section 7.11 - \$20,000 and \$30,000 Cap**

Review the works schedules and develop plans that comply with the \$20,000 cap.

This represents the status quo and would involve relatively minor changes to the plans to reflect updated work schedules, including contemporary costs and estimates.

This then creates a significant funding gap between the required work and the funds collected from contributions.

A review of Council's 2025/26 fees and charges confirms that the existing contribution rates already result in a significant subsidy, as per the following figures for a typical residential allotment:

<b>Contributions Type</b>	<b>Standard ET</b>	<b>CURA A ET</b>
Open Spaces – Local	4,494	
Open Spaces – Regional	1,485	1,485
Community Facilities - Local	1,755	
Community Facilities – Regional	1,188	1,188
Administration (OS&CF)	133	40
Roads	14,718	14,718
Administration (Roads)	221	221
CURA A Works	N/A	17,083
<b>Total</b>	<b>23,994</b>	<b>34,735</b>
Contributions Cap	20,000	30,000
<b>Subsidy or Discount</b>	<b>(3,994)</b>	<b>(4,735)</b>

Contributions are levied on equivalent tenements (ETs), which equates to a standard residential allotment.

The figure of \$23,994, which is applied to most residential developments, is what Council should be charging based on the value of the works in the current contribution plans.

With Council only allowed to charge \$20,000 per equivalent residential allotment, what happens in practice is that contributions are discounted on a pro-rata basis to reach the \$20,000 cap.

With Council collecting on average around \$3m to \$7m in open spaces and community facilities and roads contributions in recent years, the discount means that Council is missing out on approximately \$600,000 to \$1.4m per annum, which over the long term represents a significant funding shortfall.

### 5.3 Section 7.11 Developer Contributions Plans - Review

Importantly, the value of the works in the plans, particularly the Roads Contributions Plan, needs updating, and the \$23,994 figure is now closer to \$50,000 based on current estimates.

The 2026/27 draft Fees and Charges have the contributions increasing by around 4%. This means the existing subsidy, or discount, will increase even further without a change to the \$20,000 or \$30,000 cap.

The Roads Plan is the major financial liability for Council, with the existing works schedule for that plan as per the following table.

**Existing Section 7.11 Roads Plan – Works Schedule (\$'000)**

Works Schedule	Developer (%)	2011-2019	2019-2028	2028-2036	Status
Western Arterial	100			35,000	Not started
River St – Fisheries Ck Bridge to Tweed St – 4 Lanes	49.6		4,300		Complete
Tamarind Drive – North Ck Road to Kerr St – 4 Lanes	98.6		7,900		Underway
River Street – Fisheries Ck Bridge – 4 Lanes	49.6		5,900		Underway
Tamarind Drive – Canal Bridge – 4 Lanes	98.6		4,400		Underway
River St - Fisheries Cr Bridge to Interchange – 4 Lanes	98.6		10,600		Part complete
Hutley Drive Extension	100			14,800	Part complete
Bangalow Road / Hogan St – New Left In / Left Out	100		700		Complete
Angels Beach Drive / Sheather St – new Left In / Left out	100		800		Complete
North Creek Road and Bridge	100		21,400		In planning
Ross Lane Improvements – West	100		5,200		Not started
Ross Lane Improvements – East	48.5		11,600		Superseded
Tintenbar Road / Teven Road – Climbing Lanes	325			4,300	Not started
Tamarind Drive to Sthn Cross Drive – Right Turn Ban	100		170		Underway
Nth Ck Rd / Reservoir Rd / Hutley Dve – Traffic Calming	71.6		3,100		Not started
River Street / Cherry Street – Roundabout	70	1,300			Complete
River Street / Moon Street - Roundabout	70	1,300			Complete
Tamar Street / Cherry Street – Roundabout	70	700			Complete
Angels Beach Drive / Bangalow Road – Lane Extensions	100	990			Complete
Ballina Heights Drive	70	5,400			Complete
Cumalum Interchange - Eastern Roundabout	100	3,900			Complete
Cumalum Interchange - Eastern R'bout – Upgrade	100			900	Not started
Sandy Flat Road	100		3,300		Not started
Nth Ck Rd - Tamarind Dve to Sthn Cross Dve – 4 Lanes	46		1,600		Not started
Tamarind Dve – Flathead Lane to Nth Ck – 4 Lanes	100		2,900		Not started
Bangalow Road – Additional Lane – Angels Beach Drive	100		1,400		Complete
Byron Bay Rd / Hutley Dve R'bout – Connect Hutley Dve	100	3,200			Complete
North Ck Rd Ballina St R'bout – Traffic Calming	100			1,600	Not started
Barlows Road Link	64.5		7,800		Concept complete
<b>Total</b>		<b>16,790</b>	<b>85,270</b>	<b>56,600</b>	

As mentioned earlier, the value of the works in the schedule is well out of date, with the Fishery Creek and Canal Bridge Duplications confirmed at \$80m plus, as compared to a combined figure of approximately \$19m in the plan, being \$7.9 for Tamarind Drive to North Creek Road four laning, \$5.9m for Fisheries Creek Bridge and \$4.4m for Canal Bridge.

Similarly, recent estimates for the North Creek Bridge are around \$73m as compared to \$21.4m in the contributions plan, when it was originally adopted.

The updated road network study will potentially add new projects to this schedule, as well as deleting completed projects.

Table 1 in the options report, as per the extract earlier in this report, highlights that the funding difference between Section 7.11 Contributions Plans complying with the cap, and IPART approved plans, could be around \$200m over 15 years (\$303m compared to \$103m).

**Section 7.11 – IPART approval above the \$20,000 or \$30,000 Cap**

This then leads to the second option, being whether Council wishes to apply to IPART for an increase above the cap, and if yes, what magnitude of increase is reasonable.

There are also options available in respect to this, where Council can phase in increases, over time.

For example, if Council had the \$50,000 limit approved, year one could see the existing contribution increase from \$20,000 to \$30,000, then \$30,000 to \$40,000 in year two and then \$50,000 in year three.

Council needs to determine what is a reasonable level of developer contributions payable for residential development.

There are numerous council services that operate at a subsidy to the community, in that if the full cost of the service was charged, the service would be too expensive for many users.

Examples include many community services, such as the swimming pools, libraries, community centres and the Burns Points Ferry, all of which operate at a net cost.

The net cost is then funded by ordinary rates, and the Financial Assistance Grant, which all councils receive based on a funding allocation from the Federal Government through to the State Governments.

The capping of contributions was introduced to increase housing affordability and supply by reducing the costs that developers were passing on to buyers.

One counter point to this is that the opposite has occurred, in that by not allowing councils to collect the level of funds needed to construct new infrastructure, this results in delays in the supply of infrastructure, which can constrain residential land supply.

The contributions cap has also not solved affordability, which remains one of the major challenges for all levels of government.

If the current \$20,000 cap was indexed from when it was originally imposed, at 3% per annum, the indexed figure would be approximately \$34,000, 4% \$40,000 and 5% \$48,000.

The Australia Bureau of Statistics (ABS) has a wide range of indexes for construction cost increases, with the cumulative change in some of the major indexes between June 2010 and March 2026, as per the following table.

<b>ABS Index</b>	<b>June 2010</b>	<b>March 2026</b>	<b>% Change</b>
Building Construction	96.6	172.9	79
Residential Building Construction	96.2	189.3	97
Non-residential Building Construction	96.6	166.2	72
Road and Bridge Construction	92.8	149.4	61
<b>Average</b>	<b>95.6</b>	<b>169.5</b>	<b>77</b>

### 5.3 Section 7.11 Developer Contributions Plans - Review

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If the average of 77% is applied, the \$20,000 cap indexed would be approximately \$35,500. If the Building Construction index is applied the \$20,000 indexed would be \$35,800 (79%). If the Road and Bridge Construction index is applied the \$20,000 indexed would be \$32,200 (61%).

These percentages provide a guide as to what the increase in costs has been, albeit this type of approach assumes the original \$20,000 cap was a reasonable limit in the first place.

IPART has completed reviews of several plans, with a list of those reviews available as per the following link:

[Current and completed assessment of plans | IPART](#)

Many of the reviews are for specific localities within the local government area, resulting in some high contribution figures, albeit that they are not applied across the entire local government area.

Some councils aim to keep contributions low to encourage development, other councils charge the full cost, and many others are somewhere in the middle.

#### Section 7.12 Contributions

As per the GLN report, Section 7.12 is another option available, whereby a percentage is levied on the value of the development. Any percentage over 1% requires approval from the Department of Planning, Housing and Infrastructure (DPHI). This is not levied on developments that are charged a Section 7.11 contribution.

Section 7.12 has the benefit of being simple to apply, and the works program has more flexibility, albeit the income collected is well below the Section 7.11 figures.

The recommendation from GLN is to implement a Section 7.12 plan for alterations and additions and then fund some of the works that do not meet the EWL from the revenue collected. The preference is to develop the first Section 7.12 plan based on 1%, as this does not require State Government approval. As this is a new plan, the 1% will allow Council to monitor the effectiveness of the plan, prior to making any decision to apply for a higher percentage.

#### Other Charges

Water and Wastewater Developer Servicing Plan Contributions are also levied on development, in addition to the Section 7.11 charges. The Water and Wastewater charges are levied in accordance with Section 64 of the Local Government Act which then references the Water Management Act 2000.

Council's standard Section 64 charges for 2025/26 are Wastewater \$6,221, Water \$4,065 and the Rous Water Headworks charge, which is collected by Council and then forwarded to Rous, is \$10,598.

This means the average total contributions payable for a standard residential allotment, for 2025/26 is approximately \$40,884 (\$20,000 plus \$6,221 plus \$4,065 plus \$10,598).

**Next Steps**

To progress the current review, direction is needed from Council as to whether the current contribution caps of \$20,000 and \$30,000 for CURA A will still apply, or whether Council will support an application to IPART for approval above the cap.

The recommendation is to prepare the updated plans based on an application to IPART, as Council is in a high growth coastal area and unless increases in revenue are identified, the funding gap between revenue and infrastructure delivery will continue to grow.

Council cannot be financially sustainable in the longer term unless funding streams are increased for infrastructure needed because of development.

The first recommendation for this report supports an application to IPART. If this approach is supported the critical issue will be the level of increase that Council is prepared to support, either immediately, or phased in over a set period.

As outlined earlier in this report the \$20,000 indexed, since it was originally imposed, increases to approximately \$34,000 at 3% per annum. \$40,000 at 4%, \$48,000 at 5%. Based on ABS indexation the \$20,000 indexed would range from approximately \$32,000 to \$36,000 depending on the index.

There is also the key point that the \$20,000 was an insufficient base in the first place, noting that the CURA A Contributions Plan had an estimated contribution rate of approximately \$30,000 in 2012.

The GLN report also identifies \$50,000 as the estimated contribution to minimise any subsidy from development.

In respect to a recommendation to prepare the draft Contributions Plans, the preference is to work towards a cap of around \$35,000 to \$40,000 as this is around the middle ground for construction cost increases.

This is still well short of the \$50,000 target figure, however it represents a reasonable level of increase based on cost indexation since 2010.

This does not mean Council has to proceed with the application to IPART, or even with this figure, however it will provide a guide as to what Council considers to be reasonable, based on the potential financial liability that Council faces in respect to delivering future infrastructure, associated with development.

The next report to Council can outline phased approaches to the increase to \$35,000 to \$40,000 and the financial implications of each approach.

The preferred cap can also highlight works that may need to be left out of a future works plan, as they cannot be funded through developer contributions, based on any proposed cap. All future works cannot be funded by developer contributions and Council needs to financially plan how infrastructure is delivered through a range of revenue sources, including developer contributions, grants, loans, internal reserves and recurrent revenue.

### 5.3 Section 7.11 Developer Contributions Plans - Review

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It is important to identify what should be funded, or part funded, by developer contributions, due to a connection to development, and what should be funded from the other revenue sources available.

The final recommendations are to support the development of a Section 7.12 Contributions Plan, based on the 1% limit that does not require DPHI approval, to fund works that might not meet the Essential Works List required by IPART, along with picking up any other developments not levied Section 7.11 contributions.

Section 7.12 is a relatively easy process to follow, however the income collected, even at higher percentages, is well below the figures generated through Section 7.11 Contribution Plans, which is why the focus is on development, where Section 7.11 is currently not applied.

The Section 7.12 Contributions Plan will also examine ways to collect contributions for car parking improvements, as the existing Car Parking Contributions Plan is proving to be limited in its ability to collect contributions.

#### RECOMMENDATIONS

1. That Council confirms the preferred approach for the current review of the Roads and Open Spaces and Community Facilities Plans is to apply to IPART for approval to levy a contribution on residential development that is above the current State Government cap.
2. That Council complete the review of the draft Roads and Open Spaces Contributions Plans based on a potential cap in the range of \$35,000 to \$40,000, which is a reasonable limit based on cost increases since the \$20,000 cap was introduced in 2010.
3. That the review of the draft Roads and Open Spaces and Community Facilities Contributions Plans is to also examine a phased in approach for the increased cap.
4. That Council supports the development of a Section 7.12 Contributions Plan to fund works that might not meet the Essential Works List required for IPART approved plans, along with other development not levied Section 7.11 contributions.
5. The Section 7.12 Contributions Plan is to also examine options to increase the level of developer contributions collected for car parking improvements.

#### Attachment(s)

1. GLN Planning - Developer Contributions Options Report [⇒](#)
2. Cumbalum Precinct A Planning Proposal - Reply to letter dated 21 December 2012 - Correspondence from Landholders in CURA A to support Council for an exemption to Section 94 Contributions Cap [⇒](#)
3. Department of Planning, Housing and Infrastructure - Local Infrastructure Contributions - Expenditure Improvements - Council Engagement Presentation - May 2026 [⇒](#)

## **5.4 Policy (Review) - Financial Assistance (Hardship) - Rates and Charges**

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### **5.4 Policy (Review) - Financial Assistance (Hardship) - Rates and Charges**

<b>Section</b>	Financial Services
<b>Objective</b>	To review the Financial Assistance (Hardship) Rates and Charges Policy

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#### **Background**

All Council's policies are progressively reviewed to ensure they reflect contemporary practices and legislative requirements. The purpose of this report is to review the Financial Assistance (Hardship) Rates and Charges policy.

The most recent review of this policy was completed in August 2024.

The objective of this policy is to provide financial assistance to eligible ratepayers who are experiencing genuine and significant financial difficulties in paying their rates and charges.

A recent application received from a ratepayer for assistance under this policy has triggered a potential need for review of the eligibility requirements.

#### **Key Issues**

- Whether the policy meets the requirements of Council and current legislation

#### **Discussion**

The objective of this policy is to provide financial assistance to eligible ratepayers who are experiencing genuine and significant financial difficulties in paying their rates and charges.

The existing policy contains criteria for assessment including that the property for which the hardship application is made must be the applicant/s principal place of residence.

That criteria is only excluded for ratepayers who advise Council they are impacted by domestic and family violence.

Council staff recently received a request for financial assistance under the policy in relation to vacant land owned by a ratepayer.

In this circumstance, the ratepayer (who has a young family) is currently renting, own a vacant parcel of land they hope to build on in the future and they do not own any other property.

Due to current economic conditions and their current financial position, the ratepayer is unable to meet their current financial obligations, including their rates and charges, and are seeking an interest free repayment arrangement.

## **5.4 Policy (Review) - Financial Assistance (Hardship) - Rates and Charges**

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On review of the applicant's circumstances, who may be representative of other ratepayers in a similar circumstance, staff consider that the eligibility requirement of a property being the applicant/s place of residence may be overly restrictive.

The recommended amendments remove the criteria of the property being the applicant/s principal place of residence. The requirement not to own any other property (either within or outside of the Ballina Local Government Area (LGA)) remains.

This allows the policy conditions to be extended to those ratepayers who own vacant land (provided they hold no other property within or outside of the Ballina LGA).

A copy of the amended policy is included as Attachment 1 to this report.

The proposed changes to the policy are highlighted in yellow and no longer required text is showing with a red strike through.

### *Consideration of Statutory Provisions*

The Local Government Act 1993 (the Act) allows councils to provide assistance to ratepayers under certain sections of the Act.

Section 567 of the Act specifies the ability of a council for the writing off accrued interest:

*The council may write off accrued interest on rates or charges payable by a person if, in its opinion –*

- (a) The person was unable to pay the rates or charges when they became due and payable for reasons beyond the person's control, or*
- (b) The person is unable to pay the accrued interest for reasons beyond the person's control, or*
- (c) Payment of the accrued interest would cause the person hardship*

The financial assistance typically provided under the policy is periodic payment arrangements, and an interest free period.

The proposed amendments within this report still meet all legislative requirements.

### **Community Engagement Strategy**

It is recommended that Council adopt the policy as presented, however the document will also be exhibited for public comment.

If any submissions are received, they can be reported back to Council, however there will not be a need for any further report if there is no public comment.

### **Financial / Risk Considerations**

For various reasons, ratepayers from time to time may fail to pay their rates and charges when they become due and payable to Council. This becomes a financial risk to Council.

## **5.4 Policy (Review) - Financial Assistance (Hardship) - Rates and Charges**

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The policy provides for risk prevention measures and outlines the process for debt recovery to ensure prompt payment of all amounts due to Council.

The proposed amendments, which widen the eligibility of interest free periods, or other relief, will reduce the amount of interest income received by Council.

This amount is reasonably minimal from a council wide perspective.

Provision of such assistance assists ratepayers in difficulties to continue to make regular payments by way of an agreed payment arrangement and may lessen staff time and costs associated with formal debt recovery actions.

### **Options**

Council may accept or amend the proposed changes to the policy.

It is recommended that the policy be adopted as presented.

It is also recommended that if no submissions are received from the exhibition process, no further action is required.

### **RECOMMENDATIONS**

1. That Council adopts the revised Financial Assistance (Hardship) Rates and Charges Policy, as per Attachment 1 to this report.
2. That Council place this policy on exhibition for public comment, with any submissions received to be resubmitted back to Council. If no submissions are received, no further action is required.

### **Attachment(s)**

1. Policy (Review) - Financial Assistance (Hardship) - Rates and Charges [⇒](#)

## **5.5 Policy (Review) - Community Property Leasing and Licensing**

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### **5.5 Policy (Review) - Community Property Leasing and Licensing**

**Section** Governance

**Objective** To consider submissions on the review of the Community Property Leasing and Licensing Policy

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#### **Background**

At the 26 February 2026 Ordinary meeting, Council resolved to exhibit an updated Community Property Leasing and Licensing Policy.

This update originated from discussions regarding the renewal of the Social Futures Limited lease of land at Wigmore Park, with Social Futures being a large, Not-for-Profit organisation, paying the statutory Crown Lands minimum rent, on Council owned community land.

The policy review concentrated on determining criteria to clarify what level of rent should apply to lessees and licensees.

A copy of the 26 February 2026 Ordinary meeting report is included as Attachment 1.

A copy of the exhibited policy is included as Attachment 2.

As a result of the exhibition process, ten submissions were received, which are included as Attachment 3.

The objective of this report is to review the submissions and adopt the Community Property Leasing and Licensing Policy.

#### **Key Issues**

- Equity between groups
- Value of volunteering
- Policy clarity and implementation

#### **Discussion**

The report to the 26 February 2026 Ordinary meeting, as per Attachment 1, recommended an amended rent structure to address concerns that had been raised in respect to rents not reflecting the capacity of organisations.

The recommendation was not supported and Council resolved as follows:

1. *That Council adopts the amended Community Property Leasing and Licensing Policy, as per Attachment 1 to this report and inclusive of the changes expressed in point 3.*
2. *That Council place this policy on exhibition for public comment, with any submissions received to be resubmitted back to Council. If no submissions are received, then no further action is required.*

## 5.5 Policy (Review) - Community Property Leasing and Licensing

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3. That Council incorporates the following changes into the policy relating to Table 2 in the report:

*Category 1: Small Not For Profit (Small NFP): Volunteer Based, Membership Funded organisations that have:*

- A No paid executive staff*
- B No permanent commercial trading*
- C Annual turnover below \$250,000*
- D They are entitled to an amount equal to NSW Crown Lands statutory minimum rent*

*Category 2: Community organisations with commercial trading*

- A Have paid staff or contractors*
- B Have commercial revenue streams from bar, gaming, catering, event hire, etc. that generate an operational surplus (evidenced through financial statements) that is above \$250,000*
- C Revenue Thresholds for Rent per Annum*
  - 1. Between \$250,001 to \$1M revenue, Pay 25% of Market rent for the first year of lease term, then annual CPI adjustments*
  - 2. \$1M to \$2M in revenue Pay 50%*
  - 3. Greater than \$2M - 100% of market rent*

*Category 3: Community Preschools*

- A They are entitled to an amount equal to NSW Crown Lands statutory minimum rent*

*Category 4: Large Not for Profits, including government funded service providers*

- A Have paid staff or contractors*
- B Have professional executive structure*
- C Paid workforce delivering services to the community*
- D Receives significant recurrent government funding*
- E Typically operate across additional LGAs*
- F Revenue Thresholds for Rent per Annum*
  - 1. Between \$250,001 to \$1M revenue, Pay 25% of Market rent for the first year of lease term, then annual CPI adjustments*
  - 2. \$1M to \$2M in revenue Pay 50%*
  - 3. Greater than \$2M - 100% of market rent*

*Category 5: Large Not for Profits, renting a storage shed to be determined on a case-by-case basis based on size of shed and organisational scale.*

### **Interpretation**

To implement the 26 February 2026 resolution, it was necessary to clarify, in the exhibited policy, certain criteria outlined in the resolution.

For example, the resolution references:

- annual turnover, operational surplus, revenue thresholds, revenue and commercial revenue

## 5.5 Policy (Review) - Community Property Leasing and Licensing

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- permanent commercial trading and commercial revenue streams
- paid staff or contractors, paid workforce delivering services to the community, professional executive structure and paid executive staff.

Annual revenue has been the preferred reference, in the exhibited policy, to create consistency. Annual revenue is a gross figure and is used by NSW Fair Trading in relation to Incorporated Associations.

As many Not-for-Profit Groups are run by volunteers, often the financial information they provide to Council, for the purposes of a lease or license renewal application, is not detailed, or to the standard produced by large organisations.

Incorporated Associations, with annual revenue of \$500,000 or less, are generally not required, by NSW Fair Trading, to have their annual financial reports audited.

The information needed to assess an organisation against a rent structure should be achievable for Not-for-Profit Groups to produce annually, without undue expense.

It has also been assumed that Not-for-Profit Groups needed to meet all criteria to fall into a particular Category.

For example, in Category 1, this means that the group would need to meet:

- A - no paid executive staff, **and**
- B - no permanent commercial trading, **and**
- C - annual turnover (revenue) below \$250,000.

This is reflected in the exhibited policy, as per Attachment 2.

### Application of Categories

There are gaps between Category 1 and Category 2, which means some Not-for-Profit Groups currently leasing properties covered by the policy may not fit into any category.

This occurs when a group meets one or two of the criteria listed for each category.

As an example, for Category 1, some groups do not employ staff, have no permanent commercial trading, however their annual turnover is over \$250,000.

Such a group does not meet the criteria in Category 2, as they have no paid staff or commercial revenue.

Other matters identified in applying the new rent structure included the following:

- If annual revenue is to be used consistently across each category, this is then treated as a gross figure. Some Not-for-Profit Groups:
  - may receive one-off grant funding in a particular year. Receipt of such funding in the year before their lease is due for renewal could push the

## 5.5 Policy (Review) - Community Property Leasing and Licensing

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organisation from Category 1 into Category 2, however, the organisation may not meet the other criteria in Category 2

- have annual revenue above \$250,000, however, have a very low surplus after expenses are deducted.

If the group's annual revenue declines during the lease term, the rent payable at the start of the lease term will apply for the full lease term.

The resolution only asks for a single year's revenue. The preference is to use some form of average, possibly over a three- or four-year period.

- There are sporting groups that receive revenue from a form of "commercial trading", being the sale of food, drinks and alcohol, often using a bar.

They may have an annual revenue exceeding \$250,000, which means they are in Category 2 and required to pay a portion of market rent.

Apart from the sale of food, drinks and alcohol, many Not-for-Profit Groups also have a form of commercial trading from the sale of ticketed games / productions / performances / clothing and uniforms.

- There are circumstances where a sports ground and clubhouse are used by two or more clubs, or a combined incorporated association may hold the lease for the building / premises all year round.

Some of the sports clubs independently may have annual revenue exceeding \$250,000, (from the sale of food, drinks or alcohol or registration fees), however, the combined incorporated association (being the tenant in the lease) does not have annual revenue exceeding \$250,000.

Clarification should be given as to whether the license holder falls under Category 1, even though the different sporting clubs sitting under the combined organisation may have annual revenue exceeding \$250,000.

At present, the lease or license application form only requires financial information from the tenant. This means that Council only has access to financial information from the lessor or lessee (the combined incorporated association), and not from the sub-clubs using the building.

If the \$250,000 annual revenue threshold is intended to cover the annual revenue of the sub-clubs, there will be other building leases and licenses, which are likely to exceed the \$250,000 threshold.

Examples may include:

- Lennox Head Combined Sports Association Inc: Williams Reserve clubhouse – Lennox Rugby Union, Lennox Cricket, Lennox Junior Rugby League plus others. Lennox Combined Sports Association Inc advised that they currently have seven sub-clubs as members.
- Ballina Sport Club Inc: Saunders Oval clubhouse – Ballina Soccer, Ballina Touch, Ballina Junior Cricket plus other sub-clubs.

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- Fripp Oval Sports Club Inc: Fripp Oval clubhouse – Ballina Bombers AFL, Ballina Bears Cricket plus other sub-clubs.
- There are also examples where the lessees or licensees under the policy are the State level entity, while the local branch runs the day-to-day use of the property. This includes Girl Guides NSW, the Country Women's Association of NSW and Playgroup NSW.

As an example, the Girl Guides NSW 2024 Financial Statements confirm annual revenue of \$6m and accumulated funds and reserves of \$45m.

A link to the Girls Guides NSW 2024 Annual Report is as follows [2024](#).

Even though the local branch runs the operations from the premises, the State organisation holds the lease. The State organisations can fall within Category 4 and should pay 100% market rent based on the resolution.

- The \$250,000 turnover is a relatively low figure.

Based on recent annual revenue figures reported to either NSW Fair Trading, the Australian Charities and Not for Profits Commission (ACNC), or to Council, some examples of existing Not-for-Profit Groups leasing properties that have annual revenue currently exceeding \$250,000 or close to exceeding \$250,000 include:

- Alstonville Football
- Alstonville Tennis
- Ballina Netball
- Ballina Players Theatre
- Ballina Seagulls
- Country Women's Association of NSW
- Lennox Head Football
- NSW Girl Guides Association

If Council requires combined incorporated associations to report on the annual revenue of the sub-clubs (as discussed earlier), this could also impact the following clubs:

- Ballina Football (Saunders Oval)
- Ballina Touch Football (Saunders Oval)
- Ballina Junior Cricket (Saunders Oval)
- Ballina Bombers AFL (Fripp Oval)
- Ballina Bears Cricket (Fripp Oval)
- Lennox Rugby Union (Williams Reserve)
- Lennox Cricket (Williams Reserve)
- Lennox Junior Rugby League (Williams Reserve)

The turnover for some of the larger sporting clubs, particularly Lennox Head and Alstonville Football Clubs, would consist of a significant influx of registration fees, with a large part of those fees then paid to the Federation overseeing the sport, with very little return to the club.

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### Submissions

Council received ten written submissions because of the exhibition. Copies are included as Attachment 3. Several phone calls were received from Not-for-Profit Groups covered by the policy. The issues raised can be summarised as follows:

Submission Theme
Tenants not able to determine/identify appropriate rent category
State level organisations with leases for local branches or chapters are concerned the rent categories will be based on State organisation revenue, that impacts viability of local chapters
Query the definition of “commercial revenue streams”
Query the definition of “permanent commercial trading”
Financial impacts of market rent, or a percentage of market rent, on community based / volunteer groups
Potentially disadvantage groups that seek grant funding, as their rent category could change as a result

### Delivery Program Strategy / Operational Plan Activity

The policy can broadly align with the following Delivery Program Strategies:

- EL2.1 - Ensure a balanced budget, with revenue opportunities combined with cost savings and efficiencies.
- CC2.1 - Encourage volunteering, events and activities that promote social connections and wellbeing

### Community Engagement Strategy

The draft policy was placed on public exhibition for 28 days. The exhibition was notified via Council's website. Emails were also sent to Not-for-Profit Groups currently leasing or licensing properties covered by the policy.

### Financial / Risk Considerations

Most of the leases and licenses for the properties covered by the policy are held and run by volunteers.

Council is receiving below market rent for almost all the properties in the policy, in recognition of the benefit the groups provide to the broader community.

Charging a market rent, or a portion of market rent, might necessitate market valuations from external valuers.

The cost of a market rent valuation would depend on the size of the property and the nature of the use, however, each valuation may cost in the order of \$3,000 to \$8,000.

It is also difficult to determine a “market” for what is community land, as there is no competitive market.

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The rents currently received are insufficient to carry out major capital repairs or capital improvements to the properties listed in the policy. Most of the tenants generally rely on grant funding opportunities, or Council support, when considering improvement works.

A potential risk with the current policy is that it excludes certain properties where there are Not-for-Profit Groups operating, some of whom pay market rent.

The excluded leases and licenses to Not-for-Profit Groups are:

- Treelands Reserve – Kentwell Centre – Family Centre Australia Ltd., Community Transport Company Ltd. and CPL Ltd – All pay commercial rent on Council owned community land.
- 10 Stewart Street, Lennox Head – Ballina Bowling and Recreation Club – Commercial rent on Council owned community land.
- 62 Crane Street, Ballina – Meals on Wheels - \$1 rent with lease expiring on 30 September 2027. This property is operational land.
- 42 Cherry Street, Ballina – Paradise FM – Commercial rent based on an original expression of interest process, with lease expiring 30 June 2028. The rent is approximately 75% of the market rent paid at the Kentwell Centre.

This property is crown land leased by Council from NSW Crown Lands, with a 20 year lease expiring 30 June 2033.

The head lease rent from NSW Crown Lands was originally \$16,500, reviewed to market every three years, with Council receiving a 50% rebate on the rent, as the property is leased to an organisation providing a community service.

- 12 River Street – River Street Childrens Centre and Playgroup NSW – This land is also crown land leased by Council from NSW Crown Lands.

Council pays a 50% commercial rent to NSW Crown Lands for this site, which also includes the Visitor Information Centre, Ballina Library and the Richmond Room.

The lease term from Crown Lands is for 20 years expiring 3 September 2031, with last invoice payable to Crown Lands being for \$65,477.

Council has obtained approval from NSW Crown Lands to sublease part of the property to the River Street Childrens Centre and Playgroup NSW.

The River Street Childrens Centre has also expressed an interest in leasing the Playground NSW site, as Playground NSW has advised they will not be renewing their lease when it expires this year.

- Ballina Surf Club – Ballina Lighthouse and Lismore Surf Lifesaving Club - \$1 rent with signed lease expiring 24 June 2032. Council pays the income received from the lease of the kiosk back to the Surf Club.

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- Lennox Head Surf Club – Lennox Head-Alstonville Surf Lifesaving Club – Lease drafted however not signed as Council has been unable to meet all the Native Title validation requirements required by NSW Crown Lands. No lease fee paid to Council.
- Shelly Beach Surf Club – Surf Life Saving Far North Coast Branch – Statutory Crown Lands minimum rent with no lease signed as Council has been unable to meet all the Native Title validation requirements required by NSW Crown Lands

The surf clubs are located on the Coastal Crown Reserve, which is Crown Land managed by Council.

There is also the Ballina Surf Club – Building B, being the gym and storage facility, where a lease has not yet been signed, again due to Native Title validation requirements.

The Ballina Surf Club has declined to pay \$27,500 owing to Council relating to the construction of this facility for many years, as Council has been unable to execute the lease.

The \$27,500 is recorded as a debtor in Council's records and the Ballina Lighthouse Surf Club advise they are retaining the funds until the lease is executed.

The management of surf clubs on Crown Reserves is a complex issue with the NSW Department of Primary Industries issuing a paper titled "Authorising Surf Life Saving Club's Use of Crown Land in NSW" in 2016, a copy of which is included as Attachment 4 to this report.

The contents of the paper remain relevant although the Crown Land Management Act 2016 has now superseded the Crown Lands Act 1989.

This paper was designed to encourage surf clubs and councils to address anomalies that existed in many surf clubs in respect to how commercial revenue was expended, when commercial revenue was appropriate and maintenance of the asset.

With Council now having a lease in place for the Ballina Surf Club, the funds from the commercial revenue through the lease of the café and kiosk and the hiring of the meeting rooms are invested back into the management and maintenance of the building.

This does not occur with the Lennox Head Surf Club where there is no easily accessible public transparency in relation to how the commercial revenues from the kiosk and function room are expended, with those funds retained by the Club.

This is somewhat reflected in the Council maintenance budgets for both buildings, with the 2026/27 Council budget being \$85,000 for the Ballina Surf Club and \$17,000 for the Lennox Head Surf Club.

In summary, the exclusion of the properties listed from the existing policy creates the risk of inconsistency in decision making when looking at the terms and conditions of each agreement.

## 5.5 Policy (Review) - Community Property Leasing and Licensing

There are also several State Government Agency leases and licenses for services such as the NSW SES, Marine Rescue NSW and NSW Rural Fire Service.

It is reasonable to exclude these agencies from the policy, as they are not classified as Not-for-Profit Groups, as per the definition in the policy.

### ***Liquor & Gaming NSW***

Another factor that could form part of the assessment criteria relates to approvals from Liquor & Gaming NSW for liquor licenses. The approval of liquor licenses for Not-for-Profit Groups demonstrates a commitment or capacity to raise revenue from commercial sales.

The latest available information from the Liquor & Gaming website, for current liquor licenses, in the Ballina Shire, on Council owned or controlled properties, is as follows:

### ***Liquor Licenses – Ballina Shire – Council Properties***

<b>Club</b>	<b>Holder</b>	<b>Type</b>
The Ballina Players Inc.	Individual	On-premises Liquor Licence
Ballina Hockey and Sports Complex	Organisation	On-premises Liquor Licence
Club Lennox Sports	Organisation	Club Liquor Licence
Ballina Seagulls Rugby League Football Club	Organisation	Club Liquor Licence
Ballina Seagulls Rugby League Football Club	Individual	Limited Liquor Licence
Lennox Head Football Club Inc	Individual	Limited Liquor Licence
Ballina Rugby Club Inc	Individual	Limited Liquor Licence
Alstonville Soccer Club Inc	Individual	Limited Liquor Licence
Wollongbar-Alstonville Rugby Club Inc	Individual	Limited Liquor Licence
Ballina Cricket Club Inc	Individual	Limited Liquor Licence
Lennox Head Rugby Union Club Inc.	Individual	Limited Liquor Licence
Wollongbar Alstonville Rugby Club Inc	Individual	Limited Liquor Licence
Ballina Soccer Club Inc	Individual	Limited Liquor Licence
Tintenbar East Ballina Football Club Inc	Individual	Limited Liquor Licence
Ballina Touch Association Inc	Individual	Limited Liquor Licence
Lennox Head – A'ville Surf Life Saving Club	Individual	Limited Liquor Licence

Definitions of the three types of licenses are:

- On-premises – Alcohol is sold as an ancillary item to a primary service, must be consumed on the premises and take-away sales are not permitted.
- Club – A primary activity is the sale of alcohol, as a benefit for members and their guests.

Specifically designed for registered clubs, RSLs or sporting clubs, alcohol to be consumed on the licensed premises and in some cases, off site, and allows the operation of gaming machines, subject to separate approvals.

## 5.5 Policy (Review) - Community Property Leasing and Licensing

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- Limited – Designed for not-for-profit, sports clubs, or community groups to sell alcohol for consumption during a single, or more, defined events.

In 2012, when the Ballina Hockey Club obtained approval to obtain an on-premises liquor licence, for their leased area, being part of crown reserve 82164 (Kingsford Smith Reserve), the policy from NSW Crown Lands, who had to agree to the lease, was that full market rent should be charged, less a 50% rebate for recognition that the Ballina Hockey Club is a not-for-profit group.

The Ballina Hockey Club has been paying 50% market rent, with those funds held in an internal reserve by Council, to potentially assist with the future replacement of the synthetic hockey surface, albeit that the funds will be well short of any replacement cost. The latest invoice payable by the Ballina Hockey Club to Council was approximately \$9,000.

Ballina Seagulls Rugby League Football Club has a Club and Limited Liquor Licence however they are currently paying the statutory Crown Lands minimum rent, based on a 12-month licence, as the clubhouse is in poor condition, with major work needed.

### Options

The difficulty in reviewing the current policy is trying to set clear criteria and trying to cover every scenario that may arise. Due to the wide range of structures and operations for Not-for-Profit Groups, and with this sector growing rapidly, this may not be practical.

There will be times when a lease or licence needs to be reported to Council, to allow Council to determine what a reasonable rent should be, based on a comprehensive report.

The policy should aim to provide as much guidance as possible, to ensure that Not-for-Profit Groups understand their responsibilities, and what the likely rent will be, while also providing clear guidelines, to allow Council to make an informed decision.

The various options available for the current review include the following.

#### **Option 1 - Adopt the exhibited policy (as per Attachment 2)**

This option is not recommended, given the gaps between the rent categories in the proposed rent structure and ambiguity in definitions.

#### **Option 2 - Amend the exhibited policy to remove ambiguity**

The following structure is intended to mirror the 26 February 2026 resolution, while removing any inconsistencies or ambiguity.

##### *Category 1 – Small Not for Profits (NFP)*

An NFP will fall into Category 1 if it:

- *Has an annual revenue (averaged over the last three years) below \$250,000; or*
- *Does not fit into any other category listed*

## 5.5 Policy (Review) - Community Property Leasing and Licensing

*Rent for Category 1: The rent charged to Category 1 tenants will be the statutory minimum rent.*

*Note: Category 1 now covers Not for Profit Community Groups that do not fit into any of the other categories. References to no commercial trading and no paid staff have been removed to simplify Category 1.*

### *Category 2 – Not for Profit with Commercial Revenue Stream*

*An NFP falls into Category 2 if it has a commercial revenue stream from:*

- o a café; and/or*
- o a restaurant; and/or*
- o gaming machines; and/or*
- o venue hire; and/or*
- o a bar; and/or*
- o an item similar to the above,*

*generating a **net profit** from those commercial revenue streams of more than **\$250,000** per annum (being the average of the net profit over the last three years).*

***Rent for Category 2:** The rent charged to Category 2 tenants is based on the tenants' average annual revenue in the last three years:*

<b>Average annual revenue</b>	<b>Rent to be paid</b>
<i>Between \$250,001 - &lt;\$1 million</i>	<i>25% of market rent for the first year of the term, then annual CPI adjustments</i>
<i>\$1 million - \$2 million</i>	<i>50% of market rent for the first year of the term, then annual CPI adjustments</i>
<i>Greater than \$2 million</i>	<i>100% of market rent for the first year of the term, then annual CPI adjustments</i>

*Note: Category 2 has removed the requirement to have paid staff and has clarified that the organisation needs to have a **net profit** of \$250,000 from the commercial revenue stream.*

### *Category 3 – Community Preschools*

*An NFP falls into Category 3 if it is a Community Preschool.*

***Rent for Category 3:** The rent charged to Category 3 Community Preschool tenants will be the statutory minimum rent.*

*Note: There has been no change to this Category.*

### *Category 4 – Large Not for Profit*

*An NFP falls into Category 4 if it:*

- Has an annual revenue (averaged over the last three years) above \$250,000; **and***
- Has paid staff; **and***

## 5.5 Policy (Review) - Community Property Leasing and Licensing

- *Delivers community services to the general public (not just members of a club); and*
- *Receives recurrent government funding for the provision of services to the public.*

**Rent for Category 4:** *The rent to be charged to Category 4 tenants is based on the tenant's average annual revenue in the last three years:*

<b>Annual revenue for tenant</b>	<b>Rent to be paid</b>
<i>Between \$250,001 - &lt;\$1 million</i>	<i>25% of market rent for the first year of the term, then annual CPI adjustments</i>
<i>\$1 million - \$2 million</i>	<i>50% of market rent for the first year of the term, then annual CPI adjustments</i>
<i>Greater than \$2 million</i>	<i>100% of market rent for the first year of the term, then annual CPI adjustments</i>

*Note: This Category has been amended to clarify the organisation would need to meet each of the above to fall into Category 4. It also removed additional discretionary wording such as "significant" recurrent government funding, and the concept that the organisation will typically operate across additional local government areas.*

*Category 5 – Large Not for Profits Renting a Storage Shed only*

*Category 5 is for organisations that meet the criteria for Category 4 to be classified as a Large NFP, that are only leasing a storage shed.*

**Rent for Category 5:** *The rent to be charged is to be determined on a case-by-case basis based on the size of shed and organisational scale.*

*Note: There has been no change to this Category.*

### **Option 3 - Adopt the recommended rent structure presented in the report to the 26 February 2026 Ordinary meeting**

The rent structure presented in the 26 February 2026 Ordinary meeting report (included as Attachment 1) included three categories:

1. *Small Not for Profit Community Group (Small NFP): Average revenue for the last three years is less than \$1m, not including community preschools.*
2. *Large Not for Profit Community Group (Large NFP): Average revenue for the last three years is \$1m or more, not including community preschools.*
3. *Community preschools.*

## 5.5 Policy (Review) - Community Property Leasing and Licensing

The rent proposed was:

<b>Tenant</b>	<b>Rent per annum</b>
<i>Small NFP</i>	<i>An amount equal to NSW Crown Lands statutory minimum rent</i>
<i>Community preschool</i>	<i>An amount equal to NSW Crown Lands statutory minimum rent</i>
<b>Large NFP leasing storage shed only</b>	
<i>Large NFP leasing storage shed only</i>	<i>An amount equal to NSW Crown Lands statutory minimum rent.</i>
<b>Large NFP leasing building other than storage shed</b>	
<i>Large NFP with average revenue for last three years \$1m - &lt;\$1.3m</i>	<i>Pay 10% of market rent for the first year of the lease term, then annual CPI adjustments</i>
<i>Large NFP with average revenue for last three years \$1.3 - &lt;\$2m</i>	<i>Pay 50% of market rent for the first year of the lease term, then annual CPI adjustments</i>
<i>Large NFP with average revenue for last three years is over \$2m</i>	<i>Pay 100% of market rent for the first year of the lease term, then annual CPI adjustment</i>

This structure is based on the status of the current tenants occupying the properties covered by the policy, and the difficulties some may have in providing detailed financial information. The structure also considered the cost of market rent valuations, which may range between \$3,000 to \$8,000.

Under this option, most Not-for-Profit Groups would be considered Small Not-for-Profit Groups and pay the statutory Crown Lands minimum rent.

### **Option 4 - No change, or minor changes, to existing policy**

A copy of the current policy, prior to the 26 February 2026 Ordinary meeting resolution, is included as Attachment 5. The policy refers to a minimum rent to be charged to Not-for-Profit Groups leasing the properties listed in the policy.

The policy gives examples of when Council may decide to charge a higher rent, however, that list is not exhaustive. Council has the discretion to charge a higher rent on a case-by-case basis.

Council may wish to retain the existing policy, without change, or could include some minor changes.

Possible changes could include adding properties or being more specific when higher rents may be charged, or when the renewal is presented in a formal report to Council, to allow Council to debate the options.

If Council became aware of major changes to how a property is being used by a Not-for-Profit Community Group, such as a liquor licence, or a proposal to install gaming machines, commercial restaurants etc, that property could be reported to Council, to determine an appropriate rent.

## **5.5 Policy (Review) - Community Property Leasing and Licensing**

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### ***Recommended Approach***

In respect to the recommended approach, there are concerns that the 26 February 2026 resolution is over-complicating a process that generally works well, albeit there are always exceptions.

The difficulty is in trying to provide sufficient detail in a policy that covers the various scenarios, without having unintended consequences.

There is also the concern that Council is placing further demands on what are nearly all relatively small Not-for-Profit Groups, to provide detailed information as part of any lease renewal.

At the same time, Council has exempted community preschools from the requirement to provide information, when they have paid staff and comprehensive financial systems in place.

The revenue threshold of \$250,000 is also low, as groups that have many members, with registration fees, might be above the threshold, however they are still relatively small in respect to the organisation structure, with the executive being all volunteers.

These groups can also have paid coaches, although the payment may be relatively minor as compared to the overall turnover.

Obtaining market rents can also add costs and it is possible the percentage of the market rent may not cover the cost of obtaining that rent figure.

Another option is to charge a percentage return on the land value, or market rent, with a market rent assessment only obtained when the benefit outweighs the cost.

In reviewing the parcels of land listed in the policy and the various Not-for-Profit Groups mentioned in this report, nearly every group relies heavily on volunteers, except for groups that require paid staff to operate.

Council now has a situation where a large Not-for-Profit Group, being Social Futures Limited, is leasing a site listed in the policy, being the Swift Street site, with the lease fee being the statutory Crown Lands minimum rent, as resolved by Council.

At the same time, there are similar organisations leasing office space at the Kentwell Centre, who are paying full market rent.

As a result of relatively recent policy reviews, notably in September 2020, when Council resolved to charge Not-for-Profit Groups leasing Council owned operational and community land, the statutory Crown Lands minimum rent, rather than \$1, as had historically been the case, the revenue generated from the properties in the current policy, has grown from \$18,000 in 2021/22 to approximately \$42,000 for 2025/26, for the year to date.

This equates to around 70 leases and licenses on the statutory Crown Lands minimum rent, with some leases still to be renewed based on the September 2020 resolution, who are still paying \$1.

## 5.5 Policy (Review) - Community Property Leasing and Licensing

This large number of leases and licenses also highlights the workload needed to ensure the lessees and licensees comply with their lease or licence conditions.

The staff resources required to manage all the leases and licenses more than negates the revenue generated, noting that Council still provides funding for many of the facilities and buildings listed in the agreements.

Offsetting this cost, is the benefit provided to the community, through the volunteers' efforts, with that value far higher than the direct dollar cost to Council.

If the preference of Council is to align as much as possible with the 2026 February 2026 resolution, the preferred recommendation to address any anomalies would be as follows.

*That based on the matters raised in the submissions, Council amends the exhibited Community Property Leasing and Licensing Policy, as per Attachment 2 to this report, based on the following criteria:*

- *Small Not for Profit Community Group (Small NFP): Average revenue for the last three years is less than \$1m, not including community preschools.*
- *Large Not for Profit Community Group (Large NFP): Average revenue for the last three years is \$1m or more, not including community preschools.*
- *Community preschools.*

*The rent proposed is:*

<b>Tenant</b>	<b>Rent per annum</b>
<i>Small NFP</i>	<i>An amount equal to NSW Crown Lands statutory minimum rent</i>
<i>Community preschool</i>	<i>An amount equal to NSW Crown Lands statutory minimum rent</i>
<b><i>Large NFP leasing storage shed only</i></b>	
<i>Large NFP leasing storage shed only</i>	<i>An amount equal to NSW Crown Lands statutory minimum rent.</i>
<b><i>Large NFP leasing building other than storage shed</i></b>	
<i>Large NFP with average revenue for last three years \$1m - &lt;\$1.3m</i>	<i>Pay 10% of market rent for the first year of the lease term, then annual CPI adjustments</i>
<i>Large NFP with average revenue for last three years \$1.3 - &lt;\$2m</i>	<i>Pay 50% of market rent for the first year of the lease term, then annual CPI adjustments</i>
<i>Large NFP with average revenue for last three years is over \$2m</i>	<i>Pay 100% of market rent for the first year of the lease term, then annual CPI adjustment</i>

## 5.5 Policy (Review) - Community Property Leasing and Licensing

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This recommendation would clarify the thresholds for the various NFPs and the appropriate rentals. The average revenue figures are reasonable thresholds for the various market rentals.

However, based on the wide range of matters raised in this report, the recommended approach has been to re-write the existing policy to focus on how Council will deal with all Not-for-Profit Groups, including those not currently listed in the existing policy.

Attachment 6 is the rewritten policy, which still contains a large component of the existing and exhibited policy, with the major changes as follows.

### *Title – Changed to Property Leasing and Licensing – Not-for-Profit Groups*

The current policy includes operational land, which is somewhat inconsistent with the title of “Community Property Leasing and Licensing”.

The updated policy clarifies how Council will deal with leasing and licensing for all Not-for-Profit Groups, no matter whether the land is classified as community, operational, crown land under the control of Council or crown land leased by Council from the Crown.

### *Appendix 1 – Properties covered by this policy.*

In the existing policy the appendices are referenced as Attachments and the preference is to now use the term Appendix.

The following additional properties are included in Appendix 1:

- Treelands Reserve – Kentwell Centre
- 10 Stewart Street, Lennox Head
- 62 Crane Street, Ballina
- 42 Cherry Street, Ballina
- 12 River Street, Ballina
- Ballina Surf Club
- Lennox Head Surf Club
- Shelly Beach Surf Club

These properties are occupied by Not-for-Profit Groups.

### *Appendix 3 – Matrix for Rent Assessment*

This is the most difficult part of the re-write, as there are numerous scenarios for the various types of tenants.

The matrix has been designed to cover key attributes, and to align with key criteria on the NSW State Government Department of Fair Trading and Australian Government’s ACNC reporting requirements, where incorporated associations are classified as Tier 1 and Tier 2 based on revenue and assets, as follows:

Tier 1 - Total revenue in the income and expenditure statement (such as gross receipts) for a financial year is over \$500,000 or current assets are more than \$1m.

## 5.5 Policy (Review) - Community Property Leasing and Licensing

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Tier 1 groups, being the larger organisations, are required to comply with all Australian Accounting Standards.

Tier 2 - Total revenue in the income and expenditure statement (such as gross receipts) for a financial year is \$500,000 or less, and current assets are \$1m or less.

Tier 2 groups use a simplified disclosure framework.

Revenue is the preferred criteria and is defined in the policy based on the definition from these two sources; i.e.

*Revenue arises in the course of ordinary activities and can be referred to by a variety of different names, such as sales, fees, interest, dividends and royalties.*

*Revenue is realised from the sale of goods or services, through the use of capital or assets, or revenue arising from the contribution of an asset to an organisation.*

*Examples of revenue include:*

- *grants from government, foundations, private or any other sources*
- *donations, tithes, bequests or legacies*
- *fees for provision of services*
- *sale of goods*
- *inflows from fundraising activities or sponsorship*
- *interest earned on investments, dividends*
- *royalties and license fees*
- *in-kind donations (for example, volunteer time or goods).*

The collection of State or National Federation fees for members and players is specifically excluded to avoid the situation where some sporting clubs are collecting fees, which are then forwarded to another organisation, with the revenue figure inflated.

In summary the key criteria included in the policy for the rent matrix are:

- Tier 2 Not-for-Profit Groups will pay the statutory Crown Lands minimum rent unless they obtain on-premises or club liquor licenses or have gaming machines
- Specific exceptions are provided for groups like the Ballina CWA who are part of large State or Australia wide organisations, to ensure they continue to pay the statutory Crown Lands minimum rent
- Community-based pre-schools and surf clubs are listed to pay the statutory minimum rent. Wording of predominant use is mentioned, to allow for higher rents to be charged if the commercial use of the leased area facility outweighs the community use.
- For consistency, tenants with an on-premises liquor licence, fall under the 50% market rent category. This is currently paid by the Ballina Hockey Club.

## 5.5 Policy (Review) - Community Property Leasing and Licensing

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This change would impact the Ballina Players Inc, although their new signed lease commences on 1 July 2026 and terminates 30 June 2030, so the new rental could not be charged until another lease is signed.

The 31 December 2025 Financial Statements for the Ballina Players Inc., which are available on their website ([ballina.players.com.au](http://ballina.players.com.au)) confirm they generated \$47,595 in bar sales, less \$40,975 in total cost of sales for that year.

Based on those figures, dependent on the 50% market rent figure, the on-premises liquor licence may not be cost beneficial to the group.

However, the 31 December 2025 statements confirm that Ballina Players Inc held \$452,749 in cash and cash equivalents, with total member's funds of \$901,111, which means they have the funds available to pay a 50% market rent, if that is the decision of Council.

- Tier 1 Not-for-Profit Groups pay market rent. This will cover existing tenants such as Social Futures and the Kentwell Centre tenancies. Social Futures would not pay the market rent until the current lease term expires in February 2031. This would be subject to Council confirming the new lease fee.
- Other – A final category was included for Paradise FM, who have revenue under \$400,000 per annum and meet the criteria for Tier 2. However, they currently pay a market rate as they are in a commercial property, although it is in a poorer condition than other properties where commercial rent is paid, such as the Kentwell Centre.

The rent paid by Paradise FM is around 75% of the Kentwell Centre, with the target rent in the criteria being listed at 75% to 100% of market rent.

In reviewing the criteria, the community preschools do stand out, to some extent as an outlier, in that their revenue figures are all over the \$500,000 threshold, as confirmed on the ACNC website:

Facility	Total Revenue (\$)
Alstonville Community Preschool Inc	1,477,000
Ballina Fox Street Preschool Inc	909,000
Bunjum Aboriginal Early Childhood and Family Services Pty. Ltd.	2,341,000
Lennox Head Community Preschool Inc	1,137,000
Rainbow Childrens Centre Inc	3,580,000
River Street Childrens Centre Inc	1,205,000
Wollongbar Community Preschool Inc	788,000

It is understood that many of the buildings were not funded by Council and Council expends very little, if any, funds on maintaining the buildings.

This helps to justify the minimum rent charged as the leases are effectively land leases only.

The one **recent** exception to this is the Alstonville Community Preschool where Council contributed approximately \$160,000 to the construction of the building during 2015/16.

## 5.5 Policy (Review) - Community Property Leasing and Licensing

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All these buildings are on Council owned community land, except for River Street Childrens Centre, which is on crown land leased by Council and a small part of the Lennox Head Community Preschool, which is on crown land managed by Council.

If Council was looking at rental options, a percentage return on the unimproved land value, which is a value recorded in Council's rating system for each property could be one option.

This would result in the following rents based on a 5% return.

<b>Facility</b>	<b>Land Value(\$)</b>	<b>5% Rent (\$)</b>
Alstonville Community Preschool	79,50	4,000
Ballina Fox Street Preschool	284,000	14,000
Bunjum Early Childhood	963,000	48,000
Lennox Head Community Preschool	538,000	27,000
Rainbow Childrens Centre	1,220,000	61,000
River Street Childrens Centre	706,000	35,000
Wollongbar Community Preschool	156,000	8,000
<b>Total</b>	<b>3,946,500</b>	<b>197,000</b>

This option has not been recommended in the policy, however these figures highlight the benefit provided to these groups, that do employ staff and do generate a reasonable level of revenue.

NSW Crown Lands has a practice of highlighting the rental rebate provided, as compared to the market rent, when a building is leased for a community purpose, along with a clause allowing the Crown to review the subsidy annually. This can help with transparency and highlights the overall subsidy provided by Council.

To provide some form of similar transparency, Appendix 5, in the updated policy, is a list of all the properties in Appendix 1, with added columns for the latest unimproved land value, as per Council's rating records and the estimated 5% return on those land values, along with the current rent classification. This helps to highlight the support provided by Council.

The land values and percentage figure can be reviewed every four years when the policy is reviewed, as Council receives new land values for rating purposes every three years.

Some of the land values in Appendix 5 are for larger areas than the area leased or licensed, as Council may not receive a separate value for the leased area. Nevertheless, the figures provide an indicator as to what market rent might be.

In summary, the rental matrix included in the policy is a guide for decision making to help create greater consistency in rentals, although the final decision always rests with the elected Council on the rent to be charged.

In addition to the major changes mentioned in the policy, there are several other minor changes, primarily to ensure the language throughout the policy is consistent. It was necessary to rewrite the entire policy rather than try and track changes from the existing policy.

## **5.5 Policy (Review) - Community Property Leasing and Licensing**

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The preference has been to use the term Not-for-Profit Groups rather than Not-for-Profit Community Groups as there are varying types of groups based on size and scale.

The use of the word community might be particularly relevant for very small volunteer based groups, however larger groups are typically professional organisations providing a community service.

This has been a difficult policy to draft to cover all the various scenarios.

The recommendation is to adopt this updated policy, to allow it to be steadily implemented as leases and licenses become due for renewal, noting that Council can continue to improve the policy when anomalies are identified.

### **RECOMMENDATIONS**

1. That Council notes the contents of the submissions received as result of the exhibition of the revised Community Property Leasing and Licensing Policy, as per Attachment 3 to this report.
2. That based on the matters raised in the submissions, Council endorses the rewrite of the existing policy, as per Attachment Six to this report, and approves the adoption of that document as the new policy titled "Property Leasing and Licensing – Not-for-Profit Groups"
3. That Council write to all parties who made submissions, as well as all lessees and licensees impacted by this updated policy, on the contents of the policy.
4. The General Manager is authorised to submit a further report to Council, if any major anomalies are identified as part of the correspondence in point 3.

### **Attachment(s)**

1. Policy (Review) - Community Property Leasing and Licensing - Report to 26 February 2026 Ordinary meeting [⇨](#)
2. Policy (Review) - Community Property Leasing and Licensing - Exhibition Copy - March / April 2026 [⇨](#)
3. Policy (Review) - Community Property Leasing and Licensing - Submissions [⇨](#)
4. NSW Department of Primary Industries - Authorising Surf Life Saving Club's Use of Crown Land in NSW - 2016 - Crown Lands [⇨](#)
5. Policy (Current) - Community Property Leasing and Licensing - Adopted 23 May 2024 [⇨](#)
6. Policy (Review) - Community Property Leasing and Licensing - Reworked Version [⇨](#)

**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 follows:

**6.1 Debt Recovery Matters - Confidential**

As outlined in Item 5.1.

**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 Debt Recovery Matters - Confidential**

**Reason for Confidentiality**

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

- b) the personal hardship of any resident or ratepayer

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 the properties are in personal names.