



COMMUNITY SOLUTIONS PANEL

BRIEFING BOOK, FEBRUARY 2018

What infrastructure spending should we prioritise, and how should we fund these priorities if the rates alone are not enough?

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ACKNOWLEDGEMENT OF COUNTRY

In the preparation of this document Council acknowledges and pays respect that the Bundjalung of Byron Bay – Arakwal People as Traditional Custodians of the land within Byron Shire, and form part of the wider Aboriginal nation known as the Bundjalung.

In addition Council acknowledges and respects the Widjabal and Mindjungbul people as Traditional Custodians within the Byron Shire.

Council also acknowledges the Aboriginal and Torres Strait Islander people who now reside within this area.

ACCESSIBILITY

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WELCOME FROM THE MAYOR

Congratulations on your appointment to the Community Solutions Panel. This is a new and exciting initiative for us and I look forward to hearing your recommendations.

I want to acknowledge the valuable contribution everyone makes each time they share opinions and ideas with Council through the many engagement and communication channels we already have in place. That will continue. I am confident that the Community Solutions Panel deliberative democracy process will add value, and not detract from those.

This is a fantastic initiative that has happened more than 1500 times around the world. Recently the City of Melbourne followed the same type of process focussing on a budget worth \$400M over 10 years. We are not as big as Melbourne City Council and we are new to this process, so we are starting with a smaller question. But this is just our first step. I hope that through this process we can build success and trust, open up more opportunities for participatory democracy and that we can learn to become increasingly community-led.

Key to the success of processes like this, is that the Panel comes to the topic with an open mind and uses critical thought to make informed recommendations. In our modern society, inaccurate urban myths can quickly become social fact and it is important that we as a whole community commit to pushing through that and to making informed decisions based on evidence, just like a citizen jury does in a court matter.

As part of the information gathering, we have invited every community group, every local expert, everyone who has got a point of view, idea or request to share them with you. This information is provided to you without editing. This, together with the information provided by staff and Councillors, along with any further information or explanation you request, will help you make informed recommendations.

Our question to you is about infrastructure. We have one size pie of infrastructure and as a group of people from all demographics across the Shire we are asking you to recommend how Council should slice it. If you want to recommend more than that, we need you to tell us how we should fund that.

We don't expect you to become experts; and we appreciate that this booklet, and this process, will require a lot of work and effort on your behalf. We have confidence that, as a group, you will carefully consider all the information, weigh up and balance the competing needs and priorities, and reach considered recommendations on behalf of the whole community. That is all we ask of you - to do your best, bringing your individual experience, skills and knowledge and making decisions for all of us.

Our commitment to you is that we don't just value your informed recommendations, we as a Council and the Byron Shire community are going to be shaped by them. I don't know what the outcome will be, but I do know Councillors and staff are committed to connecting to our community more, listening to our community more and empowering our community more. This project does that.

This is an incredibly exciting new process that we are undertaking together and I thank you for being a Panel member.

Cr Simon Richardson
Mayor

WELCOME FROM THE ACTING GENERAL MANAGER

Thank you for nominating to take part in this deliberative democracy process. It is new for Byron Shire Council and a very important step in empowering the Byron Shire community to influence the important decisions that affect our Shire.

For the past five years Byron Shire Council has been reviewing how it does business and whether services and facilities are meeting community needs. A lot of progress has been made and more work is still to be done.

During recent consultation with community we have heard clearly that there is a desire for improvements to infrastructure, with an emphasis on fixing local roads. We also heard from community and acknowledge that there is a general lack of trust and faith in the Council and a desire for more community-led decision making. We have taken this feedback on board and are committed to openness, building trust and increasing opportunities for community to be involved in and lead decision-making.

That is why Council has asked newDemocracy Foundation (nDF) to design and run the Community Solutions Panel, independently from Council on their terms. nDF is an independent, non-partisan research and development organisation working in ways to strengthen and restore trust in public decision making.

As the first time Council and community have come together in this way, and with experts in this field nDF guiding us, this is a fantastic opportunity to not only deliver great outcomes for the community but also for Council and community to learn as we go and to build our capacity and appetite to do more of this in future.

You have a unique opportunity, as a member of Byron Shire's first Community Solutions Panel, to help shape the future of infrastructure in the Shire, as well as the future of governance.

We appreciate and thank you for your decision to represent your community. We hope you find this experience rewarding and are looking forward to sharing it with you.

Mark Arnold, Acting General Manager

SECTION 1

WHAT IS THE COMMUNITY SOLUTIONS PANEL?

1.1 Why are we doing this?

We know that infrastructure is a key priority for Byron Shire community – we've heard this consistently through community surveys and our most recent engagement around our draft Community Strategic Plan.

Our infrastructure portfolio is worth \$521M and costs \$5.4M to maintain (in 2016/17). This includes:

- Bridges and footbridges
- Bus shelters
- Community buildings
- Footpaths and cycleways
- Open spaces and sportsfields
- Playgrounds and park furniture
- Pools
- Public toilets
- Roads (sealed and unsealed)
- Rural drainage, causeways and culverts
- Urban stormwater

We know that we have challenges in maintaining and improving our infrastructure. As an example, challenges with road maintenance are due to a number of factors such as poor original construction, adverse weather conditions, more than 2 million annual visitors, and historical under-investment.

In early 2017 we sought a Special Rate Variation (SRV) from the IPART (Independent Pricing and Regulatory Tribunal of New South Wales) to increase our funding for infrastructure. We were granted a 7.5% rate increase over four years (inclusive of rate peg limit) to be invested into infrastructure.

We've also heard that there is a desire for more community-led decision making.

This is our opportunity for community to be front and centre in determining our infrastructure priorities.

That's why we've asked research foundation newDemocracy to bring together a randomly selected group of people representative of their broader community to consider our infrastructure challenge and come up with a series of recommendations. These will be presented to Council and adopted in our four-year Delivery Program (a document required by State Government that sets out the key projects and programs that we will deliver).

1.2 How does it work?

<p>Our Byron, Our Future (Community Strategic Plan) engagement</p> <p>November – December 2017</p>	<ul style="list-style-type: none"> • Identified community priorities around maintaining infrastructure, managing growth and desire for community-led decision making
<p>Community information sessions and recruitment</p> <p>February 2018</p>	<ul style="list-style-type: none"> • Held four community information sessions to provide an overview of the process and opportunities for participation • Seek submissions from interested parties and community members • Seek registrations to be on the panel (from a database of nearly 20,000 people) • Recruit around 28 panel members • Prepare briefing book
<p>Community Solutions Panel</p> <p>March 2018</p>	<ul style="list-style-type: none"> • Attend four facilitated sessions • Review briefing book, community submissions • Consider, debate and deliberate question • Prepare recommendations • Present recommendations to Councillors
<p>Council response</p> <p>April – June 2018</p>	<ul style="list-style-type: none"> • Consider recommendations presented by panelists • Incorporate recommendations into new 2018-2022 Delivery Program
<p>Delivery Program</p> <p>2018-2022</p>	<ul style="list-style-type: none"> • Outlines key programs and projects to be delivered based on community aspirations outlined in the 10-year Community Strategic Plan

1.3 Your role as a panel member

A Community Solutions Panel is a form of deliberative democracy, which relies on everyday people gaining a deeper understanding of complex and sometimes contentious issues and finding common ground on what you wish to convey to Council.

Members of the Panel are given time and access to information and support to explore an issue so that they can make recommendations to Council. This process of involving wider community in the decision making process has been tried and proved successful.

As a member of the Solutions Panel you are asked to consider the following and make recommendations on:

*15,328 rate-paying properties. 32,790 local residents.
Over 2 million annual visitors.*

All use and rely on the infrastructure that Council must maintain and renew. Rates have been increased and this won't change again soon.

What infrastructure spending should we prioritise, and how should we fund these priorities if the rates alone are not enough?

1.4 What to Expect

We appreciate that this is a big task. Like many, Byron Shire faces the challenge of having substantial infrastructure to manage and a wide range of services to deliver. As a group you will reflect the Byron Shire community and there are many differing perspectives to consider.

To assist discussion, you will be provided with a range of information sources:

- **The briefing book:**

The briefing book is your base information.

It has been prepared by Council staff and provides information on the Community Solutions Panel process, the question the Panel is being asked, and background information on our Community, our infrastructure and Council income and current expenditure.

It has also been prepared with input gathered at a series of community workshops where participants were asked to help decide the information they believed you needed at your fingertips.

- **Community submissions:**

newDemocracy has coordinated a submission process to ensure community organisations, interest groups and individuals have the opportunity to present their ideas, issues and suggestions to you, the Panel.

We also held community information sessions to provide an outline of the process and step participants through the template created for their submissions.

- **In-person presentations:**

You will also have the opportunity to request presentations from experts of your choosing to address areas where you feel you want more information. This will be decided on and agreed as a group at each meeting.

You will be encouraged to question and discuss different perspectives about infrastructure priorities.

If at any time you feel you require additional information to inform your discussion, please ask.

The Panel meetings will be led by a skilled independent facilitator and supported by representatives of newDemocracy. They will help you if you are not used to working on a task like this.

No minutes will be recorded during the sessions, therefore it is important to take down notes throughout the discussions to help you prepare the final report.

1.5 Who will be working with you

The Community Solutions Panel is being designed and operated by the newDemocracy Foundation (nDF). nDF is an independent, non-partisan research and development organisation. We are a not-for-profit organisation, not a consultancy.

We aim to discover, develop and demonstrate alternatives which strengthen and restore trust in public decision-making. We conduct real world trials using random selection and deliberation as a central process.

nDF is not a think tank and holds no policy views. We also commission independent third-party research to explore and capture the potential for improvements to existing democratic processes.

Your main contact with nDF will be **Georgina Inwood**, nDF's Program Manager. Georgina can be contacted via georgina.inwood@newdemocracy.com.au.

More information on nDF and other projects is available from their website <https://www.newdemocracy.com.au/>



You will also be supported by an independent facilitator, **Lucy Cole-Edelstein**, Director of Straight Talk Pty Ltd. Lucy is recognised as an industry leader in best practice community engagement and has a flexible, creative and energetic approach to working in challenging environments. She is skilled at creating and sustaining a supportive environment for all participants to participate. Lucy has worked with nDF on a variety projects over many years.



1.6 Critical Thinking

You will be participating in a deliberative process. Deliberation involves both dialogue and debate and requires access to a wide array of information as well as an equal share of voices.

The Panel deliberation will be built on a foundation of critical thinking.

nDF has worked extensively with processes like the Community Solutions Panel to achieve deliberation and knows it is a successful way to foster learning, discussion and deep consideration. The deliberation is the complete opposite to an opinion poll. Instead of a four-minute telephone call, you will be involved in an in-depth, in-person process with a group of randomly selected members of the community to consider your given topic and provide recommendations to Council.

In Australia and around the world, these processes have become recognised for their capacity to deliver outcomes that are trusted by the broader community. They work because they can convey to the wider community that everyday people like them are being given complete access to information, are studying detailed evidence and hearing from subject-matter experts of their own choosing.

In criminal trials, community trust is placed in a jury's verdict, without every citizen looking at each piece of evidence, because a trusted group of citizens was given sufficient time and access to information – and was free from outside influences (or even the perception of such influences).

You will generate the same trust in your task by applying critical thinking, and that is something we all do on a day to day basis, perhaps without even realising it. Your challenge will be to bring that same skill set to your time as a Panellist, thinking about clarity of information, its relevance to the issues and the depth it goes into. You will need to consider the accuracy of materials, and whether the information you have is broad enough to address the question; and of course, whether it is all logical to you.

We will spend time in the first Panel session exploring some ways that you can, as a group, ensure you are applying critical thinking in your approach, and will provide you with materials that will support you throughout the process.

1.7 Your Recommendations

As a group, you are responsible for developing recommendations to Council. Your facilitators can help with this task, but you will hold the pen.

At the end of the process, the Panel will produce its own report. The format, structure and means of presenting your recommendations will be up to you, but it is important that your recommendations are clear, measurable, actionable, realistic and timely.

Your unedited recommendations will be published by Council on its website. Council will consider the recommendations of the Panel and an in-person response to your recommendations will be given by the Mayor and Councillors in April 2018. The recommendations will then be implemented in Council's Delivery Program when it is adopted in June 2018.

1.8 Meeting Dates and Times:

- Meeting 1: 5:30pm – 9:00pm
Wed 7 March 2018
Council Chambers, 70-90 Station Street, Mullumbimby
- Meeting 2: 9:00am – 5:00pm
Sat 10 March 2018
Room 2, Cavanbah Centre, Ewingsdale Road,
Ewingsdale
(note this is a change of venue to what has previously
been published)
- Meeting 3: 9:00am – 5:00pm
Sat 24 March 2018
Room 1, Cavanbah Centre, Ewingsdale Road,
Ewingsdale
- Meeting 4: 9:00am – 5:00pm
Sun 25 March 2018
Room 1, Cavanbah Centre, Ewingsdale Road,
Ewingsdale

1.9 Practical Information

- **Accessibility:** All meeting venues are accessible and inclusive.
- **Meals:** Meals and refreshments will be provided at Panel meetings. This includes dinner for the evening sessions and morning tea, lunch and afternoon tea for the day sessions. If you have particular dietary requirements please contact newDemocracy Foundation. Water, tea and coffee will be available throughout the meetings.
- **Remuneration:** Panel members will be provided with a one-off payment of \$300 at the end of the process, in recognition of their commitment to both the online and face-to-face components of the Community Solutions Panel process and to cover associated out of pocket expenses.

SECTION 2

OUR COMMUNITY

Beautiful natural offerings, friendly and accepting people and an alternative community consciousness make Byron Shire unique. Our Shire is the traditional home of the Arakwal people from the Bundjalung nation on the far north coast of NSW. We share our boundaries with the Tweed, Lismore and Ballina Local Government Areas in a region known as the Northern Rivers. Covering an area of 556 km², Byron Shire is famous for its beaches, hinterland and villages and regarded for our creativity, sustainability and a relaxed lifestyle.

Our population of 32,790 is diverse and colourful including surfers, professionals, farmers and those committed to alternative lifestyles and philosophies. In 2016, two million people visited the Byron Shire, making it one of the country's most popular destinations for domestic and international tourists. Our population has gradually increased over the years – but has remained steady over the past five years with an estimated variance of about 1% each year

Byron Shire can be seen as a community of towns and villages. Each town and village has its unique attributes and offerings, which collectively contribute to the culture of Byron Shire. There are varying demographics in each town and village, which should be considered when planning for the future of the Shire. An important part of understanding the needs and aspirations of the individual communities which form the Shire, is to have active participation by locals in decision making and planning processes.

Our main towns and villages are:

- Mullumbimby
- Ocean Shores
- Brunswick Heads
- Byron Bay
- Bangalow

We heard during recent engagement on our draft Community Strategic Plan that community's priorities include:

- Improving infrastructure
- Managing growth and change
- Addressing affordability
- Balancing the benefits and impacts of tourism
- More community-led decision making
- Ensuring the natural environment is protected
- Improving transport
- Supporting and promoting the arts and cultural programs

Feedback was also received about:

- Lack of trust in Council decision making and in groups or organisations
- A feeling of inequitable resource allocation across the Shire
- Concern about lack of community connectedness, access to housing and safety

Section 6.1 provides more detail on our community.

SECTION 3

OUR COUNCIL

Byron Shire Council operates under the Local Government Act NSW 1993 and is required to:

- provide strong and effective representation, leadership, planning and decision-making
- carry out functions in a way that provides the best possible value for residents and ratepayers
- plan strategically, using the Integrated Planning and Reporting framework, for the provision of effective and efficient services and regulation to meet the diverse needs of our community
- apply the Integrated Planning and Reporting framework in carrying out functions so as to achieve desired outcomes and continuous improvements
- work co-operatively with other councils and the State Government to achieve desired outcomes for our community
- manage lands and other assets so that current and future local community needs can be met in an affordable way
- work with others to secure appropriate services for local community needs
- act fairly, ethically and without bias in the interests of our community
- be responsible employers and provide a consultative and supportive working environment for staff

Council is led by the Mayor and eight councillors who provide policy framework, set strategy, monitor performance and allocate resources. The operations and day to day management is led by the General Manager, supported by three directorates – Infrastructure Services, Corporate and Community Services and Sustainable Environment and Economy.

Council delivers a range of services across multiple portfolio areas including:

- Assets and Major Projects
- Business Systems and Technology
- Communications
- Community Development
- Corporate Services
- Environmental and Economic Planning
- Finance
- Open Spaces and Resource Recovery
- Organisation development
- People and Culture
- Sustainable Development
- Utilities
- Works

The Integrated Planning and Reporting Framework in NSW requires all councils to adopt a suite of strategic plans. Our Community Strategic Plan outlines the vision, community outcomes, supporting strategies and performance indicators which will guide Council's long-term decision making.

The next level of planning and reporting comes in the form of the Delivery Program. The Delivery Program has a timespan of four years and describes how the vision and community outcomes outlined in the Community Strategic Plan are to be translated into actions through specific activities and programs. The Operational Plan is updated annually and makes up one year of the Delivery Program. These long-term plans provide transparency and make it possible for Council to plan in a manner which ensures that community needs and priorities are responded to well into the future.

Your recommendations will directly inform the next version of the Delivery Program.

Section 6.3 provides more detail on our Council.

SECTION 4

OUR INFRASTRUCTURE

We know that infrastructure is a key priority for Byron Shire community – we’ve heard this consistently through community surveys and our most recent engagement around our draft Community Strategic Plan.

This section outlines:

- Our infrastructure challenge
- The scope of what you’re being asked to consider
- What we mean when we say “infrastructure”
- How we currently manage our infrastructure
- What are the challenges that will impact how we manage infrastructure into the future

\$521M

Infrastructure portfolio

\$5.4M

Annual maintenance (2016/17)

- Roads (sealed and unsealed)
- Footpaths and cycleways
- Bridges and footbridges
- Bus shelters
- Urban stormwater
- Community buildings
- Open spaces and sportsfields
- Pools
- Rural drainage, causeways and culverts
- Public toilets
- Playgrounds and park furniture

4.1 Our infrastructure challenge

We know that we have challenges in maintaining and improving our infrastructure.

Unfortunately there has been historical under-investment in this area – for decades Byron Shire Council has not adequately funded the maintenance and renewal of infrastructure. The lack of adequate funding has resulted in the current poor condition of community infrastructure across the Shire.

As an example, Council has 507.9km of sealed roads...

- | | |
|--|--|
| ✓ 38 kilometres per year should be resealed each year (based on recommended average resealing frequencies) | × 12.3 kilometres of reseals funded in 2016/17 |
| ✓ \$3.8 million should be invested in reseals annually | × \$79,000 allocation in 1997/98 |

The poor condition of our roads is a leading concern for the community. In Council's 2016 Community Survey, local roads had the lowest satisfaction score and the highest importance ranking, with levels of satisfaction being lower than the average local government benchmarks. The community wants prioritised and increased investment to address the transport infrastructure backlog and "*fix our local roads*".

Council responded through the development of a Financial Sustainability Plan and a Council Improvement Plan. These documents set out how Council will increase the investment in infrastructure maintenance and renewal. The Council Improvement Plan was a request of the NSW Government to all councils in NSW, not just Byron Shire Council.

More recently in mid-2017, approval was granted for a Special Rate Variation (SRV) targeted at generating additional funds for asset renewal and maintenance. Extensive community engagement was undertaken during this process.

Various options were presented to the community and a SRV of 7.5% increase per year for four years (inclusive of rate peg limit) was introduced from 1 July 2017. This cumulative rate increase of 33.5% over four years will not stop the deterioration of Councils assets but it will slow the previously accelerating rate of decline. After the fourth year the SRV remains a permanent addition to Council's rating base.

The SRV is not the full answer to fixing our roads or other community infrastructure but it is a good start.

Any improvement in the overall condition of the Shire's infrastructure will only be achieved with additional and sustained funding for infrastructure over the coming decades.

Council has heard our community saying that they want to see more works undertaken to improve ageing infrastructure but there is no easy solution.

Infrastructure is the number one priority identified in our new Community Strategic Plan which is currently on public exhibition for comment. Key infrastructure projects and initiatives are also in our current Delivery Program.

- × **Historical under-investment**
- × **Poor original construction**
- × **More than 2 million visitors each year**
- × **Adverse weather conditions**
- × **Not enough money to fix what we have (let alone build more)**

Mean that prioritisation choices are needed...

What has led to the poor state of our infrastructure?

- **Historical under-investment**

A lot of effort has been made to start to turn that around.

Current estimate is that the roads asset class (sealed roads, unsealed roads, bridges, footpaths, kerb and gutter and traffic control devices) will cost \$31.9M to bring back to a satisfactory standard. Council in 2016/17 expended \$2.9M on these assets but needs to at least expend \$3.7M. In terms of the cost to bring road assets back to a satisfactory standard, this is only for assets considered high risk assets – actual restoration costs would be much higher.

While there is still a gap, infrastructure will keep getting worse.

- **Poor original construction**

A lot of infrastructure was never formally constructed; rather it organically evolved (like many things in the Shire).

As an example many of the hinterland and coastal roads evolved from tracks and they have no or below-standard sub-base (foundations) and can be prone to flooding and landslip.

The developers of certain areas did not provide some of the needed infrastructure for reasons beyond Council's control, for example State Government decisions resulting in future stages of Ocean Shores not proceeding.

Like a house of cards, without a solid foundation it does not matter how much work goes into trying to build on top, it will keep falling over.

- **More than 2 million visitors each year**

Around 2.14 million tourists came to Byron in 2017. Predictions are that tourist numbers will keep growing. For example, Coolangatta Airport predicts¹ passenger numbers will increase from 6.4 million in 2017 to 16.6 million by 2037, many of who will visit the Byron Shire.

- **Adverse weather conditions**

The weather the Shire adversely affects infrastructure and increases infrastructure operation and maintenance costs. This includes:

- high rainfall and high rainfall intensity;
- flooding;
- storms;
- coastal inundation and erosion.

Weather can also lead to complete failure of infrastructure during severe events and natural disaster events. Climate change impacts will also affect infrastructure.

The climate also provides great growing conditions resulting in high vegetation and weed maintenance costs.

- **Not enough money to fix what we have**

Recognising the need for additional investment in infrastructure, in 2016, Council went to the community with information about the need for a Special Rate Variation to provide additional money to invest in infrastructure. Council put forward three options:

- 7.5% increase per year for four years – “deteriorate” option.
- 10% increase per year for four years – ‘maintain’ option.
- 12.5% increase per year for four years – ‘improve’ option.

After extensive consultation, Council resolved to go with the 7.5% option. Council lodged an application with the Independent Pricing and Regulatory Tribunal (IPART) to seek permission to raise its general rating income above the normal rate peg limit which was approved.

That option will provide additional money that must be spent on infrastructure in accordance with the conditions IPART imposed in the approval.

Details of Council's SRV approval can be found via the following link:

<https://www.ipart.nsw.gov.au/files/fd006e85-ba6c-44b5-aef0-ea29584e9c9e/LG-Determination-Byron-Shire-Councils-application-for-a-special-variation-for-2017-18.pdf>

The SRV will help fund some of the infrastructure maintenance and renewal gap but does not raise enough money to keep all infrastructure in its current condition and provides no funding for improvement or for new assets.

So we need to make some choices... What infrastructure will be maintained to its current condition? If we want more to be maintained to its current condition than can be afforded; infrastructure to be improved; or new infrastructure; how can that be funded?

So what does maintenance and renewal mean?

Maintenance is work performed on an asset that just keeps it in a useable condition, for example:

- filling potholes,
- replacing guideposts,
- repairing broken stormwater pipes,
- grading a gravel road
- tightening screws on a timber bridge.

Renewal is work performed on an asset to bring it back to a good or fair condition. It can include both simply repairing an existing asset (like for like) or repairing and upgrading an existing asset.

Examples include:

- resealing a sealed road,
- reconstructing a portion of road segment
- replacing a whole section of stormwater pipe
- putting new gravel on a gravel road
- replacing posts, planks or rails on a timber bridge.

New (sometimes called 'capital') is work performed to create a new asset or additional work performed on an existing asset to provide more than what is currently there, for example:

- building a new roundabout or a new road;
- constructing stormwater pipes where there currently aren't any;
- sealing an existing gravel road.
- replacing a one-lane timber bridge with a two-lane concrete bridge.

4.2 The scope of what you're being asked to consider

Under consideration is the prioritisation of existing funding for operation, maintenance and renewal of existing infrastructure over the next four years.

Infrastructure includes any services or facilities serving an area that make it liveable. Asset can describe a particular piece of infrastructure. These terms can be used interchangeably.

There are many different types. This briefing book has focused on the main asset classes:

- Bridges and footbridges
- Bus shelters
- Community buildings
- Footpaths and cycleways
- Open spaces and sportsfields
- Playgrounds and park furniture
- Pools
- Public toilets
- Roads (sealed and unsealed)
- Rural drainage, causeways and culverts
- Urban stormwater

Council looks after other infrastructure, including water, sewer and waste/resource recovery infrastructure but this is not included in what the Panel is being asked to consider. The Panel does not need to address these as they are either funded from restricted funds (funds that can only be spent on a specific purpose) or are statutory obligations imposed on Council by State Government where there is little or discretion in how they are funded or prioritised.

New infrastructure will come with growth and development and may be required to meet existing gaps in community needs but new works will largely be funded through developer contributions and grants. Other sources of revenue must be invested in the first and highest priority which is the timely maintenance and renewal of assets. When assets are left to deteriorate, as has occurred in Byron Shire, there is an ever increasing cost to the community of worse service, higher risk and unprogrammed urgent repairs.

The current pressure point for Council is understanding the levels of maintenance and renewal of existing infrastructure that the community wants, when there is currently not enough money, and what additional sources of revenue community support.

In 2017 Council was granted a Special Rate Variation by IPART to fund maintenance and renewal expenditure on infrastructure assets. This provided a revenue source beyond existing income generated through rates, other fees and charges and is aimed at reducing Council's infrastructure backlog and improving financial sustainability. The Special Rate Variation of 7.5% each year for four years will generate \$11.72 million. Council also intends to borrow an additional \$2 million each year for 3 years.

The IPART approval for the SRV was based on the money being allocated on the following basis (full four-year figures):

- \$13.04M on roads, bridges, footpaths and road drainage (including \$6M loan)
- \$519,000 on urban stormwater;
- \$365,000 on rural drainage and culverts;
- \$2.16M on buildings and public amenities; and
- \$603,000 on parks and open spaces.

In addition to this renewal expenditure, there is an additional maintenance allocation for roads of \$782,000 and buildings of \$239,000.

Further to the allocation of the SRV funds, Council must also determine its expenditure of general revenue on assets.

As a guide, Council's 2017-18 Operating Plan allocates infrastructure funding as outlined in section 4.5. New works expenditure is also detailed.

This approach to prioritising means the average condition of roads, town centres, buildings, public toilets, footpaths, stormwater drainage, parks and open spaces (including playgrounds) will be maintained in the short term but deteriorate over the longer term. However, some sealed roads that are already in a poor condition will not be reconstructed. With the SRV, Council's capacity is to keep infrastructure in its current state, not improve it.

The task for the Panel is to decide the basis on which Council should allocate this money by clearly articulating priorities for works and funding allocation. The recommendations you provide will inform Council's 4-year Delivery Program. The Delivery Program turns the strategic goals found in the Community Strategic Plan into activities. The Delivery Program contains high-level activities that the Councillors commit to undertaking over their term. Councillors have committed to incorporating your recommendations into the Delivery Program.

The Office of Local Government's website explains what a Delivery Program is and provides 'good practice' examples showing the difference between higher-level Delivery Program activities and the lower-level yearly Operational Plan projects and actions.

<https://www.olg.nsw.gov.au/councils/integrated-planning-and-reporting/framework/delivery-program>

- **5 timber bridges assessed as needing replacement**
- **Initial Council replacement cost estimate \$15 million**
- **Innovative approach reduces Council replacement cost estimate to \$7.5 million**
- **Successful grant application reduces Council replacement cost to \$2.3 million**

Great outcome for the urgent renewal needed for 5 bridges

BUT what priority is given to the required \$300,000 per annum funding needed to maintain the all bridges to their current standard and is the current standard good enough for community?

Case Study – Innovative approach to fund bridge replacement

Ongoing assessments of Council’s bridges identified five requiring replacement - Parkers, Booyong, James, O’Meara’s and Scarrabelottis Bridges.

To protect the bridges and maintain minimum access for residents until they are replaced, load limits had been applied. These affect farmers and rural manufacturers who cannot move their products in vehicles over the weight limits and affect fire-fighting trucks, residents who need to have drinking water delivered and school buses, just as examples.

Council could not afford to replace these bridges with conventional concrete structures so it came up with an innovative solution that involves the recycling of steel Australian Defence Force bridges.

The innovative approach and lower cost provided more opportunities to obtain grant funding.

Prior to the success with grant funding Council was committed to funding the program itself over a number of financial years. It is now possible to redirect that money to the renewal of other critical assets, which is a great outcome for the community.

Council will always look to innovate to reduce the costs of infrastructure and will always apply for grant opportunities to replace infrastructure but we still need to address the underlying issue of funding the costs of maintaining infrastructure.

In 2017/18 the budget for bridge maintenance is \$100,000 when it is estimated at least \$300,000 is required. This is just one example of a maintenance-funding gap the Panel will have to consider.

4.3 What we mean when we say “infrastructure”

There are many different types of infrastructure such as:

- Bridges and footbridges
- Bus shelters
- Community buildings
- Footpaths and cycleways
- Open spaces and sportsfields
- Playgrounds and park furniture
- Pools
- Public toilets
- Roads (sealed and unsealed)
- Rural drainage, causeways and culverts
- Urban stormwater

On the following pages the types of infrastructure are described in detail as well as the operating, maintenance and renewal costs.

The operating and maintenance costs are combined for each asset class, with the exception of street lighting and surf lifesaving operating costs because these are services delivered to community rather than pure infrastructure operating costs.

Council does NOT currently have enough funds to completely fund maintenance of assets to a level that would ensure every asset remains in fit for purpose or in use.

This has resulted in some assets being closed or removed or services being reduced for example:

- Playground equipment being removed from public land not replaced;
- Bridges being load limited.

New infrastructure may be needed to meet existing community needs as well as to cater for growth. New assets are often funded from Grant Funding or from s94 Developer Contributions. Developer Contributions can only be spent on providing new assets (not repairing or renewing existing infrastructure). Examples of new assets meeting existing needs include the Shara Boulevard Sportsfields and roundabouts on Ewingsdale Road.

Each new asset comes with an “operation and maintenance cost” price tag that adds to the total amount Council needs to fund operation and maintenance of infrastructure.

Council cannot fund existing operation and maintenance costs and the funding gap grows bigger with each new asset that is constructed.

Condition Assessment and Ratings

The condition of all assets is rated using a scale 1 – 5. The condition ratings mean:

Condition Grading Model

Condition Grading	Description of Condition
1	Excellent: Asset in excellent condition. No maintenance required.
2	Good: Asset is in good condition with limited signs of wear. Only requires cyclic maintenance and is not requiring special attention.
3	Fair: Asset is in useable condition with extensive signs of wear. Asset requires some attention to prevent further deterioration and to return it to a condition so that it requires only cyclic maintenance.
4	Poor: Asset is in poor condition or is faulty. It needs urgent attention to return it to a useable condition and or significant renewal/rehabilitation is required to reduce risk.
5	Very Poor: Asset has failed or is at the end of its life or is physically unsound or poses significant risk. It requires replacement and is beyond rehabilitation.

The graphs below show Good (which is condition rating 1 and 2), Fair (which is condition 3 rating) and Poor (which is condition rating 4 and 5).

Keeping condition assessment data updated is an ongoing process, with reassessments and revaluations of assets occurring all the time.

The below information was prepared in 2017 and is a snapshot at that point in time:

- 17/18 Budget figures are the original adopted budget figures adopted in June 2017
- 4 year forecast figure comes from the detailed Long Term Financial Plan submitted to support the Special Rate Variation Application to IPART. Years in this forecast are 2018/2019, 2019/2020, 2020/2021, 2021/2022
- Estimated need and gap comes from special schedule 7 as at 30 June 2017
- Where cells are blank Council does not hold this information

The mix of good, poor and fair assets and the amount of required maintenance and renewal funding will change when:

- new assets are added (e.g. the recent acquisition of the Suffolk Park Sportsfields and Mullumbimby Hospital sites from State Government);
- new assets are built (e.g. roundabouts on Ewingsdale Road);
- some existing assets are renewed or rebuilt; and
- the balance of existing assets deteriorate.

Council has a high degree of confidence in the condition data for most assets. However, some open space and sports equipment, community buildings and some other public land such as bush regeneration sites, have not undergone detailed condition assessment yet.

Sealed Roads

Council is responsible for 507.9km of sealed roads.

	17/18 budget	4 year forecast budget	Estimated annual need	Gap
Operation and Maintenance	\$3,122,900	\$14,277,400	\$2,555,000	
Renew	\$5,024,700	\$21,716,500		\$24,037,000
New	\$32,662,000			

* new capital expenditure for 2017/18 has been influenced by one off significant infrastructure projects estimated to occur for the 2017/18 financial year. These include the Byron Bay Bypass construction (\$21.862M), Bayshore Drive and Ewingsdale Road Roundabout (\$4.3M), new cycle ways (\$1.243M), Blindmouth Creek Causeway (\$1.143M)



<p>GOOD CONDITION</p> <ul style="list-style-type: none"> ✓ Minimal cracking ✓ Minimal surface defects ✓ Smooth travel experience ✓ Good drainage 	
<p>FAIR CONDITION</p> <ul style="list-style-type: none"> ⊖ Moderate cracking ⊖ Moderate surface defects ⊖ Fair drainage ⊖ Can be resealed 	
<p>POOR CONDITION</p> <ul style="list-style-type: none"> ⊗ Heavy cracking ⊗ Severe surface defects like large potholes and patching ⊗ Rough travel experience ⊗ Poor drainage e.g. table drains ⊗ Failed and beyond resealing 	

Unsealed Roads

Council is responsible for 96.1 km of unsealed roads.

	17/18 budget	4 year forecast budget	Estimated annual need	Gap
Operation and Maintenance	\$501,900	\$1,482,100	\$569,00	
Renew				\$1,045,000

CONDITIONS OF UNSEALED ROADS



GOOD CONDITION

- ✓ Good pavement depth
- ✓ Good gravel coverage
- ✓ Even surface e.g. few potholes or corrugations
- ✓ Good camber for drainage



FAIR CONDITION

- ⊖ Moderately uneven e.g. frequent potholes and or corrugations
- ⊖ Minimum gravel coverage
- ⊖ Fair camber and drainage



POOR CONDITION

- ⊗ Severe surface defects e.g. large potholes and or corrugations
- ⊗ No gravel coverage or guideposts
- ⊗ No camber

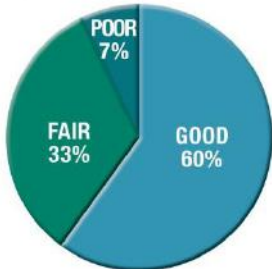


Footpaths and Cycleways

Council currently maintains 83.5 km of footpaths and cycleways (shared paths), stairs and kerb ramps.

	17/18 budget	4 year forecast budget	Estimated annual need	Gap
Operation and Maintenance	\$31,500	\$133,500	\$167,000	
Renew	\$120,400	\$357,900		\$550,00
New	\$1,553,800	\$581,800		

CONDITION OF FOOTPATHS & CYCLEWAYS

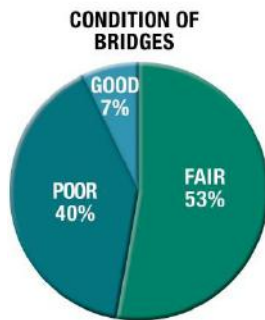


<p>GOOD CONDITION</p> <ul style="list-style-type: none"> ✓ Smooth surface ✓ Very few variations in joint heights e.g. trip hazards ✓ Little unevenness ✓ Not slippery 	
<p>FAIR CONDITION</p> <ul style="list-style-type: none"> ⊖ Minor pavement movement or few trip hazards ⊖ Moderately uneven ⊖ Moderately functioning to suit demands e.g. wear patterns beside path 	
<p>POOR CONDITION</p> <ul style="list-style-type: none"> ⊗ Severe surface defects e.g. many trip hazards ⊗ Significant wearing of surface ⊗ Very uneven and slippery surface 	

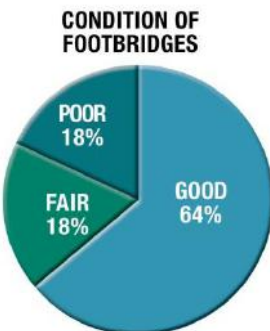
Bridges and footbridges

Council currently maintains 30 bridges and 11 footbridges. 40% of road bridges are rates as poor and currently have load limits.

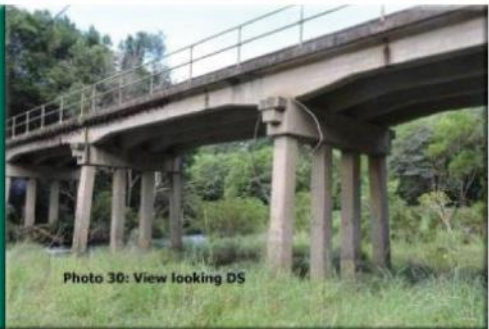
	17/18 budget	4 year forecast budget	Estimated annual need	Gap
Operation and Maintenance	\$100,300	\$425,900	\$300,000	
Renew	\$2,160,000	\$5,487,900		\$6,274,000
New	\$1,143,100			



- GOOD CONDITION**
- ✓ Little cracking or wear
 - ✓ Screws and joints tight
 - ✓ Signage in place
 - ✓ No abutment settlement
 - ✓ Vegetation cleared



- FAIR CONDITION**
- ⊖ Cracks appearing
 - ⊖ moderate deterioration of concrete or timber
 - ⊖ Spalling commencing on pier
 - ⊖ Blocked scuppers
 - ⊖ Flood debris and vegetation growth present



- POOR CONDITION**
- ⊗ Load limited
 - ⊗ Abutment poor or failed
 - ⊗ Loose tie downs
 - ⊗ Significant decking wear
 - ⊗ Advanced deterioration of timber or concrete

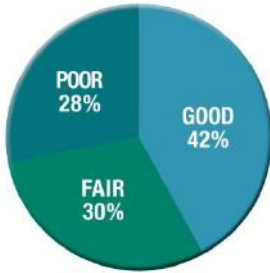


Bus Shelters

Council currently maintains 40 bus shelters.

	17/18 budget	4 year forecast budget	Estimated annual need	Gap
Operation and Maintenance	\$4,400	\$19,000	\$4,000	

CONDITION OF BUS SHELTER



GOOD CONDITION

- ✓ Structure in good structural condition
- ✓ Seating has no snag points/hazards
- ✓ Vegetation contained
- ✓ Surfaced is non slip and flat



FAIR CONDITION

- ⊖ Low to moderate amounts of corrosions/rot in structure
- ⊖ Seating has some minor hazards
- ⊖ Vegetation not contained
- ⊖ Surface has minor cracking/ slip hazards



POOR CONDITION

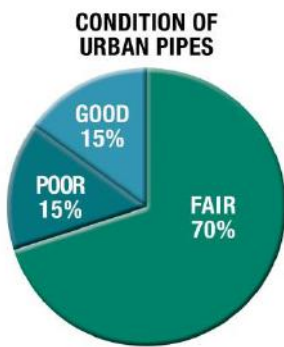
- ⊗ Structure severely corroded/rotten
- ⊗ Seating has severe snag points /hazards
- ⊗ Overgrown vegetation
- ⊗ Surface has trip hazards/low traction



Urban stormwater

Council currently owns and maintains 252km of kerb and gutter, 139km of pipes and 4920 pits (includes kerb inlet pits, field inlets and headwalls).

	17/18 budget	4 year forecast budget	Estimated annual need	Gap
Operation and Maintenance	\$401,500	\$1,504,000	\$396,000	
Renew	\$56,000	\$521,000		\$3,025,000
New	\$318,000	\$601,000		

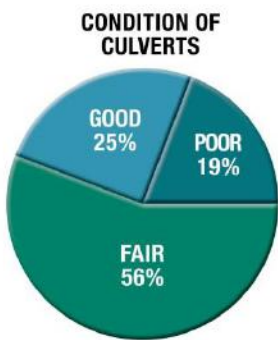


<p>GOOD CONDITION</p> <ul style="list-style-type: none"> ✓ No concrete deterioration ✓ No pipe movement ✓ Clear approaches and entrances 	
<p>FAIR CONDITION</p> <ul style="list-style-type: none"> ⊖ Minor cracking ⊖ Minor pipe movement at joints ⊖ Moderate blockage 	
<p>POOR CONDITION</p> <ul style="list-style-type: none"> ⊗ Severe deterioration and movement ⊗ Significant cracking ⊗ Significant blockage 	

Rural drainage, causeways and culverts

Council currently maintains 87 causeways, 80 culverts and 1,311 rural pipes. 14% of the culverts and 29% of the causeways are in a poor condition.

	17/18 budget	4 year forecast budget	Estimated annual need	Gap
Operation and Maintenance	\$251,300	\$461,500		



GOOD CONDITION

- ✓ None to low cracking/spalling
- ✓ Barrel blockage 0-5%
- ✓ Waterway flows through designed openings



FAIR CONDITION

- ⊖ Low to moderate cracking/spalling
- ⊖ Barrel blockage 6-10%
- ⊖ Low to moderate scour holes



POOR CONDITION

- ⊗ Extensive cracking/spalling
- ⊗ Barrel blockage >40%
- ⊗ Pipe partially collapsed
- ⊗ Embankment failure and major scour holes



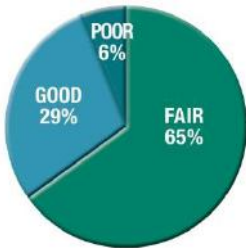
Community buildings

Council currently maintains 97 community buildings including the Cavanbah Centre, community halls, libraries, sports facilities, emergency services sheds, and a preschool. This does not include the recently acquired Mullumbimby Hospital buildings.

	17/18 budget	4 year forecast budget	Estimated annual need	Gap

Operation and Maintenance	\$1,422,800	\$2,439,500	\$312,000	
Renew	\$100,000	\$2,856,900		\$1,028,000

Council's resolution to become carbon neutral by 2025 will mean significant renewal work will be required to many buildings to improve energy efficiency (eg lighting, water, insulation) and capital work will be required to fit solar.



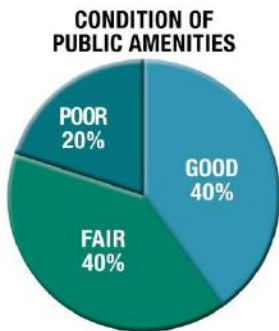
<p>GOOD CONDITION</p> <ul style="list-style-type: none"> ✓ Good overall appearance ✓ Meets all levels of compliance e.g. Disability Access compliance ✓ Good functionality and capacity 	
<p>FAIR CONDITION</p> <ul style="list-style-type: none"> ⊖ Fair overall structural condition ⊖ Moderate functionality and capacity ⊖ Not 100% Disability Access compliant 	
<p>POOR CONDITION</p> <ul style="list-style-type: none"> ⊗ Poor overall structure ⊗ Major components require replacement ⊗ Not functioning to capacity ⊗ Ascetically poor 	

Public toilets (amenities)

Council currently maintains 20 public toilets (amenities).

	17/18 budget	4 year forecast budget	Estimated annual need	Gap

Operation and Maintenance	\$406,300	\$1,862,100	\$454,000	
Renew	\$132,000	\$511,200		\$428,000



<p>GOOD CONDITION</p> <ul style="list-style-type: none"> ✓ Good overall appearance ✓ Meets all levels of compliance e.g. Disability Access compliance ✓ Good functionality and capacity 	
<p>FAIR CONDITION</p> <ul style="list-style-type: none"> ⊖ Fair overall structural condition ⊖ Fair appearance ⊖ Moderate functionality and capacity ⊖ Not 100% Disability Access compliance 	
<p>POOR CONDITION</p> <ul style="list-style-type: none"> ⊗ Poor overall structure ⊗ Major components require replacement ⊗ Not functioning to capacity ⊗ Ascetically poor 	

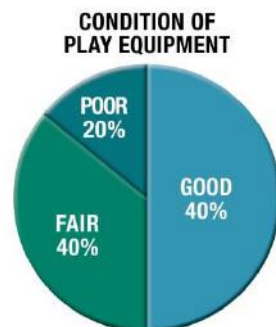
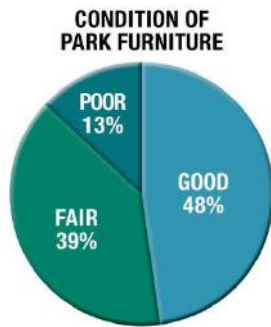
Playgrounds and park furniture

Council currently maintains:

- 47.6 Ha of active open space and sportsfields
- 244 Ha of passive open space and parks
- 123 playground equipment items

- 59 shelters
- 53 recreation facilities (e.g. courts and sports fields)
- 6 skateparks
- 313 sports and park light poles
- 21 grandstands
- 453 park furniture items (tables, chairs, drink fountains, and bike racks).
- 2 formal and 1 informal community garden and public food tree plantings

	17/18 budget	4 year forecast budget	Estimated annual need	Gap
Operation and Maintenance	\$3,476,600	\$14,248,600	\$854,000	
Renew	\$298,400	\$894,900		\$645,00
New	\$752,700	\$1,367,300		



Pools

Council currently maintains 2 pools at an annual operating cost (after revenue from gate takings) of

	17/18 budget	4 year forecast budget	Estimated annual need	Gap
Operation and Maintenance	\$738,500	\$3,130,300		
Renew	\$44,800	\$199,800		\$187,000

Beach and River Access Points

Council currently maintains 30 formal beach access points and 3 boat ramps.

	17/18 budget	4 year forecast budget	Estimated annual need	Gap
Operation and Maintenance	\$54,300	\$230,700		

Other Land

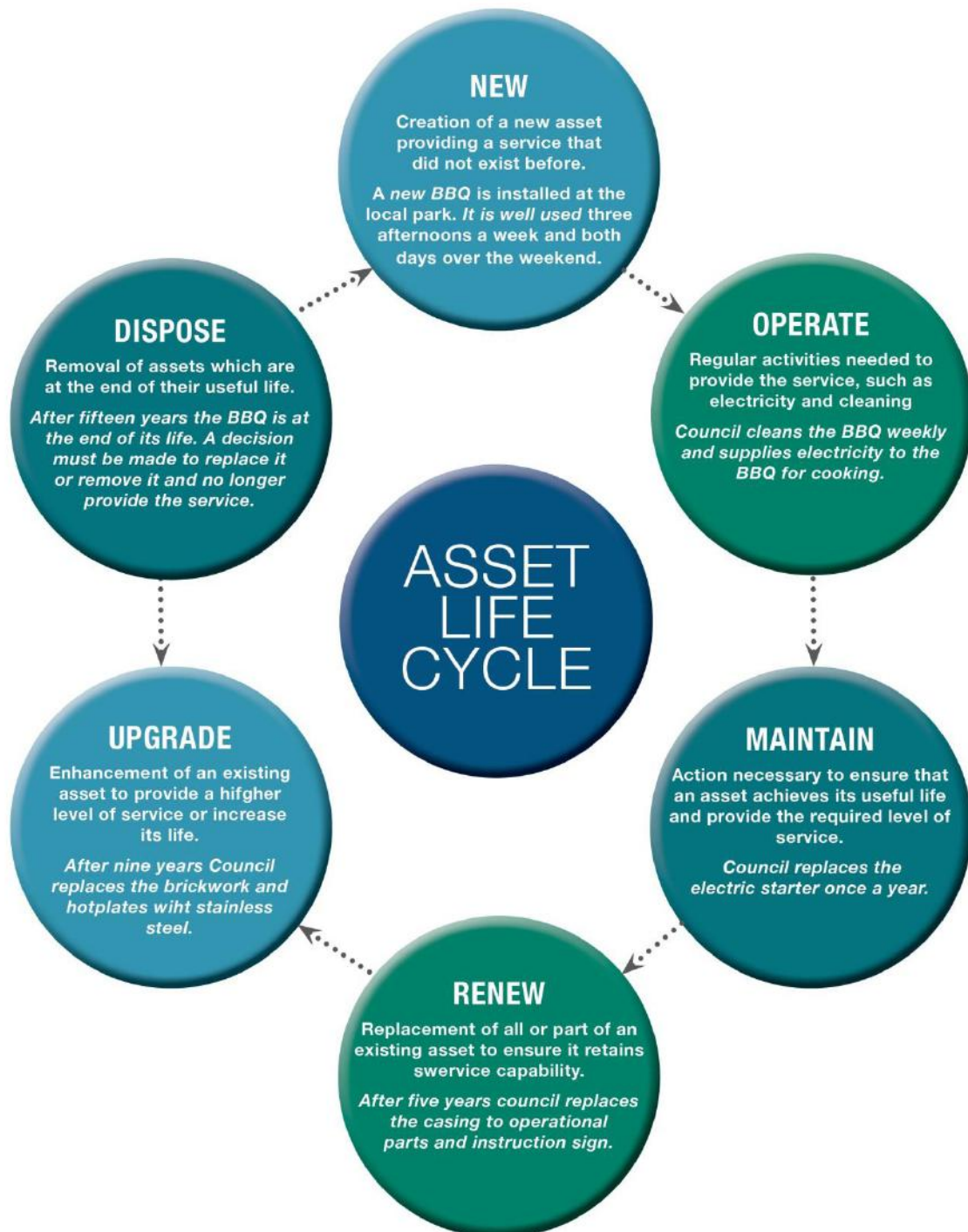
Council currently maintains 139 ha of land held for compensatory planting areas, environmental land, and bush regeneration sites etc. Some of this land is Council owned or Council managed and maintained because they are connected with or integral to a community service or need.

In terms of assessing condition and maintenance needs, this will be the last category that Council gets to because it is the last 'catch all'.

4.4 How we currently manage our infrastructure

Council manages its infrastructure through a range of ways depending on where it is at in its life cycle. These stages – new, operate, maintain, renew, upgrade and dispose are described in the diagram below.

There are a number of factors that are taken into consideration when managing our infrastructure, such as evidence base (asset condition, analytics, long-term financial modeling, technical plans and community expectations), maximizing the life and functionality of the asset, environmental considerations and legislative requirements.



Evidence base

Council takes an objective and systematic approach to recommending priorities for infrastructure spend. We use a range of data and tools to do this including:

- Asset condition assessments and valuations
- Technology solutions that apply advanced analytics to life-cycle and condition data to predict outcomes of applying different levels of spending and types of maintenance, to identify the optimal way to use the limited available infrastructure maintenance funding. Council uses programs like Assetic Predictor.
- Long term financial modeling to identify the impacts on Council's financial sustainability of applying different levels of spending and types of maintenance.
- Technical, evidence-based plans and strategies, for example:
 - Assets Management Plans that are evidence-based plans prepared in accordance with criteria set by the Institute of Public Works Australia.
 - s94 Development Contributions Plans that are again evidenced-based prepared in accordance with statutory requirements and guidelines issued by State Government.
- Community plans and strategies developed through extensive consultation with community – for example, Masterplans and Plans of Management.

Life and functionality of the asset

We all understand that it is important to make decisions about how we look after our things, what maintenance is required and when we need to get replacements.

What we do with our clothes, phone, bike, car or house roof are just smaller examples of the process Council faces on behalf of the Shire that has over \$800M worth of assets.

Most of us would like to have more money to do the things we want or need to do. We all make choices and prioritise what we will spend our money or time on and this is where it can get tricky with public assets.

It is the same with our assets. The most cost effective outcomes are achieved by maximising the life of assets by funding repairs and maintenance to keep them in a good condition in the first place.

An analogy is a room that has a leaky roof that has caused the ceiling to rot and the paint is now going moldy.

The choices – get a new sofa, fix the ceiling, repair the roof or do nothing?

The most efficient choice – Make the ceiling safe (so it doesn't fall on your head), fix the roof, then replace the ceiling.

The least efficient choice – Do nothing. Without repairs, the roof and the leak will get worse and eventually lead to the whole room and then building becoming unusable.

As for a buying a new sofa, the comfort might feel good but it will only be short lived if the roof doesn't get fixed.

Environmental Considerations

Council is committed to quadruple bottom line sustainability. This includes delivering both good infrastructure and environment outcomes where possible. However, that is not always possible, and where there is conflict between an infrastructure outcome and environmental impacts, decisions have to be made on a case by case basis.

Examples of challenges this can present and choices that are sometimes needed include:

- Recently Council carried out works to renew parts of Broken Head Road at Suffolk Park. The road could have been widened at the time to provide a dedicated on road bike path but that would have required the removal of a significant number of trees in a highly sensitive environmental area. In that case, the choice made was to prioritise tree retention.
- Council has to attempt to manage conflict between meeting the community's aspiration that Council operations become 'chemical free' and the need to provide infrastructure that is fit for purpose, eg guide posts and guard rails that are not hidden by vegetation, with the additional cost of non-chemical vegetation management and limited budgets.

Council is also committed to meeting its many legal obligations to consider environmental impacts when planning, designing and delivering infrastructure and works.

Often legislated environmental standards or approval processes can directly influence how and what infrastructure can be delivered and this is a factor that can influence prioritisation. For example, the replacement of damaged causeways require DPI approvals to ensure safe fish passage and sustainable outcomes which may in turn require significant modifications to the existing structure to meet those requirements,.

Managing risk and community safety

Council has conferred on it functions under relevant legislation to manage community infrastructure across the municipality on behalf of its residents, ratepayers and visitors to the Shire.

Council for example has functions to act as a Road Authority, Drainage Authority, land manager to name a few.

Council is guided by s8 of the NSW Local Government Act 1993 to generally:-

- provide adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed
- to properly manage, develop, protect, restore, enhance and conserve the environment
- to bear in mind that it is the custodian and trustee of community infrastructure and to effectively account for and manage this infrastructure

Under this charter Council is obliged to meet relevant standards and guidelines to provide adequate and safe infrastructure and to reasonably manage risks and where necessary to also undertake preventative works to mitigate potential issues.

“Asset management” is the process of planning, acquiring, operating, maintaining, renewing, upgrading and disposing of infrastructure.

Good asset management aims to manage infrastructure so that it meets the community’s desired level of service in the most cost effective way.

We will still need most of the Shire’s assets in future. Therefore, addressing both short and long term funding need to meet the full costs of each stage of an asset’s life, is important.

Infrastructure can be short or long-lived and assets deteriorate at different rates. All assets move through the same life cycle.

Choosing when and how much to invest in maintenance or renewal, affects the life of the asset and the total costs over the life of the asset.

Short lived assets generally have a lifespan of less than 20 years

They are often the things people see such as the carpet in a building, the gravel surface on an unsealed road or the mulch surface in a playground.

Long lived assets generally have a lifespan of more than 20 years

They are often structural components such as the brick walls of a building, a reinforced concrete pathway, a stormwater pipe or the structural layers in a road.

4.5 Future works

Council prepares an annual works program which is included in its Operating Plan.

Infrastructure Spend (General Fund)		
	2017/2018 \$	
	Maintenance	Capital
Roads Bridges and Drainage		
Urban Drainage	401,500	
Rural Drainage	251,300	
Urban Roads	504,700	
Urban Roads Cleaning	288,600	
Street Lighting	319,600	
Sealed Rural Roads	1,522,100	
Unsealed Rural Roads	501,900	
Bridges	100,300	
Footpaths	31,500	
Road Signs	155,100	
Regional Roads	652,400	298,500
Capital Works		37,388,200
Total Roads and Bridges	4,729,000	37,686,700
Open Space and Recreation		
Parks and Reserves	2,368,100	
Sportsfields	343,800	
Other	889,800	
Beaches	61,200	
Cemeteries	203,800	
Aerodrome	141,300	
Bush Regeneration	198,900	
Cavanbah Centre	764,700	427,700
Capital Works		623,400
Total Open Space and Recreation	4,971,600	1,051,100
Facilities Management		
Swimming Pools	738,500	
Community Buildings	1,422,800	
Public Toilets	406,300	
Capital Works		276,800
Total Facilities Management	2,567,600	276,800
Total Infrastructure (General Fund)	12,268,200	39,014,600

This outlines the specific projects to be undertaken each year (included as a total line item in the table above). The following table outlines the list of works for 2017/18.

ROADS BRIDGES AND DRAINAGE			
Works	Locality	Type	Budget (\$)
Bridges			
Main Arm Rd Blindmouth Creek	Rural North	Upgrade	1,143,100
O'Meara's Bridge Renewal	Rural South	Renewal	600,000
Purchase of Surplus ADF Bridges	Rural North	Renewal	460,000
Scarrabelotis Bridge Renewal	Rural South	Renewal	1,100,000
Cycleways			
Shire Wide - Bike Plan	Byron Bay	New	60,000
Balemo Drive Off-Road Shared Path	Ocean Shores	New	618,800
Lismore Road Off-Road Shared Path Investigations	Bangalow	New	120,000
Broken Head Road Off-Road Shared Path	Suffolk Park	New	292,600
Ewingsdale Road Off-Road Shared Path Hospital to Highway	Byron Bay	New	151,900
Footpaths, Kerb & Gutter			
Access ramps and footpaths Works	Other	Upgrade	60,500
Replacement of damaged Kerb and Gutter Shire Wide as per inspection Report	Other	Renewal	24,900
Replacement of damaged Footpaths Shire Wide as per inspection Report	Other	Renewal	95,500
Massinger St - Lawson to Carlyle	Byron Bay	New	170,000
Shire Wide - PAMP (Pedestrian Access Management Plan)	Byron Bay	New	60,000
Survey, design and consultation Bay Lane footpath and shared zone	Byron Bay	New	20,000
Drainage			
Bangalow Wetland Maintenance (use Levy as this funded the wetland)	Bangalow	Renewal	2,000
Burns Street Open Drain Maintenance (use Levy as this funded the wetland)	Byron Bay	Renewal	1,000

Lilly Pilly Drain Maintenance (use Levy as this funded the wetland)	Byron Bay	Renewal	1,000
Ivory Curl Overland Flow Path	Bangalow	Renewal	40,000
Bay Lane overland flowpath and system upgrade	Byron Bay	Upgrade	96,000
8 Jubilee Ave - resolve flooding in front yard and nature strip	Mullumbimby	Upgrade	40,000
SGB Street Drainage Upgrade - Helen Street (east)	Ocean Shores	Upgrade	100,000
SGB Street Drainage Upgrade - Elizabeth Street - Design	Ocean Shores	Upgrade	15,000
Remove last fish passage barrier on Byron Creek	Bangalow	Renewal	12,000
River Street Scour Protection Works	Ocean Shores	Upgrade	47,000
Purchase Gridflow Software	Other	New	20,000
Reseals			
Coolamon Scenic Drive CH2760-3290	Rural South	Renewal	43,000
Coolamon Scenic Drive CH10000-10510	Rural South	Renewal	54,000
Federal Drive CH9430-9680	Rural South	Renewal	35,000
Federal Drive CH6910-8250	Rural South	Renewal	90,000
Federal Drive CH8510-8790	Rural South	Renewal	29,000
Possum Creek Road CH0-1440	Rural South	Renewal	90,000
Friday Hut Road CH4570-6270	Rural South	Renewal	89,000
Goonengerry Road CH0-6520	Rural South	Renewal	222,000
The Pocket Road CH7280-7430	Rural North	Renewal	26,000
The Pocket Road CH8160-8660	Rural North	Renewal	35,000
Tyagarah Road CH2680-4320	Rural South	Renewal	130,000
Bangalow Road CH780-1630	Byron Bay	Renewal	146,000
Childe Street	Byron Bay	Renewal	47,000
Giaor Street	Byron Bay	Renewal	25,000
Paterson Street	Byron Bay	Renewal	260,000
Road Reconstruction			
Rifle Range Road Intersection Upgrade at Lismore Road	Bangalow	Upgrade	441,200
Broken Head Road	Rural South	Renewal	1,191,600

The Pocket Road Segment 568.10 (CH1.79-2.81km)	Rural North	Renewal	28,900
Bangalow Road (Hayters Hill)	Rural South	Renewal	650,000
Byron Bay Bypass (RMS)	Byron Bay	New	21,612,000
Byron Bay Bypass Stage 2 Investigations	Byron Bay	New	250,000
Bayshore and Ewingsdale Roundabout (RMS)	Byron Bay	Upgrade	4,300,000
Station Street, Bangalow	Bangalow	Renewal	46,600
Pine Avenue (Garden to Riverside)	Mullumbimby	Renewal	610,000
The Terrace, Brunswick Heads	Brunswick Heads	Renewal	379,400
Lighthouse Road, Byron (Massinger to Tallow Beach Road)	Byron Bay	Renewal	147,700
Lawson Street, Byron (Middleton to Tennyson)	Byron Bay	Renewal	30,000
Middleton St (Marvel St to Kingsley)	Byron Bay	Renewal	21,000
DESIGN ONLY - Kendall RAB	Byron Bay	Upgrade	65,500
DESIGN ONLY - Ewingsdale Rd (Highway to McGettigans RAB)	Byron Bay	Upgrade	120,000
Coolamon Scenic Drive Speed Review and line marking	Rural South	Renewal	30,000
Deacon and Station Street Intersection Bangalow	Bangalow	Renewal	70,000
Byron Street Byron Bay Jonson to Railway Corridor	Byron Bay	Renewal	200,000
BBMP (Byron Bay Master Plan) -Railway Precinct Activation	Byron Bay	Upgrade	500,000
Shirley Street – Widening Investigation	Byron Bay	Upgrade	22,000
Regional Roads			
Regional Road Repair Program - Broken Head Rd - pavement reconstruction 3.2km to 3.725km from Clifford Street	Rural South	Renewal	298,500
OPEN SPACE AND RECREATION			
Byron Bay Town Centre Renewals - Landscape/Precinct Plan	Byron Bay	Renewal	88,400
Solar lighting around walking track PN 238382	Bangalow	New	5,000
Brunswick Heads Recreation Ground Carpark Reconstruction	Brunswick Heads	Renewal	55,000
Upgrade Lighting - Fields 2 and 3 Bangalow	Bangalow	Upgrade	5,000

Recreation Ground			
Revised Plan of Management - all sporting fields shire wide	Other	Renewal	15,000
Byron Bay Recreation Ground - replace lighting on Field #1 - Western perimeter and Replace lighting on Field 2	Byron Bay	Renewal	5,000
Upgrade Pathway lights from Apex Park to Clarkes Beach	Byron Bay	Renewal	60,000
Public Bubblers	Other	New	40,000
Outdoor Exercise Equipment	Ocean Shores	New	58,000
SGB Playground Shade	Ocean Shores	New	54,000
Bayside Park playground	Brunswick Heads	New	38,000
Mullum Recreation Ground Playground	Mullumbimby	Upgrade	
Accessible BBQ installations	Byron Bay	New	40,000
Iconic Playground Design	Byron Bay	New	30,000
Byron Bay Garden Bed	Byron Bay	Renewal	75,000
Bangalow Sports Fields Lighting	Bangalow	Renewal	-
Plan of Management preparation, Suffolk Park Sports	Suffolk Park	New	55,000
Aquatic Centre - Shovel Ready	Byron Bay	New	250,000
Installation of 4 x Grandstands 5 Tiers - 50-60 adult capacity for each - including concrete slabs and Shelter	Byron Bay	New	47,700
Cavanbah - AFL - Barrier Netting - South western fields	Byron Bay	New	80,000
Cornell Field Picket Fence	Byron Bay	New	50,000
FACILITIES MANAGEMENT			
Byron Bay Pool Renewals	Byron Bay	Renewal	23,200
Mullumbimby Pool Renewals	Mullumbimby	Renewal	21,600
Byron Bay Pool Improvements - Reconfigure Utilities	Byron Bay	Renewal	
Suffolk Park Hall Upgrade	Suffolk Park	Renewal	100,000
Public Toilets Special Rate Variation		Renewal	132,000

4.6 What are the challenges that will impact how we manage infrastructure into the future?

There are a number of challenges that will impact how we manage infrastructure into the future – some we can try to control, some we can prepare for, and others are too unpredictable and we need to mitigate when they arise.

The following are some examples of additional infrastructure challenges that are already here, imminent or likely to occur over the next 10 years. In all cases, except for management of climate change impacts, there is insufficient certainty to allow for any definitive planning. They are all matters that have to be kept in mind because they will significantly impact how infrastructure is provided, maintained and renewed into the future.

Challenges include growth and development, climate change, costs of managing Crown Lands, coastal zone management, rail corridor opportunities and gifted assets.

Growth and Development

Some of the participants in the Community workshops rightly identified that future growth in the Shire will increase the demand on infrastructure. Future greenfield developments will build new or upgrade infrastructure, such as roads and drainage and it will be 'given' to Council to manage into the future.

The State Government's North Coast Regional Plan 2036 requires local councils to develop 'local growth management strategies' that translate the vision and guiding principles of this State Plan into more detailed priorities for growth and change that can be applied at the local level.

Extract from North Coast Plan – Byron Shire

<http://www.planning.nsw.gov.au/~media/Files/DPE/Plans-and-policies/north-coast-2036-regional-plan-2017.ashx>

- Population 2036 (Projected) 37,950
- Dwellings 2036 (Projected) 19,250

Regional priorities

- Identify additional urban and employment investigation areas to secure future housing and employment land supply
- Support a strong and diversified economy based on Byron Shire's unique character, landscapes and important farmland.
- Manage and support growth in Byron Bay
- Encourage new opportunities for agribusiness, particularly in relation to organic and boutique food production
- Foster stronger connections and alignment with Tweed, Ballina, Lismore and South East Queensland.

Economy and employment

- Maximise opportunities associated with the growth of South East Queensland.
- Investigate opportunities for additional employment land at West Byron Bay
- Protect important farmland at Eureka, Federal, Bangalow, Goonengerry, Coorabell, Tyagarah, Mullumbimby, Nashua and Billinudgel to support the agribusiness sector.

Housing

- Deliver housing at West Byron
- Investigate opportunities for increased housing diversity in the form of additional multi-unit dwellings in appropriate locations.

#The Estimated Resident Population for the Byron Shire population for 2016 was 32,790. (Profile id)

#Total private dwellings for the Byron Shire for 2016 was 15,542. (Profile id)

In response to this requirement, Council has prepared a Rural Land Use Strategy (adopted August 2017) separate to a Residential Strategy (under preparation) and Employment Lands Strategy (under preparation).

These strategies as a collective recognise the need to plan for future growth, as well as plan for future service and infrastructure provision. They do not rezone land. They provide an overarching policy to guide decisions on rezoning land.

A land release program is also required to inform the implementation of these Strategies. The identification of potential priority localities will ensure an integrated approach to land use and infrastructure planning that:

- implements the policy directions for each of the strategies through a specific action plan
- builds on existing community and service catchments
- aligns with Council's infrastructure investment strategies and plans
- minimises Council's costs
- improves Council's capacity for providing infrastructure and services (e.g. review of section 94 plans and voluntary planning agreements)

Further discussion about the long-term issue of managing future growth will happen through the Strategy engagement and consultation processes; but for now, the question to the Panel is...what are the current the infrastructure and funding needs to meet the community demand?

Case Study – creating a new sports facility due to previous undersupply

As a legacy from the original development of the area, Ocean Shores suffered from an undersupply of sportsfields. To meet this community need, Council purchased land and constructed the new Shara Boulevard sportsfields (Bob Belleair Sportsground) and facilities at a cost of \$3.04M. This delivered great social outcomes for the community.

But this new infrastructure adds an additional \$60,000 pa in operating and maintenance costs without any new income to fund it. These are the ongoing costs of electricity, water to keep the grass on the fields alive, mowing, line marking, maintenance of equipment, managing vandalism, vegetation management etc.

Some of the ways that Council might try to cover the extra maintenance costs include:

- imposing user charges on the sports groups on a full-recovery basis;
- entering into user agreements to increase volunteer maintenance (but noting that volunteering alone will only cover a small amount of the costs)
- reducing the level of maintenance at this site or at other sites across the Shire to an equivalent cost amount (e.g. reduced weeding or mowing at every sportsfield)
- allowing some commercial activities on the site but commercial and multi use of public space can be controversial.

This is an example of how new assets can increase the maintenance-funding gap but also present potential new revenue opportunities at the same time.

Climate Change Impacts

Climate change impacts on weather in the Shire are expected to include:

- More intense rainfall – more rain over shorter periods.
- More severe storms.
- Higher sea levels.
- Hotter days and more frequent hot days.

This influences asset planning and infrastructure decisions for each type of asset and at every stage in the asset life cycle.

Cost of Managing Crown Lands

Crown land is public land owned by State Government. There are four types of Crown Land in the Shire:

1. Crown Land **owned and managed by particular State Government** departments, such as the rail corridor, school land and National Parks. Council is not involved and generally incurs no costs for managing assets on this type of Crown Land. The only exceptions to this are where Council holds a license or lease or is providing a maintenance service on a cost-recovery contract basis.
2. Crown Land that **someone other than Council manages**, eg the Mullumbimby Showground or Island Quarry, each of which has its own Reserve Trust. Council is not involved in managing and incurs no costs on this type of Crown Land.
3. Crown Land that **State Government controls and manages**. Examples include the Brunswick Heads foreshore, where large parts are controlled by North Coast Holiday Parks but to meet community need Council expends money on operations (eg toilet cleaning) and maintenance (eg mowing) without full cost recovery from State Government.
4. Crown Land that **Council controls and manages**. Council is able to carry out commercial activities on some of this land to generate revenue to contribute towards operation and maintenance costs but a lot of Crown land in the Shire does not have any commercial capacity. Council does receive some money from State Government for managing Crown Land but it is not enough to meet the full costs of operation and maintenance.

Every year Council spends more than it recovers on operating and maintaining Crown Land. In 2016/17...

+ \$1.9M spent managing Crown Land

- \$1.04M revenue received (mostly from pay parking on Crown Land)

= \$867k shortfall to be funded by Council

Under the Crown Lands Act, Council cannot refuse to manage and maintain Crown land assigned to them. A few years ago, Kyogle Council attempted to do that by Council resolution but they were unsuccessful.

State Government has been reviewing how it manages Crown Land. Under the current proposal, State Government will 'divest' Crown Land to local councils except if the land is of state significance. This will change a lot of current state-owned Crown Land to council-owned 'community land'. The benefit will be giving local communities more say over future use and management but it will also mean that councils will lose the contribution that State Government is currently required to make to maintenance and operation costs.

There is no certainty now as to what land State Government will keep and what they will transfer to Council. It is likely that state significant land that the State Government will keep will include the Crown Caravan Parks, key commercial land like Clarkes Beach Reserve, and significant land like beach and river foreshore reserves. These are the lands with income earning capacity and they are unlikely to be given to Council. It is likely that Council will get public land that costs money to operate and maintain but it is not possible to predict the outcome or financial impacts at this stage.

Management of infrastructure in coastal and estuary areas

There is significant infrastructure in the coastal and estuary zones, including river and coastal protection works, pathways and access areas, boat ramps, pools, play equipment, toilets and vegetation.

Future management of this infrastructure is dependent upon State Government endorsing a coastal zone management program for each one respectively. This means that future infrastructure needs in these areas and the funding and cost implications are currently unknown.

Rail Corridor

There is uncertainty around the future of the State owned and managed rail corridor at the moment.

In response to community aspirations expressed in Masterplans, Council has secured a key section of the rail corridor in Byron Bay around the Byron Bay platform and Railway Park to secure public use. Council is also in process of securing a licence over a section of the rail corridor at Bangalow for community use.

Another section of it has been licensed to Elements of Byron for the operation of the solar train from Belongil to Byron. Beyond that, at present State Government agencies or contractors still own or manage the rail corridor.

Council is about to call for expressions of interest (EOI) to assess the potential for the rail corridor from Bangalow to Yelgun to be used for multi-use, taking into account operation, maintenance and upgrade costs alongside potential commercial opportunities and potential social, economic, environmental and governance outcomes that might be able to be achieved.

No such thing as 'gifted' infrastructure

Council is 'given' infrastructure a number of ways but it always comes with a price tag.

Council is in control of assets built as a result of development. Where Council issues the approval, Council is in control as it sets the required standards and assesses the standard of the built assets before accepting them being 'given' to Council. Where development is approved by other agencies, Council has no control and the requirements and standards for infrastructure can vary, and Council can end up being the recipient of inappropriate infrastructure and the associated maintenance costs.

Council can also be required to take over responsibility for assets from State Government and the most common example is roads. In those cases, Council cannot refuse to take responsibility for ownership and maintenance of the infrastructure.

On the flip side, State Government also has the power to take over control and responsibility for roads that Council currently manages. This usually happens either as a result of state road improvements or because a local road has grown and become of importance to the State Government. In future, Ewingsdale Road could become a candidate for re-classification as a State Road for example. Once designated a State Road, Council no longer has responsibility for funding maintenance.

Case Study - Old Pacific Highway now the Hinterland Way

The Hinterland Way is an example of assets “gifted” by State Government with Council gaining responsibility for an extra:

- 3.4km of sealed roads
- 300m of kerbing
- 1.9km of roadside barriers
- 24 stormwater pits and 23 stormwater pipes, 5 open stormwater drains;
- 5 underground pipe culverts

With them, came an estimated minimum additional maintenance cost of \$70,000 per annum.

Eventually Council will be required to replace these extra assets when they reach the end of their effective life, at a currently estimated cost for replacement of \$3.48M.

When assets like this are transferred from State Government to Council, they come with maintenance and replacement price tags but no additional funding to meet those extra costs.

SECTION 5

OUR FINANCES

Council is responsible for managing finances on behalf of our community, and is committed to continuous improvement and responsible financial management.


Council has been declared as being Fit for the Future Council by the Independent Pricing and Regulatory Tribunal (IPART) and Office of Local Government.

Council seeks to continually improve by reviewing the efficiency, range and level of services and infrastructure it provides.

Council generates income from a variety of sources including:

- Rates
- User charges and fees
- Grants
- Borrowings
- Investments.

Some of the funds generated through these sources are restricted in terms of how they are used. Grants must be spent in accordance with the conditions the grant funding is given on. A common requirement is for matching funding from Council. Also, commonly grant funding is only available for building new infrastructure. This means that grant funding is not often available to operate, maintain, renew or reconstruct infrastructure.



Did you know State and Federal Governments collect 97% of all taxes in Australia? Local Government collects just 3%.

In relation to roads; Council receives grant funding from state and federal government including:

- Roads to Recovery Grants that can be spent on renewing existing roads;
- Regional Roads grant funding that can assist in the maintenance or renewal of regional roads that are managed by Council; and
- Blackspot Funding that is a grant program to upgrade known 'blackspots' on roads to reduce safety risks.

Council receives money from development of land, they are called s94 Developer Contributions. There is a statutory requirement that s94 developer contributions must be spent on new infrastructure to meet future growth and demand. This means Council cannot spend s94 contributions on maintenance or renewal of existing infrastructure. If there is an existing demand for infrastructure but the demand will increase in future, it is only the future increase that can be funded from s94 contributions and the existing demand must be funded by Council. Projects cannot be funded from s94 contributions unless they are listed in the adopted s94 Developer Contributions Plan.

The following pages provide more detail on how Council manages its finances.

5.1 Financial Sustainability Plan

In 2012 Council closely reviewed its finances and expenditure and developed a Financial Sustainability Plan to help find new ways to channel funding back into infrastructure.

The Financial Sustainability Plan (which is updated each year) contains actions to:

- identify new ways of reducing expenditure and increasing revenue;
- proactively manage assets, Council's property portfolio, strategic procurement and policy reviews;
- increase volunteerism and pursue partnerships;
- manage environment projects in a sustainable way; and
- monitor performance indicators to continuously improve.

5.2 Council Improvement Program (CIP)

In 2015 Council was required to adopt and submit to State Government a Council Improvement Program evidencing how Council would remain financially 'Fit for the Future'. The adopted Council Improvement Program included 5 key actions:

- An organisation restructure which in 2013-14 saw savings of about \$750,000 channeled back into services on a recurrent basis.
- Review of Council's property portfolio with the aim of releasing underperforming assets. Since adoption of the CIP, Council has resolved to retain some of the assets or reallocate them for another purpose.
- A special rate variation (SRV) increase to general purpose rates of up to 10% per annum for four years inclusive of rate peg. Since the CIP, Council resolved to apply for, and obtained approval for, a 7.5% increase per annum for four years instead.
- Recurrent expenditure savings from strategic procurement. This is ongoing.
- Introduction of expanded pay parking in Byron Bay and new pay parking at Wategoes. The first full financial year of operation in 2016/2017 provided Council with new revenue (after operating costs) of \$1.406million.

5.3 Different Types of Funds

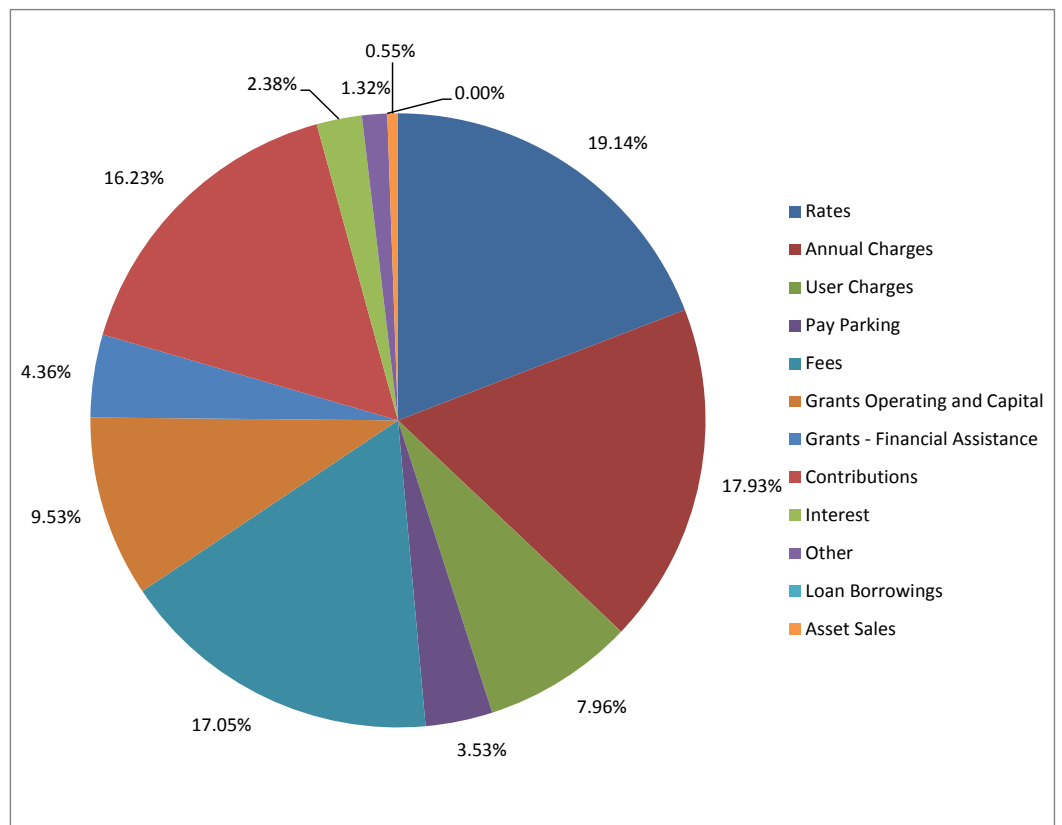
Section 409 of the Local Government Act 1993 requires Council to keep different types of revenue separate and use them only for certain things. To assist with this, Council has three main funds:

- General Fund – This fund supports most of the services and infrastructure provided by Council.
- Sewerage Fund – This fund manages all of the operational and infrastructure requirements of sewerage services. Revenue generated from sewerage fixed and usage charges can only be expended on sewerage services and activities.
- Water Fund – This fund manages all of the operational and infrastructure requirements of water supply services. Revenue generated from water fixed and usage charges can only be spent on water services and activities. (For clarity, this does not include the operation and maintenance of Council's swimming pools.)

NB Water and sewerage service infrastructure is beyond the scope of the question you have been asked to consider.

5.4 Income Types and Restrictions

A breakdown of Council's major income sources for 2016/2017 financial year is:



Chapter 15 of the Local Government Act 1993 describes and regulates how councils in NSW are financed. Specifically, Section 491 of the Local Government Act 1993 outlines some sources of income for Councils in NSW. Details on each type of major income source are as follows:

5.5 Rates

% of 2016/2017 revenue	Predicable, Reliable & within Council control?	Restrictions on Generating Revenue	External restrictions on Using Revenue
19.14%	Yes, Yes and Yes	Yes	Ordinary rates – No Special rates – Yes Special Rate Variation Rates - Yes

Rates can be of two types – ordinary or special rates.

- Ordinary rates are a general purpose revenue and can be allocated to any General Fund purpose approved by Council
 - Special rates are rates that are levied for a particular purpose or levied on a particular area for works or services that are delivered only to that area.
- **Ratepayer growth is about 1% per year**
 - **This does not generate enough to keep up with increases in maintenance costs**
 - **Ordinary rates provide less than 20% of all Council revenue sources**

Council currently only levies Ordinary rates.

The total amount Council receives from rates generally can't increase by more than the 'rate peg' percentage set by the Independent Pricing and Regulatory Tribunal (IPART) each year, unless Council applies for a special rate variation to get permission to raise rates above the 'rate peg' .

5.6 Special Rate Variation & Restrictions on Use

% of 2016/2017 revenue	Predicable, Reliable & within Council control?	Restrictions on Generating Revenue	External restrictions on Using Revenue
N/a	Yes, Yes and Yes	Yes	Yes

The additional rates that the Special Rate Variation approved from 1 July 2017 will generate over and above the estimated rate peg over the next ten years are:

2017/2018	\$1,185,000
2018/2019	\$2,276,444
2019/2020	\$3,474,744
2020/2021	\$4,788,605
2021/2022	\$4,908,320
2022/2023	\$5,031,028
2023/2024	\$5,156,804
2024/2025	\$5,285,724
2025/2026	\$5,417,867
2026/2027	\$5,553,314

The conditions imposed by the Independent Pricing and Regulatory Tribunal (IPART) on the SRV approval are that Council **must spend** these funds as follows:

- The council uses the additional income from the special variation for the purposes of reducing its infrastructure backlog and improving financial sustainability as outlined in the council's application.

The council reports in its annual report for each year from 2017-18 to 2026-27 on:

- the actual revenues, expenses and operating balance against the projected revenues, expenses and operating balance, as outlined in the Long Term Financial Plan provided in the council's application;
- any significant variations from its proposed expenditure as forecast in the current Long Term Financial Plan and any corrective action taken or to be taken to address any such variation
- expenditure consistent with the council's application and the reasons for any significant differences from the proposed expenditure; and
- the outcomes achieved as a result of the actual program of expenditure.

Council's application outlined the expenditure of the additional SRV funds by amount and broad asset categories as follows over the next four years:

	2017/2018 \$'000	2018/2019 \$'000	2019/2020 \$'000	2020/2021 \$'000
Renewal Works				
Roads, Bridges, Footpaths and Road Drainage	712	1,368	2,088	2,878
Urban Stormwater Drainage	52	101	154	212
Rural Drainage and Culverts	37	71	108	149
Buildings and Public Amenities	219	421	643	886
Parks and Open Space	61	117	179	246
Total Renewal Works	1,082	2,078	3,171	4,370
Maintenance				
Road Maintenance	79	152	233	321
Building Maintenance	24	47	71	98
Total Maintenance	103	199	304	419
Total Funding	1,185	2,276	3,475	4,789

In addition, following Council's consideration of the 2017/2018 Special Rate Variation outcome, Council committed itself as a policy framework that funding for renewal and maintenance from general revenue sources is not ever lower than the general revenue baseline indicator established in the 2016/2017 Budget. That baseline indicator has been established at \$5.431million. (Resolution 17-222, 22 June 2017).

Council is required to report to the community each year to confirm that the conditions limiting how the SRV money can be spent are being met.

5.7 Financial Assistance Grants

% of 2016/2017 revenue	Predicable, Reliable & within Council control?	Restrictions on Generating Revenue	External restrictions on Using Revenue
4.36%	Yes, Yes and No	Yes	Roads Component – No General Purpose Component – No

Financial Assistance Grants as a source of income are reasonably regular and reliable but they are not within Council's control and can be subject to change with little notice.

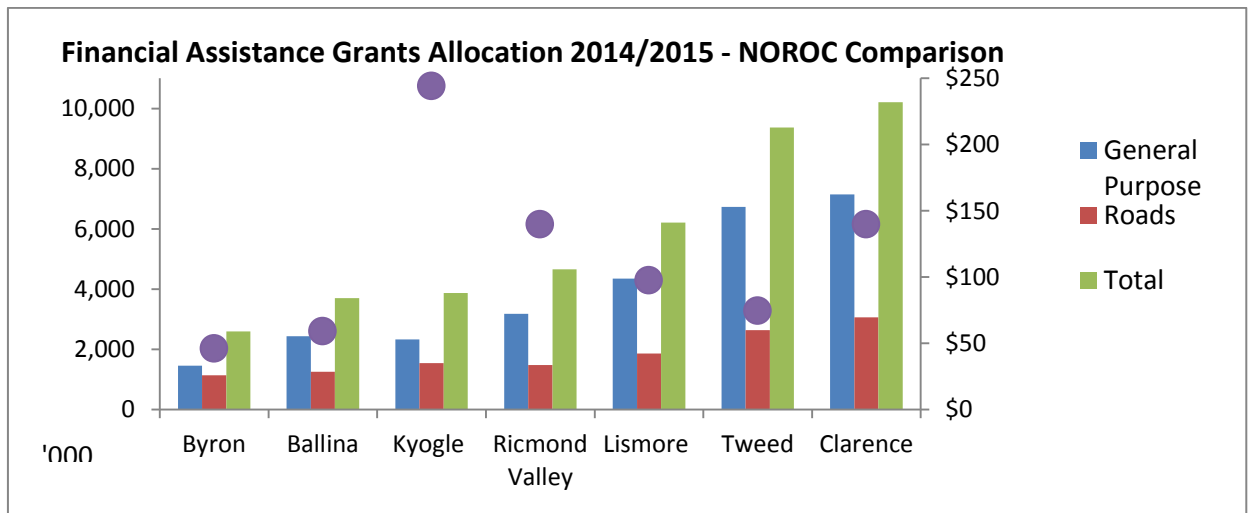
The Federal Government distributes the FA Grants to State Governments, who in turn distribute them to Local Government. There are two components to the FA Grants:

- Roads component - This is distributed between the states and territories according to fixed shares, and then distributed by NSW Grants Commission to councils based on just lengths and types of roads and bridges in each shire.
- General Purpose component – This is distributed between the states and territories according to population (i.e. on a per capita basis) and then distributed by NSW Grants Commission to NSW councils areas based on a series of complex formulas. One of the biggest factors influencing the formulas is land values.

The Grants Commission says that high land values indicate affluence and a higher capacity for community to fund services themselves through rates, fees and user charges. Byron Shire has always had higher land values than comparable councils and some of the highest land values in the state outside of Sydney. As a result, the amount of FA Grants Byron Shire community receives is reduced and is a lot less than similar and neighbouring Councils.

Below is a comparison of the 2014/2015 FA Grants allocation to Northern Rivers councils, when Byron Shire community received a total of just \$2.6 million, compared to Ballina's \$3.7 million or Clarence's \$10.2 million.

In Byron Shire high land values are not necessarily an indicator of the capacity of residents or some ratepayers to pay more, rather it is an indicator of the influence holiday letting has on the property market. Council has lobbied the NSW Grants Commission for a change to the formula to give a fairer distribution of FA Grants based on actual need, and will continue to do so.



Please note: This comparison was prepared for the SRV consultation process so it is from 2014/2015. It has not been updated but can be if requested. As the formula has not changed and land value increases in Byron Shire have been higher than neighbouring council areas, an update would most likely only show a bigger difference between the amount Byron receives compared to others. .

5.8 Annual Charges

% of 2016/2017 revenue	Predicable, Reliable & within Council control?	Restrictions on Generating Revenue	External restrictions on Using Revenue
17.93%	Yes, Yes and Yes	Generally No	Yes

Council has capacity under Section 496 and 501 of the Local Government Act 1993 to impose annual charges. Annual charges are levied against properties for which Council provides a specific service or where the specific service is available.

Specifically, Council can and does levy an annual charge for the following services. Some of these charges are quarantined in to particular funds and can only be used for a specific purpose:

- Domestic Waste Management (General Fund)
- Stormwater Management Services (General Fund)
- Waste Management Services (other than Domestic Waste Management Services) (General Fund)
- Water Supply
- Sewerage Services

Revenue generated by Annual Charges can only be applied to the purpose for which the revenue was raised. Generally, Council has the ability to determine the value of Annual Charges to apply each financial year except Stormwater Management Services which is regulated and Domestic Waste Management Charges are not to exceed the reasonable cost of providing the service. The validity of Domestic Waste Management Service Charges have historically been subject to external audit to validate the reasonableness of the charges.

5.9 User Charges

% of 2016/2017 revenue	Predicable, Reliable & within Council control	Restrictions on Generating Revenue	External restrictions on Using Revenue
7.96%	Reasonably, Reasonably and No	Generally No but still must be reasonable (and can be subject to external review)	Generally Not

User charges as a source of income can be subject to some variability that is not within Council's control, but can be reasonably predictable, absent any significant events such as State Government intervention or a sudden economic shift.

The user-pay principle is a simple philosophy that those who choose to enjoy the benefits of a service or facility pay for it.

Council does charge a number of user charges; for example, fees to enter the pools, use of holiday parks, licence fees to hold wedding ceremonies on public land, fees to sports groups to use sportsfields and electricity charges for sportsfield lighting.

However, most charges do not fully cover the cost to Council of providing the service or facility and most services and facilities are subsidised by Council.

In 2016/17...

+ \$654k to operate and maintain pools

- \$289k revenue

= \$365k subsidised by Council

+ \$437k to operate and maintain sportsfields

- \$10k revenue

= \$426k subsidised by Council

5.10 User Charges – Pay Parking

% of 2016/2017 revenue	Predicable, Reliable & within Council control?	Restrictions on Generating Revenue	External restrictions on Using Revenue
3.35%	Yes, Yes and Yes	No	<p>No in relation to revenue generated from the scheme on Council land.</p> <p>Yes for revenue generated from the scheme on Crown Land.</p>

The most successful user charge that Council has recently introduced has been Pay Parking in Byron Bay, extended to Wategoes.

Council does have the option of introducing Pay Parking in other areas of the Shire provided demand for parking management supports having a Pay Parking scheme.

In 2016/17...

+ \$1.06M to operate pay parking

- \$3.5M revenue

= \$2.4M revenue to Council

5.11 Fees

% of 2016/2017 revenue	Predicable, Reliable & within Council control	Restrictions on Generating Revenue	External restrictions on Using Revenue
17.05%	Yes, Yes and No, not all (State Government sets some fees)	Some Yes Some No	Some Yes Some No

Some fees are regulated by State Government that set how much Council can charge and what those fees must be used for eg development assessment application fees. State Government also takes a portion of some fees.

Other fees can be set at Council's discretion but, as a government agency, the fees must still be reasonable and be supported by evidence that the fees are not excessive for the services provided.

A full list of fees and charges can be found on Council's website.

5.12 Grants (excluding Financial Assistance Grant)

% of 2016/2017 revenue	Predicable, Reliable & within Council control	Restrictions on Generating Revenue	External restrictions on Using Revenue
9.53%	No, No and No	Yes	Yes

State or Federal Governments announce grant opportunities usually without consultation with Local Government. There is never certainty that a grant program will continue once established. Council is also subject to an application process and is often in competition with other applicants for grant. This means that success is never guaranteed.

Council is committed to making the most of every beneficial grant opportunity but because of the unpredictability, Council cannot rely on grants as a revenue source for funding infrastructure over the long term.

Grants are always subject to conditions. A common requirement is for matching funding from Council. This means that Council usually has to have money available to spend on a project, before it can apply for a grant for that project.

Another common requirement is to spend the grant money only on building new infrastructure. This means that grant funding is not often available to operate, maintain, renew or reconstruct existing infrastructure.

However, there are some exceptions to this general rule when it comes to roads, including:

- Roads to Recovery (R2R) Grants that can be spent on renewing existing roads or maintenance.
- Regional Roads grant funding that can assist in the maintenance or renewal of regional roads that are managed by Council.
- Blackspot Funding that is a grant program to upgrade known 'blackspots' on roads to reduce safety risks



Case Study – Innovative funding for causeway rebuild

Council manages 88 causeways throughout the Shire. Many of them can no longer simply be repaired or replaced to their current standard because of legislation has been introduced to improve the quality of our waterways.

Most causeways now need to be built or augmented to a higher standard so that they are not a barrier to fish migration and to improve creek and river ecology.

This achieves much better environmental outcomes but it creates additional work, costs and approval requirements. State Government Department of Fisheries provides advice on the priority order causeways should be upgraded in to maximise environmental outcomes and then Council has to try to balance that with the competing prioritisation driven by public safety and resident access needs.

From structural inspections carried out in late 2017, the Shire has 7 causeways requiring full replacement at an updated estimated cost of \$2.2M and 16 causeways in need of urgent repair at an estimated cost of \$5.5M. The required updated \$7.7M is currently unfunded. Depending on the prioritisation of this program, it could potentially be funded from other sources like grants.

While the additional complexity can add cost and time, it also opens up additional grants opportunities, as Council can apply for environmental improvement grant programs, not just infrastructure grant programs.

This is an example of having to try to balance the great goal, and statutory requirement, of achieving better long term environmental outcomes, minimise short term negative impacts on residents, users and Council from additional costs and time and, at the same, maximise use of additional grant funding programs opened up as a result of the environmental outcomes.

5.13 Interest on Investments

% of 2016/2017 revenue	Predicable, Reliable & within Council control	Restrictions on Generating Revenue	External restrictions on Using Revenue
2.38%	Reasonably, Reasonably and No	Yes	Yes

Council holds cash in reserves for different purposes. Cash reserves can be set aside for future purposes as determined by Council. These are called internal restrictions. Council also has cash reserves known as external restrictions. As an example of an external restriction, Council holds s94 developer contributions in reserve until it collects enough to pay for projects listed in the s94 Developer Contributions Plan or it has matching funding to complete a project outlined in the Plan.

Council invests cash on short, medium and long-term basis according to the purpose of the money and Council’s investment policy.

State Government heavily restricts the types of investments available to Council through Councils complying with the Ministerial Investment Order.

Council must use interest for the same purpose as the cash that was invested eg interest earned on s94 Developer Contributions goes into the s94 Developer Contribution funds but it can use interest earned on its internally restricted funds as it determines.

5.14 Borrowing

% of 2016/2017 revenue	Predicable, Reliable & within Council control	Restrictions on Generating Revenue	External restrictions on Using Revenue
0.00%	Yes, Yes and Yes	Yes	Yes

Council can borrow funds. Council can borrow from external lenders and it can also borrow funds from itself, called 'internal borrowing'.

Borrowings by councils in NSW are considered to be part of NSW Government Debt and as such, Council must advise NSW Treasury Corporation each year of borrowing requirements. Councils are not allowed to borrow from outside Australia.

Generally loans should only ever be taken out to fund long-lived assets so that future generations aren't left paying off loans for operations or short-term works that they will not see any benefit from. With this in mind, Council's borrowing policy stipulates the borrowing term for any loan is to accord with the useful life of the asset the proposed loan is funding.

Council has a commitment in its adopted Council Improvement Program that General Fund will borrow \$6million for infrastructure. Those borrowings were earmarked for upgrading bridges in poor condition, however, Council has been successful in obtaining \$5million in grant funding for bridges, so the loan funds to that value could be reallocated to other infrastructure expenditure.

5.15 S94 (General Fund) Developer Contributions Sources and other Contributions

% of 2016/2017 revenue	Predicable, Reliable & within Council control	Restrictions on Generating Revenue	External restrictions on Using Revenue
16.23%	No, No and No	Yes	Yes

Council receives money from development of land – this is referred to as s94 Developer Contributions.

Council can only spend Section 94 Developer Contributions on:

- New infrastructure, not on maintenance or renewal of existing infrastructure
- Meeting future growth needs, not on meeting an existing demand
- Projects listed in the s94 Developer Contributions Plan

Council cannot spend s94 contributions on maintenance or renewal of existing infrastructure.

As an example, these rules can result in Council having to pay for up to 95% of the costs of a project listed in the s94 Developer Contributions Plan, and until Council can find its contribution, it cannot spend the s94 Development Contributions it has collected for that project.

The s94 Developer Contributions Plan gets updated but projects can only be substituted 'like for like' and the demand for infrastructure that existed under the current Plan must still be met by the updated

- **Community wants a new roundabout at a notorious intersection.**
- **It will cost \$5 million.**
- **The roundabout is needed to meet the needs of existing residents and there is only expected to be 5% growth in new dwellings in the area (from the few last infill secondary dwellings yet to be built).**
- **If it was in the s94 Contributions Plan, only 5% or \$100,000 could be funded from s94 contributions and Council would have to fund the remaining \$4,900,000 from its own money or grants.**
- **Until such time as Council can raise the \$4.9million, it cannot spend the \$100,000 sitting in the s94 Developer Contribution Fund.**

Plan, otherwise already collected contributions may have to be repaid to developers.

5.16 Asset Sales

% of 2016/2017 revenue	Predicable, Reliable & within Council control	Restrictions on Generating Revenue	External restrictions on Using Revenue
0.55%	One-off fund injection only, not regular income	Some Yes	Some Yes Some No

Council reviews the properties it owns on a regular basis. The reviews check that properties are delivering positive outcomes for community or are required to meet a future demand.

To generate one-off sources of money or recurring income, underperforming or surplus land assets can be sold.

There are some limits to this, for example:

- Consultation and Minister’s approval is required before an unused road reserve can be closed.
- Land that is categorised as “community land” cannot be sold and long-term leases are not possible without a Plan of Management and in some cases, Minister’s approval.

There are rules that limit the spending of some proceeds of sale/income. For example:

- Funds from the sale of closed road reserves can only be spent on road assets.
- When s94 Developer Contributions Fund assets are sold or leased, the money has to go back into the s94 Developer Contribution Fund.

Council does from time to time sell plant and equipment assets ie heavy plant and vehicles but the funds generated from these sales are reallocated to their replacement.

5.17 Potential income sources

Three community workshops focused specifically on potential new revenue sources will be held on 8 and 9 March. The outcomes from those workshops will be provided to the Panel as an addendum to this Briefing Book.

5.18 Compliance and Enforcement

Council undertakes enforcement to ensure a safe community. It does not operate on an infringement quota system. All enforcement is undertaken in accordance with the Council's adopted Enforcement Policy and compliance priority program, relevant Act and Regulations, and Road Rules.

There are two types of enforcement activity:

1. Parking enforcement, abandoned vehicle identification and removal and school zone patrols.
2. Other enforcement activities across a range of matters like:
 - Nuisance; Barking; Attack; Restricted; Livestock; Poultry; Pound duties;
 - Illegal Works (Building; Land Clearing; Places of short term rental accommodation; Land Use)
 - Fire Hazard
 - Street Camping
 - Noise disturbances, public nuisance from premises, non compliance with bush fire asset protection zones
 - Overgrown properties
 - Stormwater from building sites; working outside normal hours; policing of tidy building sites; and policing of hoardings over footpaths;
 - Illegal open burning; the depositing of material into water courses; erosion and sediment control; noise control; litter, rubbish and waste dumping detection and removal; and spillage from vehicles onto roads;
 - Itinerate vendors and illegal trading; and control road and footpath openings and obstructions

In 2016/17...

+ \$1.15M enforcement costs

- \$1.22M enforcement revenue

= \$70k for Council

The vast majority of Council's infringement revenue is from parking infringements. The amount of net revenue generated in excess of costs goes to general revenue spent on delivering many different services provided by Council and can vary from year to year. The costs presented above do not include any legal costs defending or instituting court action.

Parking management can generate revenue but general enforcement does not it is about public safety and behavioural change – it's not a cash cow.

5.19 Financial Assistance to Council for damage caused by natural disasters

The Federal and State governments provide some financial assistance to local government for damage to assets that occurs during declared natural disasters. However, it should be noted that:

- Damage from events that are not declared to be ‘natural disaster’s has to be 100% funded by Council; and
- For events that are declared to be ‘natural disasters’:
 - The grant funding only covers some, not all, types of assets. Council has to fund costs associated with items not covered. Examples include:
 - costs of fixing potholes which is rarely covered;
 - costs of removing debris from parks and open space;
 - waiving of fees at the Resource Recovery Centre to allow residents to dispose of debris and items damaged by the event.
 - The grant funding is only available to return eligible assets to their ‘pre-damage’ state and all ‘betterment’ has to be 100% paid by Council.

The fact that funding is only available to return eligible assets to their ‘pre-damage’ state is particularly important to prioritising infrastructure maintenance and renewal spending. This is because eligibility for natural disaster grant funding is dependent upon the condition of the asset, the dates of the last maintenance works, the appropriateness of the levels of maintenance Council has provided and the maintenance techniques the Council uses.

An example of “*betterment*” that will not be funded under the grant may be where a road has been damaged and it has been identified that the installation of additional drainage culverts may mitigate further damage from future natural disasters and that it would be more efficient to install the culverts whilst repairing the road. Even though this is a better outcome for future protection and more efficient in terms of undertaking work, these works would not be funded by natural disaster funding.

To satisfy grant funding applications Council has to be able to produce evidence that it maintained damaged roads to a reasonable standard before they were damaged during an event, e.g. by demonstrating that gravel roads were maintained to have adequate cross fall or that table drains for sealed roads were adequately maintained to be clear and unobstructed. Each damaged asset is individually assessed and the level of maintenance before the event will directly impact the level of natural disaster funding (from 0 – 100%) that will be available to cover the repair costs.

The application process and the management of any grant funding issued is complex and very detailed and it requires substantial resources to administer. There are also strict timeframes and deadlines that apply, which if not met can jeopardise the funding. The Federal and State Governments also audit councils from time to time to ensure compliance with the funding program guidelines.

The fact that the condition of an asset and adequate levels of maintenance (or lack of maintenance) directly influence how much Natural Disaster funding (from 0 – 100%) may be available to fix damage caused by a natural disaster is not widely understood.

Case Study – Preventative Road Drainage Maintenance

The aim of good road drainage maintenance is to keep water free flowing, allowing stormwater to not penetrate or damage the pavement or impede the use of the road by pedestrians, motorists and cyclists.

Given the intensity of rainfall in the Shire, good road drainage is vitally important for reducing road maintenance costs. Poor maintenance leads to water running down the road or road edge which can cause erosion and damage to the pavement, further increasing road pavement maintenance needs and costs. This risk exists for both sealed and unsealed roads.

Well-formed table drains help water flow off and away from the road pavement, protecting it from damage. Blockage free culverts transfer this water from the table drains to water courses reducing damage to table drains.

Also, well managed drainage provide improved road safety. Road side vegetation management allows road user to see risks that maybe present on the road side and efficient movement of stormwater reduces the risk and dangers presented by flooded roads.

The following road drainage key maintenance tasks are required to optimise drainage infrastructure operation and minimise asset damage. The minimum levels of maintenance have been calculated based on average debris loads and vegetation growth.

Higher than average vegetation in or near the roads results in greater the debris load and impacts from vegetation growth, which in turn can result in a need for higher levels of service to continue to provide a safe level of service.

Road and Class	Maintenance	Minimum levels of Service
Rural Road sealed	Road side slashing	6-8 weeks in summer 12-14 weeks in winter
Rural Road unsealed	Road side slashing	6-8 weeks in summer 12-14 weeks in winter
Rural sealed Road	Table drain grading	Prior to reseals or every 2 years
Rural Gravel Road	Table drain grading	2 years or as part of regrade
Piped culverts	Clearing of blockages	Annually

The current budget for roadside drainage maintenance of \$410,000 is not sufficient to support these minimum levels of service.

SECTION 6

BACKGROUND INFORMATION

6.1 Our Community

The Byron Shire is the traditional home of the Arakwal people from the Bundjalung nation on the far north coast of NSW. It shares its boundaries with the Tweed, Lismore and Ballina Local Government Areas in a region known as the Northern Rivers.

Covering an area of 556 km² the Byron Shire is famous for its beaches, hinterland and villages. The Cape Byron Lighthouse sits atop the most easterly point in Australia and is an icon for a Shire that is regarded for its creativity, sustainability and its relaxed lifestyle. Our population of 32,790 is diverse and colourful including surfers, farmers and those committed to alternative lifestyles and philosophies.

Table 1 provides a snapshot of some key demographic data, with comparisons to regional NSW and Australia.

	Byron Shire 2016	Regional NSW	New South Wales (NSW)	Australia
Median age	44	43	38	38
Median weekly household income	\$1,141	\$1,166	\$1,481	\$1,431
Couples with children	21%	25%	32%	30%
Older couples without children	8%	13%	10%	10%
Medium and high density housing	15%	17%	33%	27%
Households with a mortgage	24%	29%	30%	32%
Median weekly rent	\$414	\$278	\$384	\$339
Households renting	27%	26%	30%	29%
Non-English speaking backgrounds	7.4%	5.8%	21%	17.9%
University attendance	3%	3%	5%	5%
Bachelor or higher degree	24%	14%	23%	22%
Vocational	19%	24%	18%	19%
Unemployment	6.6%	6.62%	6.3%	6.9%
SEIFA index disadvantage	976.6	968.6	995.8	1002

In 2016, two million people visited the Byron Shire, making it one of the country's most popular destinations for domestic and international tourists. Tourism contributed \$418 million to the local economy in 2015/16, sustaining a workforce of 1,366 people. The retail trade sector however was the largest employer, generating 2,069 jobs.

The area is well known for its sustainability principles – and is a vibrant home to creative industries and innovative business ideas. A recent study identified the Northern Rivers as one of the nation's top entrepreneurial hotspots with Byron Shire being described as a leading 'lifestylepreneur' region.

Transport provides significant challenges to residents living in the Byron Shire. There is limited public transport and a high reliance on privately-owned cars which sometimes restrict people's access to services and educational facilities outside the Shire.

Council maintains a network of 603km of urban and rural roads and the impact of our sub-tropical climate and large visitor numbers take their toll on infrastructure.

In 2016 hospital services in the Byron Shire were consolidated with the new Byron Central Hospital replacing the Mullumbimby and Byron Bay Hospitals.

Southern Cross University and North Coast TAFE offer a wide selection of courses at a variety of campuses. The Byron Shire is fortunate to be served by excellent public and private primary, and high schools and early childhood facilities which provide a diverse range of educational opportunities for our young residents.

The Byron Shire is a great place to live, work and do business. Our innovative approach to sustainability, the protection of our natural environment and working with our community are highly regarded by the NSW and Federal Governments.

Byron Shire is perfectly situated within Australia's most fertile lands, lushest soil and holistic climatic environment for growing and producing quality fresh foods and produce. It shines radiantly across miles of Australia's most easterly coastline and a majestic hinterland of breathtaking mountain vistas and inspiring natural assets.

6.2 Councillors



Mayor Simon Richardson



Basil Cameron



Cate Coorey



Jan Hackett



Alan Hunter



Michael Lyon



Jeannette Martin



Sarah Ndiaye



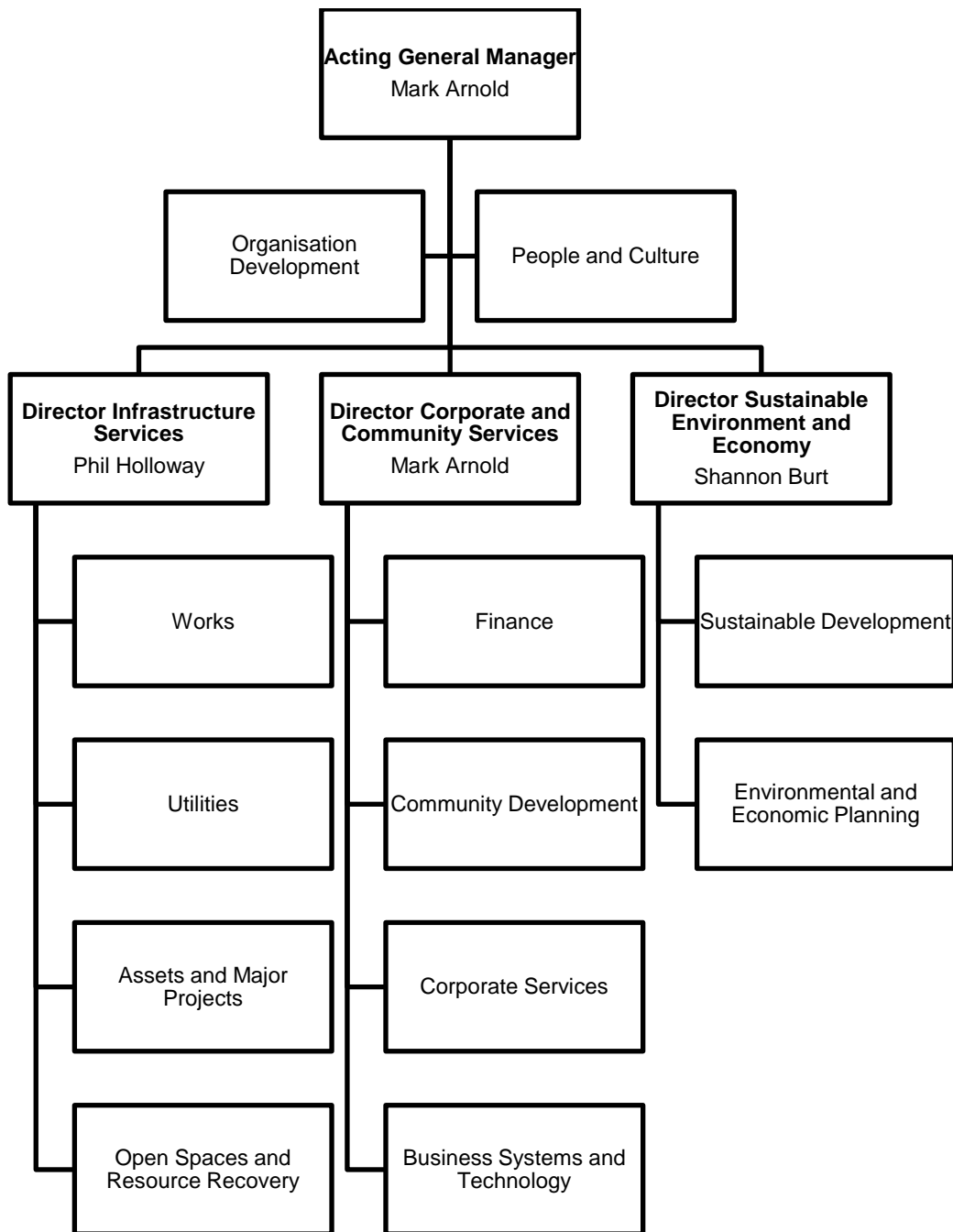
Paul Spooner

Councillors serve the Byron Shire community by setting the policy and strategic direction of council through the resolutions they make. This includes adopting Strategic Plans like the Asset Management Plans, Community Strategic Plan, Delivery Program, Operational Plans and annual budgets. Council has committed to the Panel's recommendations being incorporated into the Delivery Program.

Councillor resolutions set important policy positions, for example Council's commitment to becoming carbon neutral by 2025 (Res 2017-086) and aspirations for maintenance operations to become chemical-free (Res 2013-621). Council resolutions are recorded in the minutes of Council meetings and are available on Council's website.

Council resolutions can be replaced by subsequent resolutions of Council.

6.3 Organisation



6.4 Community Engagement, Committees and Groups

Having community involved in decision making and shaping the future of the Shire is critical. The area is fortunate to have passionate and committed residents who bring diverse life experience and skills to inform decisions about the future of the Shire, its towns and villages.

Council engages with residents and community in many different ways, including through:

- public consultation and engagement processes involving all residents and ratepayers;
- 13 volunteer committees and boards with some delegated powers to manage the Shire's community centres and halls;
- 6 Advisory Committees and 6 Community Panels tasked with making recommendations on particular topics, including importantly the Transport and Infrastructure Advisory Committee
- Masterplan guidance groups;
- Project reference groups, brought together for a particular project or policy
- Community and Business Roundtable groups; and
- this Community Solutions Panel.

All of these ways of community being involved in Council decision-making are equally important and are complimentary of each other.

They all have the same end goal of improving outcomes for the Shire and they work alongside each other, to provide as well as receive and consider information, ideas and recommendations from different perspectives.

6.5 Services Council Provides

- Advocating and lobbying for community
- Animal control, registration and management
- Asset Management
- Beach safety (surf life saving)
- Bush regeneration
- Business and industry support
- Carbon emissions reduction strategies and actions
- Cemeteries
- Childcare facilities and services
- Civic leadership
- Coastal and estuary planning and management
- Commercial operations (caravan parks)
- Communication and engagement
- Cultural support
- Climate change adaption/mitigation planning
- Community services
- Community facilities
- Community celebrations, ceremonies and events
- Community donations

Did you know as an industry Australia-wide Local Government has:

- **Turnover of \$40 billion**
- **Assets worth \$354 billion (compared with Federal Govt assets of \$106 billion)**
- **Employs around the same number of people as Federal Govt**

In 1996 Local Government received only 1% of Commonwealth taxation

By 2016 Local Government was receiving only 0.6% of Commonwealth tax

Local Government does a lot more now than in 1996 but its share of tax revenue is shrinking.

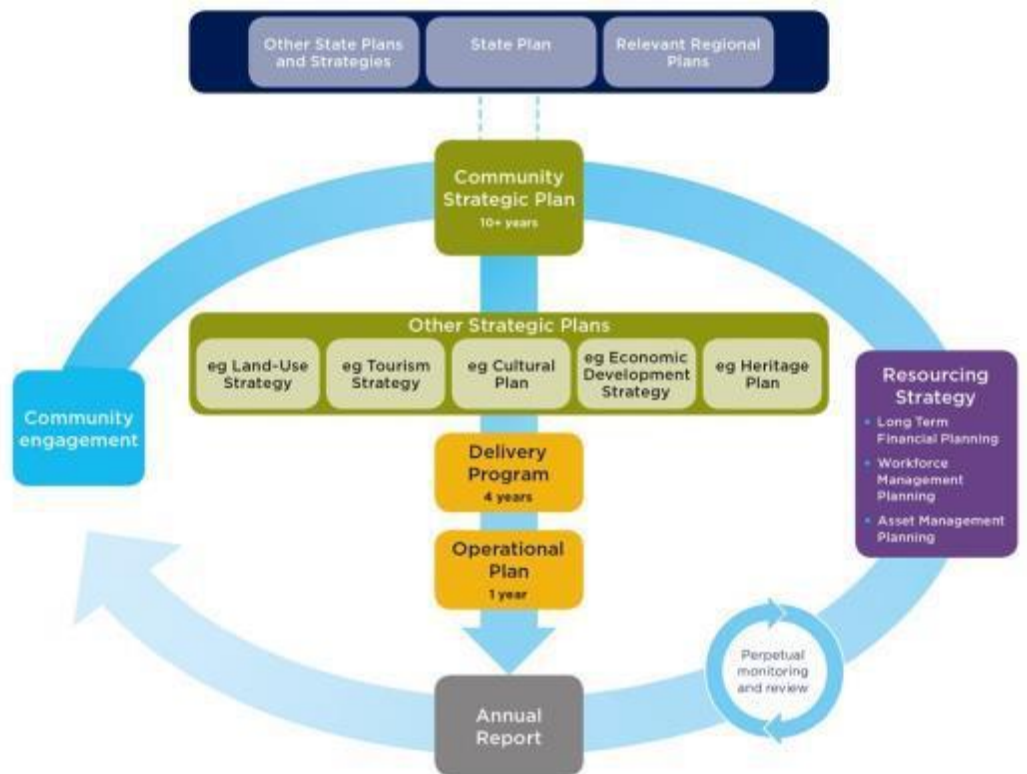
Source: Municipal Association of Victoria, <http://www.mav.asn.au/events/event-presentations/Pages/future-local-government-presentations.aspx#folg2017>

- Compliance and enforcement activities
- Crime prevention strategies and actions
- Crown land management
- Customer services
- Development and building control
- Disability inclusion and access planning and advocacy
- Economic development and business support
- Electric vehicle charging
- Emergency and natural disaster response & recovery services
- Environmental management, restoration and protection
- Events liaison
- Financial control
- Fleet and plant management
- Flood planning, management and monitoring
- Food premises safety
- Information and document management services
- Infrastructure delivery and maintenance
- Leasing and licencing on public land
- Levy collection for State Government
- Libraries
- Mapping services
- Noise pollution complaint response
- Open space, park, recreation and playground management
- Parking management
- Partnerships, support and auspicing of many community organisations
(examples Landcare, Dunecare, universities, Surf Lifesaving, Positive Change for Marine life)
- Place based planning and service delivery
- Property management
- Public and environmental health
- Public safety
- Public toilets
- Recreation and sports facilities
- Recycling services
- Risk and insurance management
- River, estuary and catchment planning and management
- Roads
- Rural Fire Services support

- Sewerage services
- Stormwater and drainage
- Streetlighting (electricity usage)
- Statutory reporting to State Government
- Surveying and design
- Swimming Pools
- Tourism management and advocacy
- Town planning
- Transport planning
- Vacation and outside of school hours child care
- Vocational training (work experience, apprenticeships, traineeships, cadetships etc)
- Water services
- Waste management
- Weed and exotic species control
- Wetland development and management
- Workforce development
- Youth services

6.6 Integrated Planning & Reporting

The Integrated Planning and Reporting Framework in NSW requires all councils to adopt a suite of strategic plans.



Community Strategic Plan – 10 year plan - outlines the vision, objectives and strategies to guide long-term decision making.

Other Strategic Plans – there are many strategic plans that inform Council decisions, projects and funding. Some arise from statutory requirements, eg Disability Access and Inclusion Plan, while most are developed by Council to provide guidance in a particular area for example the Byron Bay Town Centre Masterplan and other village and town plans or the shire-wide Transport Plan or Recreation Plan that is currently under way.

Delivery Program – 4 year plan - describes high level activities that will help deliver the Community Strategic Plan's vision

Community Solutions Panel Recommendations will inform the Delivery program

Operational Plan –1 year plan – contains that year’s detailed actions, services and projects.

All of the above are supported the Resourcing strategy that includes the Long Term Financial Plan, Workforce Plan and, importantly for the Panel the:

Asset Management Plan – 10 year plan to manage infrastructure and assets that includes the 10-year works program.

These plans provide transparency and make it possible for Council to plan in an efficient manner well into the future.

6.7 Monitoring progress

Council is committed to achieving Byron Shire's vision as well as contributing to the ability of future generations to meet their needs. To do this, Council applies a Quadruple Bottom Line (QBL) approach that combines social, environmental, economic and civic leadership (sometimes called governance) considerations. Our Community Strategic Plan also uses a QBL approach so that our objectives and supporting strategies deliver outcomes in a balanced and holistic way.

Wellbeing is a concept that is closely related to 'quality of life' at both an individual and community level. Rather than referring to a brief feeling of happiness, our focus here is more about a deeper sense of wellbeing for ourselves, our community and this place we call home. The four areas that make up the QBL approach are all vital to our wellbeing. By speaking about wellbeing, we can talk to each other about social, environmental, economic and civic leadership issues while keeping the focus on our shared vision for Byron Shire. Many parts of our vision cannot be placed under only one heading, as they are interrelated and it is important to remember that action in one area creates impact across each of the others. Recognising interrelationships encourages us to come together to work towards shared goals and can also highlight otherwise unanticipated consequences of our actions.

Council is currently developing a wellbeing indicator framework. The draft framework draws on national best practice in wellbeing indicator frameworks for local councils as well as innovative and holistic international approaches, such as the Bhutanese Gross Happiness Index. We can use this framework to measure and monitor our current level of wellbeing, track change over time and inform planning and decision-making to ensure that we are creating conditions for improving our wellbeing and achieving our shared vision for the Byron Shire. At this time, the framework is only partly complete. Work to date has focussed on the social and cultural theme and the other themes will be expanded in the next iteration as the entire framework evolves.

The framework will be centered around:

- **Social and Cultural**
Issues involving people and places at the individual and collective level. At an individual level, we are thinking about things like personal wellbeing and quality of life. At the collective level, we are thinking about things like connections in our community, social support, cultural vitality, diversity and participation.
- **Environment**
Issues involving our natural and built environment. In some models, built environment is included under the social and cultural heading. There is complexity and contested space within this area. Acknowledging this, we are thinking about things like open space, transport infrastructure, emissions and other human impacts on the environment alongside things like water, air and biodiversity.
- **Economy**
Issues such as diversity and resilience in our local economy and economic participation. It acknowledges and reflects the interconnectedness between the economy and social, environmental and civic aspects of our community.
- **Civic Leadership**
Issues involving the opportunity for people to have a say, participate in Council and community groups and processes, and have a sense of choice and control over the things that affect them. It also refers to the Council's performance and the community's satisfaction with that performance.

6.8 Resourcing Strategy – Asset Management Planning

As part of the Integrated Planning and Reporting Framework, asset planning forms part of the resourcing strategy. Three key documents support asset planning:

1. Asset Management Policy
2. Asset Management Strategy
3. Asset Management Plans

These are available from Council's website.

When asset management activity is proposed in the Delivery Program, all elements of the Resourcing Strategy need to be adjusted to include the financial, workforce and asset resources required to implement the asset management activity. The Office of Local Government's website provides more information see: <https://www.olg.nsw.gov.au/councils/integrated-planning-and-reporting/framework/asset-management-planning>

Council has a Strategic Asset Management Plan adopted - refer to website.

Council is currently preparing its Transport Asset Management Plan through its Transport and Infrastructure Advisory Committee. This document is in draft form and will be held over until the Panel makes its recommendations so that they can inform the Plan. Other detailed Management Plans for each asset class will also be progressively developed.

The Panel's recommendations will inform the final Transport Asset Management Plan and other asset management plans and which will then be placed on exhibition for public comment.

6.9 Other Strategic Documents

Council has many other strategic plans and documents. Some examples are:

- land use strategic plans;
- Byron Bay Town Centre Masterplan, and the other town and village masterplans under development;
- Plans of Management for public space;
- s94 Developer Contributions Plans
- shire-wide Open Space and Recreation Needs Study and Plan currently underway;
- service reviews and audit action plans;
- policies.

Some of these are required by legislation, others are voluntary. Generally, the plans do complement each other but if there is any inconsistency, generally the most recent will be applicable.

These types of strategic documents can inform the Delivery Program and Operational Plan. They are current at the time they are adopted by Council but require periodic review and updating to remain current, meaning they can, and usually do, change over time.

6.10 Our Values



WE LEAD WITH ENTHUSIASM
AND PURPOSE



WE ACHIEVE OUR GOALS AND
SUCCEED TOGETHER



WE ARE OPEN, HONEST AND
RESPECTFUL



WE FOSTER WELLBEING
AND CREATIVITY

6.11 Quadruple bottom line principles

Council is committed to meeting community's needs today without negatively affecting the ability future generations will have to meet their needs.

Council applies a Quadruple Bottom Line (QBL) approach to ensure that services and facilities deliver positive social, environmental, economic and civic leadership outcomes.

6.12 Social justice principles

Council is also committed to social justice principles of:

- Access - All people should have fair access to services, resources and opportunities to improve their quality of life. For example, in relation to infrastructure this principle requires that it should be designed, delivered and maintained to be accessible to people of all abilities.
- Equity - There should be fairness in decision-making, prioritising and allocation of resources, particularly for those in need. Everyone should have a fair opportunity to participate in the future of the community. The planning process should take particular care to involve and protect the interests of people in vulnerable circumstances.
- Participation - Everyone should have the maximum opportunity to participate in decisions that affect their lives.
- Rights - Equal rights should be established and promoted, with opportunities provided for people from diverse linguistic, cultural and religious backgrounds to participate in community life.

6.13 Matrix - What types of infrastructure can be funded from which sources

Infrastructure Category	Ordinary Rates	Financial Assistance Grants General	Financial Assistance Grants Roads	Special Rate Variation Funds	Sale proceeds, disused road reserves	Sale proceeds, other General Fund assets (except s94 assets)	Sale Water Fund Assets	Sale Sewer Fund Assets	Pay Parking User Charges	Charges (eg Footpath dining, Sportsfield user charges)	S94 Developer Contributions	Stormwater charge	Loans
Roads – Sealed	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓	✗	✓
Roads – Unsealed	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓	✗	✗
Footpaths & Cycleways	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓	✗	✓
Bridges and Footbridges	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓	✗	✓
Rural Drainage, causeways & culverts	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓	✗	✓
Urban stormwater	✓	✓	✓	✓	✗	✓	✗	✗	✓	✓		✓	✓
Bus shelters	✓	✓	✓	✓	✗	✓	✗	✗	✓	✓	✓	✗	✗
Community buildings	✓	✓	✓	✓	✗	✓	✗	✗	✓	✓	✓	✗	✓
Public Toilets	✓	✓	✓	✓	✗	✓	✗	✗	✓	✓	✓	✗	✓
Playgrounds and park Furniture	✓	✓	✓	✓	✗	✓	✗	✗	✓	✓	✓	✗	✓
Open Spaces/ Sportsgrounds	✓	✓	✓	✓	✗	✓	✗	✗	✓	✓	✓	✗	✓
Pools	✓	✓	✓	✓	✗	✓	✗	✗	✓	✓		✗	✓
Beach Accesses and Safety	✓	✓	✓	✓	✗	✓	✗	✗	✓	✓		✗	✗

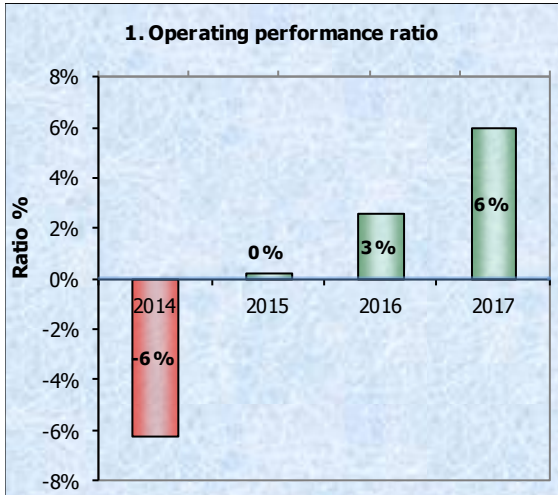
* s64, water, sewer and waste charges are not included as they do not form part of this scope

Infrastructure Works Type	Ordinary Rates	Financial Assistance Grants General	Financial Assistance Grants Roads	Special Rate Variation Funds	Sale proceeds, disused road reserves	Sale proceeds, other General Fund assets (except s94 assets)	Pay Parking User Charges	Charges (eg Footpath dining, Sportsfield user charges)	S94 Developer Contributions	S64 Water and Sewer Developer Contributions	Stormwater charge	Loans
Operate	✓	✓	✓	✓	✗	✗	✓	✓	✗	✓	✓	✗
Maintain	✓	✓	✓	✓	✗	✗	✓	✓	✗	✓	✓	✗
Renew	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
Upgrade	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
New	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

6.14 Financial Performance Indicators

Council has to each year report its financial performance against key performance indicators to State Government.

Operational and Liquidity Performance Indicators



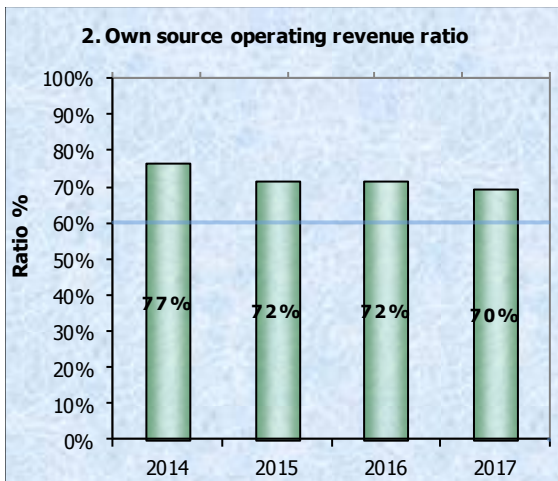
Purpose of operating performance ratio

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

Commentary on 2016/17 result

2016/17 ratio 5.98%

This ratio demonstrates Council is currently now generating sufficient operating revenue to cover operating expenditure. The trend of the ratio demonstrates Council is continuing to improve. The result for 2017 though is positively influenced by 50% advance payment of the 2017/2018 Financial Assistance Grant. New paid parking revenue is also influencing positively.



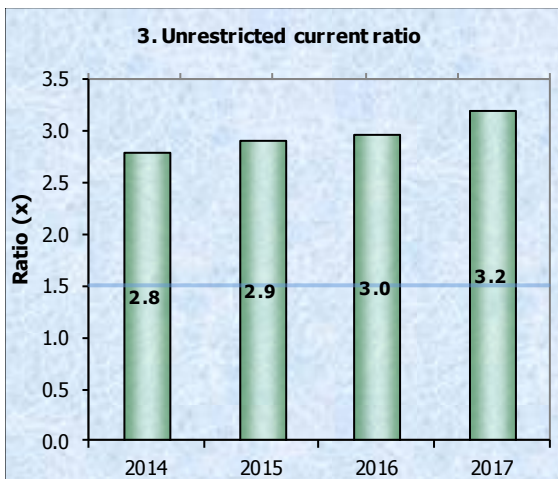
Purpose of own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

Commentary on 2016/17 result

2016/17 ratio 69.70%

The trend is indicating Council is maintaining a relatively consistent revenue base from its own sources but is looking over time to increase this ratio to be more self-reliant as part of its financial sustainability.



Purpose of unrestricted current ratio

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

Commentary on 2016/17 result

2016/17 ratio 3.20x

This ratio identifies that Council's short-term liquidity is strong and remaining stable at twice the benchmark. It also needs to be considered in conjunction with Note 13(b) which illustrates this ratio on a funds-by-fund basis.



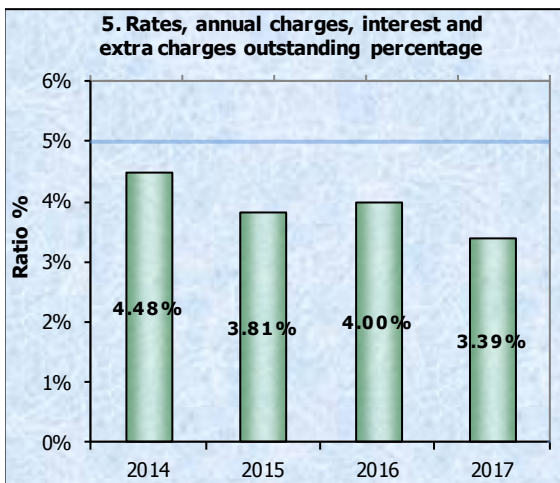
Purpose of debt service cover ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

Commentary on 2016/17 result

2016/17 ratio 3.26x

This ratio is improving on trend indicating that Council is gaining greater capacity to take on additional debt. It is important though to realise that Council must be able to fund any additional debt repayments in consideration of all services and priorities it determines within its budget.



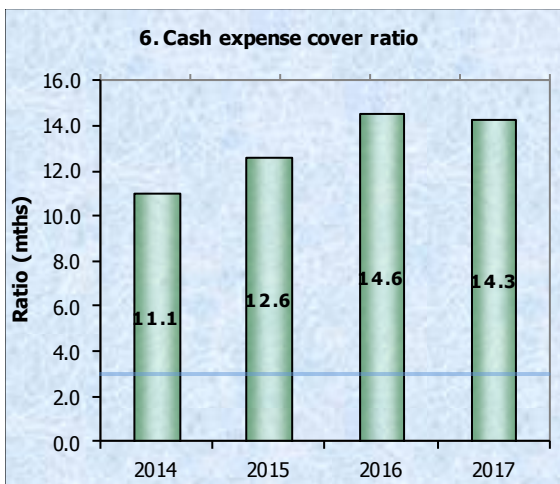
Purpose of rates and annual charges outstanding ratio

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2016/17 result

2016/17 ratio 3.39%

Given the current economic environment, the percentage outstanding has improved compared to the previous year. The result is acceptable within the benchmark and reflects Council's ongoing debt recovery activity.



Purpose of cash expense cover ratio

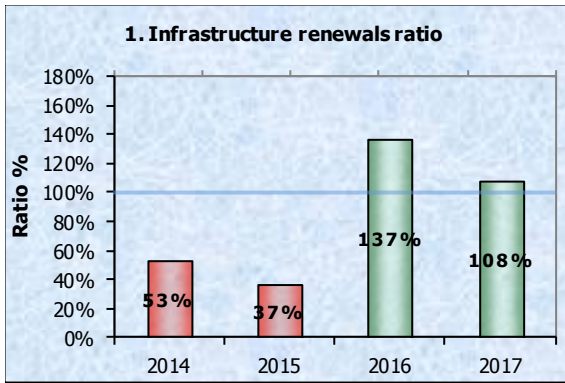
This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

Commentary on 2016/17 result

2016/17 ratio 14.32 mths

As another measure of short term liquidity, this ratio trend indicates that Council's short term liquidity is strong and has remained stable in relation to the previous financial year.

Infrastructure Asset Performance Indicators



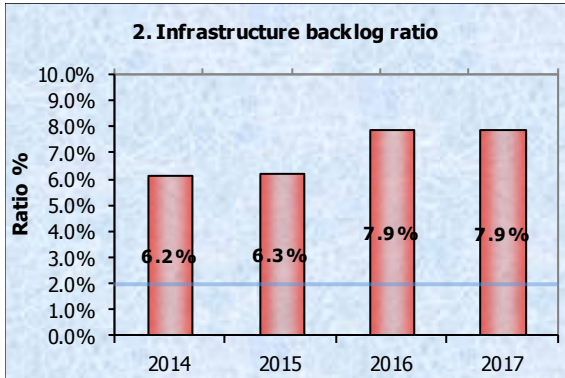
Purpose of asset renewals ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on 2016/17 result

2016/17 Ratio 108.04%

This ratio has decreased from 2015/16. Council is still above the benchmark due to a maintained higher level of capital works.



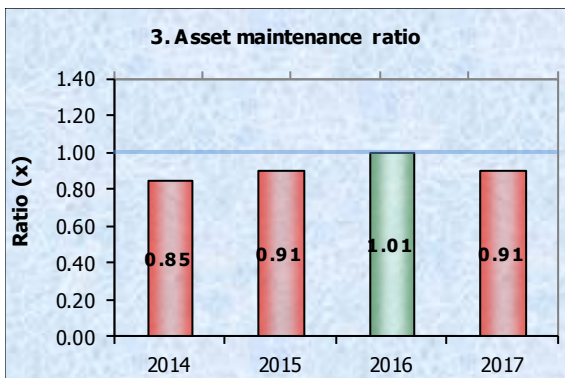
Purpose of infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on 2016/17 result

2016/17 Ratio 7.90%

The infrastructure backlog has remained relatively constant in dollar terms but has decreased in percentage terms due to an increase in the net carrying value of infrastructure assets



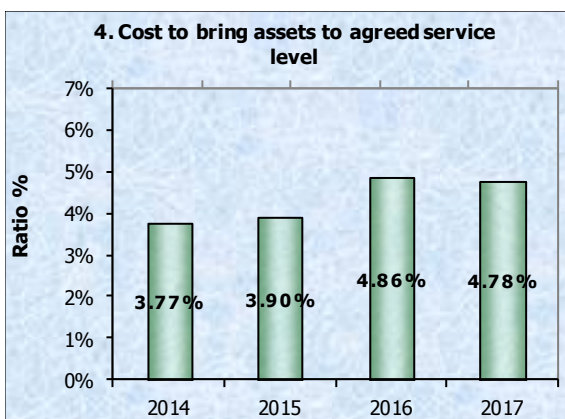
Purpose of asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

Commentary on 2016/17 result

2016/17 Ratio 0.91 x

The gap between required maintenance and actual maintenance has increased mainly against the stormwater and road assets. Although actual maintenance expenditure has gone up, required maintenance expenditure has also increased significantly based on assessment.



Purpose of agreed service level ratio

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

Commentary on 2016/17 result

2016/17 Ratio 4.78%

This ratio has dropped slightly from 2016. Similar to the backlog ratio, the cost to bring to an agreed level of service remained about the same, but decreased due to the Gross Replacement Cost of infrastructure assets increasing.

GLOSSARY

Agreed Service Levels mean the levels of infrastructure that community wants.

Operation is keeping an area, asset or facility open and in use. Operating costs include things like electricity, cleaning, security, management or insurance costs. In this briefing book operating costs do not include costs associated with staffing. Examples of asset types that have operating costs include:

- Community Buildings
- Open space and sportsfields
- Assets with lighting
- Pools

Maintenance is work performed on an asset that just keeps it in a useable condition, for example:

- filling potholes,
- replacing guideposts,
- repairing broken stormwater pipes,
- grading a gravel road
- tightening screws on a timber bridge.

Renewal is work performed on an asset to bring it back to a good or fair condition. It can include both simply repairing an existing asset (like for like) or repairing and upgrading an existing asset. Examples include:

- resealing a sealed road,
- reconstructing a portion of road segment
- replacing a whole section of stormwater pipe
- putting new gravel on a gravel road
- replacing planks or rails on a timber bridge.

New (sometimes called 'capital') is work performed to create a new asset or additional work performed on an existing asset to provide more than what is currently there, for example:

- building a new roundabout or a new road;
- constructing stormwater pipes where there currently aren't any;
- sealing an existing gravel road.
- Replacing a one-lane timber bridge with a two-lane concrete bridge.

Capital is a word used differently in different contexts. Confusingly, it can refer to both new work as well as renewal work that involves upgrade work. In this briefing book, we have not used the word 'capital' and instead consistently use 'operating', 'maintenance', 'renewal' (which can include upgrade) and 'new'.

In relation to roads:

- **Resealing** is placing a new layer of bitumen over the existing pavement. The purpose of a reseal is to the base and sub-base to extend the life of the road.

Resealing also involves new line marking, if required, and often guide post replacement, shoulder/side drain works or vegetation management.

- **Re-constructing** is tearing up the existing pavement, base course and often also the sub-base and replacement with new material.

It also involves the reconstruction of shoulders and often side drains, or where there is kerb and gutter that too. It often involves vegetation management and working around or with other utility services in the road reserve, for example telecommunications, electricity, water or sewer services.

The typical cross section of a road and the names of the different components are:

