



Byron Shire Council



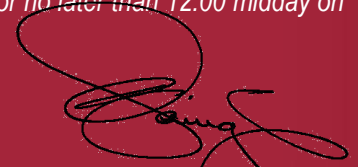
Agenda

Extraordinary Meeting

Thursday, 25 June 2015

held at Council Chambers, Station Street, Mullumbimby
commencing at 9.00am

Public Access relating to items on this Agenda can be made between 9.00am and 10.30am on the day of the Meeting. Requests for public access should be made to the General Manager or Mayor no later than 12.00 midday on the day prior to the Meeting.



Ken Gainger
General Manager

CONFLICT OF INTERESTS

What is a "Conflict of Interests" - A conflict of interests can be of two types:

Pecuniary - an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person or another person with whom the person is associated.

Non-pecuniary – a private or personal interest that a Council official has that does not amount to a pecuniary interest as defined in the Local Government Act (eg. A friendship, membership of an association, society or trade union or involvement or interest in an activity and may include an interest of a financial nature).

Remoteness – a person does not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision the person might make in relation to a matter or if the interest is of a kind specified in Section 448 of the Local Government Act.

Who has a Pecuniary Interest? - a person has a pecuniary interest in a matter if the pecuniary interest is the interest of the person, or another person with whom the person is associated (see below).

Relatives, Partners - a person is taken to have a pecuniary interest in a matter if:

- The person's spouse or de facto partner or a relative of the person has a pecuniary interest in the matter, or
- The person, or a nominee, partners or employer of the person, is a member of a company or other body that has a pecuniary interest in the matter.

N.B. "Relative", in relation to a person means any of the following:

- (a) the parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descends or adopted child of the person or of the person's spouse;
- (b) the spouse or de facto partners of the person or of a person referred to in paragraph (a)

No Interest in the Matter - however, a person is not taken to have a pecuniary interest in a matter:

- If the person is unaware of the relevant pecuniary interest of the spouse, de facto partner, relative or company or other body, or
- Just because the person is a member of, or is employed by, the Council.
- Just because the person is a member of, or a delegate of the Council to, a company or other body that has a pecuniary interest in the matter provided that the person has no beneficial interest in any shares of the company or body.

Disclosure and participation in meetings

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

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

Participation in Meetings Despite Pecuniary Interest (S 452 Act)

A Councillor is not prevented from taking part in the consideration or discussion of, or from voting on, any of the matters/questions detailed in Section 452 of the Local Government Act.

Non-pecuniary Interests - Must be disclosed in meetings.

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

- It may be appropriate that no action be taken where the potential for conflict is minimal. However, Councillors should consider providing an explanation of why they consider a conflict does not exist.
- Limit involvement if practical (eg. Participate in discussion but not in decision making or vice-versa). Care needs to be taken when exercising this option.
- Remove the source of the conflict (eg. Relinquishing or divesting the personal interest that creates the conflict)
- Have no involvement by absenting yourself from and not taking part in any debate or voting on the issue as if the provisions in S451 of the Local Government Act apply (particularly if you have a significant non-pecuniary interest)

RECORDING OF VOTING ON PLANNING MATTERS

Clause 375A of the Local Government Act 1993 – Recording of voting on planning matters

- (1) In this section, **planning decision** means a decision made in the exercise of a function of a council under the Environmental Planning and Assessment Act 1979:
 - (a) including a decision relating to a development application, an environmental planning instrument, a development control plan or a development contribution plan under that Act, but
 - (b) not including the making of an order under Division 2A of Part 6 of that Act.
- (2) The general manager is required to keep a register containing, for each planning decision made at a meeting of the council or a council committee, the names of the councillors who supported the decision and the names of any councillors who opposed (or are taken to have opposed) the decision.
- (3) For the purpose of maintaining the register, a division is required to be called whenever a motion for a planning decision is put at a meeting of the council or a council committee.
- (4) Each decision recorded in the register is to be described in the register or identified in a manner that enables the description to be obtained from another publicly available document, and is to include the information required by the regulations.
- (5) This section extends to a meeting that is closed to the public.

BYRON SHIRE COUNCIL

EXTRAORDINARY MEETING

BUSINESS OF EXTRAORDINARY MEETING

1. PUBLIC ACCESS

2. APOLOGIES

3. DECLARATIONS OF INTEREST – PECUNIARY AND NON-PECUNIARY

4. STAFF REPORTS

Corporate and Community Services

- 4.1 Adoption of the Draft 2015/16 Operational Plan and Draft 2015/2016 Statement of Revenue Policy including Budget Estimates.....4
- 4.2 Making of the Rate25
- 4.3 Community Market Policy - Market License Fees Public Exhibition34

Organisation Development

- 4.4 Fit for the Future - Council's Improvement Proposal.....38
- 4.5 Management and Business Effectiveness Report46

5. QUESTIONS WITH NOTICE

- 5.1 Paid Parking - response to Mayoral Minute Resolution 15-27750

Councillors are encouraged to ask questions regarding any item on the business paper to the appropriate Executive Manager prior to the meeting. Any suggested amendments to the recommendations should be provided to the Administration section prior to the meeting to allow the changes to be typed and presented on the overhead projector at the meeting.

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

Report No. 4.1 Adoption of the Draft 2015/16 Operational Plan and Draft 2015/2016 Statement of Revenue Policy including Budget Estimates

Directorate: Corporate and Community Services

Report Author: James Brickley, Manager Finance

File No: I2015/462

Theme: Corporate Management
Financial Services

Summary:

Council at its Ordinary Meeting held on 30 April 2015 considered *Report No. 13.3 Draft 2015/16 Operational Plan and Statement of Revenue Policy – Public Exhibition* and adopted (Resolution **15-181**) the Draft 2015/2016 Operational Plan and Revenue Policy (including the Budget and Fees and Charges) with amendments for the purpose of public exhibition.

Council placed these documents on public exhibition from 7 May 2015 with a closing date of 4 June 2015.

This report allows Council to consider any submission and the proposed amendments to the content of these documents prior their formal adoption by Council, and for this purpose two Recommendations have been provided to allow for this to occur.

RECOMMENDATIONS:

RECOMMENDATION 1:

1. That Council consider the submissions received during the public exhibition period for the Draft 2015/2016 Operational Plan and Draft 2015/2016 Statement of Revenue Policy incorporating the 2015/2016 Budget and 2015/2016 Fees and Charges.

(Note: Council is required to consider the submissions received prior to the adoption of the 2015/2016 Operational Plan and Statement of Revenue Policy incorporating the 2015/2016 Budget and 2015/2016 Fees and Charges)

RECOMMENDATION 2:

1. That Council adopt the 2015/2016 Operational Plan with the inclusion of the updated reference regarding Flying Fox Management Plan as indicated in Section 5.4 of this report.
2. That Council adopt the 2015/2016 Budget, as amended, including the budget adjustments indicated in the report and as detailed in Table 6 of this report.
3. That Council reduce the capital expenditure for the IBAS works to \$60,000 from \$1,267,000 in the 2014/2015 budget and transfer the remaining \$1,207,000 and associated funding to reserve so the IBAS works budget can be re-established in the 2015/2016 budget estimates.
3. That Council adopt the fees and charges for 2015/2016 with the following amendments:

- (a) That Council increase the Long Day Care Children < 3 yrs per day from \$95.00 to \$96.00 and increase the Long Day Care Children 3-5yrs per day fee from \$90.00 to \$91.00 at Sandhills Childcare Centre and readvertise these fees for a period of 28days.
 - (b) That Council increase the fee for a Section 603 certificate from \$70.00 to \$75.00 for the 2015/2016 financial year as outlined under Section 5.2.2 of this report and not readvertise these fees.
 - (c) That Council amend the fees and charges for Environmental Health as outlined in points A to G within Section 5.2.3 of this report and readvertise these fees.
 - (d) That the fees and charges for the Mullumbimby Civic Hall be amended to include the changes outlined in the submission received described in Table 3 of this report with reference #E2015/34793 and readvertise those fees.
 - (e) That the fees for Section 64 Developer Contributions (Water and Sewerage) be amended to reflect those outlined under Section 5.2.4 of this report to be those in the table under the heading 'Required Fee \$' and not readvertise these fees.
 - (f) That the fee for tapping a water main 50mm and above be amended from 'as quoted' to \$1,725.00 as outlined under Section 5.2.5 of this report and readvertise this fee.
 - (g) For any fee requiring readvertising that if Council does not receive any submissions after the 28 day advertising period then Council adopt those fees as advertised.
- 4. That Council adopt the 2015/2016 Statement of Revenue Policy including the budget, fees and charges, as amended.
 - 5. That as no moneys have been set aside for general community Section 356 Donations in the 2015/16 Budget, any requests received for donations or sponsorships that fall under Council Policy 3.13 Donations to Community Organisations, Other Groups and Persons be advised that there are no moneys available this financial year.

Attachments:

- 1 Confidential - Submissions received during public exhibition, E2015/39157

Report**1. Background**

- 5 The Integrated Planning and Reporting Framework requirements legislated by the NSW State Government as part of the Local Government Act 1993 (Sections 402 to 406) apply to all Councils in NSW.

The requirements of the Integrated Planning and Reporting mandate that Council must develop:

- 10
- A ten year Community Strategic Plan
 - A four year Delivery Program
 - A one year Operational Plan
 - Resourcing strategies to support the above Plans including a ten year Long Term Financial Plan, ten year Workforce Plan and ten year Asset Management Plan
- 15

The 2015/2016 financial year will be the fourth year of operation by Byron Shire Council under the Integrated Planning and Reporting requirements. Council implemented the Integrated Planning and Reporting requirements as a Group 3 from 1 July 2012.

- 20
- The Delivery Program in accordance with Section 404 must detail the principal activities to be undertaken by the Council to implement the strategies established by the Community Strategic Plan within the resources available under the resourcing strategy. Council has previously adopted its four year Delivery Program for the period 2013-2017.

- 25
- An Operational Plan in accordance with Section 405(2) of the Local Government Act must include the Council's Statement of Revenue Policy for the financial period covered by the Operational Plan.

- 30
- The Operational Plan is integrated into the 4 year Delivery Program for the period 2013/2014 to 2016/2017.

The information that needs to be included in the Annual Statement of Revenue Policy is defined in Clause 201 of the Local Government (General) Regulation 2005.

- 35
- This Report has been prepared to allow Council to firstly consider the submissions received and any proposed amendments to the content of the documents and to secondly to adopt theses documents with or without amendment/s having considered the submissions.

- 40
- The Draft 2015/2016 Operational Plan and Draft 2015/2016 Statement of Revenue Policy (incorporating Budget Estimates and Fees and Charges) were placed on public exhibition from Thursday, 7 May to Thursday, 4 June 2015 for community feedback and input. A full copy of the documents was placed on Council's website www.byron.com.au and was also available at the community access points throughout the Shire. In addition, a 4 page Community Summary was
- 45
- produced and made available.

Links to the documents placed on public exhibition can be found at:

- 50
- www.byron.nsw.gov.au/public-exhibition/2015/06/04/2015-16-operational-plan-budget-and-fees-and-charges

The submissions received by Council are reported on later in this report.

2. Resolutions

2.1 Resourcing Strategy - Long Term Financial Plan

- 5 Council is required under the Integrated Planning and Reporting framework to annually review its Long Term Financial Plan ("LTFP"). Council is due to review its LTFP again and in that regard, Council considered this matter at its Ordinary Meeting held on 11 December 2014 where it resolved (Resolution **14-607**)
- 10 *'That Council defer the updating of its Long Term Financial Plan until it has prepared its response to the NSW Government's Fit for the Future assessment, so that the Plan aligns with that assessment, and incorporates the revised asset management planning work currently being undertaken.'*
- 15 The next review of the LTFP will be subject to Council formally adopting the 2015/2016 Budget Estimates which will then become the base case scenario including the scenarios contained in Council proposed 'Fit for the Future' response subject of a separate report to this Extraordinary Council Meeting. Council also needs to review the funding of the capital works program beyond 2015/2016.
- 20 The final 2015-2025 LTFP will be reported to Council following the adoption of 2015/2016 Budget Estimates and the Council Improvement Plan ("CIP") – being the subject of a separate report to this meeting, and assumptions in the CIP being modelled through the base case and the scenarios. It is expected the Draft 2015-2025 LTFP will be considered by the Finance Advisory
- 25 Committee at its Meeting to be held on 20 August 2015.

2.2 2015/2016 Statement of Revenue Policy, Budget Estimates and 2015/2016 Fees and Charges

- 30 Council at its Ordinary Meeting held on 30 April 2015, following consideration of *Report No. 13.3 Draft 2015/16 Operational Plan and Statement of Revenue Policy – Public Exhibition, Budget Estimates and Fees and Charges*, resolved (Resolution **15-181**) as follows:
- 35 *'1. That Council note and amend the Draft 2015/2016 Operational Plan and Statement of Revenue Policy (comprising the draft Budget Estimates, Rates and Charges, Borrowings and Fees and Charges) as follows:*
- 40 *a) reallocate \$20,000 out of the \$33,000 in ledger account number 2606.18 on Page 48 of Attachment 1 "Environmental Levy, Unallocated" to create a new item "prepare Plan(s) of Management for bat colony(s)" in the same area of Sustainable Environment & Economy (ie Planning Policy & Natural Environment) or in a more appropriate area.*
- 45 *b) reallocate \$4,000 within ledger account number 3211 (\$295,800) to number 3211.22 "Traffic Facilities" specifically for the purchase and installation of a physical centre median on the hatched painted area in Station Street Mullumbimby at the Woolworths driveway immediately south of Tincogan Street (to prevent right turns, which are not permitted).*
- 50 *2. That the thus-amended Draft 2015/2016 Operational Plan and Statement of Revenue Policy (comprising the Budget Estimates, Rates and Charges, Borrowings and Fees and Charges) be placed on public exhibition, as set out in the report.'*

3. Consultation and Public Exhibition:

In accordance with the Resolution **15-181** the Draft 2015/2016 Operational Plan and Draft 2015/2016 Revenue Policy (including the Budget and Fees and Charges) were placed on exhibition from 7 May to 4 June with submissions closing at 4.00pm on that date.

The community was advised of the public exhibition of the documents via Council's website home page, the community electronic newsletter and public notice advertisements in the Byron Shire Echo. A Community Summary was also made available online and also at Council. Media release at the start of the exhibition period was sent and press coverage in all three local newspapers and interviews on ABC Radio, ZZZ2LM and Bay FM.

4. Submissions

Council received twenty eight submissions on the documents placed on public exhibition. These are summarised in Tables 1 to 3.

Council is required to consider any submissions received during the exhibition period on the Draft 2015/2016 Operational Plan and Draft 2015/16 Statement of Revenue Policy including Budget Estimates prior to the Council's endorsement and/or adoption of these documents.

Should Councillors need to refer to the full copies of the submissions, these have been provided as Attachment 1 to this report, on a strictly confidential basis. The full copies of the submissions contain personal information such as names and addresses of the person's lodging submissions which are relevant matters to be taken into consideration in determining this matter.

Table 1 – Summary of submissions to the 2015/16 Draft Operational Plan

Doc No.	Regarding	Staff comment
There were no submissions received for the Draft Operational Plan.		

Table 2 - Summary of submissions to the 2015/16 Budget Estimates

Doc No.	Regarding	Staff comment
S2015/5643 S2015/5644 S2015/5654 S2015/5655 S2015/5656 S2015/5697 S2015/5669 S2015/5670 S2015/5696 S2015/5769 S2015/5768	"Submission in support of Council setting aside of \$20,000 (or more if necessary) for the preparation of Plan(s) of Management for bat colony(s), as shown on Page 48 of the Draft budget under Planning Policy & Natural Environment/Community Strategic Plan Theme – Environmental Levy – Ledger Account 2606.32"	Council by resolution 15-214 has acknowledged that there are conflicts (noise, smell) between residential amenity and activity in flying fox camps in at least three urban locations of the Shire (Mullumbimby, Bangalow and Suffolk Park), and to allocate funds of \$20,000 towards the development of a Flying Fox Management Plan for the three areas. This budget allocation is subject to confirmation which will occur by the adoption of the 2015/2016 budget and inclusion of the project in the 2015/2016 Operational Plan.
E2015/32286	"...allocate funds in the 2015/2016 budget to resealing the bitumen road west of the Wilson's Creek Primary school, to the end of Huonbrook Road where the bitumen runs out at the Wanganui intersection...Also requesting basic drain clearing on a regular basis in the Wilsons Creek, Upper Wilsons	<ul style="list-style-type: none"> \$90,000 allocated in 2015/16 to reseal 3 sections of Wilsons Creek Rd between school and Huonbrook Rd / Upper Wilsons Creek Road Budgets for rural drainage maintenance increasing by 2.48% above 2014/15 budgets so services

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.1

Doc No.	Regarding	Staff comment
	Creek/Huonbrook/Wanganui region to prevent further road degradation and potential for more landslips..."	delivered will be similar to past years. Any increase in frequency of drain cleaning works will require additional budget funds for rural drainage maintenance.
E2015/32287	State of rural road: fix potholes; cut roadside grass which impedes visibility; funding moved to "roadwork, garbage and libraries" to be able to navigate roads and for getting "basic, life enabling services for our community."	<ul style="list-style-type: none"> Budgets for sealed rural road maintenance increasing by 2.45% above 2014/15 budgets so services delivered will be similar to past years. Any increase in frequency of works will require additional budget funds for sealed rural road maintenance.
E2015/35004 E2015/35802 E2015/35812 E2015/35813	Maintenance in the valleys of Wilsons Creek: maintenance of drains and clearing of pipes, preventative works to sever weather and floods; reworking bitumen of roads; regular maintenance of gravel roads; roadside slashing of roadside verges; more spending on rural areas	<ul style="list-style-type: none"> Budgets for sealed rural road maintenance increasing by 2.45% above 2014/15 budgets and budgets for unsealed rural roads maintenance increasing by 2.55% above 2014/15 budgets so services delivered will be similar to past years. Any increase in frequency of works will require additional budget funds for sealed and unsealed rural road maintenance. No road reconstruction works planned for roads in Wilsons Creek valleys in 2015/16. If any of these projects are to be included then either additional funds will be required or funding transferred from planned 2015/16 projects such as Myocum Rd, Federal Drive or Bangalow Rd. \$90,000 allocated in 2015/16 to reseal 3 sections of Wilsons Creek Rd between school and Huonbrook Rd / Upper Wilsons Creek Road. Otherwise no other roads in the Wilsons Creek valleys proposed for reseals in 2015/16. If more of the roads in the Wilsons Creek valley are to be resealed then other roads planned to be resealed in 2015/16 need to be deferred to allow the transfer of funds to these roads or additional funds reallocated from other areas of Council operations / services.
E2015/35397 E2015/36152	Clearing roadside vegetation on all roads in the Shire; Reconstruct creek crossings on Upper Wilsons Creek Road	<ul style="list-style-type: none"> Budgets for sealed rural road maintenance increasing by 2.45% above 2014/15 budgets and budgets for unsealed rural roads maintenance increasing by 2.55% above 2014/15 budgets so services delivered will be similar to past years. Any increase in frequency of works will require additional budget funds for sealed and unsealed rural road maintenance. No works planned in 2015/16 for reconstructing the creek crossings on

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.1

Doc No.	Regarding	Staff comment
		Upper Wilsons Creek Rd, including the 12 th creek crossing. If any of the creek crossings are to be reconstructed then other works need to be deferred until later years to allow the transfer of funds to these creek crossing works or additional funds reallocated from other areas of Council operations / services.
E2015/35787	Not to use the Environmental Levy to prepare Plan(s) of Management for Bat Colony(s)	Council resolution 15-181 allocated \$20,000 from the Environmental Levy to prepare the Plans of Management for the Bat Colonies. Council would need to change this resolution if it accepted this submission.
E2015/35781	Brunswick Heads matters not appearing in any draft program: completion of paving at Mullumbimbi Street and The Terrace; toilets in Pilgrim Park; bollards to be continued along the Riverside Crescent road reserve; rocks to be placed along South Beach Road; bollards at the foreshore near the Bowling Club; road repairs; traffic calming devices at Mullumbimbi and Park Street; pedestrian walkway adjoining the vehicular bridge, Brunswick Heads	<ul style="list-style-type: none"> No budget proposed for paving at Mullumbimbi Street and The Terrace. If these works are to be undertaken in 2015/16 then other works need to be deferred until later years to allow the transfer of funds to these paving works or additional funds reallocated from other areas of Council operations / services. Utility infrastructure to the Pilgrim Park Toilet Block has been decommissioned. Council have no plans currently to refurbish or replace this facility. Prior to the Pacific Motorway Upgrade (Brunswick Heads to Yelgun) this facility had increased usage by highway travellers including use as a driver revive stop location. Bollards along Riverside Dr are proposed on land managed by NSW Crown Holiday Parks Trust & Crown Land and the request should be referred to them. The replacement of the fence with rocks along South Beach Road is adjacent to crown land managed by Council. It is proposed that the fence be refurbished from general maintenance funds in 15/16 FY. The use of suitable rocks along the entire length is not currently a cost effective method for preventing parking within the reserve. Bollards near the Bowling club to stop vehicles accessing the foreshore would be on Crown land managed by Council or managed by NSW Crown Holiday Parks Trust. A land care group has recently undertaken some planting to increase the vegetative buffer of the foreshore. Council believe this is appropriate in this location to

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.1

Doc No.	Regarding	Staff comment
		<p>discourage vehicle access. Bollards are considered unnecessary at this stage.</p> <ul style="list-style-type: none"> Budgets for urban rural road maintenance increasing by 2.46% above 2014/15 so services delivered will be similar to past years. Any increase in road repair works for Brunswick Heads will require additional budget funds for sealed and unsealed rural road maintenance. There are no planned capital projects for road reconstruction in Brunswick Heads in 2015/16 and if any are to be reconstructed then other works need to be deferred until later years to allow the transfer of funds to these works or additional funds reallocated from other areas of Council operations / services. Problems with traffic calming devices at Mullumbimbi St and Park St will need to be investigated and any rectifications undertaken from road maintenance budgets or capital funding provided in future year's capital works programs. Repair of whole footbridge decking would require a budget allocation within the capital works program. There are no planned budgets for this footbridge in 2015/16 and if any are to be provided then other works need to be deferred until later years to allow the transfer of funds to these works or additional funds reallocated from other areas of Council operations / services. Budgets for timber bridge maintenance funds increasing by 2.45% over 2014/15 so these works are very unlikely to be done by maintenance budgets.
E2015/36151	Condition of Wilsons Creek Road and Huonbrook Road: "Borrow money... for proper attention to the roads..."	<ul style="list-style-type: none"> No road reconstruction works planned for roads in Wilsons Creek valleys in 2015/16. If any of these projects are to be included then either additional funds will be required or funding transferred from planned 2015/16 projects such as Myocum Rd, Federal Drive or Bangalow Rd. \$90,000 allocated in 2015/16 to reseal 3 sections of Wilsons Creek Rd between school and Huonbrook Rd / Upper Wilsons Creek Road. In regards to comments regarding borrowings, Council has not proposed to borrow any funds in the 2015/16

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.1

Doc No.	Regarding	Staff comment
		financial year and it is indicative that Council currently does not have any borrowing capacity in terms of loan repayments in the General Fund until 2020 based on current borrowing commitments.
E2015/36157	Inclusion of funding for Tweed Street Masterplan (Brunswick Heads)	<ul style="list-style-type: none"> No works planned for Tweed St Masterplan in 2015/16. If any works are to be undertaken for Tweed St Masterplan in 2015/16 then other works need to be deferred until later years to allow the transfer of funds to this project or additional funds reallocated from other areas of Council operations / services.
E2015/37024	Section of Seven Mile Beach Road: Construction and sealing of gravel road for health and safety issue as result of dust.	<ul style="list-style-type: none"> Cost to construct and seal a 200m section adjacent to resident's house has been estimated at \$170,000 to \$180,000. No works planned for Seven Mile Beach Road in 2015/16. If any works are to be undertaken for Seven Mile Beach Road in 2015/16 then other works need to be deferred until later years to allow the transfer of funds to this project or additional funds reallocated from other areas of Council operations / services.

Table 3 - Summary of submissions to the 2015/16 Fees and Charges

Doc No.	Regarding	Staff comment
E2015/34793	<p>Fees at Mullumbimby Civic Hall:</p> <ol style="list-style-type: none"> row 2 of Table for the Hall (on Page 9 of Section 1 of the document) the rate for "Stand" should be \$370 not \$70. Revert to "Half-day" rather than "Session", in 4 locations in Column 2 on the same Page 9. Description "Hourly" to become "Hourly (min 2 hours, max 4 hours)", in 3 locations in Column 2 on Page 9. Note to be added on Page 10 in a new row below "Consecutive full day hire discounts" and to say "Permanent/Regular bookings discounted on application" or similar. 	Submission is supported and recommend fees and charges are changed accordingly.
E2015/35783	Airfield resident aircraft landing fee: suggest instead to increase the resident aircraft registration fee	Council has endorsed the installation of an electronic monitoring system that will capture and charge all aircraft movements whether resident or visitor. This is more in keeping with the user pay process that applies to other Council facilities, and is

Doc No.	Regarding	Staff comment
		part of the larger strategic direction that the Council are establishing with the airfield, The installation date has not yet been determined but it is funded in the 2015/2016 budget.
E2015/39118	Concern expressed about increases to be imposed on local households ie the increase of 200% for season pass at Mullumbimby Pool in 2014/2015 and now proposal to increase local parking ticket from \$25 to \$100.	Fees for season pass at swimming pools was benchmarked against other facilities operated by Councils. Byron Shire passes has been previously less than other Councils. Local parking ticket price is a matter for Council to determine and is subject to another report to this Council meeting.

5. Management Comments

5.1 2015/2016 Budget Estimates

5

Please see the financial implications section of this report.

5.2 2015/2016 Fees and Charges

10 5.2.1 Sandhills Child Care Centre

New staffing ratios become effective in January 2016 which will require an additional \$26,200 in expenditure for a further two day new staffing resource in addition to the current proposed new three day staffing resource already included in the draft 2015/2016 budget estimates. To offset this cost it is proposed to increase the fees at Sandhills by an extra \$1.00 per hour

15

Recommendation

That Council increase the Long Day Care Children < 3 yrs per day from \$95.00 to \$96.00 (2014/2015 fee was \$90.00 per day) and increase the Long Day Care Children 3-5yrs per day fee from \$90.00 to \$91.00 (2014/2015 fee was \$85.00).

20

5.2.2 Section 603 Certificate Fees

The Office of Local Government through Circular 15-14 dated 5 May 2015 has approved an increase in the statutory fee of a Section 603 certificate (a certificate that outlines the amount of rates and charges due or payable to a Council for a parcel of land) from \$70.00 to \$75.00 for the 2015/2016 financial year. Council had placed on public exhibition the current fee of \$70.00 for a Section 603 certificate and should adopt the new statutory fee. Advice of the new fee was not available at the time Council adopted the draft fees and charges for public exhibition.

25

30

Recommendation

That Council increase the fee for a Section 603 certificate from \$70.00 to \$75.00 for the 2015/2016 financial year.

35

5.2.3 Environmental Health Fees and Charges

During the public exhibition period of the fees and charges, a further review of environmental health fees has been conducted and it is proposed to make the following amendments to the fees placed on public exhibition as follows:

40

- A. Separate the reference to section 100 (page 65) following listing within the s68 table. Display this fee in a separate row.
- 5 B. Change “*Inspection of temporary food businesses at markets, events and festivals*” to a single fee to “\$150/hour/officer to be applied to event operators”, rather than the proposed graded fees suggested in the current draft (bottom of page 72). Delete all references to all other classes of events.
- 10 C. Change the wording from “Market Stall Holder” (Page 71 under heading “Section 68 (Part C6)”) to “Temporary Food Business Operation”.
- D. Change the (Point C above Page 71) application fee. Only application fee of \$150 to be levied for “Market Stall Holders Approval. Remove all other categories previously used.
- E. Further to Point D above, change the proposed new 3-year application fee (Page 71) to \$350 for a 3-year approval. Remove all other category options for 3-year applications.
- 15 F. Change the annual fee (page 71 – Approval to Operate OSMS) of \$42.50 to \$45.00 for “*On-site Sewage Management System Approval to Operate – per Equivalent Tenement/ or system*”.
- G. Add note to “Food business administration charge (top Page 73) “one hour inspection charge to be levied at the same time as the invoicing of this administration charge”.

Recommendation

- 20 That Council amend the various fees for Environmental Health as indicated in points A to G above.

5.2.4 Section 64 Developer Contributions for Water and Sewerage

- 25 The fees disclosed for Section 64 Developer Contributions for Water and Sewerage placed on public exhibition were not correct and need to be amended as indicated in the table below. These fees have not been properly outlined in the fees and charges document following Council resolution **13-418** where Council determined to unify fees across the Council area and the revised Developer Servicing Plan (DSP) from 2013. There has also been previously incorrect imposition of the Consumer Price Index (CPI) for increasing the fees each year

Fund	Catchment	Advertised Fee \$	Required Fee \$
Water	Bangalow	3,615.00	3,529.00
	Brunswick Heads	3,615.00	3,529.00
	Byron Bay/Suffolk Park	3,615.00	3,529.00
	Ocean Shores/New Brighton/South Golden Beach	3,615.00	3,529.00
	Mullumbimby	20,540.00	12,775.00
Sewer	Bangalow	19,260.00	13,147.00
	Brunswick Heads	19,260.00	13,147.00
	Byron Bay/Suffolk Park	8,780.00	13,147.00
	Ocean Shores/New Brighton/South Golden Beach	19,260.00	13,147.00
	Mullumbimby	19,260.00	13,147.00

- 30 Fees for Section 64 Developer Contributions have been applied as outlined in the DSP and its indexing methodology and not those that have been disclosed in the fees and charges historically. The recommendation below will finally bring the fees and charges in sync to the DSP.

Recommendation

- 35 That Council amend the Section 64 Developer Contribution charges to those outlined as the ‘Required Fee \$’ in the table above.

5.2.5 Fees for Tapping Water Mains

The fee for tapping a water main with a main size of 50mm or above has been advertised for 2015/2016 to be 'as quoted'. In this instance if the main is to be tapped a quote would need to be provided by staff. It is proposed to change the fee from 'as quoted' to a fixed amount of \$1,725.00 at the request of Council's Water Operations area.

Recommendation:

That the fee for tapping a water main 50mm or greater be changed from 'as quoted' to \$1,725.00.

5.3 S356 Community Donations and Contributions

Council at its Ordinary Meeting held on 12 April 2012 resolved in part, via Resolution 12-270 as follows:

"3. Make the following amendments to the Draft 2012/2013 Budget for the General Fund, which have a potential impact on the estimated budget result, prior to public exhibition:

(a) Remove line item Donations" under Section 356 donations and activities Annexure 3(a) (Page 44 of 173)."

The impact of this resolution was to delete a budget line item of \$48,000, with the estimated budget result being improved from a forecast deficit result of \$8,000 to a surplus budget result of \$40,000.

Council has received several enquiries regarding the Section 356 Donation process for 2015/16. Staff's response has been *"at this stage there have been no moneys set aside for general community Section 356 donations. If at the time of adoption of the Budget there are moneys set aside for general donations, the advertising process will commence in July 2015."*

On this basis it is recommended that the Council adopt the following recommendation to provide staff with guidance in responding to any requests received applicable to the 2015/2016 Financial Year.

Recommendation:

That as no moneys have been set aside for general community Section 356 Donations in the 2015/16 Budget, any requests received for donations or sponsorships that fall under Council Policy 3.13 Donations to Community Organisations, Other Groups and Persons be advised that there are no moneys available this financial year.

5.4 2015/2016 Operational Plan

As Council has resolved to allocate \$20,000 towards the management of flying foxes as per resolution 15-181, there needs to be an amendment to the Operational Plan to include this action/project in the Operational Plan as a reference as follows:

4.28 - Develop Flying Fox Management Plan – Plan complete – 42,43 (DPs) – Operational (budget)

Recommendation:

That Council update the Operational Plan to include the reference to the management of flying foxes.

Financial Implications

The Draft 2015/2016 Budget on a Consolidated (All Funds) basis, placed on public exhibition, forecast a balanced budget result. The details of that result have been detailed below at Table 4.

Table 4 – Forecast Budget Result 2015/2016 Consolidated (All Funds) placed on public exhibition

Item	\$
Operating Revenue	68,114,100
Less: Operating Expenditure	57,636,500
Less: Depreciation	14,586,500
Operating Result before Capital Amounts	(4,108,900)
Add: Non Cash Expenses – Depreciation	14,586,500
Add: Capital Grants and Contributions	8,961,000
Add: Loan Funds Used	0
Add: Asset Sales	4,100,000
Subtract: Capital Works	(27,310,800)
Subtract: Loan Principal Repayments	(2,420,900)
Cash Surplus/(Deficit)	(6,193,100)
Reserves – Increase/(Decrease)	(6,193,100)
Budget Result – Surplus/(Deficit)	0

- Table 4 indicates a forecasted balanced budget result which relates to the General Fund only. The budget estimates for both Water and Sewerage Funds included above are also based on a balanced budget result.

The forecast General Fund Accumulated Surplus (Working Funds) position based on the draft budget is shown in Table 5:

Table 5 - Forecast General Fund Accumulated Surplus (Working Funds) Draft 2015/2016 Budget placed on public exhibition

Item	\$
Forecast accumulated surplus to 30 June 2015 at 31 December 2014 Budget Review	1,956,550
Add: Estimated 2015/2016 budget result	0
Forecast accumulated surplus to 30 June 2016	1,956,550

During the public exhibition period that closed on 4 June 2015, a number of submissions were received and will need to be considered by Council. The details of the submissions have been set out in Tables 1, 2 and 3 above.

In addition the following budget adjustments/notations are required as outlined below by budget program:

- Organisation Development – additional funding is required for the WHS Officer which was not included in the draft budget placed on exhibition as Finance thought the term of the position was coming to an end earlier than is the case. Funding of \$50,400 inclusive of oncosts is provided from the Human Resources Reserve to cover this expenditure from previous workers compensation insurance premium savings.

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.1

2. Councillor Services – Council recently adopted the Mayoral and Councillor fees to apply for 2015/2016 through resolution **15-207**. This has created an expenditure saving of \$3,000 compared to the amounts allocated in the Draft 2015/2016 Budget Estimates placed on public exhibition.
3. Information Services - \$48,400 allocated to the Standard Operating Environment (SOE) project was reserved in the 31 March 2015 Budget Review adopted by Council to the Information Services Reserve. This expenditure will occur during the 2015/2016 financial year and needs to be added to the 2015/2016 Budget with funding from the Information Services Reserve.
4. Public Libraries - Final advice was provided by Richmond Tweed Regional Library that the contribution payable by Byron Shire Council for 2015/2016 needed to be an additional \$10,500 then estimated in the Draft 2015/2016 Budget placed on public exhibition. Funding of the \$10,500 has come from the building maintenance budget set aside for the Byron Bay Library. This change therefore has no impact on the budget result.
5. Governance Services – As part of the ongoing organisation restructure, budget provision is required for an administrative support position in the new Governance Services branch. The cost of this is estimated at \$55,800 inclusive of oncosts with this cost allocated to other budget programs through the distribution of support costs.
6. Community Development - additional funding is required for implementation of the Cultural Plan \$5,000, and funding for Schoolies approvals \$3,600 as per resolution **14-578**. Budgets for New Years Eve income \$3,200 and Emergency Accommodation Refuge Rental \$4,300 will not eventuate and need to be removed from the proposed 2015/2016 Budget Estimates.
7. Asset Management Planning and Projects and Commercial Development – Both of these budget programs have been reviewed during the public exhibition period and it is proposed to establish funding for three Asset Management positions to improve Council asset management ability. The costs of these positions inclusive of oncosts is \$251,500. Funding for these positions has been derived from redirecting funding set aside in these programs for contractors/consultants and through distribution of support costs to budget programs where asset management services will be provided.
8. Waste Management – Subsequent to the Draft 2015/2016 Budget being placed on public exhibition, a further review of the Waste Management Budget has been undertaken in relation to the split between domestic and non-domestic operations. Revenue budgets have been adjusted to reflect expected yields as outlined in the Revenue Policy in relation to changes to the Domestic Waste Charge and introduction of the new Waste Management Operations Charge. Additional expenditure of \$150,000 is proposed to manage the new Waste Collection Contract commencing in August with corresponding revenue coming from the Waste Collection contractor as this was part of the tender process. The amendments in the Waste Management Budget are funded from Waste Reserves (Domestic and Other) and therefore have no impact on the overall budget result.
9. Infrastructure Services Capital Works – There has been a review of the proposed capital works budget for both Local Roads and Drainage and Open Space and Recreation Budget Programs. Specific amendments to the capital works budget proposed that has no impact on the overall budget result are as follows with their associated funding source:

BYRON SHIRE COUNCIL

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.1

Project	Cost \$	Funding
New Works		
Brunswick Valley Way/Tweed Valley Way Yelgun Intersection Upgrade	300,000	Blackspot Grant
Wilsons Creek Road east of Montecullum Road	150,000	Blackspot Grant
Survey/Design/Legal Costs for carpark at Bangalow Sportsfields	30,000	Section 94 funds held
Coolamon Scenic Drive Safer Roads Project	475,000	RMS grant funding
Myocum Road Segment 545.10	400,000	Roads to Recovery Funding
Parkers Bridge replacements/repairs	80,000	Roads to Recovery Funding
O'Mearas Bridge	60,000	Roads to Recovery Funding
Once off additional road reseal and construction works throughout Byron Shire	2,018,000	Various reserve funds and 2014/2015 revenue as outlined at Council Workshop 18/6/2015
Total new Works (1)	\$3,513,000	
Project	Cost \$	Funding
Works to be carried forward from 2014/2015		
IBAS (Belongil Rockwall)	1,207,000	As per Council resolution
Total Works carried forward from 2014/2015 (2)	\$1,207,000	
Total Capital works program change (1) + (2)	\$4,720,000	

Aside from the works listed in the table directly above, there is also proposed to include a further \$100,000 to assist in the implementation and communication regarding the new paid parking scheme. Funding for this is expected to come from the additional revenue generated by the scheme.

- Development and Certification – After all budget movements are considered there is a funding shortfall in the General Fund of \$60,100. The budget estimates in the Draft 2015/2016 Budget placed on public exhibition were conservative in terms of development application fees and Section 68 approval and inspection fees. Given the budget outcomes in this are in terms of increased revenue due to development activity, it would be possible to increase these budget in total by \$60,100.

The financial impact of the proposed budget adjustments from items 1 to 10 identified above and including overall movements due to allocation of support costs are summarised below in Table 6 on an overall consolidated basis.

Table 6 – Forecast Budget Result 2015/2016 Consolidated (All Funds) after public exhibition and containing budget adjustments/notations

Item	\$
Operating Revenue	68,680,600
Less: Operating Expenditure	58,232,500
Less: Depreciation	14,586,500
Operating Result before Capital Amounts	(4,138,400)
Add: Non Cash Expenses – Depreciation	14,586,500
Add: Capital Grants and Contributions	10,726,000
Add: Loan Funds Used	0
Add: Asset Sales	4,100,000

Subtract: Capital Works	(32,128,800)
Subtract: Loan Principal Repayments	(2,420,900)
Cash Surplus/(Deficit)	(9,275,600)
Reserves – Increase/(Decrease)	(9,275,600)
Budget Result – Surplus/(Deficit)	0

Table 6 indicates a forecasted balanced budget result and this relates to the General Fund. In addition, both the Water and Sewerage Funds are projecting a balanced budget result for those Funds.

The forecast General Fund Accumulated Surplus (Working Funds) position based on the draft budget is shown in Table 7. It also needs to be recognised that Council considered the 31 March 2015 Quarter Budget Review at its Ordinary Meeting held on 21 May 2015 and resolved a revised estimated budget position for the 2014/2015 financial year through resolution **15-209**:

Table 7 - Forecast General Fund Accumulated Surplus (Working Funds) after 31 March 2015 Quarter Budget Review and estimated Draft 2015/2016 Budget Result for adoption

Item	\$
Forecast accumulated surplus to 30 June 2015 at 31 March 2015 Budget Review	1,957,550
Add: Estimated 2015/2016 budget result	0
Forecast accumulated surplus to 30 June 2015	1,957,550

Council has an adopted target to maintain an accumulated surplus (working funds) in the General Fund of \$1,000,000. The revised budget projections indicated in Table 8 to this report estimates that this target will be achieved with a significant buffer. On a short term basis, this is a good outcome for Council. However, the long term financial projections do not include the following:

- Direct linkage to the funding gap yet to be identified in Asset Management Plans which will require greater funding from Council but is currently unknown.
- The ability for Council to address its current infrastructure backlog that is currently estimated at \$29million.

The budget projections realistically still demonstrate the difficulty Council has absorbing additional costs without corresponding revenue. It can only be emphasised that Council must consider carefully the long term implications on its finances any consideration to add a new asset/service as current budget projections suggest it may not have capacity to do so. The focus for Council is suggested to be centred around the maintenance and renewal of existing assets. This is an expectation of the NSW Government 'Fit for the Future' Assessments and the emphasis of Council's response, actions included in the proposed 2015/2016 Budget along with scenarios for Council to improve its revenue base to address its infrastructure issues.

Recent decisions/actions of Council to focus in this area whilst difficult and not easy does demonstrate Council is serious about trying to do something in regard to manage its infrastructure and should be seen as steps in the right direction to improve the current situation in terms of backlog.

Statutory and Policy Compliance Implications

Chapter 13, Part 2 of the Local Government Act 1993 – How are Councils made accountable for their actions? – Strategic Planning with specific reference to Section 402 to 406 of the Local Government Act 1993.

Division of Local Government Circular 11-29 – Guidelines for the preparation of a special variation application and guidelines for the preparation of an application to exceed the minimum rate statutory limit.

- 5 The provisions of the Local Government Act that apply in relation to the Council's strategic planning have been reproduced below:

Part 2 Strategic planning

402 Community strategic plan

- 10 (1) *Each local government area must have a community strategic plan that has been developed and endorsed by the council. A community strategic plan is a plan that identifies the main priorities and aspirations for the future of the local government area covering a period of at least 10 years from when the plan is endorsed.*
- 15 (2) *A community strategic plan is to establish strategic objectives together with strategies for achieving those objectives.*
- (3) *The council must ensure that the community strategic plan:*
 (a) *addresses civic leadership, social, environmental and economic issues in an integrated manner, and*
 20 (b) *is based on social justice principles of equity, access, participation and rights, and*
 (c) *is adequately informed by relevant information relating to civic leadership, social, environmental and economic issues, and*
 (d) *is developed having due regard to the State government's State Plan and other relevant State and regional plans of the State government.*
- 25 (4) *The council must establish and implement a strategy (its **community engagement strategy**), based on social justice principles, for engagement with the local community when developing the community strategic plan.*
- 30 (5) *Following an ordinary election of councillors, the council must review the community strategic plan before 30 June following the election. The council may endorse the existing plan, endorse amendments to the existing plan or develop and endorse a new community strategic plan, as appropriate to ensure that the area has a community strategic plan covering at least the next 10 years.*
- 35 (6) *A draft community strategic plan or amendment of a community strategic plan must be placed on public exhibition for a period of at least 28 days and submissions received by the council must be considered by the council before the plan or amendment is endorsed by the council.*
- 40 (7) *Within 28 days after a community strategic plan is endorsed, the council must post a copy of the plan on the council's website and provide a copy to the Director-General. A copy of a community strategic plan may be provided to the Director-General by notifying the Minister of the appropriate URL link to access the plan on the council's website.*

403 Resourcing strategy

- 45 (1) *A council must have a long-term strategy (called its **resourcing strategy**) for the provision of the resources required to implement the strategies established by the community strategic plan that the council is responsible for.*
- (2) *The resourcing strategy is to include long-term financial planning, workforce management planning and asset management planning.*
- 50

404 Delivery program

- (1) A council must have a program (its **delivery program**) detailing the principal activities to be undertaken by the council to implement the strategies established by the community strategic plan within the resources available under the resourcing strategy.
- 5 (2) The delivery program must include a method of assessment to determine the effectiveness of each principal activity detailed in the delivery program in implementing the strategies and achieving the strategic objectives at which the principal activity is directed.
- 10 (3) The council must establish a new delivery program after each ordinary election of councillors to cover the principal activities of the council for the 4-year period commencing on 1 July following the election.
- 15 (4) A draft delivery program must be placed on public exhibition for a period of at least 28 days and submissions received by the council must be considered by the council before the delivery program is adopted by the council.
- (5) The general manager must ensure that regular progress reports are provided to the council reporting as to its progress with respect to the principal activities detailed in its delivery program. Progress reports must be provided at least every 6 months.

405 Operational plan

- (1) A council must have a plan (its **operational plan**) that is adopted before the beginning of each year and details the activities to be engaged in by the council during the year as part of the delivery program covering that year.
- 25 (2) An operational plan must include a statement of the council's revenue policy for the year covered by the operational plan. The statement of revenue policy must include the statements and particulars required by the regulations.
- 30 (3) A council must prepare a draft operational plan and give public notice of the draft indicating that submissions may be made to the council at any time during the period (not less than 28 days) that the draft is to be on public exhibition. The council must publicly exhibit the draft operational plan in accordance with the notice.
- 35 (4) During the period of public exhibition, the council must have for inspection at its office (and at such other places as it may determine) a map that shows those parts of its area to which each category and sub-category of the ordinary rate and each special rate included in the draft operational plan applies.
- 40 (5) In deciding on the final operational plan to be adopted, a council must consider any submissions that have been made concerning the draft plan.
- (6) The council must post a copy of its operational plan on the council's website within 28 days after the plan is adopted.

406 Integrated planning and reporting guidelines

- 45 (1) The Director-General is to establish integrated planning and reporting guidelines (referred to in this Chapter as **the guidelines**) for the purposes of this Chapter.
- 50 (2) The guidelines can impose requirements in connection with the preparation, development and review of, and the contents of, the community strategic plan, resourcing strategy, delivery program, operational plan, community engagement strategy, annual report and state of the environment report of a council.

- (3) *In particular (but without limiting subsection (2)), the guidelines can impose requirements in relation to any of the following:*
- (a) *the procedures to be followed in the preparation, development or review of plans, strategies, programs and reports,*
 - (b) *the matters to be addressed or provided for by plans, strategies, programs and reports,*
 - (c) *requirements for consultation in connection with the preparation, development or review of plans, strategies and programs,*
 - (d) *the matters to be taken into account or to which regard is to be had in connection with the preparation, development or review of plans, strategies, programs and reports.*

(4) *A council must ensure that the requirements of the guidelines are complied with.*

(5) *The guidelines can include other material for the guidance of councils in connection with the plans, strategies, programs and reports to which this section applies.*

(6) *The Director-General may review and amend the guidelines from time to time.*

(7) *The guidelines and any amendment of the guidelines must be posted on the Department's website and notified in writing to each council by the Director-General.*

Section 405(2) of the Local Government Act requires that the Statement of the Council's Revenue Policy that must be included on the Operational Plan. Clause 201 of the Local Government (General) Regulation 2005 details the statements and information that must be included in the Revenue Policy and has been reproduced below:

201 Annual statement of council's revenue policy

(1) *The statement of a council's revenue policy for a year that is required to be included in an operational plan under [section 405](#) of [the Act](#) must include the following statements:*

- (a) *a statement containing a detailed estimate of the council's income and expenditure,*
- (b) *a statement with respect to each ordinary rate and each special rate proposed to be levied,*

Note: *The annual statement of revenue policy may include a note that the estimated yield from ordinary rates is subject to the specification of a percentage variation by the Minister if that variation has not been published in the Gazette when public notice of the annual statement of revenue policy is given.*

(c) *a statement with respect to each charge proposed to be levied,*

(d) *a statement of the types of fees proposed to be charged by the council and, if the fee concerned is a fee to which Division 3 of Part 10 of Chapter 15 of [the Act](#) applies, the amount of each such fee,*

(e) *a statement of the council's proposed pricing methodology for determining the prices of goods and the approved fees under Division 2 of Part 10 of Chapter 15 of [the Act](#) for services provided by it, being an avoidable costs pricing methodology determined by the council in accordance with guidelines issued by the Director-General,*

(f) *a statement of the amounts of any proposed borrowings (other than internal borrowing), the sources from which they are proposed to be borrowed and the means by which they are proposed to be secured.*

(2) *The statement with respect to an ordinary or special rate proposed to be levied must include the following particulars:*

(a) the ad valorem amount (the amount in the dollar) of the rate,

(b) whether the rate is to have a base amount and, if so:

5 (i) the amount in dollars of the base amount, and

(ii) the percentage, in conformity with [section 500](#) of [the Act](#), of the total amount payable by the levying of the rate, or, in the case of the rate, the rate for the category or sub-category concerned of the ordinary rate, that the levying of the base amount will produce,

10

(c) the estimated yield of the rate,

(d) in the case of a special rate-the purpose for which the rate is to be levied,

15 (e) the categories or sub-categories of land in respect of which the council proposes to levy the rate.

(3) The statement with respect to each charge proposed to be levied must include the following particulars:

20

(a) the amount or rate per unit of the charge,

(b) the differing amounts for the charge, if relevant,

25 (c) the minimum amount or amounts of the charge, if relevant,

(d) the estimated yield of the charge,

30 (e) in relation to an annual charge for the provision by the council of coastal protection services (if any)-a map or list (or both) of the parcels of rateable land that are to be subject to the charge.

(4) The statement of fees and the statement of the pricing methodology need not include information that could confer a commercial advantage on a competitor of the council.

35 In accordance with clause 406 of the Local Government (General) Regulation 2005 the following provision applies in relation to the authorisation of expenditure.

211 Authorisation of expenditure

40 (1) A council, or a person purporting to act on behalf of a council, must not incur a liability for the expenditure of money unless the council at the annual meeting held in accordance with subclause (2) or at a later ordinary meeting:

(a) has approved the expenditure, and

(b) has voted the money necessary to meet the expenditure.

45 (2) A council must each year hold a meeting for the purpose of approving expenditure and voting money.

(3) All such approvals and votes lapse at the end of a council's financial year. However, this subclause does not apply to approvals and votes relating to:

50 (a) work carried out or started, or contracted to be carried out, for the council, or

(b) any service provided, or contracted to be provided, for the council, or

(c) goods or materials provided, or contracted to be provided, for the council, or

(d) facilities provided or started, or contracted to be provided, for the council, before the end of the year concerned, or to the payment of remuneration to members of the council's staff.

The following provision of the Local Government Act applies in relation to the public notice of fees determined by Council.

610F Public notice of fees

- 5 (1) *A council must not determine the amount of a fee until it has given public notice of the fee in accordance with this section and has considered any submissions duly made to it during the period of public notice.*
- 10 (2) *Public notice of the amount of a proposed fee must be given (in accordance with section 405) in the draft operational plan for the year in which the fee is to be made.*
- 15 (3) *However, if, after the date on which the operational plan commences:*
 (i) *a new service is provided, or the nature or extent of an existing service is changed, or*
 (ii) *the regulations in accordance with which the fee is determined are amended,*

 the council must give public notice (in accordance with section 705) for at least 28 days of the fee proposed for the new or changed service or the fee determined in accordance with the amended regulations.
- 20 (4) *This section does not apply to a fee determined by a council for an application made in a filming proposal, if that fee is consistent with a scale or structure of fees set out in an applicable filming protocol.*

Report No. 4.2 **Making of the Rate**
Directorate: Corporate and Community Services
Report Author: James Brickley, Manager Finance
File No: I2015/461
Theme: Corporate Management
 Financial Services

Summary:

Council at its Ordinary Meeting held on 30 April 2015 following consideration of *Report No. 13.3 Draft 2015/16 Operational Plan and Statement of Revenue Policy – Public Exhibition* adopted resolution **15-181**, which determined the proposed Rating Structure for the 2015/2016 Financial Year and placed the Draft 2015/2016 Budget Estimates, Fees and Charges and Operational Plan on public exhibition with amendments.

The public exhibition period closed on 4 June 2015 seeking submissions on the draft documents with the details of those submissions being the subject of another report to this Ordinary Council Meeting.

Council is required to make the rates and charges under Sections 533, 534, 535 and 566 of the Local Government Act 1993.

This report identifies those rates and charges to apply for the 2015/2016 financial year and recommends them for adoption.

RECOMMENDATION:

That in accordance with Sections 533, 534, 535 and 566 of the Local Government Act 1993 (Act), Council makes the following rates and annual charges for 2015/2016:

1. Residential - Ordinary Rate

A Residential Ordinary Rate of 0.2897 cents in the dollar on the land value of all land categorised as residential, with a minimum rate of \$683.50 per rateable assessment. Exception to this will be in respect to vacant land which meets the definition of vacant coastal hazard and flood liable land as per section 548 of the Act. In this case the minimum rate amount shall be \$375.30 per rateable assessment.

2. Business (Other) - Ordinary Rate

A Business (Other) Ordinary Rate of 0.4344 cents in the dollar on the land value of all land categorised as business outside the ‘centre of activity’ known as Byron Bay Business Centre, with a minimum rate of \$683.50 per rateable assessment.

3. Business (Byron Bay Business Centre) - Ordinary Rate

A Business (Byron Bay Business Centre) Ordinary Rate of 0.5793 cents in the dollar on the land value of all land categorised as business within the boundary of the ‘centre of activity’ known as Byron Bay Business Centre, with a minimum rate of \$683.50 per rateable assessment.

4. Farmland - Ordinary Rate

A Farmland Ordinary Rate of 0.2135 cents in the dollar on the land value of all land categorised as farmland, with a minimum rate of \$683.50 per rateable assessment. Exception to this will be in respect to vacant land which meets the definition of vacant

coastal hazard and flood liable land as per section 548 of the Act. In this case the minimum amount shall be \$375.30 per rateable assessment.

5. Other Annual Charges Applicable for 2015/2016

(a) Domestic Waste Management Annual Charges

In accordance with Section 496 of the Act, a charge, to be known as the Domestic Waste Management Charge, for the provision of a weekly waste service is to apply to all rateable residential land within the defined collection area. This charge, depending on the number of services and bin capacity, is to be levied for the removal of domestic waste and recyclable materials on and during the normal collection day and hours. This is subject to the right of the Council to seek to vary such charge during the year, if in the opinion of the Council such action is warranted in view of any variation in the cost of rendering the service. The following charges for 2015/2016 will apply:

Urban Domestic Waste Collection - Annual Charges	
Size of Service	Annual Charge
Urban Domestic – Single Dwellings 3 MGB service	
Per service – fortnightly collection of 80 Litre waste MGB, fortnightly collection of 240 litre recycling MGB and weekly collection 240 litre organics MGB	\$143.00
Per service – fortnightly collection of 140 Litre waste MGB, fortnightly collection of 240 litre recycling MGB and weekly collection 240 litre organics MGB (standard service)	\$280.00
Per service – fortnightly collection of 240 Litre waste MGB, fortnightly collection of 240 litre recycling MGB and weekly collection 240 litre organics MGB	\$406.00
Urban Domestic – Multi Unit Dwellings (MUD) 3 MGB service per Unit	
Per service – fortnightly collection of 80 Litre waste MGB, fortnightly collection of 240 litre recycling MGB and weekly collection 240 litre organics MGB	\$143.00
Per service – fortnightly collection of 140 Litre waste MGB, fortnightly collection of 240 litre recycling MGB and weekly collection 240 litre organics MGB (standard service)	\$280.00
Per service – fortnightly collection of 240 Litre waste MGB, fortnightly collection of 240 litre recycling MGB and weekly collection 240 litre organics MGB	\$406.00
Urban Domestic – Multi Unit Dwellings (MUD) 2 MGB service per Unit (exempt Organics service)	
Per service – fortnightly collection of 80 Litre waste MGB and fortnightly collection of 240 litre recycling MGB	\$143.00
Per service – fortnightly collection of 140 Litre waste MGB and fortnightly collection of 240 litre recycling MGB	\$280.00
Per service – fortnightly collection of 240 Litre waste MGB and fortnightly collection of 240 litre recycling MGB	\$406.00
Urban Domestic – Multi Unit Dwellings (MUD) Council approved shared 3 MGB service between two Units	
Per service – fortnightly collection of 240 Litre waste MGB, fortnightly collection of 240 litre recycling MGB and weekly collection of 240 litre organics MGB	\$227.00
Urban Domestic – Multi Unit Dwellings (MUD) Council approved shared 2 MGB service between two Units	
Per service – fortnightly collection of 240 Litre waste MGB and weekly collection of 240 litre recycling MGB	\$227.00
Additional Recycling MGB collected fortnightly per service	\$86.00
Additional Organics MGB collected weekly per service	\$100.00

Note: MGB is defined as mobile garbage bin.

(b) Domestic Waste Management Annual Charge – Vacant Land

In accordance with Section 496 of the Act, a charge of \$25.00, to be known as the Domestic Waste Management Charge – Vacant Land is to apply for 2015/2016 to all vacant residential rateable land contained within the defined collection area.

(c) Rural Domestic Waste Management Annual Charge (Residential Properties)

In accordance with Section 496 of the Act, a charge, to be known as the Rural Domestic Waste Management Charge, for the provision of a fortnightly waste service is to apply for 2015/2016 to all rateable residential land within the rural service collection area. This charge, depending on the number of services, is to be levied for the removal of domestic waste and recyclable materials on and during the normal collection day and hours. This is subject to the right of the Council to seek to vary such charge during the year, if in the opinion of the Council; such action is warranted in view of any variation in the cost of rendering the service.

An annual charge of \$297.00, to be known as the Rural Waste Management Charge will be charged per service to residential properties in the rural service collection area that provides for fortnightly collection of 240 litre waste bin and 240 litre recycling bin.

(d) Rural Waste Availability Charge (Residential Properties)

In accordance with Section 496 of the Act, an annual charge of \$25.00, to be known as the Rural Waste Availability Charge will apply for 2015/2016 to residential properties in the rural service collection area that choose not to have a Council Rural Domestic Waste service but have a dwelling situated on the property. Rural property owners paying the Rural Waste Availability Charge have the option to commence services if their circumstances change.

Vacant land and properties that are unable to be serviced will not incur this service availability charge.

(e) Rural Waste Management Annual Charge (Non-Residential Properties)

In accordance with Section 501 of the Act, a charge, to be known as the Rural Waste Management Charge, for the provision of a fortnightly waste service is to apply for 2015/2016 to all non-residential land within the rural service collection area. This charge, depending on the number of services, is to be levied for the removal of waste and recyclable materials on and during the normal collection day and hours. This is subject to the right of the Council to seek to vary such charge during the year, if in the opinion of the Council; such action is warranted in view of any variation in the cost of rendering the service.

An annual charge of \$412.00, to be known as the Rural Non-Domestic Waste Management Charge will be charged per service to non-residential properties in the rural service collection area that provides for fortnightly collection of 240 litre waste bin and 240 litre recycling bin.

(f) Commercial Waste Management Annual Charges (Urban Collection Area)

In accordance with Section 501 of the Act, charges to be known as Commercial Waste Management Charges are applied to commercial and non-residential properties for the provision of garbage services to properties within the defined collection area.

Charges depending on bin capacity, frequency of service and number of services are to be levied for the removal of waste and nominated recyclable materials on and during the normal collection day and hours.

The following charges for 2015/2016 will apply:

Commercial Waste Management Annual Charges	
Type of Service	Annual Charge
Per Service - Weekly collection of 140 litre mobile garbage bin and 240 litre recycling bin	\$400.00
Per Service - Weekly collection of 240 litre mobile garbage bin and 240 litre recycling bin	\$458.00
Per Service – Additional Weekly collection of 240 litre recycling bin	\$103.00
Per Service – Twice Weekly collection of 240 litre mobile garbage bin and 240 litre recycling bin	\$801.00

(g) Waste Operations Annual Charge

In accordance with Section 501 of the Act, a charge to be known as the Waste Operations Annual Charge are applied to all properties subject to all domestic, rural domestic and commercial collection charges excluding vacant land.

An annual charge of \$35.00 per service is to be levied to assist in funding the on-going operations of Council landfill and transfer station facilities.

(h) Water Fixed Annual Charge

In accordance with Section 501 of the Act, a charge to be known as Water Fixed Charge, will apply for 2015/2016 to all properties to which a water supply is available. The amount of the charge will be dependant on the meter connection size and the number of services existing on the property as detailed below.

20mm	\$175.00
25mm	\$273.40
32mm	\$448.00
40mm	\$700.00
50mm	\$1,093.80
65mm	\$1,848.40
80mm	\$2,800.00
100mm	\$4,375.00

Where water supply is available to Strata Units a charge equivalent to a 20mm Water Fixed Charge will apply to each unit. This charge is variable by meter size should a water meter be connected.

A minimum charge of \$87.50 will apply to each parcel of rateable land (including vacant land) which does not have a water service connection but to which a water service is available in accordance with the provisions of Section 552(1)(b) of the Local Government Act 1993.

Where a meter connected to a property is being used for Fire Services a charge of \$232.75 will apply regardless of the meter connection size.

(i) Water Usage Charges

In accordance with Section 502 of the Act, all Residential properties in 2015/2016 will

be charged a Water Usage Charge for the use of the Water Supply Service on a quarterly basis based as per the usage recorded through the water meter or meters servicing the property. The charge will be based on an inclining block tariff with the first incline up to 450kls per reading year being charged at \$2.42 per kilolitre and any usage above 450kls per reading year being charged at \$3.63 per kilolitre. Non-Residential properties will be charged \$2.60 per kilolitre for all water used as recorded through the water meter or meters servicing the property.

(j) Sewerage Fixed Annual Charge

In accordance with Section 501 of the Act, a charge of \$802.00, to be known as Sewerage Service Fixed Charge, will apply to all single dwelling residential properties in 2015/2016.

Where the sewerage service supply is available to Strata Units a charge equivalent to a 20mm Sewerage Service Fixed Charge will apply to each unit. This charge is variable by meter size should a separate water meter be connected.

A minimum charge of \$401.00 will apply to each parcel of rateable land (including vacant land) which does not have a sewerage service connection but to which a sewerage service is available in accordance with the provisions of Section 552(3)(a) of the Local Government Act 1993.

Premises connected to Councils Sewer System through a sewer pod will incur an annual Fixed Charge of \$777.00.

The 2015/2016 Sewerage Service Fixed Charge for Non-Residential properties (including Non-rateable properties) will be proportional to the size of the water supply service connection to the property.

The amount of the charge will be dependant on the meter connection size and the number of services existing on the property as detailed below.

20mm	\$802.00
25mm	\$1,253.20
32mm	\$2,053.20
40mm	\$3,208.00
50mm	\$5,012.50
65mm	\$8,471.20
80mm	\$12,832.00
100mm	\$20,050.00

Where a meter larger than a 20mm water meter is connected to a property, categorised as Residential, which has multiple occupancies (ie not a single dwelling house) the Sewerage Service Fixed Charge will be applied as per the meter connection size and the number of services existing on the property as per the Sewerage Service Fixed charges for Non-Residential properties.

Where the sewerage service supply is available to a Non-Residential Strata Unit a charge equivalent to a 20mm Sewerage Service Fixed Charge will apply to each unit. This charge is variable by meter size should a separate water meter be connected.

A minimum charge of \$401.00 will apply to each parcel of non-residential rateable land which does not have a sewerage service connection but to which a sewerage service is available in accordance with the provisions of Section 552(3) (a) of the Local Government Act 1993.

Non-residential properties connected to Councils Sewer System through a sewer pod will incur an annual Fixed Charge of \$777.00.

(k) Sewer Usage Charges

In accordance with Section 502 of the Act, a Sewer Usage Charge of \$1.77 per kilolitre of water used will be charged for 2015/2016 for Residential properties.

Non-residential properties having differing sewer discharge factors (SDF) will be charged for 2015/2016 by applying the individual SDF to a Non-Residential Sewer Usage Charge of \$2.36 per kilolitre of water (as measured by the water meter connection to the property).

(l) Liquid Trade Waste Fixed Charge

In accordance with Section 501 of the Act, Council will charge a Liquid Trade Waste Fixed Charge against properties connected to Council's sewerage system based on the level of impact dischargers have on the system. The Liquid Trade Waste Annual Charge is charged on properties which discharge liquid trade waste but are not required to apply for Council approval.

Other Liquid Trade Waste Fixed charges are based on the level of impact dischargers have on the sewerage system and the requirement of pre-treatment equipment (such as grease traps) to be installed on the property. The Liquid Trade Waste charges for 2015/2016 are detailed below.

Liquid Trade Waste – Annual Charge	\$ 30.00
Liquid Trade Waste – Category 1	\$150.00
Liquid Trade Waste – Category 2	\$250.00
Liquid Trade Waste – Category 2S	\$250.00
Liquid Trade Waste – Category 3	\$420.00
(Large Industrial & Commercial Premises)	

(m) Liquid Trade Waste User Charges

In accordance with Section 502 of the Act, properties assessed as discharging Liquid Trade Waste to Councils sewer system will be charged a Liquid Trade Waste Usage Charge by applying the individual Liquid Trade Waste Factor (LTWDF) against the liquid trade waste usage charge for 2015/2016 of \$2.20 per kilolitre of water (as measured by the water meter connection to the property).

*****Properties that are technically non-complying dischargers into Council's sewer system will be levied a trade waste usage charge of \$14.00 per kilolitre of water (as measured by the water meter connection to the property).**

(n) Stormwater Management Charge

In accordance with Section 496A of the Act, Council will charge a 'Stormwater Management Charge' against rateable properties for which the service is available. Council has identified the residential and business properties that are within Council's urban stormwater catchment areas that will be levied this charge for the 2015/2016 financial year.

i. Properties categorised as Residential (Not being Strata Titled)

A flat charge of \$25.00 for a Stormwater Management Service Charge is to be charged against each eligible assessment categorised as Residential within the urban stormwater catchment.

ii. Properties categorised as Residential (Strata Titled)

A flat charge of \$12.50 for a Stormwater Management Service Charge is to be levied against each eligible residential strata unit within the urban stormwater catchment.

iii. Properties categorised as Business (Not being Strata Titled)

A Stormwater Management Service Charge is to be charged against each eligible assessment (not being strata titled) categorised as business within the urban stormwater catchment area based on the total area of the assessment. A charge of \$25.00 for every 350 square metres or part of 350 square metres will apply, with a minimum charge of \$25.00 to apply for those properties with an area of less than 350 square metres.

I. Properties categorised as Business (Strata Units)

A Stormwater Management Service Charge against each eligible business strata unit within the urban stormwater catchment area based on one of the following two scenarios:

Scenario 1 – Business Strata Units Only

If the strata complex contains only business properties (i.e. not mixed development) the charge per strata unit will be calculated by using a charge of \$25.00 per 350m² of the land area occupied by the strata scheme (or part thereof), proportioned by the unit entitlement of each lot in the strata scheme. In the event that this approach results in charge of less than \$5.00 per unit, a minimum charge of \$5.00 will be levied on each strata unit.

Scenario 2 – Business & Residential Strata Units (Mixed Development)

If the strata complex contains mixed development (i.e. properties rated as both business and residential) the dominant category of the strata scheme must be determined and charges will apply for Business strata unit or Residential Strata units as previously adopted. In the event that a mixed development is 50% residential and 50% business, council has the discretion to determine whether to charge the property as a residential or business property.

II. Urban Land Exempt from the Stormwater Management Service Charge

The same exemptions that apply to non-rateable properties for other rates and charges also apply in respect of the stormwater management service charge pursuant to the Local Government Act. In addition, the following properties are also exempted from this charge under the provisions:

- Rateable land owned by the Crown
- Rateable land under a lease for private purposes granted under the Housing Act 2001 or the Aboriginal Housing Act 1998
- Vacant Land

6. In accordance with section 566 of the Act, that Council adopts the maximum rate of interest as determined by the Division of Local Government in Circular 15-14 dated 5 May 2015 of 8.5% for 2015/2016 on overdue rates and charges.

Report

Council at its Ordinary Meeting held on 30 April 2015 following consideration of *Report No. 13.3 Draft 2015/16 Operational Plan and Statement of Revenue Policy – Public Exhibition* adopted resolution **15-181**, which determined the proposed Rating Structure for the 2015/2016 Financial Year and placed the Draft 2015/2016 Budget Estimates, Fees and Charges and Operational Plan on public exhibition with amendments.

The public exhibition period closed on 4 June 2015 seeking submissions on the draft documents with the details of those submissions being the subject of another report to this Ordinary Council Meeting.

Council is required to make the rates and charges under Sections 533, 534, 535 and 566 of the Local Government Act 1993.

This report identifies those rates and charges to apply for the 2015/2016 financial year and recommends them for adoption.

Financial Implications

The 2015/2016 budget including proposed works/services to be adopted by Council at this Ordinary Meeting is the subject to another report. The Draft 2015/2016 Budget Estimates has been based on the increase of 2.4% as approved by the Independent Pricing and Regulatory Tribunal (IPART) for the general rate income. Charges proposed for water, sewerage, stormwater and waste services have also been developed on the works/maintenance requirements of those areas and also in conjunction with the legislative requirements of the Local Government Act 1993 to establish such charges.

Statutory and Policy Compliance Implications

Council is required to make the rates and charges under sections 533, 534, 535 and 566 of the Local Government Act 1993. The identified sections of the Local Government Act 1993 are reproduced below:

533 Date by which a rate or charge must be made

A rate or charge must be made before 1 August in the year for which the rate or charge is made or before such later date in that year as the Minister may, if the Minister is of the opinion that there are special circumstances, allow.

534 Rate or charge to be made for a specified year

Each rate or charge is to be made for a specified year, being the year in which the rate or charge is made or the next year.

535 Rate or charge to be made by resolution

A rate or charge is made by resolution of the council.

566 Accrual of interest on overdue rates and charges

(1) *Interest accrues on rates and charges that remain unpaid after they become due and payable.*

(2) *Interest accrues on a daily basis.*

- (3) *The rate of interest is that set by the council but must not exceed the rate specified for the time being by the Minister by notice published in the Gazette.*
- 5 (4) *Accrued interest is, for the purpose of its recovery, taken to be a rate or charge which is due and payable.*
- 10 (5) *Interest continues to accrue on unpaid rates or charges even though judgment for payment of the rates or charges may have been obtained in a court. Interest is not payable on the judgment debt, despite any other Act.*

Report No. 4.3 **Community Market Policy - Market Licence Fees Public Exhibition**
Directorate: Corporate and Community Services
Report Author: Trish Kirkland, Manager Governance Services
File No: I2015/565
5 **Theme:** Economy
 Economic Development

Summary:

10 Council resolved at an Ordinary meeting held on 30 August 2012 [Resolution **12-693**] to form a Project Reference Group to further review the current Markets within Byron Shire Policy. Council received several subsequent reports, and held a workshop [Resolution **13-173**] prior to establishing the Project Reference Group in January 2014 [Resolution **13-693**].

15 The Project Reference Group was tasked to provide recommendations to Council on Policy amendments, methodologies for determining market value for Market Licence Fees, and minimum evaluation criteria to be used when assessing potential market licence applications.

20 The Project Reference Group completed their work and made a number of recommendations considered by Council at an Ordinary meeting held 21 May 2015. Council resolved [Resolution **15-228**] to place the Sustainable Community Market Policy on public exhibition and to refer the proposed Market Licence Fees to a Councillor workshop.

25 The Sustainable Community Market Policy is currently on public exhibition. The proposed Market Licence Fees were workshop by Council on 18 June 2015, and this report recommends that the proposed Market Licence Fees now be placed on public exhibition.

RECOMMENDATION:

1. **That the proposed Market Licence Fees, as shown at Table 1, be placed on public exhibition for a minimum period of 28 days.**
2. **That in the event:**
 - a) **that no submissions are received on the proposed Market Licence Fees they be adopted and incorporated into Council's adopted Fees and Charges for 2015/16.**
 - Or**
 - b) **that submissions are received on the proposed Market Licence Fees they be reported back to Council for consideration prior to their adoption.**

Attachments:

- 1 Letter from NSW Government Trade & Investment Crown Lands - Proposed fixed annual Market Licence Fee for Markets within Byron Shire, S2015/3424

Report

The Markets Policy Review Project Reference Group was formed following Resolutions 12-693 (30 August 2012), 13-173 (18 April 2013), 13-447 (29 August 2013), and 13-693 (12 December 2013).

The Project Reference Group ("PRG") held their first meeting on 30 January 2014, to undertake a review of the Markets within Byron Shire Policy. The role of the PRG included objective "10.2 Methodology options for determining market value for Market manager licence fees".

At its meeting held 25 November 2014, the Project Reference Group fulfilled its objectives and resolved to make the following recommendations in relation to establishing a method for determining a market value for market license fees:

The Project Reference Group recommend to Council that the following methodology be endorsed for determining Market and Temporary Market License fees:

- ***fee structure based on stall numbers x frequency of markets;***
- ***flat fee applicable to all markets and temporary markets, regardless of market type;***
- ***stall number ranges (with 3 x 3 metre stall sizes used as the base/equaliser) to be:***
 - ***0 to 50 stalls x number of market days***
 - ***51 to 100 stalls x number of market days***
 - ***101 to 150 stalls x number of market days***
 - ***151 to 200 stalls x number of market days***
 - ***201 to 250 stalls x number of market days***
 - ***251 to 300 stalls x number of market days***
 - ***301+ stalls x number of market days***

In addition to methodology, the Project Reference Group established recommended fees based on the recommended methodology after considering the outcomes of staff consultation with other Council's in the region about market fees and market fee methodologies were provided.

The Project Reference Group recommend to Council that the following licence fees be applied to the recommended methodology for adoption in Council's fees and charges:

- ***0 to 50 stalls x number of market days \$100.00***
- ***51 to 100 stalls x number of market days \$150.00***
- ***101 to 150 stalls x number of market days \$200.00***
- ***151 to 200 stalls x number of market days \$250.00***
- ***201 to 250 stalls x number of market days \$300.00***
- ***251 to 300 stalls x number of market days \$350.00***
- ***301+ stalls x number of market days \$400.00***

Council staff consulted with Crown Lands about the Project Reference Group's proposed licence fees and market fee methodology. After further benchmarking of methods and fees; and further discussions with Crown Lands, written in-principal support was received on 17 March 2015 to the proposed market manager licence fee methodology and the dollar value proposed + 20% for Crown Land Reserve Trust tenures issued under section 108 (temporary licences) and section 102 (longer term licences), refer Attachment 1.

The Project Reference Group were advised of the in-principal support from Crown Lands on 19 March 2015 and a copy of the benchmarking data and new proposed market manager licence fee, as set out below, was provided to the Project Reference Group in a final meeting held on 31 March 2015.

Table 1 – Recommended Market Licence Fee

	0 to 50 stalls x number of market days	\$120.00
	51 to 100 stalls x number of market days	\$180.00
5	101 to 150 stalls x number of market days	\$240.00
	151 to 200 stalls x number of market days	\$300.00
	201 to 250 stalls x number of market days	\$360.00
	251 to 300 stalls x number of market days	\$420.00
	301+ stalls x number of market days	\$480.00

10 Reports from each of the Project Reference Group meetings are available on Council's website at <http://www.byron.nsw.gov.au/committees/markets-policy-review-project-reference-group>

15 At its Ordinary Meeting held 21 May 2015, Council considered a report titled "13.3 Draft Sustainable Community Market Policy – Public Exhibition", refer <http://www.byron.nsw.gov.au/meetings>; and resolved [15-228] to place the draft Sustainable Market Policy on public exhibition and to refer the proposed Market License Fee to a Councillor Workshop.

20 The Sustainable Community Market Policy is currently on public exhibition. The proposed Market Licence Fees were workshop by Council on 18 June 2015, and this report recommends that the proposed Market Licence Fees now be placed on public exhibition.

Financial Implications

25 There is a minimal cost associated with publically exhibiting the proposed market licence fees.

30 Benchmarking undertaken based on current licensed market ventures conducted on Council owned or managed land, indicates that the proposed new market licence fees will generate an addition 16% market licence fee revenue, with an annual increase estimated from \$27,410 to \$31,680. Of this estimated market licence revenue, \$21,840 is for Council Managed Crown Reserves and \$9,840 is for Council's general fund from Council owned community land. Ultimately the future revenue generated will be influenced by the number, size, and frequency of markets held on Council owned or managed land.

35 These figures do not include non-licensed market ventures conducted by Council. This revenue is generated from Section 355 Committee fees and charges such as Bangalow Park Trust who generate \$3,000 for each market day, plus market parking fee income.

Statutory and Policy Compliance Implications

Local Government Act 1993

610F Public notice of fees

45 (1) *A council must not determine the amount of a fee until it has given public notice of the fee in accordance with this section and has considered any submissions duly made to it during the period of public notice.*

(2) *Public notice of the amount of a proposed fee must be given (in accordance with section 405) in the draft operational plan for the year in which the fee is to be made.*

50 (3) *However, if, after the date on which the operational plan commences:*
 (a) *a new service is provided, or the nature or extent of an existing service is changed, or*
 (b) *the regulations in accordance with which the fee is determined are amended,*

the council must give public notice (in accordance with section 705) for at least 28 days of the fee proposed for the new or changed service or the fee determined in accordance with the amended regulations.

- 5 (4) *This section does not apply to a fee determined by a council for an application made in a filming proposal, if that fee is consistent with a scale or structure of fees set out in an applicable filming protocol*

STAFF REPORTS - ORGANISATION DEVELOPMENT**Report No. 4.4 Fit for the Future - Council's Improvement Proposal****Directorate:** Organisation Development**Report Author:** Shannon McKelvey, Executive Manager, Organisation Development**File No:** I2015/555**Theme:** Corporate Management
Organisation Development**Summary:**

Council is required to submit a Council Improvement Proposal by 30 June 2015 to be able to access, assuming Council is declared Fit for the Future, the beneficial processes that will be made available under the Fit for the Future regime.

This report presents the Council's Improvement Proposal as well as background information and details of the key Improvement Strategies that underpinned the Proposal. The Proposal has been prepared in accordance with the Office of Local Government's and Independent Regulatory and Pricing Tribunal (IPART) requirements. Provided all the key Improvement Strategies remain in the Proposal as currently designed, the IPART methodology indicates that Council should be declared Fit for the Future.

RECOMMENDATION:

That the Council Improvement Proposal be adopted for submission prior to 30 June 2015.

Attachments:

- 1 Council Improvement Proposal, E2015/38307

Report

The Fit for the Future program is the next stage in the State Government's response to the work of the NSW Independent Local Government Review Panel. The process started in 2011 with a stakeholder summit called "Destination 2036", followed by comprehensive work undertaken by an Independent Local Government Review Panel which culminated in adoption by State Government of some of the Panel's recommendations, including the Fit for the Future program.

At the end of this report is an overview of the Local Government Reform journey to this point and some information on the associated processes that are also occurring. More detailed information on the journey to here can be obtained from www.fitforthefuture.nsw.gov.au

Council's Financial Sustainability Plans

Fit for the Future was announced by State Government in 2014, however Byron Council had started working on making itself fit for the future earlier in 2012, when it developed and adopted its first Financial Sustainability Plan. Each year since then Council has revised and adopted an updated Financial Sustainability Plan making progress towards achieving financial sustainability.

What does Fit for the Future assessment mean

All local government authorities are required to submit their Council Improvement Proposals by 30 June 2015. The Independent Pricing and Regulatory Tribunal (IPART) has assumed the role of "expert panel" and has been tasked with assessing the Proposals (CIPs) and reporting to the Office of Local Government with a final assessment report by 16 October 2015.

Councils that are assessed as being Fit for the Future will continue as stand-alone Councils, i.e. there will be no requirement to consider merging with other councils. Councils who are assessed as being not fit for the future, risk being recommended for amalgamation with a neighbouring council or councils.

A merger with another council would disadvantage the Byron Shire community in a number of ways including a significant loss of representation and identity, a diluted set of planning rules that provide less protection to Byron's unique environment, and a loss of control over expenditure priorities for our ratepayers. During the Community Strategic Planning process, community feedback indicated that retaining identity and representation, i.e. remaining a stand-alone Byron Shire Council, is very important to our residents.

In addition to remaining a stand-alone council, councils who are assessed as being Fit for the Future will have the added benefits of:

- Access to a State borrowing facility to help fund local infrastructure, with potential savings to NSW councils of up to \$600 million in interest payments;
- More flexibility with procurement and simplified reporting;
- Access to a streamlined IPART process for setting rates;
- Eligibility for additional planning powers.

Each of the additional benefits, only available if Council is declared Fit for the Future, would help make Byron Shire Council more financially sustainable and return more funding for local infrastructure and services. So it is critical that Council be assessed as being Fit for the Future and that Council proceeds to implement its strategies to the design and timetables, so Council continues to remain Fit for the Future.

Overview of Fit for Future Benchmarks

There are 4 categories of benchmark:



5

Source: IPART Fact Sheet Fit For Future June 2015

10 In October 2013, the Independent Local Government Review Panel recommended in their final report that Byron Shire Council remain a standalone Council. As the State Government has accepted the Panel's assessment of scale and capacity, Council has been deemed by the OLG/IPART to meet the first Fit For the Future criteria of "Scale and Capacity". If Council's Improvement Proposal does not demonstrate that Council can meet the financial benchmarks as required, Council's 'scale and capacity' as a stand alone council would most likely be reviewed.

All councils must submit a Council Improvement Proposal by 30 June 2015 identifying how it will meet the remaining benchmarks.

15 IPART has developed a detailed "Methodology for Assessment of Council Fit for Future Proposals" which can be accessed at

http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt/Fit_for_the_Future.

20 The following table shows the performance measures, the benchmarks and the IPART methodology for assessing performance against the benchmark for "regional councils" to demonstrate fitness for the future. (NB there are different requirements for rural councils and councils recommended for merger).

25 It also summarises Byron Shire Council's position against the benchmark and possible assessment using the IPART methodology, which will only be achieved if all of the Improvement Strategies are implemented as designed and within the timeframes set out in the Council Improvement Proposal. This is critically important and more detailed information appears below under the heading "Summary of Council Improvement Strategies".

BYRON SHIRE COUNCIL

STAFF REPORTS - ORGANISATION DEVELOPMENT

4.4

Performance Measure	Benchmark	IPART methodology	Council's Position against Benchmark	Council's Position using IPART Methodology where Benchmark Not Achieved
Sustainability				
Operating Performance Ratio	Greater to or equal to breakeven over 3 years	Must meet within 5 years	Achieved	Satisfied
Own Source Revenue	Greater than 60% average over 3 years	Must meet within 5 years	Achieved	Satisfied
Building and Infrastructure Asset Renewal Ratio	Greater than 100% average over 3 years	Meet or improve within 5 years	Achieved	Satisfied
Infrastructure and Service Delivery				
Infrastructure Backlog	Less than 2%	Meet or improve/inform within 5 years	Not Achieved	Positive trends as per the IPART methodology
Asset Maintenance	Greater than 100% average over 3 years	Meet or improve/inform within 5 years	Achieved	Satisfied
Debt Service	Greater than 0% and less than or equal to 20% average over 3 years	Meet within 5 years	Achieved	Satisfied
Efficiency				
Real Operating Expenditure per Capita	A decrease over time	Must demonstrate operational savings (net of IP&R supported service improvements) over 5 years	Achieved	Satisfied

It is important to note that the focus on the Fit for the Future performance benchmarks is on infrastructure assets and how they are maintained and renewed.

- 5 Other key community services provided by the Council such as childcare, libraries, swimming pools, recreation, environmental programs, strategic land use planning or support for lifesaving and rural fire services were either undervalued or not considered at all in determining Council's performance under the Fit for the Future regime. Council will need to continue to maintain a focus on both the Fit for the Future benchmarks but also on continuing service delivery.

Summary of Council Improvement Strategies

- 10 Without implementing the following Council Improvement Strategies, Council would not meet all of the benchmarks and would likely, using the IPART's assessment methodology, be assessed as being not fit for the future.

- 15 Five key Council Improvement Strategies, with Action Plans, have been developed and incorporated into the Council Improvement Proposal. With all of the strategies being implemented fully as designed, Council will meet 6 of the 7 benchmarks and are likely to satisfy the IPART methodology for assessment on the 7th benchmark.

Significant work has gone into designing the Council Improvement Strategies and Action Plans which reflect actions adopted by the Council under its Financial Sustainability Plan and have thus been the subject of extensive discussion and negotiation between senior staff and councillors. Given the critical nature of new and recurrent revenue sources identified and committed to, and the interdependent nature of the benchmarks, there is no room within the CIP for any change, that would result in a lower financial return to the Council, otherwise Council will be unable to satisfy the benchmarks and IPART methodology, i.e. Council would risk being declared unfit.

None of the 5 key Council Improvement Strategies are new and they are all already part of Council's Financial Sustainability strategies and Delivery and Operational Plans. The key Improvement Strategies will continue to be rolled out over the coming financial years and as each is realised, more work will be done on identifying and implementing new strategies to achieve continuous improvement.

Through the commitment to the strategies outlined in the CIP, the Council is effectively entering a contract with the State Government whereby Council is undertaking to deliver additional revenues to effectively close the current gap between required infrastructure funding and available infrastructure funding and is providing a committed time frame for this.

The State Government will, through the auspice of the State Auditor General, review the Council's performance annually to ascertain whether it has delivered on its undertakings. Should Council not deliver outcomes in accordance with its CIP, its status as Fit for the Future would likely be reviewed.

The 5 key strategies in the Council Improvement Program are:

1. Implementation of Paid Parking in Byron Bay

Council has resolved to proceed with Paid Parking in Byron Bay Town Centre and the estimated revenue, based on a \$100 per annum Resident Exemption, is \$2,088,900 with an estimated additional \$600,000 from extension of the scheme to Wategos.

The significant benefit of this key Strategy is that it will generate a significant proportion of the revenue from visitors who do not currently contribute to the maintenance and renewal of the infrastructure that they use. The Strategy must be rolled out as currently designed and timetabled, so that it achieves the nearly \$2.7million revenue from 2017/2018 onwards, otherwise Council will risk becoming unfit for the future.

2. Asset Realisation (Sale and Development of Land)

Council has had in place an adopted program of sale and development of land since early 2012, when a strategic review of our land and property assets was completed and the first plan formulated to sell property that is either unsustainable or no longer required and reinvest the proceeds into prioritised infrastructure upgrades and redevelopment of other assets to increase their value and/or generate recurrent revenue.

This has included, for example:

- Selling the old water laboratory building in Byron Bay and using the proceeds to refinance sewage infrastructure loans, thereby saving millions in interest over coming years.

- The former Telstra site in Mullumbimby having been sold and proceeds reinvested into developing another vacant Station Street, Mullumbimby, site for a future subdivision with the proceeds going back into the infrastructure renewal fund.
- The old Byron Bay Library building, an iconic Byron site, being earmarked for redevelopment to ultimately provide a greater income stream.
- Selling the recently subdivided former Roundhouse site residential allotments, and using the proceeds to get into a position of financial sustainability (e.g. recover development costs already incurred) and also delivering vital infrastructure upgrades in the north of the Shire.

3. Increase in rates up to 10% (including any rate peg increase and the streamlined 3% rate increase which can occur if Council is assessed as being fit for the future).

It is important to note that this strategy is for a 10% rate increase in total (i.e. it is not 10% plus any rate peg increase plus streamlined rate increase).

Council has not had an increase in rates above rate peg since 2008/9. Council has been holding off on increasing rates above rate peg while other financial improvements were able to be pursued, which has been occurring progressively over the last few years. This has been a very different approach to some of our neighbouring Councils who have over recent years sought and been granted additional rate increases when Byron has not.

However from 2017/2018, nearly 10 years after the last special rate increase, Council will need to increase rates by up to 10% to become Fit for the Future.

4. Realisation of efficiency savings through strategic procurement initiatives

In 2012 Council commenced a strategic procurement planning process and Council is now 2 years into a 3-year roadmap process reviewing procurement processes to maximise and leverage Council's buying power, simplify its processes and achieve savings in procurement.

The Improvement Strategy from 2015/2016 onwards is to achieve a saving of at least 1% of General Fund procurement costs on materials and contractors and other expenses (excludes employee costs, interests and depreciation costs).

In addition to the 1% minimum General Fund saving, there will also be additional project cost savings, which will be realised in terms of Council achieving more work for the same cost.

5. Accessing the streamlined 3% above rate peg rate increase (if Council is declared Fit for the Future).

This is identified as separate strategy only because it is a different process that has to be followed but this 3% is included in the maximum 10% figure referred to above.

In addition to the above key Improvement Strategies the remaining strategies in the Financial Sustainability Project Plan and other improvement initiatives will also continue. These other improvements are not so big that they individually affect Council's performance against the FFF benchmarks, but collectively they continue to make a positive contribution to Council's long term financial sustainability and also to the services that Council delivers to its community.

Some examples of other improvement or revenue initiatives currently underway include:

- Review of revenue generating commercial opportunities across a range of Council assets.

- Review of maintenance activities on Crown Lands and equitable recoupment of costs to Council.
- Review of s64/s94 Developer contribution charges.
- Visitor revenue opportunities other than paid parking, for example continuing to lobby for an accommodation levy.
- Continuing to lobby for a review of the Financial Assistance Grants Formula.
- Continuing participation in the NSW Local Government Operational and Management Efficiency benchmarking survey and implementing the action plan for continuous improvement that has been developed based on the benchmarking and trend data arising from that survey.

Council Improvement Proposal

Attached is Council's Improvement Proposal prepared in consultation with Elton's Consulting, who were retained by Council to assist with this inaugural Improvement Proposal because of their local government expertise generally, but also because of their direct involvement with both Government and many local authorities, starting with their involvement in facilitating the Destination 2036 summit in 2011 and more recently conducting the trial establishment of Joint Organisations across regional NSW.

A mandatory template has been provided by the Office of Local Government which all councils must use, so the formatting and the repetition of some of the information in the Council Improvement Proposal, is beyond Council's control.

The Improvement Proposal consists of the Template 2 Council Improvement Proposal, the detailed Financial modelling (again using the template provided) and detailed Improvement Action Plan, which sets out the milestones for the major steps in implementation of the key Improvement Strategies.

Financial Implications

Significant resources and costs have been incurred to prepare the Council Improvement Program. An internal working group of key staff involved in each of the Key Improvement Strategies as well as governance had to be brought together to develop the Strategies, model and remodel the results of the strategies as they were developed, to review the draft IPART methodology when it was released and make submission within the tight turn around times and to develop the Improvement Proposal. It has been a significant body of work added on top of the Operational and Delivery Plan projects. An exact figure on the total costs is not possible, but it is estimated that costs, including consultant's costs and staff time costs, for this project would exceed \$50,000.

To the extent that the Improvement Plan provides a concrete roadmap for Council to follow for the key Improvement Strategies, the Improvement Proposal will be a valuable tool. But it has to be noted that it addresses only a small, albeit important, part of Council's operations so while it has to be followed to the agreed timetables, other work under the Operational Plan and Delivery Program will continue as well.

There will be ongoing costs and resource imposts to review Council's financial systems to ensure accurate reporting to Council, the community and IPART/OLG, against the Council Improvement Proposal. These will have to be absorbed as part of usual governance operations as there is not a separate budget allocated.

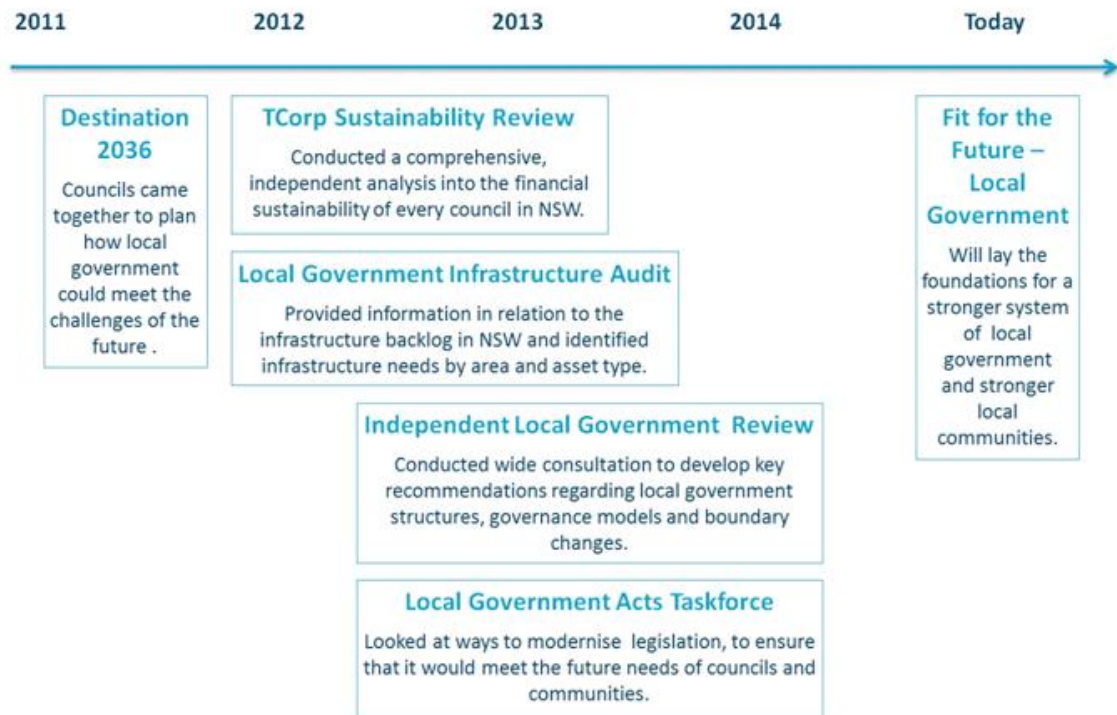
Statutory and Policy Compliance Implications

There will be significant statutory and policy implications if Council is not secured fit for the future, as the alternative would most likely be a recommendation for merger. For Council's declared fit for

the future, there will be significant policy and process benefits, for example improved tendering processes.

Journey to the Fit for the Future Program To Date

5



Source: OLG Sept 2014: Local Government Reform in New South Wales

10

Report No. 4.5**Management and Business Effectiveness Report****Directorate:**

Organisation Development

Report Author:

Shannon McKelvey, Executive Manager, Organisation Development

File No:

I2015/589

5

Theme:

Corporate Management

Organisation Development

Summary:

10

Since 2012 with the adoption of Council's Financial Sustainability Project Plan, opportunities to reduce expenditure and increase productivity have been being pursued. The results of the many operational actions taken, have contributed to the overall improved position of Council and its ability to be able to meet the Fit For the Future financial sustainability requirements. One of the actions taken has been participation in the Local Government Operational and Management Effectiveness survey being run by Local Government Professionals Australia and PriceWaterhouse Coopers. Council has completed two annual surveys and this report presents for Council's and the communities information, the 2014 Report with the inaugural trend data.

15

RECOMMENDATION:**That Council note the report.**

20

Attachments:

- 1 NSW Local Government Operational and Management Effectiveness Report - FY2014, E2015/38996
- 2 Business Effectiveness Action Plan 2015 - 2018, E2015/31344

25

Report

From the Dubbo 'Destination 2036' Local Government Summit and the subsequent reviews being undertaken by State Government, Local Government has been committed to increasing its operational effectiveness and long term sustainability. To assist, working with Local Government Professionals Australia, a number of local government agencies have taken the lead in developing and implementing tools to comparatively measure management, governance and operational effectiveness.

As can be seen from the associated report on Council's Improvement Program, the Fit For the Future benchmarks are purely financial measures that do not assist with measurement of the broader range of services local government provides to the community. So Local Government Professionals Australia partnered with PriceWaterhouse Coopers (PwC) and initially 75, now 78, NSW councils including Byron Shire Council, to develop a benchmarking tool that would be of use to local government to compare 'apples with apples' within local government but also draw on LG Professionals and PwC's extensive research data to compare the local government sector against private enterprise where applicable.

The Office of Local Government do publish a comparative report each year. Unfortunately, however:

- Some of the data sets for that report are not as well defined, which means that some of the results do not necessarily compare 'apples with apples';
- The data presented in those reports is largely and properly for community-use to enable members of the public to see for example demographic data, financial information and some practical information such as how much councils are spending on particular types of services. This means that the data is not particularly useful for identifying opportunities to improve business effectiveness and certainly does not benchmark the local government industry against private enterprise.
- The most recent OLG clearly aligns it with the Fit for the Future financial sustainability benchmarks, which indicates that it will be increasingly a tool to compare performance against Council Improvement Proposals and the financial benchmarks, so another tool to drive operational and business effectiveness improvements is needed;
- In the past, the OLG reports have taken many months, often close to a year, to be published after the close of the financial year, whereas the LG Professionals Survey report for 2015 should be available much sooner after close of the financial year.

The first survey year, 2012/2013, was a 'learning year' where Council's systems to be able to extract and provide the required data were tested and to also test to usability of the survey tool and resulting report. On both fronts, significant improvements have been made.

The survey currently measures operational and management effectiveness across 5 main categories being:

1. Workforce;
2. Finance;
3. Operations;
4. Risk Management;
5. Corporate Leadership (across both the elected Council and administration).

Attachment 1 is the Financial Year 2014 Report which presents the following data:

- Council's 2014 performance against the criteria;
- Council's 2013 performance (some new questions were added or were able to be answered by Council for the first time in 2014, so in those cases there is no 2013 data)
- The performance of all of the participating councils and breakdowns of that data into either:
 - size of council (small, medium or large); or
 - type of council (rural, regional or metropolitan).

For the purposes of this survey Byron Council is in the 'medium' and 'regional' groups.

The report also presents information as trends, wherever possible. At present the trend data is limited due to the small sample (2 years of data) but as more data becomes available, the trend data will become increasingly robust and indicative. In addition, Council has committed to participating in the Regional Analysis and Comparative Tool which will commence next financial year, based on 2014/2015 data, and this will provide an additional layer of analysis and support.

Some examples of information that can be extracted from the 2014 Report include:

- Confirmation that many of Council's workforce management initiatives implemented over recent years (such as revised leave policies and improved safety and injury management processes) have been effective, with Council's performance in these areas bettering the regional average or significantly improving. However, there are still many opportunities for improvement.
- Council has a slightly more diversified revenue base than comparative regional councils, with 43% of Byron Council's revenue coming from rates and annual charges and the balance from other sources, compared to the regional average of 48% from rates and annual charges and less from other sources.
- Even though Council has been in a capacity rebuilding phase, Council is still effectively managing productivity with its growth in revenue exceeding its growth in employee costs.
- Byron Shire Council's has the longest average meeting length, around 7.5 hours in 2015, of all participating Councils and the meeting length has increased from around 5.6 hours in 2014.

The survey and report will continue to be improved over time to maximise the benefits of the information and tools to participating councils. For example, the benchmarking currently maps trends in 'service reviews' in some key internal corporate functions but it did not capture service reviews of key 'service functions'. Byron Shire Council has initiated a number of very important external service reviews on a regional basis in recent years, for example regional review of waste and procurement services. Council raised this issue, and LG Professionals have indicated that the service review section of the survey and report will be expanded in the 2015 survey and report.

In the meantime, this first year of trend data is a great place from which to continue to build Council's Business Effectiveness to support Council remaining Fit for the Future. The administration have taken the data and built a 3-year Business Effectiveness Action Plan which will augment the Council's Improvement Program – refer to Attachment 2. Effectively the Council Improvement Program is Council's commitment to the community to continue to be fit for the future and the Business Effectiveness Action Plan is one of many administration tools to assist Council to achieve that goal.

Financial Implications

5 The costs to Council for 3 years of participation in the Operational and Business Effectiveness Tool cost \$8,500, rounded up, or \$2,820 per year. The costs in future years are yet to be set. Council has also signed up for the Regional Analysis tool at a cost of \$9,250.

10 Significant staff resources were required to extract the year 1 data but improvements to systems have decreased the amount of staff time required and with ongoing systems improvements, the process will become increasingly automated.

Statutory and Policy Compliance Implications

15 With the State Government review of the Local Government Act and action on many of the other recommendations from the Independent Local Government Review Panel currently 'on hold' there is no statutory or policy basis for the current changes to the Office of Local Government comparative reporting but it is anticipated that changes would be likely in this area when, or if, those processes are recommenced.

20

QUESTIONS WITH NOTICE

Question with Notice No. 5.1 **Paid Parking - response to Mayoral Minute Resolution 15-277**

5 **File No:** I2015/588

At Council's Ordinary Meeting held on 11 June 2015, Mayor Simon Richardson asked the following questions which were taken on notice and resolved upon as follows.

15-277 Resolved that Council receive a report no later than 16 July 2015 meeting providing information pertinent to the current and proposed resident parking coupon system, and that the report, includes but is not limited to:

- a) A financial snapshot of what the current resident parking coupon system costs per coupon
- b) A financial projection of earnings from a resident parking coupon system with an increased charge of \$100
- c) A financial projection of earnings from a resident parking coupon system with an increased charge of \$50
- d) The infrastructure, maintenance and other costs, if any, involved to provide a self selecting sliding scale coupon system
- e) What types and levels of concession is currently provided and the proposed types and levels of concession in any future resident parking coupon system
- f) What payment options are possible e.g, quarterly instalments with rates
- g) An overview of levels of resident parking coupon system charged by other similar coastal, tourist impacted councils, and that for councils who do not charge residents for parking coupons, a comparison of their level of rate charge.
- h) The potential implications of utilising Butler Street reserve for all day parking, and providing a reduced resident parking coupon rate for residents.
- i) An overview of what level of special rate levy would be required to equate to the difference in income from a \$25, \$50, and \$100 resident parking coupon system.
- j) Implications on businesses and residents maintaining numerous vehicles.

Response Director Infrastructure Services Phil Holloway:

(a) - financial snapshot of the current resident parking coupon system costs per coupon

The current coupon is charged at either \$15per renewal for vehicles with 6 month or less registration, while those with 12 months registration are charged \$25pa. The amount of these charges were established on the basis of covering the costs associated with administration and enforcement of the scheme. As the charges have not increased since being introduced and costs have increased, then any increase in the costs for the administration and enforcement of the scheme have and are being borne by Council. This includes the cost of issuing coupons to pensioners.

Items (b) and (c) – a financial projection of earnings with the coupon system at \$50pa and \$100pa

It is unknown to what extent a \$4 per hour on-street charge will have on coupon demand. However assumptions are made as follows to arrive at the estimates made. These assumptions have no rigour or evidence to support them and explained briefly below.

Table 1: assumptions – coupon demand

Row	Assumed per annum		Estimated pa revenue
	Coupons	Charge*	
A	6,500	\$25	\$162,500.0
B	5,000	\$50	\$250,000.0
C	3,720	\$100	\$372,000.0

*provides exemption to pay parking, not the time limits

Row C is based on Table 3 as per report to Council on 21 May 2015 (I2015/298) which assumed Council could expect a slight increase in demand of 8% being from 4,642 to 5,000 people seeking an exemption which at \$100pa would provide \$0.5m in revenue. This estimate however did not account for the 28% (n=1,283) who receive a free coupon due to them holding a *Centrelink* issued pensioner 'blue card', hence the 36% decrease shown (\$500,000 down to \$372,000).

Overall this decrease represents a 6.2% reduction to the expected NET revenue of \$2.089m to \$1.961m which is based on exemption (aka coupon) and meter revenue only, and does not include enforcement revenue which the consultant predicts will be about \$1m each year with pay parking operating.

Caution with these figures however is required due to the assumptions made and as explained in the 21 May 2015 report to Council (I2015/298); namely the actual uptake/demand for the coupon is an assumption based only on current take up and could vary greatly from the assumptions made and only after the implementation of a new per annum rate and pay parking will it be known.

This same caution extends to considering the per annum charge at \$50 or even maintaining the \$25 charge. While both are more affordable than \$100pa, it does not necessarily equate to a greater take up. However assuming an exemption is taken up by each of the approximate 14,000 rateable properties within the shire, the best revenue return this can offer at \$50pa is \$504,000 after accounting for 28% being provided free of charge to pension card holders. Such uptake and revenue returns on the exemption (aka coupon) however is considered unlikely.

Either way however the \$50 or \$100pa exemption provides considerable value given they offer either \$1 or \$2 for parking per week as compared to \$4 per hour that non-shire residents will have to pay.

Item (d) – costs to provide a self selecting sliding scale coupon system

The cost of a sliding scale will be not prohibitive if the technology adopted provides flexibility, preferably from the outset (i.e. via the tender) and not as a later addition which is likely to increase cost, for example software and database changes.

An example of the sliding scale along with the following explanation was within the 21 May 2015 report to Council. It should be noted however the figures presented are example data only and will only be subject to further analysis and refinement should Council wish the concept be developed further, otherwise the endorsed fixed rate of \$100pa will be the parameter utilised hereon.

Extract of 21 May 2015 report (I2015/298)

An example of such a scale is shown at Table 2, noting this is an untested example only and was discussed at both the February (and following April) 2015 workshops in efforts to find an equitable balance which provides residents and workers with a choice that reflects their use and in recognition that 'one size does not fit all', for example a shire resident who visits Byron Bay a few times a year or even once week be given an option and pay less than a person who needs 40 hours per week, such as a worker. The sliding scale also attempts to avoid classifying people as resident, ratepayer, worker, etc and more simply would be a pro-rata, pre-purchased amount based on use as set in Council's annual Fees and Charges and apply each financial year.

Table 2: example of a sliding scale of payment – based on use

Time pre-purchased / per day	1P	2P	4P	All day
cost pa /off-street	\$25	\$50	\$100	\$200
cost pa /on-street	\$50	\$100	\$200	\$400

While the above example itself was not tabled at either the February or more recent 24 April 2015 workshop, discussion indicated that some thought the scale was considered complex and requires people to know their parking habits and needs. This could be countered however by allowing anyone that finds their pre-purchase amount for that day expire – or if they know they need more that day - to Pay As You Go (PAYG) by simply purchasing at the meter the extra amount required that day. Should that prove onerous, complex or costly the person could always 'upgrade' and pay the balance to move to the next 'plan', for example akin to a mobile phone plan someone who originally pre-purchased the '1P plan' finds they have a benefit or need in having the '2P plan' instead and thereby pay the balance (pro-rata to 30 June) to upgrade.

Under such a payment plan time limits would still apply as signed; for example a purchase of 4P parking does not remove the need to obey 1P or 2P or any other parking sign, therefore it is time limits and not the payment of the hourly rate that dictates duration of stay.

This use of time limits however would of course also apply in the single, annual flat-rate which by the end of the most recent workshop held 24 April was favoured over the scale shown in Table 2 above.

Item (e) - concessions currently provided and those proposed

The current coupon system provides a concession only to pensioners who hold a *Centrelink* issued 'blue card'. This group account for 28% (n=1,283) of the 4,642 coupons issued as of 3 June 2015 and receive the coupon free of charge.

Similarly those that hold and correctly display an eligible disabled permit (for example as issued by the RMS) do not need to purchase a coupon to be exempt from paying. Such permits holders also have added benefit of greater time limits, for example where parking is signed as limited to:

- more than 30 minutes, the vehicle can park for an unlimited time;
- 30 minutes, the vehicle can park for two (2) hours; and
- less than 30 minutes, the vehicle can park for a maximum of 30 minutes.

Item (f) - what payment options are possible e.g, quarterly instalments with rates

Payments via inclusion upon the rates notice is not possible, however separate information including payment options can be included in rates mail outs, the next opportunity being the annual July mail out which goes to all rateable properties. Quarterly rates mail out also occur but only to those who either have an outstanding amount or have elected quarterly repayments. Flexible payment options however are a separate matter and the intention is the technology

adopted for the pay parking scheme will provide various payment options, be it at the meter, online and eventually even mobile phone payment options. Front counter payments will remain.

It should be noted that as more flexible options are made available the higher the establishment and administration costs would be incurred.

Similarly, on the proviso the technology adopted allows payment by instalment (which is preferred), it is conceivable payments could be made in instalments such as quarterly, half-yearly or per annum. These instalment options could exist under a fixed per annum rate or a sliding scale and can be reviewed further prior to new rates being adopted for 2016/17.

It should also be noted that as common with other pay parking in operation, Council's scheme will allow people to purchase (at the meter) the time they require up to the time limit which means with a \$4 per hour rate payment for the hour or part thereof is possible, for example 15-minutes will cost \$1, 30-minutes will be \$2, etc.

Item (g) – similar case studies and fees charged

The consultant's preliminary parking study report, tabled as an attachment (E2014/29886) with the 22 May 2014 Council report, provided the following Gold Coast comparisons which provide no exemptions.

Location	Cost per hour	Operating hours
Surfers Paradise	\$2.90	Mon-Sat 9am-7pm, Sunday 9am-5pm
Broadbeach	\$2.60	As above
Bundall	\$1.40	Mon-Sat 9am-5pm
Burleigh Heads	\$1.40	Mon-Fri 9am-5pm, Sat 9am-12noon
Southport	\$1.80	Mon-Sat 9am-5pm

The consultant report also advised the following in regard to the NSW regional city of Tamworth.

Time restrictions in metered areas include 1/4 hour, 1/2 hour, 1 hour, 2 hour, 4 hour and all day.

Parking meters were introduced in Tamworth in 1965, and upgraded in 2008 to the Pay and Display ticket machines shown above.

Pay parking areas are managed by 45 pay and display ticket parking machines. Ticket parking costs include \$1.00 per hour and \$2.50 per day, in selected areas.

A more recent brief review indicates Councils within the Northern Rivers do not presently charge for on-street parking with the Tweed Shire applying a \$2 per day rate to park on the 2nd level of their Murwillumbah pool multi-storey car park with coupons available being monthly (\$36), half-yearly (\$175) or yearly (\$350).

Port Macquarie has worked through an extensive process including a series of working papers leading to the adoption of a parking policy and strategy. While the strategy recognises the role of pay parking and found it justifiable in some locations it has yet to eventuate:

<http://www.pmhc.nsw.gov.au/Resident-Services/Roads/Parking/Parking-Strategy>

Port Stephens Council apply pay parking at their Nelson Bay foreshore, covering approximately 300 on and off-street spaces. The 'pay and display' machines provide no exemptions and apply a high season and low season rates of:

- \$3 per hour all weekends, all public holidays and every day between 27th December and 25th January inclusive; and
- \$1.40 all other times.

Newcastle City Council apply a variable on and off-street per hour rates where pay parking applies being \$2.50 per hour 9am-11am, \$4 per hour 11am-2pm and \$3.50 per hour 2-5pm. All day parking is also available and capped for example \$9 per day in car parks. No exemptions in the car parks apply while on-street provides a resident permit which exempts them from paying the meter and the signed time limits but the permit does not extend to 'exclusion zones' within the CBD where no permits apply.

Resident and guests permits are available which are effective and apply within five of the fifteen pay parking precincts. The resident permit is issued to the vehicle and stuck on the windscreen whereas the visitor permit is transferable and placed on dashboard. Resident permit costs \$64pa and is limited to two per household and based on off-street available, for example if property can park two vehicles off-street then no resident permit is issued. Guest permits are \$84pa and also capped based on off-street parking availability.

In Sydney, pay parking applies in various locations. Not all are a relevant case study, however for purpose of comparison the coastal, foreshore area of Manly is considered which applies pay parking and offers residents exemptions via digital permits within permit parking schemes or via the resident card.

The resident card costs \$40pa and is restricted to one card per rateable property. It provides parking for up to 3 continuous hours (per day) in one of the Councils four car parks between 7am and 12midnight where hourly rate varies between \$7 and \$10 per hour subject to time of year and if on a weekend or not. These same variable rates and conditions apply to some on-street areas as well except those associated with off-street paid parking reserves whereby \$8.50 per hour applies and capped at \$21 per day.

Residents can avoid these hourly rates via a digital permit, which is a system akin to Council's proposal whereby the resident exemption is linked to the vehicle registration plate which residents must apply for each year. In Manly, two permits are available to each rateable property free of charge and provides up to 4 hours free parking per day in designated, specific pay parking areas including the beachfront. Extra permits can be purchased for \$500pa each permit subject ot meeting the eligibility criteria.

The Manly system, like Newcastle, designate areas where permits can and can not operate and thereby adding a layer of complexity Council's system seeks to avoid by allowing the exemption to apply anywhere within the pay parking area. However more on the Manly case study is available online at that Council's website: <http://www.manly.nsw.gov.au/council/parking/>

South of Sydney, Batemans Bay offers a similar case study to Byron Bay given it has one way in and out of the town and has high tourist driven peak times. In 2011 they also adopted a [parking study](#) which detailed existing pay parking and the recommendation pay parking be extended further and a uniform hourly rate of \$1.20 apply. The study makes no recommendation in regard to resident exemptions.

Item (h) – the potential implications of utilising Butler Street reserve for all day parking, and providing a reduced resident parking coupon rate for residents.

Butler Street Reserve is crown land and since March of this year Council has secured a two year agreement through to March 2017 that allows a car park trial. The most recent Council decision on such use supported that the site be provided as a lease per space site charged at \$80 per month for those who need longer term parking and it be prioritised for those ineligible for the \$100pa pay parking exemption and have no off-street parking opportunity.

For example a business could lease the space thereby guaranteeing space for their employees, or

the employee themselves could purchase the space. It is also possible one \$80 space could serve several vehicles subject to the agreement of the lessee, such as the workplace leases one space but several employees can access it, for example morning shift followed by afternoon shift, or shared between weekday worker and weekend staff.

Any other use for the site, be it allowing residents to park onsite as coupon holders or at a reduced rate, will devalue the benefit of the \$80 per month charge if both options are to co-exist and will require physical demarcation of the site (e.g. fencing, signage) which will increase costs.

Dual use also will increase resources in terms of staff time to monitor and respond to matters including the requirement to manually inspect vehicles for coupons (if used) whereas the lease per space is proposed to be controlled and based upon registration plate enabling use of Council's automated LPR (licence plate recognition) system.

There are also problems with the condition of the site, which has uneven, soft ground, holes that are trip hazards and pool water, etc. Therefore an increased budget would be needed if parking was to extend for other use beyond the lease per space option which at this time is proposed to be offered on the north-east corner adjacent to Butler Street.

Item (i) – special rate levy to equate to a \$25, \$50, and \$100pa exemption

Applying a special rate variation is unlikely and complex.

A special rate variation as a permanent addition to income requires identification of a specific tangible purpose for which the revenue derived is to pay for that tangible and assessable purpose; which in this case for example would be the construction of a multi-level car park or even a ground level car park upon Butler Street Reserve.

However assuming Council can apply and get such approval, the rate on average could (at most) apply to 15,083 properties, categories of which are shown in Table 1.

Table 1: rateable properties – based on total assessments

Type	No.
Residential Ordinary Rate	13,051
Business Ordinary Rate	1,097
Business Byron CBD Ordinary Rate	353
Farmland Ordinary Rate	552
Residential Flood Ordinary Rate	30
TOTAL rateable	15,083

Using the Residential Ordinary Rate and Business Ordinary Rate only, Table 2 below calculates the equivalent average rate that would be needed to make the income expected from the coupon if set at \$25, \$50 or \$100pa. However at these amounts, none would fund the building of a multi-level car park or a level car park upon Butler Street reserve unless the levy or rate applied for several years.

Table 2: estimated revenue of coupons versus rate levy

Assumed per annum		Estimated pa revenue	Average equivalent rate/charge		
Coupons	charge		Res Ord.	Bus. Ord	Both
6500	\$25	\$162,500.0	\$12.45	\$148.13	\$11.49
5000	\$50	\$250,000.0	\$19.16	\$227.89	\$17.67
3720	\$100	\$372,000.0	\$28.50	\$339.11	\$26.29

It should also be noted some properties would pay above or below the average rate as it would be calculated based on land value.

j) Implications on businesses and residents maintaining numerous vehicles

To understand such implications a survey would be required specifically seeking business and residents to enter details in regard to permits needed. It is known however some businesses do have several commercial vehicles and pay parking will result in an increased cost for them.

However the parking study is about demand management. Pricing a good or service is a proven demand management technique. Therefore those with numerous vehicles will either need to buy a permit for each vehicle or consider which vehicles they really need a permit for.

For example the typical residential household has at least two vehicles. In the case of a family they may opt to only apply the permit to one of these vehicles. Those households however unable to share vehicles or car pool will need to pay for each vehicle they wish the exemption to apply.

The same applies to business and commercial properties with vehicles; i.e. they will need to pay for a permit for each vehicle they own/operate if they wish that vehicle to be exempt from the hourly rate.