Template 2

Fit for the Future

Council Improvement Proposal

(Existing structure)

NSW GOVERNMENT
Office of Local Government

Getting started . . .

Before you commence this template, please check the following:

- You have chosen the correct template – only councils that have sufficient scale and capacity and who do not intend to merge or become a Rural Council should complete this template (Template 2)
- You have obtained a copy of the guidance material for Template 2 and instructions for completing each question
- You have completed the self-assessment of your current performance, using the tool provided
- You have completed any supporting material and prepared attachments for your Proposal as PDF documents. Please limit the number of attachments and ensure they are directly relevant to your proposal. Specific references to the relevant page and/or paragraph in the attachments should also be included.
- Your Proposal has been endorsed by a resolution of your Council.

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Council name: Byron Shire Council

Date of Council resolution endorsing this submission: 25 June 2015

1.1 Executive Summary

Provide a summary (up to 500 words) of the key points of your Proposal including current performance, the issues facing your council and your planned improvement strategies and outcomes.

Current performance

The Independent Local Government Review Panel found Byron Shire Council to be of sufficient scale and capacity to continue operating without structural change. However, Council recognises the importance of continuing to improve its performance, including against the three financial criteria of sustainability, infrastructure and service management, and efficiency.

In March 2013 TCorp assessed Council's financial outlook as 'weak and deteriorating' based upon then successive operating deficits, high debt, and a deteriorating capacity to fund infrastructure maintenance and renewal. In response, Council took a structured approach to identifying and implementing strategies specified in its 2013/14 and 2014/15 Financial Sustainability Project Plans. Some of the strategies in the Financial Sustainability Project Plans included:

- Restructuring of Council's operations to create efficiencies and build capacity
- Rationalising Council's property portfolio
- Investing in Council's business activities such as caravan parks
- Examining opportunities for raising additional revenue from visitors
- Reducing operational expenditure.

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At 2013/14 Council met only two of the seven financial benchmarks defined by the Office of Local Government. Due to the 2013/14 and 2014/15 Financial Sustainability Project Plans and subsequent work, Council's performance against all seven financial benchmarks has improved and is forecast to continue to improve to 2019/20 and beyond. Successful implementation of strategies will result in six of the seven benchmarks being achieved by 2019/20.

Issues facing Byron Shire Council

The most important issues facing our Council are:

- **Responding to pressures placed on infrastructure and services by tourism**: Byron Shire receives approximately 1.4 million visitors each year, who significantly inflate the number of people using services and infrastructure every day.
- **Vulnerability to significant weather events**: Council is exposed to relatively high risk from significant weather events, particularly landslip, flooding, and coastal threats, which require Council to invest in risk reduction and recovery initiatives that can be substantial and unpredictable.
- **Service and infrastructure provision to isolated areas**: Some residents are difficult to reach because of topography and road access to small isolated communities can be expensive to maintain. Some remote areas lack telecommunication infrastructure which exacerbates vulnerabilities during extreme weather.
- **Legacy infrastructure issues**: Poor asset construction pre-1990's has left an expensive legacy of asset replacement/management needs.
- **Attracting and supporting a diverse community**: Council aspires to meet the requirements of an ageing population, while also attracting young people and retaining skilled labour.

Improvement strategies and outcomes

Strategies identified by this Council Improvement Proposal include:

- Decreasing expenditure by efficiency measures, particularly improving procurement by the Council and through regional partnerships.
- Increasing revenue from:
  - visitors, to offset associated infrastructure and service costs, through a paid parking scheme for Byron Bay Town Centre and Wategos Beach, with possible extension of the scheme to other areas in the Shire;

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- a program of rationalisation of under-performing assets;
- a rate increase of 3% above the rate peg in 2016/17, using the streamlined rate variation process available to councils deemed Fit for the Future.
- a special rate variation as per section 508(A) of the *Local Government Act 1993* (NSW) from 2017/18.

1.2 Scale and Capacity

Does your council have the scale and capacity broadly consistent with the recommendations of the Independent Local Government Review Panel?

(ie, the Panel did not recommend your council needed to merge or become a Rural Council).

Yes

If No, please indicate why you are not proceeding with a voluntary merger or creation of a Rural Council as recommended by the Independent Panel and demonstrate how your council has scale and capacity (up to 500 words).

Not applicable

2. Your council's current position

2.1 About your local government area

Explain the key characteristics of your local government area, your community's goals and priorities and the challenges you face in the future (up to 500 words).

Key characteristics of Byron Shire

Byron Shire is on the Far North Coast of NSW and shares its boundaries with the Tweed, Lismore and Ballina LGAs. Brisbane is approximately 150 kilometres north and Sydney approximately 800 kilometres to the south. The Shire is 556 square kilometres in size and is famed for its natural environment, rural beauty and beaches.
The estimated resident population of Byron Shire at 30 June 2014 was 32,119.
The principal economic driver in the Shire is tourism, with an estimated value of $382 million in 2011 from about **1.4 million visitors each year.** Tourism activity contributes to the retail, food, accommodation, construction and wholesale sectors. Tourism also impacts on the Shire's infrastructure simply through the volume of visitors. Agriculture and related value added products and the creative industries also contribute substantially to the economy.

Community goals and priorities

As outlined in our Community Strategic Plan 2012-2022, Byron Shire's vision is:
'Culturally rich and thriving communities living in harmony, responding positively to the challenges of our world, and leading by example.'
The themes providing a focus for development of key community outcomes are:

- **Corporate management** – Effective leadership and ethical and accountable decision making.
- **Economy** – A sustainable and diverse economy which provides innovative employment and investment opportunities in harmony with our ecological and social aims.

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- **Society and Culture** – Resilient, creative and active communities with a strong sense of local identify and place
- **Environment** – Our natural and built environment is improved for each generation
- **Community Infrastructure** – Services and infrastructure that sustains, connects and integrates our communities and environment.

Challenges

Challenges we face into the future include:

- Responding to pressures placed on infrastructure and services by tourism.
- Increasing expectations for services and infrastructure resulting from new residents moving from a metropolitan area to the shire.
- Ensuring sufficient funding for services and infrastructure.
- Reducing the current infrastructure backlog.
- Minimising impacts on housing prices and the social consequences that can come from above-average residential vacancy rates arising from a large numbers of holiday properties.
- Council's ability to remain competitive as an employer of choice in industries experiencing skills shortages, as well as minimising skills migration out of the shire resulting from a lack of employment opportunities in the local area.
- Impacts of climate change, severe weather conditions, coastal erosion and other weather conditions on infrastructure, services, and the broader economy, community and environment.
- Overcoming a lack of telecommunication infrastructure in more remote areas.
- Ensuring adequate service delivery and infrastructure to residents in more remote locations.
- Uncertainty around State and Federal government policies and funding.

2.2 Key challenges and opportunities

<table>
<tr><th>Strengths</th><th>Weaknesses</th></tr>
<tr><td>

Strong visitor economy and emerging sectors (e.g. agriculture, arts & culture)
Continued population growth
Council currently being in a good point to start for Fit for the Future review due to the actions already taken under the adopted Financial Sustainability Project Plans
Staff expertise and commitment to improved performance
Wide range of council performance improvement data from Local Government Professionals PWC Operational and Management Effectiveness benchmarking study
Capacity building focused organisational structure and development programs
Improving productivity resulting from organisational re-structure and continuous improvement strategies
Positive relationship with elected members and staff
Positive relationship with Arakwal people and other traditional owners
Current asset databases are good
Good planning process for developing new assets
Good Water and Sewer preventative maintenance programs

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Not presently resourced adequately to reflect changing emphasis on asset management
Asset condition assessment data is limited but improving
Uncertainty of essential federal government funding (e.g. Roads to Recovery)
Discriminatory FAG formula - fails to reflect BSC needs related to tourism pressures
Limited loan servicing capacity
Existing gap between infrastructure renewal needs and available funding (but improving)
Legacy issues of poor asset construction in 1960s, 70s and 80s
Restricted ability to generate additional revenues (e.g. rate pegging and statutory control of fees and charges)
Revenue indexation doesn’t reflect Council’s actual cost increases

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<tr><th>Opportunities</th><th>Threats</th></tr>
<tr><td>

Joint Organisations of Councils for stronger regional collaboration and efficiency gains, as well as improved relationship with state agencies
Leveraging off high performing areas of Council
Recovering more funding from non-resident tourists
Revenue generating opportunities available (e.g. paid parking)
Asset Management- opportunity to reach agreements with community re service levels
Commitment to focusing on asset management
Commitment to consulting with community on asset management
Funding and other opportunities through Fit for the Future
Review FAG formula (e.g. may offer more equity of funding distribution for tourism impacts)

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Impacts from severe weather events and coastal threats
Continued growth of south east Queensland impacting on Shire through increased visitor numbers and associated impact on infrastructure
Ratio of tourist to resident population in Byron Shire
Continued lack of recognition of impact of and accounting for tourists
Future shifts to strategic direction of Council and potential lack of continuity
Potential for infrastructure renewal gap to widen if future planned improvements are not realised
Cost shifting from other levels of government
Impacts of legislative changes

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2.3 Performance against the Fit for the Future benchmarks

Sustainability				
Measure/ benchmark	**2013 / 2014 performance**	**Achieves FFTF benchmark?**	**Forecast 2016 / 2017 performance**	**Achieves FFTF benchmark?**
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	-0.153	NO	-0.098	NO
Own Source Revenue Ratio (Greater than 60% average over 3 years)	71.0%	YES	77.2%	YES
Building and Infrastructure Asset Renewal Ratio (Greater than 100% average over 3 years)	36.2%	NO	112.4%	YES

Supporting financial information provided at Attachment A.

If the Fit for the Future benchmarks are not being achieved, please indicate why.

According to forecast 2016/17 performance, Council meets all sustainability benchmarks with the exception of **Operating Performance Ratio**. Council is not forecast to achieve this ratio in 2016/17 for reasons explained below.

Historical context

In 2011/12, Council's Operating Performance Ratio result was - 0.211. Since 2012/13, Council has implemented a Financial Sustainability Project that has improved its performance, as seen in the current results that show Council trending gradually and sustainably toward the benchmark.

This consistent trend has been achieved utilising a range of strategies. Achieving the benchmark faster would have required significant new revenue sources or abrupt changes to service levels, neither of which enjoyed support from the community.

The trend towards the benchmark will continue to improve beyond 2016/17 because of both new revenue and further efficiency measures.

Tourism

Part of the historic pressure on the Operating Performance Ratio results from the costs of tourism. The local government area receives approximately **1.4 million visitors each year, who stay approximately 3 million visitor nights**. Such visitation significantly inflates the number of people resident in the area on a daily basis beyond those who live in the area permanently.

These visitors place operational pressure on Council's infrastructure and services**. The additional costs to Council from tourist visitations is estimated at between 25 – 30% per annum** (i.e. costs over and above what would be spent without the visitation), as calculated for Council's 2013 presentation to the Local Government Grants Commission. Council has a small permanent ratepayer base (approximately 15,000 assessments) to support this significant financial burden which historically has impacted Council's operating performance. This factor has not to date been taken into account in any of the external reviews of Council.

2.3 Performance against the Fit for the Future benchmarks

Infrastructure and service management

Measure/ benchmark	2013 / 2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
Infrastructure Backlog Ratio (Less than 2%)	8.34%	NO	5.1%	NO
Asset Maintenance Ratio (Greater than 100% average over 3 years)	58.9%	NO	89.9%	NO
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	6.55%	YES	5.0%	YES

Supporting financial information provided at Attachment A.

If the Fit for the Future benchmarks are not being achieved, please indicate why.

Historical context

Council's result for the **Infrastructure Backlog Ratio** in 2011/12 was 61.6%. Coming from a low benchmark, the result for 2013/14 and forecast for 2016/17 are significant improvements on the poor 2011/12 position. However it has not been realistic to undertake the full array of asset planning and other work to fully achieve the benchmark by 2016/17.

As outlined in the TCorp review of Council's performance, Council has been reviewing both the written down value of infrastructure and the estimated cost to bring infrastructure to a satisfactory condition, as part of the next stage of improving its asset management planning. This review has improved, and is forecast to continue to improve, Council's performance on its Infrastructure Backlog Ratio. Additional strategies to both raise and allocate more revenue for the asset backlog will further improve Council's Infrastructure Backlog Ratio. A more accurate estimate regarding the likely date for meeting the benchmark will be available by December 2015 following the completion of the current phase of work by Jeff Roorda and Associates, however the trend is very positive.

Council's result for the **Asset Maintenance Ratio** in 2011/12 was 49.4%. The result for 2013/14 and forecast for 2016/17 are significant improvements on the poor 2011/12 position. Council acknowledges the past under-expenditure on asset maintenance, as discussed in its TCorp assessment. Strategies outlined in this Council Improvement Proposal and in the previous Financial Sustainability Project Plans have raised additional revenue for asset maintenance while reducing the estimates of maintenance required. Both strategies improve Council's performance on this benchmark and will continue to do so after 2016/17 until the benchmark is achieved in 2019/20.

Tourism

As outlined previously, Byron Shire receives approximately 1.4 million visitors, staying over 3 million visitor nights, each year. The **additional costs to Council from tourist visitations is estimated at between 25 – 30% per annum above that which would be spent on the resident population alone**. These additional costs to date have been predominantly covered by revenue from the small permanent ratepayer base (approximately 15,000 properties). Without a direct source of revenue from visitors, this has impacted the rate at which council can improve its performance against both the Infrastructure Backlog Ratio and Asset Maintenance Ratio.

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As discussed in the previous section, strategies outlined in this Council Improvement Proposal enable Council to raise revenue from visitors to the local government area. Council proposes to allocate the entirety of this revenue to asset renewal, a proposal that would improve its performance against the benchmarks for the Infrastructure Backlog Ratio into the future.

Significant weather events

Council is exposed to relatively high risk from significant weather events, particularly landslip, flooding, and coastal threats. The local government area has been declared a natural disaster area in many recent events, and the repair work required following natural disasters has resulted in Council deferring other maintenance and asset works in its Delivery Program. These deferrals have increased Council's Infrastructure Backlog Ratio and make it more difficult to reach the Asset Maintenance Ratio benchmark by decreasing the spending available for asset maintenance in the impacted years.

Natural disasters impact Council's performance against these benchmarks in years where disasters occur and slow the pace of improvement in the long term. However, ongoing asset planning and successful implementation of this Council Improvement Proposal will ensure that in the long term, Council's performance will improve and eventually reach the benchmarks.

2.3 Performance against the Fit for the Future benchmarks

Efficiency

Measure/ benchmark	2013 /2014 performance	Achieves FFTF benchmark?	Forecast 2016 / 2017 performance	Achieves FFTF benchmark?
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	Increasing 2009-10 1.42 2010-11 1.34 2011-12 1.55 2012-13 1.48 2013-14 1.43	NO	Decreasing 2012-13 1.48 2013-14 1.43 2014-15 1.51 2015-16 1.37 2016-17 1.38	YES

Supporting financial information provided at Attachment A.

If the Fit for the Future benchmarks are not being achieved, please indicate why.

Council achieves the efficiency benchmark in 2016/17.

2.4 Water utility performance

NB: This section should only be completed by councils who have direct responsibility for water supply and sewerage management

Does your council currently achieve the requirements of the NSW Government Best Practice Management of Water Supply and Sewerage Framework?

Yes

If NO, please explain the factors that influence your performance against the Framework.

Not applicable

How much is your council's current (2013/14) water and sewerage infrastructure backlog?

Not applicable

2.4 Water utility performance

Identify any significant capital works (>$1m) proposed for your council's water and sewer operations during the 2016-17 to 2019-20 period and any known grants or external funding to support these works.

Capital works

	Proposed works	Timeframe	Cost	Grants or external funding
1	Short Term Projects (0-5 Years) (Sewerage/Pump Station/Ocean Shores)	2012/13 – 2017/18	1,168,524	Nil
2	Coopers Shoot II (4000 kL LOS, 2,000 kL Growth) (Byron Bay Reservoir)	2015/16 – 2016/17	1,544,800	Nil
3	Mullumbimby Trunk Main Upgrade (Water)	2015/16 – 2016/17	1,485,000	Nil
4	North Ocean Shores Fire Main Upgrade	2015/16 – 2017/18	2,127,400	Nil
5	Azalea St Sewer Replacement/Upgrade	2015/16 – 2017/18	1,084,200	Nil

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6	Decommissioning (Brunswick Heads STP)	2016/17	1,000,000	Nil
7	Long Term Capacity Upgrade (4000 EP) (Ocean Shores STP)	2016/17 – 2020/21	31,500,000	Nil
8	Long term upgrade (Byron Bay STP)	2017/18 – 2024/25	17,000,000	Nil
9	Medium Term Pipeline Projects (5-15 years) (Water/Pipelines/Byron Bay)	2018/19 – 2019/20	1,825,000	Nil
10	Medium Term Projects (5-15 years) (Sewerage/Pump Station/Mullumbimby)	2018/19 – 2028/29	2,604,000	Nil
11	Medium Term Pipeline Projects (3-15 years) (Sewerage/Byron Bay/Pipeline)	2018/19 – 2031/32	2,628,309	Nil
12	Medium Term Projects (5-15 years) (Water/Telemetry/All)	2019/20 – 2020/21	1,316,162	Nil
13	Treatment Plant Upgrade (Mullumbimby WTP)	2019/20 – 2022/23	6,400,000	Nil
14	Miscellaneous extensions	Ongoing	2,000,000	Nil

2.4 Water utility performance

Does your council currently manage its water and sewerage operations on at least a break-even basis?

Yes

If No, please explain the factors that influence your performance.

Not applicable

2.4 Water utility performance

Identify some of your council's strategies to improve the performance of its water and sewer operations in the 2016-17 to 2019-20 period.

Improvement strategies

	Strategy	Timeframe	Anticipated outcome
1	Preparation of a Waste Water Management Plan	September 2015	Improved efficiencies in sewer operations
2	Consolidation/upgrade of SCADA systems	December 2015	Increased efficiencies in water and sewer operations and maintenance
3	Enhancement of WHS systems	July 2016	Less lost time injuries in water, sewer and building operations and maintenance
4	Restructure of operations	July 2016	Increased production in stormwater and sewer operations and maintenance
5	Consolidation of maintenance systems across Infrastructure Services group	July 2016	Increased efficiencies in water and sewer maintenance
6	Implementation of a new work order system to further control costs	July 2016	Improved efficiencies in the water, sewer, and building operations and maintenance

3. How will your council become/remain Fit for the Future?

3.1 Sustainability

Summarise your council's key strategies to improve performance against the Sustainability benchmarks in the 2016-20 period, including the outcomes you expect to achieve.

Key Strategy	Operating Performance Ratio	Own Source Revenue Ratio	Building and Asset Renewal Ratio
Increase revenue from visitors via introduction of paid parking in Byron Bay Town Centre and Wategos Beach, with potential extension to other areas	Improves by 0.047 – 0.059 each year	Improves by 0.4 – 0.7% each year	Improves by 20.2 – 28.2% each year
Realisation of efficiency savings through strategic procurement initiatives	Improves by 0.005 each year	No impact	No impact
Revenue raised via a program of asset rationalisation	No impact	No impact	Improves by 45.4% in 2016/17
Rate revenue increase from streamlined rate variation of 3% per annum over the rate peg from 2016/17, available to councils deemed Fit for the Future	Improves by 0.006 – 0.007 each year	Improves by 0.1 – 0.2% each year	Improves by 2.8 – 3.3% each year
Rate revenue increase (up to 10%) from special rate variation under section 508(A) of the *Local Government Act 1993* from 2017/18	Improves by 0.016 – 0.017 each year (from 2017/18)	Improves by 0.1% each year (from 2017/18)	Improves by 5.94 – 6.69% each year (from 2017/18)

Explain the key assumptions that underpin your strategies and expected outcomes.

General modelling assumptions
Assumptions underlying base case: • Rate peg increase of 2.40% (as determined by IPART) • Consumer Price Indexation at 2.40% (consistent with Local Government Cost Index that IPART use to determine the rate peg) • Salary and wages indexed at 2.7% in accordance with the Local Government State Award 2014 • No new loan borrowings for 2015/2016 • Reflects outcomes identified in 2015/2016 Operational Plan • Incorporates the ongoing freeze of the Financial Assistance Grant (FAG) announced in the 2014/2015 Federal Budget • Historical depreciation reduced by $1M based on the preliminary results of the road, bridges and drainage revaluations being undertaken during the 2014/15 Financial Reporting Year and to take effect from 2015/16 Financial Reporting Year.

Other assumptions	
Key strategy	**Assumptions**
Increase revenue from visitors via introduction of paid parking in Byron Bay Town Centre and Wategos Beach, with potential extension to other areas	• Additional paid parking revenue of $2,088,900 per annum from Byron Bay Town Centre scheme commencing 2016/17. • Further $600,000 revenue commencing 2017/18 with extension of scheme to Wategos. • 2015/16 result is break-even with additional revenue addressing scheme installation. • All of additional revenue allocated to asset renewal.
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Realisation of efficiency savings through strategic procurement initiatives	• Saving of 1% of General Fund materials and contracts costs plus other expenses from financial statements. (excludes employee costs, interest and depreciation costs). • Savings realised from 2015/16 onwards. • No impact on asset renewal in dollar terms included (but savings in asset renewal costs will provide more funding for works). • No long term fixed price contracts in place and expenses are totally discretionary.
Revenue raised via a program of asset rationalisation	• Sale proceeds are for General Fund properties (being the residential development known as the former Roundhouse house site and industrial land at Lot 12 Bayshore Drive, Station Street). • Proceeds from land sales will be used to renew assets. • Proceeds will be capital revenue from the sale of assets, not operating revenue.
Rate revenue increase from streamlined rate variation of 3% per annum over the rate peg from 2016/17, available to councils deemed Fit for the Future	• Amount applicable relates to rate income less pensioner abandonments. • Compounds in future years. • Modelling applies 2.4% rate peg to 2015/16. • Additional revenue applied 50% to operating and 50% to capital.
Increase rates (up to 10% including any rate peg increase above base case and 3% increase above rate peg if applicable) from 2017/18 using a special rate variation under section 508(A) of the Local Government Act 1993	• Total of 10% includes rate pegging from base case and rate increase outlined in row above. • If rate peg is less than the base case or the increase outlined in row above does not eventuate then the amount sought will be a maximum of 10%. • A program of works centred on asset renewals will be funded from this proposed special rate variation for roads and bridges.

3.1 Sustainability

Outline your strategies and outcomes in the table below.

3.1 Sustainability				
Objective	**Strategies**	**Key milestones**	**Outcome**	**Impact on other measures**
Increase revenue from visitors to offset cost impacts of tourist visitation	Increase revenue from visitors via introduction of paid parking in Byron Bay Town Centre and Wategos Beach, with potential extension to other areas	• Community consultation on scheme (2014/15 and prior) • Workshop with Council (April 2015) • Council approval (May 2015) • RMS approval (Aug 2015) • Finalise time zone restrictions (Aug 2015) • Procure infrastructure (Aug-Oct 2015) • Enact Resident Permit Scheme (Nov-Dec 2015) • Implement community information Paid Parking Scheme (Sept 2015 onwards) • Commence both Resident Permit Scheme and Paid Parking Scheme operation	• Additional paid parking revenue of $2,088,900 per annum from Byron Bay Town Centre scheme commencing 2016/17. • Further $600,000 revenue commencing 2017/18 with extension of scheme to Wategos. • Increased expenditure on	• Positive impact on Infrastructure Backlog Ratio result • Reduces Debt Service Ratio result

		(Dec-Jan-Feb 2016) • Prepare initial monitoring report on scheme implementation and any improvements/changes (Feb-Jun 2016) • Assign paid parking revenue to expenditure items (2016/17) • Examine possible extension of scheme to Brunswick Heads, Bangalow, Mullumbimby (2016/17)	asset renewal	
Increase revenue (other than through rates)	Revenue raised via a program of asset rationalisation	• Sale of residential land Orana Road Ocean Shores (known as former Roundhouse site) (2013/14 – 2016/17) • Sale of Lot 12 Bayshore Drive Byron Bay (2013/14 – 2016/17) • Sale of former Telstra site (2014/15) • Sale of residential land Station Street Mullumbimby (2013/14 – 2016/17) • Sale of Lot 22 Mullumbimby (2017/18)	• Additional revenue to be used to renew assets	• Positive impact on Infrastructure Backlog Ratio result

Reduce expenditure	Realisation of efficiency savings through strategic procurement initiatives	• Undertake procurement review and develop strategic procurement action plan (Sept 2013) • Undertake regional procurement review via NOROC (Nov-Dec 2014) • Implement strategic procurement model with new organisation structure (Jan 2015)	• Savings of 1% on General Fund contracts	• Positive impact on Real Operational Expenditure per capita ratio
Increase rate revenue	Rate revenue increase from streamlined rate variation of 3% per annum over the rate peg from 2016/17, available to councils deemed Fit for the Future	• Prepare project plans and proposals for use of funds, Council report (May-Oct 2015) • Community consultation (Oct-Dec 2015) • Report to Council (Jan-Feb 2016) • Include in budget papers (April 2016) • Introduce rate increase (July 2016)	• Additional revenue for operating and capital expenses	• Positive impact on Infrastructure Backlog Ratio result • Positive impact on Asset Maintenance Ratio result • Reduction in Debt Service Ratio result

Increase rate revenue	Increase rates (up to 10% including any rate peg increase above base case and 3% increase above rate peg if applicable) from 2017/18 using a special rate variation under section 508(A) of the Local Government Act 1993	• Undertake review of IPART requirements and prepare project plan (Aug-Oct 2015) • Councillor workshops and initial community consultation (Nov-Dec 2015) • Initial report to Council (Jen-Feb 2016) • Detailed project plan, work with new Council post-election, community consultation and other steps to finalise SRV detail (throughout 2016) • Exhibit with Operational Plan and budget (Apr 2017) • Introduce SRV (Jul 2017)	• Revenue to support a program of works centres on asset renewals (roads and bridges).	• Positive impact on Infrastructure Backlog Ratio result • Reduction in Debt Service Ratio result

3.2 Infrastructure and Service Management

Summarise your council's key strategies to improve performance against the Infrastructure and service management benchmarks in the 2016-20 period, including the outcomes you expect to achieve.

Key Strategy	Infrastructure Backlog Ratio	Asset Maintenance Ratio	Debt Service Ratio
Increase revenue from visitors via introduction of paid parking in Byron Bay Town Centre and Wategos Beach, with potential extension to other areas	Improves result by 0.6 – 2.9% each year	No impact	Reduced by 0.20 – 0.24% each year (maintained within benchmark range)
Revenue raised via a program of asset rationalisation	Improves result by 0.1 – 1.7% each year	No impact	No impact
Rate revenue increase from streamlined rate variation of 3% per annum over the rate peg from 2016/17, available to councils deemed Fit for the Future	Improves result by 0.1 – 1.8% each year	Improves by 4.9 – 5.8% each year	Reduction of 0.04 – 0.05% each year (maintained within benchmark range)
Increase rates (up to 10% including any rate peg increase above base case and 3% increase above rate peg if applicable) from 2017/18 using a special rate variation under section 508(A) of the Local Government Act 1993	Improves result by 0.2 – 0.5% each year (from 2017/18)	No impact	Reduction of 0.06% each year (maintained within benchmark range)

Explain the key assumptions that underpin your strategies and expected outcomes.

General modelling assumptions
Assumptions underlying base case: • Rate peg increase of 2.40% (as determined by IPART) • Consumer Price Indexation at 2.40% (consistent with Local Government Cost Index that IPART use to determine the rate peg) • Salary and wages indexed at 2.7% in accordance with the Local Government State Award 2014 • No new loan borrowings for 2015/2016 • Reflects outcomes identified in 2015/2016 Operational Plan • Incorporates the ongoing freeze of the Financial Assistance Grant (FAG) announced in the 2014/2015 Federal Budget, so no increases in FAG revenue • No change to depreciation as a result of future road, bridges and drainage revaluations.

Other assumptions	
Key strategy	**Assumptions**
Increase revenue from visitors via introduction of paid parking in Byron Bay Town Centre and Wategos Beach, with potential extension to other areas	• Additional paid parking revenue of $2,088,900 per annum from Byron Bay Town Centre scheme commencing 2016/17. • Further $600,000 revenue commencing 2017/18 with extension of scheme to Wategos. • 2015/16 result is break-even with additional revenue addressing scheme installation. • All of additional revenue allocated to asset renewal.
Revenue raised via a program of asset rationalisation	• Sale proceeds are for General Fund properties (being the residential development known as the former Roundhouse house site and industrial land at Lot 12 Bayshore Drive, Station Street). • Proceeds from land sales will be used to renew assets. • Proceeds will be capital revenue from the sale of assets, not operating revenue.

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Rate revenue increase from streamlined rate variation of 3% per annum over the rate peg from 2016/17, available to councils deemed Fit for the Future	• Amount applicable relates to rate income less pensioner abandonments. • Compounds in future years. • Modelling applies 2.4% rate peg to 2015/16. • Additional revenue applied 50% to operating and 50% to capital.
Increase rates (up to 10% including any rate peg increase above base case and 3% increase above rate peg if applicable) from 2017/18 using a special rate variation under section 508(A) of the Local Government Act 1993	• Total of 10% includes rate pegging from base case and rate increase outlined in row above. • If rate peg is less than the base case or the increase outlined in row above does not eventuate then the amount sought will be a maximum of 10%. • A program of works centred on asset renewals will be funded from this proposed special rate variation for roads and bridges.

3.2 Infrastructure and Service Management

Outline your strategies and outcomes in the table below.

3.2 Infrastructure and service management

Objective	Strategies	Key milestones	Outcome	Impact on other measures
Increase revenue from visitors to offset cost impacts of tourist visitation	Increase revenue from visitors via introduction of paid parking in Byron Bay Town Centre and Wategos Beach, with potential extension to other areas	• Community consultation on scheme (2014/15 and prior) • Workshop with Council (April 2015) • Council approval (May 2015) • RMS approval (Aug 2015) • Finalise time zone restrictions (Aug 2015) • Procure infrastructure (Aug-Oct 2015) • Enact Resident Permit Scheme (Nov-Dec 2015) • Implement community information Paid Parking Scheme (Sept 2015 onwards) • Commence both Resident Permit Scheme and Paid Parking Scheme operation	• Additional paid parking revenue of $2,088,900 per annum from Byron Bay Town Centre scheme commencing 2016/17. • Further $600,000 revenue commencing 2017/18 with extension of scheme to Wategos. • Increased expenditure on	• Positive impact on Operating Performance Ratio result • Positive impact on Own Source Revenue result • Positive impact on Building and Asset Renewal Ratio result

		(Dec-Jan-Feb 2016) • Prepare initial monitoring report on scheme implementation and any improvements/changes (Feb-Jun 2016) • Assign paid parking revenue to expenditure items (2016/17) • Examine possible extension of scheme to Brunswick Heads, Bangalow, Mullumbimby (2016/17)	asset renewal	
Increase revenue (other than through rates)	Revenue raised via a program of asset rationalisation	• Sale of residential land Orana Road Ocean Shores (known as former Roundhouse site) (2013/14 – 2016/17) • Sale of Lot 12 Bayshore Drive Byron Bay (2013/14 – 2016/17) • Sale of Telstra site (2014/15) • Sale of residential land Station Street Mullumbimby (2013/14 – 2016/17) • Sale of Lot 22 Mullumbimby (2017/18)	• Additional revenue to be used to renew assets	• Positive impact on Building and Asset Renewal Ratio result

Increase rate revenue	Rate revenue increase from streamlined rate variation of 3% per annum over the rate peg from 2016/17, available to councils deemed Fit for the Future	• Prepare project plans and proposals for use of funds, Council report (May-Oct 2015) • Community consultation (Oct-Dec 2015) • Report to Council (Jan-Feb 2016) • Include in budget papers (April 2016) • Introduce rate increase (July 2016)	• Additional revenue for operating and capital expenses	• Positive impact on Operating Performance Ratio result • Positive impact on Own Source Revenue result • Positive impact on Building and Asset Renewal Ratio result
Increase rate revenue	Increase rates (up to 10% including any rate peg increase above base case and 3% increase above rate peg if applicable) from 2017/18 using a special rate variation under section 508(A) of the Local Government Act 1993	• Undertake review of IPART requirements and prepare project plan (Aug-Oct 2015) • Councillor workshops and initial community consultation (Nov-Dec 2015) • Initial report to Council (Jen-Feb 2016) • Detailed project plan, work with new Council post-election, community consultation and other steps	• Revenue to support a program of works centred on asset renewals (roads and bridges).	• Positive impact on Infrastructure Backlog Ratio result • Reduction in Debt Service Ratio result

		to finalise SRV detail (throughout 2016) • Exhibit with Operational Plan and budget (Apr 2017) • Introduce SRV (Jul 2017)		

3.3 Efficiency

Summarise your council's key strategies to improve performance against the Efficiency measures in the 2016-20 period, including the outcomes you expect to achieve.

Key Strategy	Real Operating Expenditure per Capita
Realisation of efficiency savings through strategic procurement initiatives	Procurement costs decrease by 0.01 each year from 2016/17 onward.

Explain the key assumptions that underpin your strategies and expected outcomes.

General modelling assumptions
Assumptions underlying base case: • Rate peg increase of 2.40% (as determined by IPART) • Consumer Price Indexation at 2.40% (consistent with Local Government Cost Index that IPART use to determine the rate peg) • Salary and wages indexed at 2.7% in accordance with the Local Government State Award 2014 • No new loan borrowings for 2015/2016 • Reflects outcomes identified in 2015/2016 Operational Plan • Incorporates the ongoing freeze of the Financial Assistance Grant (FAG) announced in the 2014/2015 Federal Budget, so no increases in FAG revenue • No change to depreciation as a result of future road, bridges and drainage revaluations.

Other assumptions	
Key strategy	**Assumptions**
Realisation of efficiency savings through strategic procurement initiatives	• Saving of 1% of General Fund materials and contracts costs plus other expenses from Financial Statements (excludes employee costs, interest and depreciation costs) • Savings realised from 2015/16 onwards. • No impact on asset renewal in dollar terms included (but savings in asset renewal costs will provide more funding for works). • No long term fixed price contracts in place and expenses are totally discretionary.

3.3 Efficiency

Outline your strategies and outcomes in the table below.

3.3 Efficiency

Objective	Strategies	Key milestones	Outcome	Impact on other measures
Reduce expenditure	Strategic procurement initiatives	• Undertake procurement review and develop strategic procurement action plan (Sept 2013) • Undertake regional procurement review via NOROC (Nov 2014 - May 2015) • Implement strategic procurement model with new organisation structure (Feb 2015)	• Savings of 1% on General Fund contracts	• Positive impact on Operating Performance Ratio result • Positive impact on Buildings and Asset Renewal Ratio result

3.4 Improvement Action Plan

Summarise the key improvement actions that will be achieved in the first year of your plan.

The tasks below refer only to those tasks to be completed in 2016/17. Implementation plans for each strategy are provided at Attachment B and specify actions for other years as well as risks, mitigation strategies, benefits, financial assumptions, and governance arrangements. Supporting financial information provided at Attachment A.

Action plan

Actions	Milestones
1. Continuation of Paid Parking Scheme in Byron Bay implemented in 2015/16 and possible extension of scheme to other areas a. Prepare monitoring report on for 12 months of scheme implementation and any improvements/changes b. Assign paid parking revenue to expenditure items identified in Byron Bay Master Plan, section 94 plans, and asset management plans c. Investigation of scheme extension to towns of Brunswick Heads, Bangalow, Mullumbimby d. Implementation of scheme extension	1a) Nov-Dec 2016 1b) 2016/17 1c) late 2016 1d) July 2017
2. Implementation of strategic procurement program a. Implement 1% efficiency dividend from budget strategic procurement initiatives	2a) 2016/17 (ongoing)

(CONTINUED ON NEXT PAGE)

3. Implementation of asset sales program a. Realisation of additional $1m revenue from Orana Road, Ocean Shores (former Roundhouse site) sale b. Evaluation and possible sale (estimated revenue $4.5m) of Lot 12 Bayshore Dr c. Realisation of $300,000 from sale of residential land Station Street Mullumbimby d. Development Application and works commence on Lot 22 Mullumbimby (sale in 2017/18 or beyond)	All 2016/17
4. Fit for the Future streamlined SRV 3% over rate peg from 2016/17 a. Introduce rate increase (preparatory work and application in 2015/16)	 4a) July 2016
5. SRV up to 10% over rate peg (including any rate peg % above base and streamlined SRV 3% if applicable) from 2017/18 a. Undertake Councillor workshops and initial community consultation b. Obtain Council resolution c. Prepare first report to IPART d. Exhibit SRV proposal with Operational Plan and budget e. Introduce SRV	 5a) Oct-Nov 2016 5b) Dec 2016 5c) Dec 2016 5d) Apr 2017 5e) Jul 2017

Outline the process that underpinned the development of your Action Plan.

The strategies in the plan developed from the initial work undertaken for the Financial Sustainability Project Plans of 2013/14 and 2014/15 which were adopted by Council. Updated actions and strategies were reviewed in staff workshops and Councillor workshops in early- mid 2015.Individual strategies such as paid parking have also been the subject of Council reports, the most recent being 21 May 2015.

Total Traffic Management assisted with feasibility assessment and actions for the Paid Parking Scheme. Elton Consulting assisted with staff workshops and the preparation of the Council Improvement Proposal.

3.5 Other actions considered

In preparing your Improvement Action Plan, you may have considered other strategies/actions but decided not to adopt them. Please identify what these strategies/actions were and explain why you chose not to pursue them.

	Strategy/action	**Rationale for not including in this Council Improvement Proposal**
	Commercial activities (e.g. surf club, restaurant)	Council is considering the possibility of revenue generation via commercial activities, for example through revamping of the Byron Bay surf club. Planning for such activities has not progressed to the stage where revenue could be forecast with a degree of confidence required for this Council Improvement Proposal. The completion of the Byron Bay Master Plan in October is an important step toward progressing these proposals.
	Maintenance review (e.g. Crown land at Brunswick Heads)	Council currently undertakes maintenance on some areas of Crown land (e.g. Brunswick Heads) at Council's cost. Discussions are underway as to whether expenditure on such maintenance could be reduced or funded differently, however the proposition has not yet reached the stage where expenditure savings could be forecast with confidence.
	Borrowings (for infrastructure improvements)	Council's current view is that it would not be appropriate to increase borrowings for the General Fund because of the amount of borrowings it currently services and limited capacity to meet additional repayments.
	Review collection and use of s94/s64 funds	A Council resolution already exists to review the use of s64 funds. Council staff held a workshop to commence thinking around parameters for the review of s94 charges, such as the exemption of s94 charges on secondary dwellings. Neither of these reviews has progressed to the stage where financial impacts could be forecast with confidence.
	Visitor revenue opportunities other than paid parking	Council has been in liaison with the NSW Government about a levy on accommodation to raise revenue from overnight visitors, however the NSW Government has not wished to progress the concept further.

(CONTINUED ON NEXT PAGE)

	Possible extension of paid parking scheme	In 2015/16 Council plans to commission a study into the possible extension of the scheme to Brunswick Heads, Mullumbimby, and Bangalow.
	Review of Financial Assistance Grants (FAGs) formula	Council has been historically provided with relatively low levels of FAG funding. Council plans to participate in the FAG formula review, as recommended in the ILGRP report. While increased FAG revenue following the review would improve the position against the benchmarks, such an outcome cannot be forecast with confidence.
	Business Efficiency and Operational Improvements	Council has been participating in the NSW Local Government Operational and Management Efficiency benchmarking survey being run by LG Professionals and PricewaterhouseCoopers and is using the benchmarking and trend data to develop Action Plans to continue to achieve improvements in business and operational efficiency. Savings and realisation of increased capacity arising from Council's Business Efficiency and Operational Continuous Improvement Program cannot be forecast or quantified with sufficient certainty to include in this Council Improvement Proposal.

4. How will your plan improve performance?

4.1 Expected improvement in performance

Measure/ benchmark	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Achieves FFTF benchmark?
Operating Performance Ratio (Greater than or equal to break-even average over 3 years)	-0.138	-0.117	-0.098	-0.041	-0.007	0.009	YES
Own Source Revenue Ratio (Greater than 60% average over 3 years)	70.9%	73.4%	77.2%	85.9%	90.0%	93.4%	YES
Building and Infrastructure Asset Renewal Ratio (Greater than100% average over 3 years)	52.0%	76.8%	112.4%	126.1%	135.5%	128.1%	YES
Infrastructure Backlog Ratio (Less than 2%)	7.4%	7.0%	6.5%	5.4%	4.1%	3.2%	NO
Asset Maintenance Ratio (Greater than 100% average over 3 years)	71.1%	84.1%	89.9%	94.1%	98.6%	101.8%	YES
Debt Service Ratio (Greater than 0% and less than or equal to 20% average over 3 years)	6.26%	5.94%	5.0%	4.8%	4.0%	3.6%	YES
Real Operating Expenditure per capita A decrease in Real Operating Expenditure per capita over time	1.51	1.37	1.38	1.26	1.29	1.31	YES

Supporting financial information provided at Attachment A.

4.1 Expected improvement in performance

If, after implementing your plan, your council may still not achieve all of the Fit for the Future benchmarks, please explain the likely reasons why.

The only benchmark Council is forecast to not achieve by 2019/20 is the **Infrastructure Backlog Ratio** of 2%. Council notes, however, that the result of 3.2% in 2019/20 is a significant improvement on its result of 61.6% in 2011/12.

Council's result has improved because of its asset management planning review (discussed in section 2.3), as well as other strategies identified in the Financial Sustainability Project Plans and this Council Improvement Proposal.

The combined impact of these strategies will continue beyond 2019/20, such that Council anticipates meeting the benchmark of 2% within a period of several years after 2019/20. The precise result will be clearer after December 2015, when current asset planning work is completed.

5. Putting your plan into action

How will your council implement your Improvement Action Plan?

Improvement strategies and indicators of performance, such as expected net revenue increases, are identified in section 3 of this Council Improvement Proposal. Detailed action plans summarise strategy implementation.

Council has already established effective protocols for monitoring and reporting on improvement strategies, as specified in its Financial Sustainability Project Plans. Council proposes to extend these protocols to strategies identified in this Council Improvement Proposal.

Protocols include:

- Ongoing quarterly reporting to the Finance Advisory Committee and Council on strategy outcomes.
- Recognition of financial outcomes delivered by strategies through the Quarterly Budget Reporting process.
- Structural changes to revenue sources and expenditure will be updated in the base budget during preparations of annual budgets.
- Financial outcomes delivered by strategies will be updated into the Council's Long Term Financial Plan and modelled in the Long Term Financial Plan scenarios.
- Reporting on progress in annual reports, through comparison and assessment of the Note 13 performance ratios disclosed annually in Council's audited financial statements. Successful implementation should indicate a trend improvement from Council Improvement Proposal strategies, similar to how improvements have been tracked because of Financial Sustainability Project Plan strategies.

ATTACHMENT A – Supporting financial information

Byron Shire Council - Fit for the Future Financial Modelling at 20 May 2015
Benchmark Summary - CIP Section 2.3

#E2015/32198 Section 2.3 Performance against the FFF benchmarks	2013/2014 Result	Meets FFF	2016/2017 Result	Meets FFF
Benchmark 1 - Operating Performance Ratio				
Result - Greater than or equal to break even average over 3 years				
Base Case	-0.153	No	-0.118	No
Base Case + Scenario 1	-0.153	No	-0.102	No
Base Case + Scenario 1 + Scenario 2	-0.153	No	-0.102	No
Base Case + Scenario 1 + Scenario 2 + Scenario 3	-0.153	No	-0.100	No
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4	-0.153	No	-0.098	No
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4 + Scenario 5	-0.153	No	-0.098	No
Benchmark 2 - Own Source Revenue				
Result - Greater then 60% average over 3 years				
Base Case	71.0%	Yes	76.9%	Yes
Base Case + Scenario 1	71.0%	Yes	77.1%	Yes
Base Case + Scenario 1 + Scenario 2	71.0%	Yes	77.1%	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3	71.0%	Yes	77.1%	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4	71.0%	Yes	77.2%	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4 + Scenario 5	71.0%	Yes	77.2%	Yes
Benchmark 3 - Building and Infrastructure Renewal Ratio				
Result - Greater than 100% average over 3 years				
Base Case	36.2%	No	84.1%	No
Base Case + Scenario 1	36.2%	No	90.8%	No
Base Case + Scenario 1 + Scenario 2	36.2%	No	111.4%	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3	36.2%	No	111.4%	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4	36.2%	No	112.4%	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4 + Scenario 5	36.2%	No	112.4%	Yes
Benchmark 4 - Infrastructure Backlog Ratio				
Result - Less than 2% per year				
Base Case	8.3%	No	7.5%	No
Base Case + Scenario 1	8.3%	No	6.9%	No
Base Case + Scenario 1 + Scenario 2	8.3%	No	5.2%	No
Base Case + Scenario 1 + Scenario 2 + Scenario 3	8.3%	No	5.2%	No
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4	8.3%	No	5.1%	No
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4 + Scenario 5	8.3%	No	5.1%	No
Benchmark 5 - Asset Maintenance Ratio				
Result - Greater than 100% average over 3 years				
Base Case	58.9%	No	88.2%	No
Base Case + Scenario 1	58.9%	No	88.2%	No
Base Case + Scenario 1 + Scenario 2	58.9%	No	88.2%	No
Base Case + Scenario 1 + Scenario 2 + Scenario 3	58.9%	No	88.2%	No
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4	58.9%	No	89.9%	No
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4 + Scenario 5	58.9%	No	89.9%	No
Benchmark 6 - Debt Service Ratio				
Result - Greater than 0% and less than or equal to 20% average over 3 years				
Base Case	6.5%	Yes	5.1%	Yes
Base Case + Scenario 1	6.5%	Yes	5.0%	Yes
Base Case + Scenario 1 + Scenario 2	6.5%	Yes	5.0%	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3	6.5%	Yes	5.0%	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4	6.5%	Yes	5.0%	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4 + Scenario 5	6.5%	Yes	5.0%	Yes
Benchmark 7 Real Operating Expenditure Per Capita				
Result - A decrease in real operating expenditure per capita over time - 5 year trend				
Base Case	1.43	No	1.38	Yes
Base Case + Scenario 1	1.43	No	1.38	Yes
Base Case + Scenario 1 + Scenario 2	1.43	No	1.38	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3	1.43	No	1.37	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4	1.43	No	1.38	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4 + Scenario 5	1.43	No	1.38	Yes

Byron Shire Council - Fit for the Future Financial Modelling at 20 May 2015
Benchmark Summary - CIP Section 4.1

#E2015/32198 Section 4.1 Expected Improvement in Performance	2016/2017 Result	Meets FFF	2017/2018 Result	Meets FFF	2018/2019 Result	Meets FFF	2019/2020 $'000	Meets FFF
Benchmark 1 - Operating Performance Ratio								
Result - Greater than or equal to break even average over 3 years								
Base Case	-0.118	No	-0.090	No	-0.084	No	-0.079	No
Base Case + Scenario 1	-0.102	No	-0.055	No	-0.029	No	-0.019	No
Base Case + Scenario 1 + Scenario 2	-0.102	No	-0.055	No	-0.029	No	-0.019	No
Base Case + Scenario 1 + Scenario 2 + Scenario 3	-0.100	No	-0.051	No	-0.024	No	-0.014	No
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4	-0.098	No	-0.047	No	-0.017	No	-0.008	No
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4 + Scenario 5	-0.098	No	-0.041	No	-0.007	No	0.009	Yes
Benchmark 2 - Own Source Revenue								
Result - Greater then 60% average over 3 years								
Base Case	76.9%	Yes	85.4%	Yes	89.3%	Yes	92.9%	Yes
Base Case + Scenario 1	77.1%	Yes	85.8%	Yes	89.8%	Yes	93.3%	Yes
Base Case + Scenario 1 + Scenario 2	77.1%	Yes	85.8%	Yes	89.8%	Yes	93.3%	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3	77.1%	Yes	85.8%	Yes	89.8%	Yes	93.3%	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4	77.2%	Yes	85.9%	Yes	89.9%	Yes	93.3%	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4 + Scenario 5	77.2%	Yes	85.9%	Yes	90.0%	Yes	93.4%	Yes
Benchmark 3 - Building and Infrastructure Renewal Ratio								
Result - Greater than 100% average over 3 years								
Base Case	84.1%	No	86.0%	No	88.6%	No	91.3%	No
Base Case + Scenario 1	90.8%	No	101.6%	Yes	113.3%	Yes	118.6%	Yes
Base Case + Scenario 1 + Scenario 2	111.4%	Yes	122.2%	Yes	128.4%	Yes	118.6%	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3	111.4%	Yes	122.2%	Yes	128.4%	Yes	118.6%	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4	112.4%	Yes	124.1%	Yes	131.4%	Yes	121.8%	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4 + Scenario 5	112.4%	Yes	126.1%	Yes	135.5%	Yes	128.1%	Yes
Benchmark 4 - Infrastructure Backlog Ratio								
Result - Less than 2% per year								
Base Case	7.5%	No	7.5%	No	7.5%	No	7.5%	No
Base Case + Scenario 1	7.3%	No	6.9%	No	6.2%	No	5.4%	No
Base Case + Scenario 1 + Scenario 2	6.5%	No	5.6%	No	5.0%	No	4.3%	No
Base Case + Scenario 1 + Scenario 2 + Scenario 3	6.5%	No	5.6%	No	5.0%	No	4.3%	No
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4	6.5%	No	5.5%	No	4.3%	No	3.5%	No
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4 + Scenario 5	6.5%	No	5.4%	No	4.1%	No	3.2%	No
Benchmark 5 - Asset Maintenance Ratio								
Result - Greater than 100% average over 3 years								
Base Case	88.2%	No	90.7%	No	93.4%	No	96.3%	No
Base Case + Scenario 1	88.2%	No	90.7%	No	93.4%	No	96.3%	No
Base Case + Scenario 1 + Scenario 2	88.2%	No	90.7%	No	93.4%	No	96.3%	No
Base Case + Scenario 1 + Scenario 2 + Scenario 3	88.2%	No	90.7%	No	93.4%	No	96.3%	No
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4	89.9%	No	94.1%	No	98.6%	No	101.8%	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4 + Scenario 5	89.9%	No	94.1%	No	98.6%	No	101.8%	Yes
Benchmark 6 - Debt Service Ratio								
Result - Greater than 0% and less than or equal to 20% average over 3 years								
Base Case	5.1%	Yes	5.0%	Yes	4.3%	Yes	3.9%	Yes
Base Case + Scenario 1	5.0%	Yes	4.8%	Yes	4.1%	Yes	3.7%	Yes
Base Case + Scenario 1 + Scenario 2	5.0%	Yes	4.8%	Yes	4.1%	Yes	3.7%	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3	5.0%	Yes	4.8%	Yes	4.1%	Yes	3.7%	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4	5.0%	Yes	4.8%	Yes	4.0%	Yes	3.6%	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4 + Scenario 5	5.0%	Yes	4.8%	Yes	4.0%	Yes	3.6%	Yes
Benchmark 7 Real Operating Expenditure Per Capita								
Result - A decrease in real operating expenditure per capita over time - 5 year trend								
Base Case	1.38	Yes	1.26	Yes	1.29	Yes	1.31	Yes
Base Case + Scenario 1	1.38	Yes	1.26	Yes	1.29	Yes	1.31	Yes
Base Case + Scenario 1 + Scenario 2	1.38	Yes	1.26	Yes	1.29	Yes	1.31	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3	1.37	Yes	1.25	Yes	1.28	Yes	1.30	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4	1.38	Yes	1.26	Yes	1.29	Yes	1.31	Yes
Base Case + Scenario 1 + Scenario 2 + Scenario 3 + Scenario 4 + Scenario 5	1.38	Yes	1.26	Yes	1.29	Yes	1.31	Yes

Byron Shire Council - Fit for the Future Financial Modelling at 20 May 2015
Benchmark 1 - Operating Performance Result

#E2015/32198	2011/2012 $'000	2012/2013 $'000	2013/2014 $'000	2014/2015 $'000	2015/2016 $'000	2016/2017 $'000	2017/2018 $'000	2018/2019 $'000	2019/2020 $'000

Benchmark Purpose:
Provides and indication of how a Council generates revenue and allocates expenditure (eg asset maintenance, staffing costs). It is an indication of continued capacity to meet ongoing expenditure commitments.
Benchmark is to be greater or equal to break even. Results below are yearly results but FFF result is a 3 year average, see summary.

Formula:
Numerator: Total continuing operating revenue (excluding capital grants and contributions) less operating expenses)
Denominator: Total continuing operating revenue (excluding capital grants and contributions)

Base Case - Data (Applicable to Byron)	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Note 21 - Total income from continuing operations	51,317	47,561	54,701	56,885	52,236	53,160	48,747	50,172	51,640
Note 21 - Income Grants & Contributions provided for Capital Purposes	7,084	1,797	5,721	3,105	7,467	7,047	1,250	1,250	1,250
Note 21 - Income Net Gain from the Disposal of Assets	0	33	0	0	0	0	0	0	0
Note 21 - Interest and Investment Revenue - Fair Value Adjustments	1,341	617	443	0	0	0	0	0	0
Note 21 - Total Expenses from Continuing Operations	54,265	52,315	53,404	62,746	49,078	50,270	51,498	52,762	54,064
Note 21 - Expenses - Net Loss from Disposal of Assets	2,331	0	640	0	0	0	0	0	0
Numerator Value	**-9,042**	**-7,201**	**-4,227**	**-8,966**	**-4,309**	**-4,157**	**-4,001**	**-3,840**	**-3,674**
Denominator Value	**42,892**	**45,114**	**48,537**	**53,780**	**44,769**	**46,113**	**47,497**	**48,922**	**50,390**
Benchmark Value - Base Case	**-0.211**	**-0.160**	**-0.087**	**-0.167**	**-0.096**	**-0.090**	**-0.084**	**-0.078**	**-0.073**

Scenario 1:
Realisation of Additional Paid Parking Revenue of $2,088,900 per annum commencing 2016/2017 with all allocated to asset renewal. 2017/2018 includes additional $600k from 2017/2018 for new scheme at Wategoes. Assumed revenue in 2015/2016 is addressing cost of installing Byron scheme with full revenue commenincing in 2016/2017.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Additional Revenue	0	0	0	0	160	2,089	2,752	2,835	2,921
Additional Expenditure	0	0	0	0	160	0	0	0	0
Revised Benchmark Results	**-0.211**	**-0.160**	**-0.087**	**-0.167**	**-0.096**	**-0.043**	**-0.025**	**-0.019**	**-0.014**
Scenario 1 Impact on Benchmark	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.047**	**0.059**	**0.059**	**0.059**

Scenario 2:
Realisation of cashflows from rationalisation of land sales as per doc #E2015/6993. This does not impact this ratio as assumed proceeds from land sales will be used to renew assets and proceeds are capital revenue from the sale of assets, not operating revenue. Alternate use may impact this ratio. Sale proceeds are General Fund properties only being Roundhouse, Lot 12 Bayshore Drive and Station Street.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Additional Revenue	0	0	0	0	0	0	0	0	0
Additional Expenditure	0	0	0	0	0	0	0	0	0
Revised Benchmark Results	**-0.211**	**-0.160**	**-0.087**	**-0.167**	**-0.096**	**-0.043**	**-0.025**	**-0.019**	**-0.014**
Scenario 2 Impact on Benchmark	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

Scenario 3:
Realisation of efficiency savings through strategic procurement initiatives. Saving of 1% of General Fund Materials & Contracts plus Other Expenses from Financial Statements. Exclude Employee Costs, Interest and Depreciation Costs. Savings realised from 2015/2016 onwards. 2015/2016 figure from 2013/2014 financials note 21 indexed by CPI for 2014/2015. Assumes no impact on asset renewal in $ terms but should provide more funding for works. Assumes there are no long term fixed price contracts in place and expenses are totally discretionary.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Note 21 General Fund Materials & Contracts	0	0	0	22,918	23,606	24,314	25,043	25,794	26,568
Note 21 General Fund Other Expenses	0	0	0	1,175	1,194	1,213	1,232	1,252	1,272
Efficiency Dividend	0	0	0	0	0.00%	1.00%	1.00%	1.00%	1.00%
Impact on Expenditure	0	0	0	0	0	-255	-263	-270	-278
Revised Benchmark Results	**-0.211**	**-0.160**	**-0.087**	**-0.167**	**-0.096**	**-0.038**	**-0.020**	**-0.014**	**-0.009**
Scenario 3 Impact on Benchmark	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.005**	**0.005**	**0.005**	**0.005**

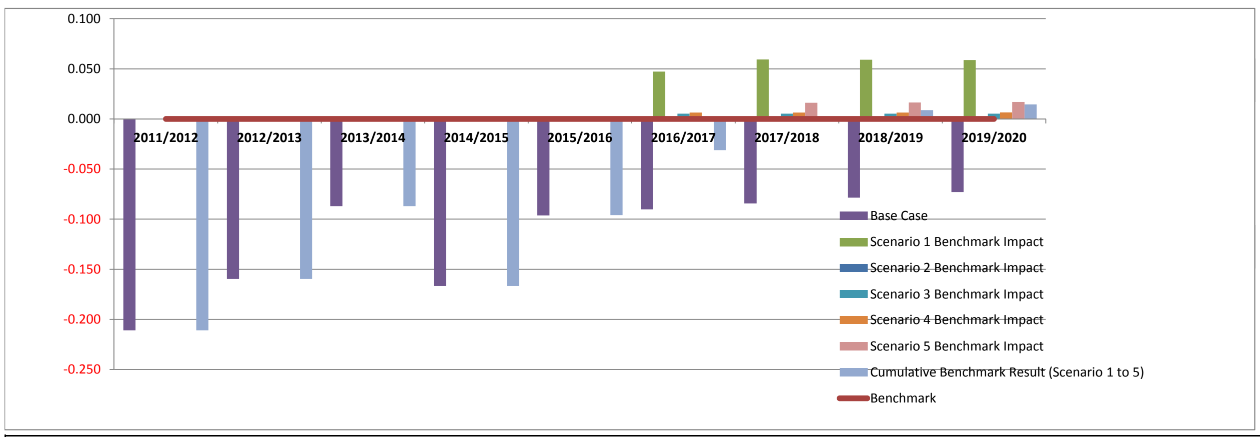
Scenario 4:
Realisation of additional rate increase of 3% per annum over the rate peg from 2016/2017 onwards. Amount applicable relates to rate income less pensioner abandonments. Also compounds in future years. 2.3% rate peg applied to 2015/2016. Assumed additional revenue is applied 50% operating and 50% capital.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
General Fund rates base consolidated	0	0	0	18,366	18,788	19,352	20,531	21,781	23,107
Additional Revenue Yield from rate increase	0	0	0	0	0	581	616	653	693
Additional Expenditure	0	0	0	0	0	290	308	327	347
Revised Benchmark Results	**-0.211**	**-0.160**	**-0.087**	**-0.167**	**-0.096**	**-0.031**	**-0.013**	**-0.008**	**-0.002**
Scenario 4 Impact on Benchmark	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.006**	**0.006**	**0.006**	**0.007**

Scenario 5:
Realisation of a further rate increase under Section 508(A) of the Local Government Act 1993 from 2017/2018 onwards for four successive years then remaining a fixed addition to Council General Income. The proposed increase is a total of 10% but includes rate pegging from the base case and any rate increase outlined in Scenario 4. If the rate peg is less then the base case assumption or the increase outlined in Scenario 4 does not eventuate then the amount sought will be a maximum of 10%. A program of works centred on asset renewals will be funded from this proposed special rate variation for roads & bridges.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
General Fund rates base consolidated	0	0	0	0	0	0	20,531	21,781	23,107
Additional Revenue Yield from rate increase	0	0	0	0	0	0	821	871	924
Additional Expenditure	0	0	0	0	0	0	0	0	0
Revised Benchmark Results	**-0.211**	**-0.160**	**-0.087**	**-0.167**	**-0.096**	**-0.031**	**0.003**	**0.009**	**0.014**
Scenario 5 Impact on Benchmark	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.016**	**0.016**	**0.017**

Results Graph



Graph Data									
Year	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Benchmark	0	0	0	0	0	0	0	0	0
Base Case	-0.211	-0.160	-0.087	-0.167	-0.096	-0.090	-0.084	-0.078	-0.073
Scenario 1 Benchmark Impact	0.000	0.000	0.000	0.000	0.000	0.047	0.059	0.059	0.059
Scenario 2 Benchmark Impact	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Scenario 3 Benchmark Impact	0.000	0.000	0.000	0.000	0.000	0.005	0.005	0.005	0.005
Scenario 4 Benchmark Impact	0.000	0.000	0.000	0.000	0.000	0.006	0.006	0.006	0.007
Scenario 5 Benchmark Impact	0.000	0.000	0.000	0.000	0.000	0.000	0.016	0.016	0.017
Cumulative Benchmark Result (Scenario 1 to 5)	-0.211	-0.160	-0.087	-0.167	-0.096	-0.031	0.003	0.009	0.014

Assumptions:
1. Fit for Future result for this benchmark is General Fund only - Water and Sewerage are excluded.
2. Scenario 2 does not impact this ratio as the revenue is capital as would be the associated expenditure from the proceeds through the Infrastructure Renewal Reserve.
3. Revenue and expenditure projections drop in 2015/2016 due to completion of natural disaster restorations. Impacts revenue and expenses by same amount.
4. Revenue and expenditure estimate projections are updated following balanced draft 2015/2016 budget estimates yet to be seen by Council.
5. Results do include impact of 2015/2016 budget estimates with future years indexed by assumption but does not include impact of Coastal Zone Management Plan (CZMP) or Byron Bay Town Centre Masterplan.

Byron Shire Council - Fit for the Future Financial Modelling at 20 May 2015
Benchmark 2 - Own Source Revenue Result

#E2015/32198	2011/2012 $'000	2012/2013 $'000	2013/2014 $'000	2014/2015 $'000	2015/2016 $'000	2016/2017 $'000	2017/2018 $'000	2018/2019 $'000	2019/2020 $'000

Benchmark Purpose:
Measures the degree of reliance on external funding sources ie grants and contributions. Councils with a higher own source revenue have a greater ability to control or manage their own operating performance and financial sustainability. Benchmark is to be greater then 60%. Results below are yearly reults but FFF result is a 3 year average, see summary.

Formula:
Numerator: Total continuing operating revenue less all grants and contributions
Denominator: Total continuing operating revenue inclusive of capital grants and contributions

Base Case - Data (Applicable to Byron)	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Note 21 - Total income from continuing operations	51,317	47,561	54,701	56,885	52,236	53,160	48,747	50,172	51,640
Note 21 - Income Grants & Contributions provided for Operating Purposes	9,295	10,425	9,511	15,660	2,319	2,319	2,319	2,319	2,319
Note 21 - Income Grants & Contributions provided for Capital Purposes	7,084	1,797	5,721	3,105	7,467	7,047	1,250	1,250	1,250
Note 21 - Income Net Gain from the Disposal of Assets	0	33	0	0	0	0	0	0	0
Note 21 - Interest and Investment Revenue - Fair Value Adjustments	1,341	617	443	0	0	0	0	0	0
Numerator Value	**33,597**	**34,689**	**39,026**	**38,120**	**42,450**	**43,794**	**45,178**	**46,603**	**48,071**
Denominator Value	**49,976**	**46,944**	**54,258**	**56,885**	**52,236**	**53,160**	**48,747**	**50,172**	**51,640**
Benchmark Value - Base Case	**67.2%**	**73.9%**	**71.9%**	**67.0%**	**81.3%**	**82.4%**	**92.7%**	**92.9%**	**93.1%**

Scenario 1:
Realisation of Additional Paid Parking Revenue of $2,088,900 per annum commencing 2016/2017 with all allocated to asset renewal. 2017/2018 includes additional $600k from 2017/2018 for new scheme at Wategoes. Assumed revenue in 2015/2016 is addressing cost of installing Byron scheme with full revenue commenincing in 2016/2017.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Additional Revenue	0	0	0	0	160	2,089	2,752	2,835	2,921
Additional Expenditure	0	0	0	0	0	0	0	0	0
Revised Benchmark Results	**67.2%**	**73.9%**	**71.9%**	**67.0%**	**81.3%**	**83.0%**	**93.1%**	**93.3%**	**93.5%**
Scenario 1 Impact on Benchmark	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.1%**	**0.7%**	**0.4%**	**0.4%**	**0.4%**

Scenario 2:
Realisation of cashflows from rationalisation of land sales as per doc #E2015/6993. This does not impact this ratio as assumed proceeds from land sales will be used to renew assets and proceeds are capital revenue from the sale of assets, not operating revenue. Alternate use may impact this ratio. Sale proceeds are General Fund properties only being Roundhouse, Lot 12 Bayshore Drive and Station Street.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Additional Revenue	0	0	0	0	0	0	0	0	0
Additional Expenditure	0	0	0	0	0	0	0	0	0
Revised Benchmark Results	**67.2%**	**73.9%**	**71.9%**	**67.0%**	**81.3%**	**83.0%**	**93.1%**	**93.3%**	**93.5%**
Scenario 2 Impact on Benchmark	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**

Scenario 3:
Realisation of efficiency savings through strategic procurement initiatives. Saving of 1% of General Fund Materials & Contracts plus Other Expenses from Financial Statements. Exclude Employee Costs, Interest and Depreciation Costs. Savings realised from 2015/2016 onwards. 2015/2016 figure from 2013/2014 financials note 21 indexed by CPI for 2014/2015. Assumes no impact on asset renewal in $ terms but should provide more funding for works. Assumes there are no long term fixed price contracts in place and expenses are totally discretionary. This ratio is not impacted by this scenario as it is an expenditure reduction.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Note 21 General Fund Materials & Contracts	0	0	0	22,918	23,606	24,314	25,043	25,794	26,568
Note 21 General Fund Other Expenses	0	0	0	1,175	1,194	1,213	1,232	1,252	1,272
Efficiency Dividend	0	0	0	0	0.00%	1.00%	1.00%	1.00%	1.00%
Impact on Expenditure	0	0	0	0	0	-255	-263	-270	-278
Revised Benchmark Results	**67.2%**	**73.9%**	**71.9%**	**67.0%**	**81.3%**	**83.0%**	**93.1%**	**93.3%**	**93.5%**
Scenario 3 Impact on Benchmark	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**

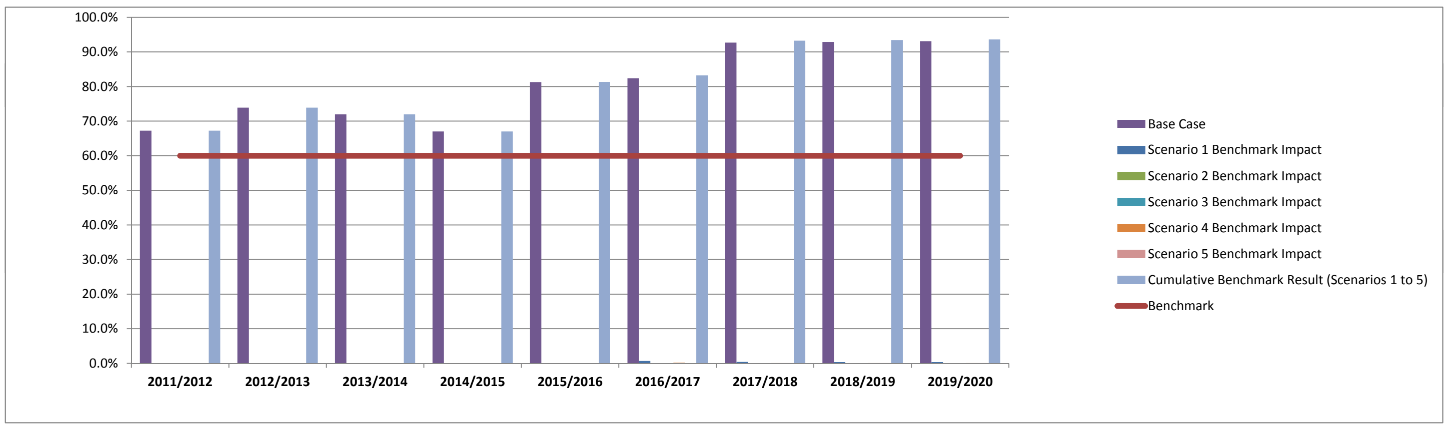
Scenario 4:
Realisation of additional rate increase of 3% per annum over the rate peg from 2016/2017 onwards. Amount applicable relates to rate income less pensioner abandonments. Also compounds in future years. 2.3% rate peg applied to 2015/2016. Assumed additional revenue is applied 50% operating and 50% capital. The expenditure side of this scenario does not impact this ratio.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
General Fund rates base consolidated	0	0	0	18,366	18,788	19,352	20,531	21,781	23,107
Additional Revenue Yield from rate increase	0	0	0	0	0	581	616	653	693
Additional Expenditure	0	0	0	0	0	290	308	327	347
Revised Benchmark Results	**67.2%**	**73.9%**	**71.9%**	**67.0%**	**81.3%**	**83.2%**	**93.2%**	**93.3%**	**93.5%**
Scenario 4 Impact on Benchmark	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.2%**	**0.1%**	**0.1%**	**0.1%**

Scenario 5:
Realisation of a further rate increase under Section 508(A) of the Local Government Act 1993 from 2017/2018 onwards for four successive years then remaining a fixed addition to Council General Income. The proposed increase is a total of 10% but includes rate pegging from the base case and any rate increase outlined in Scenario 4. If the rate peg is less then the base case assumption or the increase outlined in Scenario 4 does not eventuate then the amount sought will be a maximum of 10%. A program of works centred on asset renewals will be funded from this proposed special rate variation for roads & bridges.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
General Fund rates base consolidated	0	0	0	0	0	0	20,531	21,781	23,107
Additional Revenue Yield from rate increase	0	0	0	0	0	0	616	653	693
Additional Expenditure	0	0	0	0	0	0	0	0	0
Revised Benchmark Results	**67.2%**	**73.9%**	**71.9%**	**67.0%**	**81.3%**	**83.2%**	**93.2%**	**93.4%**	**93.6%**
Scenario 5 Impact on Benchmark	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.1%**	**0.1%**	**0.1%**

Result Graph



Graph Data

Year	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Benchmark	60%	60%	60%	60%	60%	60%	60%	60%	60%
Base Case	67.2%	73.9%	71.9%	67.0%	81.3%	82.4%	92.7%	92.9%	93.1%
Scenario 1 Benchmark Impact	0.0%	0.0%	0.0%	0.0%	0.1%	0.7%	0.4%	0.4%	0.4%
Scenario 2 Benchmark Impact	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Scenario 3 Benchmark Impact	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Scenario 4 Benchmark Impact	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.1%	0.1%	0.1%
Scenario 5 Benchmark Impact	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%
Cumulative Benchmark Result (Scenarios 1 to 5)	67.2%	73.9%	71.9%	67.0%	81.3%	83.2%	93.2%	93.4%	93.6%

Assumptions:
1. Fit for Future result for this benchmark is General Fund only - Water and Sewerage are excluded.
2. Scenario 2 does not impact this ratio as the revenue is capital via asset sales and not classified as a capital grant/contribution. Expenditure either operating/capital does not impact benchmark in both scenarios.
3. Revenue and expenditure projections drop in 2015/2016 due to completion of natural disaster restorations. Impacts revenue and expenses by same amount.
4. Revenue and expenditure estimate projections are updated following balanced draft 2015/2016 budget estimates yet to be seen by Council.
5. Remove internal plant hire as shown in budget review as revenue but consolidated out in financial statements $2.9million 14/15
6. Results do include impact of 2015/2016 budget estimates with future years indexed by assumption but does not include impact of Coastal Zone Management Plan (CZMP) or Byron Bay Town Centre Masterplan.

Byron Shire Council - Fit for the Future Financial Modelling at 20 May 2015
Benchmark 3 - Building and Infrastructure Asset Renewal Ratio

#E2015/32198	2011/2012 $'000	2012/2013 $'000	2013/2014 $'000	2014/2015 $'000	2015/2016 $'000	2016/2017 $'000	2017/2018 $'000	2018/2019 $'000	2019/2020 $'000

Benchmark Purpose:
Measures the proportion spent on infrastructure assets renewals and compares to the same assets deterioration. Expenditure less then the depreciation suggests that assets are deteriorating faster then being renewed. Benchmark is expenditure on asset renewal is greater then depreciation. Results below are yearly results but FFF result is a 3 year average, see summary.
performance and financial sustainability. Benchmark is to be greater then 60%. Results below are yearly reults but FFF result is a 3 year average, see summary.
Formula:
Numerator: Asset renewals (building and infrastructure)
Denominator: Depreciation, amortisation and impairment (building and infrastructure)

Base Case - Data (Applicable to Byron)	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Note 13 & SS 7 - Building and Infrastructure Renewals	3,605	2,636	4,956	8,602	8,652	8,912	9,180	9,456	9,740
Note 13 & SS 7 - Depreciation, Amortisation and Impairment (Buildings/Infrastructure)	10,147	10,396	10,377	10,377	10,365	10,365	10,365	10,365	10,365
Numerator Value	**3,605**	**2,636**	**4,956**	**8,602**	**8,652**	**8,912**	**9,180**	**9,456**	**9,740**
Denominator Value	**10,147**	**10,396**	**10,377**	**10,377**	**10,365**	**10,365**	**10,365**	**10,365**	**10,365**
Benchmark Value - Base Case	**35.5%**	**25.4%**	**47.8%**	**82.9%**	**83.5%**	**86.0%**	**88.6%**	**91.2%**	**94.0%**

Scenario 1:
Realisation of Additional Paid Parking Revenue of $2,088,900 per annum commencing 2016/2017 with all allocated to asset renewal. 2017/2018 includes additional $600k from 2017/2018 for new scheme at Wategoes. Assumed revenue in 2015/2016 is addressing cost of installing Byron scheme with full revenue commenincing in 2016/2017.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Additional Revenue	0	0	0	0	0	2,089	2,752	2,835	2,921
Additional Expenditure	0	0	0	0	0	2,089	2,752	2,835	2,921
Revised Benchmark Results	**35.5%**	**25.4%**	**47.8%**	**82.9%**	**83.5%**	**106.1%**	**115.1%**	**118.6%**	**122.2%**
Scenario 1 Impact on Benchmark	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**20.2%**	**26.6%**	**27.4%**	**28.2%**

Scenario 2:
Realisation of cashflows from rationalisation of land sales as per doc #E2015/6993. The proceeds from land sales will be used to renew assets and proceeds are capital revenue from the sale of assets, not operating revenue. Alternate use may impact this ratio. Sale proceeds are General Fund properties only being Roundhouse, Lot 12 Bayshore Drive and Station Street.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Additional Revenue	0	0	0	0	3,000	3,400	0	0	0
Additional Expenditure	0	0	0	0	1,695	4,705	0	0	0
Revised Benchmark Results	**35.5%**	**25.4%**	**47.8%**	**82.9%**	**99.8%**	**151.5%**	**115.1%**	**118.6%**	**122.2%**
Scenario 2 Impact on Benchmark	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**16.4%**	**45.4%**	**0.0%**	**0.0%**	**0.0%**

Scenario 3:
Realisation of efficiency savings through strategic procurement initiatives. Saving of 1% of General Fund Materials & Contracts plus Other Expenses from Financial Statements. Exclude Employee Costs, Interest and Depreciation Costs. Savings realised from 2015/2016 onwards. 2015/2016 figure from 2013/2014 financials note 21 indexed by CPI for 2014/2015. Assumes no impact on asset renewal in $ terms but should provide more funding for works. Assumes there are no long term fixed price contracts in place and expenses are totally discretionary. This ratio is not impacted by this scenario as it is an expenditure reduction.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Note 21 General Fund Materials & Contracts	0	0	0	22,918	23,606	24,314	25,043	25,794	26,568
Note 21 General Fund Other Expenses	0	0	0	1,175	1,194	1,213	1,232	1,252	1,272
Efficiency Dividend	0	0	0	0	0.00%	1.00%	1.00%	1.00%	1.00%
Impact on Expenditure	0	0	0	0	0	-255	-263	-270	-278
Revised Benchmark Results	**35.5%**	**25.4%**	**47.8%**	**82.9%**	**99.8%**	**151.5%**	**115.1%**	**118.6%**	**122.2%**
Scenario 3 Impact on Benchmark	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**

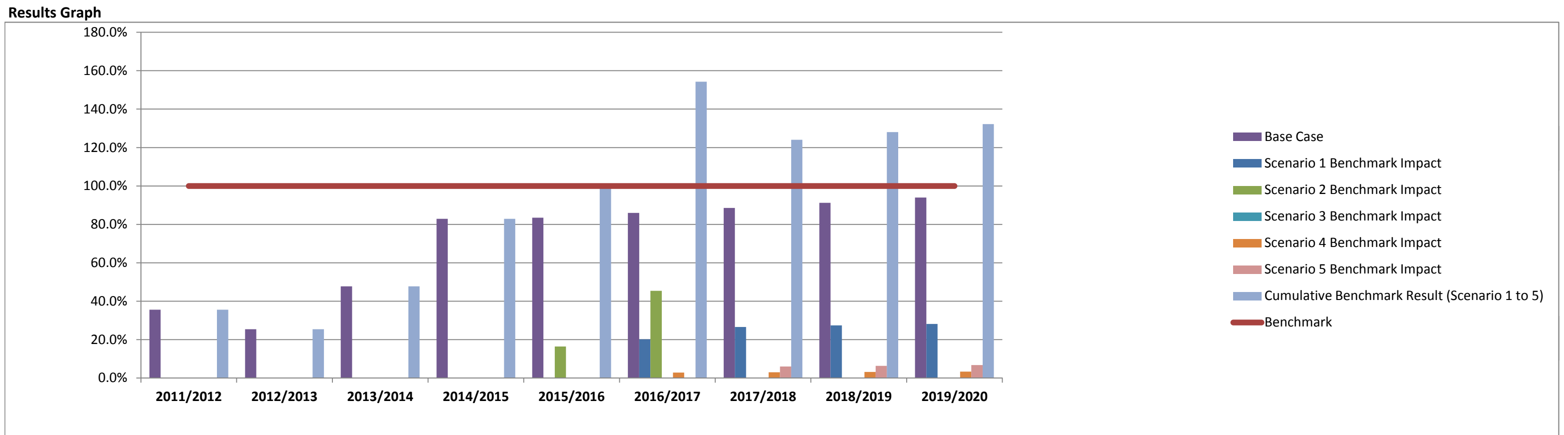
Scenario 4:
Realisation of additional rate increase of 3% per annum over the rate peg from 2016/2017 onwards. Amount applicable relates to rate income less pensioner abandonments. Also compounds in future years.
2.3% rate peg applied to 2015/2016. Assumed additional revenue is applied 50% operating and 50% capital.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
General Fund rates base consolidated	0	0	0	18,366	18,788	19,352	20,531	21,781	23,107
Additional Revenue Yield from rate increase	0	0	0	0	0	581	616	653	693
Additional Expenditure	0	0	0	0	0	290	308	327	347
Revised Benchmark Results	**35.5%**	**25.4%**	**47.8%**	**82.9%**	**99.8%**	**154.3%**	**118.1%**	**121.7%**	**125.5%**
Scenario 4 Impact on Benchmark	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**2.8%**	**3.0%**	**3.2%**	**3.3%**

Scenario 5:
Realisation of a further rate increase under Section 508(A) of the Local Government Act 1993 from 2017/2018 onwards for four successive years then remaining a fixed addition to Council General Income.
The proposed increase is a total of 10% but includes rate pegging from the base case and any rate increase outlined in Scenario 4. If the rate peg is less then the base case assumption or the increase outlined in Scenario 4 does not eventuate then the amount sought will be a maximum of 10%. A program of works centred on asset renewals will be funded from this proposed special rate variation for roads & bridges.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
General Fund rates base consolidated	0	0	0	0	0	0	20,531	21,781	23,107
Additional Revenue Yield from rate increase	0	0	0	0	0	0	616	653	693
Additional Expenditure	0	0	0	0	0	0	616	653	693
Revised Benchmark Results	**35.53%**	**25.36%**	**47.76%**	**82.90%**	**99.83%**	**154.33%**	**124.03%**	**128.04%**	**132.18%**
Scenario 5 Impact on Benchmark	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**5.94%**	**6.30%**	**6.69%**

Results Graph



Graph Data

Year	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Benchmark	100%	100%	100%	100%	100%	100%	100%	100%	100%
Base Case	35.5%	25.4%	47.8%	82.9%	83.5%	86.0%	88.6%	91.2%	94.0%
Scenario 1 Benchmark Impact	0.0%	0.0%	0.0%	0.0%	0.0%	20.2%	26.6%	27.4%	28.2%
Scenario 2 Benchmark Impact	0.0%	0.0%	0.0%	0.0%	16.4%	45.4%	0.0%	0.0%	0.0%
Scenario 3 Benchmark Impact	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Scenario 4 Benchmark Impact	0.0%	0.0%	0.0%	0.0%	0.0%	2.8%	3.0%	3.2%	3.3%
Scenario 5 Benchmark Impact	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.9%	6.3%	6.7%
Cumulative Benchmark Result (Scenario 1 to 5)	35.5%	25.4%	47.8%	82.9%	99.8%	154.3%	124.0%	128.0%	132.2%

Assumptions:
1. Fit for Future result for this benchmark is General Fund only - Water and Sewerage are excluded.
2. Assumed depreciation expenditure has remained constant as conservative.
3. Property sale cashflows in doc #E2015/6993 modified to reimburse utilised reserves to enable sale to occur.
4. Station Street sale proceeds to fund future property development so excluded from this ratio calculation.
5. This ratio is directly linked to asset maintenance ratio ie more expenditure on renewals will reduce expenditure on maintenance and vice versa. Focus on one ratio will reduce the other.
6. Revenue and expenditure estimate projections are updated following balanced draft 2015/2016 budget estimates yet to be seen by Council.
7. Results do include impact of 2015/2016 budget estimates with future years indexed by assumption but does not include impact of Coastal Zone Management Plan (CZMP) or Byron Bay Town Centre Masterplan.

Byron Shire Council - Fit for the Future Financial Modelling at 20 May 2015
Benchmark 4 - Infrastructure Backlog Ratio

#E2015/32198	2011/2012 $'000	2012/2013 $'000	2013/2014 $'000	2014/2015 $'000	2015/2016 $'000	2016/2017 $'000	2017/2018 $'000	2018/2019 $'000	2019/2020 $'000

Benchmark Purpose:
Measures the proprtion of backlog against the total value of Council's infrastructure assets. High backlog ratios and the inability to reduce will struggle with future service delivery and infrastructure demands.
performance and financial sustainability. Benchmark is to be less then 2%

Formula:
Numerator: Estimated cost to bring assets to a satisfactory condition
Denominator: Total (WDV) of infrastructure, buildings, other structures and depreciable land improvement assets

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Base Case - Data (Applicable to Byron)									
SS7 - Estimated cost to bring assets to a satisfactory standard	207,429	104,229	32,709	29,000	29,000	29,000	29,000	29,000	29,000
SS7 - Total written down value of infrastructure, buildings, other structures etc	336,994	368,863	392,052	390,277	388,564	387,111	385,926	385,017	384,392
Numerator Value	**207,429**	**104,229**	**32,709**	**29,000**	**29,000**	**29,000**	**29,000**	**29,000**	**29,000**
Denominator Value	**336,994**	**368,863**	**392,052**	**390,277**	**388,564**	**387,111**	**385,926**	**385,017**	**384,392**
Benchmark Value - Base Case	**61.6%**	**28.3%**	**8.3%**	**7.4%**	**7.5%**	**7.5%**	**7.5%**	**7.5%**	**7.5%**

Scenario 1:
Realisation of Additional Paid Parking Revenue of $2,088,900 per annum commencing 2016/2017 with all allocated to asset renewal. 2017/2018 includes additional $600k from 2017/2018 for new scheme at
Wategoes. Assumed revenue in 2015/2016 is addressing cost of installing Byron scheme with full revenue commenincing in 2016/2017.

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Impact on Benchmark									
Additional Revenue	0	0	0	0	0	2,089	2,752	2,835	2,921
Additional Expenditure	0	0	0	0	0	2,089	2,752	2,835	2,921
Revised Benchmark Results	**61.6%**	**28.3%**	**8.3%**	**7.4%**	**7.5%**	**6.9%**	**6.2%**	**5.4%**	**4.7%**
Scenario 1 mpact on Benchmark	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**-0.6%**	**-1.3%**	**-2.1%**	**-2.9%**

Scenario 2:
Realisation of cashflows from rationalisation of land sales as per doc #E2015/6993. The proceeds from land sales will be used to renew assets and proceeds are capita
revenue from the sale of assets, not operating revenue. Alternate use may impact this ratio. Sale proceeds are General Fund properties only being Roundhouse, Lot 12 Bayshore Drive and Station Street

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Impact on Benchmark									
Additional Revenue	0	0	0	0	3,000	3,400	0	0	0
Additional Expenditure	0	0	0	0	1,695	4,705	0	0	0
Revised Benchmark Results	**61.6%**	**28.3%**	**8.3%**	**7.4%**	**7.0%**	**5.2%**	**4.5%**	**5.3%**	**3.0%**
Scenario 2 Impact on Benchmark	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**-0.5%**	**-1.7%**	**-1.7%**	**-0.1%**	**-1.7%**

Scenario 3:
Realisation of efficiency savings through strategic procurement initiatives. Saving of 1% of General Fund Materials & Contracts plus Other Expenses from Financial Statements. Exclude Employee Costs, Interest
and Depreciation Costs. Savings realised from 2015/2016 onwards. 2015/2016 figure from 2013/2014 financials note 21 indexed by CPI for 2014/2015. Assumes no impact on asset renewal in $ terms but should
provide more funding for works. Assumes there are no long term fixed price contracts in place and expenses are totally discretionary. This ratio is not impacted by this scenario as it is an expenditure reduction.

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Impact on Benchmark									
Note 21 General Fund Materials & Contracts	0	0	0	22,918	23,606	24,314	25,043	25,794	26,568
Note 21 General Fund Other Expenses	0	0	0	1,175	1,194	1,213	1,232	1,252	1,272
Efficiency Dividend	0	0	0	0	0.00%	1.00%	1.00%	1.00%	1.00%
Impact on Expenditure	0	0	0	0	0	-255	-263	-270	-278
Revised Benchmark Results	**61.6%**	**28.3%**	**8.3%**	**7.4%**	**7.0%**	**5.2%**	**4.5%**	**5.3%**	**3.0%**
Scenario 3 Impact on Benchmark	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**

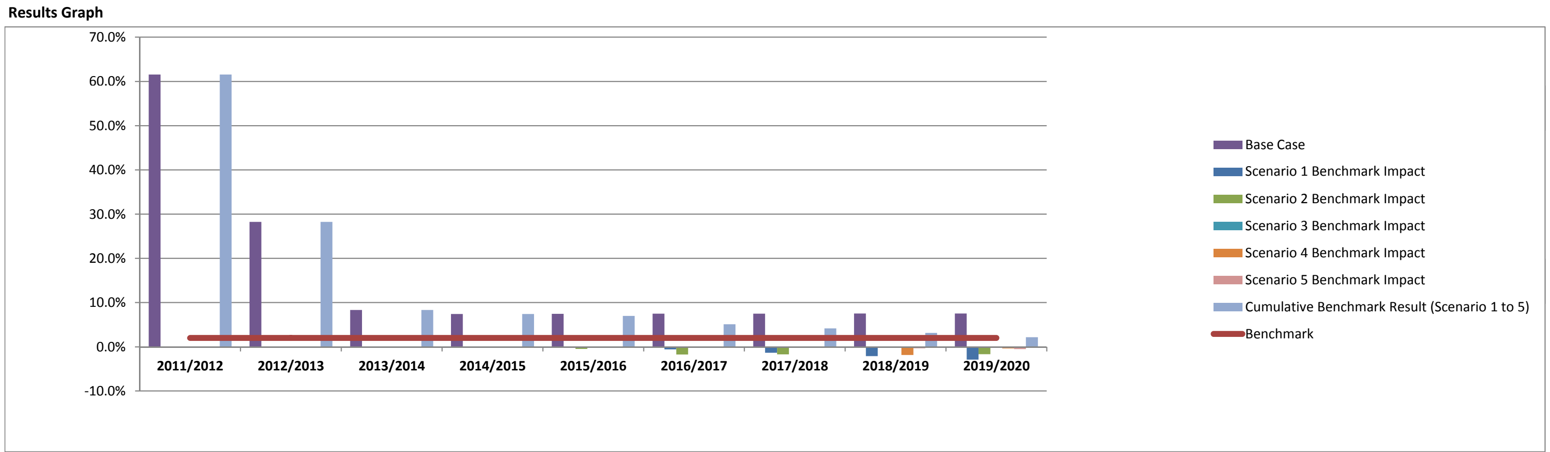
Scenario 4:
Realisation of additional rate increase of 3% per annum over the rate peg from 2016/2017 onwards. Amount applicable relates to rate income less pensioner abandonments. Also compounds in future years
2.3% rate peg applied to 2015/2016. Assumed additional revenue is applied 50% operating and 50% capital.

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Impact on Benchmark									
General Fund rates base consolidated	0	0	0	18,366	18,788	19,352	20,531	21,781	23,107
Additional Revenue Yield from rate increase	0	0	0	0	0	581	616	653	693
Additional Expenditure	0	0	0	0	0	290	308	327	347
Revised Benchmark Results	**61.6%**	**28.3%**	**8.3%**	**7.4%**	**7.0%**	**5.1%**	**4.3%**	**3.5%**	**2.7%**
Scenario 4 Impact on Benchmark	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**-0.1%**	**-0.2%**	**-1.8%**	**-0.3%**

Scenario 5:
Realisation of a further rate increase under Section 508(A) of the Local Government Act 1993 from 2017/2018 onwards for four successive years then remaining a fixed addition to Council General Income
The proposed increase is a total of 10% but includes rate pegging from the base case and any rate increase outlined in Scenario 4. If the rate peg is less then the base case assumption or the increase outlined in
Scenario 4 does not eventuate then the amount sought will be a maximum of 10%. A program of works centred on asset renewals will be funded from this proposed special rate variation for roads & bridges

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Impact on Benchmark									
General Fund rates base consolidated	0	0	0	0	0	0	20,531	21,781	23,107
Additional Revenue Yield from rate increase	0	0	0	0	0	0	616	653	693
Additional Expenditure	0	0	0	0	0	0	616	653	693
Revised Benchmark Results	**61.6%**	**28.3%**	**8.3%**	**7.4%**	**7.0%**	**5.1%**	**4.2%**	**3.2%**	**2.2%**
Scenario 5 Impact on Benchmark	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**-0.2%**	**-0.3%**	**-0.5%**

Results Graph



Graph Data

Year	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Benchmark	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Base Case	61.6%	28.3%	8.3%	7.4%	7.5%	7.5%	7.5%	7.5%	7.5%
Scenario 1 Benchmark Impact	0.0%	0.0%	0.0%	0.0%	0.0%	-0.6%	-1.3%	-2.1%	-2.9%
Scenario 2 Benchmark Impact	0.0%	0.0%	0.0%	0.0%	-0.5%	-1.7%	-1.7%	-0.1%	-1.7%
Scenario 3 Benchmark Impact	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Scenario 4 Benchmark Impact	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.2%	-1.8%	-0.3%
Scenario 5 Benchmark Impact	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.2%	-0.3%	-0.5%
Cumulative Benchmark Result (Scenario 1 to 5)	61.6%	28.3%	8.3%	7.4%	7.0%	5.1%	4.2%	3.2%	2.2%

Assumptions:
1. Fit for Future result for this benchmark is General Fund only - Water and Sewerage are excluded.
2. Assumed current asset renewal spend does not cause cost to bring asset back to satisfactory standard to change.
3. Written down value amended in calculation of backlog % by deducting annual depreciation but adding cost of renewals. Not able to ascertain depreciation of renewals going forward.
4. Revenue and expenditure estimate projections are updated following balanced draft 2015/2016 budget estimates yet to be seen by Council.
5. Results do include impact of 2015/2016 budget estimates with future years indexed by assumption but does not include impact of Coastal Zone Management Plan (CZMP) or Byron Bay Town Centre Masterplan

Byron Shire Council - Fit for the Future Financial Modelling at 20 May 2015
Benchmark 5 - Asset Maintenance Ratio

#E2015/32198	2011/2012 $'000	2012/2013 $'000	2013/2014 $'000	2014/2015 $'000	2015/2016 $'000	2016/2017 $'000	2017/2018 $'000	2018/2019 $'000	2019/2020 $'000

Benchmark Purpose:
Measures the actual asset maintenance expenditure relative to the required asset maintenance. Ratio provides a measure of asset degradation.
performance and financial sustainability. Benchmark is to be greater then 100%. Results below are yearly results but FFF result is a 3 year average, see summary.

Formula:
Numerator: **Actual Asset Maintenance**
Denominator: **Required Asset Maintenance**

Base Case - Data (Applicable to Byron)									
SS7 - Actual Annual Maintenance	5,328	5,126	4,662	5,102	5,227	5,384	5,546	5,713	5,885
SS7 - Required Annual Maintenance	10,782	10,491	5,937	5,937	5,937	5,937	5,937	5,937	5,937
Numerator Value	**5,328**	**5,126**	**4,662**	**5,102**	**5,227**	**5,384**	**5,546**	**5,713**	**5,885**
Denominator Value	**10,782**	**10,491**	**5,937**	**5,937**	**5,937**	**5,937**	**5,937**	**5,937**	**5,937**
Benchmark Value - Base Case	**49.4%**	**48.9%**	**78.5%**	**85.9%**	**88.0%**	**90.7%**	**93.4%**	**96.2%**	**99.1%**

Scenario 1:
Realisation of Additional Paid Parking Revenue of $2,088,900 per annum commencing 2016/2017 with all allocated to asset renewal. 2017/2018 includes additional $600k from 2017/2018 for new scheme at Wategoes. Assumed revenue in 2015/2016 is addressing cost of installing Byron scheme with full revenue commenincing in 2016/2017.

Impact on Benchmark									
Additional Revenue	0	0	0	0	0	2,089	2,752	2,835	2,921
Additional Expenditure	0	0	0	0	0	0	0	0	0
Revised Benchmark Results	**49.4%**	**48.9%**	**78.5%**	**85.9%**	**88.0%**	**90.7%**	**93.4%**	**96.2%**	**99.1%**
Scenario 1 Impact on Benchmark	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**

Scenario 2:
Realisation of cashflows from rationalisation of land sales as per doc #E2015/6993. This does not impact this ratio as assumed proceeds from land sales will be used to renew assets and not maintain them.

Impact on Benchmark									
Additional Revenue	0	0	0	0	3,000	3,400	0	0	0
Additional Expenditure	0	0	0	0	1,695	4,705	0	0	0
Revised Benchmark Results	**49.4%**	**48.9%**	**78.5%**	**85.9%**	**88.0%**	**90.7%**	**93.4%**	**96.2%**	**99.1%**
Scenario 2 Impact on Benchmark	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**

Scenario 3:
Realisation of efficiency savings through strategic procurement initiatives. Saving of 1% of General Fund Materials & Contracts plus Other Expenses from Financial Statements. Exclude Employee Costs, Interest and Depreciation Costs. Savings realised from 2015/2016 onwards. 2015/2016 figure from 2013/2014 financials note 21 indexed by CPI for 2014/2015. Assumes no impact on asset renewal in $ terms but should provide more funding for works. Assumes there are no long term fixed price contracts in place and expenses are totally discretionary. This ratio is not impacted by this scenario as it is an expenditure reduction. Will allow more maintenance within existing allocations.

Impact on Benchmark									
Note 21 General Fund Materials & Contracts	0	0	0	22,918	23,606	24,314	25,043	25,794	26,568
Note 21 General Fund Other Expenses	0	0	0	1,175	1,194	1,213	1,232	1,252	1,272
Efficiency Dividend	0	0	0	0	0.00%	1.00%	1.00%	1.00%	1.00%
Impact on Expenditure	0	0	0	0	0	-255	-263	-270	-278
Revised Benchmark Results	**49.4%**	**48.9%**	**78.5%**	**85.9%**	**88.0%**	**90.7%**	**93.4%**	**96.2%**	**99.1%**
Scenario 3 Impact on Benchmark	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**

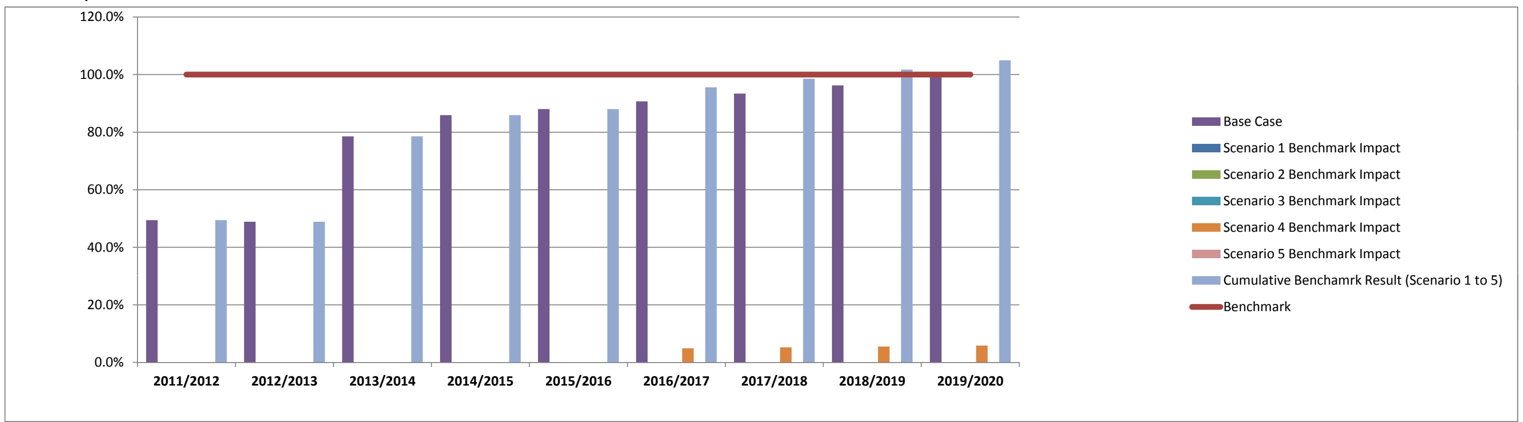
Scenario 4:
Realisation of additional rate increase of 3% per annum over the rate peg from 2016/2017 onwards. Amount applicable relates to rate income less pensioner abandonments. Also compounds in future years.
2.3% rate peg applied to 2015/2016. Assumed additional revenue is applied 50% operating and 50% capital.

Impact on Benchmark									
General Fund rates base consolidated	0	0	0	18,366	18,788	19,352	20,531	21,781	23,107
Additional Revenue Yield from rate increase	0	0	0	0	0	581	616	653	693
Additional Expenditure	0	0	0	0	0	290	308	327	347
Revised Benchmark Results	**49.4%**	**48.9%**	**78.5%**	**85.9%**	**88.0%**	**95.6%**	**98.6%**	**101.7%**	**105.0%**
Scenario 4 Impact on Benchmark	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**4.9%**	**5.2%**	**5.5%**	**5.8%**

Scenario 5:
Realisation of a further rate increase under Section 508(A) of the Local Government Act 1993 from 2017/2018 onwards for four successive years then remaining a fixed addition to Council General Income. The proposed increase is a total of 10% but includes rate pegging from the base case and any rate increase outlined in Scenario 4. If the rate peg is less then the base case assumption or the increase outlined in Scenario 4 does not eventuate then the amount sought will be a maximum of 10%. A program of works centred on asset renewals will be funded from this proposed special rate variation for roads & bridges.
This scenario will not impact this ratio as the revenue raised is for renewal and not maintenance.

Impact on Benchmark									
General Fund rates base consolidated	0	0	0	0	0	0	20,531	21,781	23,107
Additional Revenue Yield from rate increase	0	0	0	0	0	0	616	653	693
Additional Expenditure	0	0	0	0	0	0	0	0	0
Revised Benchmark Results	**49.4%**	**48.9%**	**78.5%**	**85.9%**	**88.0%**	**95.6%**	**98.6%**	**101.7%**	**105.0%**
Scenario 5 Impact on Benchmark	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**

Results Graph



Graph Data									
Year	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Benchmark	100%	100%	100%	100%	100%	100%	100%	100%	100%
Base Case	49.4%	48.9%	78.5%	85.9%	88.0%	90.7%	93.4%	96.2%	99.1%
Scenario 1 Benchmark Impact	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Scenario 2 Benchmark Impact	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Scenario 3 Benchmark Impact	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Scenario 4 Benchmark Impact	0.0%	0.0%	0.0%	0.0%	0.0%	4.9%	5.2%	5.5%	5.8%
Scenario 5 Benchmark Impact	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cumulative Benchamrk Result (Scenario 1 to 5)	49.4%	48.9%	78.5%	85.9%	88.0%	95.6%	98.6%	101.7%	105.0%

Assumptions:
1. Fit for Future result for this benchmark is General Fund only - Water and Sewerage are excluded.
2. Scenario 2 does not impact this ratio as proceeds from land sales assumed to fund asset renewal and not maintenance.
3. Assumed required asset maintenance is to draw a base line and then improve, hence denominator value remains constant.
4. Results do include impact of 2015/2016 budget estimates with future years indexed by assumption but does not include impact of Coastal Zone Management Plan (CZMP) or Byron Bay Town Centre Masterplan.

Byron Shire Council - Fit for the Future Financial Modelling at 20 May 2015

Benchmark 6 - Debt Service Ratio

#E2015/32198	2011/2012 $'000	2012/2013 $'000	2013/2014 $'000	2014/2015 $'000	2015/2016 $'000	2016/2017 $'000	2017/2018 $'000	2018/2019 $'000	2019/2020 $'000

Benchmark Purpose:
Measure the amount of ongoing recurrent revenue to fund repayment of loan principal and interest. Expectration is that Council's should have a level of debt to spread the cost of long lived assets across generations. Benchmark is to be greater then 0% and less then or equal to 20%. Results below are yealy results but FFF result is a 3 year average.

Formula:
Numerator: **Cost of debt service (interest expense and principal repayments)**
Denominator: **Total continuing operating revenue (excluding capital grants and contributions)**

Base Case - Data (Applicable to Byron)	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Note 21 - Total income from continuing operations	51,317	47,561	54,701	56,885	52,236	53,160	48,747	50,172	51,640
Note 21 - Income Grants & Contributions provided for Capital Purposes	7,084	1,797	5,721	3,105	7,467	7,047	1,250	1,250	1,250
Note 21 - Income Net Gain from the Disposal of Assets	0	33	0	0	0	0	0	0	0
Note 21 - Interest and Investment Revenue - Fair Value Adjustments	1,341	617	443	0	0	0	0	0	0
Loan interest expense	916	1,448	1,403	0	0	0	0	0	0
Loan principal repayments from 14/15 also includes interest	1,471	1,579	2,120	2,586	2,586	2,205	2,070	1,854	1,801
Numerator Value	**2,387**	**3,027**	**3,523**	**2,586**	**2,586**	**2,205**	**2,070**	**1,854**	**1,801**
Denominator Value	**42,892**	**45,114**	**48,537**	**53,780**	**44,769**	**46,113**	**47,497**	**48,922**	**50,390**
Benchmark Value - Base Case	**5.57%**	**6.71%**	**7.26%**	**4.81%**	**5.78%**	**4.78%**	**4.36%**	**3.79%**	**3.57%**

Scenario 1:
Realisation of Additional Paid Parking Revenue of $2,088,900 per annum commencing 2016/2017 with all allocated to asset renewal. 2017/2018 includes additional $600k from 2017/2018 for new scheme at Wategoes. Assumed revenue in 2015/2016 is addressing cost of installing Byron scheme with full revenue commenincing in 2016/2017.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Additional Revenue	0	0	0	0	160	2,089	2,752	2,835	2,921
Additional Expenditure	0	0	0	0	160	0	0	0	0
Revised Benchmark Results	**5.57%**	**6.71%**	**7.26%**	**4.81%**	**5.76%**	**4.57%**	**4.12%**	**3.58%**	**3.38%**
Scenario 1 Impact on Benchmark	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**-0.02%**	**-0.21%**	**-0.24%**	**-0.21%**	**-0.20%**

Scenario 2:
Realisation of cashflows from rationalisation of land sales as per doc #E2015/6993. This does not impact this ratio as assumed proceeds from land sales will be used to renew assets and proceeds are capita revenue from the sale of assets, not operating revenue and not a capital grant or contribution so therefore excluded.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Additional Revenue	0	0	0	0	3,000	3,400	0	0	0
Additional Expenditure	0	0	0	0	1,695	4,705	0	0	0
Revised Benchmark Results	**5.57%**	**6.71%**	**7.26%**	**4.81%**	**5.76%**	**4.57%**	**4.12%**	**3.58%**	**3.38%**
Scenario 2 Impact on Benchmark	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

Scenario 3:
Realisation of efficiency savings through strategic procurement initiatives. Saving of 1% of General Fund Materials & Contracts plus Other Expenses from Financial Statements. Exclude Employee Costs, Interest and Depreciation Costs. Savings realised from 2015/2016 onwards. 2015/2016 figure from 2013/2014 financials note 21 indexed by CPI for 2014/2015. Assumes no impact on asset renewal in $ terms but should provide more funding for works. Assumes there are no long term fixed price contracts in place and expenses are totally discretionary. This ratio is not impacted by this scenario as it is an expenditure reduction.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Note 21 General Fund Materials & Contracts	0	0	0	22,918	23,606	24,314	25,043	25,794	26,568
Note 21 General Fund Other Expenses	0	0	0	1,175	1,194	1,213	1,232	1,252	1,272
Efficiency Dividend	0	0	0	0	0.00%	1.00%	1.00%	1.00%	1.00%
Impact on Expenditure	0	0	0	0	0	-255	-263	-270	-278
Revised Benchmark Results	**5.57%**	**6.71%**	**7.26%**	**4.81%**	**5.76%**	**4.57%**	**4.12%**	**3.58%**	**3.38%**
Scenario 3 Impact on Benchmark	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

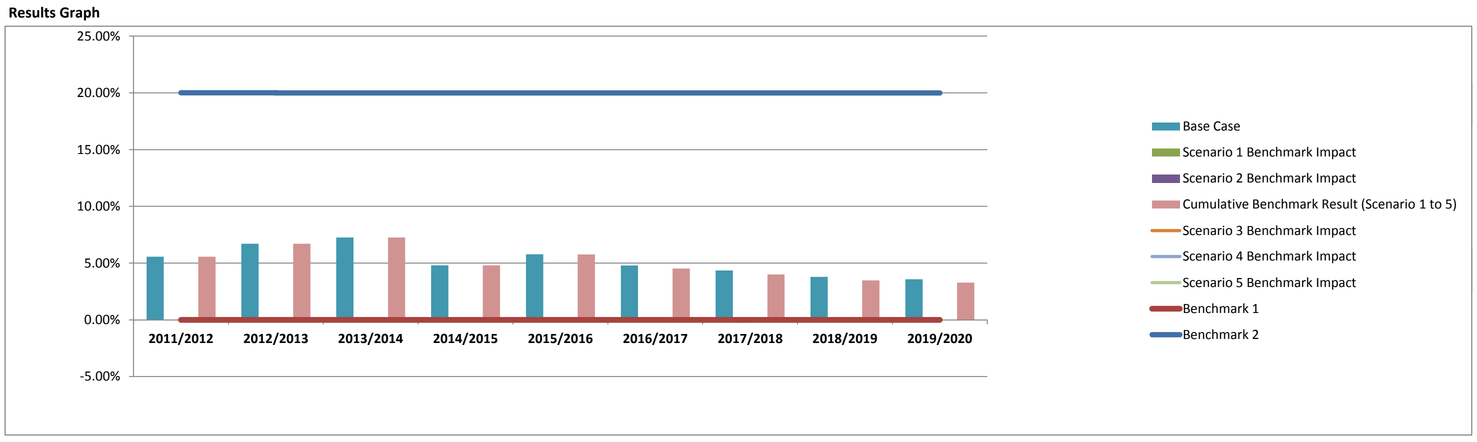
Scenario 4:
Realisation of additional rate increase of 3% per annum over the rate peg from 2016/2017 onwards. Amount applicable relates to rate income less pensioner abandonments. Also compounds in future years. 2.3% rate peg applied to 2015/2016. Assumed additional revenue is applied 50% operating and 50% capital.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
General Fund rates base consolidated	0	0	0	18,366	18,788	19,352	20,531	21,781	23,107
Additional Revenue Yield from rate increase	0	0	0	0	0	581	616	653	693
Additional Expenditure	0	0	0	0	0	290	308	327	347
Revised Benchmark Results	**5.57%**	**6.71%**	**7.26%**	**4.81%**	**5.76%**	**4.52%**	**4.07%**	**3.54%**	**3.33%**
Scenario 4 Impact on Benchmark	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**-0.05%**	**-0.05%**	**-0.04%**	**-0.04%**

Scenario 5:
Realisation of a further rate increase under Section 508(A) of the Local Government Act 1993 from 2017/2018 onwards for four successive years then remaining a fixed addition to Council General Income. The proposed increase is a total of 10% but includes rate pegging from the base case and any rate increase outlined in Scenario 4. If the rate peg is less then the base case assumption or the increase outlined in Scenario 4 does not eventuate then the amount sought will be a maximum of 10%. A program of works centred on asset renewals will be funded from this proposed special rate variation for roads & bridges.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
General Fund rates base consolidated	0	0	0	0	0	0	20,531	21,781	23,107
Additional Revenue Yield from rate increase	0	0	0	0	0	0	821	871	924
Additional Expenditure	0	0	0	0	0	0	0	0	0
Revised Benchmark Results	**5.57%**	**6.71%**	**7.26%**	**4.81%**	**5.76%**	**4.52%**	**4.00%**	**3.48%**	**3.28%**
Scenario 5 Impact on Benchmark	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**-0.06%**	**-0.06%**	**-0.06%**

Results Graph



Graph Data									
Year	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Benchmark 1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Benchmark 2	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Base Case	5.57%	6.71%	7.26%	4.81%	5.78%	4.78%	4.36%	3.79%	3.57%
Scenario 1 Benchmark Impact	0.00%	0.00%	0.00%	0.00%	-0.02%	-0.21%	-0.24%	-0.21%	-0.20%
Scenario 2 Benchmark Impact	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Scenario 3 Benchmark Impact	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Scenario 4 Benchmark Impact	0.00%	0.00%	0.00%	0.00%	0.00%	-0.05%	-0.05%	-0.04%	-0.04%
Scenario 5 Benchmark Impact	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.06%	-0.06%	-0.06%
Cumulative Benchmark Result (Scenario 1 to 5)	5.57%	6.71%	7.26%	4.81%	5.76%	4.52%	4.00%	3.48%	3.28%

Assumptions:
1. Fit for Future result for this benchmark is General Fund only - Water and Sewerage are excluded.
2. Scenario 2 does not impact this ratio as the revenue is capital via asset sales and not classified as a capital grant/contribution. Expenditure either operating/capital does not impact benchmark in both scenarios.
3. Assumes that no future loan borrowings are undertaken in the General Fund for the projected period up to 2019/2020.
4. Revenue and expenditure estimate projections are updated following balanced draft 2015/2016 budget estimates yet to be seen by Council.
5. Results do include impact of 2015/2016 budget estimates with future years indexed by assumption but does not include impact of Coastal Zone Management Plan (CZMP) or Byron Bay Town Centre Masterplan.

Byron Shire Council - Fit for the Future Financial Modelling at 20 May 2015
Benchmark 7 - Real Operating Expenditure per Capita

#E2015/32198	2011/2012 $'000	2012/2013 $'000	2013/2014 $'000	2014/2015 $'000	2015/2016 $'000	2016/2017 $'000	2017/2018 $'000	2018/2019 $'000	2019/2020 $'000

Benchmark Purpose:
Efficiency measure assuming service levels remain constant that compares operating expenditure per head of population.
Benchmark is a decreease in real operating expenditure per capita over time.

Formula:
Numerator: Deflated Operating Expenditure from Continuing Operations
Denominator: Population Data

Base Case - Data (Applicable to Byron)	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Note 21 - Total Expenses from Continuing Operations	54,265	52,315	53,404	56,885	52,236	53,160	48,747	50,172	51,640
Note 21 - Net Loss from Disposal of Assets	2,331	0	640	0	0	0	0	0	0
Note 21 - Revaluation Decrements	0	0	0	0	0	0	0	0	0
Population data not rounded to nearest '000	30,868	31,318	31,612	32,118	32,632	33,154	33,684	34,223	34,771
Local Government Cost Index	3.0%	3.4%	3.7%	2.8%	2.5%	2.5%	2.5%	2.5%	2.5%
Previous years deflators 09/10 2.3%, 10/11 3.0%									
Numerator Value	**47,741**	**46,456**	**45,121**	**48,396**	**44,670**	**45,694**	**42,292**	**44,070**	**45,500**
Denominator Value	**30,868**	**31,318**	**31,612**	**32,118**	**32,632**	**33,154**	**33,684**	**34,223**	**34,771**
Benchmark Value - Base Case	**1.55**	**1.48**	**1.43**	**1.51**	**1.37**	**1.38**	**1.26**	**1.29**	**1.31**

Scenario 1:
Realisation of Additional Paid Parking Revenue of $2,088,900 per annum commencing 2016/2017 with all allocated to asset renewal. 2017/2018 includes additional $600k from 2017/2018 for new scheme at Wategoes. Assumed revenue in 2015/2016 is addressing cost of installing Byron scheme with full revenue commenincing in 2016/2017.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Additional Revenue	0	0	0	0	160	2,089	2,752	2,835	2,921
Additional Expenditure	0	0	0	0	160	0	0	0	0
Numerator Value	**47,741**	**46,456**	**45,121**	**48,396**	**44,807**	**45,694**	**42,292**	**44,070**	**45,500**
Denominator Value	**30,868**	**31,318**	**31,612**	**32,118**	**32,632**	**33,154**	**33,684**	**34,223**	**34,771**
Revised Benchmark Results	**1.55**	**1.48**	**1.43**	**1.51**	**1.37**	**1.38**	**1.26**	**1.29**	**1.31**
Scenario 1 Impact on Benchmark	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Scenario 2:
Realisation of cashflows from rationalisation of land sales as per doc #E2015/6993. This does not impact this ratio as assumed proceeds from land sales will be used to renew assets and proceeds are capital
Operating expenses not impacted.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Additional Revenue	0	0	0	0	0	0	0	0	0
Additional Expenditure	0	0	0	0	0	0	0	0	0
Revised Benchmark Results	**1.55**	**1.48**	**1.43**	**1.51**	**1.37**	**1.38**	**1.26**	**1.29**	**1.31**
Scenario 2 Impact on Benchmark	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Scenario 3:
Realisation of efficiency savings through strategic procurement initiatives. Saving of 1% of General Fund Materials & Contracts plus Other Expenses from Financial Statements. Exclude Employee Costs, Interest and Depreciation Costs. Savings realised from 2015/2016 onwards. 2015/2016 figure from 2013/2014 financials note 21 indexed by CPI for 2014/2015. Assumes no impact on asset renewal in $ terms but should provide more funding for works. Assumes there are no long term fixed price contracts in place and expenses are totally discretionary.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Note 21 General Fund Materials & Contracts	0	0	0	22,918	23,606	24,314	25,043	25,794	26,568
Note 21 General Fund Other Expenses	0	0	0	1,175	1,194	1,213	1,232	1,252	1,272
Efficiency Dividend	0	0	0	0	0.00%	1.00%	1.00%	1.00%	1.00%
Impact on Expenditure	0	0	0	0	0	-255	-263	-270	-278
Numerator Value	**47,741**	**46,456**	**45,121**	**48,396**	**44,807**	**45,475**	**42,064**	**43,833**	**45,254**
Denominator Value	**30,868**	**31,318**	**31,612**	**32,118**	**32,632**	**33,154**	**33,684**	**34,223**	**34,771**
Revised Benchmark Results	**1.55**	**1.48**	**1.43**	**1.51**	**1.37**	**1.37**	**1.25**	**1.28**	**1.30**
Scenario 3 Impact on Benchmark	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**-0.01**	**-0.01**	**-0.01**	**-0.01**

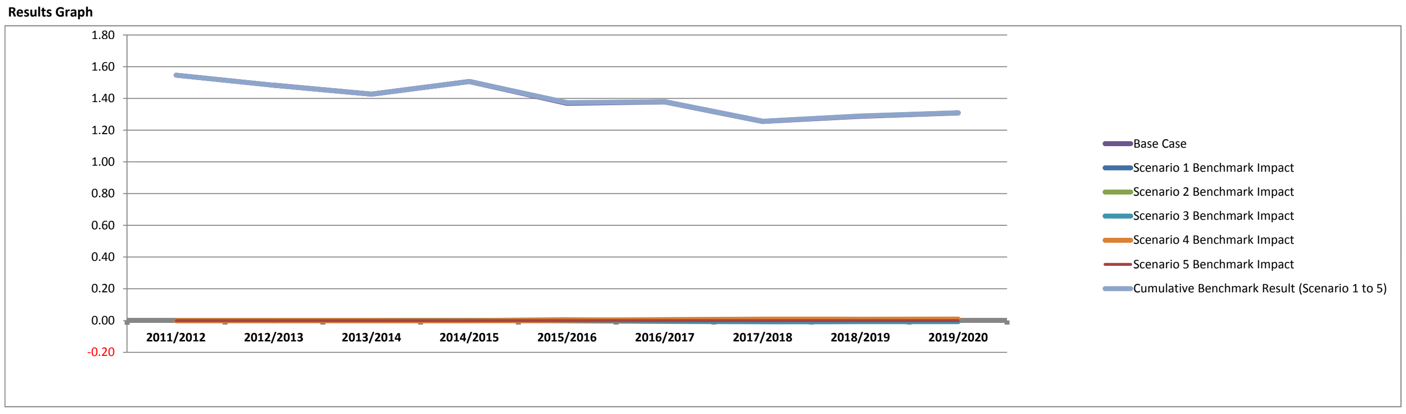
Scenario 4:
Realisation of additional rate increase of 3% per annum over the rate peg from 2016/2017 onwards. Amount applicable relates to rate income less pensioner abandonments. Also compounds in future years.
2.3% rate peg applied to 2015/2016. Assumed additional revenue is applied 50% operating and 50% capital.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
General Fund rates base consolidated	0	0	0	18,366	18,788	19,352	20,531	21,781	23,107
Additional Revenue Yield from rate increase	0	0	0	0	0	581	616	653	693
Additional Expenditure	0	0	0	0	0	290	308	327	347
Numerator Value	**47,741**	**46,456**	**45,121**	**48,396**	**44,807**	**45,725**	**42,331**	**44,120**	**45,560**
Denominator Value	**30,868**	**31,318**	**31,612**	**32,118**	**32,632**	**33,154**	**33,684**	**34,223**	**34,771**
Revised Benchmark Results	**1.55**	**1.48**	**1.43**	**1.51**	**1.37**	**1.38**	**1.26**	**1.29**	**1.31**
Scenario 4 Impact on Benchmark	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.01**	**0.01**	**0.01**	**0.01**

Scenario 5:
Realisation of a further rate increase under Section 508(A) of the Local Government Act 1993 from 2017/2018 onwards for four successive years then remaining a fixed addition to Council General Income.
The proposed increase is a total of 10% but includes rate pegging from the base case and any rate increase outlined in Scenario 4. If the rate peg is less then the base case assumption or the increase outlined in Scenario 4 does not eventuate then the amount sought will be a maximum of 10%. A program of works centred on asset renewals will be funded from this proposed special rate variation for roads & bridges.
This scenario does not impact this ratio as expenditure is asset renewal ie capital and not operating expenditure.

Impact on Benchmark	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
General Fund rates base consolidated	0	0	0	0	0	0	20,531	21,781	23,107
Additional Revenue Yield from rate increase	0	0	0	0	0	0	821	871	924
Additional Expenditure	0	0	0	0	0	0	0	0	0
Revised Benchmark Results	**1.55**	**1.48**	**1.43**	**1.51**	**1.37**	**1.38**	**1.26**	**1.29**	**1.31**
Scenario 5 Impact on Benchmark	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Results Graph



Graph Data									
Year	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Base Case	1.55	1.48	1.43	1.51	1.37	1.38	1.26	1.29	1.31
Scenario 1 Benchmark Impact	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Scenario 2 Benchmark Impact	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Scenario 3 Benchmark Impact	0.00	0.00	0.00	0.00	0.00	-0.01	-0.01	-0.01	-0.01
Scenario 4 Benchmark Impact	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.01
Scenario 5 Benchmark Impact	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cumulative Benchmark Result (Scenario 1 to 5)	1.55	1.48	1.43	1.51	1.37	1.38	1.26	1.29	1.31

Assumptions:
1. Fit for Future result for this benchmark is General Fund only - Water and Sewerage are excluded.
2. Scenario 2 does not impact this ratio as the revenue is capital via asset sales and not classified as a capital grant/contribution. Expenditure either operating/capital does not impact benchmark in both scenarios.
3. Revenue and expenditure projections drop in 2015/2016 due to completion of natural disaster restorations. Impacts revenue and expenses by same amount.
4. Revenue and expenditure estimate projections are updated following balanced draft 2015/2016 budget estimates yet to be seen by Council.
5. Remove internal plant hire as shown in budget review as revenue but consolidated out in financial statements $2.9million 14/15.
6. Results do include impact of 2015/2016 budget estimates with future years indexed by assumption but does not include impact of Coastal Zone Management Plan (CZMP) or Byron Bay Town Centre Masterplan.

ATTACHMENT B – Detailed Improvement Action Plan

Implementation of Paid Parking Scheme

Lead: Phil Holloway

Consultant assistance in preparing this action plan: Total Traffic Management

Actions	2015/16 or prior	2016/17	2017/18 onward
• Obtain RMS approval	Aug 2015		
• Finalise time zone restrictions (Local Traffic Committee, Council)	Aug 2015		
• Procure infrastructure	Aug – Oct 2015		
• Implement community information	Sept 2015 onwards		
• Implement resident permit scheme	Sept – Dec 2015		
• Install infrastructure	Sept – Dec 2015		
• Commence scheme operation	Dec 2015		
• Prepare monitoring report on first 12 months of scheme implementation and any improvements/changes		Nov – Dec 2016	
• Assign paid parking revenue to expenditure items identified in Byron Bay Master Plan, Section 94 plans, and asset management plans		Commence 2016/17	Ongoing
• Examine possible extension of scheme to other areas • Investigation of extension to towns of Brunswick Heads, Bangalow, Mullumbimby • Implementation if approved		2016	2017

Other information

Risks/mitigation	Benefits	Financial assumptions	Governance
Community rejection of paid parking concept, mitigated by: ○ Extensive community consultation in 2014/15 ○ Introduction of exemption permit proposal for residents Delay (e.g. RMS approval, infrastructure procurement), mitigated by: ○ Conservative budgeting of income: break-even for 2015/16, revenue improvements realised from 2016/17 onward	Improvements to parking management Revenue stream to fund works identified in Byron Bay Master Plan and other asset plans Revenue stream from visitors to offset the infrastructure and service costs associated with tourism	No net revenue in 2015/16 Approximately $2m net revenue from 2016/17 onward	April 2015 – Workshop with Council 21 May 2015 - scheme approved by Council June 2015 – Report on additional investigation areas informing possible extension of scheme

Implementation of strategic procurement program

Lead: Trish Kirkland

Consultant assistance in preparing this action plan (if any): Nil

Actions	2015/16 or prior	2016/17	2017/18 onward
• Obtain Council approval for strategic procurement program	Aug 2013		
• Undertake procurement review and develop strategic procurement action plan	Sept 2013		
• Adopt new strategic procurement centre-led model and action plan	Mar 2014		
• Undertake regional procurement review and adopt regional procurement initiatives (via NOROC)	Nov – Dec 2014		
• Implement strategic procurement model within the new organisation structure	Jan 2015		
• Undertake benchmark expenditure analysis	Jun 2015		
• Implement 1% efficiency dividend from budget from Strategic Procurement initiatives	Jul 2015	Ongoing	Ongoing

Other information

Risks/mitigation	Benefits	Financial assumptions	Governance
Retention of highly sought-after staff in key strategic procurement position/s Maintaining momentum of Regional Procurement initiatives (via NOROC)	Net savings of at least 1% on General Fund expenditure	Savings applied as an efficiency dividend Assumes budget contract expenditure is 100% available (not contracted) Assumes savings achieved in infrastructure expenditure is allocated to improve asset maintenance/renewal	Procurement Steering Committee with a report to the Executive Team Strategic Procurement initiatives and KPIs reported to the Finance Committee and Council

Implementation of asset sales program (General Fund properties)

Lead: Phil Warner

Consultant assistance in preparing this action plan: Nil

Actions per property	2015/16 or prior	2016/17	2017/18 onward
Roundhouse Subdivision, Ocean Shores			
Subdivision works completed	2013/14		
Land reclassification process and sale	2014/15		
$3m revenue realised	2015/16		
Lot 12 Bayshore Drive			
Amalgamation of lots 1&2	2013/14		
Clean up assessment completed	2013/14		
Voluntary Plan of management, EIS, DA, and commence clean up contract	2014/15		
Complete clean up contract and finalise land contamination status	2015/16		
Evaluation and possible sale ($4.5m)		2016/17	
$1.1m revenue realised (fund remediation works)	2015/16		
$3.4m revenue realised		2016/17	
Telstra site			
Council resolution to sell	2013/14		
Sale ($507,000)	2014/15		
Station Street, Mullumbimby			
Planning, investigation, DA development	2013/14		
Subdivision approval and construction (contingent from proceeds of Telstra site sale)	2014/15		

Actions per property	2015/16 or prior	2016/17	2017/18 onward
$300,000 revenue realised (fund other property development projects)	2015/16		
$300,000 revenue realised (fund other property development projects)		2016/17	
Manfred Street			
Reclassification process commenced	2013/14		
Reclassification process completed	2014/15		
Valuation and sale	2015/16		
Yaran Road, Tyagarah Airfield			
Investigate flood and environmental options for subdivision and development options	2014/15		
Sale or commercial lease of subdivided lots in airfield development	2015/16		
Lot 22 Mullumbimby			
Council workshop on options, including presentation on affordable housing	2013/14		
Investigation, flood assessment, and options development	2014/15		
Planning requirements and DA development	2015/16		
DA approval and commence works		2016/17	
Sale			2017/18 or beyond
Bayshore Drive Works Depot, Byron Bay (Lot 102, DP1087996, 1.79ha)			
Preliminary investigation undertaken on relocation of works depot and sale of current site	2014/15		
Detailed investigation including potential alternative depot sites and full market value assessment of current site.			

Other information

Risks/mitigation	Benefits	Financial assumptions	Governance
• Sale of the Roundhouse site has been legally challenged and Council has deployed a detailed and thorough process to address the risk. It is anticipated this process will conclude in the first half of 2015/16 and sale will then be possible. • Where the feasibility of a land development site is yet to be finalized/ determined, no value for revenue realisation has been included in financial projections.	• The development of land is a key element of councils previously adopted Financial Sustainability Project Plan. • The funds derived from asset sales have been targeted towards asset renewal which will assist in the improvement process and help to maintain continuity of service in critical asset areas such as roads.	• The anticipated revenue realised has been estimated on a conservative basis to ensure financial projections are not distorted.	• Performance against the FSPP is reported quarterly to Council via the Finance Committee. • All land matters are conducted in accordance with the provisions of the Local Government Act.

Implementation of rate increases (additional 3% in 2016/17 and up to maximum 10% 2017/18)

Lead: Phil Holloway

Consultant assistance in preparing this action plan: Nil

Action	2015/16 or prior	2016/17	2017/18 onward
Apply Fit for the Future streamlined process for rate increase of 3% over rate peg in 2016/17 (assuming Council is declared as FFF)			
• Prepare project plan and finalise proposals for use of funds, including Council report	May – Oct 2015		
• Plan and implement community consultation, building on previous Community Strategic Plan and other consultation	Oct – Dec 2015		
• Report to Council	Jan – Feb 2016		
• Include in operational planning and budget papers	Apr 2016		
• Introduce rate increase, including communication to community	Jul 2016		
Application of SRV up to 10% over rate peg from 2017/18			
• Undertake review of IPART requirements and timing and prepare project plan		Aug – Oct 2015	
• Councillor workshops and initial community consultation		Nov – Dec 2015	
• Initial report to Council		Jan – Feb 2016	
• Implement detailed project plan, including review of success of CIP, working with new Council after elections, community consultation and other steps to finalise detail of proposed SRV		2016	
• Exhibit		Early 2017	
• Introduce SRV		July 2017	

Other information

Risks/mitigation	Benefits	Financial assumptions	Governance
• The new Council elected in September 2016 may not support the proposal for a SRV of up to 10% from 2017/18. • The review and development of Asset Service Plans for roads and associated infrastructure may not be completed in time to support the consultation process with the community on the SRV. • Agreement not reached on the works, activities and projects identified in the development of the Asset Service Plans to be funded by the SRV. • Community confusion or lack of support for the SRV ○ Strong community consultation program focused on transparency in spending, targeted programs for asset management	Reduction in infrastructure backlog Meet community expectations of asset function and asset risk profile	Anticipated revenues are estimated using current base case for rateable assessments and assume a slight growth assumption. Rate yield has not exceeded 10% based on Council and community support being received. Rate yields in base cases may vary if the rates peg limit varies significantly from the 2.4% assumed.	Compliance with the IPART Rate Variation Guidelines and any other FFF or Legislative requirements related to rating revenue increases.