Eurobodalla State of the Shire Report

Note
This report will be modified to reflect the eurobodalla2030 format prior to being placed on public exhibit.

Draft version 1.0 prepared by Eurobodalla Shire Council, August 2010

Contents

Table of figures

Table of figures

Introduction

Objectives of the Report

The purpose of this paper is to assist the community in identifying the Shire's key issues and to understanding how these issues may impact on our future. To determine a shared vision and future direction for the Shire, it is essential that we first understand the 'Where are we now?' part of the planning process and this report aims to:

- describe the current environment
- identify key issues and trends impacting on the community and affecting our future
- promote discussion on what it is that we value and wish to maintain
- identify the community assets on which to build
- consider our future opportunities

Community Strategic Plan - eurobodalla2030

This report signals the start of the development phase of eurobodalla2030, a plan that will capture a balance and give full consideration to the community's values and vision for the next 20 years.
Scheduled for completion by the end of 2011, eurobodalla2030 will set out the best way forward and the priorities for the community, the environment and the economy of our Shire. The Community Strategic Plan will be reviewed and endorsed by the community and Council every four years in line with local government elections.

Wider Strategic Context

NSW Local Government Act

With regards to the provision of information to the community during this process, Council must adhere to the following essential elements.

- Information that identifies key issues and challenges must be presented to the community in an accessible format to assist its participation in the planning process.
- Any relevant State or Regional draft plans and strategies that are available at the time of preparing the Community Strategic Plan must also be considered.

The 2010 State Plan[1]

The 2010 State Plan is the principle strategic plan offering a vision for NSW and delivered with specific targets and measures that are implemented and monitored by individual State Government departments. In support of the State Plan, there is a suite of specific plans that

[1] NSW Department of Premier and Cabinet

seek to address issues such as transport, health, environment, employment, economic development, planning and stronger and safer communities.
The NSW South East Action Plan provides a range of regional planning directions while planning policies contained in the 2007 South Coast Regional Strategy are specifically designed to promote sustainable urban and natural environments in the Eurobodalla Shire.

South East NSW Action Plan[2]

People living in the South East region of NSW identified the following regional priorities for future action by the State Government.

- improve access to health services, in particular more medical specialists
- invest in infrastructure, in particular roads and broadband
- diversify the economic base and support local employment opportunities.

NSW South Coast Regional Strategy[3]

The Eurobodalla directions for the next 20 years from 2007 NSW South Coast Regional Strategy are as follows.

Employment

- a target of 6,200 new jobs with increases expected in the areas of finance, administration, business services, health and aged care, as well as tourism.
- the development of an Employment Lands Strategy to protect regionally significant future employment lands in Batemans Bay, Moruya and Narooma.

Housing

- urban and commercial development focused around major centres and well serviced towns
- as one of the region's two major centres, Batemans Bay will play an increasingly important role as a residential, employment and administrative centre, along with a focal point for subregional road and transport networks
- Moruya and Narooma as major towns, are shopping and business centres for the nearby district and include medium density residential housing
- about 70 per cent of the Eurobodalla area's future population growth will be accommodated in existing vacant urban land
- the remainder will be accommodated by medium density development and investigation areas to be identified in the endorsed Eurobodalla Settlement Strategy

[2] ibid
[3] NSW Department of Planning

- no new towns or villages unless compelling reasons are presented and they can satisfy the Sustainability Criteria listed in the South Coast Regional Strategy.
- future housing mix will better match the need for smaller households and aged residents.

Transport and Infrastructure

Regional transport and infrastructure is to align with growth.

Environment and Resources

14 coastal lakes, bays, rivers and estuary systems have been identified as having significant environmental values. Future residential rezoning in these catchments will only be allowed if they can be demonstrated to have a neutral or beneficial effect on the condition of the waterway.

Regional Development Australia, Far South Coast Regional Strategic Plan 2010-15[4]

This plan represents a vision for the Far South Coast region of NSW to become economically diverse and prosperous, to be environmentally sustainable and socially inclusive; to be innovative and creative while ensuring a sustainable, attractive and liveable future for the South Coast.

The strategy encompasses the following five key goals:

- Broaden our economic base
- Build infrastructure capacity
- Preserve and nurture our natural environment
- Improve our quality of life
- Engage our community

Council's Existing Plans

Council has recorded a wide range of information and key issues through the following plans. Strategies and actions are incorporated into Council's Management Plan and performance is reported in Council's Annual Report.

[4] Regional Development Australia is a partnership between Australian, State, Territory and Local Government delivered through a network of 55 committees. The relevant committee services Shoalhaven City and the Eurobodalla and Bega valley Shires

Introduction

- State of the Environment report
- Social, Cultural Aboriginal Heritage Plans
- Settlement Strategy and Structure Plans
- Economic Development Strategy
- Greenhouse Action Plan
- Integrated Water Cycle Management Strategy
- Plans of Management for Community Land
- Recreation Strategy
- Coastal and Estuary Management Plans

Identifying the Key Issues

The State of the Shire Report begins the ‘Where are we now?’ process needed to make important long-term decisions. With guidance from the community, Council will use this information in community engagement to identify and determine shared directions and goals.
After careful examination by Council of relevant plans for the Shire, the Region and the State, this draft paper has been developed to report the current issues, projected trends and the potential future impacts under four themes; Social, Economic, Environment and Civic leadership.
Listed below are the key issue groups that have been used to identify and report the current and emerging issues and challenges for the Shire.

Population Change Population growth Ageing population Visitor population Youth retention Dependency ratio	***Connecting the Community*** Community access Travel Access to information	***Wellbeing*** Health status Access to health services Community participation Household finance	***Community Safety*** Feeling safe Road safety
Housing Ability to rent Ability to buy Future housing demand	***Learning for Life*** Education and training Intergenerational activities	***Employment*** Local workforce Local jobs Employment self-containment	***Economic Development*** Business conditions and confidence Building activity Tourism rates Commercial and industrial land supply
Land Use ***Biodiversity*** ***Climate Change*** Weather Sea level rise	***Environmental Challenges*** Land clearing Water security Waste Energy use	***Financial Position*** Income Costs The budget problem	***Infrastructure and Assets*** Transport Stormwater Water and sewer Buildings Marine assets Recreation and leisure assets

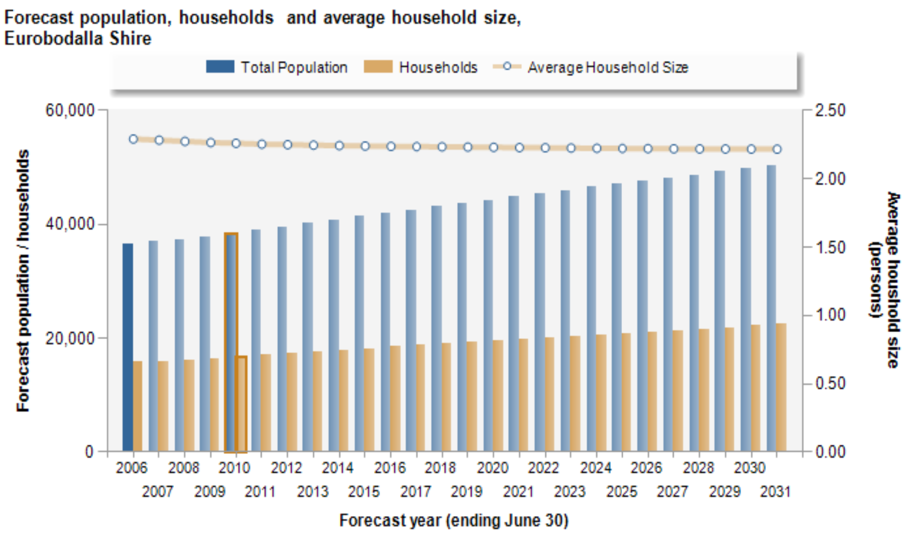
1. Social

Key issue 1.1 – Population Change

When the last Census was conducted in 2006, the Shire's population was 34,660[5] some group comparisons with NSW are as follows.

Target group	Eurobodalla	NSW
Infants, children & youth aged 0-17	26.8%	34.2%
Adults aged 25-59	42.9%	48.4%
Overseas born people	13.5%	23.8%
Aboriginal people	4.5%	2.1%
Mature adults aged 60 and over	30.4%	17.3%

Figure 1 - Forecast Population Eurobodalla Shire 2006-31



Fast facts

- The Shire's population in 2030 is predicted to be 49,748, up by about 11,500 people or 24% from 2010
- People aged 65+ is expected to rise from 9,000 (23.6%) in 2010 to 13,700 (27.5%) in 2030
- The Shire's population trebles at holiday times, peaking at an estimated 140,000 people
- 50% of all young people leave the Shire after completing high school
- While the Shire's dependency ratio is 20% higher the State figure of 51%, it is improving

[5] Enumerated data

1.1.1 Population Growth

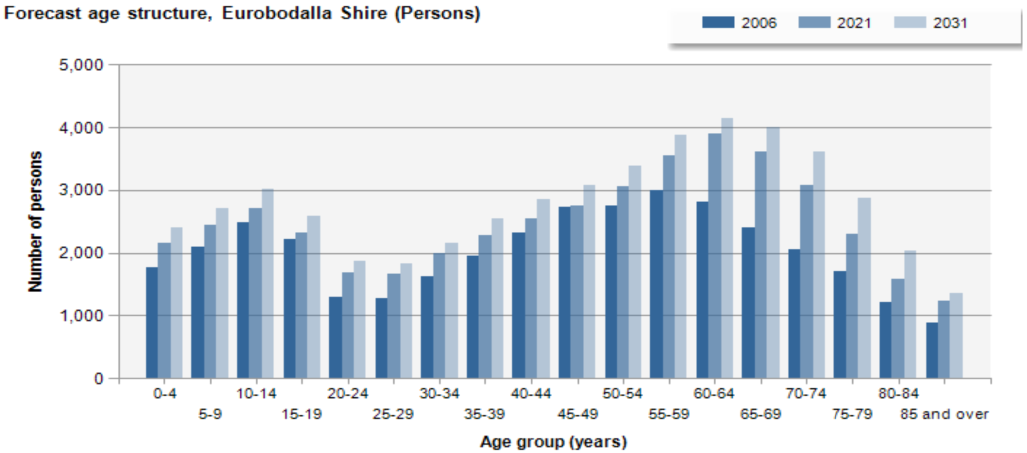
In the ten year period to 1991 the population of Eurobodalla Shire increased by about 10,000 (63%) while in the ten years to 2006 it increased by just 4,213 persons (12.2%).

The Shire's pop ulation in 2010 is estimated to be is 38,32 1[6]. Figure 1 sho ws that the Shi re's population is expected to increase by 24 % between 2010 and 2030 rising to nearly 50,000 residents[7]. Household size is expected to reduce from 2.33 to 2.25 persons over that 20 year period.

1.1.2 Ageing Population

In 2010 it is estimated that about 9,000 people or 23.6% of the Shire's total population were aged over 65 compared to about 13.1% for NSW. This age group is expected to rise to about 13,700 people (27.5%) by the year 2030. Figure 2 illustrates the forecast change in age structure showing growth in all age groups. Specifically, Figure 2 shows a rapid increase in numbers of mature adults ted by 2020 with a slowing of that growth in the following ten years to 2030.

Figure 2 - Forecast Age Structure Eurobodalla Shire 2006-31



[6] 2010, Informed Decisions, *Forecast.id*
[7] Ibid

1.1.3 Visitor Population

In 2009 there were 1,168,000 visitors to Shire (including overnight stays and day trippers) and 341,767 occupied guest nights. While exact data in not available, it is estimated that the Shire's population increases to as high as 140,000 people at peak periods of Easter and Christmas. This has a major impact on local services and infrastructure particularly the water supply, sewer system and road network.

1.1.4 Youth Retention

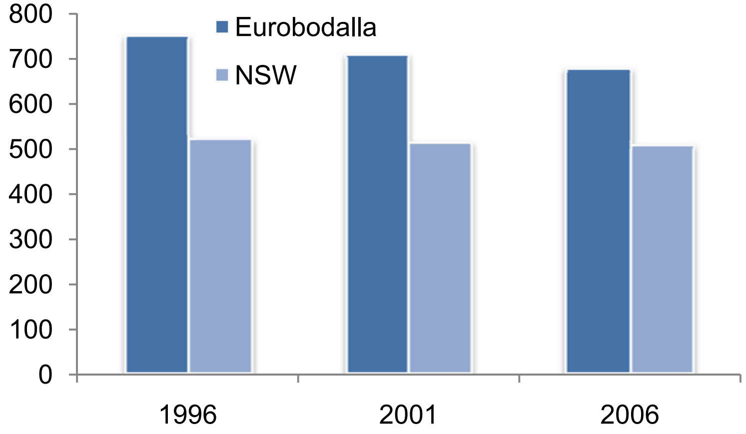
In 2006, the number of youth (aged 12-24) living in the Shire was 4,751 or 13.6% of the total population. In comparison the State figure is 17.5%. Aboriginal youth represented about 8% of all youth and 25% of all Aboriginal people living in the Shire.
In the period 1996-2006 there was improved retention of high school age youth and young adults coinciding with the establishment of new schools and tertiary education options in the Shire. The trend showing 50% of young adults (aged 19-25) moving out of the Shire is expected to continue.

1.1.5 Dependency Ratio

The dependency ratio is a measure used to compare the size of the working age population to the non-working age population (dependents).[8] Figure 3 shows there was a higher proportion of dependents in the Eurobodalla Shire when compared with the State. The Shire's dependency ratio has decreased from 751 to 678 dependents per 1,000 people of working age over three Census periods 1996-2006. The NSW change for the same period was less, being 519 to 508 respectively.

[8] Dependency ratio is the number of non working people (aged 0-14 and 65+ years) per 1,000 people of working age (15-64 years)

Figure 3 - Dependency Ratio, Eurobodalla and NSW, Derived from ABS Population Data 1996-2006



Key issue 1.2 – Connecting the Community

1.2.1 Community Access

When people were consulted during the development of the 2009 Social Plan, participants called for *"more footpaths, cycleways and accessible bus stops to connect residential areas with essential services while encouraging people to exercise and reduce their reliance on private vehicles"*.

Since 1995/96, Council has constructed 27.9 kilometres of cycle ways and shared paths and has developed an integrated path way strategy to oversee the future construction of a network suitable for cyclists, motorised scooters and pedestrians. This strategy aims to improve access to public transport services and infrastructure through improved design and connectivity with the community.

Fast facts

A connected Eurobodalla community

- 27.9 kilometres of cycle ways & shared paths constructed since 1995-96
- 0.6% of the Eurobodalla population use public transport to travel to work compared to the State figure of 12.3%
- In 2006, 51.6% of local people were connected to the internet with 24.6% having broadband access

1.2.2 Travel

When compared with NSW in 2006, the Shire had

- more households with one vehicle (44.9% compared to 36.7%)
- less households with no vehicles (6.8% compared to 11.2%)
- less people who used public transport to travel to work (0.6% compared to 12.3%)

The Princes and Kings Highways are State highways vital to the Shire's social and economic well being. Council advocates for funding of upgrades to these key transport links to higher levels of Government and through partner organisations including the South East Australia Transport Strategy Incorporated (SEATS) and Southern Council's Group. Improving transport efficiency, employment and economic development, addressing social disadvantage (e.g. access to medical services) and addressing high accident rates are key issues in lobbying for increased funding from State and Federal governments.

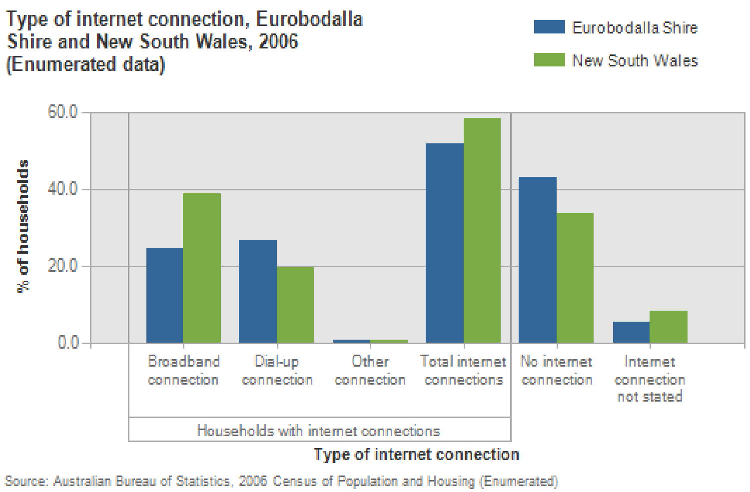
Public transport in the Shire comprises school bus services, limited fixed-route commercial bus services in Batemans Bay and Narooma, local taxis and commercial long distance coach services operating daily between the Shire and Canberra, Melbourne and Sydney.

The Shire is well serviced by air with daily flights operating from Moruya Airport to and from Sydney and Melbourne.

Council's EuroTransport service is funded by the State Government to provide accessible social and health related transport for frail aged people, people with disabilities and carers.

1.2.3 – Access to Information

Figure 4 - Types of internet connections, Eurobodalla Shire 2006



Local people of all ages and cultural backgrounds highlighted the need for easy access to information about services and facilities in order to maintain independence and encourage community participation[9].
Figure 4 shows that in 2006, 51.6% of local people were connected to the internet compared to 58.4% for the State. Fewer people had broadband access (24.6% compared to 38.5%).

Council's libraries provide a range of resources including general information and free computer and internet access.
Along with a number of local web sites, Council allows all web users equal access to information and functionality as the site is suitably coded to match with screen reader and text-to-speech software and text-to-Braille hardware.[10]

Key issue 1.3 – Wellbeing

1.3.1 – Health Status

Recent research by NSW Health on the Eurobodalla population has shown that overall, the Shire's residents get adequate physical activity, have lower rates of avoidable deaths and significantly lower rates of hospitalisations attributed to falls when compared with the State.[11] However, health data indicates that local Aboriginal people experience chronic conditions such as cardiovascular disease and kidney disease at a higher rate to non-Aboriginal populations.[12]
When 667 adult residents were surveyed by Council in 2009 and asked to rate their health status, 44% of seniors, 56% of women, 45% of gay people and 35% of Aboriginal people rated their health as very good or excellent. The mean percentage for all surveyed groups was 44.9%.
With majority support from the community gauged in 2007, Council has committed to introduce fluoride into public drinking water in 2010.

Fast facts
- In 2009, 44.9% of 667 residents surveyed rated their health as very good or excellent
- In the same study, 62.7% of respondents had to leave the Shire for health treatment
- 44% of residents are regular volunteers
- 8.6% of local households earned $1,700+ per week compared to 23.9% for the State

1.3.2 – Access to Health Services

In a study of health indicators in 39 Local Government Areas (LGAs) by Greater Southern Area Health Service between 2002 and 2007, Eurobodalla was ranked in the bottom four worst Shires in terms of patients having difficulty getting health care when needed. This was

[9] Eurobodalla Social Plan 2010-15
[10] ibid
[11] NSW Health, 2008, The health of the people of New South Wales - Report of the Chief Health Officer
[12] ibid

attributed to poor access to transport, health professionals, bulk billing and out of hour's services.[13] The South Coast has no major tertiary health facilities and referral hospitals are in Canberra requiring residents to travel via the Kings Highway. In 2009, 62.7% of 667 survey respondents had to leave the Shire for health treatment.[14]

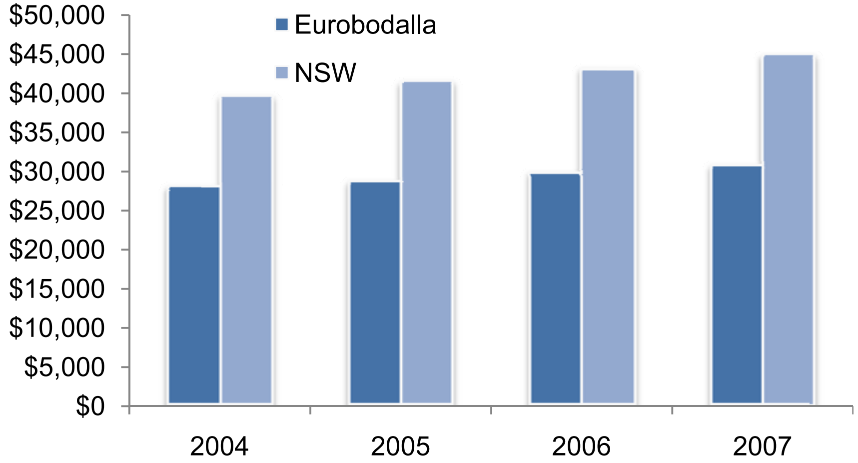
1.3.3 Community Participation

When surveyed in 2009, 44% of residents said that they regularly enjoyed voluntary work and a range of sporting, cultural and leisure activities. About 21% of the population participated in arts and cultural activities and were represented by over 65 community organisations.[15] Commonly cited barriers to participation were a lack of time due to work or family commitments, affordability and lack of transport.

1.3.4 – Individual and Household Income

The average wage of Eurobodalla's workforce has been consistently lower than the NSW average, and the wage difference has been increasing in recent years, as shown in Figure 5.

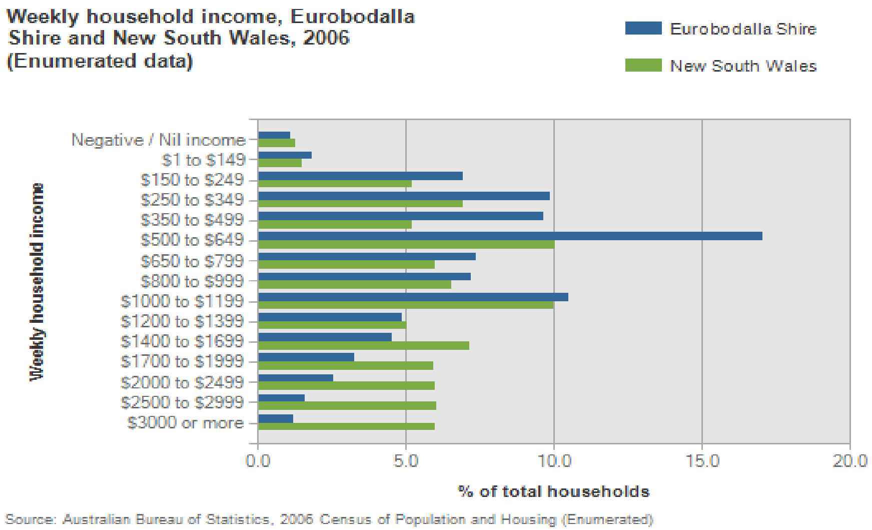
Figure 5 - Average individual income, Eurobodalla Shire and NSW, 2004 to 2007



[13] ibid
[14] ibid
[15] Conroy S and Hillson M, 2010, *Eurobodalla Shire Situation Analysis Arts and Cultural Infrastructure Report*, (unpublished)

Analysis of household income in the Shire in 2006 compared to NSW as shown in the figure 6 reveals a smaller proportion of households earning over $1,700 per week (8.6% compared to 23.9%) and a larger proportion of households earning under $500 per week (29.3% compared to 20.1%).

Figure 6 – Household weekly income, Eurobodalla and NSW 2006



Key issue 4.1 – Community safety

1.4.1 – Feeling Safe

When surveyed in 2008-09, 91% of 1,303 local people indicated that they feel safe in their neighbourhood during the day and about 63% said that they feel safe walking in their neighbourhood at night. [16] This compares with community survey results collected in 2004 (96% and 56% respectively).

The Shire is considered by the NSW Attorney General's Department to be an area of low crime when compared with other LGAs and the State[17]. The 2009 reported crime statistics from the NSW Bureau of Crime Statistics indicate the following top four ranking crimes for the Shire:

- steal from motor vehicle (Shire ranked 9th of 144 NSW Local Government Areas)
- liquor offences (20/144)
- harassment, threatening behaviour and private nuisance also offensive conduct and language (24/144)
- steal from retail store (33/144)

Fast facts

- 91% of 1,303 residents said that they feel safe in their neighbour during the day
- Overall recorded crime rates for the Shire are low by State standards
- Drink drive traffic incidents in the Shire were 250% higher than for the State

1.4.2 - Road Safety

People of both sexes aged 17-20, males aged 30-39 and people of both sexes aged over 65 years were over represented in multi-car accidents in the three year period 2005-2008. Male motorcyclists and visiting drivers were also over-represented in local injury crash statistics.

Drink drive traffic incidents in the Eurobodalla Shire were two and a half times the State average, while many accidents were attributed to speed[18]. In 2008, there were three fatalities and 76 injuries occurred in 103 accidents along the Kings Highway. Over half of the 103 accidents involved excessive speed and two-thirds occurred on weekends and on curved sections of the road. The statistics reveal that Eurobodalla people were involved in 18% of those crashes.

In 2008 there were 149 road crashes attributed to alcohol and placing the Shire second worst out of 42 LGAs in the Southern Region of NSW. The worst LGA was Wagga Wagga with 272 crashes attributed to alcohol[19].

---

[16] Eurobodalla Social plan 2010-15
[17] NSW Bureau of Crime Statistics and Research, 2009, NSW Recorded Crime Statistics 2005-2009 Recorded Criminal Incidents
[18] NSW Bureau of Crime Statistics and Research, 2007, NSW Office of Licensing, Gaming and Racing Eurobodalla Social Profile Report
[19] Greater Southern Area Health Service, 2010, *GSAHS 2010 Action Plan Statistics*

Key issue 1.5 – Housing

Households are considered in 'housing stress' if more than 30% of their weekly gross income is used for rent or mortgage repayment.[20]
When benchmarked against the State, the Eurobodalla Shire has a significantly higher proportion of people receiving Commonwealth Rental Assistance and a much smaller proportion of local homes were available for rent from a State housing authority (2.9% compared to 5.8%).[21]

Fast facts

- The cost of renting and buying a house in the Shire is comparable with neighbouring coastal areas
- 12.1% have a monthly mortgage repayment above $2,000 compared to 31.3% for NSW
- In the future, 90% of demand for new homes will be for 1 and 2 person households

1.5.1 – Ability to Rent

The average weekly rent paid for a three bedroom home in the Shire in 2010 is $260 which is on par with Shoalhaven and Bega Valley and higher than Cooma Monaro ($215).[22]
In 2005, 31% of low to moderate-income renters were in 'housing stress', which equates to around 786 renting households.[23]

1.5.2 – Ability to Buy

The Shire's median home purchase price of $339,000 in 2010 is higher than neighbouring LGAs: Shoalhaven LGA ($330,000), Bega Valley ($290,000) and Cooma Monaro ($265,000) and is thought to be primarily due to the demand created by in-migration.[24]
Eurobodalla's residents are more likely to pay a lower monthly mortgage than their NSW counterparts. Overall, only 12.1% of local households were paying high mortgage repayments ($2,000+ per month), and 37.0% were paying low repayments below $950 per month), compared with 31.3% and 21.1% respectively in NSW. This reflects the lower home purchase prices as well as in-migration by older people who are likely to be outright home purchasers with an asset base.[25]

1.5.3 – Future Housing Demand

About 85% of all dwellings in the Shire are separate homes and generally located on building lots over 700 sq m.[26] Modelling for projected housing demand suggests that between 10,000 and 11,000 dwellings will be required by 2030 to accommodate the Shire's population.[27] This modelling incorporates a vacancy rate of 32% for holiday letting.

[20] J Stubbs, 2008, draft Eurobodalla Housing Strategy (unpublished)
[21] ibid
[22] Housing NSW, Median Weekly Rents - Rural Local Government Areas - All Dwellings - Mar 2010
[23] Eurobodalla Social Plan 2010-15
[24] Housing NSW, Median Sale Prices - Rural Local Government Areas - All Dwellings - Dec 2009
[25] J Stubbs, 2008, draft Eurobodalla Housing Strategy (unpublished)
[26] ABS, 2006, Census of Population and Housing

The modelling suggests that 90% of demand for future new housing will be from one and two person households requiring more manageable dwellings located close to transport, shops and services.[28]

Key issue 1.6 – Learning for Life

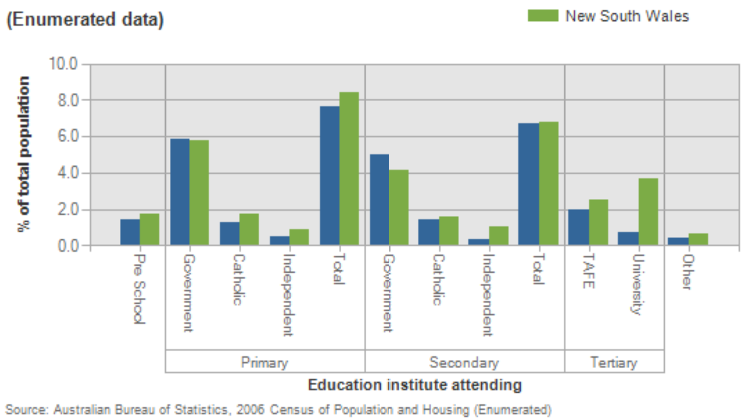
Fast facts

- 2.7% of local people study at a tertiary level compared with 6.2% for the State
- 53.4% of people in the Shire left school at Year 10 or below compared to 40.4% for NSW
- In 2009, Eurobodalla Adult Education offered 450 courses, attended by about 5,000 people

The Shire offers a choice of public and independent schools plus tertiary institutions including TAFE and a campus of the University of Wollongong. Analysis of the Shire's population attending educational institutions in 2006 compared to NSW shows that there was a similar proportion attending primary and secondary school and a lower proportion studying at tertiary level (2.7% compared with 6.2%).

Analysis of the highest level of schooling and qualifications attained by the Eurobodalla population in 2006 compared to NSW shows that a higher percentage of the Shire's population left school at Year 10 or below and had no qualifications (53.4% compared to 40.4% for NSW), and a lower percentage completed Year 12 and held tertiary qualifications.
With the establishment of private schools in the Shire there has been a decline in the number of students attending government schools.
In 2009, a high level of adult attendance was recorded at education courses in Eurobodalla with Eurobodalla Adult Education offering 450 courses, attended by approximately 5000 people.

Figure 7 - Education institute attending, Eurobodalla Shire and NSW, 2006



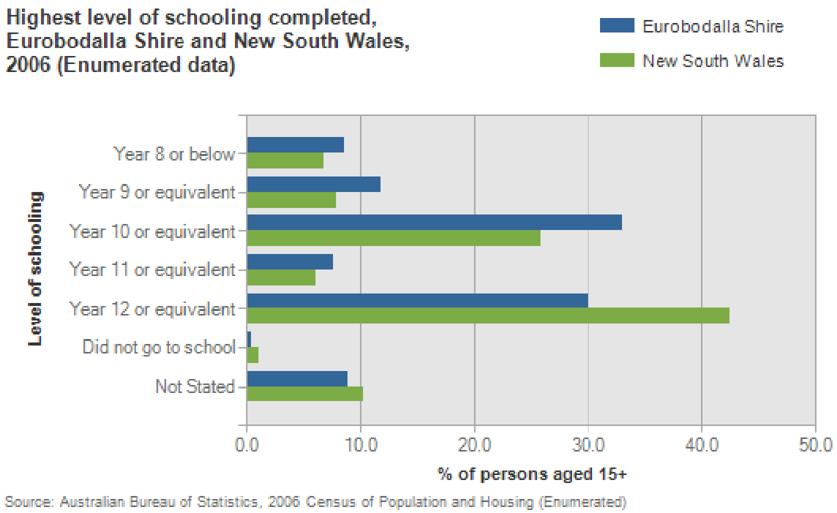
[27] Ibid. In comparison, NSW Department of Planning South Coast Regional Strategy predicts 10,700 additional dwellings will be required by 2031
[28] J Stubbs, 2008, draft Eurobodalla Housing Strategy (unpublished)

Social

The Eurobodalla community has planned and delivered gatherings of youth and seniors aimed at breaking down some of the barriers, misconceptions and stereotypes related to age. For example, Council has been working to develop a pilot partnership program with secondary school principals, business, employment and training providers offering students a career path and certificate level qualifications.

Council provides an annual traineeship program for local youth that offers work experience and relevant training. Council also employs apprentices and cadets in areas such as civil construction and design, electrical, mechanical, fitting, plant operation, carpentry, horticulture, finance and planning.
Council has taken a lead role in partnering with industry and training providers to establish certified e-learning courses to address local skills shortages in areas such as civil construction.

Figure 8 - Highest level of schooling completed, Eurobodalla Shire and NSW 2006



Key Social Considerations

Population Change
The Eurobodalla community will need to adapt to the changing needs of a population that is growing and ageing while attempting to achieve a more uniform and balanced demographic profile. Key considerations include: high visitor numbers at peak periods, support for isolated ageing parents, growth potential in local tertiary education, employment, housing, sporting and leisure options and a workforce dependency imbalance.

Connecting the Community
Reducing our reliance on private motor vehicles has health and environmental benefits. To support the changing demographics of the Shire additional resources will be needed to improve the accessibility of public infrastructure and public transport. Our community is keeping up with information technology (IT) advances and there is increasing expectation on all levels of Government for IT resources and information.

Wellbeing
While there has been improved overall health and increased life expectancy in the community, health inequities remain, particularly for our Aboriginal communities and for people requiring specialist support that often necessitates travel out of the Shire. As the population has grown, so have expectations for Government support to deliver higher levels of health facilities and services.
To maintain wellbeing as the population ages, the community will need to continue to support civic and social programs such as volunteering.
A significant challenge for local residents, businesses and Council is to maintain affordability and economic growth in the Shire when many local households rely on fixed incomes often less than $500 per week.

Community Safety
Reported crime statistics in the Shire are low which means that the Shire is viewed as a low priority by Government for crime prevention funding. Local community development activities will help to modify social behaviour and keep the Shire a safe place to live in comparison with many areas.
The high personal and financial cost of road fatalities and trauma must continue to be addressed by road safety programs that facilitate a balance of increased personal responsibility, improvements to road conditions and upholding of traffics Laws.

Housing
Improving the availability of conveniently located and affordable homes to rent or buy alleviates pressures on social housing and labour markets for people who wish to live, work or study in the Shire. The construction of mainly smaller and centrally located homes will be needed to support the growing number of one and two person households while freeing up larger detached homes for families.
Planning processes that encourage suitable new developments will increase the number of rateable properties and the rewards include improved local amenities through developer contributions.

Learning for Life
Continuing to improve local study options for young people and adults will positively impact on family structures and the local economy. Local providers need Government support and a coordinated approach to meet growing education and training expectations of the community. Larger organisations such as Council can contribute by providing opportunities for apprentices, trainees and cadets to develop their skills while also supporting intergenerational activities than benefit young and old alike.

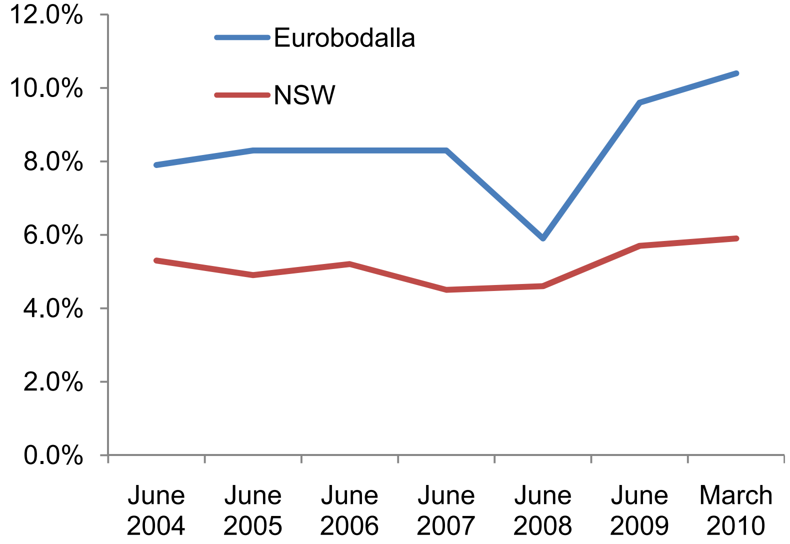
2. Economy

Key Issue 2.1 - Employment

2.1.1 – Local Workforce

In 2006, there were 13,397 people in the labour force in the Shire, representing 47.1% of the total population. The unemployment rate has risen from 9% in 2006 to 10.3% in March 2010. The unemployment rate each year since 2004 compared to the NSW average is shown in Figure 9. Eurobodalla's unemployment rate has consistently been higher than the NSW average and in recent times has grown significantly higher than the NSW trend

Figure 9 - Unemployment Rate, June 2004 to March 2010



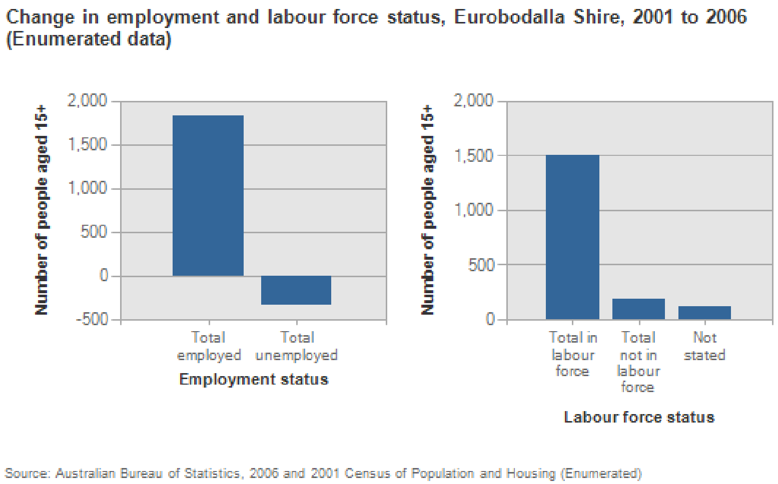
Fast Facts:

- 47.1% of the Eurobodalla population are either employed or currently looking for work
- The unemployment rate at March 2010 is 10.3%, well above the State unemployment rate of 5.9%

Economy

Compared to the whole of NSW, there is a smaller proportion of the population in the labour force and a higher unemployment rate. Figure 10 shows over 1,800 more people were employed between 2001 and 2006 and almost 350 fewer people unemployed during this time
.

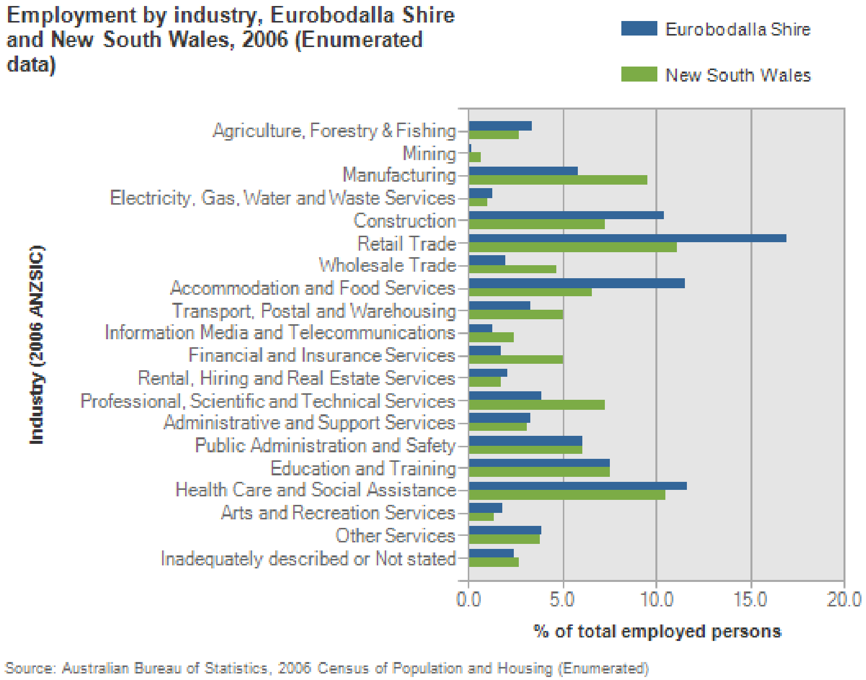
Figure 10 - Change in employment and labour force status, 2001 to 2006



Economy

The main industries in which the Eurobodalla workforce are employed in are retail, accommodation and food services, health care and social assistance and construction, as shown in Figure 11. The majority of these main industries are related to the tourism industry and services to the resident population. Dependence on construction and tourism makes the Shire vulnerable to economic downturn.

Figure 11 - Employment by Industry, 2006

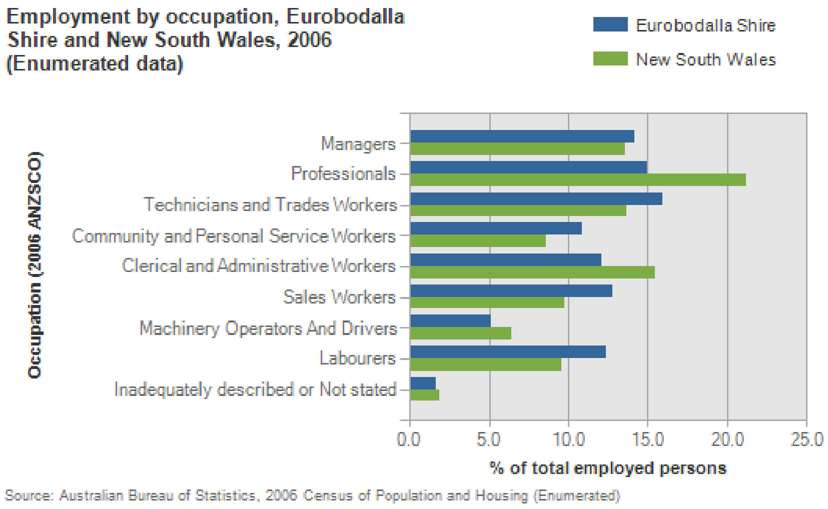


Fast Facts:

- In 2007 there were 3,162 businesses operating in the three major towns in the Shire
- 57 % of businesses are small non-employing businesses
- Only 108 businesses employ more than 20 people

The main occupations of Eurobodalla workers in 2006 were technicians and trade workers, clerical, professionals and managers, although there is a relatively even spread of workers across most occupations, as shown in Figure 12.

Figure 12 - Employment by Occupation, 2006



2.1.2 – Local Jobs

In 2007 an Employment Profile of Eurobodalla was undertaken to identify, amongst other things, the number and types of businesses operating in the three main centres and the number of employees in each business. As shown in Figure 13, there are 3,162 businesses in Batemans Bay, Moruya and Narooma/Bermagui, with the majority of businesses being small businesses that do not employ persons other than the business operator(s) themselves. Of the businesses that do employ others (1355 businesses), the majority employ 1 to 4 people. There are only 108 businesses that employ more than 20 employees.

The most numerous business types in the three main centres were: Construction Industry (734 businesses), Property and Business Services (567) and Retail (516). These three industries comprise more than half of the total numbers of businesses in Eurobodalla.

Figure 13 - Batemans Bay, Moruya and Narooma business numbers

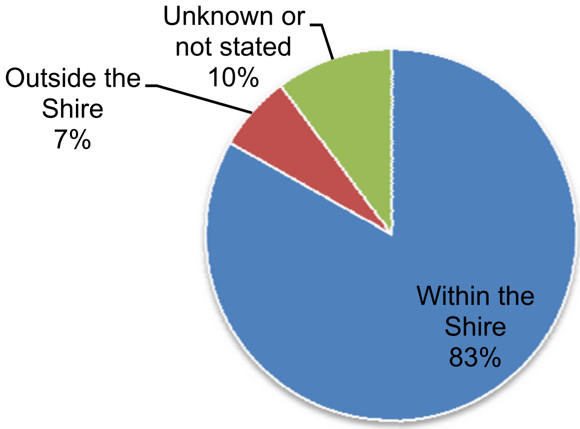
Industry	Non employing	1 to 4 employees	5 to 19 employees	20 or more employees	Total
Agriculture Forestry and Fishing	203	60	15	0	278
Mining	9	3 0 0			12
Manufacturing 90		48	30	9	177
Utilities	3	0 0 0			3
Construction 500		195	36	3	734
Wholesale Trade	33	30	18	0	81
Retail Trade	213	159	117	27	516
Accommodation Cafes and Restaurants	63	50 72	24		209
Transport and Storage	81	45	12	6	144
Communication Services	6	9 3 0			18
Finance and Insurance	69	18	6	0	93
Property and Business Services	372	126	54	15	567
Education	12	3 0 6			21
Health and Community Services	48	42	33	6	129
Cultural and Recreation Services	51	12 6 9			78
Personal and other Services	54	30	15	3	102
Total all industries	1807	830	417	108	3162

2.1.3 – Employment Self-Containment

A key factor in understanding the availability of employment in an area is the level at which residents work in their local area. As shown in Figure 14, 83.3% of Eurobodalla residents work in the Shire. This is a relatively high level of employment self-containment.
Of the total resident workforce, 6.6% leave the Shire for work, either because suitable jobs are not available for these people within Eurobodalla or through demand for employment elsewhere.

Fast Facts:
- 83.3% of Eurobodalla residents work in the Shire
- 95.2% of jobs in Eurobodalla are occupied by Shire residents
- On average, about 500 residents work away from the Shire in the construction industry

Figure 14 - Employment location of residents

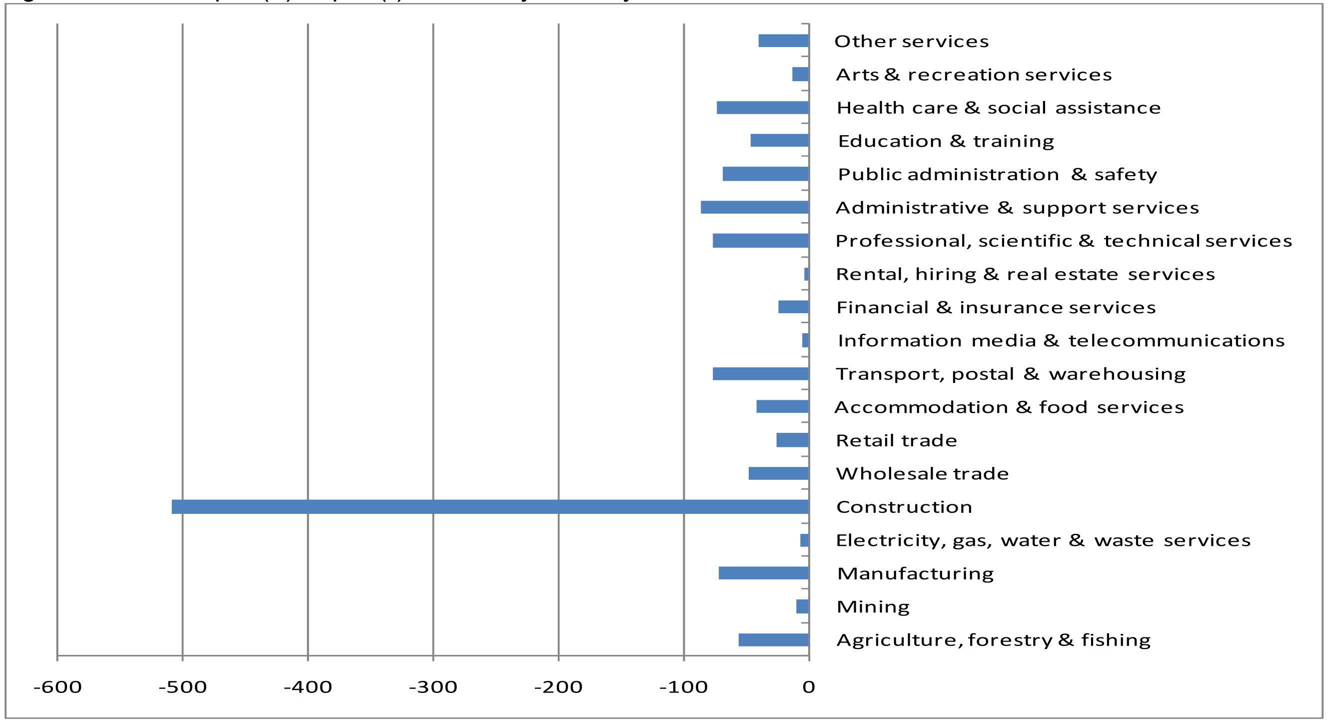


Source: ABS, 2006

Data from the 2006 Census show that 95.2% of Shire workers are residents. Having regard to the relatively high unemployment rate, it is possible that the skills these jobs required were not available in the Shire at the time. However, given two of Shire's three main centres are close to boundaries of the Shire, the employment catchments for these centres extend to the adjoining coastal LGAs.

Figure 15 identifies that construction is the main industry for which residents leave the Shire for work. Overall, more people travel outside of the Shire to work than those coming into the Shire.

Figure 15 - Net Import(+)/Export(-) of Jobs by Industry, 2006



Source: ABS Census, 2006

Key Issue 2.2 Economic Development

2.2.1 – Business Conditions and Confidence

The global financial crisis has h ad an imp act on business condit ions and confidence levels in th e Shire. While comprehensive data on the specif ic impacts is n ot available, trends in b uilding act ivity and tourism rates provide a guide.

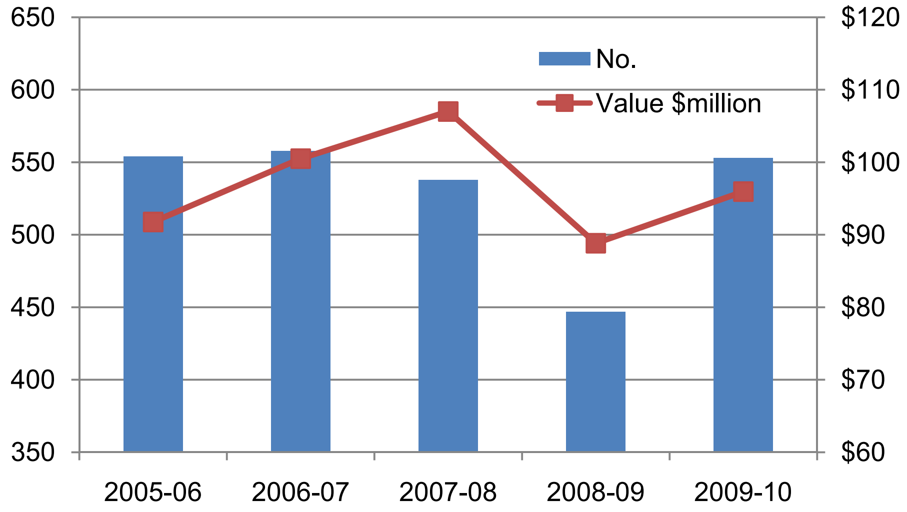
Fast Facts:

- The value of construction work in Eurobodalla in 2009 was almost $96 million, higher than any of the previous three years
- Tourism (visitor expenditure) in the Shire in the 2009 calendar year was worth $351 million and generated approximately 2,350 local jobs

2.2.2 - Building Activity

In the 2009-10 financia l year, there were 553 developme nt approvals in the Eurobodalla Shire, with a total construction value of almost $96 million (excluding minor modifications, sub division and other applications). T his represents a similar number of development approvals to previou s years, with the exception of 2008-09, which saw a decline in approvals. The va lue of development approvals over the last five years has fl uctuated within the range of $90 million to $106 million. The change in development approvals over the last five years is shown in Figure 16.

Figure 16 - Development approvals and value, Eurobodalla Shire, 2005-06 to 2009-10



The types of developme nt approvals issued over the last five y ears have been predominantly residential. As shown in Figures 17 and 18, the two years b etween 2006 and 2008 saw some large co mmercial developments of significant va lue approved, while the value of reside ntial development in those same years was in decline.

Figure 17 - Commercial development approvals and value, 2005-06 to 2009-10

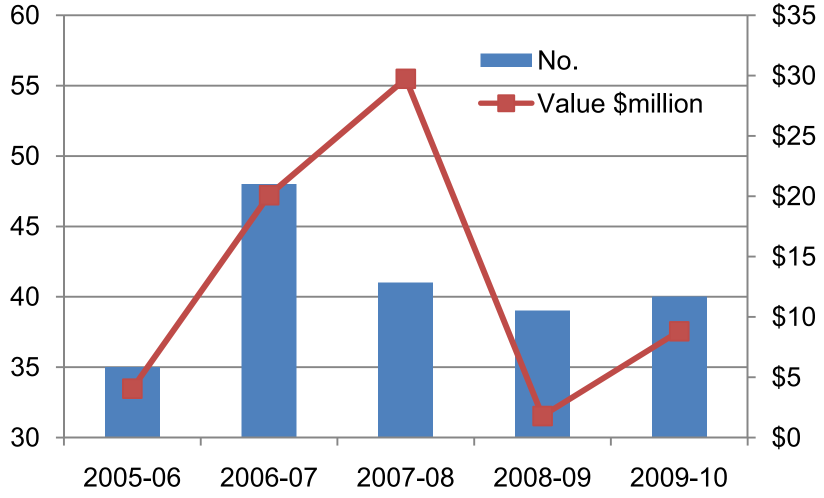
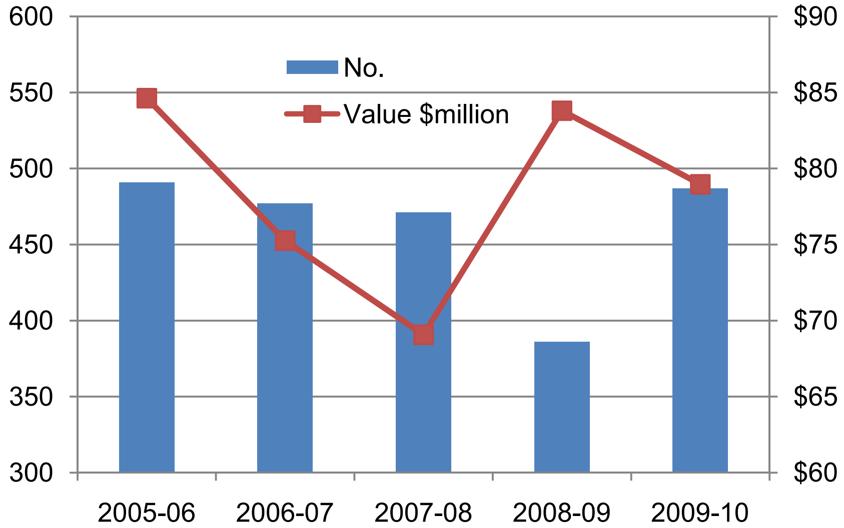


Figure 18 - Residential development approvals and value, 2005-06 to 2009-10



2.2.3 - Tourism Rates

Tourism (visitor expenditure) in the Shire in the 2009 calendar year was worth $351 million and generated approximately 2,350 local jobs.[29] The number of tourists spe nding night s in Eurobo dalla is an important indication of the strength of the loca l economy. Eurobodalla Tourism estimates that in 2009 there were 1,168,000 visitors to Shir e (including overnight stays and day trippers) and 194,038 guest arrivals occupying 341,767 guest nights. The total takings in 200 9 for accommodation in hotels and motels in the Shire were approximately $20 mil lion. This represents a reduction in guest nights and takings from 2008, but continues a general trend of increased tourism activity in the Shire, as shown in Figure 19.

Figure 19 - Eurobodalla tourism rates, 2006 to 2010

Year	Guest Arrivals No.	Guest Nights No.	Takings Hotel/Motel ($'000)
2006	164,011 292,23	0 15,848	
2007	174,988 325,49	1 17,438	
2008	190,782 373,23	8 21,958	
2009	194,038 341,76	7 19,906	

Source: ABS, 2010

2.2.4 – Commercial and Industrial Land Supply

In 2010, th ere were 510 parcels of land zon ed commercial coverin g an area of 72.4ha, and 302 parcels of land zoned Industrial covering an area of 263.3ha.

Fast Facts:

- Approximately 20% of industrial land in the Shire was vacant in 2010
- Almost 6% of commercial land in the Shire was vacant in 2010

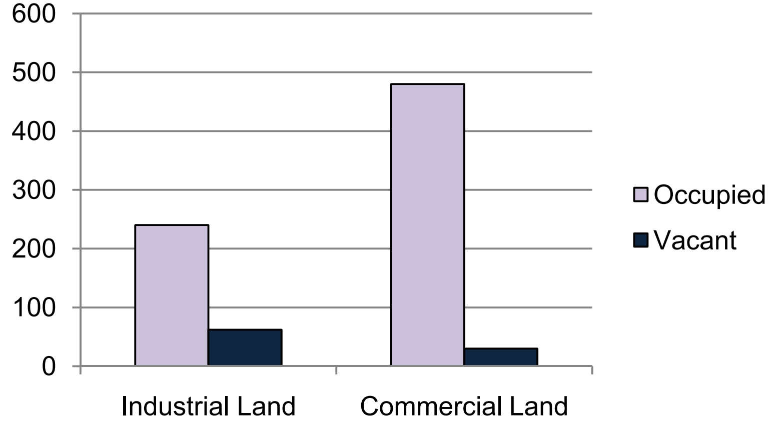
[29] NVS/IVS data & the Tourism Satellite Account

The main employment areas in Eurobodalla are at Batemans Bay, Moruya and Narooma, with smaller employment areas at Batehaven, Bodalla and Dalmeny.

Figure 20 shows that in the Shire there were 62 vacant and 240 occupied parcels of land zoned for industrial purposes. There were also 30 vacant and 480 occupied parcels of commercial land.

The vacancy rate is an indicator of development potential within existing areas, however, not all of this land is available or suitable for development or sale.
Council is currently analysing commercial and industrial land in the Shire to identify constraints to or the potential for business and industry development. Strategies based on this assessment will aim to increase positive social and economic opportunities and positively affect the population profile, wage levels, dependency rate and developer contributions.

Figure 20 - Occupied and vacant employment land, 2010 (No. lots)



Source: Eurobodalla Shire Council, 2010

Key Economic Considerations

Local Workforce

The aging and decreasing labour force has both positive and negative consequences for the Shire. While job opportunities for local residents will increase, there may not be sufficient numbers of skilled employees within Eurobodalla to fill all vacancies. The local economy may shift from a net exporter of workers to a net importer of workers. Strategies will be needed to align the ratio of workers to jobs to find a balance and to ensure the right skills are being developed. In the meantime, existing older workers may be offered enticements to remain in the workforce longer and their skills may be needed to train the next generation of employees.

Local Jobs

The construction, tourism, retail and service industries will continue to be the major employment industries in the Eurobodalla Shire. The growth of local businesses in these fields of industry will continue to drive the local economy forward. Strategies to assist local businesses expand into export markets will increase their capacity for job creation. Fostering strong relationships between industry and education providers will be important in achieving this goal.

Employment Self-Containment

Employment self-containment is about the number of local residents who work locally and the matching of the right workers to the right jobs locally. The higher the level of self-containment, the more sustainable the community. Currently, 6.6% of Eurobodalla residents leave the Shire for work, an indication that appropriate jobs are not locally available for those people. As mentioned above, Eurobodalla may be moving in the opposite direction, to a situation where there may not be enough workers in the Shire to fill the available jobs. Strategies to retain and skill local young people and match them to the right job will be needed.

Business Conditions and Confidence

While the local tourism industry has withstood the global economic downturn, some other sectors of the local economy have been negatively impacted. As the global and national economies improve, local business conditions and confidence levels should also improve and grow stronger if supported by targeted economic development strategies.

Land Supply

Some potential currently exists for further employment development within existing industrial and commercial areas, both through development of vacant land or redevelopment opportunities. These opportunities however are limited and to some degree constrained by environmental factors. Additional employment lands need to be developed and more found to ensure the steady growth of social and economic opportunities in the Shire.

3. Environment

When the community was surveyed in 2004-05 and asked to rank the *things they like about the Shire*, the beaches, coastline, climate, rural character and natural environment accounted for almost one third of all responses.[30]

Council has a major role in managing urban and rural residential development. When considering development applications, Council gives detailed consideration to impacts on the environment such as habitat loss, increased water use, energy use, urban stormwater and sewage volumes.

Key issue 3.1 – Land Use

Eurobodalla Shire retains an extremely high proportion of intact land based and marine ecosystems such as estuaries, rivers, wetlands and forests that have high conservation values.
Eurobodalla Shire has an area of 342,900 hectares of which the dominant land uses are conservation (42%), timber production (30%), agriculture (12%) and bushland (12%). Batemans Bay, Narooma, Moruya, Tuross Head and Broulee townships, which covered about 2% of the Shire, comprised the majority of the urban land.[31]
While there is a large established reserve network in the Shire, most of the national parks and state forests are located in the steeper range country in the west of the Shire.
Most of the land within the Shire's eastern coastal lowlands is private freehold property.

Fast facts

- 42% of the Shire is National Park, 30% is State Forest, 12 % agriculture, 12% bushland, 2 % water bodies and 2% urban
- 22 plant and 66 animal species that are vulnerable or endangered

Key issue 3.2 – Biodiversity

Eurobodalla Shire Council area has a rich biodiversity with 62 different vegetation types having been mapped, and at least 1,568 plant species (native and introduced). Fauna species recorded in the Shire include 345 bird species, 252 fish species, 128 mammal species, 26 reptile species and 31 amphibian species. This reflects the habitat diversity in the Shire—from coastal areas and lowland plains to the mountains of the Great Dividing Range. It also reflects the Shire's high native vegetation cover.

The Shire contains occurrences of 12 Endangered Ecological Communities (EEC), and populations of 22 plant and 66 animal species that are vulnerable or endangered nationally or in the State. An additional 33 plant species and 13 animal species listed as vulnerable or endangered are also predicted to occur in the Shire.[32]

---

30 IRIS Research, 2005, Making the Eurobodalla a Better Place: A Summary of Research 2004 to 2005
31 Eurobodalla State of the Environment Report
32 2009, State of the Environment Report

Key issue 3.3 – Environmental Challenges

3.3.1 - Land Clearing

Approximately 13% of native vegetation within the whole Eurobodalla Shire has been cleared since 1950. However, over 50% of native vegetation on private lands within Eurobodalla Shire has been cleared. Maps indicating the extent of vegetation change between 1950 and 1997 are contained in the Australian Capital Region State of Environment Report 2000. It is in these private coastal lowlands that there is most pressure on the environment from development demands.

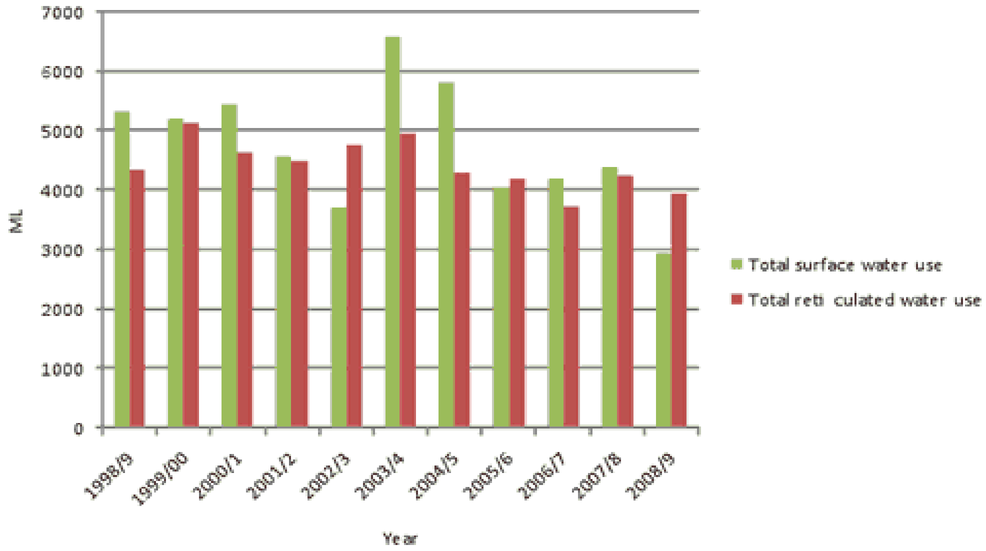
3.3.2 - Water Security

Eurobodalla Integrated Water Cycle Management Strategy (IWCMS) was developed in 2003 to secure the Shire's water supply for 30 years and beyond, while enhancing environmental outcomes.
The Strategy's outcomes are achieved by maximising water reuse, the construction of water treatment plants on Deep Creek Dam and Tuross River supply points enabling water to be pumped and stored during high river flow periods.

Water Demand

Demand on the Eurobodalla water supply system fluctuates with season and rainfall, an increased demand being in summer with the much larger population due to visitors. Figure 21 shows that in the four years to 2009, residential water use fell by 47% and commercial water use fell by about 50%. This is attributable to water restrictions, education, incentives and use of recycled water.

Figure 21 - Overall water used by the Eurowater supply system on an annual basis 1998 - 2009



Water Supply

Drinking water is sourced directly from the Moruya, Buckenboura and Tuross Rivers as well as being stored in Deep Creek Dam. Pumping from rivers to the Deep Creek Dam takes place using a new pipeline to allow faster refilling during times of medium river flow. An advanced water treatment facility is under construction and this is designed to cope with higher level sediment and other quality issues that coincide with extracting and storage of water from rivers during higher river flows.
Fluoridation of the drinking water supply will coincide with the activation of the advanced water treatment facility.

The Shire’s drinking water supply has been variable and under threat since the year 2000 due to prolonged drought or near drought conditions. As a result, a Drought Management Strategy was enacted by Council in the Summer of 2009-10. This required investigation and establishment of an alternate water supply option via the construction of the Tuross Bores Filtration Plant.

The predicted effect of climate change is likely to reduce the rain fall in South Eastern Australia. This may result in more periods of water restrictions and the long-term need to plan for increased drinking water resources, especially as population increases.
Water restrictions have been in force in recent years and water conservation measures are permanent. Drought was potentially the most significant event impacting on the Shire’s catchment in the period 2004-2009.
Previous recorded extreme drought years were 1902, 1914, 1938, 1940, 1944, 1967, 1982 and 2002.

Water Quality

Based on 2004 Australian Drinking Water Guidelines, the Shire's water supply is of consistently good quality with negligible microbial contamination. While sampling shows minor elevations in alkalinity and iron concentrations, neither of these factors have any adverse health significance.

3.3.3 – Waste

Waste Generation

In 2005, the Shire introduced a three bin system for general waste[33], recycling and garden organics and this action removed recyclable materials but not food waste from the general waste collection.

The amount of waste generated is significantly increased at peak holiday times and as a result of significant property developments. Managing and minimising waste under such circumstances presents challenges, particularly because visitors may use different waste and recycling systems at home and many businesses are not geared to manage additional waste at these times.

Overall waste generated is expected to increase from 22,000 tonnes per annum in 2010 to about 29,000 tonnes per annum in 2030.

Fast facts

- The volume of recycled waste increased by 60% between 2004 and 2009
- The volume of waste sent to landfill decreased by 21% between 2004 and 2009
- Overall amount of waste collected is expected to increase from 22,000 tonnes p.a in 2010 to about 29,000 tonnes p.a in 2030
- At current rates and capacity, landfill space will be fully utilised by 2016

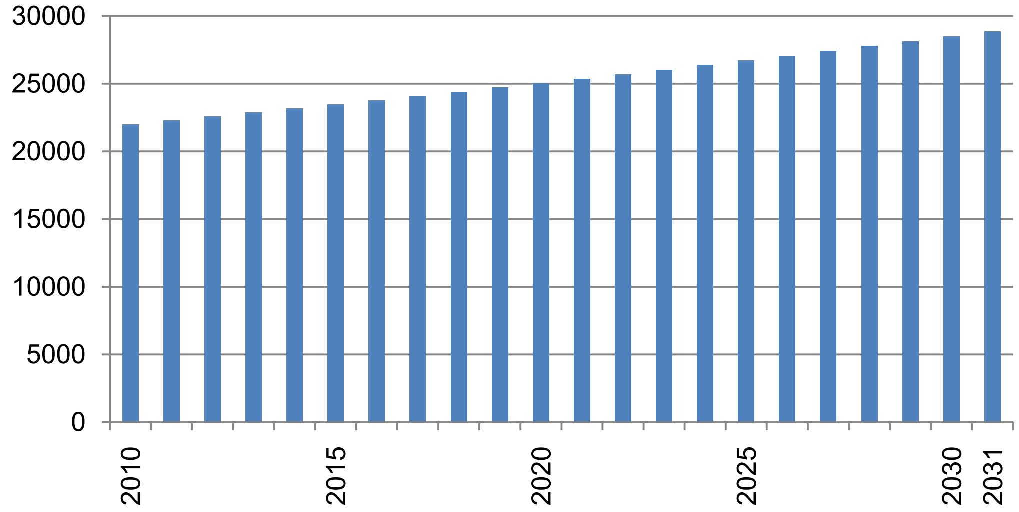
Waste Management

The disposal of solid waste in Eurobodalla has been managed by directing the majority of general waste to landfill. Based on current practices and projected tonnage as shown in Figure 22, the remaining landfill space will be fully utilised by 2016.
Council is developing a strategy for waste management beyond 2016 as a matter of priority.

[33] General waste excludes recycled materials and garden organic waste

Environment

Figure 22 - Projected tonnage of all waste generated Eurobodalla Shire 2010-2030



Items being diverted from landfill and recycled are steel, non ferrous metals, furniture , timber, bricks, tiles, bric-a-brac, mattresses, tyres and e-waste. Figure 23 shows that in the period 2004 to 2009, recycling in the Shire increased by 60% and waste to landfill decreased by 21%.

Figure 23- Resource recovery and total waste generation in Eurobodalla Council area 2004-2009

Volume of waste	**2004-05 (tonnes)**	**2008-09 (tonnes)**	**% change 2004-09**
Recycled	10,781	17,233	+60%
Landfill	25,987	20,943	-21%
Total waste	36,768	38,176	3%
Recycled % of total waste	29%	45%	+16%

Council has a high profile Regional Illegal Dumping (RID) Squad to help reduce the incidence of illegal dumping by investigation and prosecution, community educational, publicity, and the coordination of waste removal.
RID Squad investigation and prosecution statistics are provided in Figure 24.

Figure 24 - Eurobodalla RID Squad investigations and prosecutions

Year	Incidents investigated	Number of penalty notices issued	Number of clean up notices issued
2007-08 121		34	11
2008-09 173		42	14
2009-10 161		45	12

3.3.4 – Energy Use

Energy Demand

The Shire's energy needs are predominantly met by the electricity supply and supplemented by liquid petroleum gas delivered by road. Rising electricity prices impacts residents directly and by increasing the costs of services provided by Council, especially water and sewer.

The use of wood burning heaters is common in the Shire despite Government incentives to switch to alternate forms of heating.

Fast facts

- The Shire relies heavily on electricity produced from burning fossil fuels
- Rising electricity prices impacts residents directly and by increasing the cost of Council services
- Council has endorsed a 50/50 by 2020 renewable energy target for the organisation

Renewable Energy

Council has endorsed the community's vision of a clean energy future by supporting the target of 50/50 by 2020.
Embracing this target has already created change and support in local communities and Council with long term aspirations to transform the energy and emissions base of the Shire.

Key issue 3.4– Climate Change

3.4.1 Weather

Available data shows that South Eastern NSW was drier and warmer than average in the years 2004-2008. The frequency and extent of exceptionally hot and dry years in NSW are likely to increase in the future.[34]

The mean weather projections indicate that:

- by 2050, a 20-50% increase in summer rainfall and a 10-50% decrease in winter rainfall
- temperature increase of between 0.5 and 1.5 degrees by 2030
- likely increase in the intensity and frequency of extreme daily rainfall events
- higher evaporation rates would mean less water for dams and catchments
- increase risk of health related problems and spread of disease
- increased risk and frequency of severe bushfire conditions

Fast facts

- Temperature is predicted to increase between 0.5 and 1.5 degrees Celsius by 2030
- It is predicted that sea levels will rise 40cm by 2050 and 90cm by 2100

3.4.2 Sea Level Rise

In November 2009, the NSW State Government adopted a Sea Level Rise Policy Statement including relevant planning benchmarks of 40cm by 2050 and 90cm by 2100, for use in assessing the potential impacts of sea level rise.

There are potential social, economic and environmental impacts in the Shire from sea level rise including increased likelihood of flooding, periodic tidal inundation and land erosion.

Council has adopted an Interim Sea Level Rise Adaptation Policy to support a risk based approach to planning and development assessment within coastal zones. A full scope of hazards and risk associated with sea level rise will occur in 2011 in preparation of a Coastline Management Plan.

[34] 2008, Bureau of Meteorology (BoM) and the Commonwealth Scientific and Industrial Research Organisation (CSIRO)

Key Environment Considerations

Land Use

Significant opportunities exist to facilitate appropriate development whilst ensuring protection of the environment across the Shire. The high proportion of the Shire is held in conservation areas and careful consideration of environmental issues associated with land development means that Shire will continue to retain the Shire's inherent environment landscape values.

The draft Local Environmental Plan seeks to maximise utilisation of previously zoned urban lands and increase density in appropriate areas to meet the changing residential needs of our growing and aging community and keep the landscape qualities and biodiversity of our Shire. Our community needs to consider the consolidation of partially developed areas such a Broulee urban precinct including lobbying State government for consideration of appropriate off-sets.

Continued Government support to the community and businesses is needed to ensure consistency in training and approaches to land and water management, including the agricultural sector.

Biodiversity

A significant number of local plant and animal species have become extinct or endangered due to human settlement. Land use zoning and development controls support environmental management practices. When combined with monitoring, environmental plans and strategies, on-ground management projects can achieve the desired biodiversity outcomes.

Water Demand, Supply and Quality

Sustainability of the Shire's water supply is dependent on conservation and re-use initiatives supported by continued investment in water supply options and community education.
The future quality of our drinking water relies on a community that values and cares for natural systems including the responsible management of riparian zones by primary producers and industries. Council must be mindful of environmental flows and manage impacts on ground and surface water quality in land use zoning, development applications, sewage and water supply treatment.

Waste Generation

While the community has made a sustained effort to recycle and sort waste, extending the life of current landfill sites and identifying a location for a new landfill site, or alternate, needs to occur as a priority.

Energy Use

The uptake of renewable energy sources is being driven by community desires, Government incentives and increasing energy costs. While the Shire will continue to be heavily reliant on electricity generated by the burning of fossil fuels, targets set by the community to increase use of renewable energy and reduce greenhouse gas emissions will be supported by Government and Council policy.

Climate Change

The community must plan and prepare for extreme weather events, increasing instances of illness and disease and extended dry periods.
Certainty for development sites will be achieved by identifying environmental constraints such as the risk of flood and bushfire.
Sea level rise is inevitable and may lead to flood damage to infrastructure or property, periodic emergency evacuations, development controls and staged retreat of settlements in low lying areas.

4. Civic leadership

Key Issue 4.1 Financial Position

Fast Facts

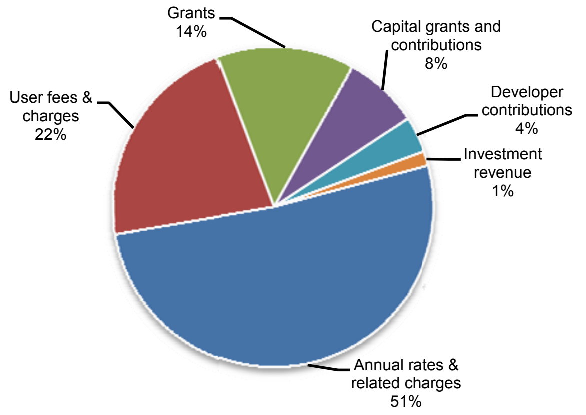
- Council manages over $1.2 billion in assets
- The community is currently underfunding the replacement of General Fund assets by $4.5-5 million per annum.
- Water, Sewer and Waste services are separate businesses with pricing based on an existing strategic plan now being reviewed
- In the 2010-14 period, there is an estimated $20 million of essential infrastructure maintenance and renewal not budgeted
- In excess of $2m may be required to match road contributions from developers
- Operating costs have increased above inflation, for example, the cost of resealing a road has risen 26% more than rate pegging in 5 years

4.1.1 Income

Total capital and operating income for the period 2010-14 is expected to be $ 345. 6 million and the six sources are displayed in Figure 25.

* Based on draft and unpublished transport, water and sewer asset management plans, 2010

Figure 25 - 2010-11 Capital and operating income by type



The majority of income (51%) is derived from rates, the remaining 49% of income is derived from fees and charges, grants, capital grants, contributions and investments.

Fees and charges account for 22% of income and include a range of fees for use of council facilities and services such as development application fees, sporting facilities and hire of community facilities.

Grants account for 14% of income. All Council's receive a general purpose grant each year from the Federal Government called the Financial Assistance Grant (FAG) which provides core ongoing funding. The remainder of the grants are provided for specific purposes and services such as roads, community care, environment, bushfire water and sewer.

Income from capital grants and contributions for areas such as roads, libraries, and employment and training schemes totals 8 % of income. Council often receives donations and contributions and always ensures that they are used for the purpose that they were given.

Income from investments equates to less than 1% of total income.

Some income collected by Council has restrictions on how it can be used. For example the income collected from Water, Sewer and Waste customers is kept within three separate funds and can only be used for those services. While supplying water and sewer services is one of the major activities of Council, it should be noted that not all Council's in NSW provide these functions.

Figure 26 shows that a typical residential bill for water and sewerage services is similar to other NSW coastal locations but higher than the NSW average. This is largely due to these systems having to service a wide spread population and needing to meet the peak demands of a much larger visiting population.

Figure 26 - Typical Residential Bill (Water supply & sewage)

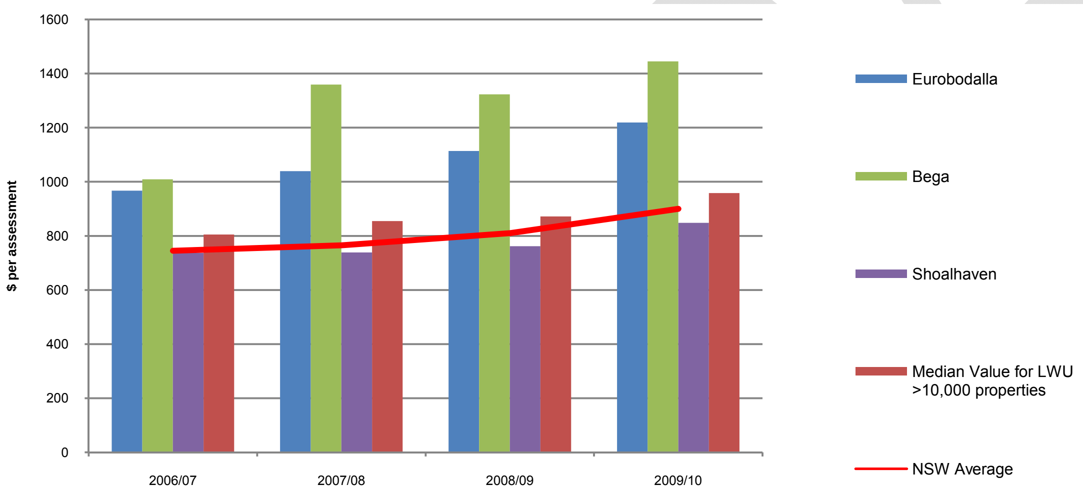
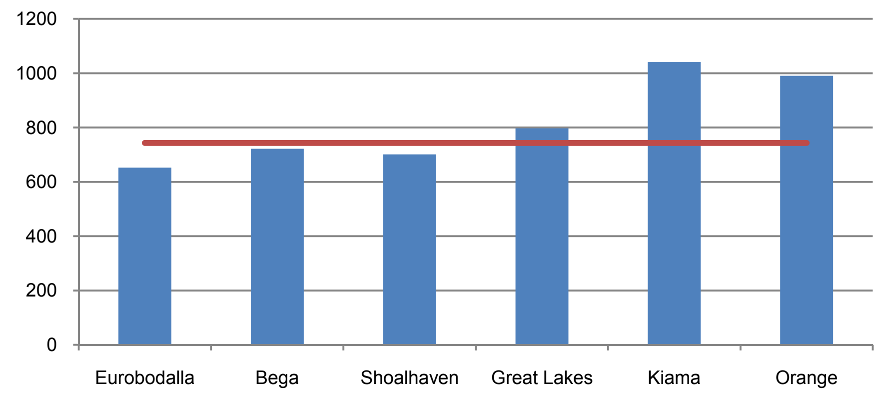


Figure 27 - General residential rates average across Group 4 Councils



Council collects General, Environment and Stormwater rates. These are capped by the State Government. They are used to provide the functions shown in Figure 28 excluding Water, Sewer and Waste services. Council's General residential rates are currently 12 % below the average for similar sized Councils as shown in Figure 27.[35]

4.1.2 Costs

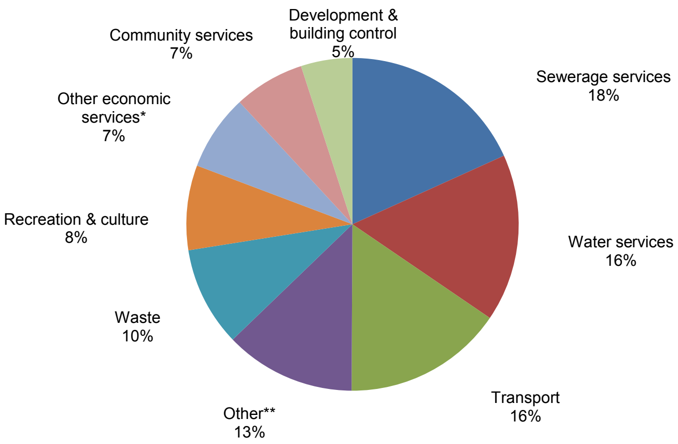
General Fund operating costs for 2010-14 are expected to be $180 million and $8.4 million over predicted income for the same period.

Water, Sewer and Waste Funds are run as separate businesses. Operating costs for 2010-14 are expected to approach $150 million. The combined operating deficit is $1.9m with the existing strategic plan now being reviewed.

Operating costs are distributed over eight service areas as shown in figure 28.

[35] NSW Local Government Comparative Indicators 2007/08

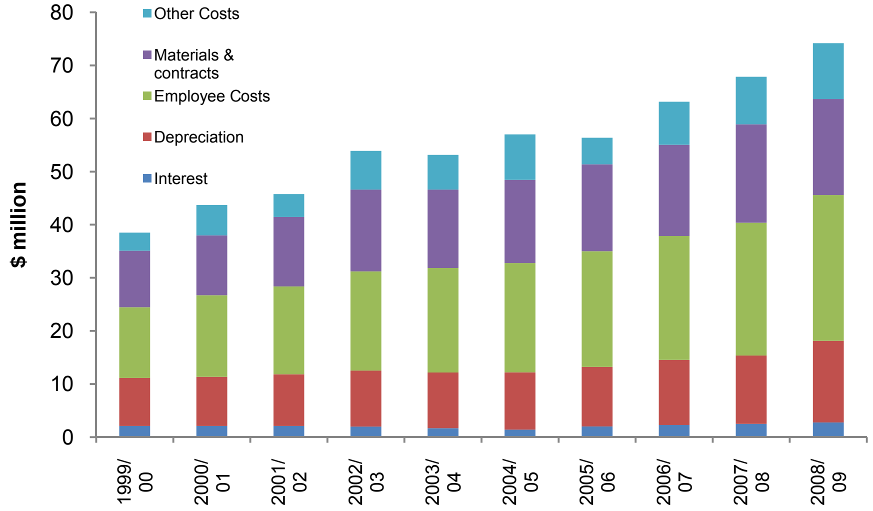
Figure 28 - ESC Operating costs by function 2010-11 budget



* Other economic services include: airport, caravan and camping grounds, operational land management, real estate development, saleyards, Tourism promotion and visitors centres and private works
** Other includes – bushfire and emergency services, economic development, environmental, governance, public health, general rates, public order and safety, overheads, public amenities

Figure 29 shows that overall operating costs in 2008/09 totalled $72.4 million which is nearly double that of 1999/2000.[36]

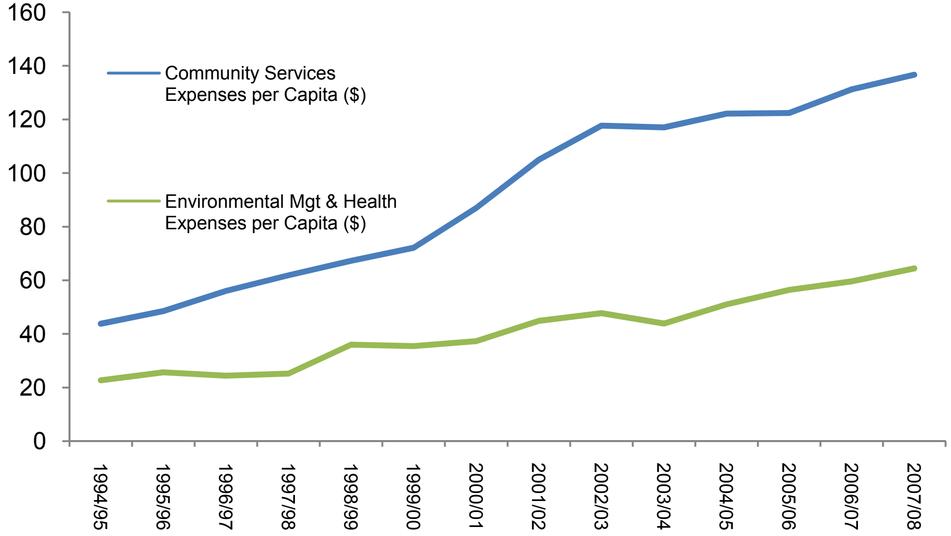
Figure 29 - ESC operating costs and trend 1999-2009



[36] ESC 2008-09, General Purpose Financial Report

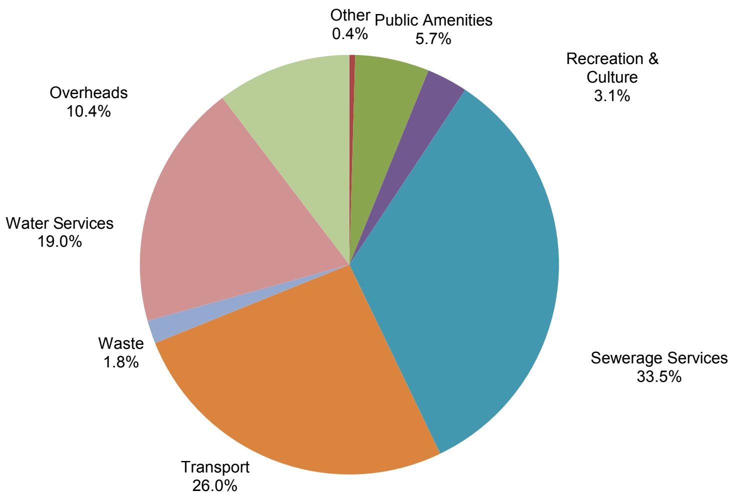
Figure 30 shows that annual per capita expenditure in the predominantly grant funded community services and environment areas has more than doubled in the period 1994-2008.[37]

Figure 30 - Social and environment expenditure 1994 - 2008



[37] ibid

Figure 31 - ESC Capital expenditure, 2010-14



Council invests in renewing or replacing assets that have reached the end of their useful life or to meet growing or changing community needs.

4.1.3 The Budget Problem

The Percy Allan Report 2006, found fundamental inconsistencies between the defined role of NSW Local Government and the funding regime in which it must operate.[38]

A further report released by the ALGA in 2006 found that:

- 30% of Australia's councils face viability issues
- Financial risks are typically caused by a failure to renew and maintain aging infrastructure
- Access to a new pool of funding to support community infrastructure is warranted
- Commonwealth Financial Assistance Grants should be increased.

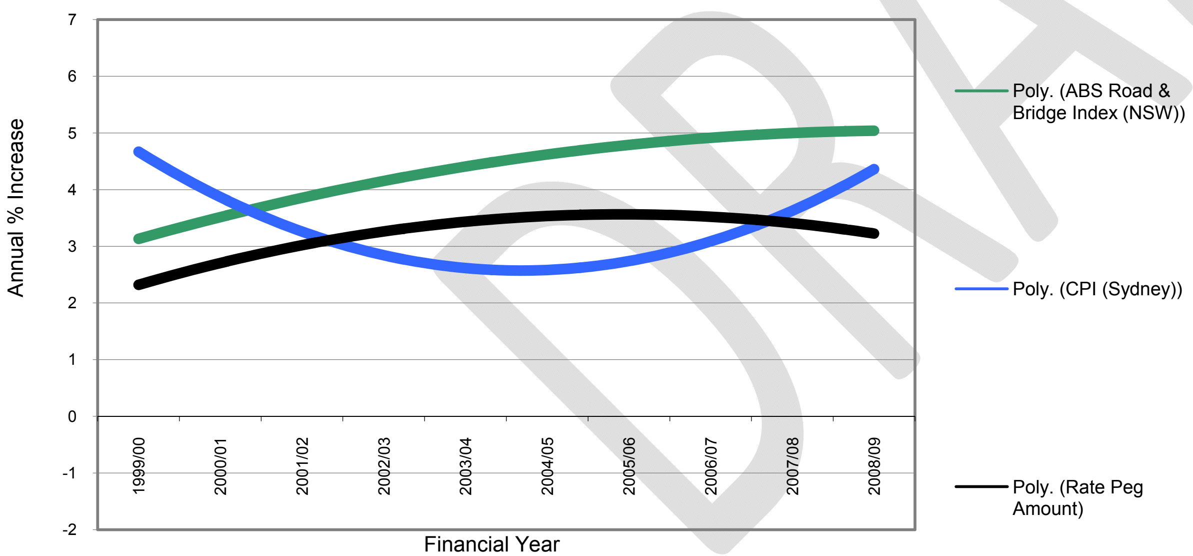
[38] Percy Allan, 2006, *Local Government Enquiry*

Long term financial sustainability of the Eurobodalla Shire is at risk. Council has a problem in that the income it receives is not sufficient to cover the costs of services and infrastructure that the community expects it to provide. Council's revenue being largely dependent on Rates (51%) has not kept pace with costs due to rate pegging (see Figure 32).

In addition, Council is not spending enough on maintaining and renewing infrastructure and that will impact on future generations if something is not done about it. Council manages over $1.2 billion in assets of which, a significant proportion are reaching the end of their working life and require renewal or replacement. The Infrastructure Gap, or the amount not budgeted but required for essential maintenance and renewal of General Fund assets, is currently estimated at $4.5-5 million per annum.[39]

Operating costs in response to community needs, cost shifting from State and Federal Government, the Global Financial Crisis and cost increases above inflation (concrete, steel & bitumen in particular, with road reseal costs up 26% in 5 years) have exacerbated the income : expenditure gap. A recent survey estimated Council paid about $3 million in 2008/09 to deliver services either mandated or transferred to it by the State and Federal Government.
The costs of sustaining and providing infrastructure to deliver services to the community will be a major factor in managing the future sustainability of our community.

Figure 32 - ABS Roads & Bridge Index 1999–2009 compared to CPI & rate pegging (polynomial data)



[39] Estimate based on draft and unpublished asset management plan, 2010

Key issue 4.2 – Infrastructure Service Levels

Council is r esponsible for infrastru cture asset s with a re placement value of over $1.2 billion including:

- 1,110 kilometres of transport assets (roads, pathways,)
- 4,300 car parking spaces
- 132 kilometres of stormwater pipes
- 5 sewage treatment plants
- 2 water treatment plants (under construction, completion 2010)
- 520 kilometres of sewer mains
- 859 kilometres of water mains
- 500 community buildings such as public toilets, halls and bus shelters
- over 60 wharves, jetties and boat ramps
- 12 sporting complexes, 3 pools, 3 libraries and over 1000 reserves

Fast Facts

! Council is responsible for infrastructure assets with a replacement value over $1.2 billion
! Water, sewer and road assets represent 78% of total assets
! Council is responsible for 580km of sealed roads, 442km of unsealed roads, 61 bridges; 86km of paths, 27 footbridges, 4,300 car parking spaces and 56 bus shelters

The service levels currently delivered by Council cannot be sustained with existing levels of funding. As infrastructure ages, maintenance costs increase, service levels drop and r isks to public safety and the environment in crease. Replacement of infrastructure a ssets is required and current funding levels are not sufficient to sustain these into the future and we are currently passing this debt to future communities and our children.
Eurobodalla Shire is also typified by infrastructu re either not provided (e.g. sewerage systems in villages) or provided to a l ow standard (e.g. streets without drainage, kerb and gutter or pathways) in subdivisions undertaken in the 50s, 60s and 70s. This means there are significant network deficiencies to be addressed to provide equitable service levels across the Shire.
Additionally, our Shire will continue to be subject to population growth fluctuations. Growth is essential for increased employment but also to increase the ratepayer base to redu ce the on-going costs per ratepayer of shared communit y assets (e.g. strategic roads, recreation, pools, libraries, etc). However, to continue reasonable l evels of service and protect the en vironment, s ubstantial e xpenditure will be requi red to meet demand (e.g. improve d water supply, sewerage systems, road and traffic facility upgrades).
Similarly, infrastructure in Eurobodalla must not only meet th e needs of our local residents, it needs to be able to manag e the very large influx of visitors and tourists who increase our population to abo ut 300% of t he winter population. The capability of infrastruct ure to sustain th is influx is vital for th e well being of our community and the economic and employment opportunities that sustain our community.
The ageing population will add significant additional demand for services (e.g. pathways, facilities for disabled persons) as we move forward.

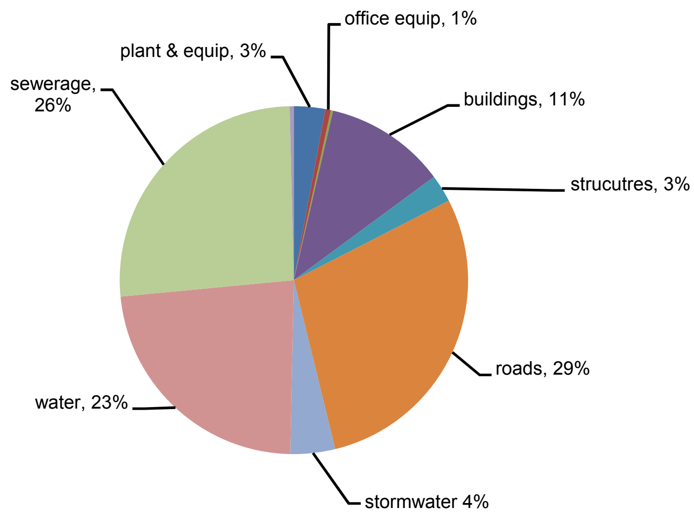
Climate change, and in particular sea level rise and modification of rainfall, will have very significant long term impacts on infrastructure. The vast majority of these are expected to impact outside of the twenty year horizon but nonetheless, longer planning is essential to address this issue in an integrated manner.

Monitoring of these assets indicates that the majority are currently in a satisfactory condition and perform adequately, however, capacity will be reduced unless significant funds are spent on renewal or upgrading. For example, a significant portion of Council's assets were constructed during the 1960's and 70's and these assets are approaching the end of their useful lives and will require replacement or removal.
Indications are that the majority of the assets will have their capacity exceeded within the next 10 years due to anticipated growth. The development of transport, water and sewer Asset Management Plans (AMPs) is occurring in 2010 with stormwater, buildings, recreation and marine AMPs scheduled for completion in 2011.

Figure 33 - Proportional value of current assets

To manage the current and future infrastructure assets, Council must determine whether to increase maintenance funding, reduce its assets, or reduce the level of service to within the current financial capability.
Council has adopted a number of strategic measures to address those anticipated problems. These include:

- construction of the South Batemans Bay by-pass
- redirection of sewage from Batemans Bay to Tomakin Treatment Plant
- implementation if an Integrated Water Cycle Management Strategy
- service delivery plans including s94, s94A and s64 Plans to cater for increased demand for services from developments



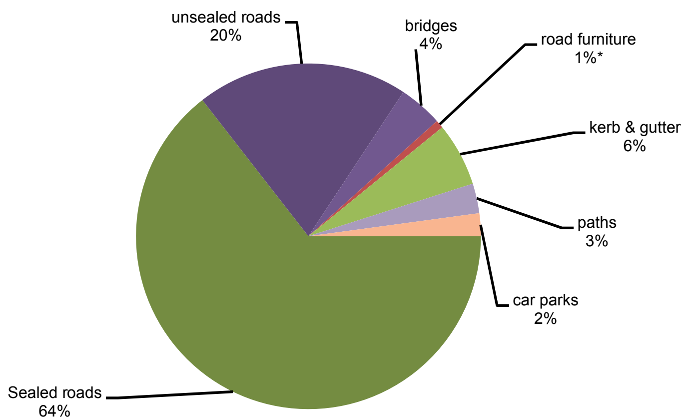
In determining what infrastructure should be retained or provided, Council needs to consider not only the initial construction cost but also the operating, maintenance, renewal, replacement and disposal costs. This is known as the 'whole of life' costs and is usually many times the initial cost to build a facility. A strategic approach to the provision of infrastructure is therefore essential.

4.2.1 Transport

Council is responsible for nearly 580 kilometres of sealed roads, 442 kilometres of unsealed roads, 61 bridges; 86 kilometres of footpaths and shared paths, 27 footbridges, 4,300 car parking spaces, 38 car parks and 56 bus shelters. These are funded through general rates, grants and developer contributions. This includes the Roads to Recovery Program ($.72M pa) which is only secure to 2014. Council continues to lobby for this to be made a permanent feature of the funding arrangements from the Federal Government.

The current replacement value of the existing transport network that Council is responsible for is approximately $409 million[40]. Council spends $6.5 million per annum on maintaining this network, though it should be spending nearly $13.8 million per annum.[41]

Figure 34 - Proportional replacement value of transport assets



Maintenance work on roads and pathways is prioritised based on Council's risk management policies and associated codes of practice.
Rebuilding works such as renewing seals on sealed roads, adding gravel to unsealed roads, sealed road pavement rebuilds and timber bridge replacement are prioritised based on various measures such as traffic condition, traffic safety, funding source and availability, deficiency (e.g. load capacity) and integration with other works.

[40] 2010, Draft Transport Asset Management Plan (AMP)
[41] ibid
* road furniture includes assets like signs, guard rails and traffic islands

Upgrading of urban roads, sealing of unsealed roads and provision of new pathways is determined based on priority point score systems taking into account funding sources and integration with other works.

About 30% of the urban road network is without kerb and gutter and appropriate drainage, with typically poor to fair road pavements. Residents contribute part of the cost when kerb and gutter is provided. Council's current capital funding program would address about 7% of the existing urban network over 20 years. Consideration should be given to increasing efforts in this area.

Council has commitment to improve unsealed roads identified in the Rural Roads Section 94 Plan. Some funding will be available from developer contributions to part fund this work. Some work may be adversely impacted by environmental constraints and changes in State legislation since the plan was adopted. This impacts both capital funds and also the number of ratepayers funding on-going maintenance and renewal costs.

For low trafficked roads, unsealed roads are about half the cost to maintain and renew compared to a sealed road. Only those roads identified in the above plan, or roads carrying traffic volumes too high to remain as an unsealed road, will be listed for reconstruction and sealing. The majority of the unsealed road network will be retained as an unsealed road.

Only about 20% of the urban road network has a formed pathway on at least one side and there are numerous pathway links within urban areas missing. Council has adopted a pathways strategy to aid in determining where pathways will be provided.
Council is currently undertaking detailed traffic studies of the Batemans Bay CBD and a strategic traffic model of the Shire (north of Moruya River bridge) to assist in confirming upgrades required to meet the growth in traffic due to proposed development. This will guide decisions on capital expenditure and developer contributions.

Council has recently completed the construction of the South Batemans Bay By-pass improving efficiency of transport to employment lands at Surf Beach and subdivision lands beyond and greatly reducing traffic levels within the residential suburbs of Batehaven, Sunshine Bay, Denhams Beach and Surf Beach. Council proposes to commence Stage One of the construction of the Link Road from the South Batemans Bay By-pass to the Princes Highway in 2010/11. State and/or Federal government assistance will be required to fund completion of this important transport link, in particular the proposed junction with the highway. Council is also lobbying for realignment of the Princes Highway south of Batemans Bay.

The Princes Highway and Kings Highway are vital to our community's social and economic well being. Both are State Highways funded through the NSW Roads & Traffic Authority. Neither road is yet capable of providing large B-double access to/from the Shire, limiting transport efficiency.
Council maintains the first 37km of the Kings Highway under contract to the RTA. The Kings Highway forms a key link to Canberra, Queanbeyan and beyond as well as Goulburn and part of the route to/from Sydney.

4.2.2 Stormwater

Council maintains about 132 kilometres of stormwater pipes and 5,600 drainage pits with a total estimated replacement value of $80 million.

Council will be preparing detailed asset management plans during 2011/12 for stormwater services. Council is finalising collection of data on this underground asset, including gathering information from past subdivisions and transferring this information onto an electronic format. Once this work is complete it is proposed to continue to analyse each storm water catchment to assess the capacity of the network and develop upgrade programs, including consideration of proposed land-use changes, existing overflow paths and condition of the network.

Council has undertaken condition assessment of parts of the network and identified some sections of the stormwater system as being in poor condition, particularly in areas where the stormwater systems preceded the provision of underground sewer systems such as at Tuross Head where up to 15% of the system was rated as being in poor condition. This planning work is currently being limited by the availability of funding and lack of resources.

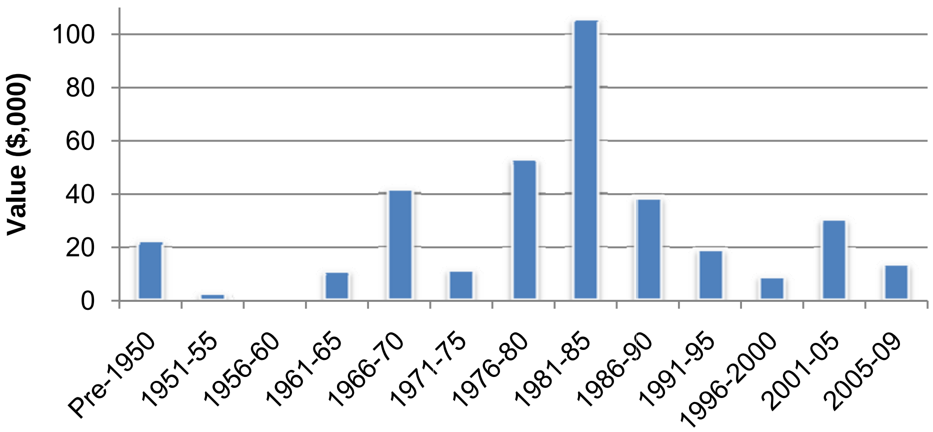
In more recent years Council has also provided targeted programs to improve the quality of stormwater flowing from the stormwater system into receiving waters through the installation of gross pollutant traps, water pollution control ponds, community education and other measures. More work will be required over time to further improve the stormwater system from both a capacity and quality perspective. In the longer term, analysis of these systems will need to give consideration to the impacts of sea level rise.

4.2.3 Water and Sewer

Council is responsible for 1,378 kilometres of water mains, sewer mains and recycled water supply pipes as well as 139 pump stations (water and sewer), one storage dam, 38 storage reservoirs, 10,800 valves and hydrants, 8,600 manholes and 17,600 water meters. The value of these assets is estimated at $460 million.[42]

[42] 2009 COPW Special Schedule 7

Figure 35 - Construction periods of water and sewer assets



4.2.4 Buildings

Council is responsible for about 500 buildings valued at $122.4 million and including three libraries, two visitor centres, three works depots, eight cemeteries, seventy toilets blocks, and fourteen community centres and public halls[43].

While Council currently spends $1.52 million per annum maintaining and renewing these assets, it is estimated that Council should be spending $1.7 million per annum on maintenance and a further $2 million on renewals.

The quality and standard of some buildings is deteriorating. For example, the Shire's three swimming pools are showing signs of failure and inability to cater for the varying demands of user groups.[44]

4.2.5 Marine Assets

Council is responsible for the majority of local marine structures including eighteen wharves and jetties, 25 formal boat ramps and 9.5 kilometres of riverbank rock and timber walls. The value of these assets is unknown[45].

Council has implemented a formal inspection and assessment regime for marine assets and estimates that 10% of the boat ramps and 13% of the wharves and jetties were in a poor condition. Council currently spends $200,000 per annum on maintenance and renewal of marine assets. [46]

[43] ibid
[44] ibid
[45] ibid

4.2.6 Recreation and Leisure Assets

Council's Recreation and Open Space Strategy identified the following open space and facilities managed by Council

- 2,726.06 hectares of open space
- 1,283 parks and reserves
- three public swimming pools
- eight tennis complexes
- 33 playgrounds
- 12 sportsgrounds
- three indoor sports facilities
- five skate parks
- one BMX facility[47]

Council has implemented a formal inspection and assessment regime for its parks and recreation assets based on risk principles. Council has adopted a policy of identifying those assets that are a risk due to their condition and taking relevant action based on priority.

---

[46] ibid
[47] 2010, Draft Recreation and Open Space Strategy

Civic Leadership Key Considerations

Financial Performance and Position
Rates pegging has limited growth in rates, while cost shifting, inflation and community expectations has increased expenditure on services, administration and facilities leading to significant pressure on financial sustainability. Eliminating net deficits, addressing infrastructure gaps and improving long term financial sustainability are the primary challenges for Council in the future.

Income
Service expectations of the community need to be determined to enable consideration of resourcing, budget and funding. What does the community consider to be core functions or services to be provided by Council?
Income from commercial assets, sales of redundant assets, grants and developer contributions is a key consideration for Council in meeting the costs of providing services for current and future generations.

Costs
Council's income streams are largely capped or determined by sources other than Council. A large percentage of costs incurred by Council are increasing significantly above rate pegging and this is placing increased impacts on Council and the community. While the Council General rates are 12% below average, it is more proactive than average in delivering environment and community services.

Infrastructure Assets
The development of asset management plans in 2010-12 will provide Council with a clear understanding of the current capacity and value of assets and with the costing of future needs while incorporating higher levels of accessibility, safety and sustainability. This will also enable improved management, maintenance and renewal of assets and reduce the likelihood of structural failure and risk.