

BYRON BAY SPECIAL RATE VARIATION 2017

SUBMISSION ON THE APPLICATION FOR A RATE VARIATION

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1. Principal submissions:

1.1 That the application for a rate variation should be wholly refused, as the council has not provided a sufficient justification for the proposed increase.

1.2 That if IPART does decide to allow a SRV it should be **for one year only** on the understanding that Byron Shire Council needs to address the issues raised, in this submission and others, and undertake a proper and detailed consultation with the community.

2. Key arguments

The following are the key arguments to support the submission that application for a SRV should be refused. Essentially it is our view that in order to justify a SRV council's submission must:

- Demonstrate that it the funds it currently has are being effectively spent;
- That in order to determine that those funds are being effectively spent proper planning has been undertaken to ensure the funds deliver the required outcome at the least cost
- That that expenditure is in line with community needs and desires;
- That there is an effective consultation process to determine those needs and desires;
- That there is no alternative source of those funds which council can access and that would obviate the need for a SRV

Each of the key arguments below are supported by the information supplied in Section 3, below, or in some cases in other submissions to IPART which I have assisted with (that by [REDACTED]). In the case of alternative development models which would mitigate the need for rate rises, a number of Byron residents are working on this model

2.1 **No need for additional ratepayer funds:** Contrary to the assertion of Byron Shire Council, there is no urgent need for additional ratepayer funds.

2.2 **Poor planning and development:** The Shire continues to spend ratepayers funds on projects that are either unplanned, are not urgent, or are entirely contrary to good planning practice.

- 2.3 **Alternative funding sources available:** Even had council been able to demonstrate the need for additional funds, it has alternative sources of funding it can access without the requirement for a special rate variation.
- 2.4 **Unnecessary and wasteful spending:** Where council has identified additional funding sources it continues to spend these on unnecessary new projects rather than the backlog (currently \$38.1 million) which is the chief rationale for the rate increase.
- 2.5 **Effective alternatives not considered:** Council has failed to introduce a range of effective traffic management measures identified consistently as being desired by members of the community which could quickly, easily and cheaply address many of the impacts of tourism for which it now requires backlog funding; instead it continues to build expensive and unnecessary infrastructure.
- 2.6 **Inadequate consultation processes:** The consultation process which council has used to justify support for the rate rise was fundamentally flawed, as were the conclusions drawn by council and its communications of those conclusions.
- 2.7 **Secrecy, poor consultation, poor communication:** Contrary to the statements of council about its Integrate Planning and Reporting Framework in which it asserts that the framework has allowed council to *“engage the community in a conversation about the vision for the Byron Shire into the future. This continuing conversation has allowed the community to better understand Council’s services and the challenges faced in regard to financial sustainability and its infrastructure backlog..”* council has singularly failed to consult with the community and has a reputation for secrecy and poor communication. Many of its decisions are not supported by the community.
- 2.8 **Incorrect assumptions:** A number of the arguments put forward to support the case for the SRV are specious, arguable or incorrect. Submissions to council pointed out these errors or omissions but council failed to properly address them.

3. Background and supporting information

Byron Shire Council has argued that it has two major issues, namely a substantial infrastructure backlog and insufficient income to allow it to fund that infrastructure backlog. This submission has no argument with the fact that there is an infrastructure backlog. The key issues are:

- The size of that backlog
- The current financial position of the council
- The ability of the council to fund the backlog either through reducing expenditure on other unnecessary infrastructure or through increased funding from other sources.

This submission supports the arguments put forward in other submissions, most notably that by [REDACTED] which outline why council's financial position is much better than it has argued in its submission for a rate rise.

However I do not believe that **even if IPART agrees with council on its financial position it should allow a SRV**, primarily because the basis for council having a poor financial position is its expenditure on unnecessary infrastructure, its poor planning and its lack of an overall strategy for the issues facing the town.

If all of these matters had been addressed, as urged repeatedly by the community there would be **no need for additional ratepayer funds**

3.1 Poor planning and development:

The key cause of the infrastructure backlog is the massive impact of nearly 2 million visitors annually. This requires the rates raised from community of 30,000 to support infrastructure such as roads, bridges, rubbish collection, water supply, sewerage, ranger services, signage etc for an itinerant population that those rates were never designed to support.

It is worth noting in this context that visitation to Byron Bay is 30 times higher per capita than visitation to Sydney.

The shire is also constrained in taking effective action to address the strategic issues created by this massive and uncontrolled influx of tourists, by the refusal of the state government and its agencies to allow effective revenue raising from visitors or appropriate traffic management (such as park and ride). In this sense, at least, one accepts that some of the issues are beyond the control of council.

It is notable, however, that the shire has never had a broad strategic vision about how to address these issues. Infrastructure development continues to be carried out on an ad hoc basis which does not address either the tourism issue or community needs.

Recently it has developed a Masterplan for the town centre but even after doing this it continues to make ad hoc decisions that, apparently, undermine the Masterplan itself without consultation with the community such as those around locations of the bus station and the plan for the railway station precinct.

For example, while the community has been urging a planning process that removes cars from the town centre, which the current Mayor and others support, many council documents identify plans to double the number of lanes on the main access road without having any strategy to address the induced traffic. As a result the council continues to spend ratepayers funds on projects that are either unplanned, are not urgent or are entirely contrary to good planning practice.

3.2 Alternative funding sources available:

The recent introduction of paid parking is a positive step. Had this been introduced ten or more years ago, as it should have been, much of the backlog of infrastructure works could have been addressed.

Currently council has embarked on an expansion of the areas of paid parking, for example to Bangalow. The simple expedient of a substantial increase in parking rates would, in itself, obviate the need for a rate raise. Council has identified that a \$1 increase in parking in Byron Bay would raise an additional \$1 million in funds.

On this basis and allowing for the elasticity of demand that would lead to a drop in demand for parking if rates are increased, an increase to \$8 an hour (as occurs in other beachside locations) would lead to an increase in revenues of \$6 million or more, substantially greater than the revenues from the SRV.

Councillors argue that they cannot immediately increase the parking fees without extensive consultation because it does not have community support. It seems, however, quite comfortable increasing rates without community support and without **a proper (ie unbiased) process of community consultation.**

On this basis arguments against an immediate increase in parking fees are nonsense.

Additionally the submission by [REDACTED] demonstrates a range of other measures that council could take.

3.3 Unnecessary and wasteful spending:

Where council has identified additional funding sources it continues to spend these on unnecessary new projects rather than the backlog (currently \$38.1 million) which is the chief rationale for the rate increase. It is not clear how council decides on these priorities and how it elevates them above other more pressing community needs. Some examples of these are:

- Roundabout at Massinger Street (budget \$1.13 million). This roundabout was built using approximate \$1.4 million dollars in general fund revenues (presumably the additional cost was due to cost blowouts). The roundabout was not a priority, was not subject to any community consultation and was built despite a range of urgent community needs such as more bike paths.

This was, **apparently**, built entirely from general revenue funds and I have been unable to find it as a priority listed on the council web site.

- The redevelopment of Wategos beach parking & footpath (cost \$395,000). Again, this was not a community priority and was not part of any strategic plan for Byron Bay. No doubt it was part of the plan to introduce paid parking but this could have been done without the associated expenditure.
- The roundabout at Sunrise Budget \$3.5 million; council contribution S94 \$1.25 million, \$0.25 water fund. The cost includes an "additional \$0.5 million allocation for the doubling in roundabout lanes from 1 lane to 2 lane). This was part of the list of priorities S94 priorities.

However it does not appear on the S94 list of works with any sort of priority. There is not even a starting date for works given. It was elevated up the list of priorities and funded using Black Spot money and S94 funds, as well as funds from the "water fund".

Further a significant part of the additional funding was required due to a last minute decision by council to expand the roundabout from a one lane to a two lane roundabout **with no consultation, no rationale (other than the desire to have it integrate with future plans, unapproved, to duplicate the existing Ewingsdale Rd – something else that has had zero consultation with the community) and without any apparent place in any strategic plan.**

It is also critical to note in this context that council has a tendency to say one thing to the community and something different to others, such as IPART.

For example when introducing the original parking charges council clearly said that all these funds were to be earmarked for the backlog. However, once it started receiving these funds it actually spend them, partly, on a range of new projects, contrary to its commitment to ratepayers and residents. Apparently, this was because it advised IPART differently and committed that a part of the funds would be spend on new works. It now wants to increase the rates because it doesn't have enough money for the backlog – at least partly because it spent parking fees in areas where it originally promised it would not.

In essence ratepayers were misled.

3.4 Effective alternatives not considered:

There are arguments that many of the alternatives put forward for traffic management – all of which would be much cheaper and arguably more effective than the long term plans for duplicating roads, more roundabouts and bypasses – even if some of these things are needed in the long term anyway.

For example, the simple expedient of raising parking prices in town and creating free or cheap parking just outside town would not only significantly reduce congestion in town with all the associated benefits but would increase revenues to council. This in turn would reduce pressure and wear on roads in town, reduce the need for constant maintenance and also reduce the need for further infrastructure.

Such simple measures would remove the requirement for any SRV.

A group of residents currently has a comprehensive alternative model for Byron Bay under development in draft form. However this is not sufficiently advanced to present here but I would be happy to discuss it further with IPART, if that were possible and necessary. Some of these steps include:

- *A virtual congestion levy*

via differential parking rates which encourages visitors to park outside town where it will cost up to \$8 to park in town but a maximum of \$5 a day elsewhere, with some free parking beyond the Belongil turn-off.

- *The provision of reduced rate parking at the Butler Street Reserve*

Butler St reserve to remain a multi use area including markets for the time being but to be upgraded

including tree planting and other “soft development” as a car park.

- *The provision of free parking with Park and Ride out of town*

at a number of locations on the route into town along Ewingsdale Road coming from the north and along Bangalow Road from the south. These could include the Farm (subject to discussion), Cavenbah Centre, Elements (subject to discussion), Red Devil Park, the Golf Club, various other resorts and other areas yet to be identified. (noting that this requires identification of suitable land and agreement of RMS)

- *Parking signage*

The provision of repeated, clear and large signage directing traffic to free and reduced rate parking along with warnings about limitations and costs of parking in town.

- *Electric shuttle Park and Ride*

! The provision of up to 10 electric shuttle buses able to carry up to 40 people along with luggage, bikes and surfboards. These will cost \$5 for all day tickets and offer hop on, hop off.

! The buses will integrate with electric and normal bike hire stations and with the Lighthouse shuttle bus and run at 5-10 minute intervals on a loop around Byron Bay.

Noting that this is not yet fully costed.

- *Storage facilities*

Daytime storage facilities for luggage, bikes, surfboard and other sporting equipment.

- *Improved regular public transport*

3.5 Inadequate consultation processes:

The consultation process which council has used to justify support for the rate rise was fundamentally flawed, as were the conclusions drawn by council and its communications of those conclusions.

The key issues around the consultation process were:

- Poor survey construction, with leading questions, the omission of options such as “no special rate variation. These effectively led to pre-determined outcomes which cannot be relied on as an accurate reflection of community opinion.
- The rationale provided to councillors for the different rate rises was different from that provided to ratepayers. In other words the outcomes (such as “maintain” or “deteriorate”) for different levels of SRV were differently communicated in the community surveys than they were to councillors.
- As an example of the way in which outcomes were pre-determined – if you ask someone if they want improved services they will, of course, almost always say “Yes”. But if you tell them they will need to pay an extra 7.5%. 10% or 12.5% when asking this question you will almost certainly get a very different outcome. In this sense the survey outcomes are highly misleading.
- The way in which the outcome was communicated by council as “supporting” a rate rise by conflating a range of different figures to support its contention that ratepayers supported a rate rise, especially in the context where there was no “zero SRV” option is completely contrary to best practice. It is possible to, using the figures differently to council, to suggest that more than 70% of the community voted against the rate rise during community consultations. Council just ignored this outcome.

3.5 Secrecy, poor consultation, poor communication:

Contrary to the statements of council about its Integrate Planning and Reporting Framework in which it

asserts that the framework has allowed council to “engage the community in a conversation about the vision for the Byron Shire into the future. This continuing conversation has allowed the community to better understand Council’s services and the challenges faced in regard to financial sustainability and its infrastructure backlog..”, council has singularly failed to consult with the community and has a reputation for secrecy and poor communication. Many of its decisions are not supported by the community.

Some of the decisions and projects outlined in this submission are clear demonstrations of this tendency to make decisions largely behind closed doors. I accept that, technically, there are many decisions about which council is not required to consult – including many infrastructure projects.

On the other hand you cannot trumpet your consultation processes while at the same time failing to properly consult or not consulting at all. The truth is completely the inverse. **Most ratepayers do not support the continued focus on tourism expansion and the provision of infrastructure which simply increases the number of visitors coming to Byron Bay without any real strategic planning for managing those visitor numbers or their impacts.**

A classic case of this is the case of “ Railway Square”. In the Masterplan this is the centrepiece of a vision for a more people centred town. Council set up a specific consultation group to ensure effective community input and then, effectively, ignored it for months while negotiating with Transport for NSW behind closed doors, with the resultant proposal appearing without input from the expert group and in a form that is very different from that envisaged by the Masterplan.

3.6 Incorrect assumptions:

A number of the arguments put forward to support the case for the SRV are specious, arguable or incorrect. Submissions to council pointed out these errors or omissions but council failed to properly address them.

I do not intend to expand on these here but refer IPART to the submission by [REDACTED]