

**SUBMISSION TO
THE NEW SOUTH WALES
PARLIAMENTARY INQUIRY
INTO INFRASTRUCTURE PROVISION
IN COASTAL GROWTH AREAS**

Kiama Municipal Council

The Legislative Assembly Standing Committee on Public Works is carrying out an inquiry into infrastructure provision in coastal growth areas.

The inquiry is examining:

- 1) Key coastal population growth and urban consolidation trends in NSW:
- 2) Short and long term needs of coastal communities for basic infrastructure (such as roads, power, water and sewerage) and human services infrastructure (such as hospitals, schools, aged care centres and sporting facilities);
- 3) Coordination of commonwealth, state and local government strategies to deliver sustainable coastal growth and supporting infrastructure;
- 4) Best practice methods to plan, manage and provide infrastructure to coastal growth areas; and
- 5) Management of social, environmental and economic considerations associated with infrastructure provision in coastal growth areas.

The following is a submission to the Inquiry made by Kiama Municipality.

SUBMISSION

Coastal communities around Australia are struggling to plan for rapid population growth driven by internal migration from metropolitan cities and inland areas.

The increase in population in coastal communities and associated development is proposing threats to sensitive coastal processes and environments.

There are also significant social implications. Many non-metropolitan coastal communities are characterised by high levels of unemployment, lower than average household incomes, and greater levels of socio-economic disadvantage long with high number of seniors from other parts of Australia. Increasing population growth and development activity in these areas is not translating to long-term economic gains usually associated with population expansion. Social division is occurring between existing residents and newcomers.

Infrastructure provision and maintenance is lagging and not keeping up with the pressures of the coastal shift.

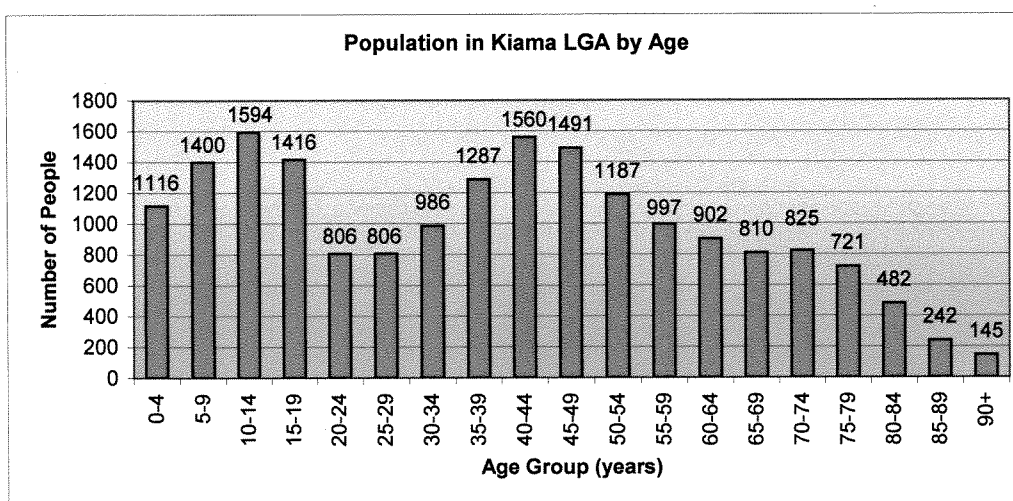
Five typologies of communities affected by sea change have been developed by the National Sea Change Taskforce. They are:-

- ♦ Coastal commuters – suburbanised satellite communities in peri metropolitan locations;
- ♦ Coastal getaways – small to medium coastal towns within three hours drive of a capital city;
- ♦ Coastal cities – substantial urban conurbations beyond the state capitals;
- ♦ Coastal lifestyle destinations – predominantly tourism leisure communities;
- ♦ Coastal hamlets – small, remote coastal communities often surrounded by protected natural areas.

The Kiama Municipality is located on the south coast of New South Wales and has an approximate area of 250 sq kilometres and population of 20,176. Kiama is two (2) hours driving time south of the centre of Sydney.

The Kiama Council area has been categorised as a coastal getaway but also has the characteristics of a coastal commuter community. The demography of Kiama is as follows:-

Population Age Breakdown - Kiama, 2001



Source: ABS Census 2001, table B03.

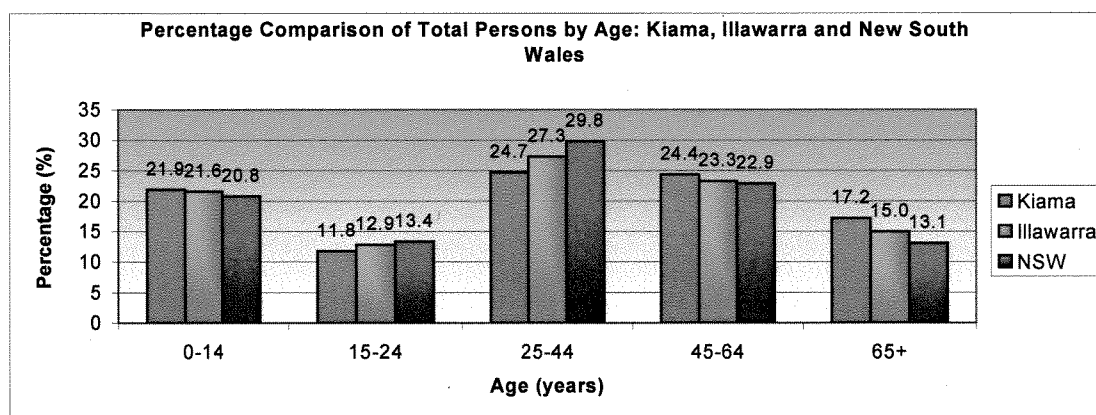
Comparison of Age Proportions 1976 to 2001 in the Kiama Municipality

| Year of Census | Age Group (Years) | | | | | | | | | | | | | | |
|------------------------------------|-------------------|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|
| | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40-44 | 45-49 | 50-54 | 55-59 | 60-64 | 65-69 | 70+ |
| Percentage (%) of Total Population | | | | | | | | | | | | | | | |
| 1976 | 9.1 | 9.4 | 8.7 | 7.2 | 7 | 7.4 | 7.3 | 6.2 | 4.9 | 5.1 | 5.5 | 5.3 | 5.2 | 5 | 6.6 |
| 1981 | 8.2 | 8.8 | 8.2 | 7 | 7.2 | 8.4 | 7.9 | 6.6 | 5.5 | 4.2 | 4.9 | 5.2 | 5.5 | 4.6 | 7.8 |
| 1986 | 8.7 | 7.6 | 8.3 | 6.7 | 5.2 | 7.1 | 8.8 | 7.8 | 6.1 | 4.7 | 4.1 | 4.8 | 5.5 | 5.1 | 9.5 |
| 1991 | 7.9 | 8.5 | 7.4 | 7 | 5.1 | 5.5 | 8 | 8.6 | 7.2 | 5.6 | 4.6 | 4.1 | 5.1 | 5.1 | 10 |
| 1996 | 7 | 8.2 | 8.2 | 6.2 | 5 | 4.6 | 6.4 | 8.4 | 8.3 | 6.5 | 5.2 | 4.6 | 4.3 | 5.3 | 11.8 |
| 2001 | 5.9 | 7.4 | 8.5 | 7.5 | 4.3 | 4.3 | 5.2 | 6.8 | 7.8 | 7.9 | 9.7 | 5.3 | 4.8 | 4.3 | 13.3 |

Source: ABS Census 1976, 1981, 1986, 1991, 1996, 2001.

The following graph reinforces the notion that Kiama has a high proportion of children, people aged 45-64 years, and older people (aged 65 years and over) in comparison to the Illawarra and NSW. The graph compares the percentage of these age groups as a figure of the total population between the three areas. It can also be seen that Kiama has a relatively low proportion of younger people aged 15-24 years, and people aged 25-44 years.

Percentage Comparison of Total Persons by Age - Kiama, Illawarra



Source: ABS Census 2001, Basic Community Profile and Snapshot, table B03 for Illawarra.

The population trend is as follows:-

Table 1: Kiama Local Government Area – Population Change, 1961 to 2001

| Year | Population | Change (n) | Change (%) |
|------|------------|------------|------------|
| 1961 | 5239 | | |
| 1966 | 5865 | 626 | 11.95 |
| 1971 | 6750 | 885 | 15.09 |
| 1976 | 8666 | 1916 | 28.39 |
| 1981 | 11368 | 2702 | 31.18 |
| 1986 | 13443 | 2075 | 18.25 |
| 1991 | 15908 | 2465 | 18.34 |
| 1996 | 17706 | 1798 | 11.30 |
| 2001 | 18827 | 1121 | 6.33 |

Source: ABS Census table B01, 1961, 1966, 1971, 1976, 1981, 1986, 1991, 1996, 2001. (includes overseas visitors)

Projected Population, by Sex and Age Group, at 2004 to 2019

| Sex/age group (years) | 2004 (n) | 2009 (n) | 2014 (n) | 2019 (n) |
|-----------------------|--------------|--------------|--------------|--------------|
| Males | | | | |
| 0-11 | 1649 | 1576 | 1571 | 1576 |
| 12-24 | 1820 | 1854 | 1800 | 1743 |
| 25-44 | 2330 | 2263 | 2321 | 2338 |
| 45-54 | 1491 | 1551 | 1467 | 1441 |
| 55-64 | 1072 | 1360 | 1547 | 1614 |
| 65 and over | 1691 | 1922 | 2272 | 2673 |
| <i>All ages</i> | <i>10053</i> | <i>10526</i> | <i>10978</i> | <i>11385</i> |
| Females | | | | |
| 0-11 | 1496 | 1462 | 1469 | 1463 |
| 12-24 | 1725 | 1709 | 1649 | 1618 |
| 25-44 | 2440 | 2427 | 2481 | 2483 |
| 45-54 | 1422 | 1526 | 1461 | 1444 |
| 55-64 | 1122 | 1350 | 1518 | 1618 |
| 65 and over | 2156 | 2384 | 2744 | 3104 |
| <i>All ages</i> | <i>10361</i> | <i>10858</i> | <i>11322</i> | <i>11730</i> |

| Sex/age group (years) | 2004 (n) | 2009 (n) | 2014 (n) | 2019 (n) |
|-----------------------|--------------|--------------|--------------|--------------|
| Persons | | | | |
| 0-11 | 3145 | 3038 | 3040 | 3039 |
| 12-24 | 3545 | 3563 | 3449 | 3361 |
| 25-44 | 4770 | 4690 | 4802 | 4821 |
| 45-54 | 2913 | 3077 | 2928 | 2885 |
| 55-64 | 2194 | 2710 | 3065 | 3232 |
| 65 and over | 3847 | 4306 | 5016 | 5777 |
| All ages total | 20414 | 21384 | 22300 | 23115 |

Source: ABS 2001 Regional Profile, table 5 (Projections prepared by the ABS according to assumptions agreed to by the Commonwealth Department of Health and Aged Care).

The median age of the population is 41 years.

Kiama is also subject to large seasonal and weekend population variations with implications for infrastructure and services. It has been estimated that the population can increase by 15,000 at holiday times.

There are pressures on public toilet amenities, roads, parking areas, waste management, beach facilities and public reserves.

The aging population of Kiama has required the delivery of a range of aged care facilities and services. Council provides a comprehensive home and community care service and is the only coastal council in New South Wales that provides three levels of aged person residential facilities including independent living units, hostel (low care) and nursing home (high care). The high care facility includes high care for dementia residents.

The following home and community care services are provided:-

- Neighbour Aid
- Domestic Assistance
- Centre Based Day Care
- Community Nursing
- Community Transport
- Community Aged Care Packages
- Community Options

- Compacts
- Home Safety Monitoring
- Community Respite
- Multi Service Outlet
- Brokerage Nursing

Council has been effective and innovative in providing the aged care services and facilities. However cost shifting and federal funding not keeping up with real costs for aged care facilities is a concern and threatens ongoing provision.

The pressures are:-

- ♦ Federal Government subsidies not keeping pace with costs and in particular staff costs;
- ♦ The Accreditation process although important in terms of maintaining and improving standards has significantly increased administrative costs and required significant capital expenditure without sufficient financial compensation;
- ♦ Councils running aged care facilities have lost public benevolent institution status putting them at a distinct disadvantage to other not-for-profit organisations in tax benefits and attracting staff. This is exacerbated by worsening staff shortages in the aged care industry.

The demographics of the Kiama community also has implications for transportation services and the provision of and access to medical services. The Princes Highway is the major transportation corridor along the south coast. Rail services terminate at Bomaderry near Nowra. There is a pressing need for State Government and Federal Government funding for further upgrade of the highway which has poor traffic safety issues and is the major lifeline to communities along the coast.

As areas such as Kiama and Nowra have an increasing number of work commuters travelling to Wollongong and Sydney, rail services also need significant upgrading.

There is also a need to lower dependency ratios and to keep and attract younger people. Housing affordability, education and training, and employment opportunities are all important issues that need to be addressed and improved.

With an increase in population and changing demographics there are parallel demands for additional or improved infrastructure. Existing funding sources are not covering the cost of maintenance of existing assets let alone the

provision of new infrastructure. There are also increased expectations of people moving to the coast from larger centres.

Council's Director of Engineering & Works has made the following estimates in terms of the shortfall for local roads, footpaths and drainage.

| BASIC INFRASTRUCTURE | |
|--|--|
| Local & Regional Roads | |
| Length of Sealed Roads Km | 285 and 36.5 (Regional) |
| % In good condition | 50 |
| % In fair condition | 30 |
| % In poor condition | 20 |
| Length of Unsealed Roads Km | 7.5 |
| % In good condition | 60 |
| % In fair condition | 40 |
| % In poor condition | - |
| Total asset value | \$44.3 Million |
| Maintenance budget pa \$ | \$1,232,000 |
| Estimated shortfall in required maintenance budget (if any) \$ | \$6 Million Roads \$3.5 Million Bridges |
| Capital Works Budget | \$546,000 |
| Estimated capital works backlog \$ | \$1,560,000 (3 year plan) |
| Major congestion/maintenance problems which would be made worse by growth in population: | Major Town Centre traffic congestion, additional street sweeping and cleaning |
| 2b - Footpaths | |
| Length of constructed footpaths Km | 44 |
| % In good condition | 85 |
| % In fair condition | 13 |
| % In poor condition | 2 |
| % In poor condition | - |
| Total asset value | \$4.17 Million |
| Maintenance budget pa \$ | \$76,000 |
| Estimated shortfall in required maintenance budget (if any) \$ | \$1.0 Million |
| Capital Works Budget | \$145,000 (3 year plan) |
| Estimated capital works backlog \$ | Not estimated |
| Major deficiencies which would be made worse by growth in population: | Increase in public liability claims for trips and falls. Aging population impacts on necessity for footpath provision. |

| | | |
|---|---|------|
| 2c - Drainage | | |
| Length of drainage lines Km | 75 | |
| % In good condition | 40 | |
| % In fair condition | 50 | |
| % In poor condition | 10 | |
| % In poor condition | - | |
| Total asset value | \$14.4 Million | |
| Maintenance budget pa \$ | \$47,000 | |
| Estimated shortfall in required maintenance budget (if any) \$ | \$2.6 Million | |
| Capital Works Budget | \$20,000 | |
| Estimated capital works backlog \$ | \$50,000 (3 year plan) | |
| Existing drainage problems in the LGA? | Yes | No ✓ |
| Major deficiencies which would be made worse by growth in population: | Stormwater quality issues in commercial centres | |

It has been estimated that the decline in financial assistance grants in real terms and ratepegging has cost the Kiama Council substantial funding needed to maintain and upgrade infrastructure. If financial assistance grants had been indexed to CPI movements, Council would have received a further \$3.3 million between 1987 and 2001. During a recent visit by the New South Wales Grants Commission it was advised that Council's financial assistance grant is approximately \$1.5 million below what it should be if funding levels had been maintained.

Waste management has been a significant cost issue for Kiama Council. Council has recently closed one of its two waste depots and it is shortly to prepare a closure plan for the other. As part of the closure of the waste depots there is the significant cost of rehabilitation. The cost of rehabilitating the two depots is estimated to be greater than \$3 million. There is also the additional cost of transporting the waste and making disposal charges to a depot outside the Municipality. Kiama Council residents have paid approximately \$1 million in New South Wales Government Waste Levies with little of this being returned for local waste management and rehabilitation works. It is understood that the Section 88 Waste Levy is to be increased by 13.6% next year.

With increasing population pressures there is a cumulative effect of individual developments on existing infrastructure. The existing Section 94 Contribution planning process has limitations in obtaining funds for new infrastructure. As there needs to be a nexus between the development, the population generated by the developed and the contribution, there is normally a large liability that Councils inherit. This creates a time lag in provision and significant pressures

on Council's budget to maintain existing assets while providing new infrastructure.

Council's Draft Community Facilities Study (April 2005) identified population projections and community facilities which will be required to meet future demand. Examples of these include:-

- Kiama Central Library;
- Gerringong Branch Library;
- Kiama Multi-Purpose Facility;
- Gerringong Multi-Purpose Facility.

Again the draft Open Space Facilities and Recreation Study (April 2005) has identified projections for both population and open space requirements. To cater the needs of future population the following will be required:-

- 2.9ha of informal open space within the northern division;
- 1.8ha of informal open space within the southern division;
- A formal park within the Gerringong Town Centre;
- Four basketball courts;
- One additional hockey field;
- Upgrade one hockey field to a synthetic surface;
- Upgrade existing netball courts at the Quarry Leisure Centre;
- One additional divisional level skate facility.

The Environmental Assessment and Amendment (Development Contributions) Bill 2005 is welcome. It is imperative that greater flexibility in obtaining funding for infrastructure is provided and the Council's income source from developer contributions is not reduced or eroded. Council supports the introduction of development agreements and fixed development consent levies. However, it is suggested that the maximum percentage of the fixed development consent levy should be in the order of 2% for Councils to be attracted to use this method of developer contributions over the other options.

In addition to the changes proposed by the Environmental Planning and Assessment Amendment (Developer Contributions) Bill it is strongly proposed that there be some relief from the constraints imposed by rate pegging on both community infrastructure and ongoing asset management.

Similar to other coastal councils Kiama Council has a shortfall in infrastructure and lacks the capacity to finance these shortfalls through existing sources

(grants, rates and developer contributions). There is a clear need and substantial pressure from new residents for services and infrastructure comparable to that of metropolitan areas.

Council supports the recommendations of the report prepared for the National Sea Change Taskforce titled "Meeting the Sea Change Challenge: Sea Change Communities in Coastal Australia".

There needs to be long-term infrastructure plans with State Government assistance and a subsequent commitment of up front funding to implement these plans. Such plans should be closely linked to regional settlement and environmental planning processes. Support is given to the development of Regional Strategies for the Coastal Councils by the Department of Infrastructure Planning and National Resources. It is understood that the regional planning strategies will identify growth, identify infrastructure needs and inform the state government budget processes.

A "whole of government" approach to long term regional infrastructure planning and provision is required. This should include a comprehensive review of all government building stocks to maximise usage and minimise duplication.

There is also the need for greater research and policy development on the issues of the environment and heritage, community wellbeing, tourism and the economy that coastal communities face.