

NSW LEGISLATIVE ASSEMBLY
STANDING COMMITTEE ON PUBLIC WORKS

INQUIRY INTO INFRASTRUCTURE PROVISION IN COASTAL GROWTH AREAS

SUBMISSION BY THE BEGA VALLEY SHIRE COUNCIL
(May 2005)



INTRODUCTION TO THE SHIRE

The Bega Valley Shire is located at the south-eastern extremity of New South Wales approximately half way between Sydney and Melbourne. The Shire's coastal fringe extends from Wallaga Lake (Bermagui) in the north to Cape Howe and the Victorian border in the south. Collectively, this 106-kilometre section of coastline forms the beautiful Sapphire Coast. Inland, higher peaks of the Great Dividing Range give way to rolling hills, and numerous rivers and streams. Undoubtedly it is the natural environment that attracts residents and visitors to the area. The Shire covers an area of 6,052 square kilometres and has relatively small population of approximately 30,500 people. (2001 Australian Bureau of Statistics Census data)

The traditional inhabitants of the Shire are the communities of the Monaro and Yuin Nations. Sites throughout the Shire demonstrate indigenous occupation for more than 6,000 years. These people nurtured an organised and active culture many thousands of years older than the creators of the great pyramids. Indeed some of the oldest records of human occupation and activity to be found anywhere in the world are located here in the Bega Valley Shire.

Colonisation and white settlement of the Shire occurred in the early nineteenth century and was originally focussed on the Twofold Bay and Bega areas. The area rapidly became an important source of food for the fledgling colonies at Botany Bay and Van Diemens Land. Farming and agricultural activity was supported by timber cutting, the collection of wattle bark and later by fishing, whale processing at Twofold Bay and the occasional discovery of gold. In later years the area became synonymous with the production of butter and cheese and continues to enjoy a reputation for its 'clean and green' production.

Originally isolated by a lack of road and rail access, the far south coast depended on coastal shipping for virtually all import and export activity. The port towns of Bermagui, Tathra, Merimbula and Eden connected the district to the outside world. This isolation created a lifestyle that continued for over 100 years. Major change began around the time of Federation but it was not until after the Second World War that the pace of change significantly increased.

Modernisation and economic consolidation saw significant change to the traditional industries of the area. Land based transport improved and saw an end to coastal shipping. With markets for local products dwindling and with access to raw materials being even more restricted by government policy, the prosperity of many small towns and villages was gone - and it all happened in a single generation.

From these upheavals flowed social and family change. From the post war years until the mid 1970s the 'Far South Coast' seemed to be as isolated as ever. Never as well serviced or accessible as the central and north coast areas of New South Wales, the term 'Forgotten Corner' was an apt name for the whole area south of Wollongong and east of the Monaro Highway.

During the latter decades of the twentieth century the area was 'rediscovered' as a holiday and escape destination for thousand of 'urbanites' predominantly from Melbourne but also from Sydney and Canberra. From these annual pilgrimages were to come many future residents. These were people who tackled the challenge of creating a lifestyle from the pages of the family photo albums and holiday brochures. They came as retirees seeking urban order and form with uninterrupted ocean views. They came as free spirits seeking the protective isolation of the forested mountains. They came as people seeking a different lifestyle, wanting to stake their claim to a few acres of rural paradise, to grow some veggies, have a few

chooks and maybe a horse for the kids. We now know the phenomenon of the 'sea change', the escape from the city to the more rural, coastal fringe.

Meanwhile for many long established families and locals, this new migration represented a new and uncertain chapter in the history of the district. In many towns and villages familiarity was to be replaced by a sea of new faces, attitudes and ideas. This migration, and the strengths, weaknesses, opportunities and threats that were part and parcel of it, continue to this day.

UNDERSTANDING AND VALUING A SENSE OF PLACE

A particular challenge that accompanies "sea change" phenomenon is the question of protection and preservation of the values that attracted those people to an area in the first place. 'Paradise lost' is a phrase commonly used to describe many areas on the central and northern coastal areas of NSW as well as southern and central Queensland.

Any strategy that is implemented to address increased demand from increased numbers must be able to demonstrate how the places 'inherent values' are to be retained. We cannot knowingly let that value be diminished as part of our desire to meet a need that is either planned for or happens because of the unrelenting process of incremental creep.

A solution may be in our collective acceptance of a broader 'whole of government' approach that signs off on accepted values and then legislates and resources their provision. A bit like believing that our national estate parks system is managed by NPWS to look after our flora and fauna forever and we can rest easy at night. Or, we can do it ourselves. In other words we accept we cannot turn back the recent sea changers or those that are on their way. But what we can and are obliged to do is identify 'values' that cannot be eroded. It comes down to us all living more simply and this should be one of our goals, perhaps the goal.

COMMUNITY EXPECTATION

In coastal areas where growth is driven by an exodus from large metropolitan centres a significant elevation of community expectations follows. From the towns and villages Council is constantly bombarded with calls for improved roads, footpaths, kerb and gutter, cultural facilities, heated swimming pools, better libraries, parks and recreational areas. The list goes on and on.

In the rural areas the winding gravel road to an idyllic bush retreat for weekends away soon becomes the bane of that same person's existence as a new resident. Potholed and corrugated to shake vehicles apart, dust to invade every nook and cranny, and soon the calls on Council to 'fix up the road' begin.

Whilst growth does provide additional revenue to Council, because of the low base from which we are starting and the lack or poor condition of existing infrastructure there is still an almost insurmountable shortfall of funds.

COUNCIL'S FINANCIAL CAPACITY

Council obtains approximately one-third of its general revenue from rates, one third from fees and charges and one third from grants. We have 17,600 rateable properties that yielded \$11.6M in 2004/05. Rate pegging legislation has been compounded by the shifting of unfunded mandates from the State Government onto Local Government. Capped rate increases in the order of three and a half percent over recent years have fallen well behind increases in operational costs such as; staff costs, insurances, Occupational Health and Safety, petroleum products and utility charges. Even if Council were only involved in the provision of the most basic infrastructure these increases would see us going backward every year. Councils however are now responsible for a myriad of social and community services, environmental management and statutory planning, implementation, monitoring and reporting functions.

The elastic band is now at full stretch and this fact is demonstrated in an increasing number of Councils appealing to the Minister for Local Government to approval Special Variations to General Income to bridge, at least in part, these infrastructure and service delivery shortfalls. Without such increases services will be cut, staff will be cut and without question and to use an Australia colloquialism, the community will be very much 'cut'.

POPULATION GROWTH AND SETTLEMENT PATTERNS

For the preparation of Council's 20 Year Plan and 10 Year Financial Plan, population forecasts have been produced. These forecasts have been based on zoning considerations, growth over time and density patterns. This work suggests a low growth rate would produce 42,000 by 2025 and a higher that experienced rate of growth would achieve closer to 50,000. Council's best estimate at a population figure for 2025 is 45,000.

If a straight line projection from the 2005 population estimate provided by the Department of Infrastructure, Planning and Natural Resources is used this results in a forecast in 2025 of 32960. This equates to approximately 1.83% per year which is slightly higher than over the past 2 census periods but not over the last 20 years.

It is projected that the Shire's rural population will proportionately reduce from 22.8% to 20 % by 2025 but that still sees a growth from 7515 to 9000 persons or another 1485 loading onto rural services such as roads and waste management.

The rest of the growth will be in the existing urban settlements and it is projected rates of growth in the Merimbula/Tura Beach area will stabilise and slow as there will be little new land zoned. This will increase growth in the soon to be sewerred villages and Bega (for prices reasons as well) and at Bermagui and Eden where there is more zone capacity and growing attraction to new comers. (i.e. Bermagui and Eden beyond 2025 can and will become the new Merimbula and Tura Beach.)

This of course means this LGA will struggle for the foreseeable future with a Regional centre, at least 3 district centres, 4 rapidly growing villages, strong rural residential growth scattered across the Shire.

The sheer number of settlements and the distances between those settlements create an enormous infrastructure demand on the Shire. Duplication of services such as Council branch offices, libraries, swimming pools, parks and sportsgrounds are compounded by long distances of local roads and literally hundreds of bridges and water crossings.

INFRASTRUCTURE CREATION AND MAINTENANCE AREAS

Water and Sewer

Traditionally water and sewer subsidies have been provided by the NSW State Government to assist local water authorities fund significant capital works. Bega Valley Shire has many water and sewer assets that have been delivered under subsidised scheme arrangements. The NSW Department of Public Works (now NSW Department of Commerce) has played a major role in delivering past capital works in the Shire.

Capital works projects are undertaken to rectify level of service shortfalls associated with existing assets (called backlog works) and population growth. These capital projects typically have both backlog and population growth components.

The growth component costs of projects have recently been ratepayer and developer funded however in the past, the NSW State Government contributed significantly to growth related works.

Backlog works are defined by the NSW State Government as those works where a level of service problem existed prior to 1996. Level of service problems may relate to water quality, effluent quality or physical limitations of the assets generally. Up until June 2004 the backlog component of capital works including feasibility studies, design and construction was subsidised at a rate of 50% however this rate has since been reduced to 20%. The reduction to 20% is based on our council now being classified as a large water utility due to our combined water and sewer income exceeding \$10 million. It should be highlighted that the small 20% subsidy only applies to the steadily diminishing pre 1996 backlog component.

The hard dollar value of subsidy is now minimal and is reflective of the NSW State Governments phasing out of all subsidised water and sewer programs by 2011/12 financial year. The uncapped nature of water and sewer income is the only reason why council is currently able to sustainably balance these funds. Ongoing tightening of natural resources & environmental legislation, cost shifting and other factors may ultimately mean that even with best practice management of our business that cost to the community ultimately becomes unsustainable.

Roads and Bridges

Council's road and street network has a total length of approximately 1410km of which 640km is sealed and 770km is unsealed. Of the unsealed rural roads approximately half carry regular school buses and/or milk tankers. There are approximately 39km of unsealed urban streets. There is constant community pressure to seal the streets and unsealed rural arterials on the basis of amenity, health and environmental damage. At current levels of expenditure the time required to seal these roads will almost stretch into the 22nd century.

Much of the urban sealed road network, particularly those streets in the older parts of the main towns, has an age in the order of 40 years or more, which is approaching the age where rehabilitation will be needed. Similarly, the oldest sealed roads in the rural road network are 50 or more years old and in need of rehabilitation.

There are a total of 229 bridges and major culverts on the road network, of which 72 are timber. All of the timber bridges are more than 40 years old, and most are significantly older than that. Of the timber bridges 15 are on Regional Roads. Old timber bridges require a lot of funding for their maintenance to keep them serviceable.

With the "Seachange" phenomenon the density of development in rural areas is increasing as the seachangers settle on hobby farms and small rural holdings. This is

creating greater wear and tear on the rural network and a requirement for increased levels of service.

Regional Road Timber Bridge Replacement Program

Of the 72 timber bridges on the rural road network 15 of them are on Regional Roads. Under the Regional Road Timber Bridge Replacement Program the State Government is proposing that these bridges be replaced within a seven year period starting in 2006 with structures constructed of more permanent materials. Under the program Council will be expected to contribute 50% of the cost. The anticipated total cost will be in the order of \$11m, which means that Council's share will amount to around \$785000 per year which is not fundable.

Community Facilities

There are a large number of sportsgrounds and other sporting facilities within the Shire with all of the large towns and many of the villages having one or more football fields and/or hockey fields as well as community halls and playgrounds. The major towns also have netball and basketball courts, tennis courts and other facilities. The "seachange" phenomenon is however creating a problem of imbalance with the facilities. New coastal developments adjacent to the major towns contribute sufficient Section 94 contributions to provide an adequate level of capital works, however the changes to property values close to the coast are forcing younger people with families to look to the inland villages for a block of land to build a house on. Most of the subdivision in those inland villages was done many years ago and therefore there are no, or few, Section 94 contributions in the villages to provide upgraded facilities. A further problem that is being created is that, even though funding for capital works may be available in some areas, there is no commensurate increase in funding to maintain those works.

CONCLUSION

Council has recognised that the funding of local government is in dire need of an overhaul. It has joined the 'Seachange Taskforce' in an attempt to drive a better financial deal for coastal areas that are bearing the brunt of migration from large metropolitan centres. Local Government is drowning in a sea of rising numbers, costs, responsibilities and funding shortfalls. Without significant change to the way Local Government can raise funds internally and obtain greater State and Federal Government financial support the future looks increasingly bleak.

Council applauds this inquiry by the Standing Committee on Public Works and is confident it represents an ongoing effort to address these real and potentially devastating issues faced by coastal Council not only in NSW but around the nation.

MORE INFORMATION

For more information on the issues described in this paper please contact Council's corporate planner, Mr. Adrian Weedon on 6499 2251 or via email to aweedon@begavalley.nsw.gov.au

Bega Valley Shire Council

Postcodes covered 2546-2551

Main type of community Coastal
(University of Sydney typology) lifestyle destination

Distance from capital city

Remoteness (2001 Census)

Major cities	0
Inner regional	0
Outer regional	98.50%
Remote	1.50%
Very remote	0

IMPORTANT LOCAL INDUSTRY SECTORS

SCALE: 1-9 1=extremely low; 5=average; 9=extremely important
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Agriculture	8
Building and construction	6
Commercial	8
Fishing	7
Industrial	4
Mining	4
Retail	8
Tourism	9
Viticulture	4
OTHER	
Health	8
Education	8