



PART 7 Business Activities

7.1 Business Activities Category 1

Local Government (General) Regulations 2005 – Reg 217 (1)(d)(ii), (iv),(viii)

Business activities represent those operations run by councils that have been determined by council to be a business activity. Business activities must include water and sewerage services along with other activities determined by council as business. In determining an activity as business council may consider such factors as profit motive, fee structure, scale of activity, nature and importance of activity and other suppliers of the service.

Council has determined the following activities as Business Activities Category 1 (Turnover greater than \$2 million):

1. Water Supplies
2. Sewerage Supplies
3. Council Caravan Parks

The Statement of Expenses and Revenues and the Balance Sheet for each Category 1 Business Activity have been set out in the tables on the following pages.

Refer to **Appendix 3** for income statements and balance sheets relating to Category One businesses (refer to page 82 - Special Purpose Financial Statements).

7.2 Business Activities Category 2

Local Government (General) Regulation 2005 Section 217(1)(d)(iii)

Council has determined nil Business Activities Category 2 (turnover less than \$2 million).

7.3 Controlling Interests in Companies

Local Government Act 1993 Section 428(2)(p)

Council had no controlling interest in any company during the reporting period 1 July 2010 to 30 June 2011.

7.4 Competitive Neutrality Implementation

Local Government (General) Regulation 2005 Reg 217(1)(d)(v),(vi),(vii),(ix)

Summary of progress

National Competition Policy (NCP) was introduced by the State Government for implementation commencing in the 1998/99 financial year. NCP was introduced to show the full cost of Council's operations that are business orientated and compete with other businesses with similar operations outside the Council.

Council's are required to set fees for these services at a level sufficient to achieve full cost recovery. Should the fees set be less than full cost recovery, Council is required to disclose the subsidy to the particular service(s).

Pricing Policy/Competitive Neutrality

Council's Pricing Policy is to recover full costs for consumer specific services except where a community service obligation exists to justify charging less than full costs.

Full cost attribution is applied to all business activities. The following programs are considered to be of a commercial nature:

- Water Supply
- Sewerage Services
- Caravan Park Operations

In accordance with National Competition Policy guidelines, Council has incorporated into its costing processes all direct and indirect costs, plus taxes that a private sector operator would face in the operation of a similar business. These taxes are known as taxation equivalent payments (TEPs), and will be based on items such as:

- Payroll Tax – 5.45% of salary/wages in excess of \$658,000;
- Land Tax – Based on land value – up to \$387,000 0.0%, from \$387,000 to \$2,366,000 1.6% + \$100, from \$2,366,000 and above 2.0%;
- Income Tax - 30% of operating profit.

These figures will only be applied where the effects are considered to be material to ensure competitive neutrality.

Complaints handling for Competitive Neutrality complaints

There were no complaints received during the reporting period 1 July 2010 to 30 June 2011.

7.5 External Bodies Exercising Council Functions

Local Government Act 1993 Section 428(2)(o)

During the reporting period 1 July 2010 to 30 June 2011 there were 11 community committees which manage the community facilities under Section 355 of the Local Government Act.

Under the Local Government Act 1993 Section 355, Council is able to delegate some of its functions to a committee of Council. Council uses this delegation and appoints community members to manage its facilities or functions through a committee of management.

The committees provide a mechanism by which interested persons can have an active role in the provision/management of Council facilities or services. This provides a two fold benefit by giving protection to the committee operating under the banner of Council, and by providing Council with assistance in the carrying out of its functions. Membership consists of a councillor and community representatives.

There are presently 9 Section 355 Committees and 2 Boards of Management managing Council's facilities which are listed below.

Bangalow A&I Hall
Station Street Bangalow
(Board of Management)



Mullumbimby Civic Memorial Hall
55 Dalley Street Mullumbimby
(Board of Management)



Bangalow Parks (Bangalow Showground)
Rankin Drive Bangalow
(Section 355 Committee)



Brunswick Heads Memorial Hall
Fingal Street Brunswick Heads
(Section 355 Committee)



Heritage House Bangalow and Tennis Court
Deacon Street Bangalow
(Section 355 Committee)



Brunswick Valley Community Centre
South Beach Road Brunswick Heads
(Section 355 Committee)



Ocean Shores Community Centre
55 Rajah Road Ocean Shores
(Section 355 Committee)



Cook Pioneer Centre
32 Gordon Street Mullumbimby
(Section 355 Committee)



Suffolk Park Community Hall
Cnr Clifford and Alcorn Streets Suffolk Park
(Section 355 Committee)



Durrumbul Community Centre
583 Main Arm Road Main Arm
(Section 355 Committee)



South Golden Beach Community Centre
South Golden Beach (Section 355 Committee)



7.6 Major Contracts Awarded

Local Government Act 1993 Section 428(2)(h)

The following major contracts (greater than \$150,000) were awarded by Council during the reporting period 1 July 2010 to 30 June 2011.

Contractor	Nature of goods/services supplied	Amount payable under the contract
SNP Security	Provision of security patrol and alarm response services	\$85,833.96 (ex GST)
Clarks Asphalt	Supply and lay of asphalt	Est \$1.5M
Boral Asphalt	Supply and lay of asphalt	Est \$1.5M
Clarkson NSW Pty Ltd	Management of the Mullumbimby Memorial Centre - Petria Thomas Pool	\$195,000.00 (ex GST)
Zoela Pty Limited	Management of First Sun Holiday Park	24.18% of gross revenue
NJ Constructions Pty Ltd	Construction of substation - Byron Regional Sport and Cultural Complex	\$155,953.00 (inc GST)
Advanced National	Provision of cleaning services of Council's administration centre	\$64,500.00 (ex GST)
i.Power Solutions	SCADA Upgrade of Ocean Shores STP and Mullumbimby Water Treatment Plant	\$243,310 (excl GST)
Morgans (Cambra Holdings Pty Ltd)	Burringbar Street water reticulation renewal	\$513,486.00
RPQ Spray seal Pty Ltd	Bitumen spray sealing	Schedule of rates contract with no fixed quantities - will be reported at contract end
Country Energy	Retail electricity supply	approx \$3,135,000 (ex GST)
All Fenced In (NSW) Pty Ltd	Perimeter fencing - Byron Regional Sport and Cultural Complex	Schedule of rates contract
Glenzeil Pty Ltd	Construction of amenities buildings - Byron Regional Sport and Cultural Complex	\$657,127.90 (inc GST)
Stowe Australia Pty	Byron Regional Sport and Cultural Complex sports field lighting	\$628,784.20 (inc GST)
Multi Span Australia Pty Ltd	Design and Construct Multi Purpose Facility - Byron Regional Sport and Cultural Complex	\$4,230,448.00 (inc GST)
CivilTeam Engineering	Lighthouse Road - slope stabilisation	\$2,805,344.36 (incl GST)
Holcim (Australia) Pty Ltd t/as Humes	Supply and delivery of concrete (RRJ & FJ) and FRC pipes and associated products tender	Schedule of rates contract with no fixed quantities - will be reported at contract end
BMT WBM	Belongil Creek Flood Risk Management Study and Plan	\$208,868 (incl GST)
BMT WBM	North Byron Coastal Creeks Flood Study	\$163,966 (incl GST)

The following leases/licences over Council owned land were awarded by Council in the period before 30 June 2011 and are still current.

Term	Location	Land Title Information	Amount payable under the Lease p.a.
10 years	Water Reservoir Ocean Shores	LT: 1 DP: 735732	\$2,000.00
5 years	Water Reservoir Ocean Shores	LT: 172 DP: 755695	\$8,958.00
Annual	Sth Golden Beach Community Centre	LT: 464 DP: 846618	\$1,535.00
5 years	Water Reservoir Mullumbimby	LT: 11 DP: 865388	\$4,650.67
Annual	Tom Kendall Oval	LT: 335 DP: 755687	\$0.00
Annual	Butler Street Reserve at Byron Bay	LT: 389 DP: 728537	\$0.00
Annual	Memorial Res. Brunswick Heads	LT: 6 S: 1 DP: 758171	\$0.00
Annual	Bangalow Showground	PT: 1 DP: 359227	\$30,000.00
Annual	Mullumbimby Recreation Grounds	PT: 389 DP: 728162	\$0.00
Annual	Butler Street Reserve at Byron Bay	LT: 389 DP: 728537	\$0.00
1 year	Railway Park	LT: 2 DP: 827049	\$198.00
Annual	Byron Bay Senior Citizens Hall	LT: 385 DP: 728504	\$400.00
Annual	Byron Bay Surf Life Saving Club	LT: 10 DP: 1049827	\$410.00
Annual	Brunswick Surf Life Saving Club	PT: 427 DP: 729272	\$410.00
5 years	Road Reserve at Byron Bay	LT: 6 DP: 255629	\$825.85
3 years	Brunswick Heads Memorial Hall	LT: 10 S: 7 DP: 758171	\$2,600.00
5 years	Suffolk Park Integrated Childhood Centre	LT: 126 DP: 1121466	\$363.65
5 years	Suffolk Park Integrated Childhood Centre	LT: 126 DP: 1121466	\$363.65
21 years	Suffolk Park Integrated Childhood Centre	LT: 126 DP: 1121466	\$454.45
3 years	Brunswick Heads Memorial Hall	LT: 10 S: 7 DP: 758171	\$1,820.00
5 years	Mullumbimby Community Garden	LT: 22 DP: 1073165	\$400.00
5 years	Mullumbimby Tennis Courts	PT: 389 DP: 728162	\$400.00
5 years	Water Reservoir at Mullumbimby	LT: 1 DP: 342369	\$110.00
5 years	Road Reserve at Lee Lane	LT: 6 DP: 246414	\$274.00
5 years	Road Reserve at Lee Lane	LT: 6 DP: 246414	\$1,097.00
2 years	Bryon Care Cottage	LT: B DP: 372589	\$15,000.00
5 years	Lilly Pilly Community Pre-School	LT: 70 DP: 851902	\$350.00
10 years	Water Reservoir at Ocean Shores	LT: 2 DP: 735732	\$110.00
10 years	Water Reservoir at Ocean Shores	LT: 1 DP: 735732	\$2,088.00
21 years	Mullumbimby Rugby League Football Club	LT: 61 DP: 856020	\$0.00
Annual	Mullumbimby & District Neighbourhood Ctr	LT: 8 S: 8 DP: 758725	\$0.00
10 years	Community Learning & Innovation Ctr	LT: B DP: 326871	\$10.00
5 years	Tyagarah Airstrip	LT: 6 DP: 836887	\$3,385.00
Month to Month	Old Schoolhouse Ewingsdale	LT: 377 DP: 47409	\$4,160.00
Month to Month	Tyagarah Airstrip	LT: 49 DP: 881232	\$0.00
Month to Month	Tyagarah Airstrip	LT: 2 DP: 749851	\$3,862.00
Month to Month	Tyagarah Airstrip	LT: 8 DP: 856832	\$140.00

Term	Location	Land Title Information	Amount payable under the Lease p.a.
Month to Month	Byron Visitor Centre	LT: 1 DP: 827049	\$400.00
Month to Month	Tyagarah Airstrip	PT: 181 DP: 755692	\$396.00
Month to Month	Tyagarah Airstrip	PT: 181 DP: 755692	\$396.00
Month to Month	Tyagarah Airstrip	PT: 181 DP: 755692	\$663.00
Month to Month	Byron Bay Herb Nursery	LT: 2 DP: 706286	\$125.50
25 years	Periwinkle Childrens Centre	LT: 45 DP: 714410	\$52.00
10 years	Ocean Shores Pre School	LT: 2004 DP: 808461	\$413.00
5 years	Federal Community Childrens Centre	LT: 89 DP: 755697	\$360.00
5 years	Bangalow Community Pre-School	LT: 38 DP: 262183	\$400.00
5 years	Tyagarah Airstrip	LT: 9 DP: 856832	\$3,404.00
25 years	Mullumbimby Golf Club	LT: 406 DP: 728639	\$500.00
5 years	Mullumbimby Drill Hall	LT: 1 DP: 91865	\$373.00
5 years	Wategos Water Reservoir	LT: 346 DP: 755695	\$12,000.00
5 years	Wategos Water Reservoir	LT: 346 DP: 755695	\$1,521.88
5 years	Paterson Street Water Reservoir	LT: 2 DP: 867881	\$7,739.00
5 years	Vallances Road Mullumbimby	LT:1: DP: 129374	\$12,000.00
1 year	Vallances Road Mullumbimby	LT:1: DP: 129374	\$15,600.00
1 year	Vallances Road Mullumbimby	LT 1: DP: 129374	\$21,840.00
1 year	The Manse Road Myocum	LT: 3 DP: 584473	\$13,000.00
1 year	The Manse Road Myocum	LT: 29 DP: 609271	\$13,000.00
5 years	Commercial Activities	LT: 10 DP: 1049827	\$3,599.00
5 years	Commercial Activities	LT: 10 DP: 1049827	\$3,675.00
5 years	Commercial Activities	LT: 10 DP: 1049827	\$3,177.00
5 years	Commercial Activities	LT: 10 DP: 1049827	\$9,000.00
5 years	Commercial Activities	LT: 10 DP: 1049827	\$36,000.00
5 years	Commercial Activities	LT: 10 DP: 1049827	\$20,000.00
5 years	Commercial Activities	LT: 10 DP: 1049827	\$695.00
5 years	Commercial Activities	LT: 10 DP: 1049827	\$695.00
Annual	Agistment - Mullumbimby Rec. Grounds	LT: 22 DP: 1073165	\$1,650.00
Month to Month	Agistment - Bangalow	LT: 31 DP: 1034122	\$396.00
10 years	Airspace Jonson Street Byron Bay	LT: 0 SP: 52763	\$4,164.00
1 year	Tyagarah Access Licence	LT: 49 DP: 881232	\$5,000.00
1 year	Brunswick Heads Tennis Club	LT: 437 DP: 839424	\$75.00
10 years	Airspace Lease- Brunswick Heads	LT: 1 DP: 909436	\$1,500.00
2 year	Fishheads Restaurant	LT: 4 DP: 827049	\$196,828.00
5 years	Road Reserve Marine Parade	LT: 3 DP: 739200	\$4,125.00
1 year	Community Land at Ocean Shores	LT: 2005 DP: 808461	\$0.00

7.7 Partnerships, Cooperatives and Joint Ventures

Local Government Act 1993 Section 428(2)(q)

Council was involved in the following partnerships and joint ventures during the reporting period 1 July 2010 to 30 June 2011:

1. Arts Northern Rivers is the peak body for Arts and Cultural sector in the region. Arts Northern Rivers is an independent not for profit organisation, supported by Arts NSW and the seven local governments of the region:
 - Council resolved in December 2002 to provide in principle support to the establishment of a Regional Arts Board for the far north coast region.
 - In November 2003 Council endorsed the MOU with Arts Northern Rivers which is a document which is intended to recognise the regional co-operation of all northern rivers councils in achieving the development of a much anticipated Regional Arts Board.
 - Since 2003/04 financial year Council has allocated an annual contribution to Arts Northern Rivers.
2. The Local Government Association is the peak body for local government in NSW. The LGA represent the views of councils through:
 - presenting council views to governments
 - promoting local government to the community
 - providing specialist advice and services.
3. NOROC (Northern Rivers Regional Organisation of Councils) - As part of the special rate variation in 2007 Council rejoined as a member of NOROC. The objectives of the Association are to:
 - provide a forum for cooperative action on issues of Regional significance and concern to Local Government requiring advocacy and/or political representation
 - act as an advocate for the Region to the Commonwealth and New South Wales Governments to advance the interests of the Region
4. North East Waste Forum - Council is a member whose objective is to identify common problems and issues in waste minimisation and management for the Northern Rivers Region.
5. North East Weight of Loads Groups - Council is a member whose objectives is to generally promote the aims of reducing damage to Council and classified roads by the policing of vehicle weight limits.
6. NSW Cancer Council - Council in 2006 resolved to be in a community partnership with the NSW Cancer Council which confirms Council's commitment to reduce the impact of cancer on the local community. By entering into a formal relationship, Council has easy access to the full range of Cancer Council programs and activities.
7. The National Sea Change Taskforce was established in 2004 as a national body to represent the interests of coastal councils and communities experiencing the effects of rapid population and tourism growth
8. Richmond-Tweed Regional Library - A joint funding relationship through the Richmond-Tweed Regional Library (involving Lismore, Ballina, Tweed and Byron Shire Councils) to provide library services to the Shire.
- seek from Governments, financial assistance, legislative and/or policy changes and additional resources required by the Region.