

**Sent:** Thursday, 5 March 2015 11:25 AM  
**To:** Local Government Mailbox  
**Subject:** TRIM: rate variation Coffs Harbour City Council

Hi,

I am sending an Executive Summary of my submission to you. I was concerned about the Coffs Harbour City Council rate variation proposal. As requested by the Council I spent five days trying to understand their proposal and the reasons for it. I got no satisfactory response from the Council representatives.

I have spent over 100 hours researching the situation. I have tried to understand the total picture and not just an isolated section which I think many other will try to do. I did this because It had aroused my professional curiosity. The more I looked the more I became interested in unravelling what has happened. This Council went from the surplus of a few years ago to now a major \$70 black hole or backlog in the repairs and maintenance of the assets. How could this happen?

In the attachment I have also included a table of contents to explain where my investigation went. I am posting the full document today. It will take about a week to get to you. I hope you understand my concerns and those of the other residents.

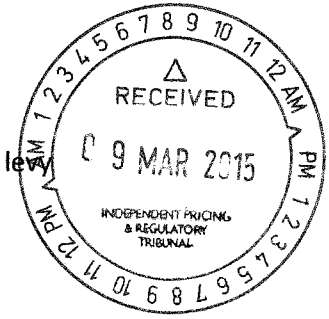
Could you please acknowledge receipt of this document. I just encountered a problem in adding the attachment and am not sure that it is working properly. Thanking you in advance.

Yours Faithfully

Submission to IPART

Application by Coffs Harbour Council for a permanent variation to the general rate level

Executive submission



In 2014 the Coffs Harbour Council (CHC) sought an increase in the general rate of 7.9% for 2104/15 with further increases of 8.14% for 2015/16 and 7.75% for 2016/17. IPART made a decision to restrict this application to the 2014/2015 year.

In 2015 CHC, with complete disregard to community opinion, is submitting a proposal for further **permanent** multi-year variations. The discussions held at the Council meeting were confused, contained many irrelevant details and some untrue statements. Under consideration was a modified proposal formulated without any transparent community consultation.

I believe IPART should not approve any increase over and above the pegged rate either for the current year or for future years until a proper plan and documentation exist.

My reasons are as follows:

- a. The process of community engagement is compromised and in need for urgent review because it appears to be unrepresentative of the views of the majority of the community,
- b. All options have not been considered, or costings and budget setting seems to lack rigour - more a hit and miss affair,
- c. The myriad of projects currently under discussion causes much anxiety within sections of the community as to funding,
- d. Many parts of the community have lost faith in the current Councillors and paid senior employees, and
- e. There is an absence of academic or intellectual discipline both within the ranks of the elected officers and the employees of Council.

It is impractical to try to expand on these points within the confines of an executive summary. So the main report, to be forwarded under separate cover, will be a series of chapters with attachments to address my concerns. In arriving at this approach I will retrace my attempts to understand the current position. I need to do this because I am unable to find any concise "big picture" document or "road map" to explain the plethora of disorganised facts, figures and policies. Attempts to obtain any such clarification from Council met with resistance or were ignored.

My journey started with trying to understand the electorate. The geographic, socio-economic, educational and employment position are discussed briefly. This sets a back drop, designed to show how the absence of a clear and comprehensive communication strategy hinders the community engagement process.

In addition there is a background paper on the "Big Ideas and Grand Plans". I found a labyrinth of plans and promotional schemes stretching from the 1970s. Many are promoted but few ever come to fruition.

The community engagement process, whilst sound in principle, was interpreted by Council as being an avenue they could exploit if they wish to pursue a particular agenda. It began with a selective poll, and the subsequent issue of what I call "the Blue Book" - "Your Council –Your Community". Even from the beginning the Council puts itself above the ratepayers. The agenda is to tell the ratepayers what to do. The use of bias and derogatory language are self-evident. I will include a copy of my letter to the Mayor.

With such evident bias present it is of little wonder that a limited set of two unappealing options arose. This chapter will present three more options and it may surprise you to learn that two give a greater revenue flow but, at the same time, ease the burden on a substantial number of ratepayers. The development of these options arose because of inconsistent application of accounting procedures. From a "black hole" backlog of repairs and renewals of over \$70 million I hope to give to the ratepayers a glimmer of hope. It is hoped this will refocus the direction in which we need to be heading.

As my journey continued I found I needed to assemble the myriad of projects underway into a single portfolio. Plans for the future, sustainability, diagnostic plans, flood mitigation, central business district beautification, jetty foreshores development, and unapproved plans like a cultural centre all seems to weave their way in and out of the nightmare. Lack of proper communication is creating nervousness within the community. The relationship of these plans to the back pocket of the ratepayer is a constant talking point.

This anxiety, fuelled by their personal experiences, has eroded the confidence of the community. A continuance of an aggressive and somewhat arrogant approach by the Council employees leaves an unpleasant taste with the ratepayers. In many instances these claims are just hearsay or are not properly documented by the claimants. But, the old adage of where there is smoke there is bound to be fire is worth bearing in mind. If the smoke is so thick as to cause asphyxiation then the cause for alarm is surely heightened. The measurement of the position can be verified by reference to your own comparative figures of all the NSW Council performances.

Finally, I will try to determine whether it is a matter of incompetence, capable of correction by adequate training and development programmes, or is it something else. A theoretical analysis of the inherent risks involved with complete control vested in very few, of creating interposed "dummy" entities, or entities without responsibility to the ratepayers etc. will conclude my submission. If it is unsubstantial rumour then it is ignored in this submission.

When the time constraints on "volunteer" Councillors are factored in, they do not have an opportunity to do in depth examination of all aspects of Council operations. Not only that, it is impractical to suggest they have a complete knowledge of every managerial and legislative requirement. Some skills need to be imported in, but these "operators" need to remember that they are servants of the ratepayers. There needs to be a degree of trust in senior management. But, by the same token, the ratepayers representatives must take due diligence to ensure the appointment of the right resource.

Having said this it is time to point to the solution. Strange as it may seem it is almost staring at the community and to the reader. History shows that change comes in the most unexpected way and from the environment that needs it most. When the need is most urgent there will emerge a champion (you know the common theme of adventure type movies). But it is real. It is generated by less than 2% of a

total population. The trouble is many will claim to be the champion or the change agent but few are as they claim.

It will take some time before the real change agent steps forward. It will take time before the masses come to believe that the change is about to happen. At some point in the future, as happens with the 100<sup>th</sup> monkey story, the change is everywhere almost at the same time. A firm of consultants started to put together the processes to make the change happen as smoothly as possible. But they have not identified the change agent. The consultants point to an ownership problem but they can't impose a champion on the community.

In the case of Coffs Harbour, the General Manager is not the change agent. [REDACTED]

[REDACTED] The General Manager is not the champion. He is not the person to inspire the Council, Councillors or the community. He lacks the commitment to do so because the course of action is unclear to him. His own actions are in conflict with what is happening. He is poor in communication skills and because he is unsure of what might happen, a veil of secrecy is in place. In short the General Manager is not a risk taker. Without the risk taker, the person with the commitment, the person to inspire the change will continue to flounder.

If the change is to go forward then a clear and precise communication strategy would be in place. The preparation of the rate level variation proposal is the evidence that no such communication strategy exists. The Council employees do not know what the fundamental path forward is. All they can glimpse is that somehow they are working towards sustainability. To them this means keeping the old ways, of generating more revenue (via the rate increase) to do more work on a backlog. Where is the recognition that part of the work and administration by the Council needs a serious overhaul?

There is also interference. The long-time Councillor stated in a public forum, "we need not the academics or the intellectuals; we need the people with the hands on experience". He was of course referring to himself. He is static and wants to preserve the old ways. The question is why? [REDACTED]

Surely the community have the right to be kept in the loop. Playing the panic button, of appealing to the continuing deterioration of the assets, is an insult of the one of the best idea so far. That is the complete reorganisation of the Council and of the way the Council operates. Provide the essential services that the residents want. Clearly articulate the long term plan and the benefits to accrue from it (by time periods). Eliminate the unproductive and the quasi-commercial businesses like owning caravan parks. Cut out the waste through economies of scale. Establish a rigid control procedure using a transparent central point to monitor expenditure and to provide regular feedback to the ratepayers. Establish performance standards that really do measure the output not just describe what is going on. Establish truly representative community engagement processes. Focus on benefits not on poor past performances and backlogs.

So a communication strategy that addresses the issue of needing more funding to do this would be better received. It would be better understood by the Council, the employees, and most importantly the community.

The projected benefits accruing from the Transformation to Sustainability exercise are estimated to be \$3.2 million per annum (see part C – A Dramatic Change in Events). So why is there a need for a **permanent** rate increase? Is the Council going to create an ever increasing nest egg? How can some 130 other Councils operate without the need to increase the rates over and above the pegged limit?

In conclusion, I believe IPART should not approve any increase over and above the pegged rate for the current year. A full and detailed assessment of the operations of the Council will, I believe, show substantial room for improvement. The proposed rate variation has not been justified to those who matter most – the ratepayers. The benefit to accrue from the rate rise is not properly established. The current explanation merely gives the impression that it will be more of the same things we have always done.

Ownership is not yet in place. It is and should remain “Our Community – Your Council”.

Submission from [REDACTED]

[REDACTED]

[REDACTED]

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### Geography

The district has some 22,000 rate paying properties of which 4,500 are rural locations. In this context a rural property is one without town water supply. Some 80% of the households and business are within an urban environment. In essence it is a long thin stretch of land adjoining the ocean on the Mid North Coast. The administrative centre is Coffs Harbour but major population centres exist to the north (Woolgoolga), to the west (Coramba, Nana Glen) and to the south (Sawtell, Boambee, Bonville). Many smaller areas dot the coast line and the immediate hinterland areas.

### Socio-economic position

The population in the area is some 70,000. It is an aging population (25%) with an increasing number of self-funded retirees and other people settling here. It also attracts an itinerant population of holiday makers during tourist season.

Some 26% of the population are in receipt of Centrelink payments as a major part of their income stream. Many of these recipients have limited employment possibilities.

### Educational Achievements

Some 19 educational facilities exist within the area – the bulk being state schools. There is a campus of the Southern Cross University which has a primary focus of medical studies.

Subject results, of those doing the year 12 year examination, show about 0.4% received “A” level passes. This compares very poorly when compared to schools in the capital city area (James Ruse High School 92%). The Department of Education website revealed, a few years ago, that this electorate was among the five lowest educational levels. As a consequence the salaries paid to those employed reflect this achievement (reference Commissioner of Taxation statistical report – income by postcode)

While the University attracts students many are from other regional areas. Upon completion of their studies they leave the district.

### Employment Opportunities

The two biggest employers in the district are the Coffs Harbour Council (509) and the local Branch of Centrelink.

Some 4500 household and business are in the rural environment. But something like half commute to their employment in the urban surrounds. In addition there are a number of “gentleman” farmers (some being of the squatter variety).

Apart from employment in a tourist based establishment or a multi-national conglomerate, there are no significant “home grown” employers. There is essentially no local industry since the decline of the timber operations many decades ago.



### Entitlement to Vote

The right to vote at Council elections is given to all residents living in and organisations based in or operating in the electorate (as per O.L.G. literature). The word ratepayer is not expressly used in regard to this entitlement. The community is made up of all who live here. It is not just those who pay rates. It includes the “renter” residents, members of “strata title” buildings, those in institutional care such as nursing homes etc. The only exclusions would be those not yet of voting age or those who have forfeited the right to vote (mental incapacity) etc.

### Selective Participation

The guidelines issued by the O.L.G. suggest a sample group of 400 or so may be used to determine community opinion. Coffs Harbour Council has some 507 people available for such consultation. The method of selection was one of self-nomination (for those who use the electronic medium). It seems to have another drawback in that the group consists of ratepayers only.

In undertaking any such polling based on this grouping the Council has a high probability of getting a distorted outcome. Proper statistical selection requires a diversity of respondents as to age, ethnicity, geographic location, and other factors. Moreover the “target base” should contain more participants than would be required for a valid survey. This allows for a “mix and match” approach. Many sampling techniques suggest a break-up of the participants and recommend a 60% middle of the road approach. That is to say there should be five groups – 20% from a top tier and 20% from the bottom tier with the remaining 60% coming from the middle ground.

The process of “self-nomination” does not guarantee an acceptable mix. The preliminary polling for the rate rise proposal leads Council to the view that within the Community there was a strong agreement with the proposal.

### Resultant Incorrect Assumption Becomes Fact

Based on personal contact with two respondents, the questions and phraseology of the polls shows a strong built in bias. It is such that the respondent is being lead to a preferred answer.

The unrepresentative sampling technique employed by Council results in this outcome turning into a fact on the voting slip. It says “the message that came across most strongly that Coffs Harbour residents want to keep Council services at the same level”. This is a rather remarkable throwaway line. From all accounts the current services are not meeting requirements. We are going backwards. Is this the level the poll respondents want to keep? The “blue book” points to a \$70 million backlog. Is it the backlog that the respondents want to keep? The process of logic within the Council seems a little vague. Ambiguity is leading to a belief that we (the Council) are getting it right. Well, I believe, the whole approach is questionable.

While the Council uses the word “residents” it might be more appropriate to say “ratepayers”. If the sampling is correct why is there a need to ask “Are you a ratepayer of the Coffs Harbour local Govt (sic) area? Regardless of one’s landlord status all are entitled to vote. Of what use is it the status of the voter?

## The Blue Book

The exact title of the Council publication is “Your Council – Your Community”. An analysis of this publication, although undertaken early in the research process, is covered more fully in under Part F - Intellectual Discipline. For the present I will deal only with the community engagement aspects.

This publication is said to have been delivered to all “households” in the electorate. A household is where the residents live. Many residents publicly state that they did not get the publication. A more likely explanation is that Council used the ratepayer address list for posting purposes.

Among the groups not getting the publication were:

- Renters
- People in strata title blocks
- Residents in care facilities
- Semi-permanent caravan site occupants
- Occupants at boarding establishments including educational facilities
- Organisations

Among those who received the publication and who may not qualify as voters in this electorate are:

- Non-resident landlords
- Body corporates

Indeed some ratepayers received multiple books – does this entitle them to multiple votes? The publication from Council included a printed voting slip. After ticking a box to indicate your ratepayer status the recipient could then indicate the preferred option.

So, the process of distribution was flawed from the very beginning. All subsequent outcomes and conclusions need to be viewed accordingly.

## Market Place Consultation

Council arranged for some employees to be available for public consultation at specified locations and at set times. From personal experience this consultation was no more than a sham. [REDACTED] [REDACTED] They made no attempt to explain the book and further more were not in the slightest bit interested in any comment of a negative nature. One such employee seemed unable to answer questions, or to even understand the questions. I was asked on multiple occasions “Could I read?”

There was no record made of the comments or number of residents. During the duration of my discussion all residents expressed disapproval of the Council publication and of the general operations in particular. Members of the public commented on the apparent misuse of ratepayer money to

produce this book. They commented on environmental issues and of the Council not listening to public opinion. They commented on the lack of services, on the state of the roads, on pothole- and more.

I was less than impressed. If I had not already sent a letter to the Mayor (see attachment 1 – page 33) then this consultative process would also been criticised by me. To his credit one Councillor who was not part of the consultation process watched and subsequently took on board what he was hearing. He was later to vote against the proposal to seek a variation of the rate level.

Results of polling.

Residents had the choice of Option A (the rate peg increase) or Option B (the 8.14% increase proposal). The results, as reported by the press, show:-

- From the election slips accompanying the Council book 88% rejection of option B.
- From electronic voting 87% rejection of option B and
- From the phone poll 77% also rejected Option B.

Override Majority Opinion

The editorial in the newspaper published immediately prior to the Council meeting on the same day, foreshadowed Councils approach (inside knowledge perhaps?). The Editor argued for the Option B proposal. It would come as no surprise that, regardless of a groundswell of community disapproval, the Council would simply go ahead with its plans and ignore the outcome.

On February 11<sup>th</sup> 2105 the Council met to consider the submission for a variation to rate levels to IPART. No real debate ensued. The majority resident opinion was ignored. In fact, the agenda item was hijacked by a carefully orchestrated strategy. Most of the discussion was a collection of “red herrings”, miscalculations and a few mistakes in interpretation of law. In fact, there was even an argument, by the Councillor proposing the motion, to say that we should go ahead with the increase. Next year it can be reviewed against outcomes. (This shows little understanding of the processes involved. The past results are there for all to see. Last year the increase was earmarked to certain things, and Council has to give an undertaking to do those things). Finally with a vote of 6 for and 3 against Council passed a now altered motion. The additional caveats concern some form of rebate for inspection fees incurred by septic tank owners. (Look where “red herrings” take you. Council spent twenty or so minutes examining this caveat using an incorrect figure as the rebate). But, in essence, the motion is that Council proceed with an application to IPART to vary the rate level.

Proceed to IPART – Past Proposals.

The submission a rate variation proposal is now a standard practice for this Council.

- In 2011/2012 a 5.64% increase was approved (the 10 year extension was rejected)
- In 2012/2013 a 5.63% increase for the CBD works was approved,
- In 2103/2014 the 7.9% increase proposal was approved (future years were rejected).

So, without the use of imagination, the Council follows suit for the current year -2014/2015. Just more administrative costs incurred by the Council when it seems they really did not want community agreement. Their past efforts have worked so why change now?

This is a Council which claims to have won an award for community consultation. Are they really telling the truth or just grossly obsessed with their own personal agenda?

In Part C are some different options which a more enlightened Council could have followed.

“Your Council- Your Community” Publication

This publication was received in early December, after the first “market place” consultation was over. The immediate reaction to the book is one of another example of wasted ratepayer money. It is 20 pages of propaganda containing 12 coloured photographs and plenty of coloured writing by way of tables, pie charts etc.

On the first page it says – “how you can have your say on Rates and Services for the Coffs Harbour Community”. By inference this has something to do with an immediate problem. Yet the book also says “Helping to achieve the 2030 Community Vision”.

The overall aim of the “vision” plan is to increase the population of the electorate to 100,000. This is futuristic (perhaps fanciful). It is a long term strategy.

So even before the book is opened there is a conflicting message, short term or long term (see part D).

On the first page is the start of the buttering up. It is a message from the General Manager with his photograph. The positioning of these items shows that the General Manager takes precedence over the Mayor – not a good start. The message is to “take time to read through and understand the information”. Well, it took me 5 days to try to understand the garbled contents that followed. An in-depth analysis appears in part E – Confidence. A copy of the letter to the Mayor is an attachment in part E.

Ownership

If a problem of the magnitude suggested really exists then the most important issue is to get the community to own the problem. If the community sees it as their responsibility then some of them will help to identify ways to fix the problem.

The book fails to even get off the ground. Right from the start the Council is more important. The ratepayers are second. On page 3 – “Your Council – Your Community”, then “Funding our Future”. Since the General Manager and the Council are in the pre-eminent position then the funding our future must refer to the Council. Are they in some sort of self-preservation mode? If they mean funding the future for the ratepayers then again they are on the wrong track. Most ratepayers would place themselves before the collective.

To establish ownership of the problem it might have better to do something like

- Title the book “Our Community – Your Council, funding the future”.
- Position the ratepayer representative (Mayor) first,
- Delete references to the General Manager (he is a paid employee),
- Make it a message from the mayor,
- Cut the propaganda,
- Forget the excuses and
- Deliver a simple direct message.

## An Incoherent Message, Poor Structure

The book is at pains to have people carefully read the book. As ratepayers we are urged to read the propaganda to find out why Council needs our feedback. Ratepayers need to consider the future financial challenges facing us all.

The message is all wrong. It starts on page 3 where we are introduced to a black hole, \$70 million of backlog of repairs and renewals. It starts with doom and gloom. It descends into farce. We need your feedback on the proposed rate increase. This by Councils reckoning is the only solution. Everything they do is geared to achieve acceptance of their proposal.

It makes an appeal to consider the financial challenges facing us all. How many ratepayers are going to consider the survival of something else above their continued existence? If financial times are tough then the ratepayer is not going to be receptive to a rate rise. Certainly, one over and above a prescribed level will annoy ratepayers even more.

Finally, we can look at how we are going when compared to other Councils and rejoice in the Council's erroneous conclusion that somehow we might be doing better than others. The inclusion of the Customer Satisfaction Survey (p13) is really a piece of stupidity. Of the 25 categories surveyed the two which come out on top, sewerage and water supply, are expressly excluded from the general rate. So what do we conclude – the Council is good at doing something outside the ambit of the general rate parameters. It is no good comparing this achievement to other councils because they too exclude it from the general rate.

But, the satisfaction survey is of some use because it reveals that, maintenance of the sealed and unsealed roads finish in the bottom positions. This is an area of great concern to ratepayers. The Council has a rating system for roads ranging from grades 1 to 5 (back to page 8), with grade 5 being considered "unsafe to the community". This is what ratepayers want to see fixed. So what percentage of the \$70 million backlog refers to roads? What is the break-up, both in dollar terms and by road identification, within each of the five grades? What, by individual road identification, is the costing of fixing these roads and within what timeframes?

So, by restructuring the book to focus on a clearly identified problem and by working it through, the Council can demonstrate how it going to go about addressing the problem. The residents can see a direct benefit accruing to them and be able to accurately measurement Council's achievements. This will replace the complicated table on page 12 with something the ratepayer is more likely to relate to and understand. The message become direct, the plan of action is simplified and there is "light at the end of the tunnel".

By rearranging the book, removing the "padding", simplifying the graphs, pie charts and tables, by having a clear plan as to what it is they are trying to do, perhaps then, the reader has a chance to understand the book.

## Analysis of Content

Under the Black Hole heading a calculation will show it will take six years to eliminate the backlog of \$70 million. Now use these calculations against some of the comments made under the asset expenditure categories on page 12.

- Over 140 kms of road pavement and surfacing will be renewed. This is 20% of all roads in the electorate if you ignore the fact there must be a proportion of the roads are unsealed (see p12 lowest customer satisfaction rating is for unsealed roads),
- Broken kerbing and guttering and footpaths will total some 14 kms, and
- Asset management and life cycle minimisation modelling systems will require \$1.2 million to be operational.

Is this really a good way to calculate expenditure? Are we expecting huge outbreaks of vandalism? Will they really need to upgrade the monitoring systems to such an extent? Surely once the system is developed it will need only minor adjustment each year. If you wanted to minimise the lifecycle of an asset then you would not undertake any repairs, simply throw it away and get a new one. I guess the Council tried to be too tricky (too technical) with attendant result of creating confusion.

By far would be the inclusion of some predictive performance indicators. For example, supply a listing of roads to be resurfaced. I believe new sub divisions place the onus on roads, guttering and so forth on the developer, so these would be excluded. List the areas where footpaths will be made.

The comparison table on page 11 serves no useful purpose and should be scrapped. What is the point in looking at an average rate without some form of explanation? This is dealt more fully under the heading of Comparisons see later.

The picture on page 11 shows a building with graffiti on it. What Council has not done is to explain the proposed construction of a storage area next to it. The removal of the graffiti will not cost \$45000 will it Council?

Likewise the picture of the swimming pool on the same page is a direct result of a massive funding donation from a private citizen.

The bridge pictured on page 12 was funded with a grant from the State Government. It has not come out of the Council budget so why include it and try to claim some credit for the construction?

The table on page 16 showing farmland properties shows a massive increase in the number of properties under option B. This is obviously wrong. Was this mistake carried forward with the revenue projections?

The need to explain the differences between the metropolitan areas and rural areas is a "red herring". What is under review is the "ordinary general rate income base" (page 4). The annual rate bill includes a separate component for water and sewerage. Enough said so let it go, there is no need to complicate the issues.

Also the inclusion of a reference to a non-funded project – the cultural centre- is really only inflammatory.

On page 5, under a heading of improvements and efficiencies, it reads “The Organisation Diagnostic makes it clear that Council faces a lot of challenges and changes. It contains 32 recommendations on where Council can make improvements in efficiencies, the way the Council works and its internal culture”. It also says further details are available from a website. Well, as measure of their efficiency, the Council should try out the link. Numerous other methods of searching for the document all disappoint. So the unknown 32 recommendations must remain unreviewed for this submission.

#### The Black Hole

The following information is taken from the Council publication “Your Council- Your Community”.

1. “The cost of the total backlog of repairs and renewals is currently estimated at over \$70 million”. (p3)
2. “We still need to spend an additional \$4.2 million every year repairing and renewing those roads”. (p3). First question -additional to what?
3. We have a “Transformation to Sustainability (T2S) program in place,.....to help meet the shortfall of approximately \$1.8 million a year in operational expenditure”. (p3)
4. “The reality is that Council needs an extra \$6 million a year to become financially sustainable”. (p3)
5. “While the approved “rate rise” for 2014/15.....closing its annual \$8 million funding gap.....a gap of approximately \$6 million per annum remains”. (p4)
6. “In 2013/14 Council spent approximately \$10.7 million.....when it should have spent \$12.8 million”. (p8)

Now this assemblage of figures is enough to frighten the average ratepayer. The inclusion of three photographs showing road deterioration on p8 is a calculated and misleading strategy. The shortfall is across all assets. So, can we reduce it to a simpler format?

Yearly expenses p8	12.8m
Actual expenditure p8	10.7m
Leaving	2.1m

So, in 2013/2014 the deficient or backlog grew by 2.1m. A rate variation for 2014/2015 aimed to address this backlog. But there was a backlog of \$70 million. Does this include the \$2.1 m from 2013/2014?

So, should we assume that in 2014/2015 the previous year deficit is recovered? Are we also to assume that expenses for the 2014/2015 year were also covered by the revenue available? Has a halt been put to the escalation of the backlog? Does the backlog remain at \$70 million as per page 3?

It is clear that the projected figures for year 2 (2015/16) and year 3 (2016/17) intend to reduce the backlog. The projections on p12 show an approximate doubling or tripling of the estimates for pavements and surfacing, maintenance and other transport assets.



Current backlog in 2015 (unquantified)	70 million
2015/16 reduction	4.08
2016/17 reduction	6.02

So in three years the backlog will be 59.9 million

By using the rule 78 principle as a rough guide the backlog will return to parity in a further 6 years. So, if the modelling is correct, the total backlog disappears by the year 2022/23. It is even quicker if a proportion of the 2014/15 budget was used to offset part of the deficit.

In theory all of this sounds splendid. But is it really practical? Will the community accept continuing series of rate increases? By the end of 2023 the increase in the general Rate is in the order of 70%. Surely this will have a negative impact on the revenue raising capacity of the Council.

How much of the black hole really needs to be recovered? Does the cost of recovery escalate each year with increases in the CPI for instance? What proportion of the black hole will be financed by grants? This is a favourite pastime for Council in the past (p6 38.9% funded by grants).

#### Costings and Comparisons

It is time to return to the extraordinary comparison chart on page 11. This is course the chart which caused the Council representative to question my ability to read.

Of the ten Councils selected Coffs Harbour Council has the 7<sup>th</sup> highest average rate. Two of the Councils – Lake Macquarie and Orange have not submitted a rate variation proposal within the past four years yet they have higher rates. Well the explanation is simple – they both have a higher average unimproved land valuation per ratepayer.

A major environmental problem impacting on the oyster industry and water contamination is believed to be behind the Great Lakes rate hike. Wollongong Council sought a three year variation in 2013/2014 and the general rate will increase by 19.78% over this period. Newcastle applied for 8.6% increase in 2011/2012 and it is believed to help service loan repayments associated with a major foreshore redevelopment. Maitland Council has requested 9.8% and 10% increase for a 2 year period in 2010/2011 and a further proposal in 2013/2014 will see cumulative rate increases to 63%.

In the current assessment period 2015/2016 only Newcastle and Coffs Harbour have asked for rate variations.

So based on information available Coffs Harbour is likely to overtake and least 2 if not 3 Councils in the current standings. The electorate has recently had the land valuation done and the resultant adjustment (not factored in by Coffs Council) has the effect of also increasing the average rate. So this table of comparison really told us nothing. When more facts are known the position in Coffs Harbour is deteriorating.

## Options Old and New

The Council know to do something you need money. But their thinking is so restrictive as to ways in which they might achieve this. In the past (and to the present date) they have had two tried and trusted methods to generate revenue.

- Apply for a variation in the rate level and
- Apply for a grant from State or Federal Government.

The provision of water and sewerage infrastructure the Central Business Plan (2011/2012, and 2012/2013), the Flood Mitigation Plan, are examples of this first tactic. In 2013/2014 the tactic is again used this time to sustain management of infrastructure assets. In the current year a similar tactic and reason form the substance of the latest request.

In the blue book on page 6 there is a pie chart. This shows the sources of revenue for the coming year.

- 39.5 % rates and charges,
- 2.3% interest and dividends,
- 38.9% user fees and charges,
- 9.1% contributions and
- 10.2% grants

This simplified chart excludes revenue from water and sewerage operations. But, the level of grants is 10.2% because some requests have not yet been answered in the positive. The Jetty Foreshore project has approval for only the first stage. Some \$14 million is still required and this amount, applied for 15 months ago, is in the balance. The application is to a government body which is in the process of being wound down.

## Options

In the current year the Council has two options. The first (option A) will limit expenditure to the “pegged” CPI increase and under (option B) to increase the level of the rate by 8.14%. These are the safe ground options as far as the Council is concerned.

If a comparison is made of the tables produced to show the increases under these options then a strange fact emerges. The charts reflect a change in the “gap” between the top and the higher levels of contribution. If the Council was being consistent then this “gap” would remain the same. But the Council is not even consistent across the ratepayer categories. All the charts relating to the business sector have an even distribution for the baseline calculations. The resultant adjustments are therefore in equal proportions. The percentage increase for the small is the same as for the bigger businesses. Well almost because there is a slight variation.

### Business sector Analysis for both pegged and accelerated rates (2015 year figures).

category	Rate for 50,00	Rate for mid-point	Rate for high point
Non CBD	1.03	.86	.86
CBD	1.10	1.10	1.10

For some reason in the Non CBD the level for the \$50000 property is at 1.03 yet all other values come out at .86%

All this proves is the Council is trying to be fair and distribute increases in an equitable manner.

But, the same is not true when comparing the resident and the farmland models.

Residents and Farmland Analysis (using 2015 as a base)

category	Rate for 50,00	Rate for mid-point	Rate for high point
resident	1.03	.43	.39
farmland	1.03	.43	.39

The more the Council relies on the tactic of applying for rate level increase (and to a lesser extent the application of the pegged rate) the greater the “gap” becomes. The poorer are paying more than the higher end of the scale. This is placing an unnecessary burden on those who can afford it the least.

Option 3 involves the redistribution of the rate increments to a more equitable basis so that everyone pays proportionally the same level of revenue. It might sound complicated but look at the results. The steps in the process are as follows:

1. Find the average percentile of revenue paid to the Unimproved Land Value. This is achieved by a division of the total revenue by the total number of “households”.
2. Using this rate apply it to the current distribution by UPV. Total the result.

Residents and Farmland Analysis (2015 as a base)

category	Revenue	Number of ptys	Average percent
resident	28.499 million	28521	.55
farmland	1.304 million	716	.45

3. Multiple the new percentages by the total households and farms to arrive at new revenue figures.
4. Compare the number of increases and the number of decreases to contributions.

Residents and Farmland Analysis – pegged rate

category	New Revenue	Additional \$	More to pay	Less to pay
resident	29.36 million	.87 million	8360	20161
farmland	1.345 million	0.04 million	480	236

Residents and Farmland Analysis – accelerated rate

category	New Revenue	Additional \$	More to pay	Less to pay
resident	30.85 million	1.96 million	23167 **	5454
farmland	1.41 million	1.1 million	614	102

**\*\*Notes:**

1. For 14707 households the increase is \$10.14 a year.
2. There is no change for businesses in the CBD
3. For businesses in the Non CBD 346 would receive a reduction.

Revenue generated from redistribution of rate levels to equality.

category	Council proposed 3%	Council proposed 8.14%	Pegged rate 3%	Accelerated 8.14 %
resident	29.38	30.82	29.36	30.85
farmland	1.34	1.41	1.34	1.41
CBD	2.17	2.28	2.17	2.28
Non CBD	4.45	4.45	4.23	4.45
total	37.36 million	38.96 million	37.1 million	38.99 million

So what does this prove? The Council can get almost the same result by simply redistributing the percentages. It will defuse the anger over the rate rises by having a fairer distribution across the whole of the community. At the pegged rate level some 20000 residents would be paying less than the figures quoted by Council.

At the 8.14% level 5464 of the most disadvantaged would pay less while a further 14500 households would pay \$10 a year extra. With a bit of tweaking the Council could neutralise this impact by sacrificing \$145,000 of revenue. The balance would swing towards the Council. Community resentment would be largely nipped in the bud. (Silly Council).

**A Comprise Option**

Using the figures from above Council could recover the \$145,000 quite easily. It is simply a matter of setting a base figure for the supply of essential services. For the sake of the argument set the figure at \$416 per annum (\$8 per week). With 5,500 residents and businesses below this level then the Council raise another \$550,000. Few would argue with a charge of \$8 per week. There is no need for tables to further justify this option. It would receive support especially if it came with a rider that the minimum level for the service charge would remain static for say 10 years.

And there even more Compromise - Option E is a combination of Option C or D with the Sustainability Project.

And there even more Compromise - Option E is a combination of Option c or D with the Sustainability Project.

#### A Dramatic Change in Events

Many residents will no doubt mention the need to reduce expenditure. Some will point to specific examples such as festivals, carnivals, rallies, inducement payments, or underutilised employees. But no attempt has been made by Council to quantify any such savings. The link to the Council website, and in particular the document called "Organisation Diagnostic", does not work. Is this just a mistake or is it, perhaps, intentional?

The public engagement strategy does not specifically draw attention for a need to integrate this project to the current proposals. The "blue book" gives but a passing reference. The Council "blue book" options focus on the need to address a backlog in repairs and renewals. But what if there is something else that needs to be incorporated?

The following sequence starts in the 2012/2013 year. Council gives approval to seek out a consultant. The search (and visits) extends to Singapore and to London. A London based firm now with an office in Sydney secure the engagement to review Council operations. The initial work costs \$90,000. Out of the consultation will come the Transformation to Sustainability Project (T2S). Now is it the General Manager who suggests the need for massive organisational change? Or have the consultant manage to plant the seed?

From the initial engagement emerges a Business Case and an Indicative Program Plan. This latter plan shows work commencing in the third quarter of 2014. Specifically it shows all actions required by the Business Case with projected end dates. Many actions are to be undertaken concurrently. The computer generated table has two draw backs in that it does not identify the critical path of events nor does it allocate any resources. As a result any conflicts in resourcing are as yet unidentified. This is an important issue because doubt must exist over the number of current employees with the appropriate skill levels. The chart itself does not identify any milestones or points at which overall progress can be assessed.

Of the 32 tasks listed for action in the current period all but 6 are now theoretically completed. The remaining and on-going tasks are:

- Continue development of Asset Management plans,
- Develop and implement a leadership development program,
- Establish regular program of leadership away days between Council and the Executive,
- Integrate the strategic performance framework with the new financial planning process,
- Reengineer all major internal processes, and
- Realise efficiency and improved service delivery in delivery, sourcing and procurement.

So, where is the progress report to Council on what has been achieved to date? What has it cost and what will be the resultant benefits? This reporting is necessary because additional tasks are scheduled to start in the immediate future.

In three years there will be excess staff capacity and reductions in costs. This will be achieved if:

- Identification of quasi-commercial interests leading to potential disposal,
- Maximised rate of return and reviews of tourism, marketing and International Sports Centre operations, and
- A project office to monitor and regulate the project.

So what would happen if this project was integrated with the “blue book”? Have the projected savings of \$.45m for year 1, \$2m for year 2 and \$3.2 for year 3 been factored into the revenue projections? This project aims to neutralise the deficit imbalance within three years.

How much of the backlog relates to disposable assets? How much relates to the quasi-commercial businesses? Surely this was worth identifying as an Option in the blue book.

Now I said there was a dramatic change in events. Council needs assistance to do this project. The consultants have not gone away. The tender for the services was awarded on 14 October 2014. A cost of the consultancy will be \$539,108.

Moreover the Council seem to be unaware of the progress being made with the consultancy project except for some interesting bits supplied on an infrequent basis. Surely, if we are proceeding down this path, then regular reporting needs to be established (preferably at each Council meeting).

There is risk associated with a project of this magnitude. One such risk identified by the consultant was lack of ownership by management. This leads me to believe it was the consultants who suggested and developed the strategy for the Transformation to Sustainability project. The General Manager is unlikely to identify himself as a risk if it is his idea. The absence of any substantial mention of the project in the “blue book” may really be a lack of commitment.

Assuming a comprise option gets up and running in the community then those opposed to it are likely to come from the higher bracket of ratepayers. To put in front of these ratepayers the significant advantages to accrue if a dramatic restructuring of Council operations takes place will encourage them to assume some ownership in the problem. Their rates are higher because Council is engaged in non-profitable activities or semi quasi commercial operations. It is possible that they will become a force to make Council abandon some of these projects thus saving expenditure. Some activities will be picked up by the same people who are currently making money out of the Council sponsored activities. And this is right. If the risk and profit are on their side then they get the rewards, otherwise the activity stops and the community is still better off.

The projection is for savings of \$3.2 million to accrue within three years. This saving when realised can be returned to the community by the introduction of a second level tier. A maximum charge for essential services can be introduced. This carrot is something for future examination.

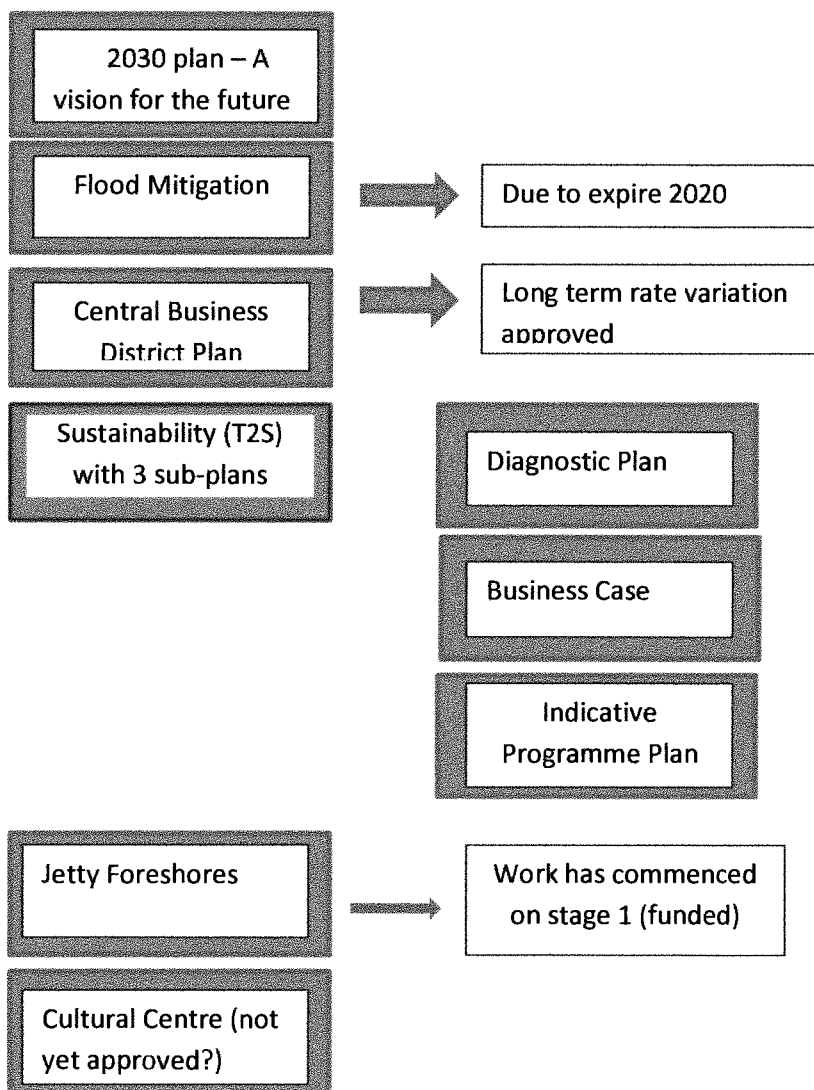
So now instead of two old hat options the Council has a choice of 5. Most of the community will lend towards the last three options. If there is courage then the revitalisation of Council operations will occur, community engagement will get the driving force it needs and confidence will return.

Absence of “Road Map”

Given that the general public are fed information on a piecemeal basis without any cohesive plan it is of little wonder that it is difficult to come to grips with just what is happening. Not only are the ratepayers shabbily treated but the Councillors and the employees seem to receive the same treatment.

In no particular order the community has been made aware of the Central Business Plan, 2030 Plan, Jetty Foreshores Development, Sustainability Project, Flood Mitigation Plan, Diagnostic Plan, Business Case Plan, and an Indicative Programme Plan before being tempted with a Cultural Centre proposal. Throughout self-promotion announcements of tourism and marketing events abound.

It is difficult to get a handle on what is going on. This confusion and constant announcements is like a patch-work quilt waiting to be assembled but one where the overall design has been lost. There needs to be top level design. During the research an attempt was made to put all these plans into some form of time related sequence. The following diagram starts with the “Pie in the Sky” and finishes with two projects generating prolonged ratepayer outcry.



## Ineffective Communication

To illustrate the point the Council on 26 February approved a proposal for the Bunker Cartoon Gallery (discussed in part E –long standing history). Under the plan the “volunteers” will run the operation with Council contributing decreasing amounts of funds over the next five years. By the end of this time it is to be revenue neutral. In theory it sounds good but there is no guarantee that in five years this will be the case. The Council has not shifted ownership and if anything goes wrong the Council will still have to make good the repairs and other costs associated with the building. There is some attempt to recognise the need to be revenue neutral but how does this proposal fit in with the sustainability activities?

There is a definite need for some skilled person to assume the role of a translator. This person would convert the technical jargon into a plainer version so that it can be more readily understood. For example semi quasi commercial interests would become activities considered outside the normal (essential) Council operations. This would in most instances provide an example (caravan parks) to tie the projects together and to provide a simpler path of recognition.

There is no doubt that communication exists by with whom and when? Sometimes the General Manager makes announcements using the local newspaper of promotional activities when perhaps the ratepayer representative ought to take front stage. Sometimes the Mayor gives an abbreviated (mostly unsatisfactory) comment in a weekly newspaper column.

Sometimes the communication is electronic in format, with links that don't always work. Sometimes there are public displays staffed by employees not always acquainted with what is going on.

But like most things in Coffs Harbour a majority of ratepayers are possibly deaf or completely unaware of what is going on. Or is it simply that the communication is exceedingly poor or non-existent?

## Mixture of Timeframes

Any communication that exists does so without any relationship to timings – where does the announcement fit within the bigger scheme of things. Everything it seems is immediate. Sometimes work begins before the community are aware of the happening. Things like demolishing Koala habitats are usually scheduled for the early hours of the morning and without prior warning. And yet, from personal experience, other events taking place have a broader audience, particularly with marketing, leaving local residents unaware of the planned activity.

## Funding Concerns

Along with the confusion, the absence of any proper planning comes the vexed question of where are the funds coming from? Sometimes an announcement is made of a grant to be received for a specific task, like the construction of a bridge. Council then takes ownership and counts the outcome among its achievements. The number of photographs of non-council funded assets in the blue book is testament to this approach.

All too often the ratepayer just sighs resigned to the fact somehow the ratepayer will pay for it. Look at the long term history of project failures because an inability to address funding. Look also at the current proposals like the Jetty Foreshore where \$15 million is needed but to date there is only funding for



stage 1 approximately \$1.2 million. Look at the confusion generated by constant talk of a Cultural Centre without any reference to funding. Look at the special levy imposed for flood mitigation not due to expire until 2030. Look at the history of the Council and their requests for permanent rate increases.

Admittedly the central business district community are all too aware of the additional cost that they have to bear over the next few years. Integrate all this fear and confusion with the constant reminder that there is a serious deterioration of assets and a massive backlog in repairs. All the ratepayer can see is that it is their hip pocket that will suffer.

#### Absence of Return on Investment

Many things done in this area are supported by rather intangible claims of the benefits that might accrue. This extends into the fields of marketing and tourism. It seems that it is sufficient to say the community will benefit because there will be an increase in revenue generated in the electorate. Unfortunately, in many cases this is unfounded. The Council has a policy of inducement to secure events. It funds people wanting to hold festivals, rallies and so forth. It donates funds (\$10,000 in year 1 and \$5000 in year 2) for a dubious privilege of being the host city. The inducement does not always stop with money but can include the provision of Council resources for up to three weeks.

In many cases if revenue is generated it goes out of the electorate or it goes to some private citizens. There is no tangible revenue flow back in to the coffers of the Council. It is the ratepayer who pays because scarce resources are used for purposes other than the essential maintenance required in the Electorate. One such event is Rally Australia. During the 2013 event businesses adjacent to the Rally headquarters suffered a huge downturn in trade and takings because access was severely restricted. The visiting car teams came equipped with their own staff and facilities right down to their cooks.

The event made a loss and another loss the next year. Attempts to quantify the loss are suppressed by the General Manager who believes the public do not need to know. All he says is that he gets no financial reward. He is on the board and regardless of whether the reward is financial or otherwise he is getting the experience and the self-promotional achievement opportunity.

Submissions flowing to Council are not accompanied by any recognisable form of "Return on Investment" analysis. In the Cartoon Gallery example the Council would have better suited to announce the proposed sale of the property. They could have given the current occupants first option to buy the property (at a suitable date in the future). The intention to transfer ownership is thus established. The prospect of a real saving exists. A proper return on investment process may well have highlighted the risk of the volunteer approach. It would seem that Council has long abandoned any thought of making the site (location of the gallery) the hub of the city cultural district.

This is not an isolated case because the Buskers festival, sporting events, visitors for training camps are in the same position. The inducement payment for the telecommunications involved in the area is also a waste of good money. The attendant problems that came with it are testimony to yet another poor decision. The benefit in this case was supposedly an increase in employment opportunities and an overall increase in the numbers of people settling in the area. Surprise of surprise the youngsters engaged on the project moved out as the work began to move to other centres. Not an increase in

population but a net decrease. Many of the contractors were also from out of town. They have now moved on taking with them the revenue that was apparently going to flow into the local community.

The same can be said for the massive number of people who came for the highway improvement project. They too are now gone taking with them the spoils. To be fair this project was not under Council control but was a joint Federal and State government initiative.

The return on the investment in a proposal needs to be real hard cash and employment. It is not the glory or the honour of holding the event. Too many would be politicians fail to recognise this. When events are properly organised there is a common thread. The community will take ownership, they will form a committee, organise funding, schedule activities and reap the rewards of their labours. Too many things in this electorate are in the hands of the amateurs who are paid employees of the Council. They attempt far too many things, lack the appropriate experience and the commitment to make it a success. They fail to understand places that run very successful events focus on only one or two each year and in the large are community driven. The examples include Tamworth's Country Music Festival, Grafton's Jacaranda Festival, and Canberra's Festival of Canberra (run over a ten day period) which attracts some 200,000 people.

### Long Standing History

This is not a detailed report of every plan that ever existed. But it starts with a simple concept first promoted in 1972 (1973).

An area of land known as “Capital Hill” would become the cultural centre of the area. In the past forty years two buildings were erected. One a community owned hall (which has, apparently by law of possession and occupation, become the preserve of the Bridge club). The other is a building which operates as the “Bunker Hill gallery” – the only cartoon gallery in the southern hemisphere, is a community asset. It is maintained by Rotary. Neither building is what you call substantial.

It would appear Council has long abandoned the idea of the site being the “Centre”. At the Council meeting (25 February) a proposal for the volunteer group to manage and maintain the Gallery was agreed and endorsed. Under this proposal Council would phase out the funding over the next five years. This would seem to restrict further development on the site.

Plans in this electorate come and go. Many do not reach fruition. Some seem to take an eternity to generate enough power to get off the ground. The arduous process of completing the extension to Hogbin Drive went on for some six or so years until finally an injection State government funding allowed work to recommence.

These grand plans and non-achievement manifest themselves into the erosion of public confidence.

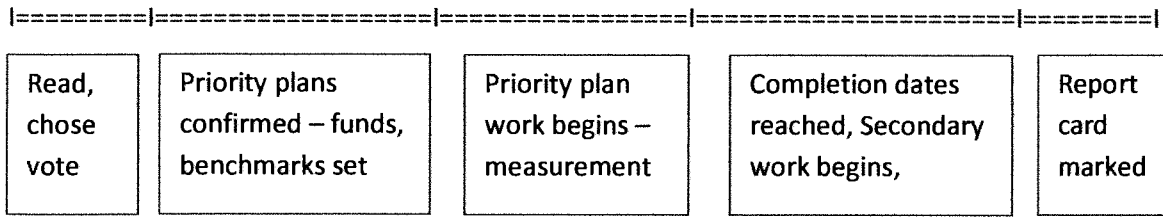
### Missing Timeline Analysis

The prolonged and often painful resolution of issues often takes years. It indicates that timelines have not really been a consideration in the past. The current mismatch of projects, the current backlog of repairs supports this belief of no critical timeline analysis. Council says it grades repairs using a scale from 1 to 5. This may be as far as it goes. Resources seem to get diverted because something might be more immediate like a festival or rally.

Very few people possess the ability to compartmentalise modalities into watertight segments. Few are able to immediately switch from long term to immediate and back again in a seamless operation. It requires using different parts of the brain in rapid succession. The modern theory of “multi-tasking” is easily disproved using scientific methods. Most who say that are proficient end up doing neither thing to the best of their ability. Frequently mistakes will be made. The question to be answered is what consequences arise from such behaviours.

The Council appears to be a “hotch-potch” of people continually readjusting their focus and of failure to separate time frames. This is clear from the confused approach to the blue book. It jumps from the future to the past and the immediate in a continuous attempt to justify their message. The book omits to explain the impact of a major project which will have serious ramifications on the current operating culture. Most readers will just give up, put the book aside and do nothing. A few will see an immediate task they have to do. The Council did tell us what to do. In simple terms “read and understand the book”. Then vote as we want you to vote. Surprise of surprises the immediate action reaction was to

reject Council’s proposal. A better way of presenting the message might have been to translate the sustainability project into a straight line chart punctuated by the accruing benefits.



This simplified approach could be used as holistic approach but better still would be to break it up by geographic areas. In the holistic approach show the mid-term project Council has on its plate. For the geographic area show the immediate essential tasks to be undertaken for instance the formation of a local community engagement forum. Try to pass ownership to the community.

#### Fanciful versus Essential

To recover the confidence of the community the Council needs to separate fanciful from essential. The sustainability project is essential. It aims to get the operations of the Council back to a revenue neutral position.

On the other hand the elimination of the massive backlog is fanciful by comparison. Part of the backlog may not even exist or it might be superseded by future events such as the disposal of the asset or the curtailment of the activity.

#### Performance Standards

This Council does not understand the concept of performance indicators. Take as an example the Council’s website and the supposed articulation of the policy on community engagement. Well the guidelines have been established by OLG. All the Council needed to do was to transfer them to the website. Then, using the example from above, indicate for our electorate the creation of local community engagement groups. It would then need to provide a link to the local structure chart.

End of question, the community can then place their local concerns in context with the bigger picture. The community can contribute and assist to identify and grade the essentials or the superfluous.

The current website confuses policy with a billboard to exhort the achievements of Council. It has bias on it. There is no opportunity for a resident to bring up areas of concern. By placing a filter in the way Council can have the residents debate the issue and settle their priorities before reference to Council. The current system of polling is unrepresentative of the community.

Performance standards in this electorate are merely a crude statement of the activity. There is no real measurement. The recent debacle with the payment of a performance bonus to the General Manager is a prime example of the meaningless standards. When a person fails to operate within budget and fails to satisfy the residents requirements there can be no justification for a performance payment. In reality payments should only occur when performance is above a set minimum standard. It is clear, in the minds of the community that no such level was reached. The General Manager is paid to do a job. He is getting a huge salary (\$163 per hour) when compared to the average resident. He is in receipt of

other perks such as an entertainment allowance. He recently received a new motor vehicle (part of the community asset register). To the general public there is no real metric by which to measure his performance. They can't see an improvement in roads, or the state of buildings or anything else of a practical nature. No wonder there is resentment.

In Depth Analysis of Blue Book

The following parts of the book have been referenced in this submission

- Title page – wrong title: Our Community – Your Council would be better because this acknowledges that the Council exists to serve the needs of the residents. The need for “helping to achieve the 2030 vision” is really not necessary because it introduces a different timeframe to the reader. The issue is immediate not one for 15 years ahead.
- Page 3 – message: this message comes from the General Manager and emphasises the power control factors. It is the Mayor who represents the people and it is the Mayor who should deliver the message. Overall the message is unclear. The real intention should have been to introduce the Sustainability Project. This will then put in context a need for funding that project. It will then be cost-justified to the community. It makes excuses and tries to absolve Council from responsibility.
- Page 5 – sustainability project links: If the document references another project by way of a link it needs to be the right link and it needs to work.
- Page 6 – pie charts: Some of the headings on the pie charts are of technical nature. It might come across better to match an income stream to expenditure. By way of an example show the contributions and grants against Airport and Telecommunications. Also does waste management have to do with the general rate – do they mean rubbish or sewerage?
- Page 8 – grading of ageing assets: Well what a waste of space and photographs. Better have put one photograph and one caption. This is a road grade 5 – it needs immediate attention. A summary of the total number of assets by category would have been more useful.
- Page 9 – language used with options: The bias evident on this page promotes a strong resentment factor. The message to come out of this is you are a moron to vote for Option A.
- Page 11 – comparison table, graffiti: When asked 10 out of 10 people on the street did not know what they were comparing? Mind you the question asked of them was there are two items of equal size, an orange and a potato, what can you tell me? Council should have recognised that a comparison of dissimilar items achieves nothing but confusion.
- Page 12 – allocation of funds: This almost reeks of a year 10 student being able to multiply by 2 and by 3. Surely this rule is not a proper basis for cost projections.
- Page 13 – customer satisfaction survey: Another attempt by the Council to self-promote their achievements. Greater attention should have been given to the findings because the two “best” areas are not part of the general rate levy.
- Page 14 – rate calculators: This is just a jumble of figures. It would have better to give a step by step guide through a specific example.
- Page 16 – wrong figure: The number of properties in Option B Farmland is obviously wrong.
- Page 17 – frequently asked questions: Why include references to projects likely to inflame the situation. The new cultural centre example should have been excluded,
- Page 18 – comparison the metropolitan councils: So what. The water component has been expressly excluded from the general rate enough said.

- Page 19 – consultation dates: When delivery occurs after the first consultation date then it just emphasizes the current level of inefficiency and incompetence.

Leaving aside the blank page 2 and the back cover there are 18 pages in the book. Comment has been made on 14 pages.

The letter to the Mayor made general comment on

- Presentation,
- Content,
- Message and
- Ownership.

Had a more rigorous planning approach been used then the document could have integrated all projects to show the strategic platform from which the Council hopes to build the future. It could have opened the channels of communication by providing a better understanding of the mix of projects. It could have reduced community concern. It could have included all residents and got a better outcome to the community engagement process. In short it could have been a tool for communication and a translation for the fanciful words to the reality. It could come up with more palatable options. It could have taken the first steps to get “our” community to take ownership. It could have been the start of the transfer from Council to resident.

#### Comparison to other NSW Councils

The OLG website provides some interesting facts and shows a comparison of the performance in this electorate when compared to all Councils across NSW.

- The geographic size is smaller than most rural electorates.
- The average taxable income is lower.
- The value of the Development Applications is substantially lower.
- The revenue per capita is 25% higher.
- The expenditure per capita is 31% higher.
- Open space is considerably lower.
- The quantity of public assets is approximately 50% of other Councils.

Yet Council is trying to distort some of this information to justify the reason for the rate rises. Perhaps the book would be better if the OLG findings were included.

- “TCorp has your Council’s current Financial Sustainability Rating as weak with a Negative outlook”.
- “The Infrastructure Audit assessed Council’s infrastructure management to be weak”.

Weak is probably the way of saying it. [REDACTED]

## Best Practices Ignored.

This year 22 Councils made an application for a rate variation. Five of the Councils are from the metropolitan area. Two applications are for specific purposes and not for general sustainability reasons. So it would seem that 130 Councils are able to manage within the CPI pegged rates.

So, instead of reinventing the wheel perhaps consideration should be given to allow the poorer performing Councils to “piggy-back” on the practices and expertise of the better performers. This Council has an employee profile of 54% being over 50 years old. Only 3% of the employees are under 25. With the changing technologies it should perhaps have a more youthful component perhaps with upgraded skills. The mantra in this Council was expressed by a long term Councillor and former two term Mayor.

## Hands on Experience

“We need not want the academics and or the intellectuals: we the people with the hands on experience.” He was of course referring to himself as he postured in the rate increase debate. Students of body behaviour would have quickly seen that his initial of voting against the increase was merely a strategy to minimise public outcry. The whole “godfather” approach was a textbook classic.

It is thinking like that which will not cause the change to happen. The current situation and poor management did not arise overnight. It is the long term practices and decision of this and past Councils going back 12 years or more. This is a systemic problem. The cure is a complete overhaul of Council operations. It is not the lip service or the “band aid” approach that solve it. It is not the creation of more quasi commercial operations. It is not the self-promoting marketing or tourist operations. It will be the hard work and the tough decisions yet to be undertaken.

It will not be the hands on experiences of the past. We do not want to repeat the mistakes of the past. The unanswered question in all this is why is the proportion of expenditure on administration so high in comparison to other expenses. Is it possible that “contractors” and other directly or indirectly receive some sort of additional benefits which fall under administration? Is it possible that employees are underutilised?

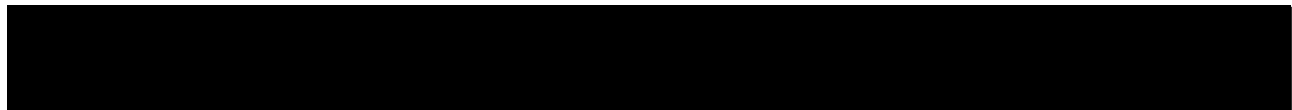
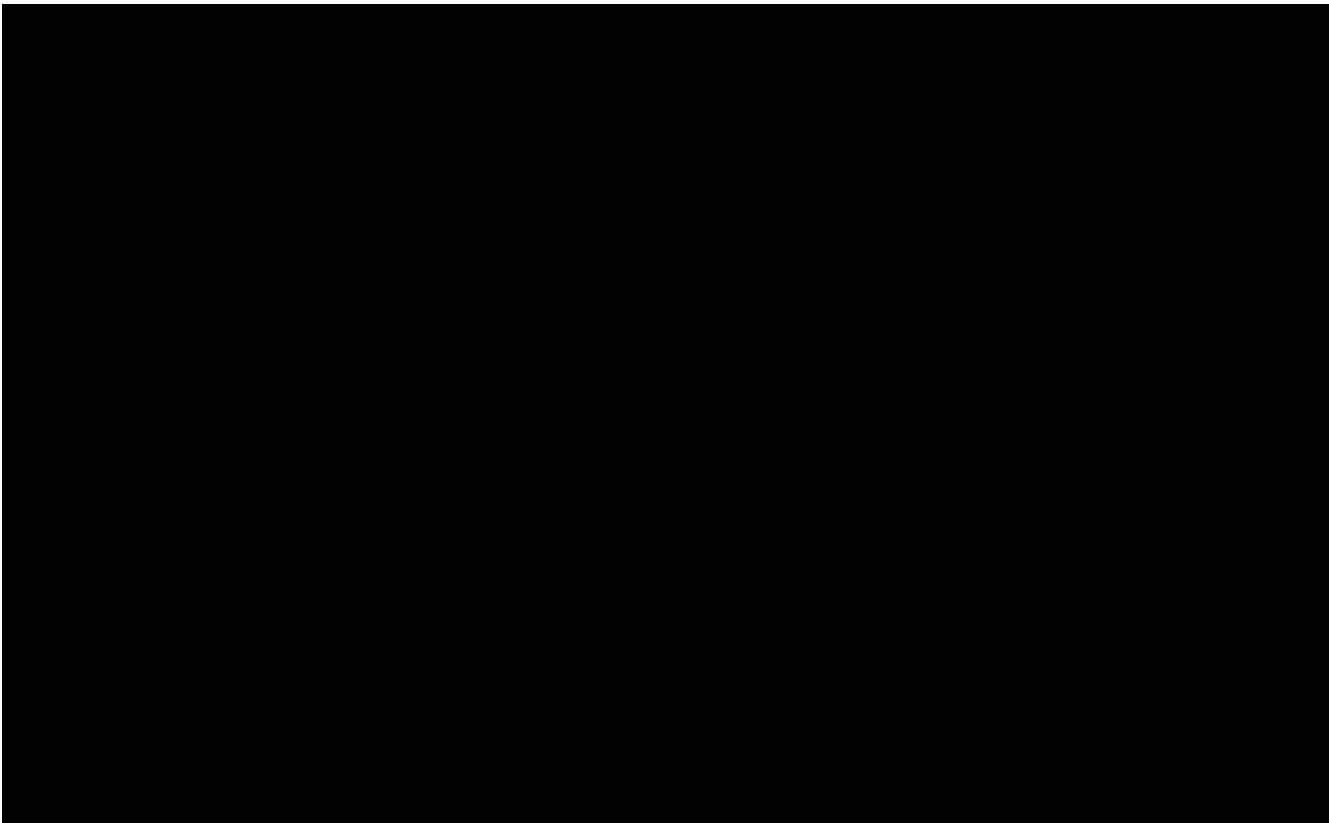
## A Common Element

The time for change is now. The Councillor who made the statement referred to above and the General Manager both appear to be setting themselves up for “life after Coffs Harbour”. While one may be thinking of retiring the other appears to self-promotion his abilities in a broader environment. The change is not in their best interests. To them “steady as she goes” might be the preferred option. But, the community might just decide otherwise.



The birth of democracy in Australia has its genesis in the backlash against the taking of money from the residents without giving in return. Such actions galvanise a community to rise up and agitate for change. The backlash from the community of Coffs Harbour is evident. The results of the opinion polls, whether they are in electronic format or otherwise, the outrage in the media and the general dismay of the residents is plain for all to see.

There is continued criticism of the Council and the decisions being made. A good proportion of the residents feel some ill ease. The continuing expenditure on items like a new vehicle for the General Manager creates resentment. [REDACTED]



[REDACTED] The residents, either directly or indirectly, are the people supplying the revenue. The Councillors are their representatives and as such should be responsible to the electorate. The Council is a collection of paid employees who ought to be responsible to the residents (by way of the elected Councillors). Why then are so many Council agenda items treated as in confidence?

Why are requests for information ignored or unavailable to the residents? Why does this Council think it is more important than the ratepayer? [REDACTED] If it is incompetence what is the justification to throw more money into the equation? Chances are that increased funds will suffer the same level of incompetent handling as already exists. My professional curiosity was aroused.

I was originally in favour of the rate rise but further investigation quickly changed my opinion. I am now opposed to any such increase in the level of the rates.

To the Council and the Mayor.

I did as you asked. I read the booklet and I spent some five days trying to understand it. (Not a good start because most people will not do that).

I now offer the following comments about the

Presentation,

Content,

Message and,

Ownership.

This is followed by a conclusion.

#### Presentation

The document appears to be incorrectly structured in that it does not flow. It is somewhat overwhelming.

#### Content

I found that I was questioning the relevance of quite a few things. They did not appear to support your argument or they raise a level of ambiguity in my understanding.

#### Message

The message lacks a simple direct approach; in short it is confusing or derogatory in places. It is not good enough to start by making excuses because it set the wrong tone for the whole document.

#### Ownership

This concept is missing from the document. The name of the document immediately puts people offside. There is no attempt to target a specific audience.

#### Conclusion

The more I look at the document the more issues I find. I do not know what you want me to do because you have already decided what it is (unless I wish to be a moron). If I were on the IPART review team I would refuse your application based on this report. It left me wondering why the booklet was produced and if the money could have been better spent.

