I object to the Port Stephens Council's proposed 7.5% SRV. My objection is in four parts:

1. It is against the wishes of the majority of submissions directly to council and contrary to the findings of council's surveys.

2. Community awareness of plans. Ratepayers have not been fully and honesty appraised of reasons for 7.5% increase.

3. No history of productivity improvements. Council needs to improve the effectiveness and efficiency of its service delivery especially for drainage and road works, before it wastes ratepayers money conducting more work to a similar standard.

4. No demonstrated need. Council needs to properly research and understand the work that is required, before raising rates to complete unnecessary work.

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#### Introduction

Port Stephens is a disparate local government area. It consists of the tourist and retirement oriented coastal area and residential Raymond Terrace with the majority of the area being rural and rural residential. The needs and desires of the areas are quite different and at times in conflict. Tourist areas want increased numbers of visitors - rural areas what less traffic.

To balance the motivation to support tourist and business areas Council plans to spend any increase equally across all three wards. This results in proposals for West Ward in particular that make no sense, but result in the need for a higher than necessary increase so that the perceived needs of the tourist dominated areas can be meet with equal expenditure elsewhere.

It is difficult to identify the motivation for Council to submit a proposal for a SRV let alone one of this level. This SRV appears to be based on the desires of the Mayor and some councillors and perhaps some council staff, rather than the needs or wishes of the majority of the whole community. Whist some proposals have been put forward to explain how additional income could be spent on one off capital works, there is no quantifiable or positively identifiable community support for those works - just vague statements from some councillors about what the community has asked for them.

Apart from some increased maintenance costs, there is no justification for maintaining the extent of the increase beyond the completion of those capital works.

#### **Objections to the Proposed SRV**

# 1. It is against the wishes of the majority of submissions directly to council and contrary to the findings of council's surveys.

Council has conducted a number of community meetings and surveys to gauge local feelings. The results have been overwhelmingly against any increase. A local newspaper is also currently running an online poll that to date is at 91% against <u>Poll Results</u>. Yet the Council seems to fail to understand the extent of the ratepayers objection. An example is this extract from the Council Minutes of 29 January 2019

Council Meeting 29 Jan 2019

PREVIOUS COMMUNITY FEEDBACK Misconception voiced at meetings and in a number of submissions that the majority of ratepayers have objected to the proposed SRV in the Stage One consultations.

RESPONSE This is not accurate. Council undertook extensive consultation and received approximately 2,000 submissions and completed surveys. Overall 74% of respondents selected Option 1 (rate peg only) as their first preference, while 17% of respondents selected one of the SRV options as their first preference with 9% not answering the question.

Option 1 was to peg rates to the approved 2.7%. How can Council not accept that 74% don't want their rates increased above that level ?

Published results of surveys and ratepayer submissions clearly show that respondents are against the increase in rates. In several places on its website and in newspaper reports, Council refers in general terms to "what the community wants" or "what the community expects" but provides no evidence of where those expectations were gathered from.

This view is also contrary to other results from Council's own findings, and it's statement of the benefits of a SRV in the Delivery Program and Operational Plans 2018-2021 (pg8)

The community has consistently provided feedback that while it is generally happy with Council's delivery of infrastructure, maintenance and services, Council's annual Customer Satisfaction Survey results confirms this satisfaction with overall scores above 75% since 2012 -

Yet Council wants to increase its service level from currently self rated 4 to 2 - ratepayers have indicated they are OK with the current service.

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2. Community awareness of plans. Ratepayers have not been fully and honestly appraised of reasons for 7.5% increase. Additionally it appears that not all councillors had sufficient information to make an informed decision to support a rate increase. Council has not provided a business case nor justification that specifically addresses the need for a 7.5% pa increase.

The case for a 7.5% pa increase over 7 years is weak. The case for retaining that increase is virtually non-existent.

#### Insufficient information

The Council Meeting on 18 Oct 2018 endorsed the submission of an application for a 7.5% parate increase. Nowhere in the Minutes of that meeting is there record of a discussion of what rate increase to apply for. There is no comparison of what could be achieved with lower levels of increase that may be more palatable to the ratepayers nor consideration of the standard 2.7% increase.

I heard anecdotally before the community meetings that certain councillors had already decided they were going to apply for a 7.5% increase, but included the 8.5% option as they knew that no one would want the top rate of increase. With that in mind, I recently asked one of the West Ward Councillors for copies of the notes or summaries of the community meetings to see if there is evidence there of community support for any increase and in particular the 7.5%. He advised he is unaware of any such summaries. I also asked for information on how the Council arrived at 7.5%, he advised that he did not know.

If summaries of the community meetings were not compiled and presented to Council, nor was there any discussion amongst all the councillors of the rationale for the chosen 7.5% increase, then it would not be possible for councillors to make an informed decision on whether or not to apply for a rate rise, and indicates that the figure is not based on a sound business case but personal desires of some councillors.

#### Lack of justification

In its own words:

Council's current income streams cover a substantial delivery program with a modest surplus (approximately \$1m in 2017-2018).

In the submission for a Special Rates Variation, Council has listed many items that it considers require the expenditure of funds. The vast majority of those items are one off costs. Nowhere in the submission is there a substantial plan for the expenditure of ongoing increased rates, other than a few vague references to "improved services" and "increased maintenance costs". The arguments for an increased rate fail to consider that rates will increase by 2.7% regardless. The submission does not address why this level of increase is inadequate.

An example is tree maintenance as detailed in the Delivery Program and Operational Plans 2018-2021 (pg9)

Tree maintenance for the 2018-2019 Budget is \$0.350m per annum. The back log is only \$0.250m. The proposed (additional ?) recurring cost is stated as \$0.100m increasing to \$0.65m from 2023-24 onwards. If the backlog is \$0.250m, then three years of an addition \$0.100m will clear that backlog,

but by 2023 there will be income nearly double what is currently spent. What is the additional \$0.300m (nearly double the current expenditure) going to be spent on once the backlog is cleared ?

Similarly with roads. The current FY budget for roads is \$4m of Council money. The proposed increase to \$9m (more than double) from 2023 cannot be justified when:

The road network condition is functioning well given Council's focus on asset management as documented in Council's Strategic Asset Management Plan. A large portion of our road network is currently in the satisfactory to good condition rating.

Town Centre and neighbourhood revitalisation plans are one off costs that once they are completed they will not require ongoing costs at anywhere near the same rate as the development costs. They also provide benefit to a small proportion of the population - mainly the business owners, not all of whom are Port Stephens residents.

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3. No history of productivity improvements Council needs to improve the effectiveness and efficiency of its service delivery especially for drainage and road works, before it wastes ratepayers money conducting more work to a similar standard.

As a case study of the inefficiency and ineffectiveness of Council maintenance and infrastructure projects, I will use the 500m of the road we live in. Photos indicated by superscript numbers follow.

Over the last 13 years, Council has spent many thousands of dollars in works and particularly recurring rework and repairs, with minimal benefit to six residences in the street. The issue continue. As a sample of the standard of design and maintenance, this example indicates that waste of funds is a significant factor in the Port Stephens budget.

#### Retention Basin

Prior to 2006 Morpeth Street Wallalong had open drains approximately 1m deep. The drains could adequately cope with most rainfall events - apart from the fact that when the properties were developed years before, crossovers with 30cm pipes were built over the drain and hence during heavy rain (25mm per hour) water used to backup at each driveway and flood the road to a depth of about 20cm for a short period. <sup>#1#2</sup>

No houses were ever threatened by the flooding and all that was needed to eliminate this occasional inconvenience to six houses was to increase the size of the pipes under the crossovers.

Despite the limited inconvenience to a small number of properties, in 2006 Council acquired an existing naturalised wetland habitat and additional pasture area from the farm on the south side of Morpeth Street and dug what was called a Retention Basin, <sup>#3</sup> purportedly to catch to run off and prevent flooding of the street. Other pits were also dug at the western end of Morpeth Street and between Morpeth Street and Scott Street.

A drainage inlet was built on the northern side of Morpeth Street with a pipe across the street into the retention basin with the aim of diverting water flow from the paved end of the road.

Council performed no maintenance in the retention basin for four years. As the sides of the basins were left as bare clay, they became severely eroded - effectively decreasing the capacity of the basins. <sup>#4 #5</sup> The road uphill from the retention basin was unsealed and so gravel was washed into the basin every time it rained. <sup>#6</sup> This had to be removed with an excavator.

In an attempt to reduce the eyesore that the open clay pit presented and to try to reduce the erosion and halt the ingress of gravel from the road, residents in the street planted trees along the sides and base of the basin.

In 2010, after a particularly wet period, Council decided to mow the grasses stabilising the floor of the basin <sup>#7</sup> and started to cut the trees down. Only residents physical intervention stopped the complete removal of the trees, some of the trunks of which were now over 15cm in diameter. <sup>#8</sup>

A subsequent rain event saw the debris from the mowed grasses and trees clogging the exit drain from the retention basin causing it to overflow and negating its whole purpose.<sup>#9</sup>

Following representations from the residents, Council agreed to protect the trees on the side of the basin and attempted to stabilize the banks by reshaping the slope and laying turf directly onto the clay in the middle of summer.<sup>#10</sup> Without a properly prepared base and no watering, a week later is was looking dead.<sup>#11</sup>

At the same time Council conceded that a concrete spillway was needed in the lowest corner to prevent to worst erosion occurring where run off from the farm entered the basin. Basic planning would have recognised these issues in the initial design.

There are additional design and maintenance issues with the basin, but I think it is evident from this short explanation that Council has wasted many thousands of dollars of taxpayer money for a net result that is worse for the residents than the situation that previously existed.

#### Drainage

While building a vehicle entrance into the basin Council placed a 30cm pipe in the existing drainage channel through which all of the runoff from approximately 12 hectares of farmland flows. Not only is that pipe inadequate to cope with even moderate run off, it quickly became blocked with gravel from the road, resulting in even more water running over the road than has ever previously occurred.

To collect runoff from Wallalong Road Council built a small drainage pit on the corner of Morpeth Street and Wallalong Road. During the first rain the pit filled with gravel and became non-functional.<sup>#12</sup> The overflow runs down the original channel. To the best of my knowledge the pit has been cleared once in the last 5 years.

At the time the retention basin was built, the 1m deep open drain in front of the houses along the north side Morpeth Street was replaced with a 30cm pipe and the open drain filled in, leaving a slight depression to direct any run off. <sup>#13</sup> The pipe used was the same size pipe that was under the crossovers, that was unable to cope with previous rainfall events. Obviously this wasn't going to work.

Drainage pits leading into the pipe drain were placed near each property to collect the run off. Unfortunately the grates on those drains were above ground level and hence did not take away the run off as they were supposed to.<sup>#14</sup> Council had to come back and cut holes in the concrete sides of the pits (changing the whole structural design and function of the pits) and lower the ground levels to allow the water to flow in - making the grates on top totally ineffective. <sup>#15 #16</sup> Water now flows into the drain with nothing to stop the debris. It is hard to comprehend why drainage pits were built higher than the surrounding ground level.

#### <u>Driveways</u>

When the Council replaced our crossover after installing the drain, they made it at a lower level than it was originally and lower than the road and surrounding ground, with a slight uphill (instead of downhill) slope parallel to the road. The result was that anytime we had any rain we were left with a 5cm puddle in our driveway. Council returned and added an extra 5cm of tar seal to allow the water to flow away. Remembering of course that previous to this work, the only time water ran across our driveway (and that of number 27) was for a couple of hours after substantial rain. Now water runs across our driveways after only 5mm of rain and continues to run for many hours as runoff and seepage from the surrounding area continues

Council has incurred considerable additional cost in materials and labour, that a simple survey of levels would have prevented.

#### Drain covers

The big collection drain near the end of Scott Street has a large mesh cover. During the first decent rain event, the cover became completely clogged with debris, preventing water entering the drain meaning water flowed down the street where there was no longer an open drain capable of dealing with the flow. From memory there were two more significant rain events and flooding in the street before Council cleaned to debris off the grate. In an attempt to prevent a reoccurrence, Council cut a hole in the concrete side of the drain and following concerns expressed by residents returned to place a metal bar across the hole to prevent a child accidentally getting swept into the drain. The hole cutting exercise proved inadequate so Council returned yet again and installed steel supports to lift the grate up to allow water (and debris) to flow under the grate, <sup>#17</sup> largely negating the role of the grate. This also proved inadequate and additional rework was undertaken to raise the grate even further and weld individual steel rods around the edge<sup>#18</sup> This is one more example of rectification work to overcome poor design and construction.

The small retention basin at the end of Scott Street has a 90cm exit drain, that is far too large to reduce the water flow - hence it is totally ineffective and a waste of money.

#### <u>Erosion</u>

Again the design of this basin (next to the childcare centre) did not take into account the effect of water flow over natural ground and as a consequence two holes large enough for a child to be swept through formed under the fence. The holes were initially filled with gravel <sup>#19 #20</sup> until residents highlighted that it would be swept away in the next storm and Council returned to make a concrete flow way. <sup>#21 #22</sup>

Also peculiar to the design was to place one of the fence posts in the middle of the inflow channel where erosion left it exposed and the fence unstable - it had to be temporarily stabilised with wire supports <sup>#23</sup>

#### Shallow Drains

As a part of the drainage works, Council extended an existing shallow drain past the tennis courts. Again due to inadequate design and/or construction methods the drain quickly became extensively cracked as soon as cars drove over it to park at the sport field.<sup>#24</sup> Additionally it had insufficient slope for its depth and did not extend far enough to direct water into the deeper part of the drain, resulting in water flowing across the street. After the deficiencies were highlighted by residents, the drain was extended and the final slope increased. The damaged drain has not been replaced.

#### Parking Area

Until about 2 years ago over half of Morpeth Street was unsealed, this included the section alongside the sport field. It was well maintained and coped well with the traffic of residents and visitors. It did however create significant dust in summer. There was not sufficient formal parking for the number of visitors to the sports field at weekends.

In an attempt to provide much needed additional parking for the sports field, Council removed the grass from the drainage channel on the south side of the road opposite the sport field and filled the area with approximately 80m<sup>3</sup> (100m X 4m x 0.2m) of gravel.

Even a basic level of understanding of water flows would have predicted the result. Within a fortnight we had a storm and, being in the drainage channel, approximately half of the gravel washed down the road creating a barrier across the road that was too high to drive over. Fortunately many residents from the surrounding area worked to remove the gravel, despite being told by a Council worker that they were not allowed to remove the gravel. Council made no attempt to remove the remaining gravel on the road - but unbelievably simply replaced the gravel that had been washed away.

#### Road Sealing

Eventually we received notice from the Council that the unsealed section of Morpeth Street was to be sealed and major drainage works were to be undertaken. No drainage work has taken place since that notification.

After lobbying from local residents, Council made the logical decision to extend the tar seal around the corner into Clarence Street to meet the existing seal at the Fire Station.

The seal was to be applied in two parts, a first light coat to be followed by a final heavier coat once the weather warmed up and allowed the layers to bond better. It is not a road construction method I have seen before, but one should be able to assume there was sound logic to this plan. Two years later the final coat has not been applied - so perhaps there wasn't a proper plan.

Interestingly white lines were painted on this section of the road after what was supposed to be the first coat of seal. No other parts of Morpeth Street or Clarence Street have road markings. The new markings do not align with the normal traffic flow. Why put marking on a surface that is designed to be paved over - or only on part of the street. That part of the street provides access to 15 properties. It seems a waste of money.

#### Road Damage

Morpeth Street was a clay based road, which when dry had a very sound surface. After rain it became softer, but quickly hardened again once the rain stopped. The single light coat of seal was placed over the clay without any further preparation. Whilst the seal keeps much of the rain from being absorbed in to the clay it effectively traps any water, that does enter through groundwater seepage, for extended periods. That combined with the inadequate thickness of seal makes parts of the road soft and susceptible to traffic damage.<sup>#25 #26</sup>

The first substantial damage to the actual road area was caused by the Council's Mobile Library doing U-turns to position itself outside the child care centre. This practice was stopped and the damage repaired with a similar light coat. Further damage has been caused by cars turning into the parking areas. This damage requires continual repair - wasting ratepayers money.

Proper planning would have also identified that at the start of the new seal is where the articulated milk tanker turns into the dairy farm every day. Not unexpectedly the seal in this area was soon badly damaged. <sup>#27</sup> It was twice repaired with the same light seal, most of which lasted less than a week. Eventually more substantial repairs <sup>#28</sup> were made but in the process the heavy machinery used during the repair work caused more damage in the areas around the repairs. <sup>#29</sup> The more substantial repair itself seems to be of substandard low density seal. <sup>#30</sup>

Once again materials and labour were wasted fixing problems that could have been prevented by proper planning and suitable construction methods.

The drainage channel that was filled with gravel to form a parking area was also covered with the light layer of seal. Seepage from the farm paddocks enters under the seal, making this area perpetually soft - holes can be created in the seal by kicking it. It suffered significant damage during the first week of sports events held after the seal was applied. Repairs consisted of dumping another truck load of gravel on the damaged area. <sup>#31</sup>

#### Wasted funds

This 250m section of road has seen Council spend many thousands of dollars on a solution to the dust and parking issues. Unfortunately there will be substantial ongoing costs due to poor design and construction.

Given the above issues in just 250m or road, it is not surprising that Council lists among the activities that additional income will be spend on, as including

Increase in the number of road rehabilitation and road reseals.

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4. No clear demonstrated need for many projects. Council needs to properly research and understand the work that is required, before raising rates to complete unnecessary work

The Community Strategic Plan was released late 2018. As a strategic plan for the management of Port Stephens it should have been properly researched and released before the SRV was proposed. In normal business, a strategic plan provides the direction and guidance for the development of more detailed action plans and budgets. In this case the Council appears to have reversed that

process, with the desire to increase rates and the need to include a strategic plan in the SRV application driving the development of the set of strategic plan.

Also listed in proposed capital works is the sealing of many gravel road in Port Stephens. In our local area four roads are listed; Ann Street Hinton, Swan Reach Road Hinton, Old Punt Road Hinton and, McClymont's Swamp Road Wallalong.

<u>Swan Reach Road</u> is a farm road perhaps 3km long servicing mostly farm sheds and one rural residential property. It appears to be a private road, closed with a gate and sign. <sup>#32</sup> The road is subject to flooding.

<u>Old Punt Road</u> is a No Through Road approximately 700 m long that services permanent residences that are all located in the first 200m. <sup>#33</sup> The road is subject to flooding

<u>McClymont's Swamp Road</u> is approximately 2km long, 1.5km of which is unsealed. The unsealed section services 2 rural residences approximately 1.25km from the end of the seal. The road is subject to flooding. <sup>#34</sup>

These three roads are clay based rural roads that are currently well maintained with annual grading. The cost of building a suitable base and sealing to a standard that would be resistant to flood damage to service so few houses cannot be justified.

#### Summary

Council is proposing this SRV against the wishes of the majority of the ratepayers and has not provided adequate justification for retaining the increase once suggested capital works have been completed.

Council has not provided any rationale for the level of proposed increase and has not addressed why other levels of proposed increase were not considered. Summaries of community meetings and arguments for the 7.5% increase have not been made available to residents nor all councillors - hence some councillors may have supported the application based on incomplete information. Residents have no explanation of why 7.5% was chosen.

In its submission for a SRV of 7.5% pa, Council seems to be focussed on perceived, but not substantiated, wishes of the tourist and business portions of the LGA and as a result proposing unwanted and unnecessary activities in the rural areas to create a perception of balanced expenditure across the wards.

Council has an ongoing record of poor design and construction of infrastructure - especially road works and drainage - that results in high rework and maintenance costs. These inefficiencies need to be corrected before a convincing claim for increased expenditure can be made.

Overall Council has approached this application for a SRV without valid purpose and against the expressed wishes of the ratepayers.

Locations of Photos





1 #2 Open drain pre 2006 - crossover above road level. 30cm pipe under crossover



#3 Retention basin being dug Nov 2006

#4 Erosion due to poor design and construction.





#5 Erosion due to poor design and construction.

#6 Gravel washed into retention basin from unsealed road





#7 Damage to basin floor due to machinery use soon after rain.

#8 Trees cut down





#9 Debris clogging outlet drain cause basin to overflow

#10 New grass 22 Jan 2011





### #11 Brown grass 28 Jan 2011

#12 Drain pit at end of gravel road - fills with gravel.





#13 Depression left for water flow after open drain was replaced with pipe.

#14 Drainage pit above ground level





#15 Drainage pit remodelled and ground level lowered

#16 Drainage pit remodelled and ground level lowered





#17 Collection drain after first rework - concrete cut away, grate raised - note large gap

#18 Second remodelling of collection drain - grate raised further steel bars welded on.





#19 Erosion hole under fence near childcare centre - repaired with gravel

#20 Erosion hole under fence near childcare centre - repaired with gravel





#21 Concrete repairs to eroded areas

#22 Concrete repairs to eroded areas - note post in centre of drainage channel





#23 Fence post in centre of channel left exposed due to erosion - fence supported with wire stays

#24 Poorly built shallow drain damaged by cars parking at sports field





#25 Thin seal is soft and easily susceptible to damage.

#26 Damage to thin seal.





#27 1st repair to damage cause by milk tanker.

#28 The milk tanker turns into farm driveway every day. Photo taken after 3rd repair to this section





#29 A small part of the damage caused by vehicles repairing previous damage.

#30 Apparently poor quality seal in major repair





#31 Damaged seal repired with loose gravel - until the next heavy rain.



## #32 Swan Reach Road - it appears to be a private road ?



#### #33 Old Punt Road

## #34 McClymont's Swap Road

