



[REDACTED]
SALAMANDER BAY NSW 2317

12 February, 2019
[REDACTED]

IPART
PO Box K35
Haymarket Post Shop NSW 1240

Re. SRV Port Stephens Shire Council

Dear Tribunal Members,

We are residents of Port Stephens Shire and are rate payers who have lived in the same street for more than 40 years, and have been retired for the past 18 years. Both of our children are also rate payers and live in the Shire. All of our grandchildren live in the Shire.

We find that the proposal by the Councilors of PSSC (Port Stephens Shire Council) to apply for a Special Rate Variation **is without the approval of the Rate Payers**, and which was substantiated by the result of a recent online survey where the majority of respondents rejected the proposal.

The Councilors were elected to their Positions by the residents of their respective Wards and whom they are suppose to represent. Why did the Councilors vote to proceed with this submission to IPART when they knew full well that the majority of residents in their respective Wards had opposed the Proposal?

Do the Councilors have other self interests or do they consider that the residents of their respective Wards do not have the mentality to make their own decisions?

The present Councilors have a proposal before IPART, to commit the Rate Payers to fund a spending spree of \$250 million of rate payers money, over the next 7 years. It is all well for PSSC to have a 5 or 10 year Business Plan, but it is inconsiderate to think that they can penalise Rate Payers without giving Personal guarantees that there will be no expenses incurred from failed Court Cases or where further investment strategies become failures.

Why do the Councilors think that the Rate Payers, many of whom are retirees, can handle the mental stress, and outlay extra money, while electricity prices are soaring, bank interest is low, wage growth is at a 25 year low, and inflation at 1.8% for the past 12 months?

Residents of Port Stephens, do not have short memories. We only need to look back in history to the following examples to see Councilors' track records of shocking and extremely **EXPENSIVE** mistakes made by the Councilors, who appear to have neither the experience or expertise to manage **OUR** money.

Some of the current Councilors were in Office during the periods of the following incidents and have never been made to account for the incurred losses of Rate Payers moneys.

Councilors should be personally accountable for their actions and subject to litigation for misuse of Funds.

In the business World, outside of PSSC, these Councilors would be forced to resign, or be sacked, for any incompetence.

1) **The Lagoons Estate:** (Ref. 1)

One of the PSSC expertise is supposedly drainage of storm water.

This is about the legal battle by a Developer, against PSSC, and which involved flooding/drainage issues, on the Lagoons Estate, at Nelson Bay, and the Court Case which extended over many years.

When there was talk in year 2016 about mergers of Councils in NSW, a warning was given to NCC, (Newcastle City Council) who were considering a merger with PSSC, that the LAGOONS ESTATE Court Case was an expensive "ticking time bomb".

Only 1 (one) of the PSSC Councilors, openly opposed the fighting of this Case.

PSSC was **warned** not to contest the court Case, on the drainage issues of the Lagoons Estate.

Justice Michael Pembroke, of the Supreme Court, criticised PSSC for "incurring the costs of four barristers" to argue a point it was "blindly obvious" the council would lose.

Justice Pembroke also delivered a scathing assessment of the running of the drainage Case as "myopic", "pedantic" and "not in the interest of justice" with the Council "primarily responsible".

After many years in court battles, PSSC in year 2018 eventually conceded liability in this Case.

It is expected that the cost to PSSC (= **the Rate Payers??**) could now be in the vicinity of **\$20 million**.

Are the Councilors going to pay this bill????

2) **Samurai Beach Resort:** (Ref. 2)

The PSSC Councilors must have considered themselves as investors/entrepreneurs when they bought into this venture.

They bought a beachside NUDIST Resort, at Anna Bay, in 2001, for **\$2million** and **spent more on further development and with losses incurred while trying to keep it afloat totaled another \$15million**.

They were losing approximately \$400,000 per year

When they decided to sell out, they found no buyers were interested .

Question: **Where did the \$17million come from?** (Answer = **Port Stephens Rate Payers ??**)

3) **'Risk of being sued':** (Ref. 3)

This Bold headline, '**Risk of being sued**' was emblazoned across the front page of the current issue of the Port Stephens Examiner newspaper, dated 07 February 2019.

The details highlight the dysfunction of the Councilors.

The article was about an extraordinary meeting of PSSC's Councilors held on 31 January, 2019, where Councilors were involved in a heated debate about Development Applications (DA) and how some Councilors ignored legal advice to approve the DA.

If the Councilors continue with this sort of ignorance and behaviour at the beginning of the year, then what can we expect for the remainder of the year, especially if they are flushed with moneys from a Special Rate Variation.

We can understand why some meetings are held in camera.

The NSW State Government should step in and admonish the Councilors.

From past experience in Industry a Company would spend money to save money. This was achieved by engaging Efficiency Experts to investigate where cost savings could be made by recommending changes to improve the existing structure of the Management, and by vetting the Job Description and responsibility of each member of the Staff.

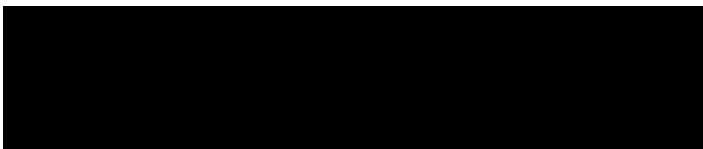
Nowadays, it is called 'Restructuring', where the Management generally picks a number, and just sacks a group of Staff personnel. Or a Bank just picks a number, and closes that number of branches.

We have never heard of the PSSC having their Empire investigated for cost savings nor has it been restructured.

We would not even trust the Councilors to carry a donation box for the SALLY'S.

We believe that the Councilors are unreliable and we trust that the outcome from your deliberations will result in a 1 (one) year increase in the Rate Variation not exceeding 2.7%.

Regards,



Ref. 1: www.theherald.com.au/story/5637141 (Port Stephens Council has conceded defeat)

Ref. 2: trra.com.au/wp-content/uploads/2014/02/140128-Samurai-Final.pdf

Ref. 3: Weekly News Paper: Port Stephens Examiner, dated 07 February, 2019 (Pages 1 & 2)

