

## Independent Pricing and Regulatory Tribunal

### Re: Proposed Special Rate Variation for Clarence Valley Council.

I am just an ordinary person who moved to Grafton in 2010 – from Macksville in the Nambucca Valley. The Nambucca Valley Council was a small council, but one which seemed to operate very successfully. It was progressive, responsive and competent. When I moved to Grafton, I found a Council which seemed to not display those qualities.

The Council say that they need extra funds to maintain service levels. It seems that they have contributed to the situation by their own poor management.

There seems to be a feeling that the Council is progressing their programs with scant regard for those who pay their wages and costs. There seems to be many projects that suffered as a result of poor planning.

Poor Planning. These are just some of the examples where poor planning seems to contribute to poor quality outcomes.

The South Grafton Super Depot. The site chosen for this depot is in a residential area, beside a high school – completely unsuitable for the purpose with increased traffic flow. The project cost many millions more than it should have because a large amount of soil had to be removed because of asbestos. It is reported that Council knew the site had been an asbestos dump for years. Many tons of asbestos laden soil was taken to a site in Ipswich – which seems to be in contravention of the Proximity Principle. Council owns a number of sites which would have been far better suited to an industrial complex. The SuperDepot was budgeted at around \$14M. Costs have blown out to \$22M and increasing. Council proposes that existing council depot sites will be sold off, with profits going back into revenue. With the extra cost for the SuperDepot, there will be no savings here.

Maclean Boardwalk. The state member was successful in getting funds for a river boardwalk in Maclean. The Council has not used these funds for the purpose intended. Instead of a natural grassed ridge, we now have an unattractive brick platform that is not in keeping with the nature of the town. Council also removed four historic camphor laurel trees, against the wishes of the community. The Council has shown no desire to remove any of the thousands of camphor laurel trees in the valley. Maclean has lost a part of its history; visitors came to Maclean to see our trees.

Sale of McNaughton Place Maclean. Council sold this property last year, at a price that is considered by many in the community to be below market value for a riverfront property. Council is now proposing a massive re-development of the area – using some of the funds provided for the boardwalk - which can only benefit the new property owner. If the property had been sold after this re-development was completed, it would have added value to the property.

Maclean Supermarket. The owner of the current supermarket wanted to build a new supermarket on a greenfield site, but was unsuccessful. Council then sold a large part of the public owned carpark in the centre of town for the purpose. This area is full most times, even without a supermarket there. It will also result in the removal of more mature trees.

Maclean Carpark. Council constructed additional car parking space that was to compensate for the loss in the main area. This area had to be re-built three times because the Council did not advise

the contractor that there was a soft soil problem in the area. It was to cost around \$250,000, but reportedly ended up costing \$1.2M.

Grafton Visitor Information Centre. Tourism is an important of any community's income, yet the Council has closed the Centre and will sell the site. In addition to no tourism information, there is not even a public toilet for visitors. The site was purchased from the state government at a nominal price for community use, but was re-zoned to commercial use. Council now suggest that visitors drive into Grafton and visit the Council building for tourism information.

Ulmarra Pool. The Council closed the Ulmarra pool – supposedly because of the costs to run it. The community offered to raise funds and take over the conduct of the pool, and were denied. There is no public transport for people to travel to Maclean or Grafton pools. The only option is to swim in the river – with bull sharks and bullrouts.

Brooms Head Re-Development. Council has undertaken to re-develop the Brooms Head Caravan Park costing millions – saying that it's required under new regulations. The park was established prior to 2005, and it does not meet the new regulations unless it is re-developed. Against massive community opposition, Council is continuing with this unnecessary re-development based on mis-information to the community.

Sale of Council Buildings. Council has sold many Council buildings on a lease-back arrangement. The funds raised by the sale of these properties will be exhausted by lease costs within around five years. Properties have been sold at auction – there is a feeling in the community that some of the reserves set for these properties were unrealistically low. Council also demonstrated that it was willing to deal with prospective under-bidders by 10%. This seems irregular – surely a Council would be aiming at getting the highest possible price, so that services can be returned to the Community.

Conduct of Council Business. There are a number of other issues that demonstrate that Council business is not being conducted properly, with regard to their own structure and the community.

Staffing. Council has claimed on a number of occasions that they are reducing FTE positions. However, the Council still has more staff than the combined staff from all local Councils at the time of the forced amalgamation. CVC has one staff member for 93 local people. The state average is around one per 128. In addition to this high staff number, Council employs a large number of consultants – for tasks which Council staff should be able to do.

Community. The Clarence valley is in the bottom 8% of all of Australia. Approximately 20% of the population is on the aged pension. The community just cannot afford to pay more rates. Council promised to listen to the community, and conducted a survey. Anecdotal evidence is that a majority of the community was opposed to the rate increase. Council reported that there was approval for the increase. The local newspaper published a Q&A session with "a community member" and a representative of the Council. The amount of the rate increase was massively under-represented in this Q&A.

Ex-GM payout. The last General Manager resigned and was reportedly given a six figure payout. Council is not willing to let the community know the background to his resignation and the amount of the payout.

New Grafton Jail site. An elderly local man had his land resumed for the new jail. He had submitted a DA to Council for a new dwelling on the site, and Council approved it. At the time of the approval, Council would have known that this land was short-listed for the jail. No information was given to the ratepayer, and his house was nearly finished when he lost the land. Very poor management.

Fit for the Future. Council failed on three important criteria in its “fit for the future” assessment: Financial Criteria Overall, Infrastructure and Service Management, and Sustainability. Only five Councils across all NSW councils managed to fail this three criteria. Failure in these major criteria should indicate that management of the Council is deficient. Even though it is reported that Department of Local Government has been working with Council to address these failures, there is little evidence that Council’s overall performance is improving. The council managed to pass: Scale and Capacity (based on population), and Efficiency (by claiming they would become More efficient in the future). Fulfilment of these minor criteria has no contribution to effective management. Council has often claimed that it would be a retrograde step for an administrator to be appointed – this is not borne out by other councils that have been in this situation.

Loans. Despite not being able to pay its bills now, Council is pursuing loans and grants – for example \$6M for a refurbishment and extension to the Grafton Regional Gallery. Council is also proposing upgrades to Holiday Parks for around \$16M, which will probably include loan funding. Neither of these projects has solid community support.

Amalgamation. The present Council is a result of a NSW government forced amalgamation of a number of smaller councils. One of these, Maclean Council, was operating very successfully. Prior to amalgamation, Maclean Council was fully functional and financially healthy, to the tune of over \$3M dollars in the bank. There is a feeling in the community that we should divide back to the old pre-amalgamation components, and allow the lower river to conduct its business without the Grafton component that seems to be becoming more disfunctional.

The Council seems to be Grafton-centric – with the Regional SuperDepot, a Regional Gallery, Regional Library, Regional Swimming Centre, Regional Airport, and Regional Playground. These facilities do not pay their way from ratepayers. With the closure of the Visitor Information Centre, there is even less likelihood that tourists would explore or use these facilities.

The CVC is the largest area of all the coastal councils – and previous council structures meant that individual councils could be responsive to their own area of operations. With the completion of the SuperDepot, more Council services will be centred in Grafton, with considerable extra costs involved getting services out to the community. The cessation of the forced amalgamation program elsewhere would seem to indicate that the Clarence Valley should be given the opportunity to return to at least a two council structure.

Yours sincerely

