



2 March 2016

IPART  
Application for Special Rates Variation  
PO Box K35  
HAYMARKET POST SHOP  
NSW 1240

Dear Sir,

**Clarence Valley Council  
Proposed Rate Increase  
Proposed Special Variation – Rates increase of 6.5% (5 Years)**

As you would be aware the Clarence Valley Council has applied for a Special Rate Variation of 6.5% (37% over a 5 year period) on the grounds that it needs the additional revenue to comply with the benchmarks set by the State Government's "Fit For The Future" initiative.

By way of background information Clarence Valley Council was formed in 2004 as the result of a forced amalgamation of four general purpose councils, a water supply Council and a Flood Mitigation Authority. The four general purpose councils were:"

1. Copmanhurst Shire Council
2. Grafton City Council
3. Pristine Waters Shire Council
4. Maclean Shire Council

At this time Maclean Shire Council was the only Council which did not have a budget in deficit.

The new Council (Clarence Valley Council) has continually increased its deficit since amalgamation despite assurances every year for 10 years that the problem with the Budget was being addressed and "good times were ahead" due to the dedication and excellence in performance of the management team.

An increase in Council rates would not improve this Council's performance as the problems are not due to a shortage in revenue but are due entirely to total incompetence in management and a lack of expertise in all functions of a regional council (engineering works, planning matters and financial management). I could detail numerous examples of mismanagement in planning, engineering and the general administration of Council's activities but they are too numerous for this submission.

The management team and the majority of Councillors consistently demonstrate their incompetence. They lack the expertise and competence to administer a simple cafe lease in the Grafton Art Gallery let alone a local government area of 50,000 people. If this Council was a private corporation it would have been in receivership 7 years ago.

I can give two examples which are symptomatic of this Council's incompetence –

1. The reconstruction and resealing of 800 metres of existing road. The estimate for this reconstruction was \$325,000. The cost in May 2015 was \$534,158 ie \$209,158 or 64% over budget. This project is now completed however the final costs are not available.
2. The beautification of a park in the town of Maclean. A budget of \$1.3M was voted by Council and a consultant was engaged to prepare a plan which was submitted for public consultation. This plan contained nothing that the community wanted and the cost was well outside the amount budgeted.

This ongoing saga commenced in 2010. There have been four plans from four different consultants at a total cost at 29 September 2015 of \$283,000 or 22% of the budget figure for construction. At the date of this letter no work has commenced and Council continually ignores the wishes of the residents of Maclean.

Clarence Valley Council pays scant regard to the principles it espouses and its community consultations are simply to enable a box to be ticked. "Public consultation" to this Council is merely a tool to create the impression that community input is considered before a decision is made, however previous submissions to Council have been dismissed out of hand as being "emotional", "parochial" and not containing correct information.

These two examples are not one-off's, they are symptomatic of all Council's activities and it has been indicated by some Councillors and concerned members of the public that they have great difficulty in obtaining information from the General Manager on the costs of consultants. The excuse being commercial or legal sensitivity.

Hundreds of thousands of dollars are wasted each year on proposed impractical projects that have not eventuated and are not likely to. The most recent aberration being the construction of a super Council Depot next to a High School in a residential area. The preferred site being a former polluted sewerage treatment works depot and near the flight path of the South Grafton aerodrome. Estimated cost \$17 Million.

There are numerous other examples of incompetence and I have attached letters from concerned residents giving some details of other areas of maladministration. One letter is from the former City Engineer and another from a former Councillor. The information in these letters is accurate and objective.

The Clarence Valley Local Government area has a large number of residents who are either pensioners or whose average income is almost half that of the national income. 30% of these residents are pensioners and 15% are self funded retirees whose disposable income is reducing each year because of low interest rates and a volatile Stock Market. These people cannot afford to pay increased rates, the existing rates are already excessive in comparison to service delivery to residents in other Local Government areas throughout the State.

I would request that you consider this information when assessing the special rate variation.

I was employed in the Local Government industry for 35 years and for the last 8 years I have worked as a consultant on rating and financial matters for various Councils throughout the State.

This submission is not made with any malice intended, but I am of the opinion that this Council would have to rate as the worst I have experienced regarding public consultation, secrecy in the provision of financial matters and a festering culture of intimidation and bullying of staff by management.

I would again stress that the Council's problems are not caused by a lack of revenue but by sheer incompetence at every level of management.

Yours faithfully

A solid black rectangular box used to redact the signature of Chris Clews.

Chris Clews