

Objection to Special Rate Variation Application by the Clarence Valley Council

I wish to lodge my strong objection to the Special Rate Variation application which has been submitted by the Clarence Valley Council. The reasons for my objection are as follows:

1. Ratepayers in the Clarence Valley do not have the ability to pay the 8% pa SRV (plus normal annual rate peg increases) for each of 3 years. The Clarence Valley is one of the lowest socio-economic areas in NSW thus many ratepayers simply do not have the ability to pay such huge increases in rates.
2. The Clarence Valley Council has not demonstrated that the proposed SRV will result in longer term financial sustainability and viability, and has not ruled out the need for further SRVs after 2020-21.
3. The Clarence Valley Council has not demonstrated a genuine, serious and real commitment to rectifying its financial position. Some examples to illustrate are:
 - a. Large organisations and corporations with unviable and unsustainable cost structures normally review their staffing structures and undertake serious staff reductions as one of the initial significant steps towards generating improvement. Clarence Valley Council has indicated they are to reduce staff positions however it is unclear what this reduction will be as figures such as 23.9 EFT, 24.5 EFT and 27 EFT have been mentioned in various Council documentation. What does this indicate: Council itself is unsure of what staff reductions will occur; and, given Council has admitted some of these positions have been vacant for some time, the real financial savings from these reductions will not be as great as Council would have us believe. However the most important point I wish to make is that irrespective of which of these EFT reductions figures is correct, they only represent, at most, a 4.9% reduction on the Council's employment statistic of 550 EFT staff. If Council was genuinely serious in respect to its commitment to be fit for the future it would be looking at a significantly greater reduction than that which is currently indicated.
 - b. The expenditure of \$22m to construct a 'super depot' in Grafton at a time when the Council was (and remains) financially unviable. If the Council was genuinely serious about proving to be fit for the future and pursuing longer term financial sustainability and viability, it would have delayed this project until such time it was in a better financial position.
 - c. Council's communications with ratepayers regarding the SRV has not included the provision of strategies for longer term financial sustainability and viability, including how it intends to reduce the \$120m+ in loans it currently has. This failure is a clear indication that Clarence Valley Council is incapable of, and/or simply not interested in, achieving longer term financial sustainability and viability, and simply expects ratepayers to continually pay higher and higher rates to cover their incompetence.
4. The Clarence Valley Council's 'genuineness' in consulting and communicating with ratepayers is highly questionable. Examples to illustrate include:
 - a. Council asked ratepayers whether ratepayers considered it important for Council to be financially sustainable and viable. What ratepayer in their right mind would not consider this as important. Instead of using the 87% positive response to this question as support for their SRV application, Council should be asked why it even bothered to ask this question and given it did ask the question, why didn't it receive a 100% positive response
 - b. Council provided a rate estimator on its website and encouraged ratepayers to input their property details to see what the impact the SRV would have on the ratepayer's rates. When my wife did this and then communicated the results to illustrate and substantiate our concerns re the huge impact the SRV would have on our rates, one councillor, who had been pushing the SRV and the use of the estimator, refused to accept the estimator's results and accused my wife of 'fudging' the figures. My wife provided this councillor with our property details and suggested he

input the details himself to verify she wasn't fudging the figures. His response was to refuse any further communicate with my wife on this matter.

- c. Media releases in the local press included statements attributed to one of our councillors in which the councillor claimed the impact of the proposed SRV was minimal and presented a \$19 - \$50 per annum figure to substantiate this view. Further analysis of this figure has shown that the average figure quoted was an average figure calculated over 10 years. If the Council was genuine in its communication with ratepayers, they would use an average figure which related to the 3 year period to which the proposed SRV applies and not a period 3.33 times as long – which obviously significantly reduces the average yearly \$ impact of the proposed SRV and thus is quite misleading.

In conclusion, I do not believe the current Clarence Valley Council has the capability to move towards longer term financial sustainability and viability. This indicates consideration should be given to the suspension of the Council and the appointment of an Administrator with the objective of moving the Council in the required direction.

Thank you for your consideration of the above.

Ross Wilson

