

From: Touie Smith Snr [REDACTED]
Sent: Saturday, 27 February 2016 12:31 PM
To: IPART Mailbox
Subject: 290216 IPART submission SRV.doc

29/02/16

Independent Pricing and Regulatory Tribunal of NSW-IPART
PO box Q290
QVP Post Office
NSW 1230

Dear Tribunal Members,

I wish to provide reasons why any application by Yass Valley Council to have a Special Rate Variation should be rejected.

Attached you will find a letter to the Treasurer, Hon Gladys Berajiklian, from a ratepayer of Yass Valley, [REDACTED]. It espouses accurately Yass Valley's predicament and offers ways to fix things. [REDACTED] gave his permission to use the letter and I concur with all that it says and see no point in my letter going over the same ground. (see copy)

I would like to concentrate on different reasons why you should reject Council's latest SRV application.

What I hope to show you is where Council has failed in its public consultation and used subterfuge along with misleading advertising, ending in an invalid resolution by councillors.

Council has had multiple attempts for an SRV at community level over the past two years. The first began back in December 2014 and was emphatically rejected by the community as shown by the press. (see copy attached) Essentially, Council failed to show that it had looked at ways of reducing costs and waste and saw rate increases as their only plan.

Not to be deterred Council came straight back with the NSW Governments catch cry, "Fit for the Future" and engaged a contractor for \$40,000 to run fit for the future workshops as the business model that might work. This outsourcing strategy was seen by the community as waste and as an example of what was wrong; that is, another PR stunt but no plan for recovery.

Council once again was not prepared for an open conversation but rather a sales pitch from a salesman. The outcome was no vote from the workshops and community concerns at community meetings falling on deaf ears. The name of the game was merely to show IPART that Council had fulfilled its community consultation obligations.

In June 2015 after all the dust had settled Councillors resolved to apply to IPART for a 6% increase year on year for five years SRV on top of the rate peg.

Then in August we see,

Minutes of the Ordinary Meeting of Council held on 26 August 2015

RESOLVED that

1 In recognition of the additional \$1.88M in Roads to Recovery funding received for the next 2 years, consideration of the implementation of a special rate variation be deferred until September 2016 by which time further information will be available in regard to projected efficiency savings;
2.Council advise IPART accordingly of Council's decision.(Needham/Daniel

This decision showed that Councillors had changed their minds and, at the time, thought that council had enough funds, so there was no need for a rate rise.

Then IPART put out its findings which showed that **Yass Valley Council was not fit for the future.** This created panic at council and the advising of IPART of the rate increase has been used widely by Council as the reason they were found unfit

Then at the October Council meeting we see a resolution that restarted an SRV application for 2016/2017. IPART findings were used to support the restart.

Then in November we see,

Minutes of the Extraordinary Meeting of Council held on 18 November 2015.

General Manager Report 3.1

CONSIDERATION OF SRV DOCUMENTS FOR EXHIBITION

Had IPART not returned an unfit verdict the August decision would have stood.

And so began the mandatory community consultation with the bean counters ever present ticking boxes and taking details of those who attended. All this happened during December and January.

To date, all I say might sway a reader but provides a story rather than a actual reason why Yass Valley Council's SRV application should definitely be rejected. The following lays out how deception and lack of meeting procedure has cumulated in an improper resolution and thus a flawed application to IPART.

As is Council's way things were left to 11th hour.

Rather than an advertised extraordinary meeting of Council with the topic clearly stated as shown below for the 18th of November:

YASS VALLEY COUNCIL NOTICE OF EXTRAORDINARY MEETING OF COUNCIL AGENDA

1. Apologies /Leave of Absence

2. Declaration of Pecuniary Interest s/Special Disclosures/Conflict of interest

3. Special Rate Variation –documents for public exhibition

we then see Council take a different tact.

In the local newspaper of February 3rd we see advertised a “Special Planning Meeting” for 3pm of Wednesday the 10th of February. This was also advertised on the Council home page.

A reader would expect that such a meeting would entail discussion of planning matters, DAs and/ or matters surrounding development and such

There would be no reason to suspect that a planning meeting would be about anything else but planning and so SRV interested community members went along with life with no reason to look at what the actual agenda 5 clicks into the website actually said. A check of all so called “Special Planning Meetings’ going back years shows all such meetings had a majority of actual development planning matters. The meeting of the 10th of February has only SRV and related matters.

Minutes of the Special Planning Committee Meeting held on 10 February 2016

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After the 10th the word spread that Council had resolved an SRV application. Community members felt they had been ambushed.

The advertising of the meeting, aside from not disclosing the true purpose, also did not say that the meeting was a committee meeting and has forgotten about the difference in the guidelines to be followed.

Council had decided not to call the meeting an “**EXTRAORDINARY MEETING OF COUNCIL**” as in November, not a “**SPECIAL PLANNING MEETING**” as advertised but a

“**SPECIAL PLANNING COMMITTEE MEETING**”.

As a bit of background the previous “**Special Planning Committee Meeting**”, as per the Council website, was on the 14th of May 2014 where aside from planning matters the General Manager was offered a new four year contract and we found out later that that

this extension of his existing contract came with a \$32,000 pay increase. There was no reason to look, if interested in management salary contracts, as it was a planning meeting and the General Manager had 2 years left on his contract. The disclosure of the details of this contract have been a source of questioning since as the details have never been disclosed as per the General Director's Guidelines and we ratepayers still wonder the reasons.

Contrary to the 14th of May 2014, the meeting of the 10th of February 2016 had zero planning matters on the agenda nor discussed any, so to call it a planning meeting is deceptive even if it is a twist within some guideline.

A read of the Meeting Code of Practice tells that the minutes of a previous Special Planning Committee Meeting must be attended to as part of the meeting's procedure.

54.2

As soon as the minutes of an earlier meeting of a committee of Council have been confirmed at a later meeting of the committee, the person presiding at the later meeting must sign the minutes of the earlier meeting.

I have some confusion as to the words, "a meeting of the committee". This begs the question as to when is a committee the committee. Council's long term habit of advertising a 'Special Planning Meeting' and then calling it a "Special Planning Committee Meeting" compounds the confusion. The question of when the minutes of the meeting need to be tabled is paramount. Is it the next Special Planning Committee Meeting or the next Council meeting?

Council is also showing a lack of transparency by not including the word "committee" in both agenda and minutes of the May 2014 and February 2016 business papers.

My research and a read of 54.2 tells me that it is the next committee meeting is where the minutes should be tabled and as such the minutes of the Special Planning Meeting of the 14/05/14 were not tabled at the Special Planning Meeting of the 10/02/16.

Now maybe I have it wrong and the next Monthly Council meeting is the next "meeting of the committee" which then concludes that the minutes of the April Council Meeting in 2014 should have been included in the Special Planning Committee Meeting of the 14th of May 2014. It then follows that the minutes of the December Council Meeting 2015 should have been included in the Special Planning Meeting of the 10th of February 2016.

Either way may be right but Council has not followed meeting Guidelines as both can't be right.

The meeting of the 10th of February must be seen for what it is. An attempt to put through another unpopular matter without community awareness by:

- Incorrectly naming of a meeting purpose.
- Omitting detail of the purpose of meeting in advertising.

- In the rush forgot to run the meeting according to the Code of Meeting Practice guidelines.

The Application to IPART for an SRV is not valid. It has not passed the community consultation test and certainly has not passed any transparency or meeting procedure test. The whole process has been dodgy, and. requires investigation. Members of the Fit for the Future workshops and community members should to be interviewed to provide confirmation.

I therefore ask that Yass Valley Council be handed back its application stamped “INVALID” and be told that if it wants to apply for an SRV it must follow the proper inclusive process and meeting procedure..

It is hard to believe the advertising of the NSW Government regarding “Stronger Councils” as to how the Government is fixing the problem as it states the fix will lower rates which flies in the face of what Yass Valley Council is doing.

It defies logic when Yass Valley Council suspended its rate rise then resurrected it and then named the IPART, Fit for the Future initiative, as the sole reason.

It further confuses us ratepayers when we see,

- Initially council unwilling to clarify as to whether they were asking the community to agree to a single 5 year upon year rate rise in one application or a 5 year rate rise with an application for each year.
- Council holding over \$8,500,000 of “strategic “ land purchases and as recent as last September diverting ratepayer monies destined for roads, bridges and such to pay out loans for purchases five years ago.
- As part of the FFTF process Council strangely finds it has 19 bridges that are in disrepair and requiring urgent attention.
- Council puts load limits on bridges in disrepair with major impact on stock and produce from farms plus currently fire trucks are unable to legally access fires in an emergency.
- There is a direct correlation between the monies diverted to land purchases and the lack of maintenance for over a decade.
- Yass Valley Council has mismanaged our money, paid over market prices, has not declared losses of around \$800,000 on one property and hidden loans from private sources by calling them “other” in their financials.
- Council has spent the \$8,500,000 on land purchases with no valuations at time of purchase and when last asked was unable to produce any valuation certificates. Council has also not adhered to the policy of 5 yearly asset valuations.
- Only talks of profits from sales or development of land purchases. As yet unable to show any return to the ratepayer.

- Council has wasted money on personalised number plates executive vehicles over a decade. It was not financial planning but embarrassing exposure that brought this practice to an end.
- Council is currently in breach of the Roads and Maritime Authority in regards to the “garaged address” of vehicles that are regularly taken home at weekends and overnight.
- All through the Fit for the Future spends money in the background on preparation for a new Taj Mahal of Council offices.
- In 2013-14 Council paid interest of \$1.286 million on total liabilities of \$18.041 million. Council should explain why it pays an interest cost of 7.13% in today’s low interest rate money market conditions.
- The list is endless.

To finish I would like to provide an example of how the promise to ratepayers of Yass Valley Council not enacting all of an approved SRV rate rise should they not need all the money in the future is hollow and just won’t happen. The following is the most recent example of the lengths that ratepayers have to go to get treated fairly once Council have the money.

(see flyer attached, Councillors need to Decide)

Initial requests to do the right thing were rejected and only when a few thousand flyers were put to the community did any sense of giving back what was not yours become possible. Councillors resolved to give the \$27,000 of refunds as shown in the minutes of the February 2016 Council Meeting. It will be interesting when the greater population see that Councillors also resolved to tack the refund amount onto next years rates. Not a good look considering they are asking you to give them more money and asking us to trust them. Not a good look if wanting to convince the community that Council will not to take it all if they don’t need it!!! Surely the \$27,000 dollars overcharge over two rating periods and refund pails into insignificance when asking ratepayers to cough up for an SRV increase.

Our Council cannot be trusted with a five year, near 40% rate rise kitty and certainly cannot be trusted with a promise to not enact the full amount if not needed. History shows that they will spend all and still we will not be fit for much at all. Please reject their application.

I have also provided a complaint to The Office of Local Government in Nowra regarding the meeting procedure anomalies of Yass Valley Council and have used as support some of this document. You may wish to get their view?

Touie Smith snr

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████████████████████

COUNCILLORS NEED TO DECIDE?

25/01/16

To Councillors Abbey, Burgess, Butler, Daniel,
Frost, Jones, Mc Manus, Needham, Ware.
Yass Valley Council
209 Comur St
Yass NSW 2582

Dear Councillors,

I find it difficult to understand why Yass Valley Council has not followed a common sense approach and the example put before it by the NSW State Government and refund an overcharge.

Back in October 2015 over 200 ratepayers, including us, received a re-valuation notice from the NSW Valuer General that was back dated to 2013. It showed a reduction in the land value. To us this meant that Council had overcharged us over a number of years as the wrong land values were used to calculate our rates. We took our new valuation notice to Council and were advised that no refunds would be forthcoming. Staff were advised that Council would receive a letter and such was sent on 08/10/15.

As luck had it, we and others received, out of the blue, in the mail from the Office of State Revenue a cheque and an explanation as to how Land Tax had been overcharged. This refund cited incorrect valuations and the subsequent backdating of the Valuer General's valuation as the reason for the overcharge and then the requirement by the NSW Government for the subsequent refund.

Research led us to find out that Yass Valley Council's implementation in July 2013 of its new LEP triggered the need for the Valuer General to revalue land that has been placed on Council's heritage list. Somebody made a mistake and it didn't happen until 2015.

On the 19/10/15 we provided to Council a copy of the cheque, supporting information and a letter suggesting that Council should follow the Office of State Revenue and provide refunds for the overcharges. Councillors should remember that we also provided you with all this information on the same day in the hope that you could provide guidance to staff. Any member of the community who received a new valuation in October should check it and ask for a refund. I also provided the same information to the Office of Local Government and sought clarification as to why one arm of Government acts in ways different to another.

There has been no response from Councillors only the response from staff via letter on 02/11/15.
"The matter related to revaluation of heritage properties by the Valuer General is being investigated and it is planned to report to Council when all relevant information is available".

The response from the Office of Local Government on 11/12/15.

Subject: Refund of Rates for Heritage Land Value – Yass Valley Council

Mr Touie Smith Snr

Dear Mr Smith

Thank you for your emails of 19 and 29 October 2015 about a refund for rates imposed by Yass Valley Council on your property which has a backdated revaluation to reflect heritage status from 2013, and I apologise for the delay in providing you with this response. I have noted your concerns about the delay in the new land valuation reflecting heritage status.

I have been advised that the heritage status of your property is on a local list. The Local Government Act 1993 (the Act) is silent on the issue of a council having to amend the calculations of rates or charges relating to prior years. Similarly, there is no reference in the Act to the legal obligation on a council to make refunds relating to previous years. Nor does the Valuation of Land Act 1916 provide for backdating a refund of rates due to a delay in updating land values in this

circumstance. As a result, any refunds made by Yass Valley Council would generally be at Council's discretion and therefore a matter of negotiation between yourself and Council.

Under the circumstances I suggest that if you have any further concerns that you continue to pursue the matter with Council, possibly by writing to the General Manager or your local councillors. As members of the governing body, the councillors have a responsibility to review the performance of Council and its delivery of services, and revenue policies of Council.

If the matter remains unresolved, you may choose to seek and be guided by your own legal advice.

I hope this information is of assistance, and I regret we are unable to assist you further with your concerns.

Yours sincerely [REDACTED]

**Acting Director, Investigations and Performance
Office of Local Government**

By now Councillors may or may not have "**all the relevant information**" from council staff but [REDACTED] has provided an insight into what the NSW Governments position is. **Put simply the rules are that there are no rules.** Councillors need to provide a policy.

Based on [REDACTED] advice this creates a unique opportunity for Councillors to show us, the other 200 or so ratepayers currently out of pocket and the wider community how Councillors approach a problem when no rules exist. There are no constraints of regulation or anything to stand in the way of a vote at the February Council Meeting now that Councillors have the information required.

What is asked is that this vote be in the open session of Council so that all in the community can be provided with an insight of how our Councillors determine a community standard knowing that the shackles of a rule book no longer apply.

To date the focus for Yass Valley Council to be Fit for the Future has largely been financial and IPART, Premier Mr Baird and the Minister for Local Government Mr Toole, have been provided with all sorts of facts and figures financial about Yass Valley.

So that those in the NSW Government and the community can get an insight into the heart, soul and decision making by Yass Valley Councillors I am providing them with this letter and will provide them with the outcome.

A financially sound Council is important, but not at any cost. The current push to increase our rates by nearly 40% over four years may put Council in the black but those of us at the bottom of the revenue pile will be left gutted by such an increase. The Councils sales pitch of not necessarily applying these higher rates becomes difficult to believe if something like refunding an overcharge is so difficult to imagine.

We possibly get gutted again if mistakes are made on this higher rating figure if Council bears no responsibility for any rating mistakes that result in overcharges.

Council will end up rolling in money when the extra rates on top of the peg rate increase, promised efficiency savings and the millions in Federal and State grants add up to a revenue overshoot.

ie : last week \$720,000 for bridges announced by Angus Taylor plus add in things like electricity, vehicles, fuel, leasing and interest all cheaper.

Council elections are in the wind and this is a perfect platform for all to see the fibre of all or any current candidates. A perfect chance for any potential candidate to comment also.

So Councillors, staff initially say Yass Valley Council keeps the money but now a report is on the way. The Office of State revenue obviously thinks refunds are in order and the Office of Local Government thinks the rules say that there are no rules and it is up to those elected. This is you.

An open Council meeting is the appropriate place for decision making and February is the appropriate time. Please do not disappoint. We value your opinion and the Australian "fair go".

[REDACTED]

The Hon Gladys Berajikian MP
Treasurer
(E) office@treasurer.nsw.gov.au

Dear Treasurer

The purpose of this letter is to recommend that you (i) reject Yass Valley Council's request for a Special Rate Variation, (ii) appoint an independent 'company doctor' to investigate Council's operations and put it on a viable footing and (iii) legislate for the composition of Council to include some members appointed for their special expertise and experience.

KEY POINTS:

- ◆ There is nothing to be gained by amalgamating with another council.
- ◆ YVC's request for SRV must be denied.
- ◆ Instead, Council must show that it will reduce costs and reduce expenditure by more than the value of the SRV being sought.
- ◆ Council must accept the appointment of an outside, independent, experienced and forensic company doctor to recommend ways of making Council's operations more efficient to ensure financial sustainability. Council must NOT make the appointment but must implement all recommendations.
- ◆ Arising from the above recommendations, set measurable performance targets with costs and timeframes.
- ◆ Council must be restructured so that the 'board' consists of both elected councillors and appointed members with special expertise and experience.

NO GAINS FROM AMALGAMATION

The decision not to require Yass Valley Council to amalgamate with another council is correct. The problems in YVC are internal and would not be resolved by being inherited by a new, expanded administrative entity. Indeed, amalgamation would take the pressure off YVC to focus on its flaws and avoid taking responsibility for the necessary reforms.

Moreover, what limited independent, academic research has been conducted into local government amalgamations shows that there is little or nothing to be gained by being forcibly combined with other councils [*Local Government Amalgamation in NSW*, Centre for Local Government, University of New England, April 2010.] Greater gains in terms of targeted service delivery and greater cost efficiencies can be made from voluntarily sharing equipment, outsourcing more functions, bulk purchasing arrangements and so on, instead of being forced to amalgamate entire operations.

DO NOT PERMIT SPECIAL RATE VARIATION

The Special Rate Variation (= rate increase) being sought of 6 percentage points in excess of the rate peg would give Council some short term relief from its financial management problems, but would do nothing to overcome the malaise due to its operating expenses significantly exceeding its operating income. If a rate increase were permitted now it would take pressure off Council to face up to the causes of its problems and would eventually become built into Council's expected revenue stream. The temporary rate increase would

become permanent. It would also send a message frequently seen in the public sector that operating losses don't matter because eventually 'the government will bail us out'.

COST OF SERVICES SHOULD BE DISCLOSED.

It seems that there is no information on, or Council does not wish to reveal, what its various functions cost, so it is hardly surprising that Council is unable to identify where savings can be made in a way that has least impact on the quality of service delivery. Most ratepayers have anecdotes of Council's waste and mismanagement – idle 'workers' (due to poor organisation by management), idle equipment and so on. Council no doubt believes it can afford to turn a blind eye to inefficiencies and high costs in its operations because it feels no competitive pressure and no-one can find out what is going on. Given its quasi-monopoly position it seems to feel little need to deliver better value. I am aware that some councillors have sought information from within Council on costs and potential efficiencies but they have been denied this information.

Only Council would know (hopefully) where and how its operations can be made more efficient so, instead of simply asking for more revenue – the easy way – Council should explain to ratepayers and IPART with actual examples what it is doing to reduce costs and improve efficiency in its operations.

The cost items (as distinct from activities) listed in Attachment F of Council's submission for the SRV are of no use in explaining the reasons for them and the possibilities for reducing them. Council should be required to explain in detail:

- what each activity of Council costs;
- why each activity costs the amount stated;
- what capacity there is to reduce those costs; and
- some examples of where and by how much costs can be cut to improve efficiency in service delivery.

A similar problem with Council's submission is that there are pages of data (for example in Attachments A and C) projecting costs and revenues into the future, but there is no explanation of the basis for each one. The 10 year *Operating Statement – with SRV* is of no help in assessing Council's financial viability 2015-25 without knowing the assumptions on which each of the various income and expenditure items are based. For example, are the assumptions underlying fees and charges, employee costs, materials costs, energy and so on realistic? What are the quantities? What are the costs? Have these assumptions been tested? Is there any padding?

A very serious omission from Council's *Improvement Proposal* is any financial or performance audits of its major functions. Accordingly, without that information, it is not possible for ratepayers or IPART to conclude that Council is 'fit for the future'.

For reasons not explained by Council, the 2013-14 financial statements say that there is no audit of:

- the net cost of services;
- management of long term debt;
- management of internal loans;
- water supply operations;
- water supply financial position;
- sewage service loans;
- sewage service financial statement;
- management of infrastructure assets; and
- financial projections.

In order to assess Council's viability and prospects for the future it is absolutely essential that independent audits of these functions are carried out and made available to ratepayers for scrutiny. Council cannot credibly ask for an SRV without first showing that these functions are conducted efficiently and that ratepayers are receiving the best possible value.

It seems from a perusal of Council's submission Appendix A, Identified Projects 2013-2021, that substantial savings on an annual basis could be made by eliminating or deferring proposed expenditure. The 174 projects listed are a bit of a 'wish list'. They are obviously not all of equal priority. Some of the projects are essential and urgent, others are of lesser priority and could be deferred and a few could be scrapped altogether or reconsidered some time in the future.

In my view, over \$1 million could be saved in each of 2016-17 and 2017-18 by deferring or eliminating expenditure on identified projects. Are they all essential? Council needs a formal process to rank priorities according to greatest value to the greatest number of people and use that process to weed out expenditure proposals of lesser priority. Council must look more seriously at reducing costs along with lower-valued services, instead of raising rates.

An important test of Council's ability to make decisions which put limited resources to best use and promote the most efficient outcomes is whether it decides to require (i) the users of sewerage services at Murrumbateman to bear the full cost and (ii) the users of water supply to Murrumbateman to bear the full cost, instead of those costs being spread over all ratepayers. Pooling of costs sends a false price signal to the residents of Murrumbateman that sewerage services and water are artificially cheap, resulting in artificially high demand and over-use. This waste would not occur if the full cost of the new services were borne by the users. A tough decision politically, but necessary if Council is to be run on business-like lines and be viable in the years ahead.

Turning specifically to proposed expenditure of \$0.031 million in 2016-17 and \$0.157 million in 2017-18 for decontamination of the old saleyards site, there is no mention of offsetting that with the sale of timber and scrap steel. Moreover, there is no mention of that expenditure being offset by sale of the land for residential development. What other opportunities are not identified?

NEED FOR INTERVENTION TO IMPROVE EFFICIENCY

Council must accept the appointment of an outside, independent company doctor with highly developed forensic skills and proven corporate experience to go through every function of Council to control costs, make improvements in management and work practices, set priorities, eliminate waste and generally run the organisation as a successful business. That person should be tasked to go through Council with a fine tooth comb, beginning with finding out what every employee does, why and how much each function costs. NSW Treasury or the Office of Local Government should appoint that person. Clearly, it is vital that Council must NOT make the appointment, but must implement all recommendations.

MEASURABLE TARGETS WITH TIMEFRAMES AND FULL DISCLOSURE OF PERFORMANCE.

Most of the problems besetting Council are due to a lack of transparency of how decisions are made, cost of services, performance of key functions and a dysfunctional group of councillors. Council must be reformed so that it is capable of overcoming these problems. It must be statutorily required to set measurable targets with timeframes and full disclosure of costs and performance of service delivery.

NEED FOR COMPETENT COUNCILLORS

Many of the problems besetting Council would not arise if councillors had the ability to carry out the responsibilities of members of a board. As it is, they clearly do not understand their role in setting priorities, questioning the actions of staff and ensuring that Council operates on business-like lines. They do not have the background, training, experience or personal attributes to do the job.

I saw an ominous signal of councillors' failure to understand their role but avoid scrutiny when, with two exceptions, they declined to answer some key questions which I asked them in 2012 just after their election to Council. My letter to all (then) newly elected Councillors is reproduced below ...

Congratulations on your election as councillor for the Yass Valley Council. The new council seems to have a good spread of experience and new blood and, hopefully, the balance of attributes that will ensure that it carries out its role with excellence for the benefit of the Yass community.

The effectiveness of the council depends crucially on its relationship with ratepayers (who pay the bills and to whom councillors are accountable) and accordingly I would be grateful if you could give careful thought to the questions below and let me know your response. Essentially my questions relate to the objectives of the council, responsibility for ensuring that those objectives are achieved and accountability for performance.

- 1. What are the three main things you want to achieve during your term as councillor and why are they important?*
- 2. How will you go about achieving them?*
- 3. How will you know if you have achieved your aims? That is, how will you measure whether you have been successful or not? What are the specific tests by which you will evaluate your own performance?*
- 4. What will you require of the senior staff of the Council?*
- 5. How will you assess the advice and opinions of the senior staff?*
- 6. How will you test the advice provided by the staff?*
- 7. How will you evaluate the performance of senior staff?*
- 8. Will you seek outside/independent advice? If so, how will you do that?*
- 9. Will you assess the performance of the Council as a whole? If so how and by what criteria?*
- 10. Will you assess the performance of the Council against world best practice? If not, why not? If yes, how will you do it?*
- 11. How will you report to ratepayers on your performance as a councillor?*

I appreciate your giving careful thought to these questions and look forward to your considered response. I wish you well in fulfilling your role as an effective councillor.

Yours sincerely



From their failure to respond to these questions, which go to the heart of their responsibilities, it is clear that they were out of their depth or thought that could evade

questioning. This failure has continued over their term as Councillors. They don't know how to ask questions, insist on answers or account to ratepayers for their performance.

They are easily 'snowed' by the General Manager as revealed by the ease with which he gained a salary increase in 2014. Although the apparent non-compliance by Council with the relevant Director General's Guidelines on the appointment of general managers was brought to Council's attention on several occasions, Council was not willing to disclose the reasons for such non-compliance or the reasons for the General Manager's pay increase. Moreover, there is no record – oral or written – of Council ever having considered, let alone disclosed:

- the reasons for the General Manager's pay rise;
- if it was consistent with Ministerial guidelines;
- how the pay increase was funded;
- what productivity improvements were required of the General Manager to justify the pay increase;
- what measures are being used to evaluate the performance of the General Manager and
- if an independent review of the General Manager's performance has been conducted.

This matter does not reflect on the General Manager but on the competence of Councillors and the climate of unaccountability pervading Council.

Council is dysfunctional because of confusion over objectives, lack of board experience, pursuit of personal interests, internal dissension and the fact that – with a couple of exceptions – the General Manager reports to incompetent and ineffective Councillors.

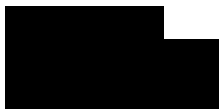
Moreover, Councillors are more intent on protecting themselves from scrutiny or seeking political advantage than improving the efficiency of service delivery. Two Councillors have told me of occasions when they have sought information from the General Manager at Council meetings but the majority of Councillors have voted to block questions on the matters raised, lest they cause embarrassment. The denial of information relevant to Council activities means that Councillors cannot carry out their statutory responsibilities on behalf of ratepayers.

Given the political nature of council elections it is clearly not possible to avoid some Councillors being elected on the basis of populism rather than attributes for sound governance. Accordingly, given that Council must be run on business-like lines in order to deliver services efficiently to ratepayers and to be financially sustainable, there is a very strong case for the composition of Council to be restructured so that the number of elected councillors is reduced to 5 and the remaining 4 consists of appointed councillors with special qualifications and experience (eg. finance, corporate governance, business management, project appraisal), with runs on the board in the corporate world.

I would be pleased to discuss this, and the other matters raised, with you further.

I have written in similar terms to your colleague the Minister for Local Government.

Yours sincerely,

A black rectangular redaction box covering the signature of the sender.