

-----Original Message-----

From: William Day [REDACTED]

Sent: Wednesday, 14 February 2018 12:32 PM

To: IPART Mailbox

Cc: [REDACTED]

Subject: Application (currant) for SRV by Clarence Valley Council

Dear IPART

Just 2 years ago Clarence Valley Council (CVC) applied to IPART for a Special Rate Variation (SRV) because their dire financial position had seen CVC classified as "unfit for the future" by the NSW Department of Local Government (DLG) and their main remedy was to seek a boost to council income from rates.

CVC had a history of mismanagement which included project after project that went massively over-budget, plus increases in staff levels that destroyed any potential efficiencies that the 2004 amalgamation of local councils had created. To support this previous SRV application to IPART, CVC had run a local community consultation campaign which was skewed to try to reflect community support for a SRV.

IPART assessed the situation and, rather than grant CVC their application for a multi-year SRV which would be permanently retained in their rating system, IPART granted them a modest one-year SRV which was extinguished after that year.

IPART obviously considered that this decision would allow CVC to put their house in order without placing a permanent burden upon CVC ratepayers. I believe it was also a clever trial of CVC, by IPART, to see how CVC would respond to this extra financial assistance from their ratepayers and to see how CVC would amend their staff structure and their management systems for the future.

The total failure of CVC to respond positively to this challenge can be judged by the fact that here they are again, just 2 years later, with a similar SRV application.....plus a track record that is even worse than their performance of 2 years ago.

The CVC South Grafton works depot project is a local joke. They took a vacant block of land that had been a CVC sewerage department asset, adjacent to a local school and, despite clear warnings from former council employees that it was an asbestos hot-spot, CVC didn't cap it and leave it.....they commenced major site works for a new works depot. To try to cover their incompetence, they paid for many millions of dollars of soil dumping and soil replacement by stripping money out of CVC sewerage fund reserves.

Other CVC projects such as a car-park for a supermarket over public land in Maclean plus the on-going McLachlan Park waterfront saga in Maclean clearly demonstrate that CVC ability to manage their own projects is an absolute disgrace and has not improved one iota in 2 years.

CVC efforts to sell off real estate as a temporary solution to cover their financial woes have also been disastrous. CVC had a "fire-sale" of buildings in Grafton where they rented them back with leases ensuring that the sale incomes will be exhausted by CVC rent payments in less than 5 years. The sale of the former Water Board building, over-looking the river in Maclean, for just \$550,000 created anger and accusations throughout the community.

Now CVC have closed the award-winning South Grafton Visitor Information Centre (VIC) and have resolved to sell this building and adjacent site. This entire site was sold for a nominal sum by the NSW Government to a local council in 1988, to be zoned for community use as a VIC (substantial government grants and community funding then helped build the VIC). Subsequent council spot-

zoning changes allowed a McDonalds restaurant to be built on a section of the site and the rezonings will now allow the entire site to be cashed in by CVC.

When this VIC was originally built, the NSW Government also approved council SRVs (levied only on commercially zoned land) to pay for the staffing of the VIC. CVC have advised that they will continue to collect this SRV and use it for other purposes. If the new SRV application is approved these local businesses will pay a new SRV on the previous SRV. CVC have now chosen NOT to honour conditions imposed on the 1990 SRV (that they still collect).....how long can they be trusted to honour conditions placed on a new SRV?

The VIC was managed for nearly 3 decades by a local industry board, which included council delegates, and it won numerous regional and State awards.....it was considered to be one of the best in Australia. In 2013 CVC sacked the industry board. CVC then (mis-)managed the VIC via their Economic Development Unit (EDU). The EDU has tried, unsuccessfully, since then to gain financial support from the local business community but the local industry has shunned them as the EDU tourism proposals have been without any business merit. The CVC now pays massively more for tourism services than at any time in the past and their results are pathetic. CVC claim that they have restructured and trimmed indoor staff levels yet their EDU consumes substantial ratepayer funds and makes little effort to measure the cost-effectiveness of their activities.

The over-arching management of local tourism services is now conducted by highly paid CVC senior staff who have no business experience, instead of the previous management by a voluntary board of leading local business operators.

The proceeds from the sale of the VIC have been resolved by council to go into a building reserve to cover-up some of the massive cost over-runs from their South Grafton works depot project.

Within our community, it is widely understood that CVC doesn't have an income problem.....they have a spending problem.....they are addicted to spending.....and this community cannot afford for it to continue. We have so many residents who are on fixed incomes and many already live below the poverty line. We are seeing a local infrastructure boom like we have never seen before (funded by State and Federal governments) with major highway upgrades, 3 major bridges and construction of the state's biggest gaol and the influx of outside workers is having a major impact on home rentals (not unlike mining boom towns). Particularly at the affordable end of the spectrum, local renters are struggling to find housing and a new SRV will force rents and living costs even higher in an area that has extremely high unemployment and very low average household incomes.

Despite this, CVC has just gone through the motions, yet again, when required by IPART to undertake "community consultation". They are only interested in ticking the box which asks "Have you undertaken community consultation?". I beg IPART to examine the substance of CVC "Community Consultation" ....their surveys have been statistically invalid - designed to spin answers in support of the SRV.....it really has been a blatant abuse of the process.

CVC have suggested that the new SRV will be offset by council freezing service charges (water, sewerage, garbage) at 1.5% per annum over the next 4 years. They fail to advise the community that these service charges are not subject to "rate-pegging" and at the end of 4 years the council cash reserves for these services will be at desperate levels (particularly the sewerage reserve from which they have just stripped millions to offset the soil issues at the South Grafton works depot). I have no doubt that in year 5 CVC may well revert to rate-pegging increases for the general rates.....but the services charges will go through the roof.....and there will be nothing that the community or IPART can do about it.

When local people have written to the Minister or the Department of Local Government complain about CVC issues we have been told to "use the ballot box".

At the last council elections the vast majority of candidates, including those who were councillors during the previous term, campaigned on a very clear "NO SRV" policy. Within weeks of being

elected all-but-one of the councillors, including the new Mayor, betrayed their constituents and voted to support a process put forward by staff to gain another SRV.

I have heard councillors cite a lack of responses to council, from the community, as evidence of widespread lack of concern about this CVC SRV application and I'm sure that CVC will convey this to IPART. The fact is that council's publicising of the SRV process has been absolutely confusing and pathetic. They dump one round of community responses (eg their shonky survey) and then expect a fresh return of emails from the community, and council staff don't then amalgamate and count all anti-SRV responses in reports to the councillors. Despite having a policy on acknowledging and answering emails and correspondence, council staff are often in breach of their own policy. The community is sick and tired of contacting council on numerous issues and having their concerns treated with contempt. I know that current anti-SRV petitions have received more than 5000 signatures and IPART should accept these petitions plus emails sent direct to IPART from local concerned citizens, rather than CVC spin on this vital issue. It will be interesting if IPART compares the number of pro-SRV emails you receive from this community, with the number of anti-SRV emails, plus signatories on petitions you receive. Even then, the anti-SRV feelings in this local government area will be massively understated as most people really don't understand the process and don't understand how to effectively convey their feelings.

We have only one place to turn to now and that is to IPART.

IPART set CVC a challenge just 2 years ago.....and CVC failed the test.....this dysfunctional council doesn't deserve to be rewarded.

I wish you well in your judgement of this SRV application and I trust you will make the best decisions for our community.

William D Day

