

## Objection to Coffs Harbour City Council application for increased rate rise

To whom it may concern,

Denise Knight (Mayor) and five other councilors are supportive of Steve McGrath (General Manager) to increase rates in Coffs Harbour.

My opinion is that the GM has clearly demonstrated his inability to manage his budget (even after 4 years in the role) i.e. the financial report for 2014 has the payroll budget as \$28 million compared to the 2013 actual of \$37 million and there is a clear anomaly here, especially when the current year 2014/15 is at \$33 million? He has failed to implement an action plan in all that time opting to increase rates as a solution and as the only way to "maintain" existing infrastructure.

Continual amendments appear for the budget ref Council meeting note for 12 Feb 2015 and Nov 2014 budget changes.

There are huge gaps in accountability for setting an accurate budget, controlling that budget and knowing where any costs are headed, then taking corrective actions.

The audit report fails to highlight the poor accounting practice and recommend any budget controls mechanisms - it all seems too easy to make excuses based on wage increases, wrongly allocated costs etc.

As a rate payer my concerns are and reasons for not supporting any increase are:

- 1. No containment and or reduction in costs i.e. wages; materials and contracts increase year on year.
- 2. Percentage of rates to ratepayer incomes is >1.44 % and growing in this low socio economic area.
- 3. TCorp benchmarking is against other councils and is, at best, 4 years out of date!!
- 4. Benchmarking should be against best practice in business and commerce not just councils.
- 5. Outstanding rates running at 6% which equates to \$2.3 million plus year on year please collect, even if curtailed to 3% that's an extra \$1million they would not be in trouble now. Business wouldn't survive with that amount of non-payment year on year.
- 6. The General Manager has been in the role for 4 years with no sign of improvement and yet still gets a salary increase and a bonus!
- 7. The management needs some meaningful KPIs which reflect safety, and clear improvement in financials.
- 8. There appears to be a clear lack of business acumen.

- 9. There are clear opportunities to be a more efficient organisation and there needs to be a change in management to one that has the capability to manage and lead.
- 10. The so called northern corridor expansion is not a burden to council as development is paid for by developers and purchasers of the land. Little or no maintenance would be required over the next 5 years.
- 11. Electronic and postal surveys dismissed as ratepayers don't understand the issues! That was councils viewpoint and undertaken to merely satisfy IPART.
- 12. This council will, as has done previously request further rate increases above and beyond to satisfy its own ineptitude.
- 13. This council must get back to basics and work on essential tasks that impact all the community not merely a few minority stakeholders that have non standard interests.
- 14. Increasing the rates above the norm appears to be the Councils sole approach and the easy option.
- 15. This council must prove it can manage the business.
- at the February 12th council meeting, put forward an argument for no increase, his key point missed by the majority of council, was that there should be no additional impost on the rate payer until the "Sustainability Strategy" was not only formulated (still not done), but implemented and outcomes shown after 12 months. Otherwise what is to stop council applying for yet further increases?
- 17. Council is already pushing for expenditure in an entertainment centre which is not necessary in these austere times when there are many other venues not fully utilised such as the Coffs Ex Services Club, Coffs Regional Conservatorium, Coffs Harbour Performing Arts Centre, Coffs Jetty Theatre to name a few. So we can expect yet another additional increase in 2 or 3 years time.
- 18. The financial strategy for future years as presented to IPART shows no sign of curtailment in expenditure on escalating costs.
- 19. I would like to go on a world trip and will appeal to my employer for a salary increase of 8% what you think his response will be!!
- 20. The request for an additional percentage to the rates is based on guess work at best.

Yours Faithfully,