

# **SUBMISSION**

**Prepared by**

Les McPherson

**For the**

Independent Pricing and Regulatory Tribunal

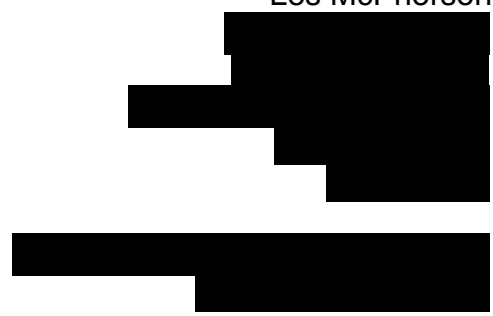
**In respect of**

Clarence Valley Council's Request for a Rate increase  
of 6 and a half Percent for 5 years

March 11, 2016

**Contact:**

Les McPherson



## Introduction:

Over the last twelve months the Clarence Valley Council have spent considerable amounts of money trying to convince the rate payers of the Clarence Valley that they need a rate increase of first of all 8% per year for 5 years then a 6 1/2% to be able to put our council into a better financial situation. **The major problem is the management of the council does not seem competent to manage the money they have already had and wasted.** This is supported by their appalling record of managing projects. Most of the council projects run over time and over budget , up to 150% above the budgeted cost. This is proving to be very frustrating for the rate payers of the area to see such waste and then be asked to supply more money.

## Support:

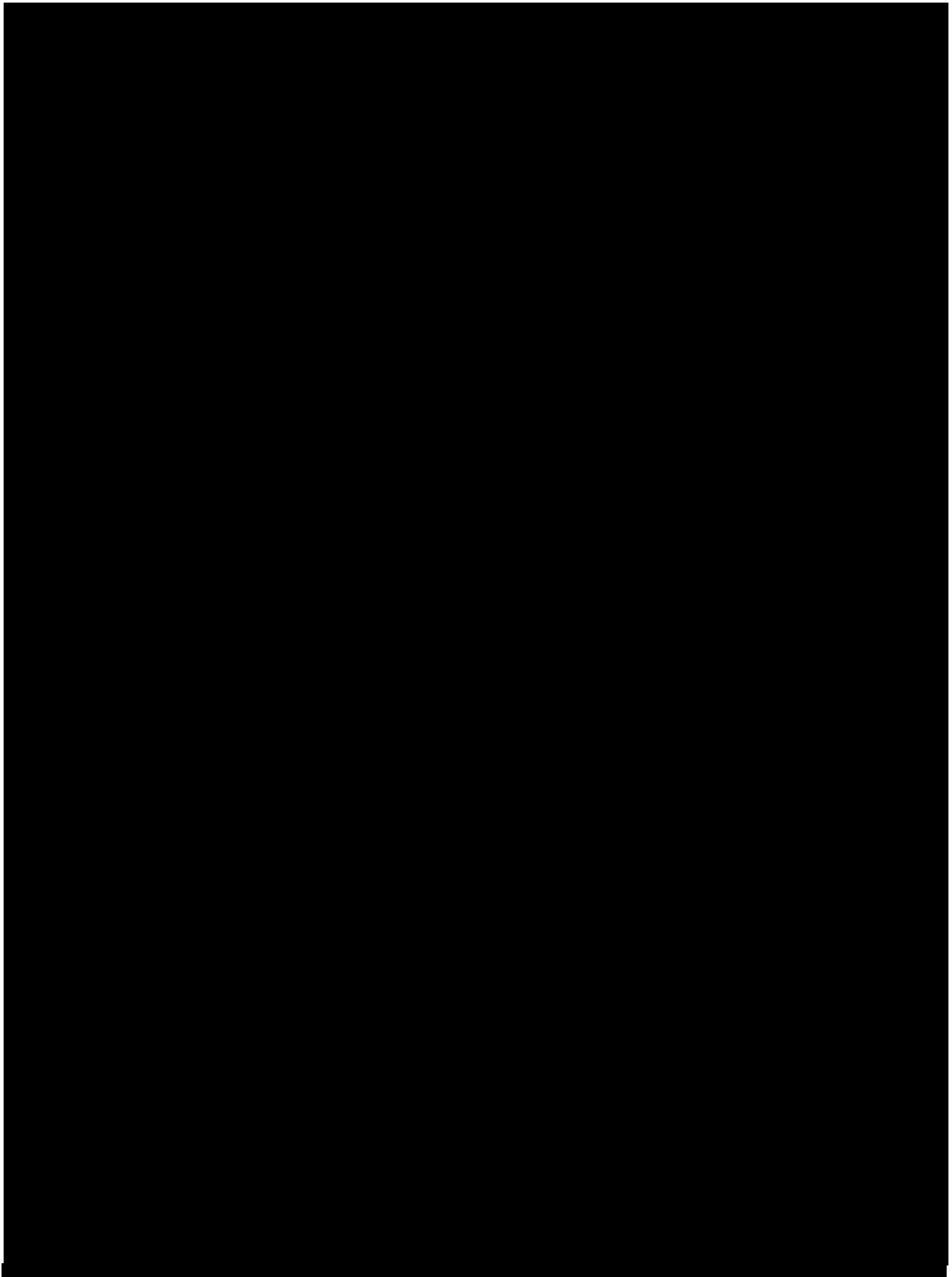
It is well documented in numerous letters to the editor of the local newspaper about the projects and how they have run over budget and take such a long time. There are also the current projects that have not been done as yet, but much of the money has been spent and not a single bit of construction done. Example: **Redevelopment of McLachlan Park in Maclean.** Another Maclean project yet to happen is the new supermarket development, has been on the books for years **NO DECISION.** If we look over the past several years we have seen a new Works depot in Maclean. **Scheduled to cost 1 million but ended up costing 2.6 Million.** South Grafton swimming pool required a new roof at a cost of approximately \$500,000, this was done but unfortunately the CVC engineers made some mistakes so it had to be done again. Then I see in the local paper today they have more work to do on the roof of this pool. CVC were I believe contracted by RTA to build a better junction to Seelands on the Gwydir highway. This took more than 18months and went way over budget. In the case of the Yamba Road construction the CVC engineers chose the incorrect road base material so it had to be done over again.

CVC are working on a new Super depot for South Grafton which I believe is supposed to combine all the other depots but Council management have not answered the questions asked by the public. See attached letter written asking the relevant questions which we would all like to know before we commit \$17million dollars to the project.

## Conclusion:

I feel IPART has to ask the council to look at finding the money elsewhere as in better project management of projects, reduced expenditure on external consultants. (Does not seem right to pay staff and consultants). Reduce loss making council ventures like the Grafton airport. Reduce the beaurocracy and get back to basics. Most people in the Clarence Valley feel the council is badly managed especially when they see the budget for the CEO and other staff members. They feel that they should be getting better management of rate payer's money. Attachment 2 is part of the 26<sup>th</sup> of November Council meeting which shows the disregard management have for rate payer's money.

**ATTACHMENT 1.** Letters to the Editor: Title - Where our money is going?



**ATTACHMENT 2**

Councillor Toms said she wanted to understand: “How all of a sudden we can find efficiency dividends; why haven’t we been able to find them without a special rate variation?”

**RW (Richie Williamson):** “I’m not sure if that can be answered – Mr General Manager?”

**GM (general manager):** “We have been operating in accordance with [the] processes we have in place; this is a [motion] to find [savings] – we haven’t had a resolution to find those in the past.”

Cr Baker asked for the GM to repeat his answer.

The GM said that no direction from councillors had been give to find savings. “Part of this resolution would be a direction to go forward and actually find those amounts ... and bring them forward for council’s consideration in March [as per the final decision],” he said.

**KT (Karen Toms):** “I’m a bit gobsmacked by that reply, especially considering just a few months ago we were looking for efficiency savings to fix up something that was missed [in the 2015/16 budget].” At this point, some