

Submission

In Response to the Special Rate Variation

by the Greater Taree City Council

by

Peter Epov

14 March 2016

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Introduction /About the Author

Peter Epov is an independent / unaligned Councillor elected in 2012 to the Greater Taree Council.

He is Chairman of the Manning Alliance a highly effective and nationally recognised and community advocacy group. Mr Epov has been a community advocate on a range of issue in the Manning Valley including Coal Seam Gas, Transgrid's proposed \$160 million high voltage transmission line project from Stroud to Taree (which was subsequently abandoned). The work of the Manning alliance was recognised through the Australian Story program; "Corridors of Power" 2014.

He created and implemented the Campaign for Better Roads and Bridges, which achieved a remarkable 21,000 petition signatures in 21 days from the Greater Taree City Council LGA. His petition advocated the restoration of disputed Commonwealth funding which was withdrawn after the change of Federal Government in 2013. Subsequently a new grant of \$10 Million was provided to the Greater Taree City Council for Roads and Bridges.

Before moving to the Manning Valley Mr Epov worked as a consultant for a number of top 100 companies, specialising specifically in Chinese joint ventures, sourcing and procurement from Asia.

Prior to turning to business, Mr Epov was a professional sports administrator, with specialisations in coaching, media, public relations and major event management.

He was National Coaching and Competitions Director of the Surf Life Saving Association (1981 - 85), during which time he stage major events as the Coolangatta Gold, and the Australia Games Event 'Australia V The World in Surf Lifesaving'. Mr Epov also coached the first ever Australian Mens' Volleyball Team that qualified and participated in a World Volleyball Championships (Argentina 1982).

Mr Epov was the 'expert volleyball' television commentator at the 1984 Los Angeles Olympic Games and also at the 1988 Seoul Olympic Games (both for Network 10). The 25 hours of live national television coverage from two successive Olympic Games, of the little known sport of Volleyball created the platform for the popularity that the sport now enjoys throughout Australia. Mr Epov was instrumental in the introduction of competitive Beach Volleyball in NSW and Australia (1988-92).

In 1985, Mr Epov published the Marketing and Public Relations Manual, specifically designed for Sport, Charties and Community Service Groups and Organisations.

1. Social Justice Principles

The purpose of a Social Justice Policy is to provide guiding principles for Councils to support integrated and equitable decisions and actions, particularly for individuals and groups that face barriers in accessing resources and opportunities.

Local government has a key role to play in creating a socially just, inclusive and sustainable Community. Creating a socially just, inclusive and sustainable community is one of the key components of **what is commonly referred to as the triple bottom line**.

Local governments should use social justice principles to shape their work and allocate resources within their control, in a way that supports social sustainability and social inclusion.

The Local Government Act 1993 states that Councils' long term community strategic plans must be based on social justice principles and address social issues along with civic leadership, environmental and economic issues.

a. Definitions:

- ❖ Social justice is about building a society that is based on the principle of fairness for all, that understands and values human rights, and that recognises the dignity of every person.
- ❖ Social inclusion is the opportunity for people to participate fully in economic and community life, to form and foster healthy, meaningful relationships and to develop their full potential and be treated with dignity and respect.
- ❖ Social sustainability is about communities that are equitable, diverse, connected and democratic, and which actively support the capacity of current and future generations to create healthy and livable communities.

The Application of Social Justice Principles to an SRV application.

Seven main principles should always underpin Council's approach to social justice and should be applied when considering a Special Rate Variation, as a rate increase may influence the entire community and have unanticipated and last consequences upon individuals, local communities and local economies.

These seven principles inform Council's actions to ensure they support the community, facilitate access to opportunities and build a fair and sustainable region.

1. Equity

Councils should be committed to fairness in providing services, distributing information, making decisions and distributing resources particularly for those in need, so all members of the community are aware and can benefit.

2. Participation and partnership

Councils should recognise the rights of people to contribute **to decisions that affect their lives** and should be committed to supporting opportunities for engaging in planning and decision making. Councils should recognise that working together with others produces better outcomes.

3. Human rights

Councils should recognise and support the basic rights and freedoms to which all humans are entitled. This includes civil and political rights; economic, social and cultural rights; and the right to be treated with dignity and respect, free from discrimination.

2. Recognition of Indigenous Australians

Council's should recognise and acknowledge the traditional owners of the land on which their LGA is situated and pay respect to Elders both past and present. This implies the provision of opportunities to participate in decision making and consultation and government.

3. Sustainability

Councils should be committed to assessing social, cultural, environmental and economic impacts of their decisions and actions on people today and on future generations.

6. Community strengths

Council's should recognise that all communities have strengths. Council's should value and utilise the benefits of strengths such as diversity and community connections in building strong communities.

7. Evidence based approach

Councils should recognise the importance of evidence based solutions. They should be committed to being informed about what does and doesn't work, based on research and the experiences of others. Councils should also be committed to monitoring and evaluating actions and strategies to ensure continuous improvement and effective and efficient service delivery.

The Greater Taree City Council does not have a Social Justice Policy.

The methodology applied by the GTCC to the current SRV application was rushed through, at five minutes to midnight, on the eve of Christmas 2015, despite being given clear and distinct advice that due care had to be taken to both inform the community; the rate payers and all relevant stakeholders of both SRV proposals. This advice was ignored, ridiculed and persons who spoke out were abused.

There was a deliberate campaign to down play the quantum of the SRV, the consequences and the opportunity for people to participate.

Within the LGA framework, particular target groups were not specifically recognised such as : older people, children and young people, people with a disability, people from culturally and linguistically diverse backgrounds, Aboriginal people, particular suburbs and localities that experience significant socio-economic or geographic disadvantage.

The GTCC methodology did not provide for access and equity and social justice principles and the particular circumstances of target groups that should have been integrated into Council's engagement, planning and decision-making processes to provide a whole of community focus and fair outcomes for all residents.

2. The NSW Ombudsman.

Relevant extracts from the NSW Ombudsman's Public Sector Fact Sheets to a Local Councils Application for a Special Rate Variation.

1. Frankness and Candour (Public Sector Agencies Fact Sheet 6).

What are frankness and candour?

Frankness and candour are not only about telling the truth, but also telling the whole truth. The dictionary definitions of 'frank'/'frankness' and 'candid'/'candour' emphasise being open, unreserved, outspoken, sincere, honest, straightforward, blunt and undisguised.

When does it apply?

Public officials are obliged by the law, codes of conduct and any applicable professional ethics to be frank and candid in the advice they give in the performance of their official functions, eg. to be honest, open and sincere.

The common law obligation of fidelity on all employees is also relevant in this context. The obligation of fidelity implies a duty in every contract of employment that the employee will act in good faith and will assist the employer by supplying information known to the employee which concerns the business and operation of the employer's business. The common law duty to obey the lawful orders of employers includes an obligation to answer questions about how an employee has done his or her work or what they have done during working hours. This implies a duty on employees to be frank and candid with their employer, and representatives of their employer.

Government policy

Government policy, which finds its most relevant expression in the codes of conduct adopted for government and by agencies, also supports frankness and candour in the giving of advice.

The Model code of conduct for NSW public agencies provides that 'fairness, impartiality and integrity' are general principles applicable across the public sector. It states that:

'The people of New South Wales have a right to expect the business of the State to be conducted with efficiency, fairness, impartiality and integrity. Public employment carries with it a particular obligation to the public interest. It requires standards of professional behaviour from staff that promote and maintain public confidence and trust in the work of government agencies.'

These principles are reflected in most public sector codes of conduct. Such codes emphasise fairness, honesty, integrity and impartiality, and that information provided by public officials should be clear to the intended audience, accurate, current and complete. As an example, the Code of Conduct and Ethics for Public Sector Executives states:

'3.2 Advice provided by executives to the Minister and Government should be frank, independent, based on an accurate representation of the facts and as comprehensive as possible. This includes setting up the advantages, disadvantages, costs and consequences of the available options and, where appropriate, recommending a particular course of action.' (emphasis added)

Codes of conduct also uniformly emphasise that the public must be able to trust public officials to put the public interest above their own private interests.

2. Transparency and Accountability. (Public Sector Agencies Fact Sheet 20)

The need for transparency and accountability

The Administrative Review Council has described the importance of accountability in the following terms:

Accountability is fundamental to good governance in modern open societies. It is necessary to ensure that public monies are expended for the purposes which they are appropriated and that government administration is transparent, efficient and in accordance with the law.

Public acceptance of Government and the roles of officials depends upon trust and confidence founded upon the administration being held accountable for its actions.

Proper accountability enhances public confidence in government and the public sector and helps to ensure that government is properly responsive to the interests of the people.

Public officials are accountable for their decisions and conduct to their supervisors, their agency, their Minister, to Parliament, and ultimately to the people of NSW.

Accountability systems

Internally, accountability is primarily achieved through having policies, practices and records that can be scrutinised by others.

Public officials must make and keep full and accurate records of their official activities. Good record keeping assists in improving accountability and provides for transparent decision-making. Records are maintained as evidence of business activities and transactions. This evidence, which comprises the corporate memory of the agency and its narrative history:

- enables the agency and its staff to meet legislative and regulatory requirements
- protects the interests of the agency and the rights of staff and members of the public
- supports better performance of business activities throughout the agency by documenting organisational activities, development achievements and facilitating consistency, continuity and productivity in management and administration
- provides protection and support in litigation, including the better management of risks associated with the existence or lack of evidence of agency activity
- supports research and development activities.

3. Bad faith, bias and breach of duty (Public Sector Agencies Fact Sheet 2)

Public officials are under an obligation to conduct their official duties in good faith, fairly and impartially. Failure to do so is likely to constitute misconduct involving bad faith, bias or breach of public duty.

‘Bad faith’ v. ‘good faith’

Public officials should exercise their duties in *‘good faith’*, and in the absence of *‘bad faith’*. *‘Bad faith’* raises issues both of fact and of law, and necessarily involves personal fault and improper motive. Acting in bad faith can include:

- dishonesty, fraud or intentional bias
- acting in the knowledge of a real or perceived conflict of interests
- inappropriate discriminating or an abuse of power
- knowingly acting beyond the scope or ambit of the power available to the agency or official, and
- corruption or other conduct with an improper motive or ulterior purpose.

‘Good faith’ requires and signifies an actual belief that all is being *‘regularly and properly done’*¹, and may be present even where the official has acted in error or irrationally. However, significant errors, repeated lapses in logical processes or an absence of reasonable caution or diligence may show a lack of good faith depending on context.

Acting in good faith means that a function is performed:

- honesty
- for the proper purpose
- on relevant grounds, and
- within power.

Good faith requires ‘more than an absence of bad faith. It requires a conscientious approach to the exercise of power’². The positive obligation of good faith on a public official is a common requirement in NSW legislation covering most aspects of public sector functions and duties as well as a pre-requisite for protection against civil liability for acts of omissions.

1 per Gummow J in *Cannane v Cannane Pty Limited*; *Cannane v Official Trustee in Bankruptcy as trustee of the Bankrupt Estate of Cannane* [1998] HCA 26 (7 Apr 1998) at para 101.

2 per French J in *Applicant WAFV of 2002 v Refugee Review Tribunal* [2003] FCA 16 (17 Jan 2003) at para 52.

‘Bias’

There must be equality of opportunity and access in the provision of all public services. An exception to this rule is according preference to people or agencies which comply best with a government policy. Such preferences should not, if legal, give rise to an imputation of bias or its reasonable apprehension.

A reasonable apprehension of bias is also damaging to the reputation and integrity of public sector agencies and officials. Public officials are under a positive obligation to exercise their power and functions in the public interest and not for the benefit of particular persons or interests. If members of the public are not able to understand a decision-making process or its outcome, they may question both the decision and ultimately the decision-maker, including the influence of inappropriate or extraneous considerations or any attempt to ‘cover up’.

One test for apprehension of bias is ‘whether a hypothetical fair-minded lay person, properly informed as to the nature of the proceedings or process, might reasonably apprehend that the decision-maker might not have brought an impartial mind to making the decision. In deciding the issue, the court determines the issue objectively’³.

The more information that is publicly available about how decisions are made and on what considerations, the less likely it is that there will be any objective basis for a reasonable apprehension of bias.

3 per McHugh J in *Hot Holdings Pty Ltd v Creasy* [2002] HCA 51 (14 Nov 2002) at para 68.

Breach of duty

Public officials should perform all their duties to the best of their abilities. A breach of official or public duty is distinguishable from a breach of a duty of care under tort (negligence) law. It incorporates unlawful, unauthorised or partial conduct or an intentional failure to perform a mandatory duty. It also requires an active intent and improper motive on the part of the official. It may, in more serious cases, amount to corruption and will in all cases constitute maladministration.

The main difference between bad faith, bias and breach of duty as against conflict of interests relates to motive – a conflict may occur in the absence of specific intent or of any actual wrong conduct, whereas acting in bad faith, with bias or in breach of official duty requires intent as well as misconduct.

4. Maladministration (Public Sector Agencies Fact Sheet 13)

The word 'maladministration' is used and defined in the Protected Disclosures Act 1994, which provides that for the purposes of that Act,

'...conduct is of a kind that amounts to maladministration if it involves an action or inaction of a serious nature that is:

- (a) contrary to law, or*
- (b) unreasonable, unjust, oppressive or improperly discriminatory, or*
- (c) based wholly or partly on improper motives.'* (s.11)

The conduct covered by the above terms in the Ombudsman Act and the Protected Disclosures Act includes:

• Contrary to law:

- › decisions or actions contrary to law or to lawful and reasonable orders from people or agencies with authority to give such orders
- › decisions or actions ultra vires (eg. the decision-maker had no power to make the decision or to do the act)
- › breaches of natural justice/procedural fairness
- › unauthorised disclosures of confidential information.

• Unreasonable:

- › decisions or actions so unreasonable that no reasonable person would so decide or act (eg. irrational)
- › arbitrary, partial, unfair or inequitable decisions or actions
- › applying a policy inflexibly without regard to the merits of an individual case
- › decisions or actions that do not take into account all relevant considerations, or that take into account irrelevant considerations
- › serious delays in making a decision or taking action

- › provision of wrong, inaccurate or misleading advice
 - › failures to rectify identified mistakes, errors, oversights or improprieties
 - › failures to properly investigate.
- **Unjust:**
 - › decisions or actions not justified by any evidence or that are unreasonable
 - › partial, unfair, inequitable or unconscionable decisions or actions.
- **Oppressive:**
 - › unconscionable decisions or actions
 - › means used to achieve ends are not reasonably proportional to these ends
 - › abuses of power, intimidation or harassment.
- **Improperly discriminatory:**
 - › inconsistent application of a law, policy or practices when there is no reasonable, justifiable or appropriate reason to do so
 - › application of distinctions not authorised by law, or failing to make distinctions which are authorised or required by law.
- **Based wholly or partly on improper motives:**
 - › decisions or actions for a purpose other than that for which a power was conferred
 - › conflicts of interests
 - › bad faith or dishonesty
 - › decisions or actions induced or affected by fraud
 - › misuse of public property, official services or facilities.
- **Irrelevant grounds/considerations:**
 - › relevant considerations not adequately taken into account or irrelevant considerations taken into account
 - › policies applied inflexibly without regard to the merits of each case
 - › exercise of discretionary powers at the direction or at the behest of another (eg. acting under 'dictation').
- **Mistake of law:**
 - › incorrect interpretation or application of the law
 - › ignorance of the law.
- **Mistake of fact:**
 - › decisions or actions based on information that is factually in error or misinterpreted
 - › important facts omitted from reports or deliberations, or ignored.
- **Failure to give reasons:**
 - › statements of reasons are not given when required by law or it is otherwise reasonable to do so
 - › statements of reasons are inadequate because all relevant issues are not addressed or the relevant criteria on which the decision is based are not stated
 - › reasons given are not comprehensible to the likely recipient.
- **Otherwise wrong:**
 - › negligent conduct

- › results of decisions or actions are uncertain
- › failures to give effect to lawful government or agency policy
- › failures to give accurate, frank, impartial, complete or timely advice
- › failures to honour commitments
- › failures to meet acceptable or industry standards for public administration, good judgement, integrity and the like.

Maladministration and corrupt conduct

Maladministration can include conduct considered corrupt under the ICAC Act. Dishonest or partial exercise of official functions by a public official falls into this category. This is obviously conduct at the more serious end of the maladministration spectrum, as it must also involve criminal or disciplinary offences to constitute corrupt conduct under that Act.

5. Natural Justice / Procedural Fairness (Public Sector Agencies Fact Sheet 14)

What is natural justice/procedural fairness?

The rules or principles of natural justice, also known as procedural fairness, have developed to ensure that decision making is fair and reasonable. Put simply, natural justice involves decision-makers informing people of the case against them or their interests, giving them a right to be heard (the 'hearing' rule), not having a personal interest in the outcome (the rule against 'bias'), and acting only on the basis of logically probative evidence (the 'no evidence' rule).

When should the rules of natural justice be observed?

There is a presumption in law that the rules of natural justice must be observed in exercising statutory power that could affect the rights, interests or legitimate expectations of individuals. However, it is good practice to observe these rules whether or not the power being exercised is statutory.

What are the rules of natural justice?

Any person who decides any matter without hearing both sides, though that person may have rightly decided, has not done justice. Any person whose rights, interests or legitimate expectations will be affected by a decision or finding is entitled to an adequate opportunity of being heard. In order to properly present their case, the person is entitled to know the grounds on which that decision or finding is to be taken.

Depending on the circumstances which apply, natural justice may require a decision-maker to:

- inform any person:
 - whose interests are or are likely to be adversely affected by a decision, about the decision that is to be made and any case they need to make, answer or address
- provide such persons with a reasonable opportunity to put their case, or to show cause, whether in writing, at a hearing or otherwise, why contemplated action should not be taken or a particular decision should or should not be made
- consider those submissions

- make reasonable inquiries or investigations and ensure that a decision is based upon findings of fact that are in turn based upon sound reasoning and relevant evidence
- act fairly and without bias in making decisions, including ensuring that no person decides a case in which they have direct interest

Benefits for persons whose rights or interests may be affected

Natural justice allows persons whose rights or interests may be affected by decisions the opportunity:

- to put forward arguments in their favour
- to show cause why proposed action should not be taken
- to deny allegations
- to call evidence to rebut allegations or claims
- to explain allegations or present an innocent explanation, and/or
- to provide mitigating circumstances.

Benefits for investigators and decision-makers

While natural justice is, at law, a safeguard applying to the individual whose rights or interests are being affected, an investigator or decision-maker should not regard such obligations as a burden or impediment to an investigation or decision-making process. Natural justice can be an integral element of a professional decision-making or investigative process – one that benefits the investigator or decision-maker as well as the person whose rights or interests may be affected.

For an investigator or decision-maker, natural justice serves a number of related functions:

- it is an important means of checking facts and of identifying major issues
- the comments made by the subject of the complaint or the interested party will expose any weaknesses in an investigation, decision-making process or information on which a decision is to be based, which avoids later embarrassment, and
- it also provides advance warning of the basis on which the investigation report or administrative decision is likely to be attacked.

6. Public Interest (Fact Sheet 16)

The meaning of the term ‘public interest’

The concept of the ‘public interest’ has been described as referring to considerations affecting the good order and functioning of the community and government affairs, for the well-being of citizens. The expression ‘for the common good’ is also used.

What is in the ‘public interest’ is incapable of precise definition as there is no single and immutable public interest. In some ways it is easier to make general statements about what is not in the public interest than what is in the public interest.

NSW Ombudsman - Better Service and Communications Guidelines for Local government (June 2000)

1.2 The relationship between councils and their local communities

The fundamental relationship in any system of democratic government is the relationship between the community and that government. Local government is government by councillors who are elected

by the residents and ratepayers of the council area. The governing authority of local government is derived from the local community through the electoral process.

The Local Government Act provides that councils are not only accountable to the local community through the electoral process. Section 7 of the Act states that one of the purposes of the Act is to provide a legal framework for an ‘...open system of local government in New South Wales.’ The Act is also intended to ‘...encourage and assist the effective participation of local communities in the affairs of local government.’ Under the council charter set forth in the Act, councils are committed to principles of due consultation, facilitating the involvement of the public and keeping the community informed about their activities.

These principles are designed to ensure that decision-making is transparent and accountable and to enable local communities to influence decisions that impact on their lives and on the well being of the local community as a whole. The Local Government Act and the Environmental Planning and Assessment Act build on these principles by providing for:

- community access to the council meeting and to council records,
- mandatory community consultation as part of the development of annual management plans, plans of management for community land and local environmental plans,
- mandatory and optional community consultation as part of the assessment of development applications,
- mandatory community reporting on matters such as the state of the local environment, and
- public access to a wide variety of council records.

Councils are encouraged to communicate with their local communities even when there is no legal requirement to do so by:

- publishing community notices in local newspapers and on the council website,
- holding public meetings on topical local issues,
- conducting community surveys,
- providing service and information to the local community through counter staff, by telephone, letter and email, and
- providing assistance to members of the local community who wish to contact councillors.

A commitment to service and communication

The NSW Government has declared its commitment to providing quality customer service. As part of the Government’s Facing the World policy statement published in 1992, State Government agencies were encouraged to embrace quality service, required to report on performance in terms of service standards and produce guarantees of service detailing their policies on customer service. Premier’s Memorandum 95-49 outlined a four-stage process for achieving a public sector delivering ‘...value for money quality service to its customers and the community within the framework of the Government’s policies.’

A significant number of councils have adopted a commitment to quality management. A recent survey by us revealed that about 36 per cent of councils have adopted guarantees of service. Many of these documents reflect the principles set out in the NSW Government policy.

There are a number of service policies and strategies available to councils in order to become more open and accountable and in order to become providers of ‘quality service’. The overriding theme of these guidelines is that councils should adopt a comprehensive set of measures aimed at improving service provided to the local community and improving communication between councils and their

communities. The strategies set out in these guidelines are directed at both sides of the communication process:

- improving the way councils provide services to and communicate with their local communities, and
- improving the way members of the local community communicate with their council.

These strategies are necessary pre-requisites for councils wanting to use more robust strategies to manage complainants who exhibit challenging behaviour. If councils commit to better service and communication, they can proceed to impose reasonable and sensible limits on what resources they will commit to these complainants.

Due consultation – giving individuals a voice

In order for a decision-making process to be considered fair, the public (or that part of the public whose rights, interests or expectations are or are likely to be affected by the decision) should be given an opportunity to air an opinion or make a submission and must have the assurance that this will be properly considered.

The Local Government Act and the council charter set forth in that Act broadly requires that councils have policies and procedures to ensure that:

- the local community is adequately informed of its activities,
- members of the local community (either generally or, in specified cases where the rights, interests and expectations of those members are or are likely to be affected by decisions) are adequately informed and given an opportunity to make submissions to the local council in writing and/or in person, and
- submissions receive due consideration insofar as they are relevant.

Councils should provide advice and assistance wherever possible on how to frame effective submissions.

Good practice

The quality of submissions improves if members of the local community get simple advice on framing effective submissions to their council. Such advice can cover issues like:

- inviting ‘submissions’ rather than ‘objections’ in order to reflect the intention to attract comment rather than merely procure opposition,
- the considerations the council will take into account in reaching a decision,
- how to get further information relevant to the matter under consideration,
- the desirable length for submissions,
- the need to provide supporting information when challenging issues of fact,
- the need to avoid using intemperate language;
- the need to avoid casting personal reflections on individuals including councillors, staff and third parties,
- the availability of submissions for inspection by decision-makers and the public, and
- a clear statement on the effect of making a submission.

3. Correspondence with IPART

On 12 October 2015, Peter Epov emailed Arch Suri at IPART with a series of question pertaining to a possible SRV application by the Greater Taree City Council. Several days later, Mr Dennis Mahoney answered my questions. During the course of the Council debate, on this subject on 16 October 2015, I attempted to highlight a number of key issues that were identified in Mr Mahoney's response. Regrettably these were ignored. The email exchange is below. Council chose to adopt a methodology which was rushed, which did not provide reasonable, adequate or sufficient notice, time or information regarding its SRV proposal to a geographically challenged community. Thus the community, ratepayers and all relevant stakeholders were denied the opportunity to be aware and participate in the 'consultation' process.

42% were unaware of Council's SRV proposal.

Council did not send notices or fact sheets, timetables, nor information as to "how people could participate" to all ratepayers, stakeholders, and other key players. The so called "community consultation" pertaining to the original SRV proposal commenced in early November and closed at the end of that month. A staggering **42% of those surveyed in the first Jetty telephone sample of 400** which was conducted between 23rd November and 27th November (the start of the 4th Week of the "community consultation") for Council, **indicated that they were unaware of Council's SRV proposal** (Question 11). Clearly the methodology adopted to inform the Community had either failed or had been deliberately designed to minimise awareness to the SRV proposal and thus avoid the criticism and opposition (as occurred earlier in the year when Council attempted a wholesale sell-off of parks resulting in overwhelming community opposition which led to the plan being shelved).

In that first Jetty Poll, **in Part 1 of the survey**: '*Satisfaction with Council facilities and service*' whilst a significant proportion of the respondents indicated their disappointment with the state of the roads and the infrastructure:

- ❖ 81% of people surveyed are dissatisfied with maintenance of sealed roads;
- ❖ 82% of people surveyed are dissatisfied with the state of local roads;

However, when it came to **Part 3 of the survey**: '*Attitudes towards rates expenditure on local roads*' the subsequent key Question 15 which was: '*To what extent do you oppose or support Council's proposal to apply for a special rate variation of 6% per year for 6 years specifically to fund improvements in the safety and condition of local roads*':

- ❖ Only 40% supported the SRV application,
- ❖ **38% opposed and** ,
- ❖ **22% are neutral or unsure;**

Clearly a significant proportion of the sample 60% were opposed or neutral or unsure.

The only reasonable conclusion from this is that whilst people were dissatisfied with the condition of infrastructure they were not prepared to pay higher rates, principally because they could not afford to pay higher rates.

This was a survey of 400 persons is +/- 4.9% at the 95% confidence level.

The fact that 42% indicated that they were unaware of Council's SRV proposal and 22% were neutral or unsure, confirms the lack of knowledge and awareness to the SRV proposal in the last week of Council's '*community consultation*'.

Curiously whilst Council has in its submission to IPART, indicated (and admitted) that the original proposal was for a 8.4% SRV the survey question was for a "*special rate variation of 6% per year*"

Most of Council's literature during the initial period of consultation (November) was for a 6% SRV not for an 8.4% SRV.

This only created further confusion and clearly had some bearing on the results of this survey and the subsequent survey, where Council did not ask a question regarding a 6.9% SRV (the subject of the current submission to IPART), but the survey question was for a 4.5% SRV.

Most people in the community do not understand the term rate peg. Council should have clearly informed the Community of the overall impact that is the quantum of the SRV, and this was not 6%. Council was made aware of this situation, but it persisted with 6%.

Council then decided that it would 'reduce' the quantum of the SRV and 'apparently' conducted a further round of community consultation in December for an 'unspecified period' until the Meeting of 9 December 2015 when Council resolved 4 to 3 on the Mayor's deliberate and casting votes to advise IPART of Council's intention to submit an application for a SRV.

Whilst Council states that the LGA consists of 5 main urban centres and 23 villages the Jetty survey only lists 20 locations in Question 8.

In Council's own online survey of 503 responses the results were very similar and consistent.

- ❖ 86% of people surveyed were dissatisfied with the state of local roads;

Yet when it came to the support for an SRV (which again, was asserted to be 6% and not the 8.4%) the results were:

- ❖ 25% supported the SRV application,
- ❖ **63% opposed and,**
- ❖ **11% neutral or unsure**

Again 74%, either were opposed, or were neutral or unsure. The people who completed this survey online were exposed to all of Council's online literature, which was deliberately designed to advocate and promote the SRV with significant undertakings of infrastructure works to be carried out should the SRV be approved!

Council subsequently dismissed the results of this survey as unreliable.

The only community formal consultation that was conducted by Council with the Community was via a pop up shop that was set up for one week in Taree from 16 – 20 November (two weeks into the '*Community Consultation process*'). Council has estimated that up to 500 people had attended the pop up shop however there were no recorded statistics of attendance. The anecdotal evidence was that the response for an SRV increase was not favourable.

Both Jetty Surveys are attached to this submission.

From: **Peter Epov** peterac@bigpond.com
Subject: SRV Questions
Date: 12 October 2015 at 11:07 AM
To: Arsh_Suri@ipart.nsw.gov.au



Dear Arsh,

I am currently a Councillor of the Greater Taree City Council.
Over the past few weeks there has been some discussion regarding a possible application to IPART for an SRV.
To be better prepared for the discussion would you kindly assist me with answers to the following questions:

1. Community Information

Question 1.

I understand that community information is an important element of the process.

Does the entire rate payer base need to be informed of a proposed SRV. If not, then is there an acceptable percentage of the population that needs to be informed.

Question 2.

What would IPART view as a reasonable period of time to ventilate information to the ratepayer base?

Question 3.

Are there any specific tools or processes that a more effective or preferred in community information?.

2. Community Consultation

Question

I understand that community consultation is an important element of the process. We have a population of slightly over 50,000 people, what would IPART view as a reasonable number (percentage of population) of people that should be engaged in consultation?

Question 2.

What would IPART view as a reasonable period of time to ventilate information and for a period of Community Consultation.

Question 3.

Are there any specific tools or processes that a more effective or preferred in community consultation.

3. SRV application for 2016/17 Year.

When would applications need to be lodged for an SRV increase in the 2016/17 or is it now too late for this year?

Thank you for your kind assistance, your earliest reply would be most appreciated.

Peter Epov
Councillor
0412158858
GTCC

From: **Dennis Mahoney** Dennis_Mahoney@ipart.nsw.gov.au  
Subject: RE: SRV Questions
Date: 14 October 2015 at 10:22 AM
To: **Peter Epov** peterac@bigpond.com
Cc: **Arsh Suri** Arsh_Suri@ipart.nsw.gov.au, **Tony Camenzull** Tony_Camenzull@ipart.nsw.gov.au

DM

Peter, in response to your questions in the order you asked them:

1. Community Information

Q1. It is always wise to inform the whole ratepayer base of a proposed SRV, and mandatory if the SRV concerns increases across the whole base. On some occasions, a special rate is proposed to be levied on a well-defined set of ratepayers. In that case, the whole ratepayer base should be informed but feedback primarily sought from the affected ratepayers.

Q2. At least 4 weeks. The information must not just be given to ratepayers, but feedback sought as well because Criterion #2 of the OLG Guidelines require councils to ensure the community is aware of the SRV and give input into the council's decision-making. By the way, the minimum of 4 weeks should not be over December/January when many people may be away on holiday; if that were the period, a period closer to six weeks would be more reasonable. That said, the OLG Guidelines do not mandate a minimum period.

Q3. There are a range of engagement methods mentioned in the Fact Sheet but a stratified, random sample of ratepayers (around 400) is the most valuable to IPART because it does not suffer from the self-selection bias inherent in other methods of feedback.

2. Community Consultation

Q1. How many people respond to the council's engagement methods is largely beyond the council's control (except for the survey mentioned in answer to Q3 above). Even a total response of, say, 2% of the population would be more than adequate.

Q2. Given that your application has to be in by 15 February 2016, your community consultation process will have to start asap. Period to give community to respond – 4 weeks per method, as per answer to Q2 above.

Q3. See answer to Q3 above.

3. SRV for 2016-17

Not too late, yet. You notify us by 11 December and submit completed application by 15 February 2016. The Tribunal intends to make its determinations on each SRV public by 17 May. These dates will be in the OLG Guidelines when they are published shortly (we understand that they will be very similar in content to the 2015-16 Guidelines which are available on the OLG and IPART websites). OLG may tell you its expected release date.

Hope this helps,
Best regards,
Dennis

Dennis Mahoney
Senior Analyst



4. Executive Summary

Speaking at the launch of the 2015 State of the Family report at Parliament House in October, Anglicare Australia Executive Director, Kasy Chambers said:

“It seems Australians, overall, are comfortable leaving some people in our community behind,”

A SRV needs to be fair reasonable, affordable and economically viable.

The people who would be impacted by such an important consequence, need to be informed and given a reasonable opportunity to respond and participate particularly on matter that directly affect their lives. This did not happen with the GTCC’s proposal for a SRV increase.

The entire process was rushed through on the eve of Christmas.

Council was responsible for confused messages, a lack of information to ratepayers residents and stakeholders, and failure to provide adequate and reasonable opportunity for people to participate in a process that will directly affect their lives.

Council placed a number of misleading promises of immediate outcomes from the SRV on its website.

Council has interpreted the ‘independent’ Jetty survey data in a disingenuous and deceptive manner.

It has ignored community opinion and opposition to the SRV proposal.

It has deliberately down played the SRV throughout the Community and Councillors have not been provided with the information which they requested.

Councillors who opposed the SRV were abused and ridiculed by the Mayor and other Councillors.

Threats were made against innocent shop owners and merchant who dare to display a poster opposing the SRV in Wingham. Council refused to denounce this activity of bullying and intimidation.

The LGA is a low socio-economic region with high unemployment a significant aging population on fixed incomes, it is not economically sustainable nor viable and there is no willingness nor capacity to pay such a high SRV of 6.9% compounded each year for six years.

Council’s SRV process was not evidence based, but decisions were made on over inflated opinions. Process was really poor public policy on the run carried out very cynically and an affront to the community.

The writer is available to answer any questions and to provide any additional information should it be required.

5. Fit For the Future Review

GTCC participation in the Fit For the Future Process.

The Greater Taree City Council did not seriously participate in the Fit For the Future Review. Council did not examine in any detail the potential efficiencies by amalgamation with, other surrounding Councils. The approach was merely to discount the viability of any such mergers by referencing the infrastructure consequences as a result of any possible amalgamation. Clearly there are advantages in amalgamation with several potential Councils as last week the Minister for Local Government, The Hon. Paul Toole has advised Mr Tim Hurst, Acting Chief Executive Officer of the Office Of Local Government, that the Minister is *“making a proposal, in accordance section 218E of the Act to amalgamate the existing areas of Gloucester Great Lakes and Greater Taree into one area.”*

a. Community Consultation

Over the past three years the Greater Taree City Council did not inform the community of its position in relation to the Fit For the Future process nor did it engage in any form of community consultation. In my view, Council did not do this for 5 main reasons:

1. Vested interest from Councillors not wishing to lose their positions, or for some, the prospects of not becoming the next Mayor, as a consequence of a merger.
2. Vested interest in the administrative structure of Council, again a fear of people losing their 'executive' positions (and promotions) as a consequence of a merger.
3. Being 300 km from Sydney, certain people have established their positions within the structure and the community, as well as their powerbases, that they do not wish to have disturbed.
4. A general cynicism that was not based of any evidence or fact that mergers or amalgamations would not work.
5. A fear of facing and engaging with the Community. Over the past 5 years Councils community engagement has been poor. The community attitude to this Council is very hostile. There is a significant disappointment in the performance of the Council and a number of Councillors and there was and is a fear that the Community might support an amalgamation as an alternative and or a trigger to replace the current Council.

This hostility was recently evidenced by an overwhelming negative response to Council's proposal and attempt to sell-of Parks (which was effectively shelved last year), and the further overwhelming negative response from people who were actually aware of Council's current SRV Proposal and registered responses to Council's online survey of 497 persons; **where 63% were opposed to an SRV increase**, 25% supported an increase and 11% were undecided. Council subsequently dismissed the results of this online survey and proceeded with an SRV Application to IPART.

b. IPART's findings pertaining to the GTCC

GREATER TAREE CITY COUNCIL – CIP - NOT FIT

Fit for the Future – NOT FIT

- *The council satisfies the scale and capacity criterion.*
- *The council does not satisfy the financial criteria overall. Although it satisfies the efficiency criterion, the council does not satisfy the infrastructure and service management criterion.*
- *It also does not satisfy the sustainability criterion as a result of its forecast for a negative operating performance ratio by 2019-20.*
- *We consider a council's operating performance ratio is a key measure of financial sustainability that all Fit for the Future (FTFF) councils should meet, therefore the council is not fit.*

Scale and capacity – satisfies

- *The council's proposal is consistent with the ILGRP's option to stand alone.*
- *The council currently meets or partially meets most of the elements of scale and capacity.*
- *The council's 2031 forecast population represents 91% of the suggested merged entity's forecast population. The suggested merged entity would not greatly increase scale and capacity compared with Greater Taree as a stand-alone council.*

Sustainability – does not satisfy

- *The council does not satisfy the criterion for sustainability because it does not meet the operating performance ratio benchmark by 2019-20. The operating performance ratio was -24.2% in 2014-15 and will improve to -2.3% by 2019-20.*
- *The council meets the benchmark for own source revenue by 2019-20.*
- *The building and infrastructure asset renewal ratio is forecast to be 75.9% by 2019-20, which is below the benchmark.*
- *In its financial planning, the council assumes the successful application for and adoption of a special variation from 2016-17 of 63.2% cumulative over 6 years (47.2% above the rate peg).*

Infrastructure and service management – does not satisfy

- *The council does not satisfy the criterion for infrastructure and service management based on its forecasts of a high infrastructure backlog ratio.*
- *The infrastructure backlog ratio was 24.1% in 2014-15 and is forecast to improve to 11.8% by 2019-20, which remains above the benchmark. According to the Long Term Financial Plan, it would not meet the benchmark by 2024-25.*
- *The council meets the benchmark for the asset maintenance and debt service ratios.*
- *The council intends to change its approach to asset service levels. It will consult the community in the coming months proposing the 'satisfactory condition' of a road is less than condition 1 or 2.*

Efficiency – satisfies

- *The council satisfies the criterion for efficiency based on a forecast decline in real operating expenditure per capita over the outlook period.*

Other relevant factors

Social and Community context

The council has not included much information on the social and community context in regards to this proposal other than stating it is in the growth corridor of NSW. It has suggested border changes such that Greater Taree would include the communities currently to the north of the Great Lakes LGA which it considers are strongly connected with the Mid-North coast.

Community consultation

The council has not indicated it undertook community consultation regarding its Fit for the Future application.

Water and/or sewer

The council does not supply water/sewerage services.

Submissions

We received one submission regarding Greater Taree's submission, stating the council is not Fit for the Future.

Response:

As previously stated the Hon. Paul Toole, Minister for Local Government, has made a proposal, in accordance with section 218E of the Act to amalgamate the existing areas of Gloucester, Great Lakes and Greater Taree into one new area.

During the course of the Fit For the Future Review, over the past 3 years, the Greater Taree City Council has deliberately not participated reasonably, or openly in the process. It did not engage with the Community nor did Council announce its position to the Community. On a number of occasions the writer had called for active consideration of the potential benefits of amalgamation with neighbouring Councils, only for this advice to be dismissed or even ridiculed. Council had a significant opportunity and a responsibility to actively examine all the relevant options and to engage and consult with the Community; regrettably the ruling faction was opposed to such transparency.

Clearly, just on a superficial overview, I believe that close to \$2 million in annual savings could be delivered from the current proposed three-way merger. In addition if a serious review was undertaken I believe a range of other benefits could be established through shared resources, and the sheer scale of a new larger Council as well as a range of other and efficiencies.

Similarly Council did not discuss nor examine any other alternatives to the introduction to the proposed SRV which is a significant increase over six years, and on that will hurt the struggling economy; it is inflationary, it will impact on both disposable and discretionary expenditure and it will cause economic and social hardship to many people on a low wage, fixed incomes or commonwealth benefits.

As with its approach to the Fit For The Future review, Council did not a methodology to the SRV that included the identification and consultation with all the relevant segments of the community and it did not specifically identify, include nor specifically engage with important stakeholders and interest groups within the LGA.

c. Other Relevant IPART findings

IPART found a number of Council's had either foreshadowed or indeed applied for significant SRV increases to create, support or present the image of being economically viable, and or to be seen to be Fit For The Future, to this IPART stated:

“the proposed rate rises were not in the public interest or sustainable by the community”

IPART:

A large number of councils have proposed substantial future increases to general income to meet the financial criteria. There is a risk councils have proposed future SVs to improve their financial performance, and may not have fully considered whether alternative structures for the local government area, such as a merger, may be a better outcome. Structural changes could achieve similar or larger improvements to a council's general income and reduce the need for, and size of, potential SV increases, which could limit the impact of higher rates on the community.

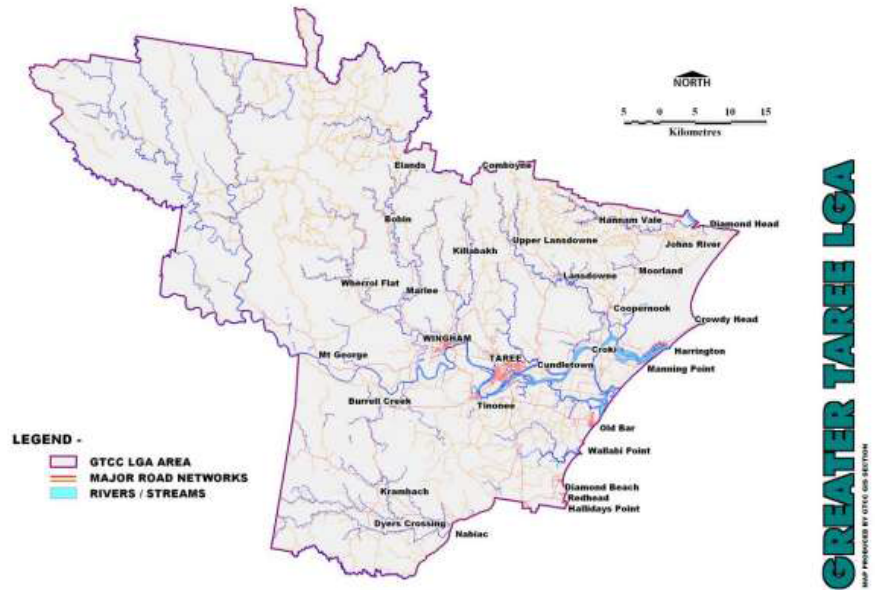
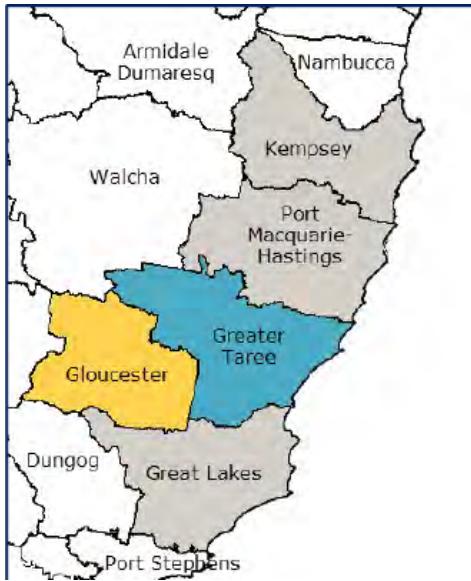
We find Greater Taree Council (Greater Taree) and Kempsey Shire Council (Kempsey) are not fit for the future. These councils meet the scale and capacity criterion but not the financial criteria overall. Greater Taree was also presented with an option to merge with Gloucester or remain a stand-alone council in the Mid-North Coast JO. It considered the merger but found it would not be beneficial to its financial sustainability.

B.1.2 Criterion 3: Effective Infrastructure and Service Management

Some considerations:

The Infrastructure Backlog Ratio is difficult to measure objectively because condition assessments are subjective and should be based on the community's preferences regarding asset quality, cost and service levels, their willingness to pay, and a risk based assessment and approach to the provision of community infrastructure. We consider councils with a sound financial position should not be reporting a significant infrastructure backlog over the long term. Infrastructure provision by a council is a balance between the community's wants compared with its needs and the ability of the council to raise sufficient revenue to pay for assets.

6. GTCC LGA Profile



a. Introduction

The GTCC LGA is located approximately 300km north of Sydney. It now has a population of 50,000 people spread across 5 main urban centres and 23 villages in what can best be described as a geographically challenged region spanning 3,731 square kilometres. It is also a challenged low socio-economic area with high unemployment and the recent legacy of 1500 job losses over the past 5 years. At the last local government election there were approximately 32,000 registered voters. The area is a mixture of rural and urban living. A significant percentage of population live more than 20 km from Taree. Some live up to 60km from the town centre.

The Greater Taree LGA includes 50km of coastline. It contains eight National Parks, sixteen Nature Reserves and two State Conservation Areas covering an area of approximately 436km² or 12% of the LGA. Another 12% of the LGA is included within State Forests. While approximately 66% of the LGA is covered in natural vegetation, 32% is currently cleared, and 2% covered in water. About 2% of the LGA is zoned for residential and urban uses.

The LGA contains many areas of high conservation value including old growth forest, littoral and lowland rainforest, endangered plant populations and ecological communities, regional habitat and corridors, core koala habitat, aboriginal sites of significance, native grasslands, woodland, dune vegetation, headland vegetation, heathland, coastal wetlands, rocky outcrops, volcanic plugs and other geologically significant features, such as the Lansdowne escarpment.

According to the Australian Taxation Office the GTCC LGA has the No 5 some poorest postcode in Australia:

No 5 Poorest Postcode: 2424 - Tiri, Cundle Flat, Cooplacurripa, Cells River, Caffreys Flat, Mount George, Knorrit Forest & Knorrit Flat, NSW
 Average income: \$27,537
 Average house price: \$187,300

ABS and Other Data - Greater Taree LGA

2013

Persons (no.)	48,846
Female (no.)	24,832
Male (no.)	24,014
Median Age (years)	47.1
Births and Deaths - Births (no.)	475 (Year ended 31 December)
Births and Deaths - Deaths (no.)	512 (Year ended 31 December)

Total number of businesses (no.)	3,304
Number of employing businesses: 5 or more employees (no.)	372

Building Approvals – Total private sector houses (no.)	134
Building Approvals - Average value of private sector houses (\$'000)	305

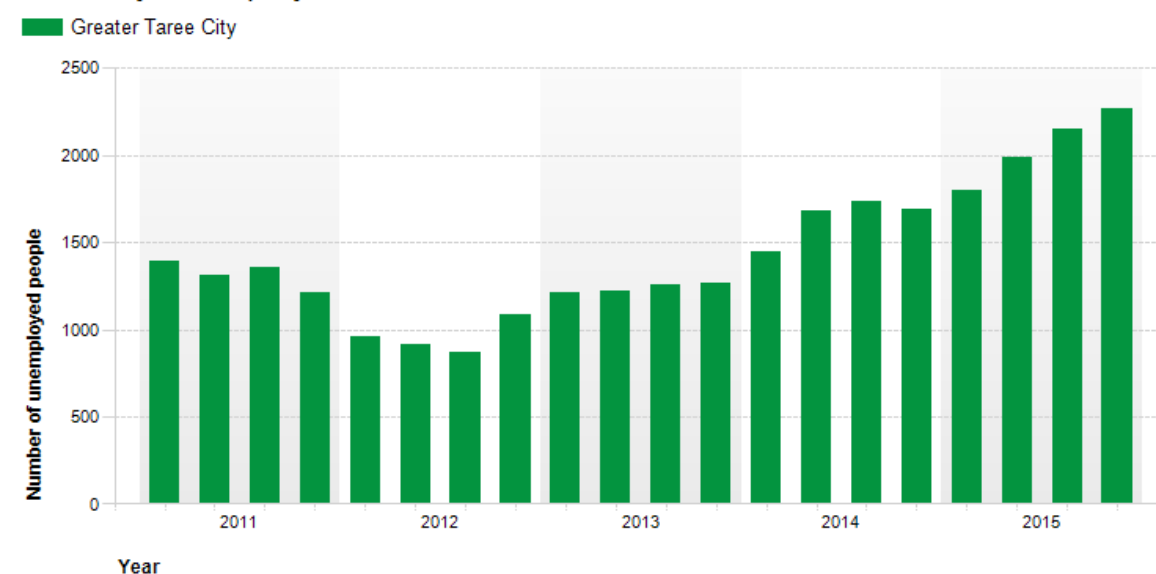
Main employing industry:	
Health care and social assistance (%)	17.1% (2011)
Bankruptcies - Total (no.)	102 (2012)
Aboriginal and Torres Strait Islander Peoples - Proportion of total population (%)	5.4% (2011)

Labour Force Statistics - 2011 Census

Labour Force Statistics - Labour Force (no.)	18 072
Labour Force Statistics - Unemployed (no.)	1 673
Labour Force Statistics - Unemployment rate (%)	9.3
Labour Force Statistics - Participation rate (%)	47.7

Additional Employment Data

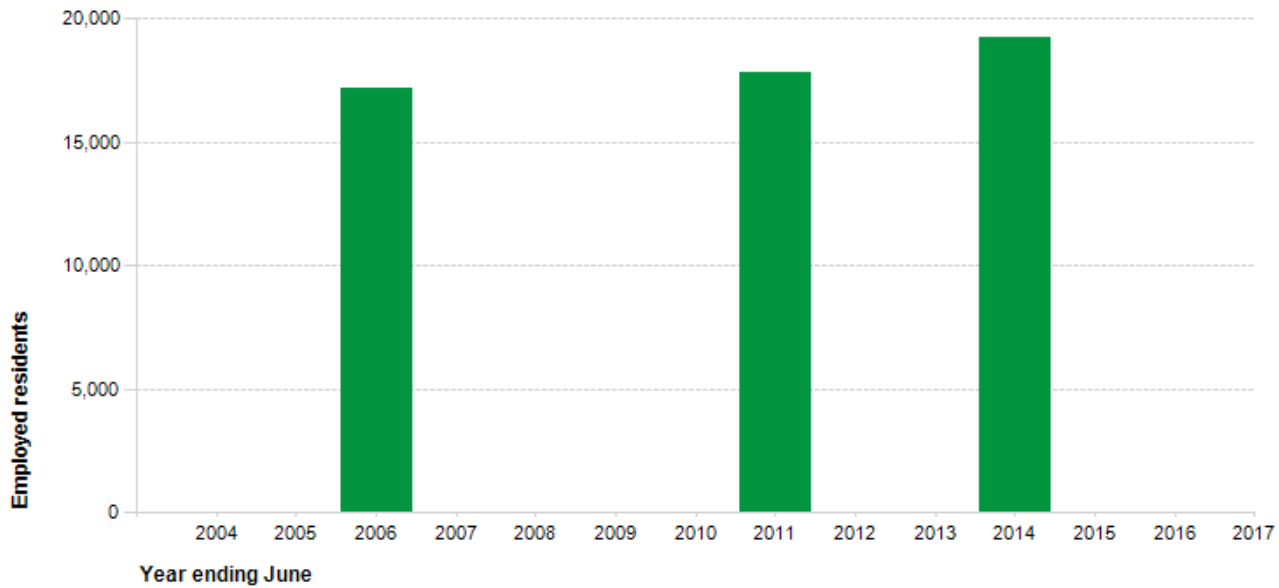
Quarterly unemployment



Source: Australian Bureau of Statistics, Labour force survey, catalogue number 6202.0, and Department of Employment, Small Area Labour Markets, June 2015. Compiled and presented in economy.id by .id The population experts.

Employed residents

Greater Taree City



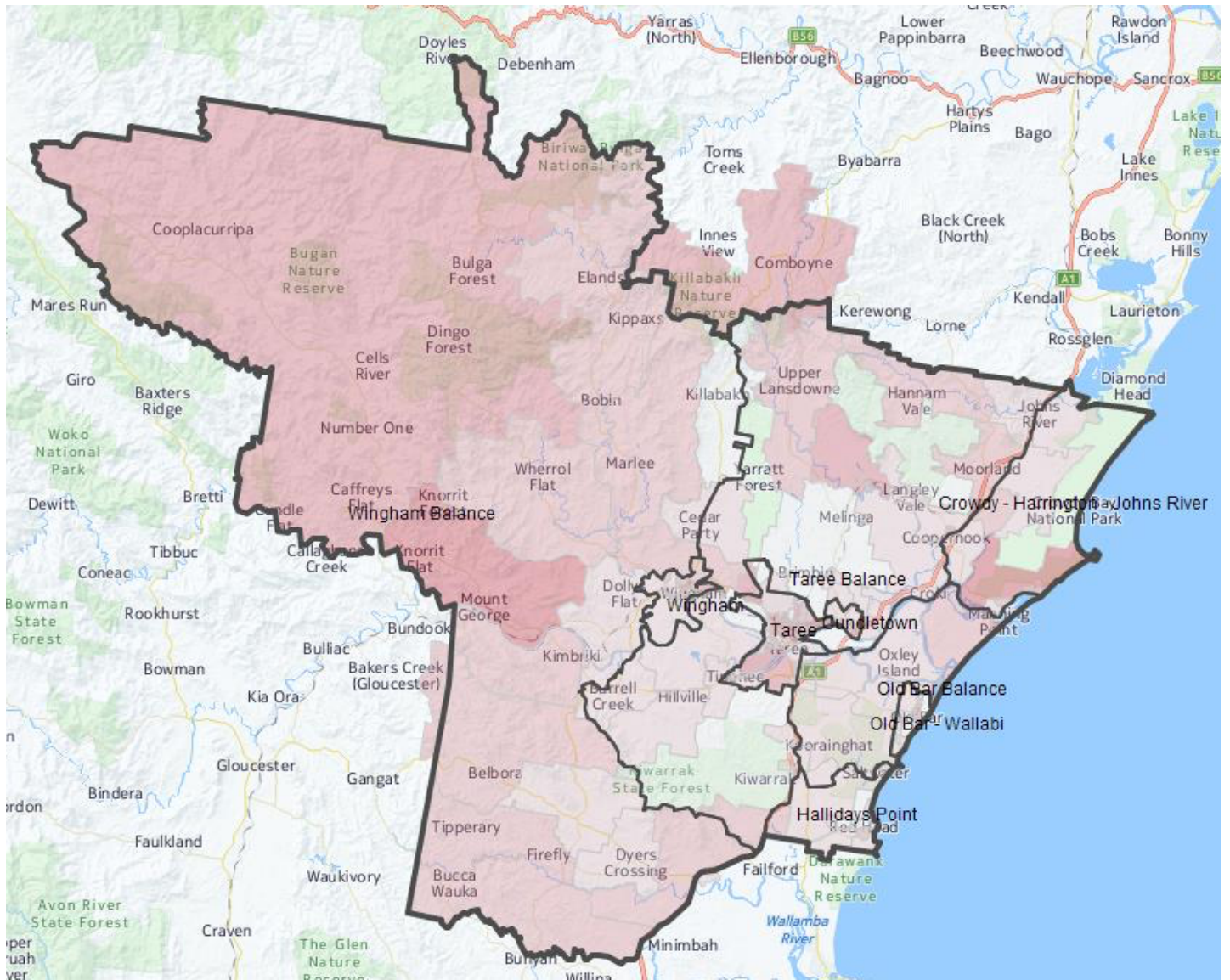
Source: National Institute of Economic and Industry Research (NIEIR) ©2014
Compiled and presented in economy.id by .id the population experts

.id
the
population
experts

Selected Government Pensions and Allowances - As at 30 June 2013 (ABS)

Selected Government Pensions and Allowances - Age Pension - Centrelink (no.)	8,827
Selected Government Pensions and Allowances - Age Pension – DVA (no)	18
Selected Government Pensions and Allowances - Service Pension - DVA (no.)	621
Selected Government Pensions and Allowances - Income Support Supplement - DVA (no.)	325
Selected Government Pensions and Allowances - Carer Payment (no.)	1,138
Selected Government Pensions and Allowances - Disability Support Pension (no.)	3,696
Selected Government Pensions and Allowances – Newstart Allowance (no.)	2,445
Selected Government Pensions and Allowances – Newstart Allowance - on income support more than 365 days (%)	76
Selected Government Pensions and Allowances - Parenting Payment - Single (no.)	921
Selected Government Pensions and Allowances - Youth Allowance (Full time students/apprentices) (no.)	254
Selected Government Pensions and Allowances - Youth Allowance (Other) (no.)	549
Total	18,870

Greater Taree City Council, Low income households (less than \$600 per week), 2011, Enumerated (Social atlas / Greater taree /atlas.id)



b. GTCC Fit For the Future Proposal 2015 to IPART

In its Fit For the Future Proposal to IPART June 2015, Council has identified and described some very important statistics that are particularly pertinent and need to be seriously considered in the context of a significant SRV application both economically (and social consequences and in terms of methodology for community engagement (in this low socio economic area where the average salary is around \$38,000 per annum) of a what was originally proposed as a 68% SRV increase and was subsequently reduced to 49.2% (IPART) increase over six years. Clearly this is a significant rate increase impacting upon the entire community, as such Council’s Communications and Engagement Methodology, needed to provide fairly and adequately for these characteristics. It did not! Councils FFF Points are below in ***italicised bold***. The comments in circle dot points are issues that need to be consider in an SRV Proposal.

- ***“5 Main Urban Centres and 23 Villages each with their own particular character”***
 - Communications Information and engagement issues
 - Spread across 3731 sq kilometres (not like in Sydney)
 - Limited access to media.

- ***“There is a higher proportion of older residents and a lower proportion in the 20-30s age group.***
 - Communications Information, and engagement issues
 - Spread across 3731 sq kilometres (not like in Sydney)
 - Travel issues
 - Limited access to Computers, smart phones, internet, social media and networks
- ***“The LGA has a significant Indigenous population, with some 1927 people, or 4.3% of the population”***
 - Communications Information, and engagement issues
 - Spread across 3731 sq kilometres (not like in Sydney)
 - Travel issues
 - Limited access to Computers, smart phones, internet, social media and networks
- ***“The LGA is ranked as the 12 most disadvantaged area from 152 LGAs “***
 - Affordability and Capacity to pay significantly higher rates
- ***“Close to 30% of ratepayers receive pensioner concessions on their rate payments***
 - Communications Information, and engagement issues
 - Spread across 3731 sq kilometres (not like in Sydney)
 - Travel issues
 - Limited access to Computers, smart phones, internet, social media and networks
 - Affordability and Capacity to pay significantly higher rates
- “The area has a higher than average rate of home ownership, with 43% of residents owning their own home and a further
- ***27% paying off a mortgage.”***
 - Affordability and Capacity to pay significantly higher rates
- ***“ Most dwellings (75%) are single houses***
 - Affordability and Capacity to pay significantly higher rates
- ***“The Manning has a higher proportion of single person households (25%) and this is expected to increase as the population ages”.***
 - Affordability and Capacity to pay significantly higher rates
- ***Weaknesses – “A high level of the population on a fixed income with close to 30% receiving pensioner rebates, directly costing the budget nearly \$0.5m per annum”.***
 - Affordability and Capacity to pay significantly higher rates
- Weakness – “With 23 towns and villages our population is dispersed creating challenges in service delivery”.
 - An admission that the methodology for Community engagement and consultation particularly for a significant SRV needs to be strategically targeted and be adequately and fairly implemented for a community spread over 3731 sq kilometres.
- “30% of our population is aged 60 and above which is 26% more than the group average.”
 - Communications Information, and engagement issues
 - Spread across 3731 sq kilometres (not like in Sydney)

- Travel issues
- Limited access to Computers, smart phones, internet, social media and networks
- Affordability and Capacity to pay significantly higher rates

In its Fit For the Future Proposal to IPART June 2015 council also identified in the section entitled “In the Issues”

Issue: The GTCC population is spread across “5 Main Urban Centres and 23 Villages”

This is a clear admission that this is a geographically challenged region which requires methodology for Community engagement and consultation particularly for a significant SRV that is strategically targeted and be adequately and fairly implemented for a community spread across 3,731 square kilometres.

For this community Council had one pop up shop in taree for one week

It should be also noted that whilst there was a reference to a potential SRV application in Council’s Fit For the Future Proposal 2015 to IPART, there was no specific ‘proposal for a 6% SRV increase compounded

7. History of SRVs and Other Rate Rises.

History

- ❖ Between 2010 to 2013 Council had an approved permanently imbedded SRV **equaling 33.1% over the three year period.**
- ❖ Between 2013 and 2016 Council has had Rate Peg Increases of:
 - 2013/14 3.4%
 - 2014/15 2.3%
 - 2015/16 2.4%

Compounded increase from **2013/14 to 2015/16 is equaling to 10.44%**

- ❖ From 2014 Council has had a **5% per annum Environmental Levy approved for 5 years.**
- ❖ The current a proposal is for a SRV (including Rate Peg) of **6.9% commencing from 2016 /17 compounded for six years equaling an overall increase of 49.2%.**
- ❖ A further proposal has also now been written into Council's Long Term Plan for a further Environmental levy of 5% for 5 years from 2019.
- ❖ One of the attractions of coming here has been the price of homes, the price of land and local rates and taxes.

Should Council's present application be successful **this would see rate rises increase by 92.74%** and on top of this there would be **the Environmental Levy of 5% from 2014 to 2019** (which is planned to be increased. For this low socio-economic area this is not in the public interest, nor is it sustainable or economically viable.

Such rate increases will place significant pressure of businesses, and increase rents.

8. Response to GTCC Special Variation Application Form – Part B For 2016-17

Councils Submission: Page 4 GTCC:

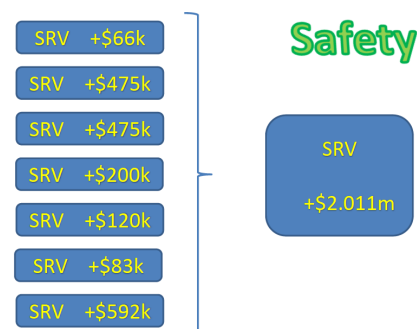
- Heavy patching - 225,000m² of heavy patching per annum, 5 times the current level of service.
- Surface reseal - 40kms of road reseal per annum, 5 times the current level of service.
- Gravel resheeting - 20km of gravel resheeting per annum, an increase of 75% the current level of service.
- Rehabilitation and reconstruction - A minimum 3km per annum, 3 times the current level of service. More when grant funds are also secured.
- Linemarking - Doubling the frequency from 10 to 5 years. Ensuring all sub arterial and collector roads have clearly defined traffic lines, road widths and alignment.
- Roadside vegetation management - Tripling the roadside vegetation clearing frequency. Sealed roads – quarterly, unsealed roads – annually and unsealed local/minor roads – every 3 years. Ensuring improved line of sight on rural roads and low roadside vegetation on sealed roads.
- Drainage management - Doubling the number of drains cleaned to 10 per week. Ensuring efficient water run off, which reduces pavement damage and increases safety conditions.
- Pothole response - Doubling the intervention rate: Regional roads – weekly, Collector roads – fortnightly, Local/minor roads – monthly. Ensuring potholes on highly trafficable roads a filled more regularly.
- Gravel patching - Unsealed road network patched every 3 months. Ensuring monthly patrols for unsealed road network.
- Safety barriers – 500 linear metres of safety barriers replaced annually, removing backlog in 5 years. Ensuring clear delineation between roadway and hazardous locations and reduced severity of accidents.
- Shoulder grading - 100km of shoulder grading per annum, 12 times the current rate. Ensuring adequate run off and safe area to pull over.

Response:

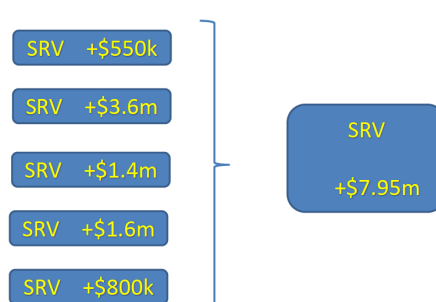
GTCC has promised and I would suggest mislead the community during the “Consultation Period” in November, that this work would be carried out on a annualised basis from the start of the SRV. Council did clearly specific that this work would only be carried out at the level promised (above) after the end of the sixth year of the SRV. Many people that were aware of the SRV, believed and assumed that the above promised work would be commenced from the commencement of the SRV. This is not the case it would take six years to build up to that level.

The extracts below are from a slide presentation presented by Council’s General Manager at a workshop in Late September.

Slide 25



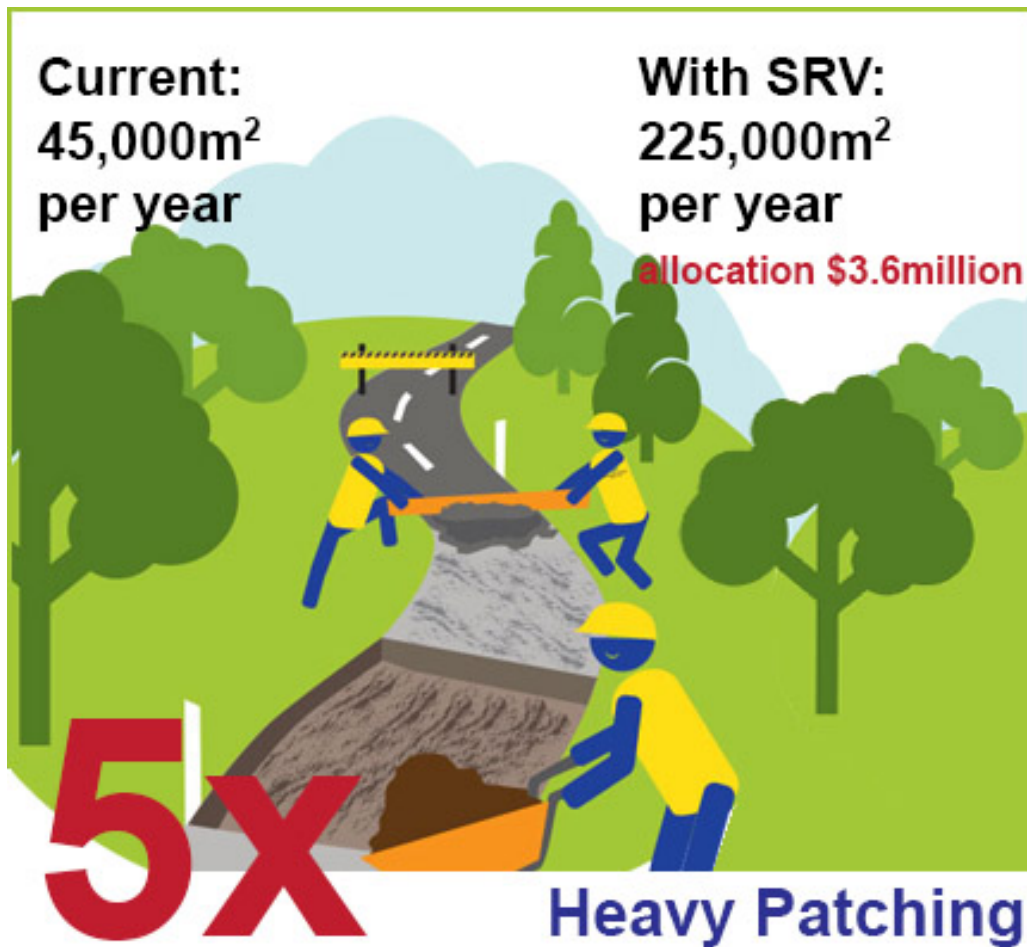
Slide 31



Total SRV
+\$9.961m

On its website, Council promised \$9.961 million in work as a result of the new SRV revenue.

Council placed images promoting the promised work, an extract is below:



All the images had one consistent template layout and a commonly structured theme.

The one above states:

5x Heavy Patching - **With SRV:** 225,000m² per year. **Allocation \$3.6 million**

The terminology clearly suggests that with the SRV, which implies from when it starts, then there will be **5x** Heavy Patching resulting in 225,000m² per year of heavy patching with an annual allocation of \$3.6 million. There was no disclosure on any of these images that the annual allocation would only commence after the end of the sixth year or the SRV.

Following this through on Council's Web site under the 'Renewal Heading' there were four areas each stating a promised outcome and an expenditure each year listed as an "allocation" in red, of an amount. Clearly this led people to believe that the allocation "with SRV" will be spent on that sphere of work each year from the commencement of the SRV.

Under the 'Renewal Heading' on the website there are four areas:

5x	Heavy Patching	'With SRV: 225,000m ² per year'	allocation \$3.6 million
5x	Reseal	'with SRV: 40km per year 20 year cycle'	allocation \$1.4 million
1.75x	Gravel Resheet	'With SRV: 35km per year'	allocation \$550,000
3x	Reconstruction	'With SRV: 3km per year'	allocation \$2.4 million

The total allocation 'per year' is \$7.95 million dollars.

Under the 'Maintenance Heading' on the website there are a further 7 images, each with the same format totalling a further 'allocation' of \$2.011M

The overall annual SRV 'allocation' totals \$9.961M.

On the revenue side:

Working on Councils present annual rates revenue base of \$27.7 million and assuming a rate peg of 1.8% in Year 1 of the SRV (and not the 2.4% rate peg that voted for that Council at the December 9 Council Meeting, and included in their current submission, after IPART had announced that the Rate Peg of 1.8% for the 2016/17 year).

It should be noted that at the 9 December 2015 Council meeting the General Manager stated that the entire SRV of 6.9% per annum would be dedicated to the above mentioned works. When it was pointed out during the course of that debate that if this was indeed to be the case then there would be no 'rate peg' provision to accommodate general cost increases. On the following morning the General manager issued a clarification to the effect that only the amount above the rate peg would be applied to road renewal and maintenance. See attached email exchange between Cr Peter Epov and the General Manager in attachment **XX**

Estimated SRV revenue for Road Renewal and Maintenance.

In year 1	\$1.4M	(having deducted a 1.8% Rate Peg from SRV 6.9%)
In Year 2	\$2,722,771.50	(having deducted a 2.4% Rate Peg from SRV 6.9%)
In Year 3	\$4,091,796.22	(having deducted a 2.4% Rate Peg from SRV 6.9%)
In Year 4	\$5,522,427.05	(having deducted a 2.4% Rate Peg from SRV 6.9%)
In year 5	\$7,017,436.26	(having deducted a 2.4% Rate Peg from SRV 6.9%)
In Year 6	\$8,579,720.90	

Total revenue over six years would be \$29,346,851.93

Promised work over six years was \$59,766,000.00

Only in year seven would there be sufficient revenue to achieve the “**overall annual SRV ‘allocation’ totaling \$9.961M.**”

Councils Submission: Page 4 & 5

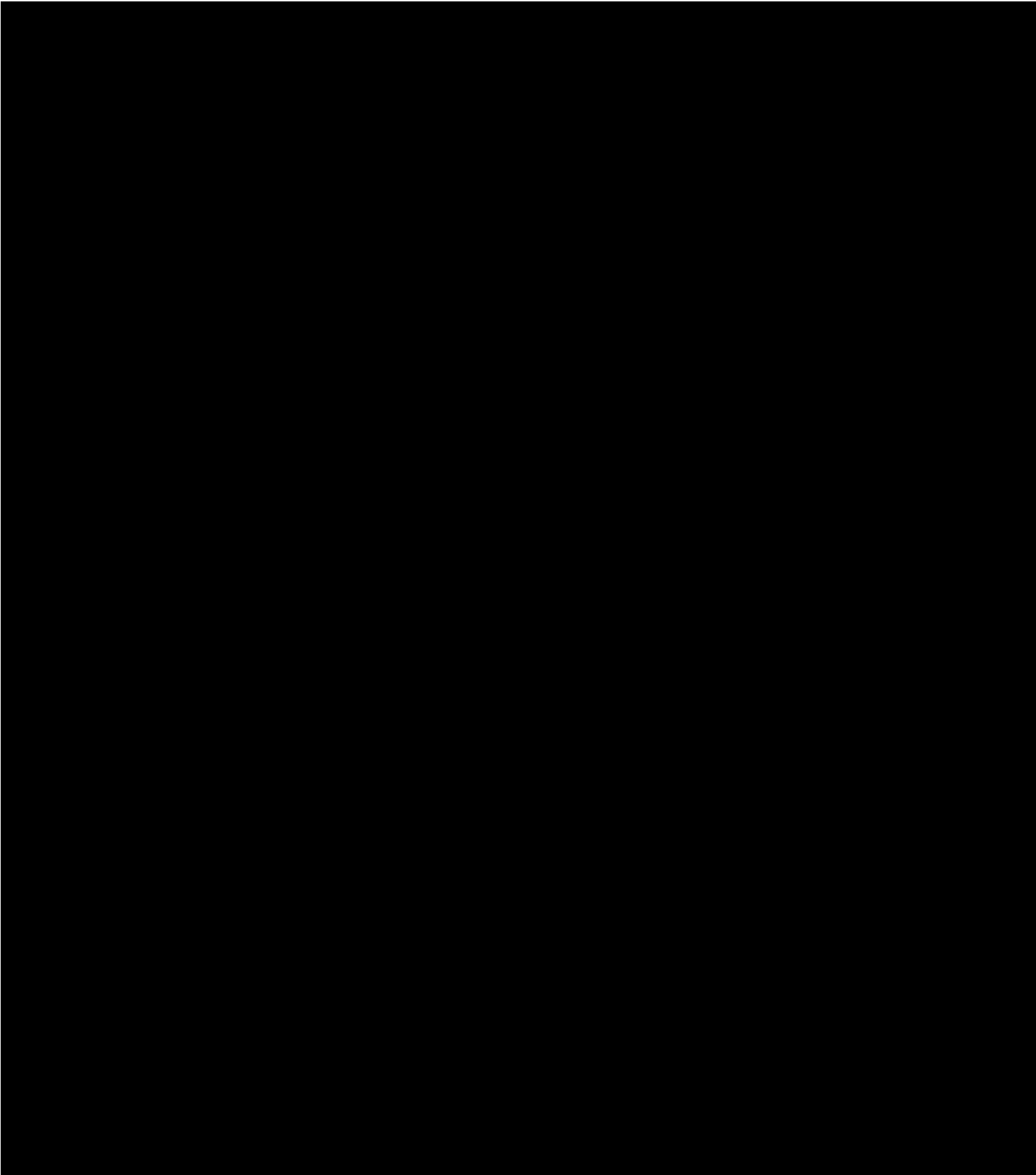
GTCC:

Greater Taree City Council (GTCC) commenced consideration of the current SRV to increase expenditure on infrastructure in June 2014 when it adopted a Long Term Financial Plan (LTFP) 2014 (attachment iii) scenario that included a 5% (excl rate peg) SRV to commence in 2016/2017. With adoption of the LTFP (attachment iv) in June 2015, this was revised to 6% (excl rate peg), over two years in one scenario and over 6 years in another. In June 2015, the latter formed the basis of the Council endorsed submission of its ‘Fit for the Future’ (attachment v) proposal, to the NSW State Government.

Council’s draft 2015/2016 budget proposes a Long Term Financial Plan scenario 3 that indicates a rate variation of 6% in addition to the IPART rate peg for 6 years, with the additional rating income to remain in the budget following this period. By 2022/2023, this increase would realise an approximately \$10M in additional rating income per annum all of which it is proposed be quarantined for expenditure on infrastructure maintenance and renewal. The aim of this being to decelerate deterioration of the road and bridge infrastructure.

Response:

1. Council is required to present 3 scenarios in its Long Term Financial Plan (LTFPs). History shows that with this Council Scenario 3 was always the “optimistic” aspirational Scenario. Many of Council’s LTFPs have indicated a SRV increases, which were not subsequently pursued.
2. During the 2016/17 budgetary processes for the 2015/16 budget, as a Councillor I can attest that there was no emphasis nor indication that Council would be pursuing an SRV increase.
3. Council had just received an approval for a 5% Environmental Levy increase for five years in the previous year.
4. If there was an intent to actively pursue and SRV increase why didn’t this occur during immediately after the budgetary discussions, or after the budget was passed in June 2015, and why didn’t the community engagement process not commence until November on the eve of Christmas, and just prior to Council having to give notice to IPART on 14 December.
5. This SRV was a highly speculative enterprise initiated after Council appeared to have escape the threat of amalgamation with the intent of creating an appearance of ongoing financial viability particularly when dealing with its infrastructure back log.
6. The first significant conversation between Councillors re a possible SRV was at a workshop convened on 23 September 2015 between 3 and 5 pm. A 44 slide presentation PowerPoint was made by the General Manager outlining proposed work as a result of an SRV. This was followed by a minimal discussion in relation to community engagement and consultation. There was no plan provided nor any briefing papers in advance or later.





Councils Submission: Page 11

GTCC:

Because of the fragmented nature of settlement, the Manning Valley has a large amount of infrastructure per head of population.

Response:

Whilst GTCC acknowledges: “the fragmented nature of settlement, the Manning Valley” it did not provide a methodology for community consultation on social justice principles referenced earlier in this submission.

Councils Submission: Page 11

GTCC:

Through the consultation undertaken in November/December 2015, it has been established that over 80% of the community is dissatisfied with the condition of local road infrastructure. The independent survey undertaken in December also identified that the majority of respondents agree council should spend more money on roads. On a sliding scale respondents reported a preference for expenditure on roads (47%) compared to lower rates (11%). This appears to indicate a willingness to pay more if outcomes are visible.

Response:

In Part 3 of the independent survey November (referenced above): *‘Attitudes towards rates expenditure on local roads’* the **key question** that followed after the expression of satisfaction questions in the survey was No. 15 which was: *‘To what extent do you oppose or support Council’s proposal to apply for a special rate variation of 6% per year for 6 years specifically to fund improvements in the safety and condition of local roads’*:

- ❖ Only 40% of the participants supported the SRV application,
- ❖ **38% opposed and** ,
- ❖ **22% are neutral or unsure;**

Clearly a significant proportion of the sample that is 60% were opposed or neutral or unsure.

The only reasonable conclusion from this is that whilst people were dissatisfied with the condition of infrastructure and indeed aspired to have better infrastructure, they were not prepared to pay higher rates, principally because the GTCC LGA is a low socio-economic area, the rates are already very high and they could not afford to pay higher rates. Further the evidence recorded both in this survey and Council's own online survey which had stronger opposition to an SRV clearly indicated that many did not either trust Council or expressed concern as to how Council spent its revenue. There is no established willingness to pay from this poll nor Councils online poll.

It should be noted that country people generally tend to be conservative during telephone polls and 22% neutral or unsure is a negative response.

Council's application of the data (and interpretation) of the December poll is truly misleading and deceptive.

Council instructed the survey company, Jetty Research, to survey the same 400 people as in the first survey with a further (smaller) set of questions. Please see the attached Jetty Survey Attachment **XX**

On this occasion, in the context of the entire process being rushed through before Christmas, and as Council was having its final meeting for the year on 9 December and an indication had to be submitted to IPART by 14 December, the second survey was carried out over 2 days on between 14 -15 December and not over five days as on the first occasion. Of the 400 persons in the initial poll the survey company only managed to contact 327. **That is 73 or 18.25% of the original sample were not contacted.**

There is no evidence as to how those 73 people (18.25%) responded in the first poll, therefore the outcome of this poll is at best unreliable and the results are corrupt.

A further factor that compromises the outcome and the credibility of this survey is the actual questions which Council required to be asked in that poll:

Question 4

Q4. Great thanks so much [Q3]. The survey we conducted initially was based on a 6% special rate variation over six years to fund improvements to local roads. Based on the results of that survey, and via other community feedback, Council is now putting forward a revised proposal of a 4.5% Special Rate Variation each year for 6 years. Added to the state government's annual rate peg, this would amount to a total increase of 42% over the six years. Also, as a part of that SRV, Council would increase the Pensioner rebate to cover 35% of the increase over the 6 year period. That would result in an overall increase to pensioners of 27%, again compared to 62% under the previous proposal.

On that basis, can I just ask: To what extent do you oppose or support Council's proposal to apply for a special rate variation of 4.5% per year for 6 years, with some pensioner rebates, specifically to fund improvements in the safety and condition of local roads?

The question states: *The survey we conducted initially was based on a 6% special rate variation over six years to fund improvements to local roads.*

1. It does not state that the original proposal was for a 'special rate variation' of **8.4%** which was the initial SRV figure. It states **6%**.
2. The question states: '*was based on a 6% special rate variation over six years*'. The assertion is that it was 6% spread over six years, not that it was 6% compounded for six years.

3. These are all conflicting and confusing factors.

The next part of the question reads: *'Council is now putting forward a revised proposal of a 4.5% Special Rate Variation each year for 6 years'*.

1. Note the question asserts that the proposal is for a 4.5% Special Rate Variation not a 6.9% which is the subject of Councils present submission. There is no reference to 6.9% anywhere in the second survey which would have been the honest and simple way to describe the proposal.

The next part of the question, that is the next sentence, reads: *"Added to the state government's annual rate peg, this would amount to a total increase of 42% over the six years."*

1. The question does not indicate what the quantum of the 'Rate Peg' is, albeit council voted at the 9 December Meeting (5 days earlier) for a 6.9% SRV compounded over six years, to remain imbedded in the rates. This 6.9% SRV distinctly included a 2.4% Rate Peg as per the Council Report and resolution (Contained in Council's Submission).
2. The lengthy question does not state that the SRV increase will permanently remain in the rates.
3. The question states that: *this would amount to a total increase of 42% over the six years.*" Again this is also not correct as IPART has stated that Councils application is for a 49.2% increase and not 42%.

The final part of the question which is actually the question was:

"On that basis, can I just ask: To what extent do you oppose or support Council's proposal to apply for a special rate variation of 4.5% per year for 6 years, with some pensioner rebates, specifically to fund improvements in the safety and condition of local roads?"

The question clearly asks:

1. *"To what extent do you oppose or support Council's proposal to apply for a special rate variation of 4.5% per year for 6 years"*. There is no reference to a Rate Peg figure on any kind or to a 6.9% SRV.
2. The question is compromised, compounded and confused by the emotive references of: *"with some pensioner rebates,"*

Throughout December and January Council asserted that the overall increase was 42%.

Overall, considering all the references to the pensioner reductions and discounts contained in the question is was a sales pitch!

Also contained in this question is the admission that Council's original proposal was for a 62% overall increase: *"again compared to 62% under the previous proposal"*. In all Councils media and articles there was no reference of an overall increase of 62%. This introduced to influence the person being surveyed.

At the 9 December Council Meeting, Council resolved 4:3 (on the Mayors casting vote) to advise IPART of an application for a 6.9% SRV. Prior to that meeting Council had received IPART's

determination of a Rate Peg of 1.8% for 2016/17 curiously this was not brought to the Councillor's attention before the meeting by the administration. IPART's determination did come out in the course of the debate, but Council voted (4:3) to proceed with a 6.9% SRV which included a **2.4% Rate Peg for 2016/17 ignoring the IPART determination for 2016/17**. A copy of the Transcript of that debate on 9 December, as well as the other two debates (19 October 2015 & 27 January 2016) pertaining to the SRV are included in the Attachments. They are an essential read in understanding how Council arrived at its decisions to proceed with the SRV.

These two surveys cost Council \$24,000 out of an overall budget for Community Engagement and Consultation of \$40,000. The balance was spent on all other forms of information and activity.

The framing of these questions cannot be justified as errors or simple mistakes. The information and confirmation of the questions were done by highly paid executive Council Staff. Councillors had no input to these questions.

From this 'tainted' survey, of the 327 respondents:

- ❖ 49% or **160 people** supported the new SRV
- ❖ 32% or 105 people were opposed
- ❖ 19% or 62 people were neutral or unsure.

And 18.25% or 73 people were not surveyed.

Still 51% or 167 people were opposed, unsure or undecided.

This data in no way presents any favourable mandate for an SRV of this size and duration.

Comparison

When you compare the results to the initial survey in November 2015 which are listed below the results are quite startling.

In the initial November survey of 400

- ❖ 40% or **160 people** supported the SRV,
- ❖ 38% or 152 people opposed and the SRV
- ❖ 22% or 88 people were neutral or unsure;

1. The number of people in favour of the SRV remained constant at 160 from both polls.
2. Why did the poll stop at 327 people? 14 & 15 December 2015 were a Monday and a Tuesday.
3. Why was it not continued to include the other 73 people.
4. Clearly the responses of the 327 persons would have been tabulated by the end of day two of the survey.

The only reasonable conclusion is that Council instructed the Survey company to rush this survey. Both surveys are included in the attachments, numbered **XX**

GTCC:

An SRV is considered the most sustainable source of funding for infrastructure in the long term. If approved, it is a guaranteed source of funds that supports forward planning of renewal and maintenance to arrest the continuing decline in our infrastructure. Overall this enables Council to better manage its infrastructure sustainably rather than reactively. Addressing these long term issues now is fiscally responsible and has regard for the principles of intergenerational equity. It also provides for the continued economic growth of the LGA.

Response:

1. I do not support that an SRV is the “most sustainable source of funding for infrastructure in the long term.” This is a short term solution which will cause a great deal of pain with a low socio-economic area already struggling with high unemployment a significant annual decline in business growth and the design of the proposed infrastructure works cannot commence at the promised level for six years during which there will be further deterioration in the infrastructure.

The proposed SRV options is cosmetic and does not address the underlying problems nor has there been any concerted attempt at looking for solutions. As a Councillor I have attended over 38 Council Workshops and 38 Council Meetings, at no stage has this group of Councillors state in a structure discussion and consider policy or developed strategy to address the decline infrastructure issue.

This SRV 6.9% compounded for 6 years will seriously hurt and impact on the lives of many residents and stakeholders, they haven't even been given the opportunity to participate and express their views in a fair and open manner.

This proposal will not “provides for the continued economic growth of the LGA.”. Rather it will further retard growth, in the same way as modelling has shown that an increased GST would impact most on regional centres. It will be inflationary; a 6.9% increase each year for six years and it will permanently remain in the rate base. A rise of this magnitude will increase rents, for both private rentals. Pensioners and those on fixed incomes as well as impacting on many businesses and transactions. This will be a 49.2% increase in rates over six years. There must be a negative impact on business which will have to be passed on to consumers.

The LGA has a significant farming community with over 20% of the States milk coming from the region. Milk margins are very low for farmers. These types of increase do not encourage investment or employment in small businesses. Many of the local businesses are very small and a struggling already, particularly those in the food industry. Many are rented premises, a \$3000 increase in the bush to some may be the difference between employing an additional person part time or closing down.

It comes at a time when real wages are not growing particularly in the lower blue collar segment of the workforce (a significant percentage of those employed in this LGA)and unemployment continues to increase in regional centres, particularly our LGA.

Other costs of living continue to spiral particularly again in regional centres, such as food, water, gas, electricity, fuel (is more expensive than in the city) telecommunications, and so on. Council cannot live in a vacuum and ignore the cost of living pressure on the community. Council did not consider any of these issues.

Councils Submission: Page 23

Assessment criterion 2: Community awareness and engagement

GTCC:

- A number of social media posts, the first of which had a reach of 3,954. With subsequent posts reaching between 208 and 1,948, but consistently around the 700-1,200 mark.
- Presentation to groups in response to invitation, informing of the SRV proposal.
- Content on the GTCC website informing the community of the proposed terms of the SRV, which saw a peak of 80,000 hits in November, 20,000 above average and two subscriber emails advising of content update.
- Opportunity to complete a self selecting survey, resulting in 503 responses.
- 227 radio slots.
- Promotion on town entrance community event signage.
- Overprint on 20,000 rates envelopes, informing of the SRV conversation.
- A pop-up shop in Manning Street Taree adjacent to the main shopping arcade, from 10-6pm Monday 16 November through Friday 20 November with an estimated 500 people accessing the facility. Staffed by senior staff, Councillors and the Mayor.
- Extensive TV news coverage on Prime and NBN.

An independent, statistically representative survey (sample 400) conducted by Jetty Research during the week 23 - 27 November.

Response:

1. The methodology adopted by Council did not cater to (See GTCC profile in this submission) a population of 50,000 people spread across 5 main urban centres and 23 villages in what can best be described as a geographically challenged region spanning 3,731 square kilometres.
2. This is a rural community, Social Media only accommodates a small percentage of the community, particularly the younger people. It is also restricted to people who have access to smart phones, tablets and computers, a significant proportion of the population. Many people have poor reception for communications, no access to land line internet (including the writer) and a reliant on satellite communication which is expensive, and limited. Particular as we have a higher proportion older residents. This is not an effective means of communication to the majority of rate payers at this time. In the Jetty Survey only 2% of those survey indicated that they heard about the SRV from social media.
3. Council has not listed the names of the Groups where presentations were made informing them of the SRV. This was not identified in either the methodology nor were the groups named in reports. Conversely I believe Council failed to identify the various segments of the community that should have been consulted. The approach was some media advertising on radio.
4. The assertion that "Content on the GTCC website informing the community of the proposed terms of the SRV, which saw a peak of 80,000 hits in November, 20,000 above average and two subscriber emails advising of content update." is not supportable. Whilst there may have been 80,000 hits on Councils website, in November at the start of Summer (and tourist interest), the entire population of the LGA is only 50,000 people (including children).

5. The statements that: *Opportunity to complete a self selecting survey, resulting in 503 responses.* is not consistent with the claim of 80,000 hits. This suggests that only 0.0063% that is less than 1% who visited the site chose to complete Council's online survey? Further there is no evidence or indication that these hits were from residents or stakeholders of the LGA. In the Jetty Survey only 2% of those survey indicated that they heard about the SRV from Councils Website.
6. The Councils independent telephone survey indicated that 41% of those surveyed in 23-28 November were still unaware of the SRV Proposal.
7. Of those who completed the online survey 63% were opposed to the SRV. A range of damning comments were left by many of those who completed this survey.
8. Council Claims that there were 227 radio slots. There are more than 5 radio stations covering the region including the ABC. Council has not identified where these slots were, not the booked times nor the text of the advert. I am aware that Council placed some advertising with 2RE. I can genuinely say I did not hear one radio commercial within that period. The region is geographically challenged. Not all areas receive the 2RE signal. The southern part of the LGA is covered by other radio stations from Great Lakes, The northern part of the LGA is covered by Port Macquarie stations.
9. The "*Overprint on 20,000 rates envelopes, informing of the SRV conversation*" was perhaps one of the most cynical exercises of the so-called community engagement. Having committed at the 21 October Council meeting to issuing information pertaining to the SRV proposal to ratepayers who received quarterly rate notices which is approximately 80% of all rate payers, (and indeed a further indicator of the economics status that the majority rate of ratepayers still receive paper notices are so economically challenged and have to pay their rates quarterly), Council did not issue any information in writing to all rate payers. This was a critical error (perhaps deliberately) not to inform the community leading into the Christmas period. Rather cynically, a small imprint was stamped on the back of 20,000 envelopes with a reference to the SRV. Persons receiving these envelopes had no reason to look at the back of the envelope as all of Councils details (sender etc) were listed and printed on the front). The overprint appeared like some junk mail message **on the back of the envelope**. This is not one of Council's proudest moments and not one to be proposing as an effective form of communication. From a professional direct mail perspective this is a major error. See my email to Executive Leader Corporate Support XX December 2015 (attachment).

10. Extract from 21 October Council meeting:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

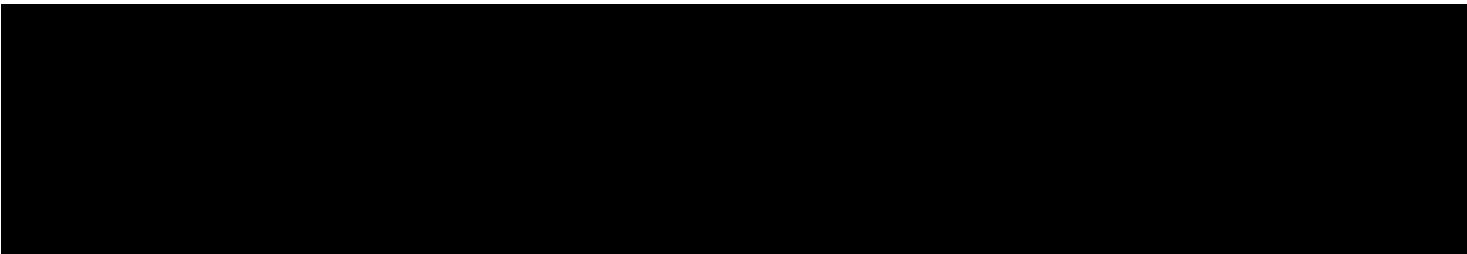
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- 
11. The region is service by one major newspaper which is published twice a week (Wednesdays and Fridays) and a smaller sister newspaper which is published on Wednesdays. Both are owned by Fairfax Media. Both newspapers are recipients and beneficiary's of substantial (practically, weekly full page Council advertisements).
 12. The circulation of the Manning River Times is 2900 copies, the Wingham Chronicle is 1900 copies, often they duplicate articles and overlap in coverage.
 13. The Newspapers did not provide very much coverage of the SRV. They did not appear to be very interested despite the writer issuing a number of Media Releases pertaining to the SRV. This was very curious as the SRV was one of the most important events of this community in the Calendar Year.
 14. The Articles which appeared often were factually incorrect, specially when it came to the quantum of the SRV which was almost always down played and the economic impact of the SRV upon rate payers was rarely explained. This only served to confuse those who were aware of the SRV proposal. Attachment XX contains copies of articles with errors.
 15. Whilst I can recognise there was an attempt to inform some of the community regarding a proposed SRV, the effects were very limited.
 16. I believe the methodology for community consultation was deliberately designed to be very low key. This was due to a growing disappointment with Council and Councillors, the proposed sale-off of parks proposal that received massive negative community outrage (and was subsequently shelved). Council's loss of \$21.4M in committed Federal funding after the change of Government in 2013, in part through its failure to deliver on all the administrative requirements before the election, has not been forgotten. The LGA is part of the Lyne Electorate, formerly held By Mr Robert Oakeshott. On 22 April 2013 in a newspaper article referring to the GTCC Mr Oakeshott said: "Use it or Lose It". Following the election the new federal Government effectively clawed back \$21.4 million in promised funds. Of that \$11.4 Million was originally committed to roads and bridges infrastructure.
 17. There are many people within the LGA, particularly elderly people who are not computer literate or do not have access to the internet or computers, even if they were aware of information on Councils website, the couldn't access it. Yet the same people if they are aware will come to public meeting and speak intelligently and eloquently. Many people live 30 to 60km from Taree Centre and Council.

18. Critically there was no timetable published anywhere to outline the entire process of so-called consultation either for November or December. (See Council Meeting questions above).
19. The previous 2009/10 SRV Community Consultation was more extensive and more expertly driven and the methodology was design to inform and engage with the entire community. Information letters were sent to all rate payers and interested parties. Information packs were developed and the entire process was conducted over a reasonable period, which gave the majority of the people the opportunity to participate in a significant matter that directly effected their lives. See attachment **XX** Furthermore there was a clear majority of residents and stake holder who supported that SRV proposal .
20. Actual television coverage that is news stories for the SRV was minimal, but it serve to inform a reasonable number of peoples to a possible SRV. These were the occasional news stories, the didn't outline how the people could necessarily participate or engage in consultation.
21. Council did not put the formal proposal on display nor did it call for formal written submissions.
22. The pop up shop was conducted in business hours between 10am and 6pm over five days. The shop was only open in working hours. There were no after work or weekend events. A significant proportion of the expressed response at the pop up shop was negative. The week of the pop-up show the temperature was very high with the last two days being 39 C. not the most conducive time for engagement.
23. Many of the 5 main urban centres and 23 villages are serviced by local newsletters. Council made no effort to utilise
24. The Community is also serviced by a boutique
25. As an example the writer called a public meeting in Harrington (one of the five main town centres) on 24 January 2016, over 100 people attended of which 80 indicated that the had not heard of the SRV until the recived a notice in their mail box advertising the event. This was a clear example that the community will participate if they are aware and they are given an opportunity.

Councils Submission: Page 25

GTCC:

Observations by senior staff and Councillors, from the interactions at the shop front, which was visited by approximately 500 community members, were:

- there was a strong face to face message that people on pensions supported fixing the roads, but could not afford it;

- some people were confused by the SRV and Rate Peg percentages, but had this clarified at the shop front;
- many people questioned Council's competence to address the problem;
- universally people felt informed by the shopfront process and website content.
- there was an overwhelming acceptance of the problem ie the poor condition of roads in the area; and
- there is no appetite for considering a larger increase for other infrastructure.

The December meeting of Council led to a second round of consultation in relation to the 6.9% SRV proposal with a second independent survey conducted with 327 of the 400 randomly sampled previously.

Response:

1. **Dot Point One**, above supports the assertion that people on pensions could not afford the SRV which in November Council was spruiking as 6% and not 8.4%.

2. **Dot Point Two:** This is both an admission and confirmation of my earlier assertion about a lack of understanding of the SRV proposal. People expressed confusion about percentage at the pop up shop this is confirmation that out in the community there was and confusion, and whilst Council staff may have clarified this at the pop up shop it was not clarified within the community. The jetty surveys added to the confusion.

3. **Dot Point Three:** Again conformation of what has been previously stated about confidence in the Council to deliver. The promises of \$9.9M in annual SRV works was a clear example.

4. **Dot Point Four:** The majority of thr populace did not have this opportunity as the pop up shop was only in Taree. It could have been conducted at least in each of the five major townships, but there was deliberate intent to rush the SRV proposal through.

5. **Dot Point Six:** A further clear indication that the SRV particularly of this quantum of 6.9% compounded each year for six years is not in the public interest and it is not economically sustainable for the Community at large.

Last paragraph.

There was no second round of Community Consultation that was either reasonably announced promoted or conducted. Council did not engage with the community and hold any further discussions. The fact that a second survey was conducted by Jetty as previously referenced was not a process of consultation when the bulk of the community was not aware of the change to the quantum of the SRV nor was a timetable or consultation methods and or events formally announced. On 9 December Council resolved to advise IPART of the SRV, by this stage many in the community assume the process was over and the decision had been made. Council's online (second) survey received a total of 35 responses. The previous was 503. Still there was 51% opposition to the reduced SRV proposal.

Criterion 3 within the OLG Guidelines is:

(page 27 - 28)

The impact on affected ratepayers must be reasonable, having regard to both the current rate levels, existing ratepayer base and the proposed purpose of the variation. The Delivery Program and Long Term Financial Plan should:

- *clearly show the impact of any rises upon the community*
- *include the council's consideration of the community's capacity and willingness to pay rates and*
- *establish that the proposed rate increases are affordable having regard to the community's capacity to pay.*

Response:

The GTCC LGA is a low socio-economic area:

1. Council has not provided any documented evidence that demonstrates that it even considered the impact of such a severe SRV increase on various segments of the community. It did not! Pensioners are not the only disadvantaged segment of the community. There is a wide range of other stakeholders and community members who will be severely impacted by such a large SRV.
2. Council has not provided any evidence that there is either a economic capacity or a majority willingness to pay significantly higher rates.
3. Council has not demonstrated through evidence that this severe rate is economically viable for the majority of residents and rate payers.
4. Land values in most neighbouring Councils are higher than in the GTCC LGA.

Councils Submission: Page 34 &35

GTCC:

Hardship

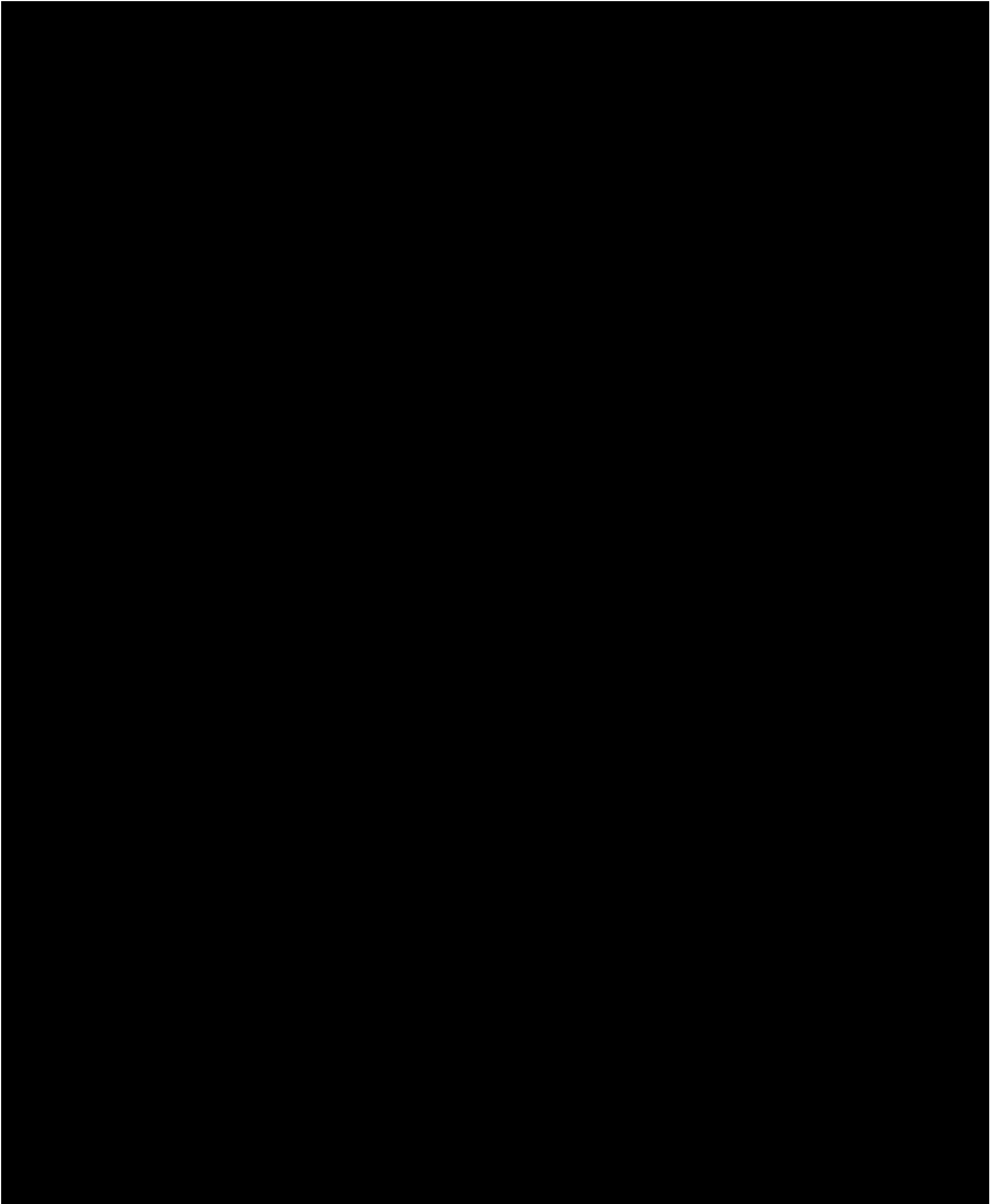
Response:

Council has identified a number of Halls, Clubs and facilities that receive donations from Council to maintain their operations these cannot in anyway be described as hardship cases.

9 Other Issues:

Council did not:

1. Produce a pre-feasibility study or even a feasibility study for the SRV.
2. An impact statement.
3. There was no specific Report to rate payers accounting the expenditure of the 2010-13 SRV.
4. The Councils SRV process fails very basic project management principles.
5. The process was introduced too late and was rushed to meet IPART's deadlines.
6. No Information Kits were produced. Everything was reliant on website content.
7. Given that this process had a distinct and direct impact on peoples lives Council should have adopted a measured and considered approach providing time for the Community to understand the proposal and participate.



12. Attachments

- Attachment 1 - GTCC SRV random phone survey Nov 2015 final report
- Attachment 2 - Council Meeting 19 October 2015
- Attachment 3 - Council Meeting 9 December 2015
- Attachment 4 - Council Meeting 27 January 2016
- Attachment 5 - Heavy patching » Greater Taree City Council
- Attachment 6 - Copy of GTCC Letter to residents 2010 SRV
- Attachment 7 - Copy of GTCC Material to Residents 2010
- Attachment 8 - Article Wingham Chronicle (23 December 2015)
- Attachment 9 - Articles Manning River Times 9 /12/15
- Attachment 10 - Extract of Council Advert 6 November 2015 (Manning River Times) Contains Error.
- Attachment 11 - Letter to Editor - Manning River Times 6 November 2015
- Attachment 12 - GTCC Fact Sheets for Residents for 2010 SRV –
(An example of what was done well by the same Council!)
- Attachment 13 - GTCC Event Schedule for 2010 SRV
- Attachment 14 - Example SRV Rates Calculator – Rockdale. GTCC did not include such a calculator on its website, all information on the website was based on averages
- Attachment 15 - SRV Correction - Manning River Times
- Attachment 16 - SRV Error in Mayor's Column Manning River Times.
- Attachment 17 - Commentary of GTCC Advert in Manning River Times Page 7
- Attachment 18 - Media Release (MR) 9 December 2015 PE
- Attachment 19 - Peter Epov's 'Response to GM Clarifications dated 10 December 2015'
- Attachment 20 - Response to LB Clarification 10 December re back of envelope
- Attachment 21 - Joint Media Release KB & PE 15 October 2015
- Attachment 22 – MR 17 December 2015 re Mayors Attack on Councillors at Council Meeting.
- Attachment 23 - Joint Media Release (PE & KB) 20 October 2015
- Attachment 24 - Manning Alliance MR 22 December 2015
- Attachment 25 - Letter to Mayor 1 February 2016
- Attachment 26 Response to GM's answer to 1.8% Rate Peg for 2016/17 Question.

Confidential Attachment - Urgent and Confidential Letter to Mayor Hogan