

**Submission
No 7**

INQUIRY INTO LOCAL GOVERNMENT IN NEW SOUTH WALES

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Introduction

The Clarence Environment Centre (CEC) has maintained a shop-front in Grafton for over 25 years, and has a proud history of environmental advocacy. The conservation of the Australia's natural environment, both terrestrial and marine, has always been a priority for our members, and we believe the maintenance of healthy ecosystems and biodiversity is of paramount importance.

Preamble

The Terms of reference to: *"Inquire into and report on local government in New South Wales and any other related matter."* (with a range of suggestions in between), clearly invites the public to bring up anything at all.

As local governments so frequently abrogate their responsibility to protect the natural environment under their care, we are keen to see change. Therefore, the Clarence Environment will concentrate on wasted expenditure that would be better spent on environmental protection and enhancement.

Essentially, few councils have the resources, or expertise to manage the amazing biodiversity that NSW is blessed with, with the result that successive State of the Environment Reports have shown a worrying decline in biodiversity, which will only accelerate as human populations grow, unless drastic change occurs.

Before continuing we would like to 'debunk' a commonly expressed claim that amalgamation of councils makes the combined entity more economically viable – it should, but in reality it does not. In our Clarence Valley, 4 councils were forcibly amalgamated about a decade ago to form the Clarence Valley Council. The new entity then employed a General Manager at a salary that dwarfed the remittance received by any of the Shire Clerks he replaced. Not only that, but he was provided with two Deputy General Managers, also on salaries greater than those previously received by the Shire managers.

Ten years on, and despite huge hikes in some rates (to bring them all in line with the most expensive), services have not improved, we have debts far greater than the combined debts of the 4 previous councils, while the state of our assets, particularly rural roads, has never been worse.

The main reason, as we see it, is financial waste on consultancy. Councils appear reluctant to make any decision without a consultant's report, and it seems as though the consultant is paid on a percentage basis, encouraging unnecessarily grandiose schemes.

Why are we paying enormous salaries to executive staff if they are incapable of making the decisions themselves? It appears that most Council administrators see themselves as “empire builders”, wanting to leave their legacy for future generations. A good example of this was the construction of the Coffs Clarence Regional Water Supply, the centrepiece of which is the Shannon Creek dam.

Financial planning and management – a case study

The Coffs Clarence Regional Water Supply scheme was triggered by a water shortage crisis in Coffs Harbour, brought about by rampant development in that city in the 1980s, which saw the population quadruple without appropriate provision of essential services like water and sewerage. As a consequence the city ran out of water and plans were hatched (but thankfully thwarted by public action) to pump sewerage directly out to sea off Look-at-me-now Headland. All development was put on hold as panicked administrators rushed to find a solution which, as it eventuated, was the Nymboida River, the source of water for the neighbouring Clarence Valley.

The Nymboida River has never stopped flowing, although it has come close on two occasions over the past 180 years, so it was determined that an off-stream storage be built to provide a regional back-up water supply, taking water from the Nymboida during high flow period, and using it during drought to allow an environmental flow. This was sold to a gullible public as a “win win situation”.

The environmental flow was determined as the 95th percentile, a baffling term designed to confuse, but essentially that was the point when extraction from the river would cease, and water would be sourced from the storage, a period, on average, of just **19 days a year!**

Of course the river doesn't reach a low flow for 19 days each year, in fact for decades on end it doesn't even reach that low flow and any stored water would simply sit there evaporating. But serious droughts do occur, and the worst on record, in 2002, saw the river drop below the 95th percentile flow for about 140 days, so the off-stream storage had to be designed to hold at least 6 months supply of water to provide the region with water security, that is about 5,000 megalitres.

Oddly enough, Coffs Harbour already had a storage capable of holding more than enough water to supply the region with water for 6 months, the Karangi Dam, but the powers that be never considered building a pipeline from the Nymboida to fill that dam, and link it to the Clarence Valley to provide both LGAs with water security, they wanted to build something big, a separate dam.

Incredibly, that separate dam was proposed to hold, not 5,000 megalitres, but 90,000 megalitres, enough water to supply the entire region with water for 9 years. This was insane, and fortunately sanity prevailed to a point, with a commission of inquiry insisting the new dam should only hold 30,000 megalitres, still sufficient water to supply the region for 3 years.

Of course, the cost blew our from an original estimate of \$95 million to \$190 million, yet incredibly came in “under budget”. How does that work? Of course the two Councils are still paying off the borrowed money, and ratepayers are now saddled with a bill of hundreds of thousands of dollars annually to maintain the white elephant during the 346 days each year (on average) when the water isn't required. **A clear case of unnecessary empire building in our opinion.**

More poor planning and waste.

1. Another example of our local council's waste of ratepayer's, and taxpayers money, has been the West Yamba development, which has been on the drawing board for more than a decade, and began under the former Maclean Shire Council and will allow some 1,100 homes to be constructed on land that lies approximately 1m above sea level.

An enormous amount of flood risk management funding, paid for by the NSW taxpayer, was spent on a series of studies undertaken by external consultants, that resulted in the approval to rezone that land as residential. That development can now go ahead, but enough fill has to be brought in to raise the area high enough to escape flooding and sea-level rise to 2100. It will take one truck movement every five minutes, 7 days a week for eight years, to provide sufficient fill. After 2100, “vertical migration” is being talked about, i.e. an upper storey where residents of this suburb with a use-by date can retire to during floods and tidal surges.

2. Only this month, Council again spent a large sum of money on consultants, looking for a way to save residents of Woollahra from sea-front erosion of the sand dune upon which their homes are built. The consultant has recommended pumping huge amounts of sand from the nearby Yuragir National Park to “nourish” the beach, an action that is not only a short term fix but, under current legislation, would be illegal.

The plan states that funding for the beach nourishment scheme will be apportioned in consideration of the benefits it provides to both public and private lands, it would be extremely unlikely that private landowners will be willing to contribute 94% of the \$2.1 million required for each nourishment event, with ratepayers more likely being expected to meet the costs.

Why does the Council employ the services of consultants when they have qualified staff including an entire engineering section, complete with fully qualified engineers?

While this unacceptable waste continues, rural roads are being neglected, something that is set to worsen dramatically with the additional heavy traffic generated by the new Pacific Highway construction with the thousands of gravel truck and other works associated vehicle movements on a daily basis.

Environmental programs including much needed weed eradication and bush regeneration programs are suffering, as is road-side rubbish clean-up and numerous other council responsibilities, and there is talk of closing or cutting back of funds for the tourist information centre. In an area where tourism is the major source of employment, and greatest contributor to the local economy, this makes no sense.

Finally, we believe Councils should be required to develop a long-term vision and develop strategies and plans accordingly. In the case of Clarence Valley Council, there is no such vision and that leaves us vulnerable to every entrepreneur and hair-brained short-term proposal that comes our way.

Thank you for the opportunity to comment.

John Edwards
Honorary Secretary