

Written Submission for Annual Business Plan 2013/14

This written submission is supplement to the deputation I delivered at the Special General Meeting on 9/7/2013.

I wish to respond further to some comments made during question time. I was asked if I had considered and thought of any possible solutions to improving the Council Budget deficit and I remarked that it is incumbent on those that criticise should also offer suggestions too. I stand by the comment that the Council needs to rein in its expenditure and deliver several balanced budgets over the next few years and stop borrowing to fund capital works would certainly assist in this goal. Since this meeting it has given me time to reflect upon what was said.

To me, these two prongs of attack are vital to Council reversing the trends that I spoke of throughout my deputation and to assist in getting back to a surplus with revenue.

Looking firstly at the expenditure deficit, I note that the wages bill for Council has increased over the last three years considerably. In 2010/11 the wages bill was \$11,397,000.00, then \$12,339,000.00 in 2011/12 (an incredible increase of \$942,000 in one year) and then in 2012/13 it was \$12,963,941.00 (a further increase of approximately \$625,000). I cannot for the life of me see that the size of these increases is necessary, wise or justifiable.

To justify this size wages level, it is often said that if you pay peanuts you get monkeys. I do not subscribe to this mantra as the higher wage earners clearly have not contributed to or delivered a balanced budget, instead it has contributed to the deficit we now own. The wages bill in 2010 was much less and the then staff was able to deliver a surplus. I believe this issue is priority number one, with a view to getting wages back down to at least 2010 level as it seems the property valuations that rates are based on, reflect 2010 levels.

I would also like to see closer scrutiny with the purchasing of goods and services from contractors and suppliers. I have been given anecdotal evidence that Council are paying more for the procurement of goods and services than seems fair and reasonable.

The cost of \$7.5 million to train and develop Councils human resources seems to be an enormous burden on Councils finances. I cannot see anywhere in the Business Plan the number of staff employed in the last year, even though it has been included in previous business plans. If I was to use old figures of 225 persons employed, then this \$7.5 million equates to approximately \$33,300 per person. Is it truly necessary to spend this much money on training and developing staff? As a concerned ratepayer, I would like to view a breakdown of this expenditure.

I would like to know the extent of internal and external consultancy work carried out on behalf of Council and its impact on the budget.

There needs to be a serious review of all operating expenditure with all information available to the ratepayers and in particular, the councillors to enable proper debate at one or several meetings.

Secondly, borrowing to fund more and more capital works is not always a good thing. Viewing all capital works borrowings as good debt misses the point that if it is detrimental to cash flow or creates deficits that require further rising of rates revenue to eventually pay it off, then it can only be considered bad debt. To view all capital works borrowings as good debt only, requires seeing it in perspective of complete isolation from the rest of the budget figures. Capital works are important, but only to the extent that it is sustainable and does not put undue pressure on Councils finances.

I note that the Ferries McDonald Road still features in the Roads budget. I was under the impression that the grants pertaining to this project have long ago been provided to Council and money to cover the remaining cost had been set aside in previous years. Is there cost blowouts on this project or has the money set aside for this project been redirected to other areas?

I was critical of the amount of detail in this current Business Plan, in particular, the lack of a Profit and Loss accompanying the Balance Sheet. Is it possible that this could be released to the ratepayers in the next few months so that we may have a more complete picture of Councils current finances? Peter Bond agreed that a Profit and Loss statement could be released but only an edited version. I would expect that the only editing undertaken was of any figures that may encroach on employees personal details, otherwise I believe that ratepayers have every right to know on what and how this Council is spending ratepayers money.

This Council is missing out on a free resource that could help them in managing Councils affairs. Retirees, successful business people and knowledgeable people abound within our community and Council needs to tap into their experiences and knowledge by setting up forums of public engagement. This is nothing new and one only has to look at the Tea Tree Gully Council and their 'Community Panel' as a good example of the process of public and ratepayer consultation. Or invite business and community leaders to a summit or a series of seminars to discuss Council matters. Empowering the average ratepayer by allowing them access to this Council via an internet or a web site based forum where non confidential meetings could be podcast or streamed into their homes. I am offering up these ideas to try to increase participation in Councils affairs from ratepayers. I believe it is incumbent on Council to develop this increased participation and I hope some of these ideas may help.

I would also like to see all Councillors have permission and the ability to blog their thoughts and ideas and voting preferences via the Councils web site. Given that the Rural City of Murray Bridge has now removed the wards and have embraced a more open system, ratepayers may not be familiar with the Councillors that were previously outside their ward. Knowing what a Councillor stands for, will improve the democratic process and help ratepayers make more informed choices about the next crop of candidates in upcoming elections.

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