

Name: Gus Blaauw

Date: 27 May, 2019

Name made public Y  
On the wesbsite?

The Terms of Reference e. The efficiency and effectiveness of the Council's governance arrangements in delivering services to its constituents;

I have been present at all Council meetings for more than the last four years and have observed and studied in details the governance as presented including financial documents.

I would like to present my opinions and beliefs related to the connection between the bureaucracy and nine Councillors.

In particular the culture, the management skills, and their application, when exercised by the bureaucracy and when exercised by Councillors, and how this impacts on governance, efficiency and effectiveness in delivering services.

My submission is supported by relevant documentation to present the factual rather than the subjective, where possible. I am happy to supply this information and to amplify any desired particular if requested.

Venus Bay, 28 May 2019.

Mr. Chairman, Commissioners,

Thank you for this opportunity to present.

My submission relates to the disconnect between the Councillors and the bureaucracy, the manner in which the bureaucracy operates and the outcome for residents - and for ratepayers in particular.

I have listed areas of concern that I think are representative of an unacceptable culture (bureaucracy) and how we the Ratepayers are forced to endure that.

### 1. Proposed 2019/20 Budget and 4 Year Plan

items up for discussion and the absence of consideration for the heavy price they have to pay – again.

I suggest a lengthy a meeting between Ratepayers' representatives, Councillors and some accountable bureaucrats would be beneficial and is long overdue.

#### 2019-2020 Budget and 4 Year Plan

##### CASH AND CASH EQUIVALENTS

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>
	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Budget</u>	<u>Plan</u>	<u>Plan</u>	<u>Plan</u>
	\$	\$	\$	\$	\$	\$	\$
Cash on Hand	2,000	2,000	3,000	Not Supplied	Not Supplied	Not Supplied	Not Supplied
Cash at bank	1,646,000	2,963,000	1,107,000	Not Supplied	Not Supplied	Not Supplied	Not Supplied

Money Market Call Account	1,283,000	3,236,000	3,348,000	Not Supplied	Not Supplied	Not Supplied	Not Supplied
Term Deposits	-	3,500,000	1,000,000	Not Supplied	Not Supplied	Not Supplied	Not Supplied
Term Deposits - Current	<u>15,316,000</u>	<u>16,581,000</u>	<u>24,266,000</u>	<u>Not Supplied</u>	<u>Not Supplied</u>	<u>Not Supplied</u>	<u>Not Supplied</u>
<b>Total Cash Assets</b>	<b>18,247,000</b>	<b>26,282,000</b>	<b>29,721,003</b>	<b>13,494,000</b>	<b>10,260,000</b>	<b>5,492,000</b>	<b>2,358,000</b>

1. This schedule lists the money available to Council in various Bank Accounts as at 30 June for each year indicated.
2. This money has been accumulated over a substantial number of years by very high Council Rates and Charges on the back of Ratepayers and Residents combined with a culture of spending and more spending.
3. As at 30 June 2019 (this year) the money available will be at an all-time high of \$ 29,721,003. An inexplicable decision to borrow \$ 3,600,000 and this picture becomes decidedly grim.
4. This accumulated money will be spend at an unprecedented rate and soon will be reduced to a pitiful \$ 2.358.000. an all time low.

7. The \$ (4,177,000) Underlying Loss for the Year 2019/19 (this year) adds to my deep concern.

(Page 1) FINANCIAL SNAPSHOT	2018/19 Forecast	2019/20 Budget
Budget Papers Page 1.	\$ Million	\$ Million
Capital Works Program	19.05	25.95
Funding the Capital Works Program		
Council	14.97	14.97
Reserves	0	0
Borrowings		3.60
Contributions	0.25	0.80
Grants	3.83	6.58

This snapshot details Capital Expenditure of \$ 19.05 Million in 2018/19, the Current Financial year and an astounding \$ 25.95 Million in the 2019/20 Proposed Budget year.

Because the Grants Income is totally inadequate to accommodate this spending, Council's financial reserves, built up over the last ten years on the back of Ratepayers with one of the highest Council Rates in Victoria, are depleted in a very short time. In the 2018/19 Current Financial year \$ 14.97 Million and a similar \$ 14.97 Million in the 2019/20 Proposed Budget year have been allocated.

An additional bad news item in this Budget is on Page 23, item 3.1 Budgeted Income Statement, concerning the \$ 21, 173,000 Materials and Services expenditure. I have been unable to find anywhere in this Budget details related to this expenditure. Considering this is more than one third of the total expenditure in this Budget

There is much more of deep concern. I think these samples are symptomatic of a much wider problem. There are many more items of concern in this Proposed Budget which is in need of serious improvements.

## 2. Caravan Parks

Council decided to directly manage two Caravan Parks, the Long Jetty Caravan Park and the Yanakie Caravan Park in 2013.

A report on background and operations of these Caravan Parks by Council over the four years 2013/14 to 2016/17, was provided in the Agenda of the Council Meeting dated 27 September 2017. From this documentation I have prepared financial details to provide a better insight. No expense type details are provided and therefore only summary totals are available.

Despite requests to detail information by costcentre, Council has been unwilling to provide this information. Of particular interest are total employee wages and salaries over these four years and other operational costs including depreciation expenses. I expect the total of such costs – not in the report and otherwise refused to supply - to be at least three million dollars and possibly much more.

Operational details such as a business plan and/or a report about the viability of the direct management of these parks are not supplied.

Since 27 September 2017 Council has not provided information related to the operation of these caravan parks but continues to defer a decision to do so.

## 3. Bald Hills Windfarm

When a number of the neighbours commenced legal proceedings against Council under provisions of the Health and Wellbeing Act 2008 (Vic) was Council reluctantly drawn into this dispute. In particular the noise nuisance under section 62 appeared to be problematic for Council.

The details of this dispute would be too lengthy to detail in this submission but I refer to the following documentation which provides an insight into this dispute and the actions taken as a consequence of decisions by the Supreme Court of Victoria.

- a. Supreme Court of Victoria – S CI 2017 01300 Dated 22 August 2017  
- Joint Memorandum between John Zakula and Others, Plaintiffs and South Gippsland Shire Council, Defendant.

This document details items 1 to 26 which form part of this memorandum.

- b. Supreme Court of Victoria – S CI 2017 01300 Dated 29 August 2017  
John Zakula, and Others, Plaintiffs and South Gippsland Shire Council, Defendant.

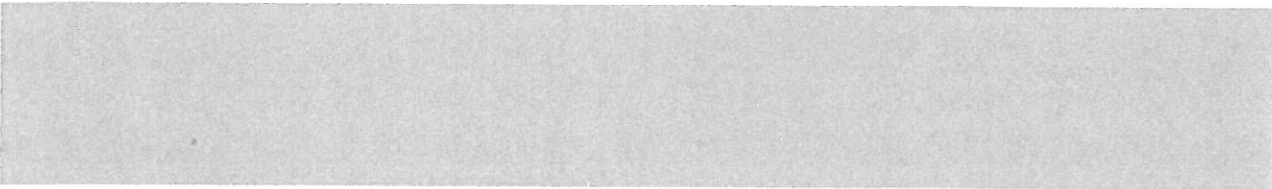
- General Form of Order, date made 29 August 2017

This Order details some of the following:

The Court orders by consent that:

1. Judgment be entered for the plaintiffs
2. An order in the nature of certiorari quashing the decisions of the defendant Dated 10 and 27 February 2017 that there was no nuisance under s 62 if the Public Health and Wellbeing Act 2008 (Vic).
3. An order in the nature of mandamus requiring the defendant to consider whether a nuisance exists as notified by the plaintiffs in accordance with the law under s 62 of the Public Health and Wellbeing Act 2008 (Vic).
4. The defendant pay the plaintiffs' costs on a standard bases to be taxed in default of agreement.
5. The trial date of 11 September 2017 be vacated, and the proceeding be otherwise dismissed.

This triggered a chain of events culminating into a situation where currently no outcome has eventuated. These events are as follows:

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- b. James C Smith & Associates. January 2018  
Proposed Plan. Investigation of Nuisance (Noise) Complaint Notifications from The Bald Hills Windfarm.
  - c. James C Smith & Associates  
Council Meeting 28 February 2018  
Council carried a motion for JC Smith to investigate at a cost of \$ 33,600
  - d. James C Smith & Associated 12 September 2018  
Report states that a Noise Nuisance at the Bald Hills Windfarm Exists
  - e. Council asks Bald Hills Windfarm Complainants to commence negotiations with Bald Hills Windfarm owner to arrive at a mutually satisfactory outcome.
  - f. To date, negotiations between Bald Hills Windfarm owner and Complainants are going nowhere.

There are many more items of concern, but this document may be too voluminous if presented in detail. Some of the items are:

#### 4. Wakerville North Foreshore Project.

Freedom of Information Request EF/14/228

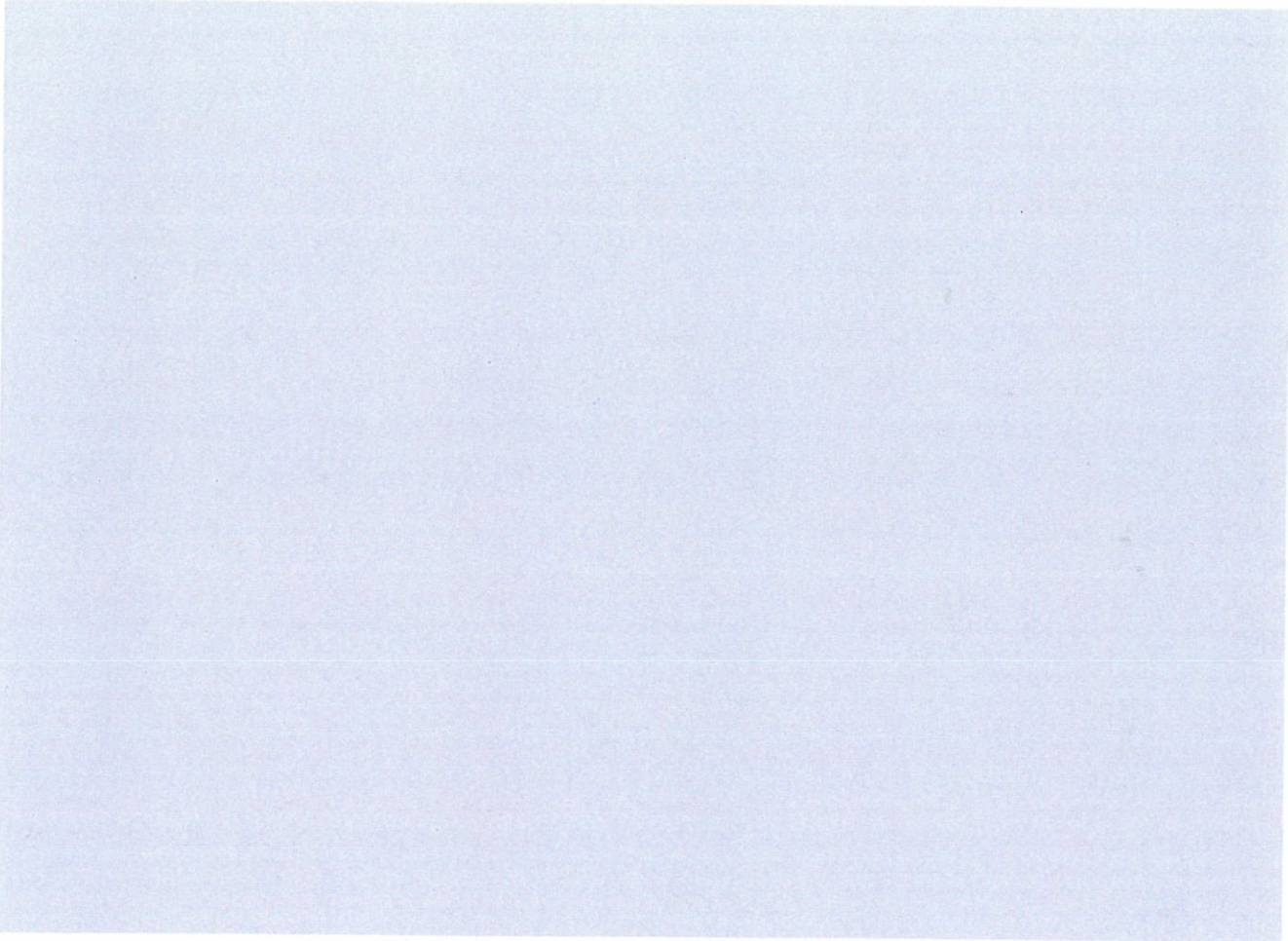
Documentation supplied raises concerns about the Planning Process and governance Issues.

#### 5. Minutes Executive Leadership Team Meetings July 2016 to August 2017

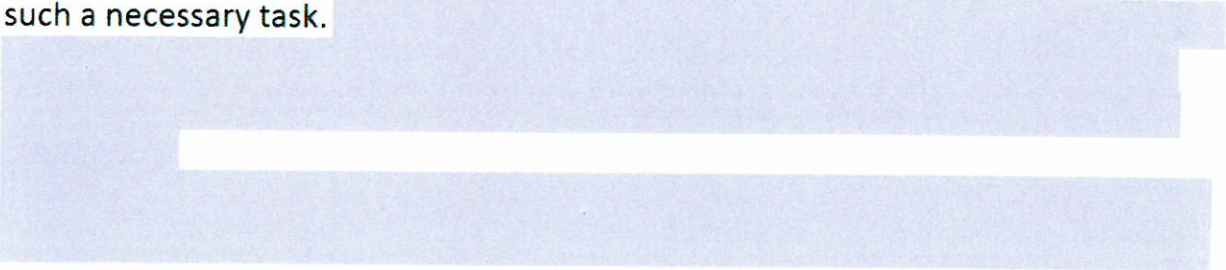
Freedom of Information Request EF/18/1058

Documentation supplied raises serious questions how these meetings can possibly be a true reflection of how this Council's business is managed.

I have attended almost every Council meeting over the last five years. I am very familiar with Executive Management meetings, the information and decision making process and their execution.



This is a very difficult problem to address and I applaud this Council for taking on such a necessary task.



I believe that all current Councillors are very dedicated to this difficult and much misunderstood undertaking. I support them in this difficult period but will continue to level criticism where and when I think this is necessary.

Sincerely,  
Gus BLaauw