



Tomaree Ratepayers and Residents Association Inc.

Merger Proposal for Port Stephens and Newcastle Councils

TRRA Inc. believes that the arguments put by the Government so far for a merger of Newcastle and Port Stephens Councils are totally inadequate and unconvincing, with very little benefit to the ratepayers of Port Stephens. While much is made of a \$65 million saving over 20 years, this translates to only \$14 per head per annum, a paltry sum even it can be realised.

TRRA Inc. also has serious doubts about the current and future financial viability of Port Stephens Council, specifically about the accuracy and interpretation of some of the information included in the IPART 'Fit for the Future' report, and how this has been presented in the Government Merger Proposal. TRRA will be bringing these concerns to the relevant parties in the near future.

We believe that the 'in house' revaluation of assets by \$130m included in PSC's 2015 Financial Statements was used to distort one of the criteria in the 'self-assessment' submission to the Government. PSC's claims in Press Releases of being the best financially managed Council in the State, echoed by the Mayor and some Councillors at every opportunity, are grossly misleading. Their new practice of a single page summary of the activities of their 'Business Units' in the Annual Accounts demonstrates a lack of accountability and hides millions of dollars of accumulated losses, particularly in the holiday parks.

The decision by Port Stephens Council to appropriate \$200,000 of their ratepayer's money for a public information campaign and an external consultant to prepare a submission to fight the merger would have been better spent on a full independent study on pros and cons of a merger based on the true state of the accounts. TRRA would like the Council to explain what the cost of the submission will be and what the rest will be spent on?

Councillor Nell called last November for an extraordinary meeting to discuss possible merger options, but was "talked down" by Mayor Bruce MacKenzie and General Manager Wayne Wallis - *Newcastle Herald 16 November 2015*: [Extraordinary meeting of Port Stephens Council refused](#). The letter from the minister was clear, if Councils could not find their own solution, one would be imposed upon them by the Government. That is exactly what has happened.

TRRA Inc. are particularly concerned at the actions of the Mayor in escalating the appropriation from 150K to 200K at this week's Council Meeting. This could



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end up being a ratepayer funded scare campaign to secure the status quo and to bolster the re-election prospects of Mayor Mackenzie and his voting bloc. It will be reprehensible if it is to be spent on more of the rhetoric expressed at this week's Council meeting and the roadside signs we saw on the way home, instead of genuine public information.

With such a short time frame for submissions, individuals and community groups will have little opportunity to review the Council submission prior to writing their own submissions.

TRRA Inc. calls on the State Government to provide more detailed information on the benefits of this merger, and at least release the **full** KMPG report which was the basis for the proposal. It should also allow a second round of submissions so that ratepayers may have an opportunity to comment on the submissions from Newcastle and Port Stephens Councils.

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