

Port's desperate bid to save cash

BY BEN SMEE

30 Sep, 2010 05:00 AM

Port Stephens Council general manager Peter Gesling said yesterday that "everything is on the table" as the council looks for ways to save cash, including job losses and cuts to services.

Mr Gesling spoke to the Newcastle Herald about the council's financial situation, and said a restructure could affect all areas of the council.

"I'm willing to look at everything," he said. "I'm not ruling anything in or out."

About nine months ago, Mr Gesling ruled out any major structural changes to the council because of a recent reorganisation that created a corporate services department.

Yesterday, he said he regretted that restructure.

Mr Gesling said the global financial crisis had hit the council hard.

"If I'd been able to predict the global financial crisis I'd have done a number of things differently, not only with the council but my own personal finances," he said.

"If the global financial crisis hadn't happened, we wouldn't be in this position.

"But circumstances change and we've got to be able to change with it."

Cash-flow problems about five months ago, which forced a number of projects and works to be placed on hold, prompted the council to look at restructuring.

Another factor was the state government's rejection of a planned 8.86 per cent rates increase, and a community groups push for the council to look at internal savings before considering increasing rates.

Options open to the council include cutting services and jobs, and selling part of its property portfolio.

Mr Gesling said the council would gauge community opinion as to what services residents wanted the council to provide.

He will also meet with union organisers next week to discuss the restructure plans.

Port Stephens Council has no money for roadworks

BY BEN SMEE

29 Sep, 2010 05:00 AM

Port Stephens Council has no money for roadworks and its financial situation is “dire”, councillors said last night.

The council voted to begin restructuring and scrap two senior management positions.

But several councillors said that did not go far enough.

Cr Geoff Dingle pushed unsuccessfully for the council to immediately cut one of its four departments.

“If we don’t make some dramatic changes soon, there’ll be nothing,” Cr Dingle said.

“We heard our financial report earlier tonight and things are quite bad.”

Cr Dingle also said that the council’s general manager, Peter Gesling, told councillors he wished he hadn’t expanded from three departments to four about two years ago.

Mr Gesling’s report to councillors said that “council is not able to continue to provide its current range or level of service”.

Cr Dingle said he wanted an independent consultant to oversee the restructuring.

Former mayor Bruce MacKenzie did not support Cr Dingle’s motion, but described the restructuring as “pussy footing”.

He said the council’s outdoor staff did not have any money to complete works, and that the council should cut other services to fund road and other works.

“We’ve got all these people and no money to spend. If I ran by business that way, I’d go broke,” Cr MacKenzie said.

“All [the money] is getting spent on all this airy-fairy Santa Claus stuff.

“There are staff out there that are doing things that aren’t relevant.”

Mayor Bob Westbury said he would not “slash and burn” services.

Port council flags service cuts

BY BEN SMEE

27 Sep, 2010 04:00 AM

Port Stephens Council plans to scrap two senior management positions, and has flagged cuts to services in order to balance the budget.

Just two years after the council finalised a major corporate restructure, a report written by general manager Peter Gesling contains an admission that the council's structure is financially unsustainable.

"[The] council is not able to continue to provide its current range or level of service given the ongoing restrictions on income and increased requirements from other levels of government," the report said.

Councillors are being asked to endorse an interim management structure, which immediately merges a number of departments and scraps two section manager positions.

The report proposes a comprehensive "service delivery review" that will gauge community priorities over the next two years.

The move is a significant change of tack for the council. Until recently, senior management had resisted suggestions from some councillors and community groups that organisational changes were needed.

After having a rates increase approved in 2006, the council expanded its communications department, and in 2008 created a new "corporate services" group.

The report says that increased community expectations, relative decreases to income, government cost-shifting and the global financial crisis prompted the review.

The immediate change to structure has been brought on by resignations of senior staff, staff planning retirement and long-standing organisational issues.

The financial pressures facing the council have been well documented. Section managers had been told to cut costs or increase income during this financial year, and all non-essential staff who left the council, including some senior staff, have not been replaced.

Port mayor to audit cash flow

BY BEN SMEE PORT STEPHENS REPORTER

16 Sep, 2010 04:00 AM

New Port Stephens mayor Bob Westbury says frugal money management and ending council feuds will be on his agenda as he takes the reins of a council that has sailed "close to the wind".

The council's available cash dipped below \$300,000 in July, but the council has steadfastly denied it is in financial difficulty or that bills have not been paid.

Cr Westbury said he would be receiving detailed financial briefings from council management in the coming days.

"The plans are in place to make sure the council lives within its means," he said.

"We knew we were close to the wind, but we knew we weren't broke."

The council said yesterday that claims councillors had not been paid for more than two months were correct, but not because the council had been unable to pay.

The council's commercial services manager, Jeff Smith, said this was due to a change in the pay schedule in order to comply with the Local Government Act. Councillors will now receive payments in arrears rather than in advance.

"Our general cash flow position is being managed effectively and is currently not impacting at all on our ability to pay any of our creditors," Mr Smith said.

Cr Westbury, who told the media after his election as mayor that he intended to be a mediator, will inherit the reins of a divided council and community.

"It is no secret that the current council have had more than their fair share of differences and hopefully I can bridge some of those during my time in this position," he said.

One of the most vocal critics of the council, the Tomaree Residents and Ratepayers Association, sent a letter to Cr Westbury congratulating him yesterday.