

Tomaree Ratepayers and Residents Association Annual General Meeting – 11th October 2010

CHAIRMAN'S REPORT 2010

A REMARKABLE YEAR!

Members, thankyou.

Well, here we are at the close of another year for our Association.

A year that has had some significant and major issues to be addressed, some strong underlying concerns as to the financial operations of council, a continuing division amongst our elected councillors and a change of leadership, Bruce Mackenzie standing down after 2 years at the helm, with Bob Westbury winning the ballot as Mayor and Sally Dover as his Deputy.

The positive to this is, both councillors are from our Ward, and are fully versed on the myriad of issues we are dealing with.

They may not always agree on the TRRA position, but I am certain, that with sensible discussion, common ground can be found to resolve most of our concerns.

Whilst I am speaking of our councillors, we have also had strong support this year from both John Nell and Frank Ward as well as a number of other councillors from Central and West Wards.

SLIDE 'MAYOR ON THE ATTACK'

Newcastle Herald – Sep 7 2010

“Cr Mackenzie...described the ratepayers group as a bunch of grubs”

“Pick out someone in 2010, put up all your bullshit ideas up...”

“I want the people of Port Stephens to tell me I'm a failure, not those dickheads”

We have also been severely criticised by others, least of all the outgoing Mayor, who, in his final vitriolic diatribe, called us a bunch of grubs, dickheads, with bullshit ideas.

Don't be offended! It simply shows that this councillor has absolutely no regard for process, community input, consultation, open discussion or transparency, which is all we have set out to achieve ... and we will continue to do so.

For Bruce MacKenzie, it took his role as a councillor to yet a lower level, but more so, degraded the office of Mayor and the standing of that office in the eyes of the community along with it.

Unfortunately, in his short two years as our Civic Leader, he divided the councillors and the community, failed to deliver the true leadership of a united team in the decision making process, and failed in the proper governance of a council that has now, finally, admitted it has financial operational difficulties.

SLIDE ‘THE NASTIEST COUNCIL EVER’

Newcastle Herald – Aug 12th 2010

“Relationships between divided Port Stephens councillors are so bitter they can no longer sit together and share a meal, Mayor Bruce Mackenzie, whose faction controls the vote, summed up the situation yesterday.”

“It’s the nastiest council I’ve ever been involved with”

I don’t want to sit at the same table as them”

“If I sat with them I’d probably choke on my food and get indigestion just from having to look at their faces”

We hope that Bob Westbury has the skill and the ability to unite Mackenzie’s “nastiest council I’ve ever been involved with” and that they can sit down like an elected group of councillors...not politicians.... and share a meal without Mackenzie ... choking on his food and getting indigestion from looking at their faces.

SLIDE THE MAYOR

DLG Councillor Guide – 2008

“The Mayor is considered to be the voice of the council and the leader of the community”

And this is that man who says he will stand as the popularly elected Mayor for a 4-year term in 2012.

SLIDE ‘BE AWARE AND BE ALARMED’

To his credit, Bob Westbury has offered to meet with 3 members of the TRRA Management Committee, with this meeting to take place on the 21st October. When Geoff Washington and I spoke to Bob last Tuesday night, he was positive about the

meeting and certainly wanting to work, not only with *all* councillors, but with the community, to heal the bitterness that we have all endured in the past 2 years.

We sincerely hope, understanding that the TRRA and our councillors have the same ultimate aim ... being the best result for the Peninsula ... *on any issue* ... that the outcome of this meeting will be one of understanding and assurance that councillors ... and the community ... will be given a fair and reasonable hearing.

We hope a new era of leadership will heal the rift between councillors, replace community trust in council, and acknowledge this Association as a respected and concerned group, acting in the best interests of all ratepayers and residents.

All our commentary and reports are based upon a sound, fully investigated and deeply researched process.

Council officers accept them, not as 'garbage' but excellent reports detailing proper policy considerations, be it at federal, state or local levels, as well as the voice of our members and the broader community.

They may not take all of what we put as appropriate, but they place a large amount of credence on what is presented and discussed.

We have been, and will remain, highly professional in all our dealings with councillors and council.

So let me quickly recap on our activities during this past year.

Financial Analysis and Rate Hike Proposal.

SLIDE FINANCIAL ISSUES AND RATE HIKE PROPOSAL

Bob Young TRRA (email to members and councillors) – April 3rd 2009

“There is no doubt your rates are going up! Given the \$4m council has already borrowed, the \$8.5m they need to top up the staff superannuation fund, the loss of \$4m in the American Sub-Prime collapse and an undisclosed amount in the collapse of Lehman Bros, plus the need to borrow further funds to finance infrastructure, maintenance and repair works, it's an odds on favourite that all rates in Port Stephens have to rise. After all, the only way to pay Peter is to rob Paul!”

Almost 2 years ago, in April 2009, we issued this email to all members, forewarning of a potential rate increase.

This was based upon council borrowing more funds, its increasing debt, the deepening of the financial impacts of the Global Financial Crisis and the substantial

losses councils had experienced in the American Sub Prime collapse and the Lehmann Bros debacle.

Not to mention a couple of potential court judgements, yet to be brought down, which may go against this council costing many more millions of dollars they haven't allowed for!

Immediately, I was accused of being '*alarmist*' and I '*should be more responsible*' as I knew that '*a rate increase simply wasn't true*'

In any event, the council '*spin*' for a rate increase, started last November, which prompted us to look closely at the 2009 council financial reports and audit.

Neil Hansford put himself forward and, with his business and airport investment experience, assisted me for this process.

We carried out an intensive and detailed financial analysis of councils Balance Sheets, Auditors Report, the Balance Sheets of the Newcastle Airport Limited as well as the Balance sheets of Newcastle City Council, the Joint Venture Partner in the Airport investment.

What we uncovered was quite disturbing and we continue to believe that council is moving into unsustainable debt that, ultimately, will have to be met by every ratepayer in the Municipality.

And, for 2 years, this council has remained in denial and insisted that '*we are not broke*', and '*we have plenty of cash*'.

I wasn't being alarmist or irresponsible... the General Manager, last week, has finally admitted that the financial structure is not working.

It is only the pity that the flags we ran up were ignored, not just by council executive, but by our councillors and unfortunately the Department of Local Government, whom we ultimately approached to take some urgent and decisive steps rather than let this council continue down the road to oblivion.

We discovered many shortcomings in council's financial management, a more than doubling of council debt, substantial staff and salary increases, questionable, wasteful expenditure and some strong warnings from council's auditor to be mindful and cautious of their financial position, both in liquidity and investment values.

We formulated some 180 specific questions on council's financial management and investments, which we presented to this Association last March.

From a consensus vote, we were instructed to present those concerns directly to the Minister for Local Government.

I was reluctant to do this before meeting with the General Manager and his financial staff.

We put our questions to them on the basis that, following the substance of their responses, we would then decide whether to take our concerns higher.

The next slide is an excerpt from our letter to the GM following that meeting.

SLIDE Q&A MEETING

TRRA Q&A Financial Meeting March 23rd 2010

*“It was apparent that council is not prepared to take or make the hard decisions and not prepared to tighten their belts whilst expecting the community to further tighten theirs”
It was further noted that council had an expectation to be taken ‘on trust’ as to its financial management and ability to improve liquidity, reduce debt and reduce unnecessary expenditure as the EOY financial results would not be issued until well after any proposed rate hike is implemented”*

In addition, Peter Quirk and myself presented our concerns to all councillors as part of Public Access representations, for their deliberations in relation to the rate hike proposal.

In both instances we urged council that, under the current economic conditions, affecting all in the community, it was far more appropriate for council to make some hard decisions, cut back wasteful expenditure, look at staffing levels and budget within its means, rather than impacting cash strapped ratepayers, with an additional financial impost.

We stressed the need for a workshop by councillors to fully explore all financial aspects of council, its income and expenditure budget and investigate every avenue of possible, responsible, cutbacks that would not affect the service provisions to the community.

SLIDE PUBLIC ACCESS ADDRESS

Public Access – P Quirk & R Young Apr 27th 2010

*“Our assessment is that we have a council with severe cash shortages and will find it increasingly difficult to meet its base commitments to the community”
“We urge you – take a hard and probing look – make the difficult decisions and drive this council into being more financially accountable at all levels”*

At both meetings the General Manager stated that he could not reduce staff, could not reduce operating expenditure, (although a reduction in services to the ratepayer would occur) and, at the council meeting, told councillors it made no difference if they workshopped through councils financial and rate hike proposal, it was being submitted anyway.

SLIDE ROLE OF A COUNCILLOR

DLG Councillor Guide 2008

“The responsibility and accountability for the financial management of a council rests with the governing body”

“This does not mean that councillors should be involved in the detailed assessment of complex financial figures, rather, councillors are responsible for making strategic decisions in relation to the financial management of the council that determines or affects the types of services, level of services or the strategic direction of council”

One of the primary focuses of councillors is ensuring proper financial governance and this attitude of council executive to totally ignore the councillor’s rights and responsibilities seems somewhat abhorrent and unacceptable.

We further put to council, and to councillors, that we would only support a rate hike, if council could demonstrate that it had the will and the means to internally examine its financial management, resources and expenditure and make appropriate adjustments.

It failed to do so and simply continued the ‘spin’ that if there were no rate increase there would be severe cutback in the basic supply of services and paid little credence to our representations and failed to a properly engage the community in the process (not just TRRA).

When the proposal to increase rates was submitted, we made our formal objections, and, to cut a long story short, the Minister rejected out of hand council’s application stating that their ‘documentation contained a number of critical weaknesses’ that there ‘appeared to be no high level strategic plan’ and it was also ‘not apparent how the community was engaged.... regarding the increase in funds’.

SLIDE EXECUTIVES CUT FROM PORT COUNCIL

Examiner – Sept 12th 2010

“Financial constraints will force Port Stephens council to scrap two executive positions and look at new ways to cut costs”

“The move follows a number of reports in the media that the council has long been experiencing financial problems”

“In a recent report general manager Peter Gesling admitted the financial structure of the council was not working”

Now, after 7 long months, the General Manager has been reported that some staff cutbacks will be necessary, although a complete review of council operations will take some 2 years.

Private enterprise completed this process 3 years ago when the GFC hit and made those hard decisions in a matter of weeks!

But, be wary! In this weeks Examiner

SLIDE COUNCIL CASH STRAPPED

Examiner - Oct 7th

Port Stephens General Manager Peter Gesling has defended his cash strapped council in the wake of plans for a major restructuring.....and calls to drastically cut services.

Council has lost millions ...because of the GFC and a 8.86% rate rise was rejected.

Mr Gesling said a two year plan was being developed....

“We will ask the community what they think of our level of services”

“And if they would accept a lower standard that costs less or they want a higher standard are they willing to pay for it”

We obviously are still in a position where council is still sitting on their hands. This is the early stages of the ‘spin’ towards another rate hike, being the only solution the General Manager can see rather than get down to the real task of cost cutting. Our councillors should and must workshop this council’s financial status and come up with a policy direction that cuts council waste without cutting the basic supply of services to the community.

We now anxiously await the public availability of their Balance Sheets and Audit for the Year Ending 30th June 2010, which we believe will further highlight councils cash strapped position, mounting debt and continuing questionable financial planning and management.

I can tell you this.

Before they receipted about \$10m in late August they were down to \$286,000 cash on hand, that it costs roughly \$5m a month for council to operate and the next tranche of rate income falls due late November.

Blind Freddy can work that one out!

Bunnings Development.

SLIDE BUNNINGS

Bunnings came to town, in a big way, on Port Stephens Drive by totally stripping all the vegetation over their site in January.

This Association, along with many other groups and residents, made representations, via Public Access, to councillors and to senior council planning staff, that whilst we did not object to this development, there was some significant koala habitat issues to be addressed and that it was inappropriate for industrial development to be built right on a major access road into primary residential and tourist accommodation.

SLIDE CLEARED NATURAL ROADSIDE VEGETATION

We were all assured that there would be a 10 metre *‘natural vegetated verge between the road and the development.’*

The DA, when it was issued, stipulated a 10 metre *‘landscaped verge’* and to our dismay, today, there is no verge, the Bunnings carpark being constructed right to the boundary and the space between the road and the carpark being an open drain.

We assume there will be low level planting across the slope of limited height.

Needless to say we have recently raised this with council planners, who *‘will have to go back and check our records’*.

Council should know. They shouldn’t have to check, and they should be continually monitoring and inspecting such developments to ensure they comply with DA conditions.

And, they should be enforcing those conditions!

This is yet another example, and there are many of them, of the basic inadequacies at council and the lack of gumption to control their own policies and conditions and lack of regard to implementing community concerns from the consultative process.

As an aside, the previously bulldozed and ravaged land further along Port Stephens Drive, which council did very little about, was taken to the courts by the Department of Environment and Climate Change.

The Court found against the consultant (unfortunately not the land owner) who was fined a mere \$160,000.

Sadly but more importantly, DECC confirmed that 30 female breeding koalas had been killed as a consequence.

Similar impacts on the Koala population will occur from the Bunnings removal of habitat trees and council own attempts to do similar at Salamander and adjacent to the Mambo wetlands.

The Cullen Report

During the same period, the ongoing saga as to the resurrection of the Nelson Bay CBD saw us receive yet another expensive consultants report, suggesting that the CBD and Marina Precincts be developed and likened to a “Spanish Fishing Village.”

SLIDE CULLEN REPORT BUILDING HEIGHT RECOMMENDATIONS

It envisaged a blanket of 5-storey development bounded by Dowling, Church and Yaccaba Streets, through to the marina and including some area of Apex Park.

A number of groups, as well as TRRA, and local residents were aghast at what was proposed which prompted these groups to commission some ‘impact’ photo images.

SLIDE THE MARINA FORESHORE
SLIDE AN AERIAL VIEW
SLIDE APEX PARK FROM STOCKTON STREET
SLIDE ACTUAL STREETSCAPE EXAMPLE – 5 STOREYS

Needless to say, this resulted in further criticism and public outcry, most of all from the Department of Lands, who own the foreshore, and Ardent Leisure, who own and operate the Marina Precinct, both of whom state they were not consulted or aware of the proposal.

The end result now being that a proposal and public consultation is underway with Ardent Leisure for any development of the Foreshore and Marina. The CBD itself will be under further review ...yet again ... although it appears some of the strategies from the Cullen report will be retained.

SLIDE FORESHORE RENOVATION

Hopefully this won't impact on the \$800,000 upgrade works completed by council late last year, and which, we hope, will be further extended through to Fly Point in a similar fashion.

The unfortunate aspect of this sorry tale is that the decline of the CBD has been in the making for over 20 years, since the building of the Salamander Retail Precinct, and council has no firm plan, theme, direction or policy as to what can and should be developed to make it into a viable, attractive, successful retail, tourism and community orientated 'Place To Be'.

Salamander Retail Precinct

SLIDE SALAMANDER PRECINCT

Speaking of the Salamander Precinct, the council Commercial Property Department engaged in a series of 'secret meetings' to subdivide the remaining parcel of land surrounding the Salamander Centre and sell 3 Lots to Aldi, Big W and a local Medical Practice. This land is currently under 1 title known as 155 Salamander Way.

They submitted a DA to council Planning Department for assessment. When exhibited for public comment it was highly criticised as it lacked an overall Masterplan for the precinct, there was no available business plan or feasibility study, there was no economic or environmental assessment, there was no integrated approach or design concepts and lastly the internal assessment of this DA was a conflict of interest and contrary to ICAC best practice.

We also insisted that this should be deliberated upon by the state government Joint Regional Planning Panel and that our Mayor and Deputy Mayor, who sit on that panel for this region, be replaced for such deliberation.

Council did carry out their own assessment, with limited community consultation, and as a consequence, TRRA convened a meeting in July that resulted in the following resolution:

- Withdraw the current 8-lot subdivision DA for 155 Salamander Way.
- Engage the community in the development of a comprehensive Masterplan for a town centre that will be attractive both to locals and visitors, will support a diverse range of businesses, community facilities and public spaces, and will protect the environmental values of the site.
- Avoid committing to land sales or leases until a Masterplan is adopted.

TRRA submitted that Council's proposals for this land are not in the best interests of the community.

SLIDE CONCEPT PLAN

It would lead to a jumble of isolated buildings surrounded by car parks, without sensible arrangements for traffic, parking or pedestrian safety and without a certain future for the Library or Community & Childcare Centres. Lastly it would

seriously damage the Mambo Wetlands and adjacent environmentally sensitive land, including Koala habitat.

We further stated that if the DA was not withdrawn we intended to make direct representation to the Planning Panel requested them to reject it.

The DA wasn't withdrawn and went to the Panel who found that council had failed to notify adjacent owners, in this instance Colonial Mutual who own the Salamander Centre, whose solicitor stated that it was either "A stuff up or a conspiracy" and the Panel rejected the Application on this basis as well as "*the range of serious issues raised in submissions*".

It deferred the hearing until these issues could be resolved.

Members of the Panel agreed that the Council had '*Shown itself as inadequate in dealing with the DA*', and that the process was '*fundamentally flawed*'.

The Panel also identified the lack of community consultation, the absence of any social or economic assessment, and the necessity for a Masterplan identifying good urban design guidelines.

The Panel concluded that the Council needed '*to start again.*'

They haven't!

Earlier this month council, to all households in the locality, distributed a "Fact Sheet".

It, in itself, is fundamentally flawed and is misleading in both its content and assertions.

Again, this is further council 'spin' it bears no weight or relevance with respect to any renewed DA or consultation process. As a consequence, as it is misleading and offers pseudo consultation we have asked for it to be withdrawn and for council to openly state its position.

When a reviewed DA is placed on exhibition, we will make our assessment, comment and submission.

We will further request to speak on our submission to the JRPP and we are sure many other concerned organisations and community members will do so as well.

To sum up on this issue...let me stress...we do not object to further development to the Salamander Retail/Commercial precinct.

We are seeking a forward thinking and appropriate 'Heart' for Tomaree.

We are seeking a properly integrated and forward thinking Masterplan.

We are seeking a proposal that meets both state and local government policies, is environmentally and ecologically sound and we are seeking definitive confirmation that facilities, amenities and open space, conducive to such a precinct is also delivered to the community.

Birubi Point Surf Club Re-development.

SLIDE BIRUBI POINT

We acknowledged that there is a need to up-grade the Birubi Point Surf Club and that there is potential to introduce additional associated facilities, at or near this location, which will enhance the location as a prime tourist attraction.

We did not however support the proposal as set out in the Development Application.

Our support for an alternative redevelopment of the site is conditional upon there being a Masterplan adopted and that the Aboriginal community also supports any proposals.

We expressed concern to ensure that any development is in keeping with the iconic status of Birubi Point and the surrounding lands.

We stated that the documentation placed on exhibition failed to acknowledge, or properly address, the potential impacts on this site, that is in the middle of an “Aboriginal Place”, it has important environmental significance and is a vital resource for tourism and recreation on the Tomaree Peninsula.

Documentation supporting the declaration of an area of land surrounding the Surf Club as an “Aboriginal Place” states:

“The significance of Birubi Point to Aboriginal people requires special recognition. The Birubi Point archaeological site is of special significance to the Aboriginal community because of the extensive nature of the archaeological material and its importance in teaching future generations about Aboriginal culture”.

We further contend that the proposed addition of a second level to the existing Surf Club will dramatically reduce the current high impact view across the dunes and over Stockton Bight that now greets all visitors on arrival at the site.

We also seriously question claims that current access and parking provisions are adequate, or able to meet the additional traffic that will be generated by the extensions and new business activities.

Lastly, the impact of the development on Aboriginal heritage and consultation with the Worimi in relation to their cultural interests, have not been properly addressed.

Caravan Parks.

SLIDE HALIFAX PARK

Port Stephens Council drew up draft plans of management for its three main holiday (caravan) parks on the Tomaree – Halifax at Little Beach, Shoal Bay and Fingal Bay.

These envisaged far-reaching changes to the parks, including annexation of public parkland into Halifax, changes in accommodation and site types in each park, refurbishment of some sites and facilities, and improved landscaping.

The changes in accommodation and site types included the removal of formal campsites from Halifax, and replacement of a number of camping and caravan sites in all parks with cabins.

Residents were devastated at the proposed loss of a valuable public park, the loss of an active wildlife corridor and the loss of some iconic public beachfront.

TRRA considered that this deserved careful planning to ensure protection of the special values of the sites and that all planned development is in the best interests of Port Stephens tourism.

The Association also responded to objections of residents in the vicinity of Halifax Park to a proposed take-over of public beachfront parkland to enable the extension of cabin accommodation.

Other concerns related to a strategy that significantly reduced camping and short-term caravan sites in favour of additional cabins.

SLIDE PROPOSED CAMPSITE AREA

Thankfully, councillors rejected the extension of the beachfront land at Halifax.

And, where for us this started out as a planning exercise, it has ended up with the Department of Lands who are carrying out their own forensic audit on council's financial management of the Departments parks and foreshore reserves. We expect the findings of this audit to become public shortly, which brings me back to my first point of our concerns as to council's financial management capabilities.

SLIDE SAMURAI RESORT

To finish with Parks, it is pleasing to see, at long last, their primary loss leader, the Samurai Resort, a cost so far to this community in excess of \$12m is available for sale with tenders closing this Wednesday.

Again, a recommendation by this Association over 2 years ago, where we could see and identify the bleed, but our council refused to acknowledge a bad investment and take the medicine.

Let's hope that we witness a favourable result. Not one that will get our money back, but one that will stop the annual hemorrhaging of some \$700,000 of ratepayer funds.

Finally

SLIDE YOUR 2010 COMMITTEE

I would like to thank the input from our members, your input into our submissions, supporting phone calls and emails and the direct involvement of people like Neil Hansford, Peter Dundas Smith, Johanna Reygensberg, Simon Brooke...the list goes on. You don't have to be on the Management Committee and many hands make light work.

Without your input and support to our committee members, it would have been even more difficult.

Your Management Committee has been totally committed.

Geoff Washington and I have been very strongly and ably supported by a very dedicated group of remarkable individuals.

When we were short staffed on Committee Margaret Wilkinson so kindly stepped up to the plate and assisted wherever she was required.

Nigel Waters and Anna Glasby have researched, documented and presented some remarkable work. They were left to their own resources on research and planning matters and have delivered to council some far reaching and thought provoking contributions on land management, environmental, ecological and climate change issues where they relate to DA's we have addressed.

Geoff Basser has held the stewardship of our membership, which now stands at some 400 ... almost double that of last year. Next year will see a much stronger membership drive, as well as some significant fund raising activities, to enable ongoing advertising and growth of TRRA.

Brian Watson-Will relieved Peter Quirk as Treasurer, which freed Pete up on more Strategic matters, and both their contributions have been significant. Likewise, Sue Maxwell ran our media campaigns, particularly with respect to the Rate Proposal and the Salamander DA, both of which took up most of the year. Fran never failed us, was always there, and made sure we all got our meeting minutes accurately and

on time! And, if you look at our Web site you can only be amazed at the remarkable job that Louise French has completed for this Association.

In particular, whilst Geoff Washington and myself took some extended retirement leave, we were so very aptly replaced by Dick Appleby and Peter Quirk and the continuing operation of the Association was in great hands.

Dick needs to be heartily congratulated. He came in cold this year and before he knew it Geoff was in the UK, I was in the Kimberley and he was in the Chair! He's off during November, this being the primary reason for our AGM being held tonight. I would like to publicly thank you, Dick, for a remarkable job and members would you please join with me with a show of appreciation.

It is this spirit and desire to see Tomaree a better place ... for all of us ... that spurs us on for another term.

We are all volunteers, some retired, some working, some with family and children and what they have done and achieved has been truly remarkable.

We lose, for personal reasons, both Sue Maxwell and Fran Digges, both of whom have done extraordinary jobs under extraordinary conditions. Sue will continue to work with TRRA off the Committee and has willingly offered to co-ordinate our annual 'Clean Up Australia Day' activities in conjunction with council and other local groups.

Sue and Fran, you will both be sadly missed, but we understand and we must move on.

I am endeavoring to make some administrative and management changes to ease the workloads and meeting requirements that may make our lives at TRRA less demanding.

That of course, is dependent on the issues that arise and the understanding that we are can achieve a better result with an open transparent consultancy process rather than be loggerheads once the horse has bolted.

SLIDE *IT HAS BEEN A REMARKABLE YEAR!*

Robert Young 11 October 2010