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Section: MAYORAL MINUTE  
File:

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**Item: 4. Valedictory – First Clarence Valley Council**

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**REPORT SUMMARY**

The valedictory Mayoral Minute provides for posterity a Mayoral perspective of some of the highlights, challenges, major issues addressed and important decisions taken during the term of the first Clarence Valley Council since March 2005.

**RECOMMENDATION**

1. That the Mayoral Minute be formally noted.
2. That the Council record its appreciation to the General Manager and to all present and former staff of the Clarence Valley Council since its inception for their contribution, commitment and support of the Council.

Clarence Valley Council came into existence through New South Wales Government Proclamation on 25<sup>th</sup> February 2004. On that date the four former General Purpose Councils and two County Councils serving the Clarence Valley ceased to exist and former Copmanhurst Shire Mayor Mr Neil Payne was appointed by the Local Government Minister as Administrator with Acting General Manager Mr Ken Boyle. The first Council was elected on 5<sup>th</sup> March 2005 holding its inaugural meeting on 23<sup>rd</sup> March 2005.

The local government area became 10,442 sq kms, included around 70km of coastline, a population exceeding 50,000 persons and comprised 43 towns and villages including the City of Grafton and the major population centres of Yamba, Maclean and Iluka.

The first major focus of the new council was to agree upon a Management Plan and Budget for the financial year 2005/06. At the same time Council established a single property rates system based on differential rating, which was designed to maintain approximate parity in rating with rates collected by the former councils. This was a challenging task given that Council was provided with new land valuations for the entire local government area and only had a matter of three months to set fair and appropriate rates by the 30<sup>th</sup> June 2005 legislative deadline. The cooperation and teamwork of the new council was well demonstrated in these early, urgent and complex tasks.

At the same time Council consolidated the Water and Sewerage funds of the former councils and established single water and sewerage rates across the council area. This provided a substantial pool of working funds to assist council in proceeding with its high priority water and sewerage infrastructure programs

The proclamation of the new council required the maintenance of the pre-existing staff levels by prohibiting redundancies for three years. The proclamation also guaranteed an ongoing presence in the communities where the headquarters buildings and works depots existed. To keep faith with the provisions of the proclamation and meet the various communities' needs, the new Council agreed to maintain a significant presence in both Grafton and Maclean.

Telecommunications hardware between the major sites was essential because there was no reliable data communications infrastructure between Grafton and Maclean localities. Council made a commitment very early on to invest in data communications technology and a comprehensive financial package and agreed to purchase computer hardware and software for a single financial package and records management system. This meant disbanding a number of systems of the former councils, which were at various stages of their estimated effective life cycles, and introducing a totally new suite of systems, including electronic records management. These initiatives represented considerable start up costs for the organisation.

Council also agreed to an organisation structure establishment which employed most of the existing senior staff, provided a directorate for an expanded role in Community and Cultural Services provision and also a new separate Economic Development Unit. After three years of this new structure Council determined that the higher levels could not be sustained. A new senior level structure was introduced in mid 2007 comprising a General Manager and two generalist Deputy General Managers in lieu of a General Manager, four Directors and three Executive Managers. Thereafter the middle management organisation structure was reviewed. The organisational structure of the amalgamated council should be a focus of continual review and adaptation as council's circumstances change over time.

The council's administration offices continue to occupy about ten major and some smaller buildings, excluding libraries and community centres, and works staff occupy at least seven works depots. A report to the Council on its accommodation requirements indicated the need for very

substantial resources, resulting in deferral of any moves towards centralised facilities. Council recognises rationalisation of such assets as a substantial financial challenge, with limited benefits to community but that such rationalisation should occur eventually with strategic surplus asset sales possibly providing a proportion the required resources.

An essential goal of council has been to establish a cohesive, single corporate culture recognising that this will be a critical lynchpin to the ultimate effectiveness and success of the amalgamated council. Council is still some distance away from this goal in large part because of the physical spread of locations of the workforce. Addressing this issue will be a challenge for the next council.

Negotiations commenced early in the life of council towards a single enterprise agreement, consolidation of human resources management protocols, new salary system, single set of work practices and methods, a difficult and involved process of operational activities some of which work continues.

Another challenging early task of the new council was to select the first Clarence Valley Council General Manager. Council determined to advertise widely to secure the best possible person for this vital role. Thirty seven applications were received and a former NSW Local Government Managers Australia President and General Manager of long standing, Stuart McPherson secured the appointment on a five year performance based contract.

Some courageous decisions taken by the former councils eased the challenges of the amalgamation, including the development of a single regional waste facility, a single Valley Settlement Strategy which guided the development of the separate Local Environment Plans that pre-existed the amalgamation, an integrated water supply system and a whole of Valley approach to flood mitigation.

The largest and most significant infrastructure project for the first council term was the Regional Water Supply Scheme and Shannon Creek water supply dam construction. This vital project with State government and Coffs Harbour City Council as partners with Clarence Valley Council, and the planning for which commenced in the early 1990's, will provide a safe, secure water supply for the Coffs Harbour and Clarence communities. Under the wise leadership and strong commitment of Cr Fred Morgan the Regional Water Supply Committee has conducted a

total of 99 meetings and at this time the \$180 million scheme is on budget with an official opening scheduled for 20<sup>th</sup> July 2009.

When Council came to office there were five major sewerage schemes in planning stages. The Junction Hill to North Grafton upgrade has been successfully completed and tenders were recently awarded for Sewerage treatment plants at Clarenza and Maclean. Council has expressed concerns about the time it has taken to reach tender stage for sewerage at Iluka and the augmentations at Maclean-Illarwill-Lawrence, Yamba and Grafton. Council can be confident that these schemes will all be completed during the next Council term. However continuing declining government subsidy, increasing scheme costs and hence increases in sewerage rates will be significant issues for the new council. Whether further sewerage schemes in other needy localities will be affordable represents another challenge.

Good progress was made during the term in respect of upgrading of council roads. Roads to Recovery Federal funding and council resources enabled roads such as Pringles way and Kungala to be completed to bitumen standard whilst widening of South Arm Road Woodford Island progressed. These improvements provided better standard of roads for local traffic and also during the regular event of Pacific Highway detours after road accidents.

During the term Eaton Creek Bridge at Copmanhurst was completed and funds for two replacement timber bridges were secured from the Federal government. 50% funding was committed recently by the State government for replacement of seven regional roads timber bridges which required council to borrow \$1.8 million in current budget to match the State grants. With still over 130 ageing timber structures after these works are completed council has a substantial challenge in securing funding for many other timber bridges that are nearing the end of their useful life.

Council was created as an undivided area without wards or ridings and Councillors are required to represent all areas. Losses of local representative democracy with only nine elected councillors in lieu of the pre-amalgamation thirty three caused the council to quickly focus on steps it could take to provide alternative local democracy initiatives. Communicating what the council hoped to achieve and how it was progressing towards these goals was deemed very important.

Council introduced what are now termed councillors or ‘boundary riding’ tours. Several times each year on a Saturday, councillors and senior staff travelled to towns and villages to meet with usually three different communities. Each community has been briefed on council wide and also local matters, local issues were raised, the meetings minuted and referred to full Council, and thereafter actions were initiated to address the concerns raised as much as possible. This mechanism has been positively received across the Council’s area and is also of value to Council.

Council also utilised other community information and consultation mechanisms including community newsletters, media releases and mayoral columns. I express appreciation to the various media for the sound, professional and cooperative relationship which were developed and maintained during Council’s term and which are very important in ensuring that the Clarence community is well informed of council decisions and activities.

Sound and extensive strategic planning has been a core focus of the council which should be satisfied with the significant and valuable strategic planning outcomes of the first council. These planning initiatives will be of value to council in the future. A central outcome is the Sustainability Plan, also known as the Sustainability Initiative or Framework, a high level strategic framework establishing a new corporate philosophy and the driver for all actions and policy development throughout council. A key component of the plan is what is termed the planning web, based on 5 key elements; ecology, economy, society and culture, human habitat and governance. All reports to council now address these key elements so that the thread of sustainability permeates the organisation.

Council developed and adopted a Clarence Valley Economic Development Strategy, an action oriented framework that builds on the core competitive advantages of the Clarence Valley. In just two years over 80% of the identified actions in that Plan have been either completed or commenced.

An Industrial Lands Strategy to position the Clarence Valley as an economic hub was also achieved. After completing an Industrial Lands Audit, this strategy identified 126 hectares for future industrial zoning across the valley. Other key strategic planning achievements included the Clarence Valley Social Plan, Clarence Valley Cultural Plan, Crime Prevention Plan, Affordable Housing Strategy, Integrated Water Cycle

Management Plan and importantly the Regional Water Supply Plan and the Clarence Valley Capital Sewerage Program.

A major strategic planning success was the reduction from over 70 to 6 in the number of Development Control Plans and making them zone based i.e. one DCP for each of only 6 zones, giving much more clarity and certainty to developers and community. Council also developed a comprehensive draft Local Environmental Plan based on the State government's template and which is one of the first in NSW lodged with the Planning Minister early in 2008 for permission to exhibit. Council has also responded comprehensively and positively and articulated linkages to the NSW State Government's State Plan and to the Draft Mid North Coast Regional Strategy.

Council's most recent strategic planning project was completion of a Community Based Corporate Strategic Plan titled Valley Vision 2020. One vital aim of the plan is to collate and connect the good strategies which have been developed since amalgamation. This plan will provide strong linkages to the State Plan, to the new LEP, and to the Mid North Coast Regional Strategy. It will be critical that this overarching plan have continuing broad community input and ownership and that it provide clear guidance to our corporate entity and council staff into the future.

Council received several notable awards in its first years. In October 2007 Council received a high commendation in the prestigious A R Bluett Memorial Award for best performing New South Wales Council in 2006/07. In December 2007 Council secured the NSW Local Government and Shires Association of NSW peak annual State award for Environmental Excellence for its Sustainability Plan. In late 2006 Council secured two of seventeen open category National Awards for Local Government, firstly for the Regional Water Supply Scheme now almost completed, and also for the new state of the art Information Technology system, a remarkable achievement in the short life of the council.

Council's Auditor has confirmed that Clarence Valley Council was in a sound financial position as at 30<sup>th</sup> June 2007. Council has sound financial ratios in all areas and a healthy working capital position. Council determined to maintain working capital of between four and six million dollars and at 30<sup>th</sup> June 2007 it stood at 5.6 million. The unaudited General Fund surplus for 2007/08 is \$200,000 which will increase working capital to \$5.8 million dollars approximately.

However the resources necessary to maintain existing services, new and renewal infrastructure, a result primarily of thirty years of rate pegging, cost shifting and unfunded mandates and shrinking FAG's grants in real terms, are not adequate, will undoubtedly impact on Council's long term financial viability and may mean a greater emphasis upon return to core service responsibilities. A prime focus needs to be on ensuring that there is no or minimal diminution in service levels, a difficult ask but one which will require constant focus.

The 2006 NSW 'Percy Allen' report into Financial Sustainability of NSW Councils put the case that 25% of all NSW Councils were doomed to financial failure. Another 50% would struggle. 'Fiscal Star' (Percy Allen) reports of October 2007 and July 2008 suggest that Clarence Valley Council as well as other NSW councils would not be financially sustainable in the long term. Whilst this viewpoint is contestable, nevertheless it is a cause for continuous vigilance and attention to revenue raising, asset management, infrastructure renewal and service levels.

I gratefully acknowledge and thank the mature and experienced team of councillors which combined with three energetic new councillors to form a committed and effective first Council. Five Council members are either retiring from local government or not seeking election to next council. Sadly Cr Joy Mathews passed away on 1<sup>st</sup> June 2006.

Cr Shirley Adams served as a councillor to the former Grafton City Council from 1974 to 1987, again from 1995 to 2004 and on the first Clarence Valley Council, a total of 25 years service making her the longest serving retiring councillor. Cr Adams was the first female Mayor of Grafton from 1996 to 2004 as well as being Deputy Mayor from 1978 to 1985 and again in 1995-96. She was also the first Deputy Mayor of Clarence Valley Council from March 2005 to September 2007, the first Lady Chair of the Country Mayor's Association of New South Wales and the only local government representative appointed to the Federal Government Board of the Constitutional Centenary Foundation.

Cr Adams was the first female delegate to Northern Rivers County Council and Clarence River County Council and as well was Chairperson of the Country Mayors Association from 2002 to 2004. She chaired the council's peak Community and Cultural Committee until the committees restructure in mid 2007. The involvement of Cr Adams in public life as an alderman and councillor has been exceptional. Noting that she will continue to Chair the Grafton Base Hospital Community Committee and the Grafton Sesquicentenary Committee, upon behalf of all those people

of Grafton city and further afield that she represented with such dedication, we express our sincere thanks and wish her all the very best in retirement.

Cr Fred Morgan has served in local government in the Clarence Valley for a total of 22 years, an exceptional achievement and record of service to the community. He served 6 years on Ulmarra Shire from 1965 to 1971, 12.5 years on Copmanhurst Shire from 1991 to 2004 and he served on Clarence Valley Council for its first term. He was also a delegate to Lower Clarence county Council (North Coast Water) from 1991 to 1994, became Chairperson in 1995 and held that position until the amalgamation and dissolution of the County Council.

Cr Morgan has been very closely involved in the Regional Water Supply project since its inception in the early 1990's and has been a dedicated and effective Chair of the Regional Water Supply Project Committee since 1995. That entity will in early September conduct its 99<sup>th</sup> meeting. His leadership over the years has been largely instrumental in the \$180 million project being now very close to completion. He chaired the peak Civil and Corporate committee of council for the entire Clarence Valley Council term. We convey to our colleague and friend sincere appreciation for his service and dedication to local government and wish him all the best for the future.

We bade farewell to Cr Joy Mathews on 5<sup>th</sup> June 2006, which appropriately given her love of environment was also World Environment Day. Cr Mathews commenced elected life as a Councillor of Maclean Shire in 1991. Her popularity with the electors was very evident when she retained her position in the next three elections she contested. She topped the poll in 1995, almost did it again in 2000 and achieved the third highest primary vote to secure election to the first ever Clarence Valley Council.

Cr Mathews was Mayor of Maclean Shire council from 1995 to 1997, the first female to lead the Council. She was also a Councillor to North Coast Water for 8.5 years. We her colleagues marvelled at how Joy was so determined to continue to contribute in her last months of illness, even though she was suffering and had substantial immobility and other problems. She was so brave, a great example to us all and showed us in this difficult period, so much about her strength of character and her great caring for the people and the Clarence Valley.



Cr Kerry Lloyd is the longest serving of the retiring councillors. He was a member of Ulmarra Shire from 1983 to 2000, the voluntarily amalgamated Pristine Waters Council from 2000 to 2004 and also a member of this Council with total local government service of 24 years. He was Ulmarra Mayor from 1998 to 2000, Pristine Mayor from 2000 to 2002, Deputy Mayor of Ulmarra for seven years and Clarence Valley Council Deputy Mayor since September 2007. He also served on Lower Clarence County Council from 1987 to 2000 and on Clarence River County Council in 1996 and 1997 and then again as Chairman from 2000 to 2004.

Cr Lloyd served on a great number of Committees of these various councils over the years. He told me recently that his great passions in life were his family and local government. It was an untimely tragedy that he became ill shortly after being elected Deputy Clarence Valley Council Mayor in September 2007 and continues to battle that illness.

Cr Chris Gulaptis retires after serving one term on the last Maclean Shire Council where he was Mayor for the full term. He was chair of one of Clarence Valley Council's peak committees for the first two years of the council. Cr Doug Mackenzie is also retiring after serving on the first Clarence Valley Council and as Chair of the Economic, Environment and Community Committee of council since the passing of Cr Mathews. We thank both Councillors for their significant contributions and dedication.

On behalf of Councillors I convey to all members of staff the appreciation of council for their commitment and loyalty to Clarence Valley Council. Undoubtedly the successes achieved by the new Council have in large part been due to their professionalism and dedication. I express my personal appreciation and gratitude to the General Manager and all those senior and other administrative staff who provided exceptional support to me as Mayor over the term of the first Council.

The Clarence Council with a strong single centre of local governance is viewed from within and definitely outside the Valley as a solidly performing Council with an impressive record of achievement. Council operates in a discrete economic region where business is booming and Council articulates with good reason that Clarence Valley is 'on the move'.

Council should be proud of its achievements to date. There is much more to do to enhance and secure the solid platform now established. I believe it will take several more years for the entity to be working at its optimum for the benefit of the citizens of the Clarence Valley.

I believe that Clarence Valley Council, with goodwill and cooperation between councillors, staff and community is making the council amalgamation work for the people we represent. Council had the responsibility and the expectation of community that it would make the new council an effective and responsive entity. My goal has always been to leave the council well placed as an organisation that would be a local government leader and widely respected.

My view is that the public has for the most part accepted the amalgamation and expects that the council will make the new entity work for them. Support and patience from constituents I believe will only continue if Council can continually demonstrate that it is competent and getting on with its tasks, endeavouring to at least maintaining service levels and addressing at least some of the most pressing emerging community expectations.

Perhaps the primary question for next Council is will it adhere to NSW government imposed rate pegging limits for future rates revenue or seek to go beyond those limits with special rate variations in order to maintain service levels and attempt to meet community expectations? This raises the spectre that if Council adheres to rate pegging what are the implications for service levels and how does council meet its asset management, infrastructure renewal and other statutory responsibilities? NSW councils have grappled with these questions for a very long time now and there are no easy solutions.

Thank you for the great privilege of serving as Mayor of Council since its inception. Thank you also for your support and advice and for the committed team approach you maintained over the challenging first term. I wish success to those councillors seeking to continue on Council, and also best wishes to the new Council to be elected on 13<sup>th</sup> September 2008.

Ian Tiley  
Mayor  
Clarence Valley Council.  
25<sup>th</sup> August 2008