

media statement

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What Council isn't telling us about the real cost to ratepayers

Ever wondered what the cost is of giving Newcastle Council staff a local public holiday? How does around **\$500,000** for one day sound?

The Hunter Business Chamber has examined the Newcastle Council's Operating Plan to estimate the cost to rate payers of giving Newcastle Council staff the day off for the Show as a local public holiday.

Chamber CEO Kristen Keegan said there is provision in Newcastle Council's own Employment Agreement that its employees will get a holiday irrespective of the Minister's decision.

"Regardless of whether it is an official local public holiday or not, ratepayers will still have to bear the cost for council staff to either work that day or take the day off," Kristen said.

The 2015/16 Newcastle Council Operating Plan indicates that employee costs are \$93,712,000 p.a. or almost 40%+ of total annual expenditure.

If we estimate that there are 250 working days in one year, then the average daily cost for employees is almost \$375,000. This is a direct community cost of giving every Newcastle council employee the day off.

"This figure gets worse because not all council services close for show holiday so those staff that do work on the day get paid a minimum of double time, or more in some instances," Kristen said.

ESTIMATED IMPACT

- The annual employee cost for waste management is almost \$6.1m. To have the city's garbage collected that day, the labour cost will double from approximately \$24,500 to \$49,000.
- The annual library wages bill is \$4,679,000, or \$20,000 a day. That would mean a wages bill of \$40,000 if the libraries stay open on Show Day.
- The beach inspectors' wages are in total \$6,000. To have them on duty that day would cost \$12,000.
- Parking and ordinance staff wages would double from \$10,500 to \$21,000 for the day.

- The same sort of impact would be felt in terms of the cost of convenience cleaners, museum and gallery staff, the council works and municipal building staff, who are considered services which should be maintained on public holidays.
- Complications arise for civil works staff where jobs cannot just be stopped for a day, their ordinary daily employee costs are close to \$60,000 and those who worked would be on double time.

The Employment Agreement between the Council and staff (2010) states “*For the purposes of this Agreement, Show Day will be regarded as a holiday and will be observed on the Friday of Show Week, provided that Council may, on the application of the Unions concerned, approve another day being taken in lieu thereof during the currency of the Newcastle Show.*”

COST OF CONSULTATION – putting the cart before the horse

Newcastle Council has already resolved to recommend the gazettal of the local public holiday regardless of the outcome of the consultation process currently underway. So what is the estimated cost of this consultation process?

The Chamber noted that the report to Council on 22 September 2015 stated the financial cost to Council is only \$2,500 for advertising purposes.

But what about the cost of staff time involved in the consultation process?

The report indicates three manager level officers and a director will make up the project working team and the timeline indicates the involvement of other staff for 6 drop in centres.

The Economic Development Manager is to have face to face meetings with eight to 10 business organisations and staff to resource drop-in meetings with business in nine different locations, then there is assessment and reporting on submissions and the research to validate inputs.

This represents an estimated loss of time on other work in the order of \$30,000 to \$40,000.

Media Contact: Anita Hugo 0419 218 830