

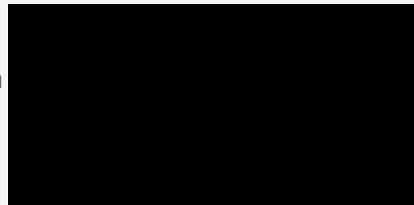
# LG Submission Form 2021-2022 - Applications

Submission date: **26 February 2021, 12:54PM**  
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## IPART Special Variation Submission Form - Applications

Industry	Local Government
Review	(LG) Special Variations & Minimum Rates 2021-2022
Document Reference	
Council	Cootamundra-Gundagai Regional Council, Special Variation Application

If you have any general feedback regarding your council's proposed SV, please leave your comments in the comment box below.



25 February 2021

IPART

localgovernment@ipart.nsw.gov.au

Re : COOTAMUNDRA – GUNDAGAI Regional Council.  
Special Rate Variation for the 2021-2022 financial year

The cumulative impact of the Special Rate Variation is substantial and sits at 62.6 percent over five years. I cannot comprehend the dire financial situation of the council. An amalgamation is supposed to enable

economy of scale thus savings. The council admits that the opposite has happened with systemic Duplication of services between Cootamundra and Gundagai.

I acknowledge that the will and wish of the previous Cootamundra council was to be amalgamated with the Council of Harden. This was indeed the right choice for both towns and would have been successful. The two towns are not only close to each other geographically but also in spirit. Lately the local newspaper in Cootamundra closed doors and is now partly published in the Harden newspaper.

Council has canvassed a few options in order to remedy its coming financial crisis.

1. get the SRV approved
2. reduce staff by 25%, capital expenditure by 30% or a combination of the two.
3. an Administrator being appointed, the Council being placed into financial administration following insolvency.

My comments on these options:

Option 1 would be a serious increase in rates of 20% in 2021-2022.

The average modest residential property is already charged \$1200 in local rates annually.

The medium income for Cootamundra is amongst the lowest in NSW at \$774 per week.

The present Council has to be responsible for this financial debacle. The Council blames heavily the recent amalgamation imposition of these last 2 years. However it is entirely due to their own management shortcomings. Many managers including the General Manager have been working since years for one or the other former council administrations, Cootamundra or Gundagai, thus cannot hide behind the excuse that

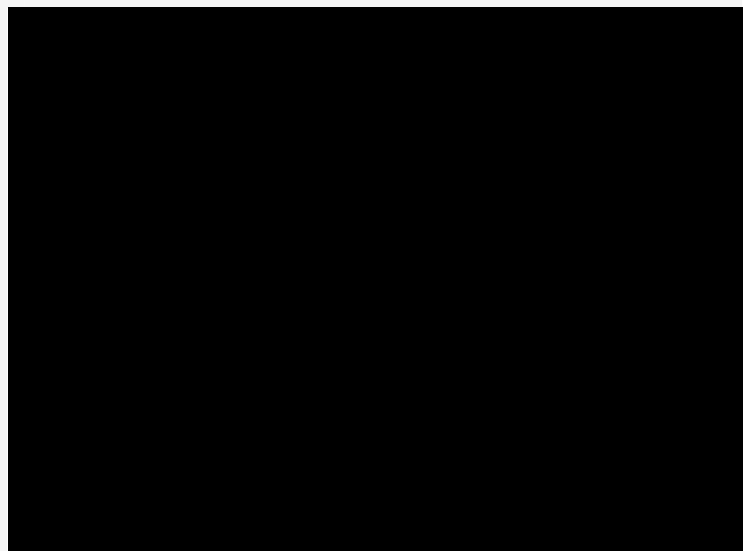
they have been in their position only these last 2 years, shifting responsibility towards previous councils.

Their salaries are astounding considering that they have mismanaged the finances of the Council.

The General Manager is on \$280,000 annual pay packet.

Ten Managers are on \$140,000.

These figures are not official but have circulated during public meetings and seem to reflect the reality especially since no denial has been voiced.



My point being that these people could take a salary cut without really sacrificing their current lifestyle. They are well cushioned.



but would never consider to take themselves a salary cut, the salaries and wages being a major expense to the ratepayers.

There is a well established myth in Australia that salaries and wages increase for ever.

Nobody is contemplating a diminished pay packet.

However the private sector has recently broken this taboo. [redacted] the travel company, is reducing substantially wages across the board in order for the

company to survive.

I don't see why a similar policy would not apply in the Public Service.

A General Manager could live very well on a \$180,000 pay packet, The Managers could also live comfortably on \$100,000. And so on down the hierarchy in proportion of wages.

These savings could actually solve this financial crisis leading to bankruptcy of the Council.

There are also grants from council to groups and local organizations which have to be scrutinized and possibly revoked if not providing value for money to the ratepayers or being considered a luxury in our present difficult financial times.

#### Conclusion

In the present circumstances, knowing the intransigence of all parties involved, I would chose option 3 and call for an Administrator to put some order in the house.

A demerger of the forced amalgamation of the two former councils would be also welcomed by the towns and residents of Gundagai and Cootamundra. The councilors and the council administration, both long standing members in their role and profession, cannot be rewarded by IPART in allowing the requested Special Rate variation of 62.6% over 5 years applicable for the Cootamundra-Gundagai Regional Council for the 2021-2022 financial year.

Your comments on Criterion 1:

Your comments on Criterion 2:

Your comments on Criterion 3:

Your comments on Criterion 4:

Your comments on Criterion 5:

If you have attachments you would like to include with your feedback, please attach them below.

## Your Details

Are you an individual or organisation?

**Individual**

If you would like your submission or your name to remain confidential please indicate below.

**Publish - my submission and name can be published (not contact details or email address) on the IPART website**

First Name

[REDACTED]

Last Name

[REDACTED]

Organisation Name

Position

Email

[REDACTED]

IPART's Submission Policy

**I have read & accept IPART's Submission Policy**