

Author name: [REDACTED]

Date of submission: Monday, 23 May 2022

Your submission for this review:

Dear Sir/Madam, Please find attached 4 Attachments Submitted to support our objection to Uralla Shire Councils' application for an Additional Special Rate Variation. Attachments - 1. Our objection to Uralla Shire Council Additional SRV Application. 2. [REDACTED] Submission to Council on the Draft LTFP 2022-2031 3. GM reply to a letter from the Bundarra Residents Association Inc. 4. Letter from the Bundarra Residents Association Inc. We thank you for the opportunity to express our concerns and will look forward to a fair and equitable decision. With Regards, [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
Monday 23rd May, 2022

Re: SUBMISSION OBJECTING TO URALLA SHIRE COUNCIL ADDITIONAL SPECIAL RATES VARIATION FOR 2022-2023

We strongly object to the Uralla Shire Council application for a permanent ASV of 1.8% for the reasons detailed below.

1. Council Information Provided to IPART Appears to be Misleading.

We believe that some information contained in the General Managers covering letter for the ASV application may be misleading in regard to the omissions many salient points.

Within the 2021-2022 Integrated Planning and Reporting documents adopted by Council on 29 June 2021 there **appears to be no information to support** the GM statement that a permanent ASV of 2.5% "... aligns with the council's assumed 2022-23 rate peg in its 2021-22 Integrated Planning and Reporting (IP&R) documentation".

The last time Council **adopted** a Long Term Financial Plan (LTFP) appears to be in June 2015.

At the meeting on 29 June 2021 Council also resolved to undertake community consultation & place the Draft Long Term Financial Plan (LTFP) 2022-2031 on public exhibition. This occurred from 10 September 2021 to 25 October 2021.

No information has been provided about the community feedback received in October 2021 on the draft LTFP 2022-2031 despite the GM stating in the November 2021 Council newsletter that a report on community feedback will go to the new Council.

The Draft LTFP 2022-2031 lacks a lot of detail & was compiled without many of the required supporting documents & accurate financial information.

Attached is our submission to Council on the Draft LTFP 2022-2031. (*Attachment 2*)

The business paper for the scheduled Ordinary Council Meeting on Tuesday 24 May 2022 is on the Council web site. Included in the agenda are 7 Asset Management Plans with the recommendation that they be placed on public exhibition. These plans were considered by the Finance Advisory Committee on 10 May 2022 & in the audio recording (3hr 2min 5sec to 3hr 19min 24sec) the Director Infrastructure & Development acknowledges that the **plans are not of an acceptable standard**. The Directors report to the Committee included that all 7 plans are still to have their Financial Assessment finalised, 4 plans require the 2017 condition assessments to be validated & updated, 4 plans require the renewals programs to be finalised & 1 plan requires the condition assessments to actually be undertaken.

A LTFP cannot be considered accurate & reliable when the inputs to the LTFP are incomplete.

2. Funds May Not be Used as Claimed.

The 3rd point in the GM letter states that "*In the absence of a special variation of 2.5%, council would have less funds available to meet its obligations as identified in its 2022-2031 LTFP*"

The 2022-2031 LTFP is only a **DRAFT** document that is currently, subject to strong community objection.

A substantial amount of the proposed \$74,012 rate increase will likely be spent on 2 proposed new Senior Staff positions.

Council currently has the Draft Workforce Management Strategy 2022 on public exhibition.

On page 6 it is proposed to elevate 2 director positions to designated Senior Staff positions. This will likely result in substantial salary increases compared to the current director positions.

On pages 14 & 15 the GM salary is benchmarked using a very selective comparison of Councils (comparing Apples & Oranges). This then appears to be indicating that the Uralla GM salary should be increased by around \$20,000.

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

By Email.

Dear Madam,

COMMENTS ON URALLA SHIRE COUNCIL DRAFT LONG TERM FINANCIAL PLAN 2022-2031

I strongly object to the exorbitant rate increases that are proposed in the Draft Long Term Financial Plan 2022-2023 (DLTFP) that is currently on public exhibition.

General rates to increase 78.9% over 10 years with a 54.3% increase in the first 4 years.
Water charges to increase 109.9% over 10 years with a 94.9% increase in the first 7 years.
Sewer charges to increase 36.7% over 10 years with a 12.2% increase in the first 2 years.

Both the DLTFP document and the explanation document fail to transparently provide sufficient details of the composition of the income and expenditure figures to validate the proposed exorbitant rate increases.

The annual cumulative financial impacts on the various categories of rate payer throughout the Shire are not even detailed in either document.

The rate payer ability to pay these exorbitant rate increases is not considered at all.

These documents do not justify the need for such exorbitant rate increases.

Some of the very basic details that have not been provided include:

- Employee benefits & on-costs is the largest line item in the document at \$9.7m to \$13.1m & yet there are no details of staffing numbers in the various areas of Council, historical or proposed, or what the on-costs are comprised of.
- No detail as to if the employee benefits & on-costs allow for the ongoing staff vacancies during recruitment of replacement staff (a revolving door of indoor staff leaving!).
- No details of the various Insurance costs.
- Minimal details of what the capital grants & contributions are composed of.

Responsible Officer: EA
In reply, please quote: UINT/22/1460

10 February 2022

To the Residents

Bundarra Residents Association Inc.

Dear [REDACTED]

We refer to your email of 4 February 2022.

Council does not intend to apply for a Special Rate Variation (SRV) for the year ended 30 June 2023.

This process is quite detailed and lengthy with many steps to be undertaken. This process includes but is not limited to:

- appropriate and extensive consultation with all relevant parties,
- further modeling of alternative scenarios,
- necessary applications with supporting documentation to IPART, and ultimately
- IPART and Council approval.

Due to various reasons, the Budget for the 2022-2023 year is currently being prepared on the basis of the approved rate peg rise of .07%. It is up to Council to determine whether to undertake the SRV process and to make application to IPART for this in future years.

Please note that although rates are an integral and substantial part of the Councils income, it is only one of many avenues of income available to Council. To achieve a responsible and balanced budget, other forms and /or levels of income and/or operational and capital expenditure will need to be investigated and made available for consultation. Be assured that the consultation process will be informative, transparent and inclusive.

Please do not hesitate to contact Council should you have further enquires.

BUNDARRA RESIDENTS ASSOCIATION INC.
2101222

RESIDENTS STANDING TOGETHER



Dear Sirs, Mses,

We, the residents of Bundarra wish to know if Uralla Shire Council has or is intending to apply for a Special Rate Variation or a Minimum Rate Variation for the year 2022-2023, both of which are due to be submitted to IPART by 7th February 2022, which is next Monday.

We have previously contacted the GM who sent a reply via email from [REDACTED] stating that the summary from feedback to the 'Long Term Financial Plan' would be included at the council meeting on Tuesday 22nd February 2022 which is well after the closing date for applications!

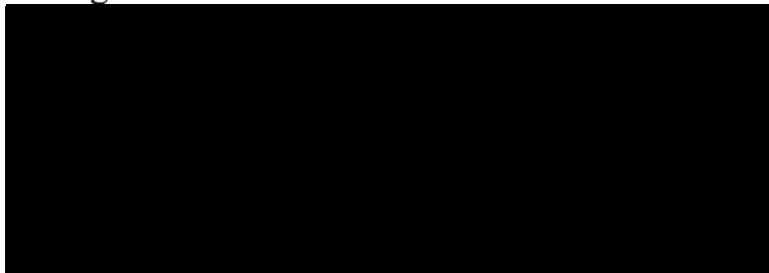
We also note that the rate peg for Uralla has been set at .07% 2022-2023

Council	Change in population %	Supplementary valuations percentage %	Population factor %	Rate Peg (including population factor) %
Uralla	0.0	0.0	0.0	0.7

We need to know if USC are intending or have already applied as the timeline for public submissions also close in March 2022.

Could you please reply as a matter of urgency.

Regards



- No details of what the operational grants & contributions are composed of.
- No details of how grants & contributions are categorised for capital or operational purposes.
- Surely when the grants & contributions for capital purposes are removed from the income there should be a similar decrease in expenditure on employee benefits & on-costs, materials & contracts and depreciation & amortisation as the money is not there to be spent!
- No details of depreciation rates or what is being depreciated & amortised.
- No details of the other expenses of \$1.9m to \$2.4m per year.
- No details of the materials & contracts of \$4.8m to \$5.6m per year.
- No details of the amounts being spent on external consultants. Councillors have also repeatedly unsuccessfully requested this information.
- No details of a plant replacement program.

The fact that several operational & capital expenditure plans are still being developed clearly shows that the proposed exorbitant rate increases cannot be substantiated.

The executive staffs' obvious lack of knowledge & comprehension of the various NSW Acts & Regulations combined with the lack of transparency & contempt shown by these executive staff towards Councillors & residents gives no faith to the accuracy of the information that has been provided.

At face value there appears to be a lack of competent financial control, as evident by the yet to be produced annual financial statements, so maybe a request for Local Government [REDACTED] to appoint a Financial Controller would be more appropriate than the proposed exorbitant rate increases.

The word "accounting" actually comes from the word "accountability".

"In the long run, managements stressing accounting appearance over economic substance, usually achieve little of either" – [REDACTED]

Regards

[REDACTED]

[REDACTED]
[REDACTED]

3. General Manager Letter of 10 February 2022.

In a letter dated 10 February 2022 (*Attachment 3*), the General Manager clearly states that Council does not intend to apply for a Special Rates Variation for the year ended 30 June 2023. This was in reply to a letter from the Bundarra Residents Association Inc, dated 4 February 2022, & after IPART had announced the 0.7% rate peg increase for the Council (*Attachment 4*).

4. Poor Organisational Management & Poor Financial Oversight.

Ratepayers are not responsible for the poor organisational management & poor financial oversight of Council. The State Government deemed Uralla Shire Council to be a standalone financially sustainable Council in 2015. Now the Director Corporate Services/Chief Financial Officer says that *"This is the fifth year in a row that Council has drafted an operating deficit before capital grants and indicates the Shire is not financially sustainable"* (Budget Review & Finance Committee Business Paper 15 March 2022 Page 36). It is worth noting that the current DCS/CFO has held this position for approx 6 years and for the past 3 years every Financial Statement has been late and done by Consultants.

Council has sunk to this position due to poor organisational management & poor financial oversight. Since approximately 2017 executive staff have not been providing organisational & financial transparency to both Council & the residents. The detailed organisation structure was withheld from Councillors, repeated requests from Councillors for financial details were ignored, the minutes & audio of meetings are often not available for 7-10 days after meetings & then sections of the audio are missing.

Primarily due to poor management USC has an extremely high staff turnover, particularly with Engineering at approx 70 positions out of the (Approx)100 positions advertised since Jan 2019 (*excluding* McMaugh's Aged Care Facility & Community Transport staff). Over 60% of the positions advertised are based in the Admin building. Interestingly, currently 60% of staff are considering leaving (Draft Workforce Management Strategy 2022 Page 15). Staff have been appointed that do not meet the selection criteria, are not appropriately qualified and/or experienced for the positions and rely far too heavily on costly consultants for the simplest of decisions. The current GM is being paid tradesman wages for barely an apprentice capacity and wants more. All of this has resulted in very poor & costly decision making & has decimated employee & resident morale and confidence. It has also resulted in escalating workers compensation cases & insurance costs and now the inability to attract engineering and finance staff of ANY standard due to the toxic reputation of the workplace.

Requiring ratepayers to throw more money onto the fire will not rectify the poor organisational management & poor financial oversight of Council.

Thank you for the opportunity to comment.

All Attachments Submitted

- (1. *Our objection to Uralla Shire Council Additional SRV Application.*)
2. [REDACTED] Submission to Council on the Draft LTFP 2022-2031
3. GM reply to a letter from the Bundarra Residents Association Inc.
4. Letter from the Bundarra Residents Association Inc.