

Submission to IPART re SRV proposed by Liver Pool Plains Shire Council

Rob Webster



Attention Albert Jean

IPART

10/02/2021

Albert, please see below and attached documents to support the community's case against the proposed SRV. This SRV has been badly presented and not substantiated by management. If management had have presented to the community that they had found \$2m of savings, and then asked the community for a contribution, they would have had more positive response.

As a councillor elected in 2012 and resigned in November 2020, I have unfortunately over the past 7 years witnessed poor governance, serious fiscal incompetence and staff bullying that should not be tolerated in any workplace. But sadly after numerous emails and reports including supporting evidence to the OLG, Auditor general's department, Privacy Commissioner and ICAC. no one seemed interested in my concerns. I believe that some government departments are fearful of enforcing the policies and legalisation when it involves a Local Council.



OLG and Council – in December 2018 a special investigation team visited the council and completed many interviews with senior staff and councillors regarding a history of non-compliance and its failure to ensure compliance with relevant legislation and standards and poor financial performance.

(see attached copy OLG response 18/03/2019)

Comments on the Special Variation form Part B—sent by Council to IPART.

Description and Context—Question 2 – Why council needs the SRV—It will improve financial sustainability? Increased maintenance- renew deteriorating assets-- \$500k is not going to help, this shipwreck just waiting to sink.

Attachments—N and M are missing from the webpage??

Page 9 Re proposed SRV in 2017-18, what a lot of [REDACTED] As a member of the audit committee I was closely involved in the FFF submission as was the [REDACTED] at the time [REDACTED]
[REDACTED] The FFF document has to be read in its entirety where you will see that there were 62 actions planned by council and most of those actions were never started or completed. , see below a breakdown of the document.

Fit for the Future

One of the components of FFF in 2015 was a recommendation that council look at a SRV in 2017-18 even though there was still an overhang for the SRV in 2014 of 12.5% which has now compounded to 28.37%.

As we know more money is not always a panacea to solve all financial problems. Additional commitment is needed to build technical knowledge and financial understanding of both staff and elected members.

Council should understand that decisions about service levels and revenue raising are critical factors in long term financial performances. At LPSC we have seen financial management responsibilities as primarily to ensure compliance with legislative requirements

In 2015 FFF submission councils 10 year program included the following:

- (1) Break even annual operating positions—NO
- (2) Smart strategic planning processes and real world documents .NO
- (3) Asset management planning prioritised and directly linked to the LTFP. NO
- (4) Sound policies and guidelines around smart growth and use of restricted assets. NO
- (5) Good accounting and fully integrated financial systems. NO
- (6) Good quality performance reporting systems to measure performance and operational efficiencies. NO

LPSC had promised to introduce the following

- (a) Include measures to promote efficiency improvements. NO
- (b) Soundly justify any proposed increases in service levels or creation of new assets.NO
- (c) Contribute effectively to progressive elimination of an operating deficit.NO

Liverpool Council has stated it was committed to improving its services didn't happen!!

LPSC promised a programme agenda?

- (1) Conducting efficiency reviews, including zero based budgeting?
- (2) External service reviews—to ensure best value---NO
- (3) Leveraging better value services NO
- (4) Internal service reviews – community capacity 355 committees, cost recovery.NO

Council has just engaged CT consultants (\$150k) to provide a report on an Efficiency review, which should have reported before council applied for a 28% SRV. If management had provided something tangible in cost savings, then the community might have been more accepting of an increase.

In 2015 FFF councils promised fiscal agenda included the introduction of a NEW Projects Guidance Procedure for Capital projects, including the following

An initial strategic assessment, developing a business case , project development , Tender process
Contract management , and project review—What a load of [REDACTED]

How was council going to measure success.

- (1) LPSC will have sufficient cash reserves. NO
- (2) LPSC will be compliant with all its regulatory and statutory obligations and good governance. NO
- (3) The councils financial management and financial systems will deliver accurate and reliable information on a timely basis for decision making NO
- (4) The council will exhibit good practise in contract and project management. NO
- (5) LPSC will engage with its community.NO Dismantled all the 355 committees

Councils overuse of consultants. 2019-2020 Financials show LPSC spent over \$2 million on Consultants. Plus \$1m on 5 senior positions???

See copy of Council meeting (attached) 3rd feb 2021, in Confidential;

Resolution 2021/5 That council receive the service Efficiency and Improvement Plan prepared by CT Management Group Pty Ltd .

Resolution 2021/6 ---That council receive the Organisation Structure Review prepared by CT Management Group.

And:

CT Management Group have also prepared the LTFP (10Years) for Council (It seems that the GM and Executive team do not have the capabilities to prepare this document). \$125,000

Ct Management Group have prepared and presented the proposed SRV to a number of community meetings. (the community was very disappointed that council had spent \$97k when it should have been delivered by the Mayor and executive staff.)

Other consultants

- (1) Constructive Solutions— Engineering Consultants
- (2) Swimplex ---Pool Consultants
- (3) H2O – water engineers and consultants \$750,000
- (4) Bath Stewart—consultants
- (5) GHD--- consultants
- (6) MRU--Waste strategy—consultants??? \$250,000
- (7) IT strategy consultants?
- (8) Art and culture consultant \$64,000 , Master Plan and business plan , management refuses to table the reports .??
- (9) Dam Safety –consultants

Quirindi Advocate see copy attached 10/02/21

Front Page – Community say NO. Council says GO?

LPSC has ignored community concerns in voting for a special Rate Variation with 81% of people voting against the SRV.

Legal Matters

Land and assets being sold without proper oversight, IE valuation, not made public or advertised sold privately and not coming to council. The current GM meeting with developers socially and at developers business premise's. These properties have been traded well under market price nor have they gone to council for resolution.

Land 32 New England Highway Willow Tree and Industrial Drive Quirindi—can offer supporting evidence

Land purchase--- Warrah Ridge Quarry—see attached minutes Resolution 2020/220

That council authorize the Mayor and GM to acquire this land for \$25,000 plus costs.?

See documentation shows that council paid the landowner \$45,000????

Over the past 8 years I have witnessed a long list of unlawful activities carried out by management and the Mayor, and have provided evidence to the OLG and other relevant authorities without results. Being in business for 40 years and number of years as a Director on listed boards I believe I have the background and credibility to make those statements, if it was private enterprise, they would be criminal matters.

Current Situation—Feb 2021 council includes the 2nd Quarter QBVS, see attached the Income and Expenses has blown out from a projected \$4.5m loss to a \$8 M loss not including capital items) ..

The budget includes millions to be spent on Waste and IT upgrades, with no reserves for either. To be funded out of the General Fund. We have \$1.5 received from the ---Resources for Regions, funding that should go to support towns affected by Mining (Werris Creek). My understanding is that at least 30% should go to projects in the community and the Council can make a determination on other. But management wants to use the \$1.5 to prop up the \$1m waste strategy which has no reserves?

Library upgrade--- blew out from \$200k to \$1.6 m, a \$500k shortfall had to be funded out of the Section 7.12 reserves, which completely emptied out the fund that was unrestricted.

(see attached resolution of council 3329)

See attached submission to Council 9/12/2020 regarding the 201902000 financials. It was supposedly forwarded onto Forsyth's, but I have had not a single response from the council or Auditors. (see attached memo)

Kind Regards

Rob Webster



Newspaper articles removed due to copyright concerns

Liverpool Plains Shire Council

Quarterly Budget Review Statement
for the period 01/10/20 to 31/12/20

Income & Expenses Budget Review Statement

Budget review for the quarter ended 31 December 2020

Income & Expenses - Council Consolidated

(\$000's)	Original Budget 2020/21	Approved Changes		Revised Budget 2020/21	Variations for this Dec Qtr	Projected Year End Result	Actual YTD figures
		Sep QBRs	Dec QBRs				
Income							
Rates and Annual Charges	11,161,007	1,635,766	-	12,796,773	-	12,796,773	12,570,002
User Charges and Fees	4,370,778	(1,701,859)	-	2,668,919	-	2,668,919	1,527,773
Interest and Investment Revenues	352,596	-	-	352,596	(182,516)	170,080	89,386
Other Revenues	405,094	11,058	-	416,152	-	416,152	330,536
Grants & Contributions - Operating	6,354,107	756,500	-	7,110,607	-	7,110,607	2,833,731
Grants & Contributions - Capital	2,125,000	-	-	2,125,000	-	2,125,000	1,126,008
Total Income from Continuing Operations	24,768,581	701,465	-	25,470,046	(182,516)	25,287,530	18,477,437
Expenses							
Employee Costs	11,370,435	(84,109)	-	11,286,326	-	11,286,326	5,005,107
Borrowing Costs	368,736	-	-	368,736	-	368,736	97,892
Materials & Contracts	6,098,409	(87,602)	-	6,010,807	97,000	6,107,807	3,033,342
Depreciation	9,999,459	-	-	9,999,459	3,389,834	13,389,293	6,694,679
Other Expenses	1,437,223	785,048	-	2,222,271	-	2,222,271	1,357,320
Net Loss from disposal of assets	-	-	-	-	-	-	-
Total Expenses from Continuing Operations	29,274,262	613,337	-	29,887,599	3,486,834	33,374,433	16,188,341
Net Operating Result from Continuing Operations	(4,505,680)	88,128	-	(4,417,552)	(3,669,350)	(8,086,903)	2,289,096
Net Operating Result before Capital Items	(6,630,680)	88,128	-	(6,542,552)	(3,669,350)	(10,211,903)	1,163,088

Submission to LPSC

9/12/2020

The General Manager

Ms Jo Sangster

LPSC

Submission regarding the 2019-2020 financials on Councils webpage.

Questions for Management

- (1) Page 4 –Income statement.—Could council quantify the 40% increase in Depreciation from \$9,264,000 to \$13,354,000 in the last financial period. Refer to Note5. Could you explain how and why council changed from the previous Consumption based Depreciation to straight line depreciation, without revaluing roads and bridges in the shire? *2*
- (2) Page 11 (Trust Fund) States that separate accounts are kept to account for all money received by council. Could council quantify where the Amount Of \$163,000 that was donated by the Salvation^s Army in 2017 to be held in trust on account of the Quirindi Basketball Assoc for future work on the new basketball facility in Henry street. Normally it would sit in Cash contributions refer 2017-2018 financials.
- (3) Page 18—note 3---revenue from continuing operations. Could council quantify the allocation of \$1.3 m of Roads to recovery grants received that should be allocated to Capital not to operating . All councils recognize Roads to ~~recovery~~^{recovery} are for capital works.
6/20/20
- (4) Page 39—Note 13 Council as Lessee. Could council quantify where the income and expenditure for the operation of Summerhill Lodge sits in the financials. There is no line item for this operation and as council leases this facility from the Department of Housing and there are contracts in place for rental received and , maintenance and capital improvements. In 2017 income was \$69,000 compared to \$37,000 in 2020. ??
- (5) Page 44 note 15 Provisions.—Could Council explain the huge variation between 2018-19 provisions for remediation \$1,533,000 to \$11, 847,000 in 2019-20 financial year. Can council quantify the disparity between the two, and how council allocated \$1mⁱⁿ 2019-20 for ^{the} remediation's that are unfunded.?? Council reports indicate that the council is applying to use Resources for Regions (towns that have been impacted by mining) funding to fund this project, ??
6/20/20

Finally as a member of the business community I have real concerns regarding the long term financial stability of council since 2013 there have been a number of qualified audits and a large number of repeat issues that have been raised by the Auditor General and that have not been addressed . When you review our Fit for the Future 2015 submission, there are currently 30 plus outstanding areas that have not been addressed by council .

Your faithfully

Rob Webster





Petition to be sent to IPART>

Proposed Special Rate Variation by LPSC January 2021.

We the undersigned object to the proposed LPSC SRV of 26 % starting June 2021 .

Rate payers have already absorbed a 28% increase since 2014 and have no appetite for another 26%..

The undersigned demand that Council address the LTFP and review efficiency's and service levels before placing extra demands on the rate payers.

