

Author name: A. Carrall

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Whilst I understand that the UHSC is under duress financially, I do not believe that us the ratepayers should wear the brunt of horrible decision makings, bad judgement and management of infrastructure, budget blow outs on these bad decisions and general mismanagement across the board. Residents across the shire in their own small communities have been crying out on such things for years, and to have a rise in rates to this extent thrown at us under the guise of " we can't deliver services " is absolutely abysmal. For those in the community already struggling to keep their heads above water with the current financial climate, I urge you not to allow this inept council the right to raise the rate by the 33%. I urge you with whatever power you possess to push for an Administrator to right this sinking ship.

Author name: B. Bartlett

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

UHSC has wasted money on very big black holes (Scone War Birds to name one) that are not to help the greater community. They DO NOT consult with the community. They wasted \$\$ on the airport runway... They spent a huge amount of \$\$\$ on replacing the medium strip o in SCONE when there was NOTHING wrong with it... Scone seems to get every last \$\$\$ spent over there & the rest of the council area gets left out...

Author name: C. Merx

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

To Whom it may concern, As a new member of the Aberdeen community I believe that this rate increase is excessive. I went to the NSW Government office of local government website and saw that there were only 4 other shires that were paying over \$1500. My rates last year were \$2400. To put another 33% on rates that are already amongst the highest in the state is in my opinion excessive. This, I would presume, will not gain me any extra services or amenities. Please accept my submission that these rates increases are excessive. In a cost of living crunch any extra costs, especially those that outstrip both inflation and wage increases is unbearable and unacceptable.

SUBMISSION to iPART

Re: SRV Application by UHSC

Executive Summary

Upper Hunter Shire Council (hereafter referred to as UHSC) is applying to iPart for this Special Rate Variation (SRV) smug in the belief it has met all the technical criteria for such an application.

I urge iPart to dig a little deeper than the bland technical data UHSC has provided in support of this application. Because, the fact is, UHSC has engaged in deliberate and egregious acts of omission throughout this entire SRV process from public outreach right through to the submissions that form UHSC's application to iPart.

These acts of omission relate to important and significant discretionary spending ventures UHSC has undertaken as part of pursuing 4 separate asset purchases and improvements. UHSC has a well documented history of aggressively responding to critics and media that dare to raise these non core ventures.

These 4 non core discretionary ventures are;

1. the purchase and re-furbishment of Campbell's Corner commercial buildings in Scone.
2. All resources expended in relation to the Scone cattle sale yards
3. All resources expended in acquiring and operating Hunter Warbirds in Scone.
4. All resources expended in relation to upgrading Scone airport (from which there is no scheduled public air transport service).

Seperately and collectively you will see many references to these 4 non core discretionary spending ventures in this document. The finances for these ventures are not easily found in public documents. In fact it is only through councillors critical of UHSC (until their dismissal in early 2024) or the media that we learned that these 4 ventures collectively accounted for somewhere between \$18 and \$20 million of the \$27 or \$29 million in council borrowings at the time.

It is extremely difficult for the public to learn more up to date information because UHSC has successfully managed to remain compliant and yet obscure any meaningful understanding of the costs and borrowings related to these ventures in their financial reporting.

Finally, UHSC has omitted these ventures in their public documents and their iPart submissions relating to their proposed SRV.

In fact, in their desperation to control the financial narrative and be approved for their proposed SRV, UHSC has elected to completely dismiss the 60 (alleged) written submissions it received. Instead of providing a true and fair summary from those 60 written submissions it instead provides iPart a set of curated comments from an online survey that the author suggests later in this submission that UHSC may have fabricated for this purpose.

Submission to iPart in relation to UHSC proposed SRV

Why would UHSC dismiss the 60 written submissions? In the authors case it would not be possible to provide any reference to his submission without mentioning the 4 non core discretionary asset purchase and refurbishments ventures. It has come to the authors attention that at least 3 other written submissions share that focus.

The author cannot explain why UHSC has chosen to omit, mislead and deceive instead of providing transparent and honest reporting and dealing with the community in good faith. Many in the community believe corrupt dealings are the reason but this would require an ICAC investigation to prove or disprove.

UHSC in its application for an SRV is expected to provide an honest submission that provide the totality of causes, reasons and arguments in favour of its proposed SRV. This submission to iPart will make arguments that UHSC's submissions have important omissions and the result is a misleading and deceptive application and set of arguments in favour of the SRV.

A ruling from iPart that rejects this SRV proposal may well be the first necessary step in UHSC taking required action to provide transparent and honest reporting to both its ratepayers and wider community. At this moment UHSC is seemingly incapable of such transparency.

Background

Upper Hunter Shire Council has applied for a Special Rate Variation. Over the last number of years, as UHSC embarked on one speculative non core discretionary venture after another - critics of council warned that revenue forecasts were so unrealistic as to ensure that council would have no option other than gouge ratepayers to cover their years of profligate spending on these non core pet ventures. With the Mayor and a rump voting block of councillors still in place, this SRV application is a direct result of the poor, often questionable prior decisions taken by this select group.

These speculative non core ventures are a series of projects UHSC has taken on against the wishes of a large segment of the Shire residents. Community opposition arose because each of these projects are based in Scone and are beneficial to a tiny group of people. As well they have diverted UHSC cash and resources to assess, negotiate, purchase, plan renovations and execute them. In most cases UHSC spent cash and secured loans to facilitate the purchase and upgrade of these non core, unwanted and unnecessary assets..

Far too much of UHSC's debate and decision making regarding these projects has been conducted in closed session. [REDACTED]

[REDACTED] A cursory review of UHSC meetings show many instances of discretionary waiver or leniency in enforcing attendance rules. But not for critics of UHSC.

Certainly the timing of the dismissal was fortunate for UHSC as it allowed them to conduct public outreach for their proposed SRV without a vocal critic on council.

Submission to iPart in relation to UHSC proposed SRV

Throughout this document the ***projects or ventures referred to as UHSC unpopular, unnecessary and of benefit to a very few in the community - discretionary spending on asset acquisition and improvement-*** or words to the same effect refer to the following individually and collectively.

Most importantly it refers to ***the purchase costs, loans taken to refurbish, ongoing cumulative annual deficits in their operation and the loan repayments – the scale of their financial impact on UHSC budgets and their contribution to persistent forecast UHSC deficits***

1. Scone Airport Upgrade
2. Hunter Warbirds
3. Scone Cattleyards
- 4, Campbell's Corner commercial building in Scone.

UHSC was denied an SRV in 2018 due to their failure to communicate the cost of their proposed SRV in the proscribed manner. UHSC may have now taken extra care to submit an application that meets all the guidelines – ***in fact this SRV application is much worse than 2018 because it is part of a campaign by UHSC to wilfully deceive the community and iPart as to the true causes of any persistent council forecast deficit by obscuring the 4 projects above and instead blame COVID, flood, drought, State Government, their own poorly run aged care facility.***

In addition to its failure to provide honest and transparent communication to the community about its financial position and the true reasons for its so called *forecast persisent deficits* UHSC has failed dismally to make a coherent case as to ratepayers ability and willingness to pay its proposed SRV.

This submission makes 6 objections based on these criteria and urges iPart to reject this SRV application

The ratepayers and wider community have a number of specific criticisms of UHSC. While not within iParts ambit the following does provide context and history to the community ill feeling towards this council.

The Mayor has had a controlling block of councillors since 2018.

Before 2018 the Mayor was a councillor in a similar voting block the with former Mayor

The last election saw 3 new councillors on a change platform gain 48% of the vote

The current council routinely votes 6-3 against the new councillors.

There is an unspoken rule that prior councils decisions can be not be criticised.

Council makes far too many decisions and debates in closed session.

Council spends far too much time and resources retaliating against critics

Council routinely lies and minimises the financial impact and deficit contribution of various discretionary asset purchase and improvement ventures it embarked upon

In that context;

Many people in the shire worry that UHSC is engaged in a scheme across several mayoralties of acquiring various assets, improving them at public expense, generating revenue forecasts that

will never be met and then a few years later, those controlling UHSC have their so called `road to Damascus' moment - suddenly hearing the public outcry they previously ignored. This 180 degree change is performed so as to offload the much improved non performing assets via an unsolicited offer from undisclosed parties.

A cursory review of council records will show the proliferation of *unsolicited offers to purchase assets from council by undisclosed parties.*

OBJECTION 1 – UHSC cannot meet the required criteria because it has chosen to omit important and significant discretionary asset acquisition and refurbishment ventures from its communications which provide reasons, causes and arguments for their proposed SRV. By doing so it negates any claim by UHSC to *clearly articulate and identify...the need for and purpose of* their proposed SRV

UHSC has purposefully structured its reporting and communications to minimise the true financial impact and contribution to ongoing deficits of a series of unpopular, non core, discretionary asset acquisition and improvement ventures that UHSC has embarked upon.

These discretionary asset acquisition and improvement ventures have significant impact and contribution to UHSC's finances and forecast deficits. If UHSC had not stubbornly embarked upon these ventures in the face of vocal criticism and community opposition then UHSC would not have required an SRV at this time.

As a result any UHSC submission within the following criteria;

The need for, and purpose of, a different revenue path for the council's General Fund (as requested through the special variation) is clearly articulated and identified in the council's IP&R documents,

...that fails to draw attention to those discretionary ventures and their relative financial impact and contribution towards forecast deficits cannot be said to *clearly articulate and identify the need for and purpose of* - the proposed SRV

If iPart allows UHSC to shift the consequences of their poor decisions back onto the community while UHSC continues to deceive and mislead the community over their finances and discretionary ventures – this would be an extremely poor outcome that would simply encourage UHSC to engage in even more risky ventures because there will be no consequences and the public will be hit for the shortfall..

OBJECTION 2 UHSC has failed in it's requirement to submit *Evidence that the community is aware of the need for and extent of a rate rise.*

In this section I will advance the argument;

That UHSC has failed to meet the criteria required due to UHSC failing to provide transparency and honesty in regards to the financial impact of 4 of its discretionary ventures acquiring and improving assets and the contribution of these to 4 ventures to UHSC's alleged *persistent forecast UHSC deficits*.

As well as the argument;

That UHSC has conducted its public outreach and submissions process in a perfunctory and contemptuous manner and then created the *Community Engagement Outcomes Report* as part of its SRV submission that is misleading and dishonest in its content.

UHSC's SRV Background Paper Outline - Omits UHSC discretionary asset acquisition and improvement ventures

UHSC's *SRV Background Paper Outline* appears as the primary document UHSC advances in support of its SRV proposal, has its content duplicated in various social media and web pages and any reasonable community member would conclude that it will contain the totality of information points regarding the causes and reasons for UHSC's proposed SRV.

Any community member aware of UHSC activities over the last 5 years will be shocked to discover the complete absence of important facts. In its *SRV Background Paper Outline* in relation to its proposed SRV, UHSC has carefully and deliberately structured its arguments so as to exclude its own discretionary spending on non core, unpopular asset acquisition and improvement ventures. As well as the impact these have on finances and forecast deficits.

In fact UHSC has instead listed a series of causes for its troubled finances and persistent forecast deficits which are all conveniently external forces outside of councils control. While drought, flood and COVID are significant issues council has received considerable financial support for these one off events. As far as State Government funding goes, this appears to be a generalised ongoing issue.

In fact of all the causes advanced by UHSC the one omitted - individual discretionary asset acquisition and improvement ventures and certainly all of them collectively have arguably had a far greater financial impact and contribution towards forecast deficits – yet are omitted as adding to the financial issues or contributing to the need for the proposed SRV

Hunter Warbirds and *Scone airport* two of the four discretionary asset acquisition and refurbishment ventures are proudly listed in the *SRV Background Paper Outline* as current services and infrastructure provided by UHSC. This is despite the fact that the only beneficiaries of the airport are livestock and horse breeders and those wealthy enough to own or charter aircraft or helicopters. For an airport providing such limited benefit to the community it contributes a significant annual deficit to UHSC finances. There is no public air service available at Scone airport.

Hunter Warbirds being a so called tourist attraction of limited community interest also operates at a significant annual loss. UHSC stubborn refusal to take reasonable advice about UHSC revenue forecasts for *Hunter Warbirds* being unrealistic and instead going against public opposition to acquire and refurbish the asset anyway has led to considerable community backlash.

Then there is Campbell's Corner a large scale for Scone, commercial property purchase and refurbishment at the public expense. Questions such as who sold it? Why was UHSC so keen to purchase it? Why was the price paid appropriate? Why was the decision made to purchase made in total secrecy? Why did UHSC claim the building was suitable to house the Scone library when a basic structural survey showed it was totally unable to support the weight of books? Have never been adequately addressed leaving many in the Shire to conclude it was a dodgy sale to help mates at the public expense.

Plus the Scone cattleyards purchased and refurbished at huge cost to the community, of benefit to very few and unlikely to break even for many years. Both projects sucking vast amounts of UHSC resources to purchase, assess and manage the refurbishments. The loans taken out to finance these unpopular, profligate and actually mysterious projects and the repayments adding to council's forecasts persistent deficits. Worse, these assets are so loaded with debt as to be unable to operate at break even or at a profit for many years to come.

The mystery here is – why on earth did our small council ignore reasonable advice, to buy and spend on refurbishing them – even in the face of widespread criticism? Why does UHSC go to enormous lengths to obscure omit or pretend to ignore the significant impact these 4 ventures have on our finances?

UHSC makes it hard to find finances of the 4 ventures

At public outreach in relation to UHSC's proposed SRV, the author was able to speak to the former Deputy Mayor. Despite repeated attempts to question the true scale of financial impact and contribution towards persistent forecast deficits the 4 discretionary asset purchases and improvements had caused, the Deputy Mayor continually referred to UHSC Financial Reports on their website.

When later accessing these documents it was found that UHSC's reporting, while apparently largely compliant with requirements makes it impossible to find and isolate any clear financial data and results relating to these 4 discretionary asset acquisition and improvement ventures. They are obscured, reported within other line items and lack appropriate transparency given they are controversial and widely unpopular.

For example it is only via media reports in the period before UHSC was able to remove the only councillor critical of their actions – that we learned that between

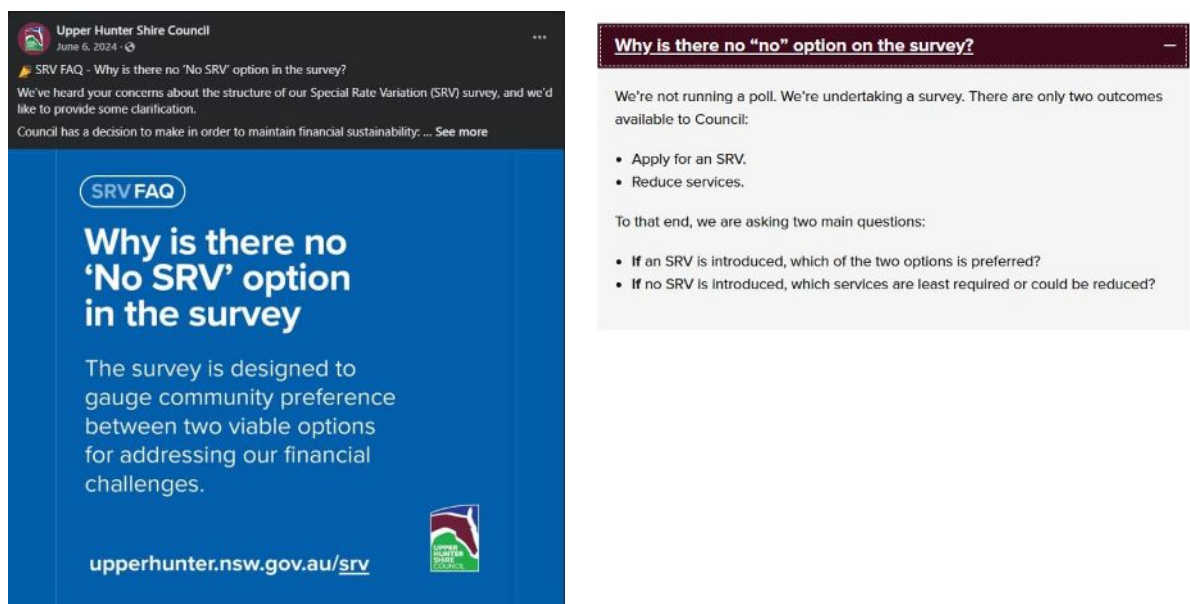
\$18 and \$22 million of UHSC's at the time \$29 million in loans directly relate to these 4 discretionary ventures.

Given the importance and long term financial impact on ratepayers it is argued that these omissions mean that UHSC has been deceptive and misleading in its communications and the arguments it has advanced in favour of its proposed SRV.

UHSC sham survey offered to the community

Furthermore UHSC provided the community a sham survey which gave participants the choice between council's two SRV proposals, which amount to the same variation, taken over different time periods. *In other words council engaged in a cynical action designed to provide a result showing no opposition to council's SRV proposal.*

The community backlash against this cynical attempt to show support for the SRV was so great that council felt it necessary to post the following on facebook and on their website in explanation.



In a true to form demonstration of the level of contempt many in UHSC show to the community – UHSC frames the backlash as the community not understanding council. When in fact UHSC showed a remarkable lack of good faith by conducting the poll as a choice between two options the community did not want.

It is worth noting that the motivation for UHSC posting these items, the community backlash against the online survey seems a little odd when reviewing the attached online survey UHSC alleges was available for the entire public submission period.

Submission to iPart in relation to UHSC proposed SRV

Not only does the author not recognise the online survey provided, neither do several others asked about it. In fact there is some question as to the authenticity of the online survey as provided by UHSC.

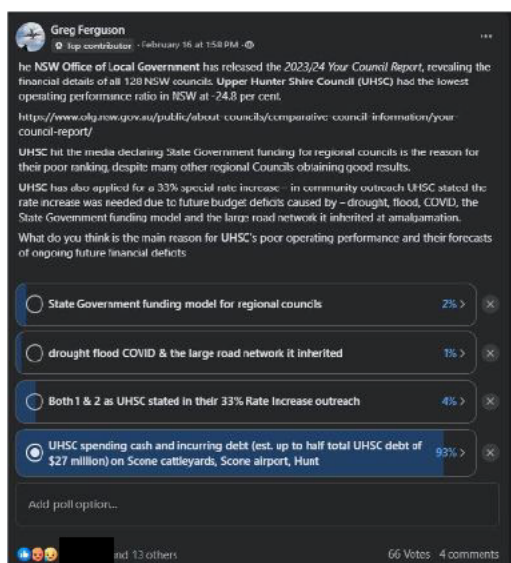
Poll conducted by author on Murrurundi Life facebook group

I also submit as evidence a recent poll conducted on facebook group – *Murrurundi Life*. It provided 4 options with option 3 aligning with UHSC public communications in support of their proposed SRV. Option 4 lists the 4 discretionary asset purchase and improvement ventures council has embarked upon.

When asked what they thought the reason for UHSC applying for an SRV was - 93% of respondents chose option 4. With only 4% choosing option 3.

With 66 unique individual accounts posting votes it may be a small sample – but it is highly competitive to council's own survey which attracted only 176 responses across the entire shire. A result I will discuss at the end of this section.

The *Murrurundi Life* facebook group is limited to those living in or recent residents of Murrurundi and Blandford. 66 poll respondents is representative of around 10% of the people of voting age and likely online in Murrurundi. It is also one of the largest responses to a post on Murrurundi life in its lifetime.



This poll proves that a significant number in the Murrurundi community do not accept UHSC's published causes and reasons for the SRV. Instead they believe UHSC's discretionary asset acquisition and refurbishment ventures are the cause.

UHSC submissions to iPart on public outreach are inaccurate and misleading

Particular details of UHSC's submission in this section are very confusing and do not align with facts or the recollections of many in the community.

Firstly UHSC submits;

Council undertook a robust engagement with its community centring around the need for an SRV and presenting two options for the community to consider.

Submission to iPart in relation to UHSC proposed SRV

In fact this aligns with facts and community recollections and is described earlier as the sham survey. The survey respondents had only the choice between UHSC's two SRV options which were the same increase over different time periods.

UHSC submits - *Council received 176 survey responses*

and then - *Approximately, 60% of survey respondents indicated that they understood why council was seeking an SV, 15% indicated that they didn't understand, and 26% did not respond to this question, as per the graph below from p.14 of the SRV Community Engagement Outcomes Report.*

This result does not align with known facts nor community recollections. The only survey was the one referred to earlier that provided only a choice between UHSC's two SRV options.

The survey referred to and attached as *Appendix A: to UHSC Community Engagement Report* is NOT a survey that either myself nor anyone I have enquired of has ever seen. Compare the UHSC posts about the **No No question** provided earlier - do they seem more relevant to a survey that Only included the two SRV options or the Appendix A version that provided text boxes for additional feedback?

It is interesting to note the specific criticism this author made in written public submission to UHSC in relation to the SRV

3.5.2 UHSC's framing of the issue and separately their survey offering only two choices - UHSC's SRV over 3 years OR UHSC's SRV over 4 years – is a deliberate attempt to present the community with a binary choice of accepting ONLY one of UHSC's two SRV options and also suppressing debate over the need for the SRV, other options for the council budget instead of the SRV. The UHSC SRV survey is a cynical and meaningless exercise meant to show xx% support for one of council's two SRV options – it shows nothing of the sort.

I submit that the Appendix A survey was not widely distributed as alleged by UHSC. Perhaps as a result of the backlash council received or as a result of the authors public written submission – UHSC has created an additional survey which was not part of the public submission period and this is likely further evidenced by the fact it only attracted 176 responses over the entire public outreach period and while supported by considerable UHSC advertising and promotion. This compared to 66 responses received on one poll on *Murrurundi Life* private Facebook group, with no advertising and support and voted on across 8 days.

Either way UHSC has not been transparent and has not provided a factual submission to iPart in regards its online survey.

UHSC dismisses inclusion of written submissions in iPart Submissions Report

iPart should particularly note that UHSC in Part 3 of its *Community Engagement Outcomes Report* has elected to completely dismiss the 60 written submissions it received as...

largely consistent with those raised in the online survey

and that...

Some members of the community who provided written submissions also provided feedback via the online survey

UHSC then proceeds in part 4 of its *Community Engagement Outcomes Report* to devote multiple pages to the curated responses from the so called 'online survey' which is alleged as likely to be a fabrication.

It makes perfect sense that UHSC would take this approach. The authors 20 page written submission to UHSC excoriates the decisions made by UHSC and the misleading and deceptive nature of their communications regarding the SRV.

Most importantly it would be impossible for UHSC to summarise or categorize its main arguments without referring to UHSC 4 discretionary asset acquisition and improvement ventures.

I respectfully suggest that iPart read this author's submission to UHSC which is attached and consider whether UHSC's *Community Engagement Outcomes Report* accurately portrays the written submissions or whether it renders UHSC's characterisation of public submissions as inaccurate and misleading.

OBJECTION 3 - Based on points made above it is not possible for UHSC to meet the criteria as follows;

The council's community engagement strategy for the SRV must demonstrate an appropriate variety of engagement methods to ensure community awareness and input occur.

UHSC choosing to dismiss the 60 written submissions as largely repetitive of online submissions is an egregious act of deception and dishonesty.

The authors written submission attached here is proof they are not largely repetitive. The author's assertions as to the questionable authenticity of UHSC;s alleged online survey are further bolstered by the curated list of issues advanced by UHSC as representative of the 176 responses.

The issues purportedly raised in the online survey and responded to as part of the UHSC *Community Engagement Outcomes Report* have an uncanny alignment with various FAQ's that formed part of UHSC's public outreach and arguments favouring

the SRV. The author contends this is further evidence of the likelihood of UHSC's online survey having been fabricated to meet its own requirements.

Clearly a community engagement process that wrongfully alleges 60 written submissions are largely repetitive and therefore have been ignored – does not demonstrate *anything* that could be remotely described as *appropriate*.

UHSC's action in providing the *responses* from an online survey;

1. that many people do not recognise or recall,
2. that seems unlikely to have provoked UHSC's posts about *No No response*,
3. is alleged to have been online for the entire submissions period yet only received 176 responses
4. generated a curated list of themes that uncannily *align with UHSC FAQ's about the SRV*

Demonstrates a desperate willingness to mislead and deceive iPart while displaying complete contempt for the views of the community and making a mockery of UHSC's multiple policies purporting to convey the importance of community engagement.

OBJECTION 4 – Based on issues raised above UHSC have not been transparent and honest in response to the criteria - *Explain the action, if any, the council took in response to feedback from the community?*

UHSC's assertions in relation to this question are nonsensical and are submitted as further evidence of the desperation from UHSC to have their SRV proposal approved despite UHSC's submissions being misleading, inaccurate, deceitful and containing serious omissions.

UHSC responds by stating community feedback informed their decision to proceed with Option 1. This makes no sense since the alleged result was 50% for each of the two options. Rather than flipping a coin we can comfortably assume UHSC chose the option *they* preferred.

UHSC further alleges *...and people who made submissions were advised individually by email or letters per confidential attachment 14 submissions feedback summary*. This author received no such response in relation to the 20 page submission lodged. But the author assumes no response was received because written submissions were ignored in favour of the online survey

UHSC's response to this criteria is firstly nonsensical and inauthentic. This gives rise to questioning the authenticity of other submissions UHSC has made. For example the assertion that those who made submissions were advised by email or letter. It would appear this did not apply to the authors of the 60 written submissions given this authors experience of receiving nothing apart from an email confirming receipt of his submission.

OBJECTION 5 – UHSC has provided a wholly inadequate and misleading response to the question posed about how UHSC has clearly shown the impact of the rate rise on the community.

Firstly UHSC has provided a set of census data from 2021 that uses *median total income* from across the entire Upper Hunter LGA. UHSC has chosen to provide this set of data as it allows for the median income of \$1429.

UHSC is fully aware of the fact that the four main population centres within UHSC provide very different median total income results. For example Murrurundi has a *median total income* listed from the 2021 census of just \$877

The immediate result is that all of UHSC's calculations of % increases almost double in impact for Murrurundi.

UHSC used rental data from the 2021 census when current market data is available on realestate sites online. A cursory examination shows Murrurundi rentals have increased such that no property has been advertised at less than \$350 per week for over 18 months. In fact the median rental per week is currently around \$400. A significant increase from 2021 when it was \$250 per week.

UHSC has chosen to avoid mention of the commonly used census summary measure of SEIFA. SEIFA combines census data such as income, education, employment, occupation, housing and family structure to summarise the socio-economic characteristics of an area. Each area receives a SEIFA score indicating how relatively advantaged or disadvantaged that area is compared with other areas.

The four SEIFA indexes – IRSAD, IRSD, IEO and IER each provide differing aspects relating to advantage and disadvantage.

DATASET	2021	IRSAD	IRSD	IER	IEO
	Population				
UHSC	14229	43	48	67	28
SCONE	5824	27	27	34	18
MERRIWA	1825	13	14	22	10
MURRURUNDI	945	11	12	13	12

ABERDEEN	2051	13	19	30	4
	10645				

The table above provides SEIFA index scores for over 10,000 of the 14,229 population of the whole UHSC LGA. It refers to those living in the 4 largest townships.

Note how the index for each township is far below the LGA total. This is because there are some extremely wealthy people living in the rural parts of the LGA. UHSC routinely uses this fact to obscure the vastly different socio economic factors affecting its 4 main population areas. This in itself is dishonest or at least misguided.

Note also how Murrurundi consistently scores lowest (apart from one outlier result in Aberdeen) in all the SEIFA indexes and has the lowest population of the four.

Each of these are significant and provide evidence that Murrurundi has significant socio economic disadvantages relative to the other townships in the shire. For example IER is an index of economic resources.

IER is the best index when looking at housing and income relative to other townships and the shire as a whole. Murrurundi is substantially below all the other townships and a whopping 80% more disadvantaged in economic resources than the shire as a whole and almost 40% below Scone in economic resources. Given that rates are calculated based on land values – a measure of this kind is a useful indicator as to relative ability to pay and impact of increases across the LGA

IRSD is the best index for broadly assessing which areas are disadvantaged and for decisions related to any programs to allocate funds or provide offsets or rebates to assist disadvantaged communities.

Using this index we can see Murrurundi is 75% more disadvantaged than the LGA, 50% more disadvantaged than Scone, 37% more disadvantaged than Aberdeen and 15% more disadvantaged than Merriwa.

Based on UHSC's assessment of the rating system used - they believe their calculation of the base rate and it's relationship to the land valuation provided by the valuer general is adequate to address the differing socio economic situations prevalent in each of its townships. This results in base residential rates of \$618 for Murrurundi, \$668 for Aberdeen, \$653 for Merriwa and \$1186 for Scone.

However comparing UHSC's rates with SEIFA results from the 2021 census using the IRSD index we see that Murrurundi is rated only 5.5% lower than Merriwa rather than 15% shown in the IRSD and is rated only 7.5% lower than Aberdeen rather than 37% shown in the IRSD. The difference with Scone is about right at 51%

Using this measure alone with Murrurundi on a base rate of \$618 is more or less aligned appropriately with Scone's base rate of \$1186, the problems are that Aberdeen should be around \$975 and Merriwa should be on \$710. Those two townships are paying far below what they should and this must be adequately addressed prior to any discussion of rate increases.

Based on the widely accepted SEIFA indexes of advantage and disadvantage UHSC's calculation of base rates have resulted in a grossly distorted and unfair share of rates being paid by the township least able to afford it – Murrurundi.

As part of its alleged extensive review and calculations of rates increases UHSC has failed to address the fundamental unfairness in its base rates calculation between townships and the fact it is grossly under charging both Merriwa and Aberdeen relative to Murrurundi.

Therefore this SRV application and all future SRV applications must be rejected until such time as UHSC has made adjustments that align rates with the relative advantage and disadvantage of the 4 main population centres. At this time it must significantly increase the residential rates in Aberdeen and Merriwa in relation to Murrurundi and Scone.

OBJECTION 6 – UHSC has provided a wholly inadequate and misleading response to the question posed about the community's capacity and willingness to pay

Firstly UHSC has provided a set of census data from 2021 that uses *median total income* from across the entire Upper Hunter LGA. UHSC has chosen to provide this set of data as it allows for the median income of \$1429.

UHSC is fully aware of the fact that the four main population centres within UHSC provide very different median total income results.

Similarly there are a multitude of points provided in relation to objection 5 that are equally relevant to this also.

In terms of discussing this issue of capacity and willingness to pay and including all the points raised about SEIFA – I will provide some details relating to life in Murrurundi.

Like many smaller regional towns Murrurundi has suffered the ongoing disappearance of business and important services from its main street. In fact there are many routine needs that Murrurundi residents will have to travel to Scone to fulfill. This involves a return trip of 80 km and at a rate of 90c per km is a cost of \$72 per trip.

Murrurundi residents will require a trip to Scone in order to attend; a bank, butcher, car mechanic, car tyre shop, car registration check, hardware shop, vet, dentist and plenty more

Murrurundi residents require a trip to MuswellBrook a round trip of 130km and cost of \$117 to see a specialist, optometrist, ear specialist, auto spares shop, furniture or white goods shop, discount supermarket or more.

Murrurundi residents are demonstrably disadvantaged relative to the LGA and other townships. Many basic services require an additional \$72 in travel or even \$117. These are facts that are outside of UHSC's ability to solve in the short or medium term.

Murrurundi residents have no capacity nor willingness to pay a rate increase. Ipart is urged to refuse the proposed SRV until UHSC has addressed the gross rates imbalance between townships identified in Objection 5.

Final Remarks

I urge iPart to reject UHSC's application for the SRV based on the information provided herein and the impact this information has in relation to the criteria iPart must assess the SRV application.

Furthermore the gross rating imbalance between population centres has never been raised in the format I provided as part of objection 5 and 6 herein. I urge iPart to consider these issues of relative advantage and disadvantage and to assist UHSC design a rating system that better addresses the vast differences in socioeconomic resources, income, employment and more between the shires 4 largest towns.

I also urge iPart to look deeper than the technical data provided by UHSC in order to determine whether they are conducting their communications in order to provide transparency or to deceive and mislead – as I argue they are in this submission.

Finally, I urge iPart to consider whether allowing UHSC to raise this SRV income adequately addresses the how and why of UHSC discretionary spending on the 4 ventures described herein and whether it will in fact encourage additional activities from UHSC.

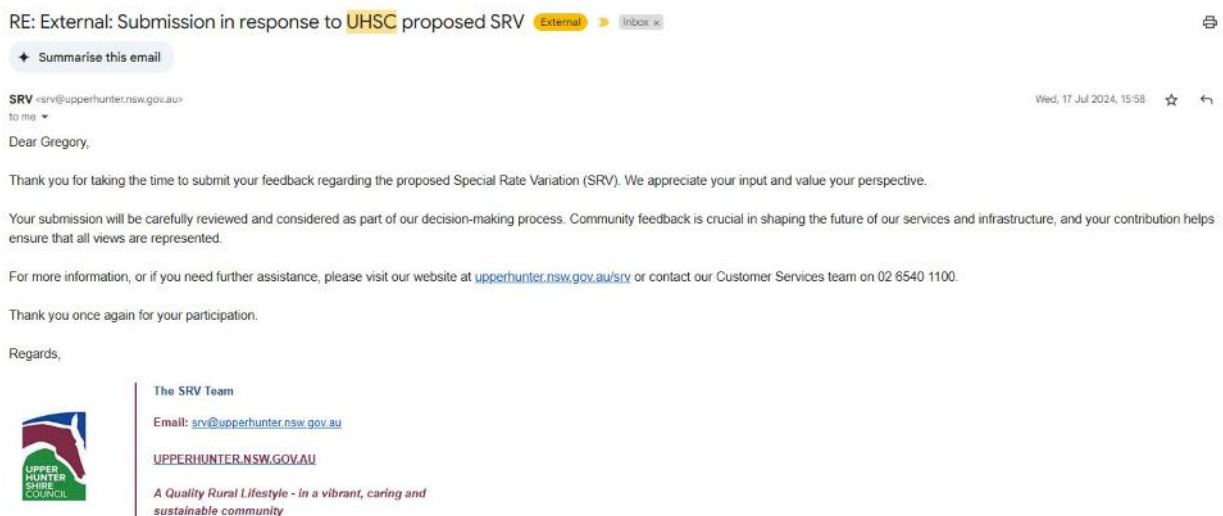
Gregory J. Ferguson


Submission to iPart in relation to UHSC proposed SRV

Following this page is my written submission to UHSC in relation to their proposed SRV.

Note UHSC chose to ignore all 60 written submissions because they allege the written submissions simply repeat the issues of the online survey...I beg to differ.

This is the email receipt from UHSC for my written submission



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Clarification:

Within this submission the phrases used to describe this process have been divided as follows;

SRV Proposal = information UHSC has communicated to the community about its desire for SRV

SRV Application = information UHSC has communicated to IPART to enable its proposed SRV

This is an important and nuanced separation because in total the communications council has taken to the community will create a vastly different impression and viewpoint than the totality of information council will provide IPART in the application for SRV

It is therefore vital that this submission be read with a view to the differences between the SRV Proposal and the SRV Application. Particularly in terms of judging whether the community will form a full and complete understanding of UHSC finances and the causes and reasons for the council to be seeking an SRV.

1.Introduction

UHSC has finally found itself in a position that critics of council warned would happen if council continued to pursue and indeed embark upon a number of costly non core discretionary projects.

These discretionary projects have each caused UHSC to add many millions in borrowings and each add significant deficits to council's overall financial position. Each of these projects, which will be fully described in this submission, have been variously described in the media as - unpopular, secretive, controversial or troubled. Each of these projects are ventures which are far from council's core operation. Some of these projects were embarked upon without warning and as a result were never part of UHSC long term planning.

UHSC will refute the claims made in this submission by pointing to council's financial reports and other documents it is required to produce to be compliant with OLG criteria and regulations. As to the accuracy and transparency of these documents, it is beyond the skills of many in the community and firmly the task of auditors.

However, in taking its proposal for the SRV to the community, UHSC has been required to build its arguments and present its case to the community in a clear easily understood manner. UHSC has performed this largely by;

- 1.1 Making available a document titled ***SRV Background Paper Outline***.
- 1.2 Web page under ***News*** titled ***Community Consultation on Proposed SRV***
- 1.3 A survey offering only UHSC's two versions of the SRV with no other options
- 1.4 a ***find out more*** link on 1.2 to a more detailed web page largely the same as 1.1
- 1.5 a link on 1.4 to a web page titled ***Long Term Financial Plan***
- 1.6 a link on 1.5 to download the UHSC LTFP PDF document.

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1.7 Council meet, greet and discuss sessions in each of its population centres.

This submission will make a detailed argument showing that UHSC's SRV application has not met the criteria published by OLG. As a result the application for SRV must be denied.

This submission will show that whether taken together or viewed separately, UHSC's various methods of community consultation have lacked transparency and instead present a misleading and deceptive view of council's discretionary spending activities and the effect these projects have had on council borrowings and their contribution to council's annual operating surplus/deficit as well as their contribution to council's future forecast annual deficits.

While the terms misleading and deceptive are strong accusations to make, UHSC invites their usage by completely omitting any mention of the various discretionary projects council has embarked upon and instead chooses to highlight two much less controversial ventures – one UHSC 'inherited' in 2004 at the time of amalgamation (Merriwa Aged Care facility) and an Early Learning and Childcare facility¹.

Unfortunately, the two projects UHSC highlights as contributing to council's forecast of persistent deficits pale in comparison to council's own troubled and highly controversial discretionary projects – the Early learning facility for example has recently shown annual surpluses. The Aged Care facility deficits are shown over 5 years and contribute less annual deficit than several of UHSC's discretionary projects.

Critics of UHSC's secretive and reckless pursuit of a long list of discretionary projects warned repeatedly that the projects were not viable, would cost the community millions in additional loan repayments and would add significant deficits to council's financial position. Several critics warned publicly that council would soon find itself with limited options apart from hitting the community with a SRV. In chess terms UHSC finds itself in a position of Zugzwang².

Regardless of UHSC's perceived or required need for a SRV, the fact that they have failed to communicate their case for the SRV transparently and by full and frank disclosure of the causes and reasons for requiring it, leaves IPART with an important decision to make.

Whether to;

- 1.8 Approve the SRV application. A result which will confirm UHSC's narrative regarding its activities and their impact on council's finances and leave the community with a highly inaccurate understanding of the true state of council's finances and the degree to which council's own discretionary projects have contributed. An approval will also effectively encourage UHSC to engage in even more risky non core discretionary spending projects

1. See page 6 of ***UHSC SRV Background Paper Outline***

2. Zugzwang (German 'move compulsion') in chess when a player is forced to make a move weakening their position

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- 1.9 Reject the application for SRV and require UHSC to take specific steps to increase transparency, provide the community with a full and frank disclosure of all council activities and their relative impact on persistent forecast deficits.

2. Importance of transparency in Local Government

Prior to detailing the manner UHSC has failed to be transparent and failed to provide full and frank disclosure to the community as part of its SRV proposal, it is important to discuss these concepts and their relationship to the institution of Local Government.

2.1 OLG Criteria carry implicit requirement of transparency and honesty

The crucial point of this submission is that the OLG criteria carry an *implicit* requirement that an applicant council is conducting its affairs and communicating its proposal for the SRV in a full and frank manner, by disclosing not only an accurate account of council finances but a clear and complete set of causes and reasons for council's purported need for the SRV.

If a council deliberately obscured or failed to make any mention of its own discretionary spending on a series of misguided projects and those projects contributed around 50% or more of the council's total borrowings plus many millions in annual deficits, it would be surprising for that council to have its SRV application approved in the face of its misleading and deceptive actions.

This submission will provide multiple examples of how UHSC is misleading the community with deceptive documentation and a false narrative regarding council finances and the reasons for requiring the SRV

1.2 Transparency & Full Disclosure vital to maintaining trust in local Government

Full and frank disclosure and complete transparency are vital to maintaining community support and trust in the institution of local government. A community will readily accept mistakes made by their council if the mistakes are acknowledged and the community are advised that lessons have been learned and steps taken to ensure the mistakes are not repeated.

Transparency and full disclosure can be argued as being the cornerstones of effective local government. To ignore, minimise or excuse anything less than these is to open the door for corruption, insider dealing and worse scenarios.

1.3 Secrecy causes conflicts & divided loyalty – community interest loses primacy

Embedded cultures of secrecy within a council, histories of information suppression and unspoken rules that discourage or bully those who criticize the decisions made by prior mayoralities should be red flags that provide early indication of a council

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forcing its members into conflicts of interest and dividing their loyalty.

In these cases the community interest loses its primary position, replaced instead by misguided rules and loyalties that result in previous mayoralties being protected for their poor decisions or by rules that prevent or suppress criticism or comment on council activities undertaken in closed session.

Unfortunately UHSC has a well documented recent history whereby criticism of council is vigorously suppressed, unspoken rules stop criticisms or comment on decisions made by prior mayoralties and important discretionary spending decisions are made in closed door meetings.

In short UHSC should be seen as showing multiple red flags indicating a lack of transparency in its activities and relationship with the community. UHSC should not be rewarded by approving its SRV without strict and far reaching conditions that will ensure transparency.

3. UHSC's Case For a SRV presented as part of the Community Consultation.

As outlined in the introduction, UHSC presented the case for its proposed SRV via a number of avenues as part of the community consultation.

3.1 UHSC did not centralise its SRV content for easy access

Arguably Council's choice to have crucial material strewn across multiple web pages and often only visible on particular web pages which are only navigable by selecting links on other web pages is far from easy or convenient for the community. It would be much easier for their own administration and the community had they consolidated all relevant material and documentation on one SRV dedicated web page.

3.2 UHSC's *SRV Background Paper Outline* is the most important document

This submission points to the information contained in the ***SRV Background Paper Outline*** and the duplication of that content on a web page found by clicking the link ***find out more*** on the web page titled ***Community Consultation on Proposed SRV*** found under the ***NEWS*** menu on the UHSC website.

In essence it is reasonable for the community to assume that this document and the duplicated content from it on the SRV related web page represents UHSC's complete argument, reasoning and justification for the SRV. It is reasonable that the community believe this document will contain the totality of arguments, reasons, causes and justifications for the SRV.

3.3 UHSC does not provide links to Annual Reports or other documents

It is also reasonable that the community would understand that at 31 pages the ***SRV***

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Background Paper Outline would be limited to the argument council is making in favour of its proposed SRV but that it would not contain all the requisite financial details. These would be found in council's annual report and other documents. However these are not provided via links. The only document provided is council's LTFP

3.4 SRV Background Paper Outline - causes of council's financial problems

One could be forgiven after reading UHSC's **SRV Background Paper Outline** for sympathizing with what is portrayed as a small regional council battling a series of external forces as they valiantly try their best to keep the council financially afloat. UHSC lists;

- 3.4.1 COVID
- 3.4.2 Drought
- 3.4.3 Flood
- 3.4.4 NSW Government policies, funding, cost shifting
- 3.4.5 Structural factors from 2004 amalgamation creating UHSC - 3 small population centres separated by large distances and vast road/service network.

In summary UHSC lists 3 one off or rare events, State Government policy and factors inherent in 2004 at the time of the council amalgamation as the root causes of council's current financial position and forecast persistent deficits. All being external forces and outside of council's control.

The document then specifically lists two council owned and managed ventures, described as providing services not provided by others. These ventures are the previously mentioned Merriwa Aged Care facility inherited by council in the 2004 amalgamation and the Scone Early Learning Childcare facility.. Losses are listed over 5 years as \$1,783,912 and \$418,887 respectively.

Some comments;

- 3.4.6 Firstly council's description of these being services not provided by others is misleading, there are other aged care facilities in Merriwa.
- 3.4.7 Secondly the Scone Early Learning Childcare facility has more recently delivered a modest annual surplus.
- 3.4.8 In later points this submission will show that the scale of the deficits reported here contribute far less annually than several of council's discretionary projects. Yet council omits these projects in favour of highlighting far less controversial ventures.
- 3.4.9 Council's reported loss in aged care amounts to a \$22,298 deficit per bed

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per year as compared to a \$764 deficit per bed per year Australian average. A result nearly 30 times greater than the national average. A result which surely requires further investigation. Is council pushing costs onto this facility?

The ***SRV Background Paper Outline*** continues on for its 31 pages providing various data and commentary arguing council's urgent need for the SRV and portraying the situation as a binary choice between the SRV and a reduction in council services.

Nowhere does this document acknowledge, measure or even mention council's own discretionary projects and their contribution to council borrowings and their annual operating deficits.

In short, UHSC's main document wherein they present council's argument for the SRV and provide the causes and reasons for requiring the SRV - presents instead a highly misleading and deceptive narrative that blames one off events, State Government policy, various factors inherent in the 2004 council amalgamation and two council owned and managed ventures for the extraordinary financial position requiring the SRV.

3.5 Comments on UHSC's SRV Community Outreach

This submission makes two highly relevant conclusions based on UHSC's own ***SRV Background Outline Outline*** and community outreach;

3.5.1 UHSC's financial narrative is a deliberate fabrication designed to hide the impact of its own activities and discretionary projects on council finances. Three of UHSC's discretionary projects resulted in borrowings of \$20 million (UHSC Annual Report 2022/2023 shows total council borrowing at \$29 million). Yet these projects which contribute significantly to UHSC's financial position are largely omitted from all of UHSC SRV documentation.

3.5.2 UHSC's framing of the issue and separately their survey offering only two choices - UHSC's SRV over 3 years OR UHSC's SRV over 4 years – is a deliberate attempt to present the community with a binary choice of accepting ONLY one of UHSC's two SRV options and also suppressing debate over the need for the SRV, other options for the council budget instead of the SRV. The UHSC SRV survey is a cynical and meaningless exercise meant to show xx% support for one of council's two SRV options – it shows nothing of the sort.

3.5.3 A council like UHSC with a history of secretive and controversial discretionary spending on none core projects should not be rewarded for

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misleading and deceiving the community over the extent of financial damage its own projects have caused. Approving an SRV under these circumstances is not only forgiving poor governance and financial mismanagement it is encouraging it.

4. UHSC's history of troubled discretionary projects.

Note: It is virtually impossible for an average member of the community to ascertain the costs and financial impact of UHSC's various discretionary projects. UHSC's Annual Report 2022/2023 provides only the most rudimentary details when searched for the terms "saleyards", "airport/aerodrome" etc.

It is for this reason that we are reliant entirely on media reporting to provide specific financial details to each project. As will be shown later in this submission these financial details related to each project in the media reporting are likely the result of a vocal council critic having been elected to council and having access to those details.

UHSC was able to terminate this councillor in May 2024. Until other councillors are elected who value transparency over secrecy are elected it will remain almost impossible for the community to discover financial details on particular council activities without making formal information requests. As will be discussed later in this submission UHSC has a history of secrecy and unlawful suppression of public information.

This submission argues that UHSC has misled the community with a highly deceptive narrative of council's financial position and the reasons and causes for requiring the SRV. This submission argues UHSC has purposefully obscured a raft of its own discretionary projects which have had significant and detrimental effects on council's financial position.

To make matters worse council has instead chosen to identify less controversial council owned ventures and a series of external events for the worsening finances, forecast persistent deficit and resultant need for the SRV.

Earlier, this submission argued that it is reasonable for the community to assume UHSC's **SRV Background Paper Outline** and the duplicated content from it on the SRV related web page represents the totality of council's arguments, reasons, causes and justifications for the SRV.

Therefore it is important to note that nowhere in UHSC's **SRV Background Paper Outline** is there any mention of these discretionary projects, save for some rationalising of staffing positions.

**UHSC has overseen multiple troubled large scale projects over the last 3 mayoralities.
Elements controlling council ignored warnings about costs and viability. Serial
incompetence at managing large projects, a spate of bad luck? Or a scheme to subsidize**

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loss-making, over capitalized council assets for future sale? Time will tell.

The UHSC community has found themselves, for well over a decade and across three mayoralities, subjected to elements in control of their council who have repeatedly ignored sound advice on unrealistic costings, ignored prudent warnings about unlikely revenue forecasts and ignored outcry from the public and media questioning the financial viability of a series of controversial projects council have been determined beyond reason, to embark upon.

The controversy that surrounds these projects are due to;

- the projects lacking widespread community support,
- the end result being of great benefit to only a select few, not to the community as a whole
- in each case the projects fall far outside council's core function and expertise
- council's vigorous defense of the projects even after 3 years of deficits proved critics correct

Time and again UHSC has defied community sentiment and common sense with wildly inaccurate revenue forecasts justifying these costly yet largely unwanted and unnecessary vanity projects.

4.1 Scone Airport Upgrade

Local media reported that this troubled discretionary project had a total cost of \$23 million of which UHSC loaned \$8.7 million. It was also reported that the airport was costing UHSC \$1.6 million per year or \$2.8 million over 2 years in repayments and running costs.

Council's reasoning, justification and revenue forecasts for pursuing the costly airport upgrade have been widely criticized as unrealistic and of little benefit to the wider community. Certainly the costly upgrade has not resulted in a major carrier offering passenger services from Scone.

In fact it would be fair to state that the biggest beneficiaries of the airport upgrade are the tiny minority of the community involved in thoroughbred and livestock breeding. The airport upgrade has created for them a viable trade in live semen for insemination.

4.2 Scone Livestock Saleyard Upgrade

Council first announced a \$7 million upgrade of Scone livestock saleyards, with \$2.8 million provided Federally and council's \$4.2 million consisting of loans. Soon after this blew out to become an \$11 million project, council adding the

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extra \$4 million to their loans to total \$8 million. Since completion, this project accrues half a million per year in losses, or \$1.5 million over last three years.

The Scone Livestock Saleyards is another persistent loss making venture outside of council's core operation which benefits a minority of the community. Council's management of this project compares very poorly to the fiscally responsible upgrade of Gunnedah council's saleyards for example.

There are many in the community who argue that the saleyards have largely become redundant as cattle are increasing sold online or directly between farmer and retailer. No alternative argument will flourish at UHSC as it stubbornly refuses to accept its own revenue forecasts are largely fanciful.

These two projects alone, based on media reporting, account for over \$16 million in loans and their annual operating costs and loan servicing contribute almost \$2 million in deficit per year.

4.3 Jan 2020 `Campbell's Corner Purchase

In 2020 behind a closed door council meeting, UHSC voted to spend \$3 million in discretionary funds to purchase `Campbell's Corner' a historic 2 level retail/commercial building in Scone. No community consultation was undertaken. After purchasing the building UHSC stated the building required \$1.8 million in initial renovations and a loan of \$3.5 million.

Critics of UHSC flagged that the purchase may have been in breach of OLG requirements for capital expenditure exceeding 10 per cent of rate revenue¹ (estimated at the time to be a limit of \$1.1 million) requiring community consultation. UHSC justified their possible breach and secrecy by invoking commercial in confidence over the transaction.

Whether UHSC took the correct or incorrect course of buying this building was not a debate that was had outside UHSC's closed door meeting. For a council with two disastrous loss making recent projects already on its books, this purchase and the circumstances of its approval highlights the real issues that trouble the community – we have a serially incompetent council who are determined to discuss and vote on their ill conceived and mis guided activities in closed meetings.

Based on media reporting these three discretionary projects added almost \$20 million in loans to UHSC. I am unable to determine the amount of operating deficit the Campbell's Corner project added to the already almost \$2 million in annual deficits the first two

1 See <https://scone.com.au/letter-no-confidence-council/> - site offline this link available on archive.org

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projects cost the council.

UHSC reporting in their 2022/2023 Annual Report show non current borrowings of \$29 million. These three projects - even discounting their media reported \$20 million loan amounts given the elapse of several years – still represents either the majority or a significant portion of total council borrowings of \$29 million.

4.4 Hunter Warbirds

Due to UHSC financial reporting methods it has not been possible to isolate the costs and borrowings related UHSC's discretionary spending project – Hunter Warbirds apart from a UHSC powerpoint which showed around \$8 million in costs. Nor has it been possible to accurately determine annual deficits apart from the powerpoint which showed an actual deficit of \$509,000 in 2022 and forecast deficits totalling \$1.6 million across 3 years or an average of \$536,000 deficit annually.

Clearly Hunter Warbirds is yet another significant drain on UHSC's finances. As far as non core activities go – a museum of flying war aircraft is as extreme and as profligate an example as you will ever find in local government.

The community never wanted, was never asked and is now encumbered with these unviable non core projects. To have UHSC now threatening to reduce community services unless the SRV is approved – while never once mentioning council's own repeated and misguided foray into one failed project after another is far beyond being an insult to the community.

UHSC is simply unable to mention its own history of mismanaging community resources by defying critics and ignoring reason to pursue these various discretionary spending projects. Worse, UHSC has spent years justifying their intital investment with ever fanciful revenue forecasts which never eventuate

In later sections this submission will show how UHSC's history of secrecy, their unspoken rules against criticism of council activities or those of prior councils has tied UHSC into conflicts of interests and misplaced loyalties rendering them unable to operate with transparency.

Put simply, UHSC has embedded cultures of secrecy and loyalty to prior councilors that must be eliminated in order for UHSC to operate in a transparent manner and communicate fully and frankly with the community about its activities and financial position.

Until that happens UHSC is institutionally unable to provide open and honest local government with the community.

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5. UHSC's culture of secrecy and retribution against critics.

As discussed, this submission argues that UHSC's SRV application has failed to properly inform the community of the reasons and causes that have resulted in council seeking the current SRV.

In earlier sections, this submission has argued that In fact UHSC has chosen to instead mislead and deceive the community as to the significant detrimental effect council's own discretionary spending on non core projects has contributed to the current financial position.

If the arguments made thus far in this submission are plausible observations and relevant criticisms of both UHSC's activities in general and UHSC's SRV proposal in particular – the remaining questions are;

- **why** would UHSC choose to mislead and deceive the community?
- **how** could a democratically elected council act against community interest?

The submission will make the overriding argument that UHSC's lack of transparency and inability to communicate in a full and frank manner with the community is the result of what appears to be a persistent and embedded culture of secrecy, of unspoken rules regarding criticism of council activities including those of prior mayoralties and of viscous retribution council has taken against persistent critics of its activities.

5.1 UHSC embedded culture of secrecy.

An embedded culture can only become so by its toleration over many years. Generally such embedded cultures take root and persist in organizations that have long serving controlling memberships.

In the case of UHSC, while there may be other examples, the most public one is the tenure of Mayor Collison. Mr Collison was first elected councilor in 2012, elevated to Deputy Mayor in 2015 and then Mayor in 2020. He has stated in media reports of his close family (grandfather, father, uncle and himself) having a combined 42 years in the area's local government (presumably Scone and then UHSC)².

It is therefore possible, particularly in a regional council with close knit communities that have multi generational involvement in the shire's activities – that embedded cultures and secrecy can persist, despite the obvious detriment to the community at large.

With regard to UHSC's SRV application, this apparent embedded culture of secrecy manifests in several ways;

² <https://www.abc.net.au/news/2020-06-17/new-upper-hunter-mayor/12360136>

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5.1.1 UHSC discretionary spending on projects is hard to find

UHSC has chosen to obscure the loans and annual deficits of several of its discretionary spending ventures such the three highlighted (Scone Saleyards, Scone Airport, Campbell's Corner) as well as Hunter Warbirds the fourth venture which the submission was unable to provide recent figures for.

UHSC's Annual Report and other public documents do not show figures or information that would allow any reasonable person to determine the extent of UHSC's loan commitment nor the annual deficit each of these ventures contribute to UHSC's overall financial position.

UHSC presumably requires the community to make a formal information request in order to obtain this information. Because this information is crucial in explaining UHSC's current financial position and forecast need for the SRV – UHSC has chosen secrecy over transparency with regards these discretionary non core ventures.

5.1.2 UHSC has history of fighting information release³

In recent years UHSC has chosen to fight particular release of information requests all the way to a hearing before the Information Commissioner, when it was patently obvious UHSC had no case for suppressing the information.

Such behavior by UHSC, even if driven by incompetence, results in a community perception that UHSC values secrecy over transparency.

5.1.3 UHSC history of closed door meeting to make spending decisions⁴

While beyond the scope of this submission, council critics and media have criticised UHSC for a number of important decisions made in closed door meetings. An investigation of the number of such meeting and what resolutions were passed in them, would be useful for further investigation.

In researching this submission it was found time and again that UHSC resorted to close door meetings in relation to the discretionary spending ventures mentioned herein (Scone Saleyards, Scone Airport,

3 See archived web report - <https://web.archive.org/web/20240323200730/https://scone.com.au/mr358-missing-invest-punt-lost/>

4 See archived web report - <https://web.archive.org/web/20220817195203/https://scone.com.au/letter-council-culture-confirmed/>

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Campbell's Corner) as well as Hunter Warbirds the fourth venture which the submission was unable to provide recent figures for.

In these cases it was only via media reporting that specific dollar amounts relating to these projects can be found.

UHSC tendency to use close door meetings to make resolutions relating to discretionary spending on controversial projects is a further example of secrecy triumphing over transparency.

5.2 UHSC Unspoken rules regarding criticism

Research undertaken as part of this submission, in particular some public statements made by councilors and reported in the media appeared to imply UHSC had certain unspoken rules about criticism of council and particularly criticism of prior mayoralities.

While such unspoken rules generally apply only to councilors, their existence is difficult to prove.

However, UHSC Deputy Mayor Burns was most helpful in confirming the existence of such unspoken or secret rules when confronted at the SRV Murrurundi Community Consultation event in June 2024.

In response to the following from a community member;

...it appears that council has some kind of unspoken or secret rules about criticising the activities of prior mayoralities...

Deputy Mayor responded by stating;

Absolutely! If I thought my decisions were going to be criticized by a later council, i'd never have gone into local government.

When the community member responded;

if a prior council made poor decisions or mismanaged and it's impacting current operations – as it seems to be by your asking for the SRV, you should be making these facts known...

Deputy Mayor Burns further replied;

No, they have to live in the community too you know.

A female council employee witnessed the exchange, one wonders what her opinions are regarding the Deputy Mayor's strongly held beliefs.

In fact Deputy Mayor Burns was demonstrating that he has a misguided and

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inappropriate loyalty to cronies from prior councils and mayoralities that he values over and above being transparent with the community.

Having demonstrated this misalignment with community expectations and obligations It is valid to question Deputy Mayor Burns overall judgment and motivation for seeking office in local government. At the very minimum we can conclude Deputy Mayor Burns is willing to prioritise other interests above the community interest.

We can also conclude that Deputy Mayor Burns is willing to favor secrecy over transparency. Even when transparency is in the community interest.

This submission therefore argues UHSC councilors public statements and responses when questioned indicate the likelihood there are secret or unspoken rules to restrict councilors from making any criticisms of council activities or prior mayoralty activities.

If true, this is a strong indicator of UHSC enforcing misguided rules that result in councilors having misplaced and inappropriate loyalties and obligations to other interests over the community interest.

UHSC in this case would be opening the door to corruption and insider dealings.

5.3 UHSC Retribution against critics

This submission will briefly discuss UHSC's recent history of retribution against persistent critics.

In each and every instance mentioned herein UHSC will argue it took action within the rules, regulations and requirements of Local Government. While on its face UHSC arguments may be true, it is important to view the bigger picture contained by all the arguments made thus far in this submission.

This submission argues that in recent years UHSC faced persistent critics of its actions – particularly in regards to UHSC's discretionary spending on non core ventures (Scone Saleyards, Scone Airport, Campbell's Corner) as well as Hunter Warbirds the fourth venture which the submission was unable to provide recent figures for.

5.3.1 The ex senior manager in UHSC

One critic who had been in a senior managerial role in UHSC was uniquely placed to argue in detail against UHSC's ill conceived discretionary spending. This critic

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was persistently and personally smeared in council media statements to the extent that they ceased involvement in local government matters in order to stop their reputational damage and ability to conduct business in the region.

5.3.2 The critic who created a website and became a councilor

A second critic began the website scone.com.au to act as a media outlet publicising UHSC activities. This person was a well known and extremely outspoken and critical of council's activities on her website. This person eventually won election to UHSC in 2020. As a councilor, she continued criticism of council secrecy and activities in relation to discretionary spending on non core projects. There were allegations and counter allegations of bullying and other irregularities made on the scone.com.au website and by council. In fact it appeared this councilor and council via the General Manager had several separate complaints against each other active in several tribunals.

The councilor was terminated by the General Manager in May 2024 for breaching attendance requirements. Although the Councilor argued a defense against termination, she lost on appeal.

Without delving into the minutiae of these cases, it is fair to say that UHSC has had at least two very vocal critics who were able to make detailed arguments against UHSC's activities – in particular their discretionary spending on non core ventures and projects.

It is also fair to say that many in the community find it no coincidence that UHSC terminated a councilor who was a vocal critic. Regardless of all the factors that required or indeed all the interests that desired the councilors termination – the entire tenure of the Councilor and the manner of termination provided the community with a unique insight into how council operates to exclude and disadvantage councilors it finds troublesome.

It is fair to say that a large section of the community views the councilor's termination as a technicality and that council would have found avenues to accommodate the attendance issue if it so desired. Certainly Mayor Collison had unilaterally dictated rules about seeking leave and video attendance that disadvantaged the councilor from being able to attend at certain times.

Finally, it is fair to say that the tenure of this councilor coincides with a period where media reporting of council activities, particularly discretionary spending on non core projects was accompanied by detailed financial information such as borrowings and annual deficits the projects were contributing to UHSC's overall financial position.

As a result this submission argues that UHSC and its embedded culture of secrecy and unspoken rules against criticism were especially challenged and troubled by two recent critics who were uniquely placed to provide detailed financial arguments critical of

**SUBMISSION IN RELATION TO UHSC
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Undersigned residents of UHSC**

council discretionary spending. As a result the community was for a period able to access media reporting of the true costs of these projects to the community both in borrowing and annual deficits.

UHSC was able to silence both critics and deprive the community of any meaningful media reporting on council activities and discretionary spending.

6. UHSC's SRV application exposes their inability to be honest & transparent

UHSC in its current form, is controlled by interests who are incapable of transparency and are unable to have a full and frank communication with the community.

Across multiple mayoralities and encompassing at the very least the entire tenure of current Mayor Collison's elevation to council in 2012 there has developed an embedded culture of secrecy, unspoken rules about criticism of council, particularly prior councils and a culture of retribution against council critics. Each of which is incompatible with the primacy of community interest.

However when viewed collectively these embedded cultures are much more sinister and anti democratic in effect. Secrecy, suppression of criticism and misplaced loyalties to the institution or past members is not just a threat to the community interest it is a complete repudiation of the community and council's obligations to it.

It would be fair to say that UHSC in its current form is operating so far outside the community interest as to be no longer capable of conducting a meaningful conversation with the community.

UHSC is now so bound by its own secrecies, loyalties to prior mayoralities and councilors that even in a process as important as a SRV application UHSC is institutionally unable to present a case that contains even one of council's own activities or decisions having contributed to the need for the SVR.

Instead it is forced to fabricate a narrative attributing the blame for its current financial position to a myriad of external factors and one off acts of god. Or as the Urban Dictionary would describe it – UHSC dindu nuffin⁵.

UHSC cannot be approved to levy a SRV while maintaining its current level of dishonesty with the community. It must be refused and for the current composition of council to sustain the full impact of having their application refused over council's own misleading and deceptive communications with the community.

5. Didn't do nothing. A phrase often used to mock individuals who claim an alleged criminal as innocent or undeserving of an undesired outcome.

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It is far better that the UHSC collapse or require administration from the NSW Government than to allow UHSC to extract more money from the community while engaged in outright dishonesty over its own activities and their large contribution to council's forecasted persistent deficits.

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SUBMISSION IN RELATION TO UHSC
and its Proposed SRV (Special Rate Variation)
Undersigned residents of UHSC

7. Additional Material

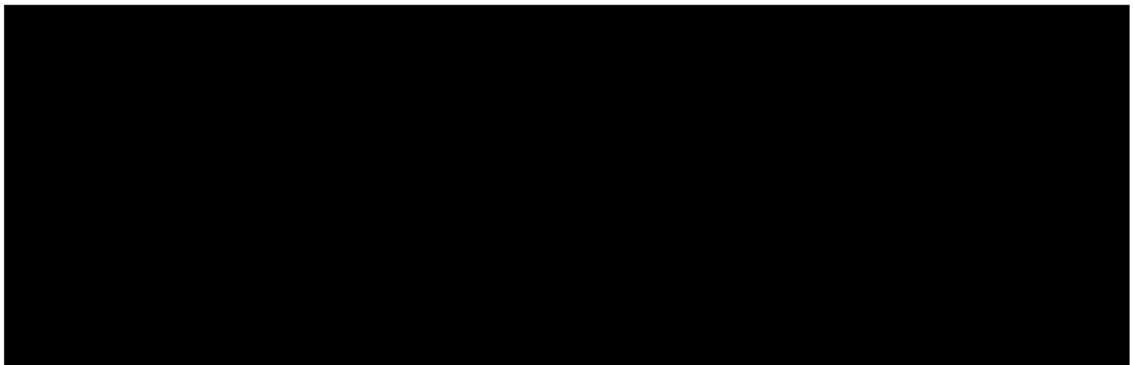
7.1 Selected media reports on UHSC Discretionary Projects (incl link and transcript)

Important Note – the site *scone.com.au* appears to be offline. The links provided can still be accessed by pasting the link into the webarchive at <https://web.archive.org/>

SCONE AIRPORT

NBN News 23 December 2023

<https://www.nbnnews.com.au/2023/12/11/questions-raised-about-scone-airport-upgrade/>

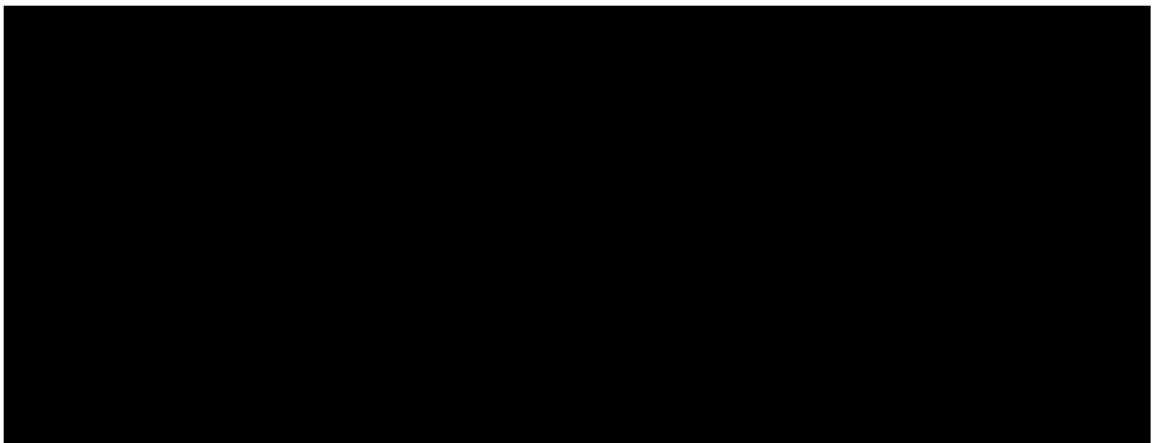


SCONE SALE YARDS

19/9/2017

<https://www.hbrmag.com.au/article/read/2.8m-grant-for-scone-saleyards-2474>

Redacted for copyright reasons



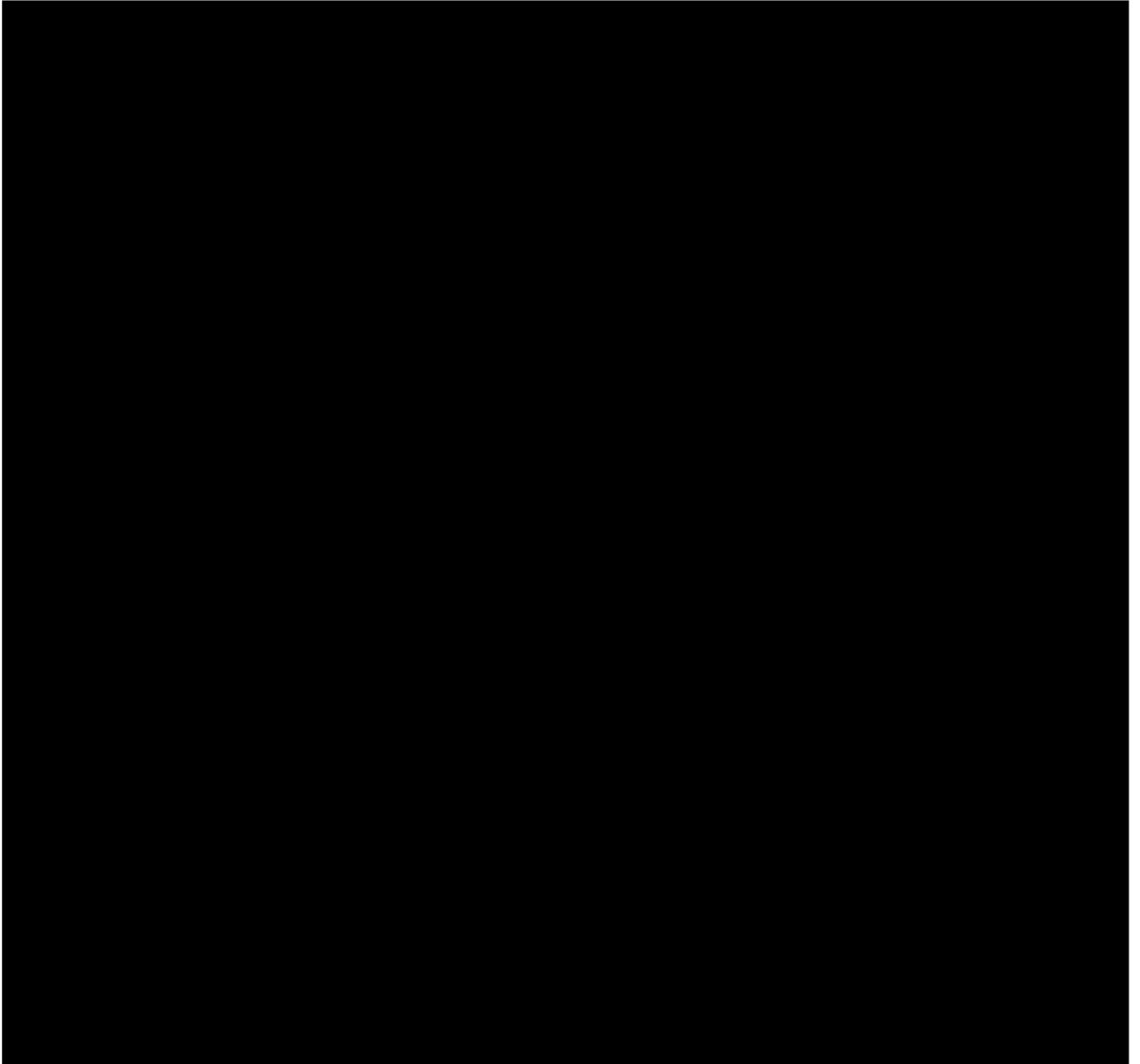
25/7/2023

<https://scone.com.au/editorial-saleyards-collison-wrong/>

Redacted for copyright reasons



**SUBMISSION IN RELATION TO UHSC
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Undersigned residents of UHSC**



Redacted for copyright
reasons

**SUBMISSION IN RELATION TO UHSC
and its Proposed SRV (Special Rate Variation)
Undersigned residents of UHSC**

Author name: G. Reichel

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

My submission against this rate variation As a poor Pensioner already finding it difficult to pay for my rates on my only income from my pension of \$28,600 my rates after pension discount = \$3848.00 = 7.5% of my income Rates are another TAX for services which having paid taxes in all my working life. We still pay Taxes on GST ,fuel ect as a poor pensioner. As I showed the General Manager with the rise will take 10% of my income. Which after paying bills only leaves \$50 a week spare. So many of my pensioners friends dont spend any money outside of supermarkets now this increase will only add to the many closed shops. The Pensioners are now subsidising childcare,sale yards.Warbirds museum,a large shopping complex,age care facility and a lot of fluffy jobs which are now losing lots of money In Scone we have 3009 in work with 1562 not in the work force ,their are high number of of single pensioners in the Upper Hunter Shire, with a lot of workers in low income jobs meat workers,horse studs all having to pay high housing and rents. The RATE increase will effect the most vulnerable greatly in our Shire area with many needing more welfare. My rate payments are on a payment plan as Ive already have run out of money like a lot of thr poor pensioner Graeme Reichel

Mr. James Burns
SCONE. NSW 2337
28/02/2025

Independent Pricing and Regulatory Tribunal NSW

Dear Members of the Tribunal,

Thank you for the opportunity to make a submission on the Special Rate Variation applied for by the Upper Hunter Shire Council. Below is my submission in support of the full requested Rate Variation in the form of showing from a citizen's point of view that the Council has met the Ipart Criteria. The Council has made their case for why and so I will not speak to the reasons for the need, I am however satisfied as a citizen that the Council has satisfied the tribunals criteria.

Sincerely,

Mr. James Burns
Upper Hunter Shire Resident

Addressing the Ipart Criteria

The Upper Hunter Shire Council

Demonstrated the Need for the Additional Income

The Upper Hunter Shire has experienced a notable shortfall in funding, a challenge faced by numerous other shires across the country. This deficiency results from the federal government's allocation of only 0.5% of taxed funds to councils, as opposed to the full 1% that would more appropriately meet their needs. Additionally, there is a significant disparity in the funding of Councils between rural/regional shires and their metropolitan/city counterparts. This discrepancy alone substantiates, in my opinion, any rural or regional Council's application for a Special Rate Variation (SRV).

The Upper Hunter Shire occupies a unique position, designated as a Rural Large Shire but lacking the population typically associated with such a classification. When grants and State and Federal funding are allocated, this population deficit is considered, disadvantaging the Shire's residents. Consequently, to secure the requisite funding to maintain and enhance services and infrastructure, the Shire must apply for SRVs.

The road network within this shire extends 2100 kilometres, covering an area of 8100 square kilometres—a ratio that few Councils can claim as burdensome. Roads in the shire are funded by the federal government at a rate of \$1400 per kilometre. In stark contrast, the Shire of

Waverly Council receives approximately \$4000 per kilometre for completely sealed roads, which do not endure the heavy traffic that our rural, unsealed roads experience.

Evidence that the Community is Aware of the Need for and Extent of the Proposed Rate Rise

Fortunately for the residents of the Shire, the Council has a proactive staff that has conducted drop-in sessions in all four major population centres. These sessions have been instrumental in raising awareness about the need for and the extent of the proposed rate rise.

Additionally, although there exists a small, vocal group of detractors who approach this topic from an emotional rather than an informed standpoint, their presence has inadvertently encouraged the majority of reasonable and even-minded residents to conduct their own research and make informed decisions. This engagement ensures that the community is well-informed and comprehends the necessity of the rate rise for the continued development and maintenance of the Shire.

The 2024 local government election provided a clear indication of the populace's sentiment regarding the proposed rate increase. Most of the elected members expressed unequivocal support for the Special Rate Variation (SRV) during their campaigns. Conversely, those who opposed the increase were found to have a lack of comprehensive knowledge on the subject, as acknowledged by their own admissions.

Establishing the Impact on Affected Ratepayers is Reasonable

As one of the ratepayers who will be significantly impacted by an increase of \$6 per week, I can affirm that the effects are minimal considering the services afforded to me in the township of Scone. For that \$6 per week, I will effectively be supporting the still operational administration centres in both Merriwa and Murrurundi, which, in my opinion, are surplus to requirements due to the availability of electronic communications for all residents. Additionally, given that Services NSW can conduct business in a van periodically within our shire, it seems feasible that we could close these centres and conduct business in a similar format.

With interest rates having already been reduced once this year, and economists forecasting further reductions, the affordability of the shire will be borne by the ratepayers. This is due to the expected reduction in institutional investments through the banking system, which will further strain the Council's financial position. Consequently, it is reasonable for the shire to establish a higher rating figure to ensure that essential services, such as the Saleyards and Airport, are maintained.

Both entities are crucial to the livelihoods of hundreds of people across our shire, although they are not necessarily commercially viable due to their size. With increasing fuel prices and concomitant cartage fees, the cattle industry in our shire would likely collapse without a reasonable ability to market cattle within the shire.

The airport has been crucial and remains indispensable in emergency situations such as fires, floods, and medical evacuations. Its strategic location and accessibility make it a vital asset for rapid response and disaster management. The capacity to swiftly airlift patients, deliver emergency supplies, and mobilize firefighting units directly contributes to the safety and resilience of our community.

By implementing this rate increase, we can safeguard these vital services and support the economic stability and growth of our community.

Exhibited, Approved and Adopted Relevant Planning Documents

The Upper Hunter Shire Council (UHSC) website provides access to planning documents spanning the past decade, including the most recent Community Strategy plans and last year's budget, which outlines the financial projections for the upcoming years. These documents were made available during the drop-in sessions, where residents had the opportunity to assess the impact of the proposed rate increase on their properties under various scenarios. This analysis was conducted privately by staff members using Excel.

Residents seeking further clarification were encouraged to visit one of the three Administration Centres at their convenience to receive personalized assistance from the staff. Additionally, comparative information regarding changes in adjoining and comparable shires was also provided to ensure a comprehensive understanding.

The transparency and accessibility of this process have been crucial in enabling residents to make informed decisions, thereby fostering a well-informed community that understands and accepts the necessary adjustments. The proactive engagement by the Council in disseminating detailed information has been instrumental in creating a cooperative and informed environment. Consequently, the long-term benefits of the rate increase, if managed prudently, will significantly contribute to the continued prosperity and sustainability of the Upper Hunter Shire.

Despite the extensive advertising and substantial duration of these drop-in sessions, they were unfortunately poorly attended, which I attribute to the pervasive apathy within our area.

Explained and quantified the Council's Productivity Improvements and Cost Containment Strategies

The Upper Hunter Shire Council (UHSC) has undertaken significant steps towards achieving economic efficiencies and implementing robust cost containment strategies over the past six years. These efforts have resulted in notable improvements in financial management and operational productivity without incurring additional debt.

One of the most commendable achievements of the UHSC has been its strict adherence to an unofficial no-borrowing policy. Over the last six years, the Council has not borrowed a single cent, demonstrating its commitment to financial prudence and self-sufficiency. This discipline in financial management has been pivotal in reducing existing debt, as the Council has diligently paid off loans without succumbing to the temptation of re-borrowing.

In its pursuit of economic efficiency, the UHSC has also made strategic adjustments to staffing levels, particularly in areas where there was excess. By optimizing the workforce, the Council has managed to align its human resources with actual needs, thereby reducing overhead costs and enhancing overall productivity.

The Council's investment strategies have been guided by the restrictive, yet essential guidelines set forth by the Office of Local Government (OLG). Despite the challenges posed by these guidelines, which are often seen as quite restrictive, the UHSC has managed to invest diligently and responsibly. These investments have been pivotal in maintaining financial stability and supporting various council initiatives.

Cost containment has not been without its challenges, especially for a Council that began investing in itself only in the last eight years following nearly 12 years of mismanagement and a passive approach. A significant project backed by NSW Treasury, which faced setbacks due to the COVID-19 pandemic, impacted the Council's financial standing. Despite these hurdles, the executive leadership and top staff have made necessary efficiencies to accommodate and address such issues effectively.

The UHSC has also contended with broader economic factors, including the challenge of attracting fully qualified and new staff to key positions. The 'tyranny of distance'—the geographical isolation of the shire—has been a significant barrier, not only for the UHSC but for many other shires as well. This has necessitated creative and resilient approaches to staffing and resource management.

The Upper Hunter Shire Council's deliberate and disciplined approach to productivity improvements and cost containment over the past six years has laid a solid foundation for future growth and sustainability. By reducing debt, optimizing staffing, adhering to prudent investment guidelines, and navigating external economic challenges, the UHSC has positioned itself as a model of effective local governance and financial management. The long-term

benefits of these measures will undoubtedly contribute to the continued prosperity and resilience of the Upper Hunter Shire.

Spending Priorities

In response to concerns articulated by ratepayers regarding the Upper Hunter Shire Council's spending priorities in the past and no doubt during this round, it is imperative to consider the intricate nature of local governance and financial management. The Independent Pricing and Regulatory Tribunal (IPART) has received feedback indicating perceived inefficiencies in the Council's allocation of funds and decisions on future projects. While these concerns are individually legitimate, they often originate from an emotional standpoint rather than a comprehensive understanding of the Council's financial strategies.

Diverging from state or federal governments, which establish tax rates without community consultation, local councils are mandated to seek input from residents prior to setting rates. This unique feature of local governance aims to ensure transparency and community engagement. However, the complexities of the Council's balance sheet and the long-term implications of financial decisions necessitate a thorough understanding that transcends a superficial review.

The Upper Hunter Shire Council engages extensively in business-in-confidence work, ensuring that certain information remains confidential. This confidentiality is essential for effective governance but also implies that the general public might not have access to the complete picture. Consequently, making informed remarks on the Council's financial strategies can be challenging without all the pertinent information.

In a representative democracy, elected officials are entrusted with the responsibility of making decisions on behalf of the community. These officials are anticipated to consider the broader context and long-term benefits of their decisions, which may not always align with immediate public sentiment. The Council's spending priorities, such as the upgrading of a football ground or funding a new War Memorial, are determined through a process that balances various needs and potential benefits across the Shire.

It is crucial for residents to place their trust in elected representatives to make informed and balanced decisions that will ultimately contribute to the prosperity and sustainability of the Upper Hunter Shire. While community input is valuable, it must be complemented by the expertise and comprehensive perspective that staff and elected officials bring to their roles.

Author name: l. wand

Date of submission: Friday, 21 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

we, the residents of the upper hunter (notably murrurundi), would be better off having councils spending investigated first. investments in white elephants, such as the black hangar, the airport in general, and the saleyards reflect an abysmal choice of tax payers' money. with the present financial pressures facing most families and individuals, asking for more money at the present time seems to be asking for yet more poor decision making, and ongoing costs associated with councils' poor foresight.

Author name: N. Hunt

Date of submission: Sunday, 16 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

We feel that the Upper Hunter Shire Council has entered into buying real estate in Scone such as Campbells Corner retail outlet which had to have significant amounts of money to bring it up to health and safety standards. Also the construction of the War Birds Museum. Which has run at an enormous amount of money lost each year. These premises are of no benefit to the rate payers of the smaller communities in the Upper Hunter Shire. Council have spent an enormous amount in the town of Scone and the small townships around Scone have very little spent on their upkeep. We feel as pensioners 33% rise is an unrealistic amount of money. What is to stop them from rising it in another three years.

Author name: R. Esdaile

Date of submission: Thursday, 27 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Chairman, NSW IPART Committee, SYDNEY NSW. Sir, As a resident of Upper Hunter Shire, I support the application by the Shire for a special rate variation to the rating system in the Shire, namely 33% over the next 3 years. Upper Hunter Shire has experienced considerable disruption to the normal workings of the Shire in the last 2 years. There have been bushfires, abnormal rainfall and weather events which have severely damaged roads, bridges, and other infrastructure in the Shire. As well general expenditure for essential local government activities has broadly equalled to the rates of inflation within the nation. In some cases expenditure on items such as fuel has greatly exceeded the inflation rate. By way of contrast, there has been an unacceptable shift in NSW Government expenditure from the State treasury to local government. Such items as waste levy, emergency services, rate exemptions for pensioners, administration of development application processes in real estate matters, and library services have been thrust on local government. The overall estimate has been that in recent years \$1.36 billion of NSW Expenditure has been shifted from NSW State government to local government, being an average of \$460 per ratepayer State wide. These are 2021-2022 figures. In my opinion the overall deficiency has significantly risen much further in the last 2-3 years. In addition, NSW has been saddled with the obnoxious system of rate pegging, as set out by IPART. For many years, the pegged rate imposed by IPART has been significantly less than the normal rate of inflation in the nation. For around 2 decades the IPART rate cap has been around 0.5% lower than the underlying rate of inflation, which has never been addressed. In recent years the advents of COVID and International conflicts have resulted in abnormal increases in inflation. In my opinion IPART has not taken these disruptions sufficiently into account and have consistently recommended lower than calculated increases that should be applied. By way of example, increases in inflation and annual cost of living of around 7-9% have been recorded in the last two years. IPART has responded with a recommended increase of 3.6% to 5.1% for the next year. In view of the gross long term deficiencies I recommend that the Upper Hunter Shire application of 33% over the next 3 years be approved. Thank You, Ronald J Esdaile [REDACTED] SCONE NSW 2337

From: Ruth Neave [REDACTED]
Subject: Special Rate Variation - Submission
Date: 13 July 2024 at 10:51 pm
To: Council Internet Mail council@upperhunter.nsw.gov.au

RN

Thank you for the opportunity to provide feedback on Upper Hunter Shire's application to IPART for a Special Rate Variation.

I have opted to make a written submission as I believe the online survey was biased in its design.

- The online survey did not provide residents with an option to oppose the proposed Special Rate Variation.
- The survey provided residents with one alternative; reduced services or a reduction in the roads and bridges works schedule.

IPART's criteria for assessing requests for Special Rate Variations includes evidence of "productivity improvements and cost containment."

UHSC did not provide residents with a range of potential productivity improvements and costs containments to consider and select.

UHSC's community consultation used a cliched and dated "either or" approach, of roads and bridges versus community services.

Other options available to UHSC to increase productivity and contain costs include;

- Advocating for an increase to Federal Assistance Grant allocations.
- Advocating for the removal of RFS assets and properties from council's liabilities.
- Reducing the use of external consultants.
- Increased resource sharing with other councils.
- Reviewing the relevance of supposed infrastructure backlogs.

UHSC's community consultation materials state that the Special Rate Variation will secure financial sustainability for services and infrastructure.

Given the many challenges faced by small regional councils such as Upper Hunter, it's unlikely that the proposed Special Rate Variation will achieve the goal of securing financial sustainability.

The proposed Special Rate Variation falls short of achieving its stated purpose.

Regards,

Ruth Neave

Author name: S. Hush

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I totally oppose to this SRV that the UHSC has applied for. Why should rate payers have to foot the bill for poor investments from previous and current council. If it's approved, it sets a precedent. Whats stopping them from making more poor future decisions, knowing full well they can just apply to Ipart for another increase and pass it onto the ratepayers. Sooner or later, the cord has to be cut and the UHSC needs to take responsibility for poor investments or things theyve approved that arent financially viable themselves. Not just say "oh well that wasn't the best idea but we'll just pass the cost onto the ratepayers" Keep bailing them out, and they'll continue their out of control spending.

Author name: Name suppressed

Date of submission: Tuesday, 4 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

This application was based on an impossible to win survey held by Council. To vote, you had to say whether you wanted the rate rise over 3 years or four years, instead of having an Option to say "not at all". If you voted, you were voting in favour, if you abstained you were showing in favour - no way to say NO!! This is absurd. The UHSC is the worst performing Council in the STATE, and yet they want MORE! They invest into Scone at the expense of other areas of the Shire, hiding behind massive investments that have proven to run at tremendous losses, and waste money redecorating Scone, which is a dying town since it had been bypassed by the Highway. The UHSC doesn't need a rate rise, it needs to be hauled over the coals for mismanagement of funds on a grand scale, and a biased, Scone-centric approach to finances in the Shire. A very solid NO from me.

Author name: Name suppressed

Date of submission: Saturday, 15 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

If I mis-manage my funds, I cannot go to my employer and ask for a 30% plus pay increase. While I note it is not the role of IPART to consider this aspect, the real reason that the council is in financial difficulty is as follows; 1. Acquisition of assets that they should not be purchasing or controlling over the last 5-10 years having a cumulative impact on the operating costs of the council 2. Inability to manage major projects or have appropriate controls in place 3. Inflation above the annual increase, but this is across the country and not isolated to several councils 4. Forward planning, within the capacity of the council, ie get back to basics under the Local Shires roles of responsibility appropriate for your region. As a rural landowner, we contribute more than 50% of the total shire rates income. Our farm at best has roads graded once a year and on the odd occasion twice. We have no water or sewerage services. Yes, we do use the town facilities like the park and on weekends the sport facilities (when we had school aged family). The Upper Hunter Shire has piggy backed off the local mining for over 30 years, with no real business growth in the region outside the Equine Industry. Residential House prices are inflated as many people chose to live in the towns of Scone/Aberdeen/Merriwa/Murrurundi and travel to the mines for work. However, what the council cannot do with only circa 14,000 residents (and less rate payers) is provide the services equivalent of towns that have grown in population over the last 20 years (on the back of mining) such as Singleton. The council must be reminded that they must curb spending to CORE services fit for the region they manage. If a building or business is to close or be sold due to insufficient use/unprofitable, it is not the council who should acquire the building or business. I cannot see in the submission an ACTUAL to BUDGET report for the prior 5-7 years. Where did the budget blow out? The statement on Drought/Floods and Grants is outrageous. As a rural council this is NORMAL, since settlement of Australia, Drought and Flood costs should be planned for, just as our family has done over 6 generations. With the VG notices recently issuing, the base rates will increase again, was this factored into the council request? As an example our property base rate has increased from \$650,000 in 2016 to \$1,540,000 in 2024. The property almost doubled from 2019 to 2022, great some might say but this was due to the large neighbouring property selling to a foreign company directly exporting to their supermarket chain, for what was considered a 40% premium!! Then some 10kln down the road, 5 properties have been purchased by Mining Operators, currently still used for beef farming, but no doubt used for tax offsets and long term planning. In the meantime, our property is run at maximum production levels and over the last 5 years and we continue to pay our rates and accepted the increases, while continuing to experience drought/flood, exchange rate risks, trade bans on export markets impacting beef/sheep prices coupled with doubling of Insurance Premiums and general inflation. We now face more headwinds with tariffs from America, ongoing corporate buyouts of farmlands, employing less people to use services and contribute to the local economy. Will the council reduce my rates as my cashflows are impacted for reduced incoming and increasing costs? No, but I am expected to accept poor management and decision making by the council. I find it extra ordinary, that one of the IMPACTS they face is employee wage increases. It is embarrassing this is in the submission, from a CEO/Business Manager of the council. As per my first statement about poor skills of the council, wage increases are as per set EBA's that are often pegged to inflation and is a 101 of budgeting, as should be part of the council Yearly budget, let alone a 3-5 year budget!. At best, the council should not be allowed to increase the rates more than the inflation rate, at any given time. My recommendation is as follows; The special rate rise will only be for the amount to offset inflation, to catch up on costs, ABOVE THE RATE PEGGING. Inflation rates for the last 5 years have been; 2020 0.8% - no increase to be applied 2021 2.9% - no increase to be applied 2022 6.6% - if rate pegging was 3.50% then uplift of 3.1% 2023 5.6% - if rate pegging was 3.50% then uplift of 2.1% 2024 3.2% - no uplift to catch up the council should have a 1 year uplift of 5.2%. My final issue is the real cost to the rate payer. The submission notes the AVERAGE which is minimal and misleading. Rate payers are already struggling, given 20% of all rates are overdue, what are they doing about this? This is a major cashflow hole of some \$2.0m. I could not see any "remediation plans" to reduce this amount and provide cash flow to the council with only 10 apps in 5 years for hardship.

Author name: Name suppressed

Date of submission: Sunday, 16 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

We are NOT all miners that can afford this increase

Author name: Name suppressed

Date of submission: Sunday, 16 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

If the council didn't make bad decisions with funds eg Scone airport resurfacing. We wouldn't need the increase.

Author name: Name suppressed

Date of submission: Monday, 17 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I write to oppose the SRV applied for by Upper Hunter Shire Council (UHSC). UHSC has a historically poor track record of financial decisions, not least of which is demonstrated by significant capital expenditure on projects of little-to-no value to the wider community that, when completed, do not generate sufficient income to cover their operating costs. UHSC upgraded the Scone Airport, demolishing the existing airport terminal and replacing it with a new facility incorporated into the Hunter Warbirds Visitor Attraction. As part of the justification for this, Council demonstrated (via video) there would be not one, but two competing airlines flying into Scone following completion of the terminal. To date, this has not happened, nor has there been any interest in such air services. The population of the Scone area supports approximately 30 passengers per day on the local rail services and is grossly insufficient to provide sufficient ROI for an air service. UHSC upgraded the Scone Saleyards to handle a throughput of 2000 beasts per sale, yet has struggled to obtain half that number in recent sales (700 & 1,100), ensuring the saleyards continue to operate at a financial loss. UHSC - as part of the airport upgrade - developed the "Hunter Warbirds Visitor Attraction" under the assumption that there would be "1,000 visitors a week" through the doors. Visitor numbers this part year have been ~580 TOTAL, barely 10 a week and the facility is consistently running at a \$400-500K annual loss, but at the same time, providing free storage of various aircraft to members of the Pay and Bennet families. UHSC has resolved to complete the "Bellman Hangar" at the airport and suggested leasing this facility to "Hunter Fighter Collection" - a conglomerate mostly made up of members of the Pay & Bennet families - for a 'peppercorn lease' of just \$15,000 a year for a facility that would bring in substantially more on the open market. UHSC also operates an aged care hostel locally known as Gumman Place that is consistently losing ~\$400K a year, with no end in sight and no sound financial plan to mitigate or eliminate these losses. - It is noted UHSC as a significant number of loans, many of which are not with TCORP and appear to have been entered into at market percentages, further increasing the financial impact on UHSC's bottom line. UHSC in failing to divest such non-core assets as it is able to, is failing to demonstrate sound financial judgement and management skills as would be expected of a ratepayer who found themselves unable to pay their mortgage - for example, a ratepayer may elect to forgo Foxtel, or dinners out, or perhaps choose 'home-brand' items at the supermarket. A Ratepayer does not usually have the privilege of demanding a salary increase 'just because' costs of living have risen. UHSC have made no secret of their application for an SRV - however, as part of their consultation, simply asked the question "Which SRV do you want?" - not "Do you WANT an SRV?" and as part of a 'fear campaign' repeatedly refused to suggest which services may be eliminated or reduced should the application for the SRV not succeed. ie, UHSC does not need a "flying museum" - but has thus far refused to consider selling the property to recoup losses incurred - the same situation is found with Gumman Place and again with the Saleyards. Council documents suggest that the SRV "is affordable" typically being 2% of a households disposable income. In our personal situation, our rates will increase \$1,200 a year at the end of the 3rd year. This is just the rates component - not the other charges noted on our quarterly rates notice. We also have no means to offset this increase as a tax deduction as our property is not used for income generation. \$1,200 a year is \$100 a month or ~25 extra a week. Adding this to the 30% increase in the cost of groceries in the last few years, mortgage increases, fuel & electricity would mean we are perilously close to having zero margin left in our monthly budget for further increases to the cost of living and is an unfair imposition given UHSC's history of financial mismanagement. UHSC has repeatedly failed to demonstrate effective productivity improvements, simply reducing a few mid-level managers and combining a few roles into each other while retaining a far higher FTE-to-ratepayer ratio than almost every adjoining council is indicative of an organization unwilling to materially change yet expecting residents to pick up the slack. Given UHSC's demonstrated history of financial mismanagement, their inability and outright refusal to divest loss-making non-core assets (Gumman Place, Hunter Warbirds, Scone Saleyards, Scone ELC) and refusal to even acknowledge their own financial problems - instead blaming their budget position on lack of grants, COVID & weather - I would urge IPART to firmly reject the proposed SRV and force Council to 'spend within their means' even if that means reducing services.

Author name: Name suppressed

Date of submission: Sunday, 23 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I oppose the special rates variation by UHSC .. This is a huge increase that is beyond reasonable. The financial records & decisions made by this council over the last 3 - 5 years should be thoroughly scrutinised .. Poor management & poor decisions by Council have created the problem with lack of money .. Ratepayers should not be responsible to pay higher rates to fix this problem .. This council needs to adopt a better attitude towards ratepayers .. This council needs to be much more transparent, involve ratepayers more, before big decisions are made .. This council needs to adopt "Best Practice" principles and actually "serve" the people in a proactive & caring manner. Its about time Council representatives had to prove they have made responsible decisions on behalf of ratepayers before rates are increased more than 5 percent annually .. Please do not grant this Special Rates Variation .. Please make Council take responsibility for their poor decisions that have wasted ratepayers money. Thankyou

Author name: Name suppressed

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Im a rate payer who receives only a bin collection service from council as we are on tank water and septic. A large portion of rate payers in the region are in the same boat. I feel a rate increase is unnecessary and unfair. The councils spending habits and ability to manage their finances should be the first point of call in fixing their financial woes. With the current cost of living crisis I believe the impact on a lot of people would be substantially negative. We cant just ask for more money if we live outside of our means, why should council be able to. The knock on effect to rate payers is that we will be placed under extra financial burden with no guarantee that the extra money we have to pay will be spent properly or in the communities best interests.

Author name: Name suppressed

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am formally opposing this special rate variation. I am a resident of and ratepayer in the Upper Hunter and I believe the Upper Hunter Shire Council and its Councillors are breaching the Local Government Act 1993 - Sect 8A, specifically 1(b), 1(f) and 2(c). - Such a rise is not consistent with value to the local residents; - This variation was requested by Council due to their inability (mismanagement) of assets in an affordable way; - Decision making processes are often held behind 'closed doors' without appropriate governance supporting decision making. In addition, requesting such a rise in the current economic climate as a result of incompetency (examples of incompetency include the Willow Tree to Merriwa Road, the Warbirds Museum) is unrealistic and inappropriate. As a Senior Manager working in a large global organisation, such a request would be rejected and we would seek other alternatives to make budget and to be effective and efficient. This request would not be supported in private industry and I am at a loss to understand why it would be acceptable in Local Government. I have lived in the Upper Hunter Shire (Aberdeen township) for over 30 years and during that time I have seen minimal investment in the town I live in. To pay an extra 33% for 2 x bins to be collected each week and to use the town sewage system (which was partly funded by Aberdeen residents) is mismanagement of the income received from ratepayers. I formally request this variation is rejected and a formal investigation on the competency of the Council commence.

Author name: Name suppressed

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

This council is incompetent, do not know how to manage the shire or it's money or lack there of. They have put this shire into so much debt through incompetents, fouling up projects that are now bleeding money. Every project and it projected figures are made bigger on purpose to get funding, but have never come to light. They have not consulted with the people fairly, putting surveys out there that only have one outcome, that is to give them the answer they want. The people of this shire can not afford higher rates. There are people who can't put food on the table, pay their power bills, can't pay rent, are forced out of their homes, homeless, and this council do not give a damn. They are unfair, treat the people of this shire with contempt, are rude and [REDACTED] Please do not grant this rate rise. This council and it's so called project bleed money.

Author name: Name suppressed

Date of submission: Monday, 24 March 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I make this submission after hearing at the 11th hour that Council has apparently failed to include submissions made by residents after deeming them to be repetitive! Could there be a common theme happening? An increase of the magnitude sought is unconscionable. Cost of living increases have run rampant in recent history with little if any income increase for those residents of the Shire on low / fixed income. UHSC has spent its way into a financial predicament and now it proposes to 'fix' this with a massive rate rise. Management of Council spending has been inept, Now those same players wish to grab a huge % rate increase in an attempt to correct their gross errors and mis-management. This is highly unlikely to produce a positive outcome without changes in the UHSC administration structure. Who will bail out Residents who get into financial stress should the UHSC rate increase application be approved?

Author name: Name suppressed

Date of submission: Tuesday, 25 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

Upper hunter shire rate rises should not go ahead as I and a lot of seniors will not be able to afford it and eat too The council has told lies to gain moneys for unviable projects miss managed infrastructure upgrades the only thing rate payers are asking for is Administers to be put in to sort out the mess

Author name: Name suppressed

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I am heavily opposed to the Upper Hunter Shire Councils (UHSC) application for a Special Rate Variation (SRV) due to the following reasons: 1. UHSC has repeatedly made reference to applying for a SRV in their planning documents but have continued to spend outrageous amounts of money on projects that the majority of ratepayers do not want. e.g. Hunter Warbirds, Huge development of Saleyards, and over \$350,000 on consultants to develop the idea of the Hunter Valley Equine Precinct. This demonstrates a consistent inability to manage basic finances 2. UHSC has consistently refused to take proactive steps to reduce their financial risks by continuing to persist with Hunter Warbirds and associated air show despite losing over \$500,000 per year. 3. When UHSC surveyed the local population with regards to the SRV their process was deeply flawed as residents were required to pick from 3 different options for a SRV. At no time were residents asked if they wish to select an option of No SRV. This then forms a deceptive view that the residents support a SRV when the vast majority do not. This action by UHSC has destroyed any trust in the management and leadership of the UHSC and clearly demonstrates that Criteria 1 for SRVs has not being met. Additionally UHSC has fully applied every rate peg in recent history as well as an SRV in 2012\2013, an ASV 2022 and unsuccessfully sought a SRV in 2018. 4. I also believe UHSC has not met the criteria of 2, 3 and 5 as there has being no substantive effort to reduce costs and spending has continued with little regard to UHSC current financial position. This is demonstrated by continuing to develop the Scone Airport which provides little economic benefit to the Shire as a whole as there is no regular passenger or freight services. There has also being no discussion about raising income from the saleyards or alternatively disposing of the saleyards to reduce costs.

Author name: Name suppressed

Date of submission: Wednesday, 26 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

The Upper Hunter council has been mismanaged for many years. The council investment in the War Birds museum was and continues to be a complete shamble. The council inflated the expected numbers and the business plan for War birds was ultimately flawed. The cost to the council and rate payers is ridiculous. The upgrades to the sale yards were needed but the tender process needs refining as the renovations went way over budget and way over time. Again another disaster at the hands of council. The Willow Tree/Merriwa road is yet another example of the disastrous management council provides. Despite having a well regarded and experienced external engineer design the road, the council chose to change the design and risk the safety of the road and all the users. Now the state government has had to bail the council out. The council needs to get back to basics and focus on the core business of council. The number of council staff is incredibly high, the mismanagement of funds (selling off the one council asset making money and continuing to invest in poor assets that are not core business), make solid choices for the improvement of the shire and its people. The Main Street rejuvenation after the opening of the Scone bypass, was slow and costly. The third block of the Main Street has barely got new asphalt let alone a facelift. That end of town was certainly not given the same consideration as the other blocks. The poor management of funds and the ridiculous investments (The Blue String Horse!!!) of the council do not mean that ratepayers need to be slaughtered with increased rates. The cost of living is already so high and this increase will really hurt the people of the Upper Hunter financially. This would affect both those who own or have a mortgaged property, as well as renters, as rent will increase. There will be people forced to move to cheaper areas if this happens. The roads within the councils area are in major need to improvement. There are dirt roads that people struggle to drive down due to the poor quality of the road. My road (which is a thoroughfare out to Merriwa) is not in a safe state. The grading, when done, does not last more than a month without major corrugations, potholes and unsafe road surfaces and conditions. The money that the council does have is not being budgeted well into key areas. Without serious consideration and external support to assist the council in changing its ways, any rate increase will be wasted and used in inappropriate ways.

Author name: Name suppressed

Date of submission: Thursday, 27 February 2025

Please write your submission below. (Before starting, please ensure that you have chosen the correct council from the dropdown list of councils, at the very top).

I disagree with a rate rise in my electorate. I believe the Upper Hunter Shire Council has wasted rate payers money and now the ratepayer is being expected to foot the bill for their incompetence. The rising cost of living is affecting everyone and a rate rise will add to the stress of trying to make ends meet. Some people in our area including myself are paying the cost of new footpaths or gutters around our homes which has added to our rate payments. If we have a rise in rates as well this will add to the burden we are already feeling. I hope IPART really considers not allowing a rate rise in our area as it will only hurt ratepayers that are already struggling. I also think Councils should be investigated due to their continuous mismanagement of rate payer money. Upper Hunter Shire Council are guilty of this yet are not held to account. Their answer is hit the ratepayers for their own mismanagement.