

SPECIAL RATE VARIATION COMMUNITY MEETING - GUNDAGAI MONDAY 18 JANUARY 2021

37 attendees

Abb McAlister Mayor

As the Mayor of this wonderful community, nothing disappoints me more than requesting this rate rise of our community. Unfortunately, as a direct result of failed administration, lack of transparency and a forced amalgamation has left us with no choice

Unfortunately all of the information Professor Drew has presented to us previously has come to fruition. Both Cootamundra and Gundagai were considered moderate as standalone Councils prior to amalgamation and here we are, as a joint entity requesting a 62.6% SRV.

It is imperative our community members are heard and I encourage all of you to send letters to The Minister for Local Government

Questions

As indicated in the report costs have increased by 22%. Why do we then need 62% SRV?

Rates revenue make up only one quarter of Council revenue. The remainder is derived by way of fees and charges. As you are aware some of these have already seen substantial increases. Revenue obtained for water and sewer, can only be allocated to that specific fund.

State Government Grants similarly can only be utilised for the purpose to which they were given.

Therefore to increase revenue by 1% we need to increase rates by 4%.

Why does it appear when we speak of rate rises it always seems to be rural rate payers who are the most impacted? My rates increased \$15,000 with rate harmonisation, some residential rates have increased by \$300 only. Over 10 years I will contribute \$150,000 whereas a residential rate payer will contribute \$3000. I realise over time commodities may increase, which is beneficial for rural land holders, but they may, and do, also decrease. These increases reduce our capacity to engage rural workers. Why could we not increase the percentage of residential rates where the impact on rate payers is less?

The rating system for Local Government is based on land value. We are required to use this system. As farming land value is higher this results in a more significant increase for rural property owners.

Henry George had an idea of one tax that does not hurt anyone. Purchase a block of land, do nothing to it, and it will still increase in value. You have value added to this land as the land value increases. His theory is, you did not earn this increase, and therefore the increase can be spent on tax. One day if you choose to sell your land you will reap the rewards. Until then earn more, you are taxed more.

Rate are also a tax deduction for business and farming. Residential residents do not have this option.

In regards to cash flow you indicate you have removed Government Grants and Grants for Capital Projects. Why not take them into consideration?

Grant monies must be spent on the approved grant project. No funds can be used for short falls in other funds, such as staffing for example.

Many Grants are received for additional infrastructure with no follow up funds to maintain these after the grants have been expended therefore creating further expenses not allocated for.

Further to that in some cases the funds are presented in one year's financial statements, giving the appearance of increased revenue. The expenses can then be reported in the following year indicating higher expenses. It does not present a true figure.

Most capital grants received as a result of the merger have been completed. 2021 financial figures should indicate a true figure.

How does 62% rate increase increase Council efficiency? Isn't it supporting inefficiencies? You have indicated a 33% increase in salaries however CGRC population has not increased.

Research indicates similar increases in amalgamated Councils in Queensland and NSW. Inevitably when you join to entities together you are creating larger working teams. This means Staff are responsible for larger working groups, Managers and supervisors oversee additional staff and therefore warrant larger salaries.

The salary costs for CGRC are comparable with other Councils in the region. Upon amalgamation it was necessary for Contractors to be engaged to assist with the high volume of projects generated by way of Government grant funding.

In the lead up to the amalgamation it was predicted savings would be made on staff costs. This simply did not eventuate with additional staff required to maintain the workload.

If we have not increased population why has there been an increase in Management?

Increasing the size of an organisation usually results in an increase in staff.

Council have agreed to implement further efficiencies as additional savings to the already applied \$2 million. Council have also agreed to \$500,000 natural attrition job savings from 2022 onwards.

The initial administration put in place after the amalgamation a new organisational structure resulting in

increased wages. This cannot simply be undone.

You have indicated issues resulted from the initial Administrator. Can you explain these issues?

As indicated earlier a new staff structure implemented resulted in high wages and salaries. Council received a massive amount of grants and as such, this has resulted in some decisions and overspending that will continue to cost into the future.

In all likelihood if you do not resolve to accept a SRV you will go back into administration. You will remove the opportunity for you to have voted members making decisions on your behalf. One Administrator will make the decisions. One person.

SPECIAL RATE VARIATION COMMUNITY MEETING - COOTAMUNDRA TUESDAY 19 JANUARY 2021

56 attendees

What will Council do to ensure we are not having the same meeting in 10 years time requesting a further SRV?

I cannot guarantee, as a community, you will not be here in 10 years' time discussing this same matter. The best outcome for this community is to demerge. I do believe you may be here again in 5-6 years discussing an additional SRV as a merged entity.

Will Council continue to implement changes to attempt to stop that eventuating? Why do we have some functions of Council that have been combined and other areas are still separate in each location. I do not agree geometric restraints are the only issue.

No General Manager, or Deputy General Manager wishes to be part of a failed Council. They have agreed to, and implemented many, efficiencies to improve Councils position. They understand the magnitude of the situation. They know what is required. They are accountable. You as a community need to make them accountable. Read Annual Reports. Understand what is being carried out. Make your Council accountable. Ipart will hold them to account.

Upon amalgamation it was mentioned the former Gundagai Council were covered as a small council and cannot lose jobs. Is this correct?

Yes. Gundagai Shire Council was classed as a Small Rural Council and therefore employment numbers cannot be reduced. Realistically this means if you were to reduce staff, or shut down an officer for example, this cannot be Gundagai. Cootamundra staff do not have the same covering.

Council have resolved to reduce staff by natural attrition.

Some feedback on your presentation. We are a bit overwhelmed by the facts. Your presentation was a bit too long. We are all quite overwhelmed with figures. Can I suggest any further meetings would be improved by presenting for a shorter time and encouraging more questions and interactions?

Feedback is taken on board and always welcome.

Council waste. Managers have been engaged from out of the town. They spend 3 months in a position and move on. They have no long lasting interest in our communities. Have no affiliation with our town. Why have we engaged a Deputy General Manager?

Council needs to have a Deputy General Manager. It is simply far too much work for a General Manager to manage the entire Council. The current General Manager was the Deputy to your former General Managers. It is not an additional role. The current Deputy was engaged for their expertise and invaluable experience.

The solution is easy demerge. Where are we up to with that?

The application is currently with the Boundaries Commission. Towards the end of February they will make recommendation to the State Government.

The current General Manager was involved in an application for SRV previously. Doesn't this mean he has already lead a failed Council?

The SRV currently in place was for the Gundagai Main Street project not to increase general funding.

If we disagreed with the implementation of an SRV will council resolve to put in a proposal anyway?

Council's submission will directly reflect what has been discussed during the community consultation. Survey results and comments, community meetings, Citizen Jury recommendations and my recommendations will be compiled to prepare the report.

Council will then prepare a submission and the tribunal will decide the outcome.

If the SRV is implemented and we demerge, will the SRV remain?

The Special Rate Variation is a legal instrument. If you do demerge. You will inherit this SRV. As separate communities you will still require an SRV to survive.

If, as a community, we were happy to merge with Harden, why not Gundagai?

Not all rural amalgamations fail. When communities are similar and want to make an amalgamated entity work it most likely will. Cootamundra and Gundagai are very different. Both communities have very different ideas about spending, projects etc.

A couple of examples of negative outcomes for merged Councils include; libraries across the region received \$100,000 in grant funds per Council. For CGRC this meant \$50,000 for each library whereas other towns in the region received a full \$100,000 for their facility. Similarly drought funding for \$1million was available for Cootamundra, however with the increased rainfall in Gundagai, Cootamundra was excluded from this funding.

Demerge is the way to go... Will it really take \$3M to demerge?

I have actually sought and received real quotes with Council contractors for work required to demerge and I believe it is more like \$1.75M. Who will pay this? State Government has not indicated they will assist this cost. You as community members need to put political pressure on.

You all seem very much against the merger. Can I see a show of hands for who is in favour of demerging?

Most community members in the room raised their hand.

Further to that can I see a show of hands as to who is happy if we use this SRV application to encourage demerging?

Most community members in the room raised their hand.