

C Holcombe

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In response to Narrabri Shire Councils Fit for the Future Application

I am a Rate Payer of Narrabri Shire Council. I live in Wee Waa where 4%+ of our Land Value is paid annually in rates. I accept that the application made to IPART by Narrabri Shire Council is to determine it's ability to be FIT FOR THE FUTURE. I accept that Narrabri Shire Council has never been identified for amalgamation despite not reaching all of the required benchmarks.

I request that Narrabri Shire Councils Fit for the Future Application be rejected in full due to the following reasons:

- The budgets that they have provided in supporting evidence are not true and accurate
- NSC revised their budgets during the public exhibition phase.
- The documents provided to IPART are not those that were put to the community during Community Consultation
- NSC did not do any community consultation that could be considered relevant to the Fit for the Future application.
- NSC have already acted contrary to their submission.

Budget Not Being True or Accurate

The 10 year Operational Budget supplied to IPART is questionable in the Line item User Fees and Charges both in the General Fund and Water& Sewerage Fund. NSC have not provided IPART with a consolidated budget and when compared to the historical consolidated figures, there are very large anomalies.

Consolidated Revenue TABLE 1

Year	Original estimate	Revised June		Final Actual		Over Budget	%	
2011-12	\$3,739,000.00	n/a		\$7,390,000.00	1	\$3,651,000.00	98%	
2012-13	\$3,389,995.00	n/a		\$7,747,000.00	2	\$4,357,005.00	129%	
2013-14	\$4,520,000.00	\$6,178,000.00	3	\$10,418,000.00		\$5,898,000.00	130%	
2014/15	\$4,573,000.00	\$5,885,506.00	4	n/a		N/A		
2015/16	\$6,912,950.00							

NOTES: 1. Was originally published at \$5.4m but an RMS invoice of \$2m was recorded in the wrong year.
2. Same as (1) originally published at \$9.8m, RMS invoice mistake.
3. The revised June estimate was made 24/6/2014 yet actuals at the end of the month were \$10.4m
4. No revised figures for June 2015. Waiting on Closing Journal for more data.

I have raised this issue of “hollow logs” with the Acting GM on 21/6/2015 who is also the Chief Financial Officer.

- He will not confirm if the Final Actual for the year 2014/15 will increase which is likely given historical records
- He stated that the estimate for 2015/2016 is based on the previous three years records which average at \$8,016,835.00 not the estimate provided to IPART.
- One of the figures used to calculate this estimate is yet to be proven correct.

This inconsistency or “hollow logs” leads me to believe that NSC are deliberately misleading the residents of the shire and also IPART as to their financial position and questions their ability to make financial decisions on our behalf.

Narrabri Shire Council have also entered into VPA’s with Extractive Industries. NSC treats the VPA’s as commercially confident which is in contradiction of section 93F of the Planning and Environment Act 1979. Also discussed with the Chief Financial Officer on 21/06/2015 whom negotiated the terms of the VPA, NSC is expected to have significant increase of revenue from this source over the next 10 year term. The revenue from this source is tied to coal production, I question if NSC have provided a true and accurate estimate of this income as a new mine is only just entering full production. NSC is also lobbying for mining rates to be removed from the notional rates yield and to be collected outside of rate pegging. There is no mention of this in the FFTF submission.

I dispute the inclusion of a SRV in the budgets provided to IPART given the inconsistencies discussed above. The Efficiency Reviews are yet to start, application has not been made and community consultation is yet to begin. My fear is that if this application is not rejected then NSC will use these faulty budgets and IPART approval to green light application for a SRV.

Narrabri Shire Council Revised Their Budgets During the Public Exhibition Period

Narrabri Shire Council posted the Draft Operational Plan 2015/16 for public exhibition on 19 May 2015. This document contained the original Fit For The Future proposal. All budgets were an appendix.

- This is the first notification to the community that a SRV was being considered and contained an SRV of 10%, 5% and 5% over respective years.
- As soon as the community questioned these figures, NSC immediately revised them down to 5%, 5% and 5% over respective years.
- This happened in the middle of the exhibition period and the budgets were amended to reflect this decision.

If these figures are so easily revised due to community interest, how are we to have any faith that the budgets are accurate? It was flippant and an accurate portrayal of the way NSC manage financial matters.

The Documents Provided to IPART Are Not Those Put To The Community

The documents provided to IPART do not in any way represent those put to the community for public exhibition. The submission to IPART is in no way that which was provided to the community. (attached) The documents were amended in such a fundamental way that NSC could not have met their legislative requirements.

- NSC included the Fit For The Future information into the DRAFT 2015/16 Operational Plan which made the document unduly complicated and very hard to interpret or understand.
- This document was the first mention of a SRV in any form of community consultation.
- It was expressed by Councillors at this meeting that they were not aware of the contents of these documents.
- During the Council Meeting to adopt the document (due to rate payer pressure) it was decided to split the documents into two and change the wording from “determine” a need to “identify” a need for a SRV.
- NSC led the rate payers to believe that a SRV would be removed from the budgets and all IP&R documents.
- The strategic timing of the public exhibition and due date for IPART application made it impossible to re-exhibit.

Our Council are not acting in our best interests or providing accurate information to IPART evidenced by many of the Councillors not having a reasonable understanding of the contents of the documents or budgets. When Council decided to split the documents and vote on them separately they fundamentally changed them in such a way that they were no longer those which were exhibited. Not removing the SRV from the budgets as indicated in June Ordinary Meeting, they have misled the community.

NSC’s Community Consultation Regarding Fit For The Future Was Not Relevant To Their Application.

NSC conducted many forms of Community Consultation in the lead up to their Fit For The Future Application including but not limited to:

- Newspaper Articles
- Weekly Mayoral Blog
- Community Meetings
- Radio interviews
- TV Media

Council went to great effort to appear to be conducting community consultation surrounding Fit For The Future. They explained the process and requirements and ensured the community that they were in a sound financial position. They made no effort to discuss Efficiency Reviews, glossed over the poor long term outlook and completely denied the possibility of a rate increase.

I questioned Councillors and executive staff directly at a Community Consultation on 12 March 2015 on the possibility of a rate rise. NSC Members and staff refuted the possibility outright and not one of them mentioned the TCORP 2013 report. They explained rate pegging in depth and emphatically stated that any rate rise beyond CPI was not a possibility.

NSC Have Already Acted Contrary To Their Submission.

In the Fit For The Future application, NSC have made a commitment to focus on Core LGA duties and not create any new unnecessary assets. As recently as last week, they voted to contribute funds to a feasibility study to build a new asset that does not meet any of NSC's goals in the Strategic Plan.

For all of the reasons listed, I ask that the tribunal investigate Narrabri Shire Councils Application. I have limited my observations and opinions directly to the Fit For The Future Proposal and appreciate that it is not an application for a SRV. My continued reference to a SRV is only as an example of the conduct of NSC. Council had no need to deliberately mislead the community or IPART regarding FFTF as they have never been identified for amalgamation. NSC have lost all credibility in the community and I have personally lost faith in NSC to conduct their business in a fiscally responsible or ethical manner.