

**From:** Martin Ticehurst [REDACTED]  
**Sent:** Friday, 31 July 2015 7:57 AM  
**To:** IPART Mailbox  
**Cc:** Paul Toole - Minister for LG; Paul Toole MP Bathurst; Office of Local Government  
**Subject:** Submission to IPART on the Lithgow City Council Fit for the Future Proposa.

**Independent Pricing & Regulatory Tribunal  
Level 15, 2-24 Rawson Place  
SYDNEY NSW 2000**

**Re: Submission to IPART on the Lithgow City Council Fit for the Future Proposal.**

**Dear IPART**

**Please find enclosed and attached my Submission to IPART on the Lithgow City Council Fit for the Future Proposal, a Local Government situated in the Bathurst State Electorate held by the current Minister for Local Government, Nationals Paul Toole MP.**

**In reference to your website, I am happy to advise that my submission is INDIVIDUAL and IS NOT CONFIDENTIAL.**

My submission has been sent by personal email as the attachments exceed the 3mb limit for online submissions to IPART.

Firstly, before expressing my Councillor and ratepayers concerns on the Fit for the Future Proposal submitted by the Lithgow City Council, I would like to if not already aware, bring to the attention of IPART this recent report in the Sydney Morning Herald on 23 June 2015,  
[Sydney councils shift \\$1 billion repair bill with accounting 'fiction' in Fit for the Future scramble.](#)

In support of my enclosed Councillor and ratepayers submission, please find attached these relevant attachments:-

1. Letter from Crowe Horwath Auswild, Auditors for Lithgow City Council dated 15 April 2015.
2. Agenda Item 20 of the Ordinary Meeting of the Lithgow City Council held last Monday 27 July 2015'.
3. Item 20 to Agenda Item 20 of the Ordinary Meeting of the Lithgow City Council held last Monday 27 July 2015.
4. The Lithgow City Council General Purpose Financial Statements for the year ended 30 June 2014.
5. The Lithgow City Council T-Corp Report 2013.

6. The Agenda of the Lithgow City Council Financial & Services Committee Meeting on 5 June 2006.

## **BACKGROUND**

In the Lithgow City Council General Purpose Financial Reports for 2004 2005, the Council informed the State Government, the Department of Local Government and it's ratepayers that it had achieved a Surplus of \$4.490 million. The same Council General Purpose Financial Reports for 2004 2005 confirmed that contributing factors to the Surplus result included the inclusion of the Three Tree Lodge Aged Care facility as a Controlled Asset of \$4.820 million and the Portland Pool Complex as a Controlled Asset of \$320,000, a total Council asset Surplus of \$5.14 million dollars.

The Lithgow City Council's 2013/2014 Financial Reports were audited by and publicly presented by Mr Graeme Bradley and Mrs Clare Wagner on behalf of Crowe Horwath Accountants and Advisors to the Council, Councillors and ratepayers and residents at the Ordinary Meeting of the Lithgow City Council on Monday 15 December 2014.

Under Section 420 of the Local Government Act 1993, Councillor Martin Ticehurst made a formal submission with regard to the Lithgow City Council's 2013/2014 Financial Reports.

Under Section 420 (3) of the same Act, the Lithgow City Council referred Councillor Ticehurst's formal submission to the Council's Auditors, Crowe Horwath Accountants and Advisors and it is noted further under Section 420 (4), that the Council may take such action as it considers appropriate with respect to the formal submission, including the giving of notice to the Director-General of Local Government of any matter that appears to require amendment of the Lithgow City Council's Financial Reports.

The formal submission by Councillor Ticehurst included the following request: -

## **LITHGOW CITY COUNCIL 2013/2014 FINANCIAL REPORTS.**

2. In the attached Agenda of the Ordinary Meeting of the Lithgow City Council of 5 June 2006, the previous Lithgow City Council Auditors, Morse Group Bathurst reported to the Council at Item 13 (from Page 33) 'Media Release & Emailed Questions Councillor Martin Ticehurst – Three Tree Lodge & Portland Pool.

- Currently, I understand that **Three Tree Lodge** Lithgow Incorporated, as it was originally named, is still legally and financially recognised as a controlled asset by the Lithgow City Council, based as quoted by the Morse Group in 2006 on the specific conditions of the Tripartite Agreement between the parties in accordance with the requirements of the relevant accounting standards and regulatory framework in which the Council operates.

- However, various Australian Government websites including ASIC all confirm that Three Tree Lodge Lithgow Incorporated became a Public Company, Three Tree Lodge Lithgow Limited on the 10 January 2011 and has also been since early 2012, a Registered Charity and Public Benevolent Institution?

- I would like the Lithgow City Council's new Accountants and Advisors Crowe Horwath to provide advice to the current Council on whether they agree or disagree with the previous Lithgow City Council Auditors, Morse Group Bathurst report to the Lithgow City Council at Item 13 (from Page 33) 'Media Release & Emailed Questions Councillor Martin Ticehurst – **Three Tree Lodge** – as set out in the attached Agenda of the Ordinary Meeting of the Lithgow City Council of 5 June 2006.

- Currently, I also understand that **Portland & District Olympic Pool Association Incorporated**, is still legally and financially recognised as a controlled asset by the Lithgow City Council, based as quoted by the Morse Group in 2006 on the specific conditions of the Deed of Agreement between the parties in accordance with the requirements of the relevant accounting standards and regulatory framework in which the Council operates.

- However, various Federal & State Government authorities and websites confirm that the Portland & District Olympic Pool Association Incorporated holds it's own ABN, Incorporation and [Facebook page](#).

- I would like the Lithgow City Council's new Accountants and Advisors Crowe Horwath to provide advice to the current Council on whether they agree or disagree with the previous Lithgow City Council Auditors, Morse Group Bathurst report to the Lithgow City Council at Item 13 (from Page 33) 'Media Release & Emailed Questions Councillor Martin Ticehurst – **Portland & District Olympic Pool Association Incorporated** – as set out in the attached Agenda of the Ordinary Meeting of the Lithgow City Council of 5 June 2006.

The Lithgow City Council's new Auditors, Crowe Horwath Auswild subsequently provided their written response to Councillor Ticehurst's formal submission on the Lithgow City Council's 2013/2014 Financial Reports and it was submitted as a Notice of Motion (Agenda Item 20) to the Ordinary Meeting of the Lithgow City Council on Monday 27 June 2015.

With respect to the Three Tree Lodge Lithgow, Council's new Auditors said, "In my opinion, Council interest would appear to be a Contingent Asset – something may happen in the future and is uncertain as to when, how much and is not in the control of Council when it does happen."

With respect to the Portland & District Olympic Pool, Council's new Auditors said, "In my opinion, Council interest would appear to be a contingent Asset for reasons similar to Three Tree Lodge. Ownership of the pool appears to rest with the association."

I can confirm that the Draft Minutes of the Ordinary Meeting of the Lithgow City Council on Monday 27 June 2015 confirm that the Council resolved:

THAT Council:

1. Acknowledge and accept the formal written advice dated 15 April 2015 from it's new Auditors, Crowe Horwath Auswild with respect to both Three Tree Lodge Lithgow and the Portland & District Olympic Pool as Contingent Assets of the Lithgow City Council.

2. Request Council's Auditors to list both Three Tree Lodge Lithgow and Portland & District Olympic Pool as Contingent Assets only and have them removed as Controlled Assets of Lithgow City Council.

3. After receiving formal written advice dated 15 April 2015 from it's new Auditors, Crowe Horwath Auswild confirming that both Three Tree Lodge Lithgow and the Portland & District Olympic Pool are Contingent Assets of the Lithgow City Council, give notice under Section 420 (4) of the Local Government Act to the Chief Executive Officer of the Office of Local Government to determine if any amendments are required to either past or current Lithgow City Council's Financial Reports.

MOVED: Councillor M F Ticehurst SECONDED: Councillor J J McGinnes. A  
DIVISION was called by Councillors M F Ticehurst and J J McGinnes.

Division - FOR Councillor C Hunter Councillor J J McGinnes Councillor M F  
Ticehurst  
Councillor R Thompson  
Councillor W McAndrew

AGAINST Councillor R Higlett Councillor F Inzitari (Mayor) Councillor M  
Statham Councillor P Pilbeam

**In IPART's future deliberations of the Lithgow City Council's Fit for the Future Proposal, I would like it to fully peruse and duly consider the above information and that as set out in the various attached documents and ask: -**

**Is it totally satisfied with the Lithgow City Council Fit for the Future Proposal,** given the recent serious auditing disclosures over many years as outlined in the attached letter from Crowe Horwath Auswild, Auditors for Lithgow City Council dated 15 April 2015?

**Is it totally satisfied with the Lithgow City Council Fit for the Future Proposal,** given the recent serious auditing disclosures over many years as outlined in the attached letter from Crowe Horwath Auswild, Auditors for Lithgow City Council dated 15 April 2015; which were only recently resolved in the affirmative by the slimmest majority of 5 Councillors to 4 Councillors?

**Is it totally satisfied with the Lithgow City Council Fit for the Future Proposal,** which was in a major part financially based upon by the previous Lithgow City Council T-Corp Report 2013; which failed to find or to disclose the recent serious auditing disclosures over many years as outlined in the attached letter from Crowe Horwath Auswild, Auditors for Lithgow City Council dated 15 April 2015?

**Is it totally satisfied with the Lithgow City Council Fit for the Future Proposal** and that there are no other non-disclosures of either minor or major multi-million dollar serious auditing classifications as those outlined in the attached letter from Crowe Horwath Auswild, Auditors for Lithgow City Council dated 15 April 2015?

**Is it totally satisfied with the Lithgow City Council Fit for the Future Proposal** and that there are no other non-disclosures of either minor or major multi-million dollar serious auditing classifications as those outlined in this recent report in the Sydney Morning Herald on 23 June 2015, [Sydney councils shift \\$1 billion repair bill with accounting 'fiction' in Fit for the Future scramble?](#)

Thank you for the opportunity to provide this Submission to IPART on the Lithgow City Council Fit for the Future Proposal.

Should you require any further information, please advise.

Martin Ticehurst  
Councillor  
Lithgow City Council