

**Amy Murray**

**From:** interim admin  
**Sent:** Tuesday, 5 April 2022 8:11 AM  
**To:** Amy Murray  
**Subject:** Fwd: Southern Highlands Express Article  
**Attachments:** 2022 03 30 SH Express article Coomungie Got Us.pdf

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**From:** [REDACTED]  
**Sent:** Monday, April 4, 2022 7:14:52 PM  
**To:** interim admin <interim.admin@wsc.nsw.gov.au>  
**Cc:** [REDACTED]  
**Subject:** FW: Southern Highlands Express Article

Viv

Further to our telephone conversation today about the attached article, I make the following comments.

The 2020/21 operating deficit is not the first deficit in 26 years, as reported. Council has reported several operating deficits in the last 10 years and the operating results of Council for the past 10 years are included in the table below.

Year	Surplus/(deficit) \$'000
2011/12	(8,128)
2012/13	(4,092)
2013/14	(6,232)
2014/15	(4,332)
2015/16	2,735
2016/17	7,056
2017/18	3,671
2018/19	4,442
2019/20	5,041
2020/21	(707)

The Consolidated Income Statement for 2020/21 reported a deficit of \$707K which included non-cash items such as depreciation and movements in provisions for expenses accrued but not yet paid. The assertion that the deficit of \$707K is "entirely due to the costs of sacking or forcing the resignation of virtually all the seniors staff" is factually incorrect. Whilst the financial impact of the termination payments contributed to Council's overall operating deficit, it's certainly not the sole reason. There are many factors that contributed to the operating deficit and I provide some commentary on the significant reasons for Council's operating deficit in 2020/21 below.

- Interest on investments was down \$1.7 million from the previous year due to the economic conditions. We had more cash on hand to invest but the interest rates on term deposits dropped sharply and returns were much lower.
- Water usage was down during the year due to the wet weather with income down \$2.2 million on the previous year. Water usage fluctuates from year to year depending on the weather and Council has

accumulated \$12 million in surplus cash from water usage sales to cover any wet periods where water usage is low so, the reduction in usage income in the water fund is not an immediate reason for concern.

- Workers' compensation insurance increased by \$500K on the previous year due to historic claims.
- Depreciation expense increased by \$1.1 million on the previous year primarily due to revaluations of transport network assets in the previous year, which increased by \$193 million. The higher values equates to a higher annual depreciation expense.
- Unplanned terminations and redundancies of senior staff of \$890K

I don't know where they get a \$800K deficit for 2022/23 when today was the first time we have discussed the 2022/23 budget externally. I have an idea on where they may have picked up this figure but I'm only guessing. In the December 2021 quarterly budget review, the recommended changes in the general fund summed to a \$798K deficit (snip below). I can discuss and put some context to it tomorrow if you would like to.

**WINGECARRIBEE SHIRE COUNCIL**  
**QUARTERLY BUDGET REVIEW STATEMENT**  
 for the 2021/22 financial year

**2. Income & Expenses Budget Review Statement**  
**Budget Review for The Quarter Ended 31 December 2021**  
**Income & Expenses - General Fund**

	Original Budget 2021/221	Approved Changes			Re: fin F
		Budget Carryovers	Sept Review	Revised Budget2	
<b>Income</b>					
Rates and Annual Charges	63,514,335	-	-	63,514,335	
User Charges and Fees	13,171,402	-	(531,588)	12,639,814	
Interest and Investment Revenues	564,900	-	-	564,900	
Other Revenue from Ordinary Activities	1,616,073	-	9,600	1,625,673	
Grants & Contributions - Operating	8,266,776	-	(2,484,474)	5,782,302	
Grants & Contributions - Capital	19,986,087	150,000	2,334,009	22,470,096	
Rental Income	555,852	-	-	555,852	
<b>Total Income</b>	<b>107,675,425</b>	<b>150,000</b>	<b>(672,453)</b>	<b>107,152,972</b>	
<b>Expenses</b>					
Employee Costs	34,942,152	-	(563,482)	34,378,670	
Borrowing Costs	466,866	-	-	466,866	
Materials & Contracts	31,393,524	961,354	(774,062)	31,580,816	
Depreciation	19,451,000	-	-	19,451,000	
Other Expenses	3,097,868	63,782	(326,779)	2,834,891	
Loss / (Gain) on Disposal of Assets	-	-	-	-	
<b>Total Expenses</b>	<b>89,361,430</b>	<b>1,025,136</b>	<b>(1,664,323)</b>	<b>88,712,243</b>	
<b>Net Operating Result</b>	<b>18,323,995</b>	<b>(875,136)</b>	<b>991,870</b>	<b>18,440,729</b>	
<b>Net Operating Result before Capital Items</b>	<b>(1,662,092)</b>	<b>(1,025,136)</b>	<b>(1,342,139)</b>	<b>(4,029,367)</b>	





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# COOMUNGIE GOT IT

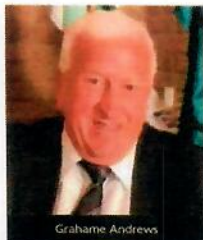
Gair's gang allege political stitch up



Duncan Gair



Graham McLaughlin



Graeme Andrews



Peter Nelson



Gordon Markwart with Jan Hainke during a break in the inquiry hearing on Monday.

The suspension of Wingcarbee Shire Councillors was a political response by the shire's two local state MPs Wendy Tuckerman and Nathaniel Smith, to their resistance to the Coomungie Ashbourne development according to the suspended Mayor Duncan Gair and four other members of the suspended council.

In a bombshell statement issued on the first morning of the hearings by Commissioner Ross Glover's Public Inquiry into the suspended council, Councillors Duncan Gair, Graham McLaughlin, Peter Nelson, Graeme Andrews and Gordon Markwart (who resigned due to ill-health long before the council was suspended), accused the two state Liberal MPs of applying pressure to approve the development "by a Chinese company without the necessary infrastructure like sewerage in place".

"Councillors and senior staff were guilty of resisting political pressure... so we were suspended," Gair said.

"The state government had forced through the rezoning but refused any funding for basic infrastructure."

The joint statement said both local MPs had called for the councillors to be sacked.

"Having lobbied against the council as a backbencher, the new minister should recuse herself from any decisions flowing from the inquiry," Mr Gair said.

"And Mr Smith is the bloke who said to me in front of senior staff, 'just cut down the trees' in Station Street, Bowral."

Problems on Council, the statement said, were caused by "two or three councillors who, variously, deliberately disrupted council meetings, wrongly interfered in operational matters, publicly trashed their own council and bullied and tried to remove key staff right up to the general manager".

"The then minister [Shelley Hancock] could have removed the problem councillors without sacking the whole council but there were other, political forces at play," the councillors said.

"The Minister rejected her own department's advice to maintain the elected council after it had met her performance improvement conditions and she ordered a costly public inquiry as the only legal way of keeping us out of office."

Whatever problems the former council had, it had done a far better job than the current administration.

"Council has suffered its first loss in at least 26 years of over \$700,000, entirely due to the costs of sacking or forcing the resignation of virtually all the senior staff, and the administrator has flagged another deficit of \$800,000 for 2022/23 and an extraordinary rate increase."

"And he must be the first council boss ever to give grant money (\$4.1 million) back to the state government."

"Council is now struggling to deliver services with the loss of hundreds of years of expertise and local knowhow and scores of staff vacancies it can't fill. The time to process development applications has blown out from weeks to many months with expensive external consultants now hired to try to stem the bleeding."

The statement accused interim administrator Viv May of unleashing "a torrent of criticism against the former councillors and staff on false or meagre grounds contrary to the code of conduct and unfortunately, this had been accepted as gospel by much of the community."

"Mr May has acted like a populist politician and not a paid professional public servant. There have been threats of physical violence against councillors on social media."

"The plethora of external reports he commissioned found relatively insubstantial issues and no smoking gun to justify the suspension of the councillors."

"The inquiry needs to examine whether the administrator has breached the code of conduct on numerous occasions, particularly regarding his involvement in staff operational matters, and the major decisions made behind closed doors without accountability or transparency."

The councillors said the previous council had an "enviable record in financial performance and statutory reporting and had been described by the Auditor General's Office as a 'pearl' among the councils it dealt with".

It had embarked on "the biggest capital works and asset renewal program in the council's history", won multiple tourism, risk management and environmental awards and had greatly improved workplace safety.

"Hardly the smoking ruin alleged by the administrator," the statement said.

NSW Member for Wollondilly Nathaniel Smith said he had no comment to make on the statement.

"Let the inquiry proceed," he said. Interim Administrator Viv May was unavailable for comment.

NSW Member for Goulburn Wendy Tuckerman said she would not be commenting on "baseless allegations".

"I look forward to the independent commissioner's report," she said.

By Mark Wallace



## **Sacking was political, say councillors**

EMBARGOED TILL 6 A.M. WEDNESDAY MARCH 30, 2022

Five former councillors have jointly welcomed the opportunity to set the record straight at the public inquiry starting this week into Wingecarribee Shire Council, saying their suspension was political.

"Councillors and senior staff were guilty of resisting political pressure to approve a major land development without the necessary infrastructure like sewerage in place. So we were suspended. The state government had forced through the rezoning but refused any funding for basic infrastructure," the former mayor Duncan Gair said on behalf of his former colleagues Graham McLaughlin, Peter Nelson, Graeme Andrews and Gordon Markwart (who had earlier resigned on health grounds).

Pressure had come from the two local Liberal MPs Wendy Tuckerman, who is now the Minister for Local Government, and Nathaniel Smith. Both had called for council to be sacked. "Having lobbied against the council as a backbencher the new Minister should recuse herself from any decisions flowing from the inquiry," Mr Gair said. "And Mr Smith is the bloke who said to me in front of senior staff 'just cut down the trees' in Station Street, Bowral".

The problems on council were caused by two or three councillors who, variously, deliberately disrupted council meetings, wrongly interfered in operational matters, publicly trashed their own council and bullied and tried to remove key staff right up to the General Manager," he said.

"The then Minister could have removed the problem councillors without sacking the whole council but there were other, political forces at play. The Minister rejected her own department's advice to maintain the elected council after it had met her performance improvement conditions and she ordered a costly public inquiry as the only legal way of keeping us out of office," he said.

Mr Gair said that whatever problems the former council had, it had done a far better job than the current administration. "Council has suffered its first loss in at least 26 years of over \$700,000, entirely due to the costs of sacking or forcing the resignation of virtually all the senior staff, and the Administrator has flagged another deficit of \$800,000 for 2022/23 and an extra-ordinary rate increase. And he must be the first council boss ever to give grant money (\$4.1 million) back to the state government.

"Council is now struggling to deliver services with the loss of hundreds of years of expertise and local knowhow and scores of staff vacancies it can't fill. The time to process development applications has blown out from weeks to many months with expensive external consultants now hired to try to stem the bleeding."

The Administrator, Viv May, had unleashed a torrent of criticism against the former councillors and staff on false or meagre grounds contrary to the Code of Conduct and unfortunately this had been accepted as gospel by much of the community, Mr Gair said.

"Mr May has acted like a populist politician and not a 'paid' professional public servant. There have been threats of physical violence against councillors on social media.

"The plethora of external reports he commissioned found relatively insubstantial issues and no smoking gun to justify the suspension of the council," he said.

"The inquiry needs to examine whether the Administrator has breached the Code of Conduct on numerous occasions, particularly regarding his involvement in staff operational matters, and the major decisions made behind closed doors without accountability or transparency."

The councillors said the previous council had an enviable record in financial performance and statutory reporting and had been described by the Auditor General's Office as a "pearl" among the councils it dealt with. It had embarked on the biggest capital works and asset renewal program in the council's history. It had won multiple tourism, risk management and environmental awards and had greatly improved workplace safety.

"Hardly the smoking ruin alleged by the Administrator," Mr Gair said..

**Contacts:**

Duncan Gair

Gordon Markwart

Graham McLaughlin