



Securing your future with a rate rise

CONSULTATION REPORT

Central Coast Council

4 February 2021

Executive Summary

The aim of the engagement for Securing Your Future was to provide an opportunity for ratepayers and residents to have their say on the proposed options for a Special Variation (SV) application to IPART. The engagement has been planned over three phases:

- Phase 1 (Inform) - Awareness and why a special variation is needed
- Phase 2 (Consult) - Seek community feedback on proposed options and resulting impacts on service levels
- Phase 3 (Consult) - Public exhibition of draft Long-Term Financial Plan and draft Debt Recovery and Hardship Policy. Conduct telephone survey seeking feedback on the percentage increase Council will propose to IPART.

This consultation report presents information from Phase 1 and Phase 2, in particular the two online surveys conducted from 8 January to 1 February 2021, how the community was made aware of the proposed rate increase and the feedback Council received. Every survey response and piece of self-initiated written feedback (including emails and letters), has been read and recorded by Council staff. The survey results and written feedback assists in providing the community and the Council with a clear understanding of the issues and concerns that the community need to be addressed, level of understanding on the purpose of the Special Variation and service level impacts as well as the broader sentiment of the community in relation to the proposal for a Special Variation.

Partway through the survey period, Council responded to the community when concerns were expressed that the initial survey did not provide a 'no rate rise' option. Adjustments were made with the second survey, commencing 22 January 2021, including this option. Information was updated on yourvoiceourcoast.com to communicate the changes to the survey.

The total number of responses for both surveys was 10,229. Self-initiated written feedback sent to Council up to 1 February totalled 378 emails and letters.

Key findings from consultation

- A majority of survey respondents do not support a rate rise.
- Those who do not support a rate rise feel that ratepayers should not shoulder the burden of Council's mistake/s.
- There is concern about the affordability of a rate rise for either themselves or others in the community.
- Some respondents feel Council's maintenance of roads, open space and natural assets are already poor.

- Some respondents feel they currently don't get value for money paid due to a perceived lack of maintenance of Council assets, or lack of expected infrastructure in their immediate area, such as kerb and guttering.
- Some suggestions about alternatives to a rate rise include (but are not limited to): seeking NSW Government funds, increasing revenue from fines, selling assets, reducing staff, employee pay cuts, reduction of capital works and scaling back services and expenditure in general.
- A minority of survey respondents support a rate rise.
- The key reasonings behind support is to 'fix the problem', maintain services and/or to create a sustainable pathway forward for Council.
- Some respondents who support a rise also expressed a desire to improve the Central Coast through improved assets and economic growth and investment.
- General sentiment from respondents (either in support or against a rate rise) showed the community would like to understand who is accountable for the financial issue and what actions will be taken against these individuals or entities.
- Some respondents will continue to distrust Council, with others stating their expectations of better financial management and accountability in the future.
- There are some suggestions from respondents that corruption or fraud has occurred.
- There is overall strong support for the appointment a financial controller.

Preference out of three options from survey 2 results:

- **10.2%*** preferred Option 1 – Temporary Fix - 10%
- **17.4%** preferred Option 2 - Securing our Future – 15%
- **72.4%** preferred No rate rise – rate peg only

****Note figures have been rounded.***

This report details all activity undertaken in the consultation period up to 1 February 2021, inclusive of Council's response to questions or concerns raised through the feedback provided.

Next steps

A telephone survey is planned for February, following a decision from Council, seeking feedback on the percentage increase Council will propose to IPART. This survey will involve a randomly selected sample of residents to reflect and represent the population makeup of the Central Coast resident/ratepayer base.

Council is still accepting any written submissions or feedback up to 26 February 2021.

Residents, ratepayers and businesses can still provide a submission to IPART up to 1 March.

IPART will then make their determination and advise Council by May 2021.

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1 Introduction

1.1 Background

Central Coast Council was formed in May 2016 with the amalgamation of the former Gosford City and Wyong Shire Councils. Central Coast Council is the fourth largest Council in New South Wales and the seventh largest in Australia by population. The Central Coast covers an area of 1,681 square kilometres and is the only Local Government Area (LGA) that is a region in its own right. At the 2016 census, Council had an estimated population of 343,968 (ABS ERP 2019). As a growing region close to Sydney, the Central Coast has also been identified as growth area by the State Government, with a population projection of 354,915 by the end of 2021 and 414,615 by 2036.

On 6 October 2020, Council announced it was in a 'serious financial situation' and faced an 'immediate and serious liquidity' issue. Council advised the Office of Local Government of the situation, undertook an immediate review of its budget and developed a 100-Day Recovery Plan (now Business Recovery Plan).

On 30 October 2020, Minister for Local Government Shelley Hancock MP suspended the Council and appointed an Administrator, Mr Dick Persson AM. Mr Persson is supported by Mr Rik Hart as Acting CEO to oversee Council's operational recovery.

On 2 December 2020, Administrator Dick Persson released a '30 Day Interim Report' to the Central Coast community, following an initial investigation into Council's financial situation. As part of the report, community members were assured that there was no evidence that theft or corruption had occurred. The report did highlight, however, that there had been unlawful use of restricted funds. The community expressed substantial outrage and concern regarding the size of the debt (\$565M) and the extent of financial mismanagement, with many residents indicating that their trust in Council has been eroded.

Council has communicated to the community the number of savings measures that are being implemented to address the financial situation, including:

- reducing staff numbers back to pre-amalgamation numbers from over 2,500 to under 2,000 – cost savings of \$30M
- reducing materials and contracts by \$20M
- maintaining infrastructure spending at \$170M
- obtaining \$150M in bank loans
- selling \$40-\$60M in underperforming assets
- generating additional revenue.

On 26 November 2020, Council resolved to make an application for a one-off Special Variation (SV) of 8% in 2021-22 to remain in the base for 7 years. This, in addition to the 2% rate peg,

would mean an increase of 10%. At the Ordinary Council Meeting on 14 December, Council resolved that an additional option of a 15% increase (a one-off 13% SV to remain in the rate base permanently, as well as the 2% rate peg) would also be put out to the community for consultation. This additional option was investigated following further forecasting of reductions in the levels of service required to achieve sustainable long-term financial plans and to repay restricted reserves funds. This information will be part of Phase 3 consultation.

1.2 The proposal

The three options Council presented to the community were:

Option 1 Temporary Fix Option – 10%

A 10% one-off increase to rate income, remaining in the rate base for 7 years. In 2021-22 this increase would consist of the annual 2% rate peg and a further 8% SV that would be applied once in 2021-22 and would remain in the rate base for seven years. This option forecast substantial reductions in the levels of service provided to the community and some elimination of services.

With a 10% increase the average residential increase will be \$2.13 a week and the average business increase will be \$6.11 a week.

Option 2 Securing Your Future Option – 15%

A 15% one-off increase to rate income, remaining in the rate base permanently. In 2021-22 this increase would consist of the annual 2% rate and a further 13% SV that would be applied once in 2021-22 and would remain permanently in the rate base. This option forecast the maintenance of the current levels of service.

With a 15% increase the average residential increase will be \$3.20 a week and the average business increase will be \$9.30* a week.

No rate rise – rate peg only

A 2% rate increase to rate income which is applied annually. This option forecast significant reduction in services and closure of facilities and amenities.

The following table was provided in the Fact Sheet: What are the impacts on services and Council finances of the SV options or no SV at all? This was available on yourvoicourcoast.com.

	No change - Rate peg only (2%)	Option 1: Temporary Fix - 10% (8% SV and 2% rate peg)	Option 2: Securing your future - 15% (13% SV and 2% rate peg)
Additional income for 2021-22 financial year	\$3.4M	\$17.3M	\$25.9M
Service impact	<ul style="list-style-type: none"> • Service closures including some library branches and community facilities • Significant reduction in maintenance of facilities and infrastructure • Significant deterioration of assets • Significant reduction in road, footpath and drainage maintenance • Reduced bulk kerbside collections quota • Significant reduction to environmental programs (e.g. <u>weed</u> removal and native vegetation programs) • Longer processing times for customer requests, development applications and permits and closure of service points • More staff reductions and follow on service reductions • Reduced maintenance of sporting facilities, parks and playgrounds – no new facilities or major upgrades only renewals based on safety. • No community events run by Council and no grants and sponsorship of other events. • Further sales of assets and land • Significant increases in fees and charges 	<ul style="list-style-type: none"> • Reduced opening hours or possible closure of facilities including leisure centres, libraries, childcare and community facilities • Reduced maintenance of sporting facilities, parks and gardens • Reduced maintenance of roads, footpaths, cycleways and drains • Reduced environmental programs (e.g. weed removal and native vegetation programs) • Longer processing times for customer requests, applications and permits • Fewer community events, limited grants and sponsorship • Large increases in user fees and charges 	<ul style="list-style-type: none"> • Maintaining opening hours and programs at pools, libraries, although no new facilities would be constructed. • Maintenance of sporting and community facilities, parks and gardens would remain as is, with no increase to mowing, planting or maintenance • Construction of roads, footpaths, cycleways and drains would continue • Environmental programs would be retained (e.g. weed removal and native vegetation programs) • Processing times for customer requests, applications and permits would remain the same • Community events maintained, but not expanded

2 Engagement Approach

2.1 Purpose of consultation

The engagement for Special Variation was planned over three phases:

- Phase 1 (Inform) - Awareness and Why a Special Variation is needed
- Phase 2 (Consult) - Seek Community Feedback on Proposed Options and resulting impacts on service levels
- Phase 3 (Consult) - Public exhibition of draft Long-Term Financial Plan and draft Debt Recovery and Hardship Policy. Conduct telephone survey seeking feedback on the percentage increase Council will propose to IPART.

The purpose of the consultation was to seek community feedback on two proposed Special Variation options. The feedback was to help inform Council's final decision on which option Council should proceed with in relation to an application to IPART.

Factors such as timing of the consultation period, access for all people to have their say and the complexity of the issues and impacts on the broader community of the Central Coast were all considered in developing a consultation approach to provide residents with a deeper understanding of the situation and the solutions proposed, as well as how they would be personally impacted by the proposed options of either a 10% or 15% rate increase.

Council's engagement principles and framework guide our approach to engagement with the Central Coast community. We would not normally consult with our community during the Christmas and summer period as it is considered a difficult time to reach the broader community and local businesses, but our short timeframes and inability to undertake face to face engagement due to COVID-19 restrictions meant that direct and indirect communication, widespread media engagement, social media, surveys and Council's online engagement platform would provide the best possible approach to enable our community to have their say.

Council responded to community feedback during the consultation phase, when feedback suggested that the initial survey did not provide sufficient options for a response of 'no rate' change. On 22 January 2021, the first survey was closed and replaced with a second survey in response that community feedback that many residents and ratepayers felt restricted in their opportunity to express their preference for no SV option in question 7. The survey closing date was extended from the original date of 29 January to 5pm 1 February.

Information was updated on yourvoiceourcoast.com to communicate the changes to the survey.

2.2 Our engagement framework

Consultation has been designed in accordance with Central Coast Council's Engagement Framework. This framework is available to view at <https://www.yourvoiceourcoast.com/Central-Coast-Council-Engagement-Framework>

2.3 How we consulted

Consultation tools

Online survey	<p>On 8 January 2021 an online survey was launched to understand community sentiment on the two proposed options adopted by Council (10% and 15%). The survey stepped respondents through the reasons why Council was applying for an SV. Information on expected service levels and average impacts for different rating categories was also presented so participants could make an informed decision before expressing their level of support for each option, and ultimately their preference of these two options. Information about service levels and average impacts for different rating categories for the 'rate peg only' scenario was also provided for comparison. Council received 3944 responses for the first survey.</p> <p>On 22 January 2021 the first survey was closed and replaced with a second survey in response to community feedback that many residents and ratepayers felt restricted in their opportunity to express their preference for a no SV option in question 7. The survey closing date was extended from the original date of 29 January to 5pm 1 February.</p> <p>While the data for the first survey was able to extract and report on a lack of support for a rate rise, Council extended the options to provide more confidence to the community that their voice was being heard.</p> <p>The second survey contained the same content as the first survey, but with an additional question (8) allowing respondents to select from three scenarios instead of just Option 1 and Option 2:</p> <ul style="list-style-type: none">• Option 1 – Temporary fix – 10%• Option 2 – Securing our future – 15%• No rate rise – Rate peg only <p>Anyone could complete the second survey, including those who responded to the first survey.</p> <p>This survey closed at 5pm on Monday 1 February 2021 and Council received 6285 responses.</p>
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	<p>The total number of responses for both surveys was 10,229.</p> <p>A copy of survey two can be found in Appendix A</p> <p>A copy of survey results can be found in Appendix B and C.</p>
Self-initiated feedback	<p>In addition to the survey, Council received self-initiated feedback in various written formats. A total of 378 written submissions were received. Correspondence was made via:</p> <ul style="list-style-type: none"> • Emails/forms - 335 received (via securingyourfuture@centralcoast.nsw.gov.au, ask@centralcoast.nsw.gov.au, emails sent to the administrator or CEO or other council addresses, and inquiries lodged via council's standard online inquiry form.) • Hard copy letters in post - 43 received

Promotion of activities

Promotion of the proposed SV applications achieved a potential reach of over 350,000 contacts through Council owned and third-party channels over three and a half weeks of consultation (ending 1 February 2021). Every channel available to Council was used including direct mail, on-line, social media, print articles and eNews. All local media outlets covered the engagement extensively, which was helped by the Acting CEO, who was appointed as the main spokesperson and regularly made available for interviews.

Outside of Council's owned channels, local media and community groups shared information and commentary about the SV application, generating considerable reach.

Letter to every ratepayer	<p>A letter from the Acting CEO was sent by post to 123,935 ratepayers and emailed to a further 6,844.</p> <ul style="list-style-type: none"> • Issued on 7 and 13 January 2021 • Reality of Council situation • Need help with a rate rise • Understand concern about paying more rates • Detailed impact on average rates • Encouraged community to have their say • A copy of the letter is found at Appendix D
Your Voice – Our Coast website	<p>A dedicated webpage was set up on Council's engagement hub – Your Voice our Coast and was the central point for all information relating to the proposed rate rise options. Launched on 8 February 2021, the webpage allowed the community to:</p> <ul style="list-style-type: none"> • Read about the two options proposed for a rate rise • Understand Council's financial situation and the need for a rate rise

	<ul style="list-style-type: none"> • Understand impacts of the proposed options on average rates weekly, annually and cumulatively • Understand impacts of the proposed options on service levels • Compare average rates with neighbouring councils • Complete an on-line survey • Make an individual submission via email • Make a submission direct to IPART • View Frequently Asked Questions • Download a Fact Sheet on impacts of a rate rise on average rates and Council services • Find out more information about Council's financial situation • Download a copy of the Administrator Minute where the decision was made to consider applying for two rate rises • URL - https://www.yourvoiceourcoast.com/
Media Releases	<ul style="list-style-type: none"> • 26 November 2020 – Administrator puts rate rise on the table – Council will notify IPART of its intention to prepare an application for a one-off SRV of 8% with 2% rate peg = 10%. • 14 December 2020 – Highlights of the 14 December 2020 Council Meeting – Council considers increasing IPART application by 5%. • 11 January 2021 – Consultation underway on a rate rise to secure the Coast's future - encouraged community to read the information on the proposed rate rises and have their say. • 22 January 2021 – Community sentiment over rate rise prompts further consultation - promoted new survey to include option of choosing no rate rise and also extension of feedback to 1 February.
Coast Connect articles	<p>Council advertises weekly in two local community newspapers. The same advertorial appears in both publications (Coast Community Chronicle and Coast Community News) each with a print run of 20,000. Articles on the SV application options and impacts appeared in three advertorials in each paper:</p> <ul style="list-style-type: none"> • 13 and 15 January 2021 - Securing your future with a rate rise – detailed the options and encouraged Council to have their say. • 20 and 22 January 2021 – Securing your future with a rate rise – smaller story with two options, detail of where to find information about Council's financial situation and a column from the Administrator as to why ratepayers should pay. • 27 and 29 January – Still time to have your say on a rate rise – addressed key questions being asked about Council financial situation and steps to address it, why a rate rise is needed, comparison to neighbouring council rates and encouragement to fill out survey and have a say.

	<ul style="list-style-type: none"> Copies of the articles can be found in Appendix E
Enewsletters	<p>Council issues a weekly Coast Connect newsletter with almost 11,000 subscribers. It receives an open rate of articles of over 45%, which is higher than industry standard. Rate rise options appeared three times during the consultation period:</p> <ul style="list-style-type: none"> 12 January 2021 – First and main story - Securing your future with a rate rise – detailed the two options with 936 subscribers clicking through to the Your Voice Our Coast (YVOC) page. 19 January 2021 – Link at the bottom of the eNews - 'Special Variation – we want to hear from you' - with 11 subscribers clicking through to YVOC 28 January 2021 – Securing your future with a rate rise – second survey now open with option of 'no rate rise' - explained change to survey and extension of consultation to 1 February 2021 – 1239 subscribers clicked through to YVOC. Copies of the eNewsletters can be found in Appendix F
Social media	<p>Council's Facebook has a following of 47,679 including 43,859 likes. One post was issued during the consultation period and was timed to coincide with the last week of consultation, so it could correct misinformation and encourage more responses to the survey.</p> <ul style="list-style-type: none"> Posted 27 January 2021 – reaching 27,406 people with 146 reactions, 593 comments and 50 shares Call to action of complete the survey by 1 February Impacts of each rate rise (including none) on services Fact checking – correcting misinformation circulating in the community and Council financial situation and rate rise impacts. Copies of the posts/advertisements can be found in Appendix G
DL flyer with rates notice	<ul style="list-style-type: none"> Scheduled for distribution to ratepayers from 25-28 January 2021 Administrator column outlining Council's financial situation, rate rise options being considered and the independent IPART process Securing your future with a rate rise – detailing two options for a rate rise, increased cost for average ratepayer and call to action of have your say at yourvoiceourcoast.com YVOC updated to allow residents to write submissions directly to Council and link provided to IPART website for direct submissions A copy of the DL flyer can be found in Appendix H

Media coverage achieved

Radio	<p>Coverage of Council decision to apply for 10% rate rise (8% SV and 2% rate peg) - 27 November 2020</p> <ul style="list-style-type: none"> • ABC Central Coast – 6.30am and 8.30am - The interim administrator of Central Coast Council says increasing rates to reduce Council's deficit will be a last resort. • ABC Central Coast – 6.30am and 7.30am - Ratepayers who attended yesterday's Central Coast Council public forum say residents shouldn't have to shoulder the cost of Council's economic mismanagement. Grab(s) of Patrick Gallagher, Wyong resident. • ABC Central Coast – 7.30am - Central Coast Council has applied to increase rates by up to eight percent but the administrator the increase was sought so that all options are on the table. • ABC Central Coast – 7.52am - Coverage of Administrator media conference following extraordinary meeting - Dick Persson, administrator of Central Coast Council says increasing rates is only an option at this stage. He says a submission needed to be made to IPART or the opportunity to increase rates would be lost. He says he doesn't accept that Council is not providing basic services. • MMM Central Coast and HIT 101.3 - Central Coast residents are being assured that an application for a rate rise is only being considered as a last resort. Grabs of Administrator Dick Persson • ABC Central Coast – online news report including coverage of the application for a rate rise of 8% with all options on the table. <p>Coverage of Council decision to consider applying for 15% rate rise – 15 December 2020</p> <ul style="list-style-type: none"> • ABC Central Coast – 6.30am, 7.30am and 8.30am - The administrator of Central Coast Council is now flagging a possible 15 percent increase to improve Council's financial sustainability. • ABC Central Coast – 8.40a Interview with Administrator Dick Persson 8.40am - Details his options that he will present to
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	<p>IPART. He says Council are looking to reduce staff by around 300. He says a protest rally was held before last night's Council meeting. He says many were protesting the merger of Gosford and Wyong Councils.</p> <ul style="list-style-type: none"> • MMM Central Coast and HIT 101.3 - 6am - The administrator of Central Coast Council last night tabled plans to reduce Council staff by 300 and apply to IPART for a 15 percent rate rise. • MMM Central Coast and HIT 101.3 - 7am, 11am - The administrator of Central Coast Council last night confirmed that he plans to apply to IPART for a 15 percent rate rise. • MMM Central Coast – 8.42 - interview with suspended Councillor Greg Best on Council decision to consider applying for 15% rate rise and Council's financial position. • MMM Central Coast and HIT 101.3 - 10am - 15% rate rise on the cards for Coasties amid Council's financial mess. Administrator has faced a group of protesters outside the Council meeting telling them he wants to raise rates by 15%. Said it sounds like a lot but those in the former Wyong LGA will actually end up paying less. • 2GB Sydney – 16 December 2020 online article and Ben Fordham interview with Greg Best – Council's \$565M debt slammed as ratepayers bear the brunt. Central Coast Council's debt has ballooned to \$565 million, bringing with it 300 job cuts and up to 15 per cent rate rise for residents. • ABC Central Coast – 16 December 2020 – 6.30am, 7.30am and 8.30am- There is a groundswell of community opposition to proposals for a rate rise on the Central Coast. • ABC Central Coast – 16 December 2020 – 7.41am - Scott Levi outlines Dick Persson's proposals for rate rises on the Central Coast. Scott Levi reads messages from listeners who said why should the ratepayers have to pay for the incompetence of Central Coast Council staff. <p>Coverage from when consultation started on 8 January 2021</p> <ul style="list-style-type: none"> • STAR Radio News – 12.00pm – 11 January 2021 - The Central Coast Council is being reminded that community comment is open for ratepayers to give their feedback on proposed rate rises to IPART.
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	<ul style="list-style-type: none"> • MMM Central Coast Radio News – 7.00am – 12 January 2021 - The formal consultation process for proposed rate rises on the Central Coast has begun. • HIT 101.3 Radio News – 7.00am – 12 January 2021 - The formal consultation process for proposed rate rises on the Central Coast has begun. • STAR Radio News – 6.30am – 12 January 2021 - The consultation period for proposed rate rises on the Central Coast has begun. • MMM Central Coast Radio News – 10.00am – 12 January 2021 - The formal consultation process for proposed rate rises on the Central Coast has begun. • HIT 101.3 Radio News – 10.00am – 12 January 2021 - The formal consultation process for proposed rate rises on the Central Coast has begun. • ABC Central Coast Radio News – 6.30am – 19 January 2021 - A major coordinated community campaign is gearing up against Central Coast Council's proposed 15 percent rate rise. Grab(s) of Alan Hayes, campaigner. • ABC Central Coast Radio News – 7.30am – 19 January 2021 - The group against the Wallarah 2 coalmine has turned its attention to opposing the plan to raise rates on the Central Coast. Grab(s) of Alan Hayes, campaigner. • ABC Central Coast Scott Levi – 7.51am – 19 January 2021 - Alan Hayes, campaigner says the financial woes of Central Coast Council are not the fault of ratepayers but the NSW Government. He says this doomed experiment of the NSW Government is now costing ratepayers. • Rik Hart, Central Coast Council acting CEO says the council amalgamation is not the cause of Council's current financial problems. He says it stems back to how both Gosford and Wyong Councils had previously been managed. He says they are not willingly applying to increase rates with IPART. He explains the need to increase rates. • ABC Central Coast Radio News – 8.30am – 19 January 2021 - A major coordinated community campaign is gearing up against Central Coast Council's proposed 15 percent rate rise. • ABC Central Coast Radio News – 7.50am - 19 January 2021 - Local focus on rate rise for the Central Coast - Alan Hayes, campaigner says the financial woes of Central Coast Council are not the fault of ratepayers but the NSW Government. He
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	<p>says this doomed experiment of the NSW Government is now costing ratepayers.</p> <ul style="list-style-type: none"> • Rik Hart, Central Coast Council acting CEO says the council amalgamation is not the cause of Council's current financial problems. He says it stems back to how both Gosford and Wyong Councils had previously been managed. He says they are not willingly applying to increase rates with IPART. He explains the need to increase rates. • ABC Central Coast Radio News – 6.30am, 7.30am, 8.30am – 20 January 2021 - Acting CEO of Central Coast Council says a rate rise will prove to banks that Council is addressing its financial crisis. Grab(s) of Rik Hart, acting CEO of Central Coast Council. • ABC Central Coast Scott Levi – 8.40am – 20 January 2021 - Matthew Wales, Peninsula Chamber of Commerce calls for Central Coast Council to sell off surplus land that it owns to repay some of its debt. He says a lot of this land has never been maintained. He says any rate rise to get Council out of its financial bound is unacceptable. He says the amount of debt is mind-boggling. • ABC Central Coast Scott Levi – 8.50am – 22 January 2021 - Talkback caller Graham says from his calculations Gosford residents will pay much more than a 15 percent rate rise, if the proposed increase goes ahead. • STAR Radio News – 10.00am – 22 January 2021 - Central Coast Council is to extend its survey options for the community to have their say on a proposed rate rise. • ABC Central Coast Radio News – 6.30am – 22 January 2021 - Central Coast Council is to extend its survey options for the community to have their say on a proposed rate rise. • ABC Central Coast Scott Levi – 6.55am – 22 January 2021 - Rik Hart, Central Coast Council interim CEO outlines the extra questions added to the survey for community feedback on proposed rate increases. He says there is no option but to raise rates. He says they are constrained by time to repay restricted funds. • ABC Central Coast Radio News – 7.30am – 22 January 2021 - The interim CEO of Central Coast Council has acknowledged a typo on its original survey letter for the proposed rate rise cost Council \$10,000. Grab(s) of Rik Hart, Central Coast Council interim CEO.
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	<ul style="list-style-type: none"> • STAR Radio News – 12.00pm – 22 January 2021 - Central Coast Council is to extend its survey options for the community to have their say on a proposed rate rise. • MMM Central Coast Radio News – 9.00am – 25 January 2021 - Central Coast Council has extended the community feedback period for its survey on a proposed rate rise with a change made to the survey options. Grab(s) of Rik Hart, Central Coast Council interim CEO. • HIT 101.3 Radio News – 9.00am – 25 January 2021 - Central Coast Council has extended the community feedback period for its survey on a proposed rate rise with a change made to the survey options. Grab(s) of Rik Hart, Central Coast Council interim CEO. • MMM Central Coast Radio News – 10.00am – 25 January 2021 - Central Coast Council's interim CEO says it won't be financially viable to not raise rates. Grab(s) of Rik Hart, Central Coast Council interim CEO. • HIT 101.3 Radio News – 10.00am – 25 January 2021 - Central Coast Council's interim CEO says it won't be financially viable to not raise rates. Grab(s) of Rik Hart, Central Coast Council interim CEO. • MMM Central Coast Radio News – 11.00am – 25 January 2021 - Around 3500 Central Coast ratepayers have responded to Council's survey on a proposal to raise rates so far. Grab(s) of Rik Hart, Central Coast Council interim CEO. • HIT 101.3 Radio News – 11.00am – 25 January 2021 - Around 3500 Central Coast ratepayers have responded to Council's survey on a proposal to raise rates so far. Grab(s) of Rik Hart, Central Coast Council interim CEO.
Newspaper – printed and online	<p>The Daily Telegraph Central Coast Express Advocate coverage:</p> <ul style="list-style-type: none"> • 24 November 2020 – Special rate rise flagged to help reduce debt. • 26 November 2020 – Council applies for 8 percent rate rise – residents could be looking down the barrel of a 10 percent rate rise. Meanwhile major cuts are set to be made to Council's management • 15 December 2020 – Central Coast Council rate rise: Protesters hold rally outside council

	<ul style="list-style-type: none"> • 16 December 2020 – Investigation into CEO called for - One of the biggest financial catastrophes in Australian local government history is set to cost 300 people their jobs and force up residents' rates by as much as 15 per cent a year. • 17 December 2020 – Locals frustrated by the crisis. The council is in financial despair, rates are going up and 300 council staff are being cut. The past few weeks have taken their toll on locals. • 11 January 2021 Community consultation opens on proposed rate rise - It's the community's turn to have a say on either a 10 or 15 per cent rate rise – however the alternative option to get Central Coast Council out of trouble is not ideal. • 22 January 2021 Community survey changed and extended after thousands respond - Central Coast Council's proposal to fix its financial black hole by hitting residents with a 10-20 per cent rate rise has been met with disgust but the new boss warns the alternative could be worse. • Copies of articles can be found in Appendix xxx <p>Central Coast Newspapers (Coast Community News, Coast Community Chronicle and Pelican Post) - print articles</p> <ul style="list-style-type: none"> • 25 November 2020 – Rate rise permission sought • 27 November 2020 – 10% rate rise • 27 November 2020 – Council finances report due next week • 2 December 2020 – Labor MPs oppose 10% amalgamation tax • 2 December 2020 - Gosford vs Wyong rates comparison argument (Letter to forum) • 2 December 2020 - Live within Budget (Letter to forum) • 2 December 2020 - rate rise unfair (Letter to forum) • 4 December 2020 - Labour opposes Council rates rise • 9 December 2020 – Council has a \$565M debt • 9 December 2020 - Violated, abused & somewhat vindicated (letter to forum) • 16 December 2020 – Rate rise has now risen to a proposed 15 percent • 17 December 2020 – Rate could rise by 15 percent • 18 December 2020 - Surely not another rate rise! (letter to forum) • 18 December 2020 – Rate could go up by 15 percent
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	<ul style="list-style-type: none"> • 24 December 2020 - why should ratepayers foot bill (letter to forum) • 14 January 2021 – Which rate rise • 14 January 2021 – Peninsula Chamber: Rate rise – the last thing we need. • 15 January 2021 – Community angst over rate rise • 15 January 2021 – Make financial dealings public (Letter to forum) • 15 January 2021 – rate rise survey a cheap tactic (letter to forum) • 20 January 2021 – Rates Harmonisation should be a priority (Letter to forum) • 20 January 2021 – Wyong ratepayers cannot continue to be flogged (Letter to forum) • 20 January 2021 – Rate rise response • 22 January 2021 – Financial recovery process begins. • 22 January 2021 – Ratepayer anger over prospective rate rise • 22 January 2021 - How to vote when both options are objectionable (Letter to forum) • 27 January 2021 – 2nd survey has a no rate rise option. • 27 January 2021 – Council's behaviour akin to Utopia TV series (Letter to forum) • 27 January 2021 – Exclusive Rik Hart interview • 22 January 2021 - No taxation without representation (Letter to forum) • 27 January 2021 – We are not alone (letter to forum) <p>Central Coast Newspapers (Coast Community News, Coast Community Chronicle and Pelican Post) - online articles including links</p> <ul style="list-style-type: none"> • <u>Rate rise on the cards</u> – 27 November 2020 Central Coast Council held a special meeting on November 26 to give itself permission to apply for a rate rise, even though the Council hasn't decided as yet if it wants one. • <u>Rate rise has now risen to a proposed 15%</u> - 16 December 2020 • <u>Consultation underway on a rate rise</u> – 11 January 2021 - Central Coast Council has commenced a formal community consultation for their proposed rate rise of between 10-15%
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	<p>to cover the repayment of restricted funds accessed over the last several years.</p> <ul style="list-style-type: none"> • <u>'The last thing we need' Peninsula Chamber</u> – 14 January 2021 Peninsula Chamber of Commerce says a rate rise is “the last thing” the Coast needs, as Central Coast Council invites residents to have their say on a proposed rise of 10-15 per cent this year. over its plans to institute either a 10 per cent or 15 per cent rate rise from the next financial year. A survey was sent out asking people to choose between the two, but after IPART received a record number of complaints, a new survey from today now includes a base rate scenario option. Coast Community News attempted to complete the survey but whilst there was a base rate scenario option in question 8, you cannot submit the survey unless you choose between the original two options in question 7. • <u>Interview with CEO Rik Hart on change to survey</u> – 27 January 2021 • All newspaper print articles are available at Attachment X
Television	<ul style="list-style-type: none"> • NBN Central Coast TV News – 26 November 2020 - Council puts rate rise on the table. Central Coast Council has confirmed today it will be going ahead with its application for a special rate rise as it tries to drive down its debt. Administrator Dick Persson has reassured the community this will be his last preference. • NBN News Central Coast – 15 December 2020 - Central Coast residents protest potential 15 percent rate rise. Central Coast Council may seek an even higher rate rise to tackle its financial crisis. It's prompted a furious response from residents, who rallied outside last night's meeting in Wyong. • NBN Central Coast TV News – 12 January 2021 Central Coast Council has called for community feedback on its options to raise rates by either 10 percent or 15 percent. • NBN Central Coast TV News – 22 January 2021 Central Coast Council has changed the consultation process for its proposed rate rise following ratepayer backlash. Grab(s) of Aurora Walker, rate rise opponent; Rik Hart, Central Coast Council Acting CEO.

3 What we heard

3.1 Method 1: Online surveys

On 8 January 2021 an online survey was launched to understand community sentiment on the two options proposed by Council (10% and 15%). The survey stepped respondents through the reasons why Council was applying for an SV. Information on expected service levels and average impacts for different rating categories was also presented so participants could make an informed decision before expressing their level of support for each option, and ultimately their preference of these two options. Information about service levels and average impacts for different rating categories for the 'rate peg only' scenario was also provided for comparison. Council received **3,944** responses for the first survey.

On 22 January 2021 the first survey was closed and replaced with a second survey in response to community feedback that many residents and ratepayers felt restricted in their opportunity to express their preference for a no SV option in question 7. The survey closing date was extended from the original date of 29 January to 5pm on 1 February.

The second survey contained the same content as the first survey, but with an additional question (8) allowing respondents to select from three scenarios instead of just Option 1 and Option 2:

- Option 1 - Temporary fix – 10%
- Option 2 – Securing our future – 15%
- No rate rise – Rate peg only

While the data for the first survey was able to extract and report on a lack of support for a rate rise, Council extended the options to provide more confidence to the community that their voice was being heard.

Anyone could complete the second survey, including those who responded to the first survey.

This survey closed at 5pm on Monday 1 February 2021 and Council received **6,285** responses.

The total number of responses for both surveys was **10,229**.

To protect the integrity of each data set, this report presents the results of each survey separately.

Community members without internet access were encouraged to visit one of our Libraries or Administration Buildings or call us during business hours on 1300 463 954 for assistance completing the survey or discussing impacts.

A note about sampling bias: The two online surveys were 'opt-in', which means participants proactively sought to complete the surveys as opposed to a sample of respondents being

selected to more accurately reflect and represent the population makeup of the Central Coast resident/ratepayer base.

3.1.1 Overview of respondents/demographics

The full results of both surveys can be found in **Appendix B and C**.

***Note: some totals may exceed or be less than 100% due to rounding (unless otherwise indicated)**

Survey 1	Survey 2
<p><u>Ratepayer types*</u></p> <p><i>*Some respondents pay more than one type of rates so total exceeds 100%</i></p> <p>98.2% pay residential rates</p> <p>3.4% pay business rates</p> <p>0.4% pay farming rates</p> <p>0.9% do not pay rate to Council (eg renters)</p>	<p><u>Ratepayer types*</u></p> <p><i>*Some respondents pay more than one type of rates so total exceeds 100%</i></p> <p>98% pay residential rates</p> <p>3.3% pay business rates</p> <p>0.8% pay farming rates</p> <p>1.0% do not pay rate to Council (eg renters)</p>
<p><u>Primary place of residence</u></p> <p>37.0% former Wyong LGA</p> <p>55.0% former Gosford LGA</p> <p>3.2% Outside LGA (pays rates to Council)</p> <p>4.7% Not supplied</p>	<p><u>Primary place of residence</u></p> <p>40.1% former Wyong LGA</p> <p>52.3% former Gosford LGA</p> <p>3.0% Outside LGA (pays rates to Council)</p> <p>4.5% Not supplied</p>
<p><u>Council staff (or those in their households)</u></p> <p>5.3% of respondents work for Council, or lived with a Council employee</p>	<p><u>Council staff (or those in their households)</u></p> <p>4.3% of respondents work for Council, or lived with a Council employee</p>

The survey was open to Central Coast Council staff and their households. Staff (or those in their households) were asked to declare this at the end of the survey. The appendices contain results comparing 'Council staff households' with 'non Council staff households' for transparency.

Respondents under the age of 18 years, or who were neither a resident nor a Central Coast ratepayer were disqualified from taking the survey.

3.1.2 Data collection

Data handling and analysis was carried out using Council's online survey software and spreadsheets. All responses were de-identified to ensure the anonymity of respondents.

All open-ended responses were read and then coded by theme by Council staff. A guide to how each theme was coded can be found in **Appendix I**.

3.1.3 Overview of results

The full results of both surveys can be found in **Appendices B and C**.

Note: some totals may exceed or be less than 100% due to rounding (unless otherwise specified)

Survey 1	Survey 2
<p><u>Level of support for Option 1</u></p> <p>30.8% of respondents were either very supportive, supportive or somewhat supportive of Option 1.</p> <p>69.2% of respondents were either not supportive or not at all supportive of Option 1.</p>	<p><u>Level of support for Option 1</u></p> <p>25% of respondents were either very supportive, supportive or somewhat supportive of Option 1.</p> <p>75% of respondents were either not supportive or not at all supportive of Option 1.</p>
<p><u>Level of support for Option 2</u></p> <p>26.6% of respondents were either very supportive, supportive or somewhat supportive of Option 2.</p> <p>73.4% of respondents were either not supportive or not at all supportive of Option 2.</p>	<p><u>Level of support for Option 2</u></p> <p>20.4% of respondents were either very supportive, supportive or somewhat supportive of Option 2.</p> <p>79.7% of respondents were either not supportive or not at all supportive of Option 2.</p>

Survey 1	Survey 2
<p><u>Preference out of two options</u></p> <p>69.6%* preferred Option 1 – Temporary Fix - 10%</p> <p>30.4% preferred Option 2 - Securing our Future – 15%</p> <p>*Of those who selected Option 1, 40.9% indicated in free text they actually preferred neither option.</p>	<p><u>Preference out of two options</u></p> <p>76.3% preferred Option 1 – Temporary Fix - 10%</p> <p>23.7% preferred Option 2 - Securing our Future – 15%</p>
	<p><u>Preference out of three options</u></p> <p>10.3% preferred Option 1 – Temporary Fix - 10%</p> <p>17.4% preferred Option 2 - Securing our Future – 15%</p> <p>72.4% preferred No rate rise – rate peg only</p>

<p><u>Reasons for selecting Option 1</u></p> <p><i><u>Note one response could contain multiple reasons so the total exceeds 100%</u></i></p> <ul style="list-style-type: none"> • Prefer neither option (40.9%) • Should not pay for financial mismanagement (38.3%) • More affordable option/less impact on ratepayers (13.3%) • Other savings or revenue options should be found (11.5%) • General comments on poor Council services (9.2%)** • Lack of trust managing finances in future (7.6%) • Concerns about impact of merger (4.7%) • This option still means we get less but pay more (1.6%) • Would like continuation of services (0.4%) • Other (28.4%) • No reason given (8.7%) 	<p><u>Reasons for selecting Option 1</u></p> <p><i><u>Note: one response could contain multiple reasons so the total exceeds 100%.</u></i></p> <ul style="list-style-type: none"> • Should not pay for financial mismanagement (24.5%) • More affordable option/less impact on ratepayers (22.0%) • Lack of trust managing finances in future (11.2%) • Prefer neither option (7.9%) • General comments on poor Council services (7.9%)** • Other savings or revenue options should be found (7.6%) • Would like continuation of services (6.2%) • This option still means we get less but pay more (1.6%) • No reason given (18.1%) • Other (31.2%)
<p><u>Reasons for selecting Option 2</u></p> <p><i><u>Note: one response could contain multiple reasons so the total exceeds 100%.</u></i></p> <ul style="list-style-type: none"> • Would like problem fixed (28.1%) • Would like to keep service levels (25.4%) • More sustainable for long-term (14.0%) • Still should not pay for financial mismanagement (11.2%) • Prefer neither option (7.3%) • Must manage finances better in future (7.1%) • General comments on poor Council services (6.9%)** 	<p><u>Reasons for selecting Option 2</u></p> <p><i><u>Note: one response could contain multiple reasons so the total exceeds 100%.</u></i></p> <ul style="list-style-type: none"> • Would like to keep service levels (28.8%) • Would like problem fixed (27.4%) • More sustainable for long-term (12.2%) • Must manage finances better in future (9.1%) • Would like to see improved services/levels (7.7%) • Still should not pay for financial mismanagement (6.6%) • General comments on poor Council services (5.9%)** • Prefer neither option (1.8%) • No reason given (10.7%)

Survey 1	Survey 2
<ul style="list-style-type: none"> • Would like to see improved services/levels (5.8%) • Other (24.5%) • No reason given (10.1%) 	<p>Other (27.9%)</p> <p><u>Reasons for selecting Option 3</u></p> <p><i>Note: one response could contain multiple reasons so the total exceeds 100%.</i></p> <ul style="list-style-type: none"> • Should not pay for financial mismanagement (55.1%) • I and/or others in the community can't afford a rate rise (15.6%) • General comments on poor Council services (13.5%)** • Other savings or revenue options should be found (11.3%) • Lack of trust managing finances in future (9.3%) • Concerns about impact of merger (7.7%) • Rates are already too high (5.5%) • No reason given (8.7%) • Other (35.6%) <p>** Examples of poor services provided in responses include lack of maintenance of roads, open space and natural assets, lack of kerb and guttering, among others.</p>

Survey 1	Survey 2
<p><u>Appointment of a financial controller</u></p> <p>81.9% of respondents were either very supportive, supportive or somewhat supportive of appointing an independent financial controller.</p> <p>10% of respondents were either not supportive or not at all supportive of appointing an independent financial controller.</p> <p>8.1% of respondents were unsure.</p>	<p><u>Appointment of a financial controller</u></p> <p>80.6% of respondents were either very supportive, supportive or somewhat supportive of appointing an independent financial controller.</p> <p>10.1% of respondents were either not supportive or not at all supportive of appointing an independent financial controller.</p> <p>9.3% of respondents were unsure.</p>

Key findings from both surveys

- A majority of survey respondents do not support a rate rise.
- Those who do not support a rate rise feel that ratepayers should not shoulder the burden of Council's mistake/s.
- There is concern about the affordability of a rate rise for either themselves or others in the community.
- Some respondents feel Council's maintenance of roads, open space and natural assets is already poor.
- Some respondents feel they already don't get value for money paid due to a perceived lack of maintenance of Council assets, or lack of expected infrastructure in their immediate area, such as kerb and guttering.
- Some suggestions about alternatives to a rate rise include (but are not limited to) seeking NSW Government funds, increasing revenue from fines, selling assets, reducing staff, employee pay cuts, reduction of capital works and scaling back services and expenditure in general.
- A minority of survey respondents support a rate rise.
- The key reasonings behind support is to 'fix the problem', maintain services and/or to create a sustainable pathway forward for Council.
- Some respondents who support a rise also expressed a desire to improve the Central Coast through improved assets and economic growth and investment.
- General sentiment from respondents (either in support or against a rate rise) showed the community would like to understand who is accountable for the financial issue and what actions will be taken against these individuals or entities.
- Some respondents will continue to distrust Council, with others stating their expectations of better financial management and accountability in the future.
- There are some suggestions from respondents that corruption or fraud has occurred.

- There is overall strong support for the appointment a financial controller.

A full list of themes raised throughout consultation can be found in **Section 4**. Council's response to these themes can also be found in this section.

Sample of comments from surveys

Below is a small sample of comments respondents provided as reasons for their support or lack of support for a rate rise.

Lack of support for an SV

"Rates are high enough as it is. Sell more assets, it's not the ratepayers fault the council mismanaged our funds!"

"I believe that the financial impact on individuals within the community will far more impactful than you are anticipating. Landlords will pass on the increased costs to their tenants at the first opportunity. Pensioners who are already struggling will find it that much harder again for them to cope. I would prefer to see additional funds raised through paid parking at our beaches for visitors to the Central Coast and residents supplied with a parking permit in their annual rates notice with the option of purchasing a reduced rate annual parking pass if required. I think that this would raise more money than the rate increase."

"I am not supportive of penalising business with increased rate costs that are much greater than the residential rates. You need to be encouraging business to survive in the region. If the businesses are not competitive customers will shop elsewhere and your rate base will diminish. As a business owner I am suffering from a reduced income due to the economic situation. I find it very irritation [sic] that you think businesses are in a situation where they can find an additional \$1000 +(about) without serious impact to their business. You need to bias your income recovery more towards the residential sector."

"The whole rise is a joke. You've advised money was illegally accessed yet there is no legal action being taken on the people who illegally accessed it. There is no communication given about what is going to be implemented in to prevent this happening again. Our rates are already one of the highest if not the highest as they are why are these funds not being properly managed. Your backing residents into a corner of making us forcibly pick which we would prefer out of the two even after adding the option of no rise. You want an increase to cut services or keep them as the same and improve nothing at all."

"In a year of unprecedented financial pressure, it's unconscionable to expect ordinary citizens already struggling with a global economic downturn to carry the burden of the poor choices made by people that were elected to make responsible choices for the good of the community."

"I do not approve of either option. We elect and you employ Council staff to run the Council and manage the rates you collect from us. If there was a problem with the amalgamation of the Council you should have been contacting your higher authorities and advising them of the problems. You should absolutely not have unlawfully used any funds for any purpose and I think your comment that they have "undoubtedly benefited the community" is ridiculous - it was illegal

for any reason and you should not have done it. It should not be our problem to bail your mis-management out. Do you know how many residents have been affected by COVID-19 with losing their jobs, having restricted hours, let alone dealing with a business downturn or losing their business? You should be applying to financial institutions or for assistance from your higher authorities to bail you out for your mis-management of funds, not your residents who trust you to do the right thing with the money we pay you and to manage your finances properly. In no other situation can you mis-use the money someone has paid you and then ask them to pay you more to fix your mistakes."

"Council senior managers don't know how to manage money. There is no point allowing them to waste even more and get into greater debt than they have already created. Council needs more frontline staff and fewer managers and councillors who have had the nerve to vote for a payrise for themselves despite their incompetence. "

"Until someone is held accountable for this debacle and the root cause clearly explained, no rates should be increased. Also, why is Wyong paying more than Gosford. Gosford was the problem the first time round with \$70M in the red and Wyong \$20M up, and where is the promised \$100M from State Govt - remember? If any business was run this way, people would be held accountable and the organisation put into liquidation. So, NO support until someone goes to jail."

Support for an SV

"A reduction in Council's services would be detrimental to our standard of living. Given the forecast increase in population, more needs to be spent on roads and active transport infrastructure."

"Lack of trust in council's ability to effectively use the additional funds from Option 2. A rate rise needs to happen to maintain services. But council has demonstrated little evidence that the structural forces that lead to the current financial position have changed. I would be open to an additional increase to 15% in 2-3 years, once council demonstrates it is able to effectively meet their fiscal responsibilities after a 10% increase."

"The Coast absolutely thrives on the money council has put and needs to continuing putting in to the community. The knock-on effects of what makes the Coast attractive to both live and visit of a tightened budget would be disastrous. While I'm not exactly enthusiastic about a 15% rise, the alternative is very very worrying. With an ever increasing demand for people looking to live and work from here, this is definitely not the time to stall or deteriorate our public spaces."

"Moving here from Blue Mountains Council I was surprised at how low my rates were compared with BMCC and although no one likes paying more I think CCC rates are too low compared with other areas."

3.2 Method 2: Self-initiated feedback

In addition to the survey, Council received self-initiated feedback in various written formats. A total of **378** written submissions were received. Correspondence was made via:

- Emails/forms - **335 received** (via securingyourfuture@centralcoast.nsw.gov.au, ask@centralcoast.nsw.gov.au, emails sent to the administrator or CEO or other council addresses, and inquiries lodged via council's standard online inquiry form.)
- Hard copy letters in post - **43 received**

The themes and issues raised in self-initiated feedback were similar to those raised in the survey.

A full list of themes raised throughout consultation can be found in **Section 4**. Council's response to these themes can also be found in this section.

Some correspondence contained questions specific to ratepayers' specific rates circumstances.

Council also received a high volume of phone enquiries. A large volume of customers phoned Council asking for assistance to complete the survey or talk to an officer about the impacts and ask questions.

4 Council's response

Due to the large volume and variety of content contained within community feedback, not every issue or theme was able to be included and responded to in the following table, however all feedback has been read and will be considered in Council's application to IPART.

Theme	Summary of theme / Example of comment	Council's response
Accountability	<p>Will Councillors / former CEO / Executive / State Government / staff / others be made accountable for this situation?</p> <p>Calls for investigations / prosecution / disciplinary action</p> <p>Concern over former CEO payout</p> <p>If funds were accessed unlawfully, why can't those responsible be prosecuted?</p>	<p>It is important to understand that, while spending restricted funds for purposes other than what they were collected for may be a breach of the Local Government Act, it is not illegal and therefore criminal consequences do not apply.</p> <p>The consequences of unlawful spending of restricted funds may include the paying back of the restricted funds or other such sanctions to ensure the restricted funds are used in accordance with the requirements of the Act.</p> <p>Under the Act, the CEO is the 'accountable officer', with responsibility for financial management. The CEO's required performance was not met and as such his position was terminated.</p> <p>The CFO position was vacant at the time of the appointment of the Administrator. Council would like to reiterate, there is no evidence to support claims of theft or corruption. In relation to the question of why the CEO received such a large payout that is answered in the Administrator's 3 Month Progress Report on p4: 'I formed the view this was the best of bad options presented by the contract.' It is also answered in an Administrator column published on Monday 11 January: 'It is understandable that the community is angry about the 'full payout' given to the former Central Coast Council CEO following his termination.</p> <p>I was too because as I said in my 30-Day Report, the former CEO did not adequately perform key parts of the role and therefore was a major contributor to the financial decline confronting the Council.</p>

Theme	Summary of theme / Example of comment	Council's response
		<p>However, given the provisions of the contract and the laws governing employee legal rights, a full payout of 38 weeks was necessary. This was the quickest way to allow the recruitment of a new CEO (usually 3-4 months) and expediate Council's move toward financial recovery.</p> <p>The path to remove a CEO for unsatisfactory performance, which would still have seen 13 weeks' paid out, would have required a performance review to be conducted and the CEO an opportunity to respond. This would have taken at least eight weeks and would have been difficult given the previous Council determined his performance as "meets expectations" in the two previous CEO performance reviews.</p> <p>This timetable also assumes Mr Murphy was available to be interviewed. On the two occasions I requested a meeting he declined to meet.</p> <p>Given all this, I stand by my decision as the best for the long-term future of the Council, its ratepayers and staff. I regret I could not find a better way forward.</p>
Where did the money go?	Who made decisions to spend so much money?	<p>In the Administrator's 3 Month Progress Report, published on 3 February, the Administrator reiterates the view in his earlier Interim-Report that 'the performance of the CEO, Mr Murphy, did not meet required standards, particularly in the core requirement of sound financial management.' The CEO's contract was terminated on 30 November 2020. Further in the report the Administrator states 'I am satisfied that the former CEO did not create a culture or structure whereby the Executive Team were able to discuss the overall Council finances. The Budget process was poorly controlled and there was little leadership from the CEO or CFO (Chief Financial Officer). It is the CFO and CEO who present a budget and Operational Plan for endorsement by Council every financial year and the Council adopts that budget and Plan.</p>
	Can we get a list of projects the money was spent on?	<p>A full list of all Council projects is available through Council's annual Operational Plan which is</p>

Theme	Summary of theme / Example of comment	Council's response
		<p>updated every quarter. Council will make a full list of all projects delivered since amalgamation on Council's website. The Administrator Report presented to Council on 14 December 2020 highlighted a capital works program of \$242M in 2019-20 with 1,383 projects delivered. The Mardi to Warnervale Pipeline project was managed effectively in 2019/20 which meant that aspects of the around \$50 million project were brought forward and over \$14 million was expended on one of the region's most significant infrastructure projects. This 9km pipeline will boost water supply to the Central Coast's rapidly growing norther suburbs and will improve water security for the entire region.</p> <p>Not all the works undertaken were major projects, significant infrastructure renewal and improvement was undertaken through the year. This included the resurfacing of 107km of road, upgrading 82 bus stops to make them accessible, 4.9km of drainage infrastructure and the upgrade of four wharves to improve access and usability. Work was also undertaken on projects that not only maintain essential services but also enhance the amenity of open spaces on the coast. These included works at Adcock Park, EDSACC at Bateau Bay, Heazlett Park in Avoca, Don Small Oval at Tacoma and Koolewong Foreshore on which a combined total of \$7.137 million was spent. Over \$6 million was spent on the maintenance and renewal of community assets including seven child care centres, 18 library projects, 11 community halls and 18 community centre projects.</p>
Some suggestion corruption may have occurred	The Independent Commission Against Corruption (ICAC) should be investigating	<p>This question is answered directly in the Administrator's 3 Month Progress Report (p5):</p> <p>'There is a difference between unlawful and illegal. A breach of the Local Government Act is not a criminal or corrupt act. ICAC deals with matters of fraud, corruption or malpractice. The 'unlawful' use of funds would be of great concern to the Minister for Local Government and would be something</p>

Theme	Summary of theme / Example of comment	Council's response
		the NSW Government considers when deciding the future of the council.
Ratepayers should not pay for financial mismanagement	<p>Councillors/the former CEO/ senior staff / the NSW Government are responsible, not ratepayers</p> <p>Why should ratepayers bail out Council / pay for mismanagement</p>	<p>Answered as an FAQ on the Your Voice Our Coast - Securing your future with a rate rise page: A rate rise is on the table to help secure Council's long-term financial future. Our long-term financial plan sets out the funding needed to secure this future. The Plan includes selling assets, securing loans, reducing our workforce, materials and contracts and also a rate rise.</p> <p>Council's current financial situation is due to spending more money than we had coming in, both before and after amalgamation. Money was not lost, rather, it was spent on infrastructure and services that directly benefited the community. This money came from restricted funds. For example, in 2019-20 \$242M was spent on infrastructure and services, delivering 1,383 projects including a new pipeline between Mardi and Warnervale, resurfacing of 107km of roads, drainage infrastructure and upgrade to wharves, parks, playgrounds and sporting fields.</p> <p>To deliver this infrastructure, along with maintaining high-quality services to the community such as libraries, cultural events, aquatic centres and outdoor recreation spaces, more people have been employed at Central Coast Council than at the time of amalgamation. While this practice impacted Council's finances negatively, these staff were active and productive members of the organisation delivering services to the Central Coast.</p> <p>Our community deserves a high level of service and our goal is to continue to provide these services for the benefit of the entire community and to the standard that they expect.</p> <p>If Council does not receive an SV, we will have to close or reduce the standard and range of services provided. It would also see the condition of the Central Coast's assets deteriorate as there would be an ever-increasing gap in the funds required to</p>

Theme	Summary of theme / Example of comment	Council's response
		<p>maintain our existing infrastructure assets. Council's fees and charges would increase significantly, and the level of subsidies and support Council provides to many organisations would decline.</p> <p>The full detail of Council's current financial situation and the reasons for it are outlined in the Administrator's 30-Day Interim Report.</p>
Lack of trust managing finances in future	<p>What guarantees are there that this won't happen again?</p> <p>Council needs to improve financial management</p> <p>A temporary 10% fix means you can see if increases are required after seven years</p> <p>Council will waste the money again</p> <p>Need more oversight into Council's affairs</p> <p>Council needs better processes/systems/ budgeting</p> <p>Appoint people with financial expertise/improve leadership</p>	<p>Answered in the Administrator's 3 Month Progress Report published on 3 February 2021 on page 3: 'Mr Hart, along with our new CFO, Ms Cowley, and our new Chief Operating Officer, Mr Ryan, are well advanced with the development of new financial reporting systems which will play a major role in ensuring this does not occur again. They will provide the community with online access to Council's financial position at the end of each month. This information will show how well council is adhering to its budget and how the cash reserves are being used. On page 2 of the same Report the Administrator advises he will be 'recommending that Mr Hart then be appointed by the Minister as Financial Controller once the new CEO takes office. A Financial Controller has powers that override the Councillors (should they return) regarding all financial matters.'</p>
Affordability	<p>Option 1 is more affordable</p> <p>I can't afford a rate rise</p> <p>Rate increases will be passed onto renters</p> <p>COVID-19 has impacted my ability / the community's ability to pay</p>	<p>Answered in the letter to ratepayers - 'The prospect of a rate rise will be particularly difficult news for our pensioners and those in the community who are really doing it tough. Please be assured help is at hand. Pensioner rebates will apply and we have a Debt Recovery and Hardship Policy in place for those who may have difficulty paying their rates' and in an FAQ on YVOC webpage:</p>

Theme	Summary of theme / Example of comment	Council's response
	<p>This will have significant impact on my fixed income</p> <p>The rate is above inflation and/or my pay increases</p> <p>I can afford the rate rise but others in the community cannot</p> <p>Will there be further rate rises?</p> <p>I can't afford any further rate rises after this one</p> <p>Can the rise be a flat fee and not a percentage?</p> <p>What happens if I don't pay, will you take my house?</p>	<p>Council understands that a rate rise will hit sections of the community harder than others. Council provides rebates and hardship assistance for those having trouble paying their rates and encourage the community to refer to Council's Debt Recovery and Hardship Policy which includes pensioner rebates as well as personalised payment plans. Under the Policy, Council is committed to engaging with our customers to limit the unreasonable use of legal action in recovering any arrears in rates and look at each individual case of genuine financial hardship. Council is required to conform with regulations 133 and 213 of the Local Government Act which deals with procedures for the sale of land to recover overdue rates and charges and writing off debts to Council. Where any rate or charge is overdue and remains unpaid for more than 1 year in respect to vacant land or 5 years in respect to any other land, from the date it became payable, Council may proceed to sell the land, as a last resort. Under the Policy, Council will not reduce rates or annual charges, but will consider alternative available approaches to dealing with cases of financial hardship. This Policy has been reviewed and updated and will be presented to the 8 February 2021 Ordinary Council Meeting for public consultation and encourages the community to have their say.</p>
Suggestions of other revenue raising options	<p>Seek money from other levels of government</p> <p>NSW Government should pay</p> <p>Cut back on staff/project/general costs</p> <p>Reduce executive salaries</p> <p>Sell more assets</p> <p>Some assets should not be sold eg open space</p>	<p>Rates are an important source of Council and represent 29% of Council's income. Council also receives grant funding from State and Federal Governments and from fees and charges. Council is already working on sourcing more income for Council, through our Business Recovery Plan, which includes the sale of underutilised assets, reducing staff numbers and our capital works program, looking closely at our fees and charges and securing more bank loans.</p>

Theme	Summary of theme / Example of comment	Council's response
	<p>The rate rise should be more than 15% / should have been raised earlier</p> <p>Issue more fines to raise revenue</p> <p>Charge more for other services</p> <p>Reduce services like libraries, pools, childcare</p> <p>I don't mind reduced services / I don't use many services anyway</p>	
Concerns about impact of amalgamation	<p>The Councils shouldn't have amalgamated – can we demerge?</p> <p>This is caused by amalgamation</p> <p>Wyong was better off/Gosford was worse off. Wyong have always been paying more rates than Gosford and got less.</p> <p>Amalgamation was meant to reduce costs</p>	Council amalgamations and demergers are a decision of the State Government. In the Administrator's 30-Day interim report the highlights that Council's rapid financial decline was due to several matters, with only the IT costs directly related to amalgamation.
There is disparity in rates across the former Wyong and Gosford LGAs	<p>Wyong rates are already too high</p> <p>Wyong subsidises Gosford ratepayers</p> <p>Equalising rates should have happened before a rate rise was considered</p> <p>My area needs a fairer share</p>	Answered in the FAQs on YVOC - Since the merger Council has been required to maintain two rating systems. This was due to a four-year rate freeze imposed by the NSW Government. This meant that Council could not adjust rates beyond the rate peg in the first four years after amalgamation. Under current legislation Council must maintain one consistent rating structure to ensure a fairer and more equitable system across all rating categories within the Central Coast Local Government Area. This will be a separate process to the SV and will

Theme	Summary of theme / Example of comment	Council's response
	of investment across the region	also take effect from 1 July 2021 and will only affect general rates.
General comments on poor Council services	<p>A rate rise will mean we will get less but pay more</p> <p>The Coast is already a mess – weeds and rubbish everywhere. I used to have pride in the area.</p> <p>I don't have curb/gutter/water/sewerage</p> <p>Central Coast roads are poor</p> <p>I don't get much for my rates already</p> <p>Dealing with Council is challenging/slow response time/inadequate actions</p>	<p>Council has overspent on programs in both capital works and general operations, which has actually seen more infrastructure built for the community and more services delivered. Council embarked upon a \$242m capital works program which is \$69m more than the average capital spend over the previous two financial years, based on the incorrect assumption the capital works program could be paid for from Restricted Reserves.</p> <p>A number of these projects exceeded their budget – for example the Water Fund exceeded its capital budget allocation for 2019/20 financial year by \$12m, while the Sewer Fund exceeded by \$2.6m and Drainage Fund exceeded by \$1.2m.</p> <p>Council has had to take significant steps towards financial recovery, which has included a review of service levels including reduction in staff resources across the whole organisation. Council remains committed to continuing the delivery of essential services for the community.</p> <p>Council has prioritised mowing work in order of; safety (roadsides), playability (sportsgrounds), usability (parks/playgrounds) and amenity (sports surrounds, reserves, roadsides and centre medians).</p> <p>Council has prioritised its general funded Road and Drainage Capital Works Program in line with its Business Recovery Plan. All works were prioritised based on current stage of completion, as well as public safety and risk. From there, determinations were made regarding which projects were able to be deferred for completion at a later date when funding resources become available. Council also continues to prioritise Water and Sewer works in a similar way.</p> <p>The current Wyong rates were \$1194 per year, while Gosford was \$1015. With a proposed rate rise, Council rates would still be less than surrounding regions per year such as Newcastle</p>

Theme	Summary of theme / Example of comment	Council's response
		<p>(\$1582), Cessnock (\$1261) and Lake Macquarie (\$1494).</p> <p>Council delivers many free services for the community, and for every rates payment it receives Council invests it back into:</p> <p>Roads and paths</p> <p>Sport, recreation and community facilities</p> <p>Waterways and natural environment</p> <p>People, arts and culture and leisure</p> <p>Libraries and learning</p> <p>Planning, building, health and economic development</p> <p>Council now has an improved online customer service centre for the community, which provides more self-service options when lodging a request. It can also assist customers to find information and tips on how to resolve their issue quickly and easily. Users can submit customer service enquiries, provide feedback or report any issues that you would like Council to action. Once registered, users can also track and view any updates to their service requests.</p>
Would like to keep service levels or see improved services/levels	<p>Expects more/improved services with increase</p> <p>Will see the Central Coast grow / get better / thrive</p> <p>A rate increase will encourage investment and grow the economy</p> <p>The area/Coast needs to improve</p>	<p>A 15% rate increase is expected to have the following impacts to service Council provides to the community:</p> <p>Maintaining opening hours and programs at pools, libraries, although no new facilities would be constructed.</p> <p>Maintenance of sporting and community facilities, parks and gardens would remain as is, with no increase to mowing, planting or maintenance</p> <p>Construction of roads, footpaths, cycleways and drains would continue</p>

Theme	Summary of theme / Example of comment	Council's response
		<p>Environmental programs would be retained (eg weed removal and native vegetation programs)</p> <p>Processing times for customer requests, applications and permits would remain the same</p> <p>Community events maintained, but not expanded</p> <p>No rate rise (rate peg only), or a 10% rate increase is expected to result in reduced Council services. A list of impacts can be found at yourvoiceourcoast.com (Fact sheet: Impacts on rates and Council services)</p>
Concerns about community consultation	<p>Both surveys forced participants to select either option one or two</p> <p>The data will be skewed</p> <p>Feel bullied and threatened with loss of services if we don't pay more</p> <p>Rate rise will happen regardless of objections and feedback</p> <p>The letter arrived late</p> <p>I didn't receive a letter</p> <p>Timing of consultation was too short / inappropriate over holidays</p>	<p>Answered in individual emails and in updated information on YVOC at the time.</p> <p>Council extended the survey options for the community to have their say on a rate rise for the Central Coast. A second survey with an additional question about the option of 'no rate rise – rate peg only' was open from 22 January 2021 until Monday 1 February.</p> <p>This second survey was developed in direct response to community feedback that many residents and ratepayers felt restricted in their opportunity to express their views about the option of 'no rate rise – rate peg only.'</p> <p>The first survey closed at 22 January 2021 and 3800 surveys were completed. A report on the first and second survey results will be made publicly available at the 8 February Ordinary Council Meeting and the feedback will be reported to Council and IPART, including feedback that states a lack of support for a special variation.</p> <p>Council presented information to the community on the impacts of the two proposed rate rise options (10% and 15%) as well as rate peg only, including impacts on service delivery. Council was seeking community understanding of Council's current financial situation, the work Council was doing to address the financial situation and the need for a rate rise. Council delivers hundreds of services to the community each and every day and</p>

Theme	Summary of theme / Example of comment	Council's response
		was being realistic about the impacts on services without a rate rise. Council recognised and apologised for the issues relating to the mailing out of letters to ratepayers. Ratepayers who contacted Council directly were provided with a copy of the letter.
Concerns about content provided to the community	<p>The figures provided to the community are not correct</p> <p>How were the figures calculated?</p> <p>The impact of rates harmonisation wasn't clear</p>	The average figures provided to the community have been developed from financial modelling based on current property data and land values used as of 1 July 2020. Updated land values are provided to Council regularly (due to changes in development, to correct errors or as a result of objections) which Council must use until the new set of land values are issued. The NSW Valuer General issues councils with new land values every 3 years. A new set of land values will be supplied by the NSW Valuer General and applied from 1 July 2023. The final 2021-22 rate levied may vary due to IPART decisions, the specific category your property falls in and marginal movements due to model sensitivity.

5 Next steps

A telephone survey is planned for February, following a decision from Council seeking feedback on the percentage increase Council will propose to IPART. This survey will involve a randomly selected sample of residents to more accurately reflect and represent the population makeup of the Central Coast resident/ratepayer base.

Council is still accepting any written submissions or feedback up to 26 February 2021.

Residents, ratepayers and business can still provide a submission to IPART up to 1 March.

IPART will then make their determination and advise Council by in May 2021.

6 Appendices

Appendix A: Online survey (with linked factsheet)



Securing your future with a rate rise - Survey two (22 January 2021)

New information as at 22 January 2021

Council is extending the survey options for the community to have their say on a rate rise for the Central Coast. This second survey has an additional question about the option of 'no rate rise – rate peg only' and is now open for you to complete. The updated questions are in question 7 and 8. This survey closes at 5pm on Monday 1 February 2021.

This second survey is in response to community feedback that many residents and ratepayers felt restricted in their opportunity to express their views about the option of 'no rate rise – rate peg only.'

The first survey closed at 9am on 22 January 2021 and over 3,300 surveys were completed. A report on the first and second survey results will be made publicly available and the feedback will be reported to Council and IPART, including feedback that states a lack of support for a special variation.

Anyone can complete this second survey, including those who responded to the first survey.

Thank you for your feedback and commentary about this important matter.

Introduction

Thank you for your feedback and commentary about this important matter.

Thank you for having your say on the financial future of Central Coast Council.

In this survey we will be asking you which of the two proposed special variation options you prefer and why.

Your feedback will be used to inform Council's submission to the Independent Pricing and Regulatory Tribunal (IPART) with a Community Consultation Report due on 1 March 2021.

This survey should take approximately 10 minutes to complete and you cannot save the form to complete later.

More information on the special variation process is available at yourvoiceourcoast.com, including information on why we are asking our community for a rate increase and how it will be spent.

Important: Charges for Council's water, sewerage and stormwater drainage services are not part of this special variation process and are subject to a different pricing submission that will be submitted to IPART in September 2021.

If you have difficulty understanding or completing this survey, please call 1300 463 954 for assistance and one of our staff will guide you through the process.

Your attention is drawn to the provisions of the Government Information (Public Access) Act 2009 which allows for possible access to certain public and personal documentation. [View our privacy statement.](#)

* 1. Are you a resident or a ratepayer in the Central Coast Local Government Area?

- ☐ Resident
- ☐ Ratepayer
- ☐ Both
- ☐ Neither

* 2. Which type of rates do you pay to Council?

- ☐ Residential rates
- ☐ Business rates
- ☐ Farming rates
- ☐ Mining rates
- ☐ None - I don't pay rates to Council

* 3. How old are you?

- ☐ Under 18
- ☐ 18-24
- ☐ 25-34
- ☐ 35-49
- ☐ 50-59
- ☐ 60-69
- ☐ 70-84
- ☐ 85 or over

* 4. How were you made aware that Council was seeking feedback on a special variation?

- ☐ Letter from Council
- ☐ Social media
- ☐ Media (eg TV, newspapers, radio)
- ☐ Word-of-mouth
- ☐ Council's e-news
- ☐ Other (please specify)

Why do we need a rate increase?

Council's current financial situation is due to spending more money than we had coming in, both before and after amalgamation. The money came from restricted funds. The money was not lost rather, it was spent on infrastructure and services that directly benefited the community. In 2019-20 \$242M was spent on a capital works, delivering 1,383 projects including a new pipeline between Mardi and Warnervale, resurfacing of 107km of roads, drainage infrastructure and upgrade to wharves, parks, playgrounds and sporting fields.

Infrastructure and services were delivered based what on the community told us were their priority through the [Community Strategic Plan](#) and ongoing engagement on the [Delivery Program and annual Operational Plan](#).

Council's projected financial result for the year ending 30 June 2021 will be a loss of \$115.1M. At the end of this financial year, accumulated losses over the past four years will be more than \$200M. Accumulated debt (including the owed restricted reserves) will be in the order of \$565M.

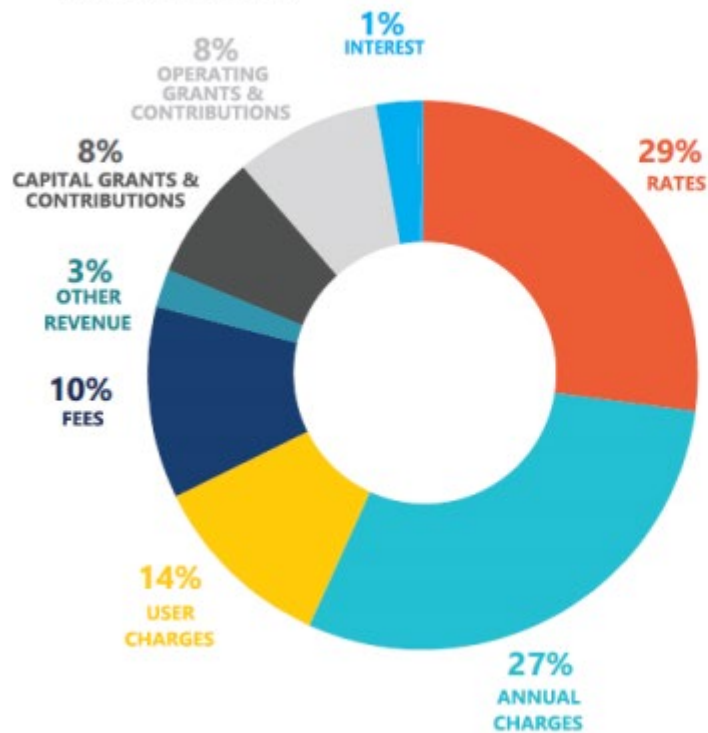
Council is taking a number of measures to address our current financial situation and these are outlined in Council's Business Recovery Plan. [This is available on Council's website](#).

Actions under the plan include:

- Reducing headcount back to pre-amalgamation numbers from over 2,500 to under 2000 – cost savings of \$30M
- Reducing materials and contracts by \$20M
- Maintaining infrastructure spending at \$170M
- Obtaining \$150M in bank loans
- Selling \$40-\$60M in underperforming assets
- Generating additional revenue

These measures will not be enough to help with financial recovery and an Special variation is required for the long-term sustainability of Council finances, to repay borrowed restricted funds and for Council to be able to deliver the services the community need and want.

Where does Council's income come from?



Rates are an important source for Council and represent 29% of Council's income. Council also receives grant funding from State and Federal Governments and from fees and charges.

Council understands that a rate rise will hit sections of the community harder than others. Council provides [rebates and hardship assistance](#) for those having trouble paying their rates – please refer to the Debt Recovery and Hardship Policy. This includes pensioner rebates as well as personalised payment plans.

The options

You will now be presented with information on the current base rating scenario, and the two special variation options Council is considering.

It's important to read through each option carefully to understand what this will mean for your rates over the coming years, and the impacts each option will have on Council services.

Base scenario: Rate peg only - 2.0% for 2021-22 and assumed 2.5% from 2022-23 and onwards

Council is currently permitted to charge annual increase of 2% through a rate peg, which is set by the IPART. Based on the IPART SV application the assumed rate peg is 2.5% from 2022-23 and onwards. All Central Coast ratepayers will be charged this rate peg regardless of Council's application for a special variation.

With a 2% increase (and rates harmonisation) the average residential increase will be \$0.42 a week and the average business increase will be \$1.24 a week.

Annually, this average increase is \$22.02 for residential and \$64.74 for business.

Under Council's financial situation, relying just on the annual rate peg increase would result in significant impacts to Council's services:

- Service closures including some library branches and community facilities
- Significant reduction in maintenance of facilities and infrastructure
- Significant deterioration of assets
- Significant reduction in road, footpath and drainage maintenance
- Reduced bulk kerbside collections quota
- Significant reduction to environmental programs (e.g. weed removal and native vegetation programs)
- Longer processing times for customer requests, development applications and permits and closure of service points
- More staff reductions and follow on service reductions
- Reduced maintenance of sporting facilities, parks and playgrounds – no new facilities or major upgrades only renewals based on safety
- No community events run by Council and no grants and sponsorship of other events
- Further sales of assets and land
- Significant increases in fees and charges

The following table shows average rate increases under a rate peg only scenario.

The exact amount you will pay will vary depending on the rating category for your parcel of land and the value of your land as determined by the NSW Valuer General.

Rate Peg only- 2% for 2021-22 and assumed 2.5% from 2022-23 and onwards						
	Current Year		Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Year 4 2024-25
Residential average	Gosford	\$1,015				
	Wyong	\$1,194	\$1,123	\$1,149	\$1,175	\$1,202
Business average	Gosford	\$2,593				
	Wyong	\$3,997	\$3,302	\$3,378	\$3,455	\$3,535
Farming average	Gosford	\$1,359				
	Wyong	\$2,909	\$1,863	\$1,906	\$1,950	\$1,995
Mining average	Gosford	-				
	Wyong	\$412,763	\$421,018	\$430,701	\$440,607	\$450,741
Total Council rate income increase*		2.6%	2.0%	2.5%	2.5%	2.5%
Total Extra Council Rate Income (from prior year)			\$3.5 million	\$4.4 million	\$4.5 million	\$4.6 million

* Note: The figures contained above are based on a harmonised rating system (using the maximum minimum) and the application of only rate peg (determined by IPART) to increase Council's total rate income. With the harmonisation of rates, general average rates for former Gosford ratepayers are likely to increase while former Wyong's will decrease.
The assumed rate peg from 2022-23 is 2.5% as per IPART's SV application. IPART determines the rate peg for each rating year and the rate peg for the future years from 2022-23 has not been determined as yet.

Option 1: Temporary Fix – 10%

In 2021-22 this rate increase would consist of the annual 2% rate peg and a further 8% Special Variation (SV) that would be applied once in 2021-22 and will remain in the rate base for seven years.

From 2022-23 the increase will revert to the rate peg, and in 2028-29 (year 8) the 8% SV will no longer apply.

With a 10% increase the average residential increase will be \$2.13 a week and the average business increase will be \$6.11 a week.

Annually, this average increase is \$110.76 for residential and \$317.72 for business.

While this option would increase Council's revenue, we still forecast substantial reductions in the levels of service provided to the community and some elimination of services.

This includes:

- Reduced opening hours or possible closure of facilities including leisure centres, libraries, childcare and community facilities
- Reduced maintenance of sporting facilities, parks and garden
- Reduced maintenance of roads, footpaths, cycleways and drains
- Reduced environmental programs (e.g. weed removal and native vegetation programs)
- Longer processing times for customer requests, applications and permits
- Fewer community events, limited grants and sponsorship
- Large increases in user fees and charges.

[Click here to download information on how service levels compare for each option.](#)

The following table shows average rate increases under Option 1.

The exact amount you will pay will vary depending on the rating category for your parcel of land and the value of your land as determined by the NSW Valuer General.

Option 1: Temporary fix– 10% (2% rate peg plus 8% SV and includes harmonisation)						
			Year 1	Year 2	Year 3	Year 4
	Current Year		2021-22	2022-23	2023-24	2024-25
Residential average	Gosford	\$1,015	\$1,212	\$1,241	\$1,272	\$1,304
	Wyong	\$1,194				
Business average	Gosford	\$2,593	\$3,561	\$3,650	\$3,741	\$3,834
	Wyong	\$3,997				
Farming average	Gosford	\$1,359	\$2,031	\$2,060	\$2,111	\$2,164
	Wyong	\$2,909				
Mining average	Gosford	-	\$452,914	\$465,390	\$477,025	\$488,950
	Wyong	\$412,763				
Total Council rate income increase*		2.6%	10.0%	2.5%	2.5%	2.5%
Total Extra Council Rate Income (from prior year)			\$17.3 million	\$4.8 million	\$4.9 million	\$5 million

* Note: The figures contained above are based on a harmonised rating system (using the maximum minimum) and the application of Special Variation (SV) to increase Council's total rate income above the rate peg. The proposal includes a temporary 10% increase in the first year (inclusive of 2% rate peg and 8% SV) dropping off after 7 years. With the harmonisation of rates, general average rates for former Gosford ratepayers are likely to increase while former Wyong's will decrease.

The assumed rate peg from 2022-23 is 2.5% as per IPART's SV application. IPART determines the rate peg for each rating year and the rate peg for the future years from 2022-23 has not been determined as yet.

* 5. How supportive are you of Option 1: Temporary Fix - 10%?

- ☐ Very supportive
- ☐ Supportive
- ☐ Somewhat Supportive
- ☐ Not very supportive
- ☐ Not at all supportive

Option 2: Securing Your Future – 15%

In 2021-22 this rate increase would consist of the annual 2% rate peg and a further 13% Special Variation (SV) that would be applied once in 2021-22 and will remain permanently in the rate base.

With a 15% increase the average residential increase will be \$3.20 a week and the average business increase will be \$9.30 a week.

Annually, this average increase is \$166.40 for residential and \$483.60 for business.

This option forecasts the maintenance of the current levels of service.

This includes

- Maintaining opening hours and programs at pools, libraries, although no new facilities would be constructed
- Maintenance of sporting and community facilities, parks and gardens would remain as is, with no increase to mowing, planting or maintenance
- Construction of roads, footpaths, cycleways and drains would continue
- Environmental programs would be retained (e.g. weed removal and native vegetation programs)
- Processing times for customer requests, applications and permits would remain the same
- Community events maintained, but not expanded.

[Click here to download information on how service levels compare for each option.](#)

The following table shows average rate increases under Option 2.

The exact amount you will pay will vary depending on the rating category for your parcel of land and the value of your land as determined by the NSW Valuer General.

Option 2: Securing your future – 15% (2% rate peg plus 13% SV and includes harmonisation)						
	Current Year		Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Year 4 2024-25
Residential average	Gosford	\$1,015	\$1,267	\$1,295	\$1,325	\$1,355
	Wyang	\$1,194				
Business average	Gosford	\$2,593	\$3,728	\$3,808	\$3,896	\$3,985
	Wyang	\$3,997				
Farming average	Gosford	\$1,359	\$2,123	\$2,149	\$2,199	\$2,249
	Wyang	\$2,909				
Mining average	Gosford	-	\$473,501	\$485,595	\$496,763	\$508,189
	Wyang	\$412,763				
Total Council rate income increase*		2.6%	15.0%	2.5%	2.5%	2.5%
Total Extra Council Rate Income (from prior year)			\$25.9 million	\$5.0 million	\$5.1 million	\$5.2 million

* Note: The figures contained above are based on a harmonised rating system (using the maximum minimum) and the application of Special Variation (SV) to increase Council's total rate income above the rate peg. The proposal includes a permanent one-off 15% increase (inclusive of 2% rate peg and 13% SV). With the harmonisation of rates, general average rates for former Gosford ratepayers are likely to increase while former Wyong's will decrease. The assumed rate peg from 2022-23 is 2.5% as per IPART's SV application. IPART determines the rate peg for each rating year and the rate peg for the future years from 2022-23 has not been determined as yet.

* 6. How supportive are you of Option 2: Securing your future option - 15%?

- ☐ Very supportive
- ☐ Supportive
- ☐ Somewhat Supportive
- ☐ Not very supportive
- ☐ Not at all supportive

* 7. If you had to choose between the two options, please tell us which one you would prefer?

- ☐ Option 1 – Temporary Fix - 10%
- ☐ Option 2 – Securing our Future – 15%

* 8. Please tell us what your preference is out of all three scenarios.

- ☐ Option 1 – Temporary Fix - 10%
- ☐ Option 2 – Securing our Future – 15%
- ☐ No rate rise – rate peg only

Note: Question 8 was not included in the survey 1

9. What is your reason for selecting this option?

Ongoing oversight of Council's finances

A 30-Day Interim Report about Council's financial situation was delivered by Central Coast Council Administrator Mr Dick Persson on 2 December 2020. [You can read a full copy of the report on Council's website.](#)

In the report the Administrator said, "Central Coast Council is in this position due to the mismanagement of finances resulting in the unlawful expenditure of funds from restricted reserves. These reserves need to be repaid, and the increase in revenue from an SV will support this process. An option available to the Minister to allow greater oversight of Council's finances is to appoint a financial controller independent of Council to oversee the expenditure of funds."

* 10. How supportive are you of the appointment of an independent financial controller?

- ☐ Very supportive
- ☐ Supportive
- ☐ Somewhat Supportive
- ☐ Not very supportive
- ☐ Not at all supportive
- ☐ Unsure

Lastly, please tell us a little more about you. This information will help us better analyse data, and capture trends around the Central Coast.

* 11. What is your gender?

- ☐ Male
- ☐ Female
- ☐ Non-gender-specific
- ☐ Prefer not to indicate

* 12. Are you of Aboriginal and/or Torres Strait Islander origin?

- ☐ Yes
- ☐ No
- ☐ Prefer not to indicate

* 13. What is your primary suburb of residence?

* 14. How long have you lived in the Central Coast area?

- ☐ Less than 2 years
- ☐ 2 – 5 years
- ☐ 6 – 10 years
- ☐ 11 – 20 years
- ☐ More than 20 years
- ☐ Never – I just own property there

* 15. Which of the following best describes your current employment status?

- ☐ Currently in full time paid employment
- ☐ Currently in part time paid employment (at least 10 hours a week)
- ☐ Currently in casual paid employment
- ☐ Studying at school, TAFE or university
- ☐ Retired from paid employment
- ☐ Currently looking for paid employment
- ☐ Home duties
- ☐ Prefer not to indicate

Other (please specify)

* 16. Do you or someone in your household work for Central Coast Council?

- ☐ Yes
- ☐ No

Fact sheet: Impacts on rates and Council services

January 2021

About

Council has resolved to consider applying to the Independent Pricing and Regulatory Tribunal (IPART) for a rate rise to help with Council's financial recovery. This process is called a Special Variation (SV) application.

Council has resolved to consider 2 SV options:

- **Option 1: Temporary Fix Option** – a 10% one-off increase to its rate income, remaining in the rate base for 7 years
- **Option 2: Securing Your Future Option** – 15% one-off increase to its rate income, remaining in the rate base permanently.

This fact sheet provides information the rate impacts for the current base scenario (a 2% rate peg increase only) and for the two special variation options.

This fact sheet also includes a comparison of the impacts each option will have to Council services against the base scenario.

More information on the special variation process is available at yourvoiceourcoast.com, including information on why we are asking our community for a rate increase and how it will be spent.

If you have difficulty understanding this information, please call 1300 463 954 for assistance.

Disclaimer

The proposed new rating structure and SV is pending approval of Council and IPART.

The averages quoted within this document have been developed from financial modelling based on current property data and land values used as of 1 July 2020. Updated land values are provided to Council regularly (due to changes in development, to correct errors or as a result of objections) which Council must use until the new set of land values are issued. The NSW Valuer General issues Councils with new land values every 3 years. A new set of land values will be supplied by the NSW Valuer General and applied from 1 July 2023.

The final 2021-22 rate levied may vary due to IPART decisions, the specific category your property falls in and marginal movements due to model sensitivity.

Impacts on average rates

Base scenario: Rate peg only – 2.0% for 2021-22 and assumed 2.5% from 2022-23 and onwards

Council is currently permitted to charge annual increase of 2% through a rate peg, which is set by the IPART. Based on the IPART SV application the assumed rate peg is 2.5% from 2022-23 and onwards. All Central Coast ratepayers will be charged this rate peg regardless of Council's application for a special variation.

With a 2% increase (and rates harmonisation) the average residential increase will be \$0.42 a week and the average business increase will be \$1.24 a week.

Annually, this average is \$22.02 for residential and \$64.74 for business.

The following table shows average rate increases under this scenario.

The exact amount you will pay will vary depending on the rating category for your parcel of land and the value of your land as determined by the NSW Valuer General.

Rate Peg only– 2% for 2021-22 and assumed 2.5% from 2022-23 and onwards						
	Current Year		Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Year 4 2024-25
Residential average	Gosford	\$1,015	\$1,123	\$1,149	\$1,175	\$1,202
	Wyong	\$1,194				
Business average	Gosford	\$2,593	\$3,302	\$3,378	\$3,455	\$3,535
	Wyong	\$3,997				
Farming average	Gosford	\$1,359	\$1,863	\$1,906	\$1,950	\$1,995
	Wyong	\$2,909				
Mining average	Gosford	-	\$421,018	\$430,701	\$440,607	\$450,741
	Wyong	\$412,763				
Total Council rate income increase*		2.6%	2.0%	2.5%	2.5%	2.5%
Total Extra Council Rate Income (from prior year)			\$3.5 million	\$4.4 million	\$4.5 million	\$4.6 million

* Note: The figures contained above are based on a harmonised rating system (using the maximum minimum) and the application of only rate peg (determined by IPART) to increase Council's total rate income. With the harmonisation of rates, general average rates for former Gosford ratepayers are likely to increase while former Wyong's will decrease.

The assumed rate peg from 2022-23 is 2.5% as per IPART's SV application. IPART determines the rate peg for each rating year and the rate peg for the future years from 2022-23 has not been determined as yet.

Option 1: Temporary fix– 10% (2% rate peg plus 8% SV)

In 2021-22 this rate increase would consist of the annual 2% rate peg and a further 8% Special Variation (SV) that would be applied once in 2021-22 and will remain in the rate base for seven years.

From 2022-23 the increase will revert to the rate peg, and in 2028-29 (year 8) the 8% SV will no longer apply.

With a 10% increase the average residential increase will be \$2.13 a week and the average business increase will be \$6.11 a week.

Annually, this average is \$110.76 for residential and \$317.72 for business.

The following table shows average rate increases under Option 1.

The exact amount you will pay will vary depending on the rating category for your parcel of land and the value of your land as determined by the NSW Valuer General.

Option 1: Temporary fix– 10% (2% rate peg plus 8% SV and includes harmonisation)						
			Year 1	Year 2	Year 3	Year 4
Current Year			2021-22	2022-23	2023-24	2024-25
Residential average	Gosford	\$1,015	\$1,212	\$1,241	\$1,272	\$1,304
	Wyong	\$1,194				
Business average	Gosford	\$2,593	\$3,561	\$3,650	\$3,741	\$3,834
	Wyong	\$3,997				
Farming average	Gosford	\$1,359	\$2,031	\$2,060	\$2,111	\$2,164
	Wyong	\$2,909				
Mining average	Gosford	-	\$452,914	\$465,390	\$477,025	\$488,950
	Wyong	\$412,763				
Total Council rate income increase*			10.0%	2.5%	2.5%	2.5%
Total Extra Council Rate Income (from prior year)			\$17.3 million	\$4.8 million	\$4.9 million	\$5 million

* Note: The figures contained above are based on a harmonised rating system (using the maximum minimum) and the application of Special Variation (SV) to increase Council's total rate income above the rate peg. The proposal includes a temporary 10% increase in the first year (inclusive of 2% rate peg and 8% SV) dropping off after 7 years. With the harmonisation of rates, general average rates for former Gosford ratepayers are likely to increase while former Wyong's will decrease.

The assumed rate peg from 2022-23 is 2.5% as per IPART's SV application. IPART determines the rate peg for each rating year and the rate peg for the future years from 2022-23 has not been determined as yet.

Option 2: Securing Your Future – 15% (2% rate peg plus 13% SV)

In 2021-22 this rate increase would consist of the annual 2% rate peg and a further 13% Special Variation (SV) that would be applied once in 2021-22 and will remain permanently in the rate base.

With a 15% increase the average residential increase will be \$3.20 a week and the average business increase will be \$9.30 a week.

Annually, this average is \$166.40 for residential and \$483.60 for business.

The following table shows average rate increases under Option 2.

The exact amount you will pay will vary depending on the rating category for your parcel of land and the value of your land as determined by the NSW Valuer General.

Option 2: Securing your future – 15% (2% rate peg plus 13% SV and includes harmonisation)						
			Year 1	Year 2	Year 3	Year 4
Current Year			2021-22	2022-23	2023-24	2024-25
Residential average	Gosford	\$1,015	\$1,267	\$1,295	\$1,325	\$1,355
	Wyong	\$1,194				
Business average	Gosford	\$2,593	\$3,728	\$3,808	\$3,896	\$3,985
	Wyong	\$3,997				
Farming average	Gosford	\$1,359	\$2,123	\$2,149	\$2,199	\$2,249
	Wyong	\$2,909				
Mining average	Gosford	-	\$473,501	\$485,595	\$496,763	\$508,189
	Wyong	\$412,763				
Total Council rate income increase*			15.0%	2.5%	2.5%	2.5%
Total Extra Council Rate Income (from prior year)			\$25.9 million	\$5.0 million	\$5.1 million	\$5.2 million

* Note: The figures contained above are based on a harmonised rating system (using the maximum minimum) and the application of Special Variation (SV) to increase Council's total rate income above the rate peg. The proposal includes a permanent one-off 15% increase (inclusive of 2% rate peg and 13% SV). With the harmonisation of rates, general average rates for former Gosford ratepayers are likely to increase while former Wyong's will decrease. The assumed rate peg from 2022-23 is 2.5% as per IPART's SV application. IPART determines the rate peg for each rating year and the rate peg for the future years from 2022-23 has not been determined as yet.

Comparison of service impacts

Council undertakes a Customer Satisfaction Survey through a representative sample of our community by telephone, this has occurred each year for the past three years. The latest results, from June 2020 revealed what the Central Coast community need, which is;

- Good governance
- Connectivity, particularly roads, footpaths and parking

- Focus on natural environment: particularly management of lakes and foreshores and the provision of parks, gardens and reserves.

From these results Council has a good understanding of the services and infrastructure that the community need and value. Without a rate rise many of these services will be significantly impacted and those impacts are detailed in the table below:

	No change - Rate peg only (2%)	Option 1: Temporary Fix - 10% (8% SV and 2% rate peg)	Option 2: Securing your future - 15% (13% SV and 2% rate peg)
Additional income for 2021-22 financial year	\$3.4M	\$17.3M	\$25.9M
Service impact	<ul style="list-style-type: none"> • Service closures including some library branches and community facilities • Significant reduction in maintenance of facilities and infrastructure • Significant deterioration of assets • Significant reduction in road, footpath and drainage maintenance • Reduced bulk kerbside collections quota • Significant reduction to environmental programs (e.g. weed removal and native vegetation programs) 	<ul style="list-style-type: none"> • Reduced opening hours or possible closure of facilities including leisure centres, libraries, childcare and community facilities • Reduced maintenance of sporting facilities, parks and gardens • Reduced maintenance of roads, footpaths, cycleways and drains • Reduced environmental programs (e.g. weed removal and native vegetation programs) 	<ul style="list-style-type: none"> • Maintaining opening hours and programs at pools, libraries, although no new facilities would be constructed. • Maintenance of sporting and community facilities, parks and gardens would remain as is, with no increase to mowing, planting or maintenance • Construction of roads, footpaths, cycleways and drains would continue • Environmental programs would be retained (e.g. weed removal and native vegetation programs)

Securing your future with a rate rise

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	<ul style="list-style-type: none"> • Longer processing times for customer requests, development applications and permits and closure of service points • More staff reductions and follow on service reductions • Reduced maintenance of sporting facilities, parks and playgrounds – no new facilities or major upgrades only renewals based on safety. • No community events run by Council and no grants and sponsorship of other events. • Further sales of assets and land • Significant increases in fees and charges 	<ul style="list-style-type: none"> • Longer processing times for customer requests, applications and permits • Fewer community events, limited grants and sponsorship • Large increases in user fees and charges 	<ul style="list-style-type: none"> • Processing times for customer requests, applications and permits would remain the same • Community events maintained, but not expanded
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More information

yourvoiceourcoast.com

SecuringYourFuture@centralcoast.nsw.gov.au

1300 463 954

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Appendix B: Survey 1 results

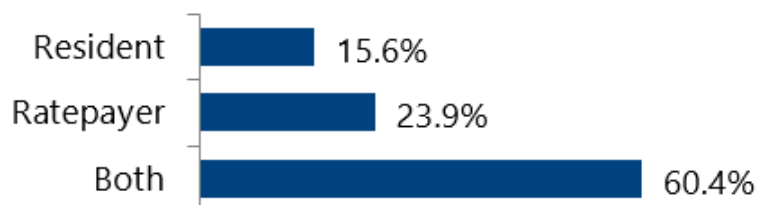
Council received **3944** responses to Survey 1.

Some totals may exceed or be less than 100% due to rounding (unless otherwise specified).

Q1. Are you a resident or a ratepayer in the Central Coast Local Government Area?

Note: This was a screening question only and respondents who selected 'Neither' (not shown) were disqualified from progressing further with the survey.

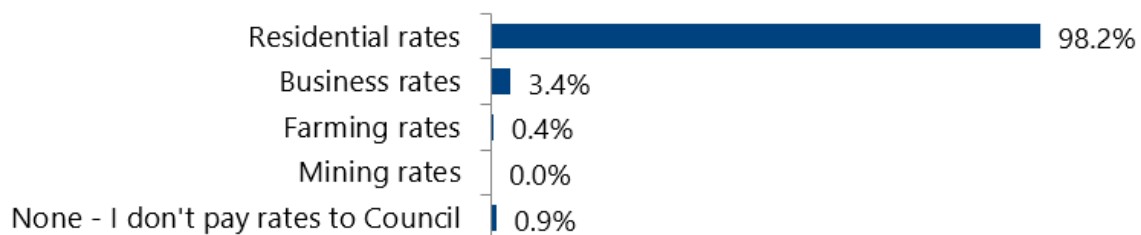
N = 3944



Q2. Which type of rates do you pay to Council?

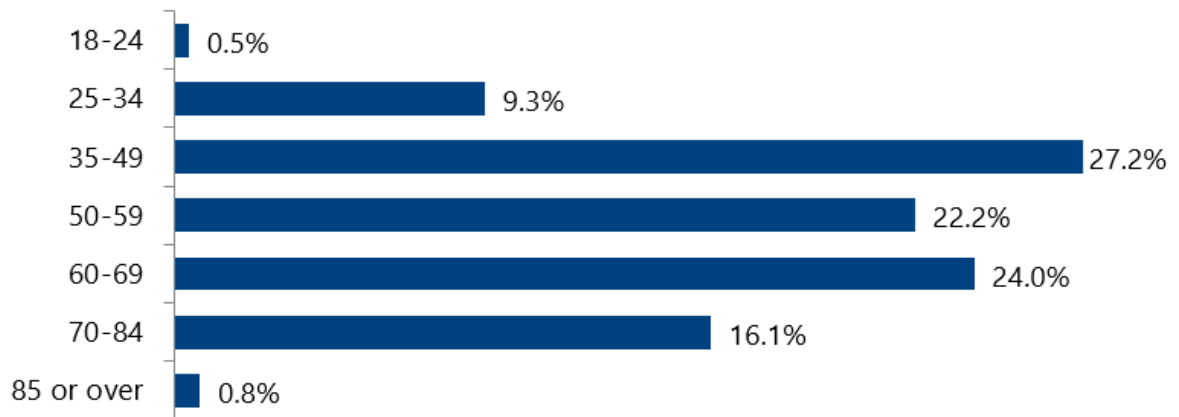
n = 3944

Note: One response could contain multiple reasons so the total exceeds 100%



Q3. How old are you?

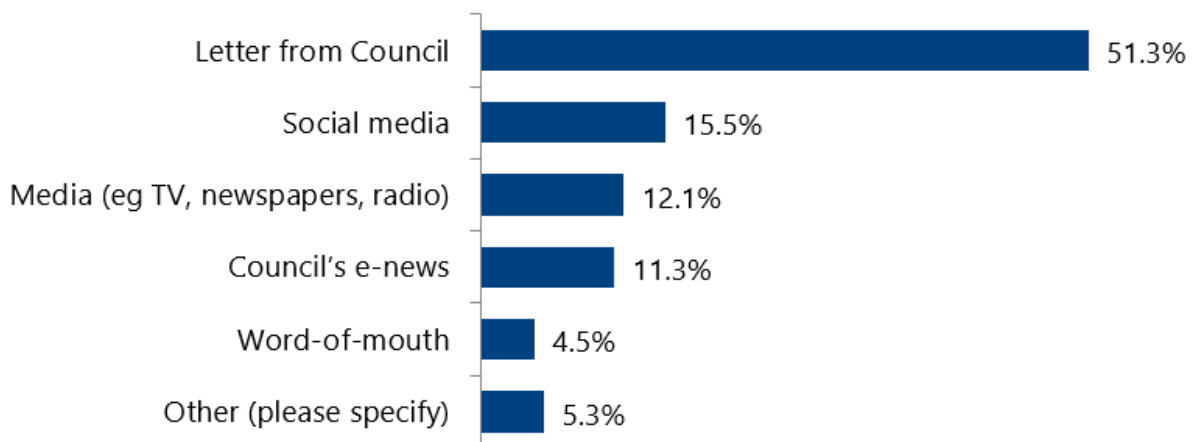
n = 3944



Note: Respondents who selected 'Under 18 (not shown) we disqualified from progressing further with the survey.

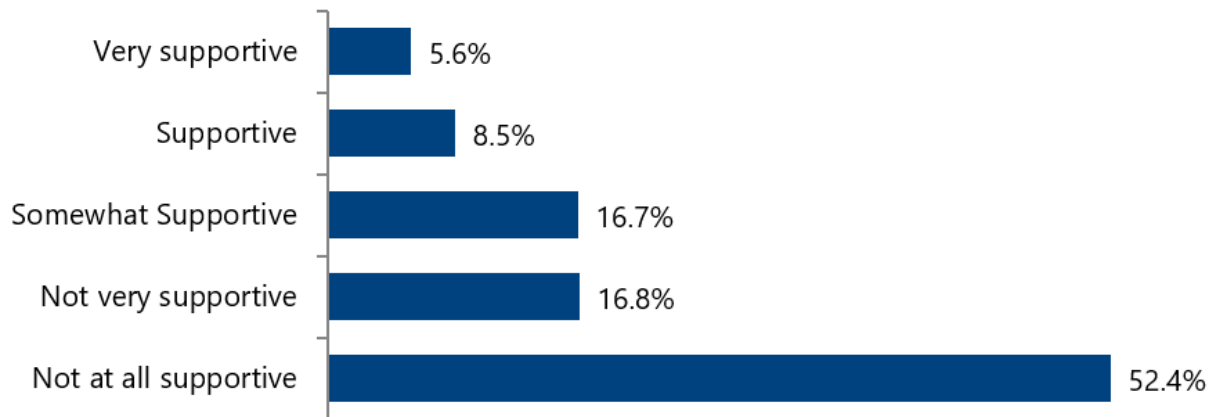
Q4. How were you made aware that Council was seeking feedback on a special variation?

n=3944



Q5. How supportive are you of Option 1: Temporary Fix - 10%?

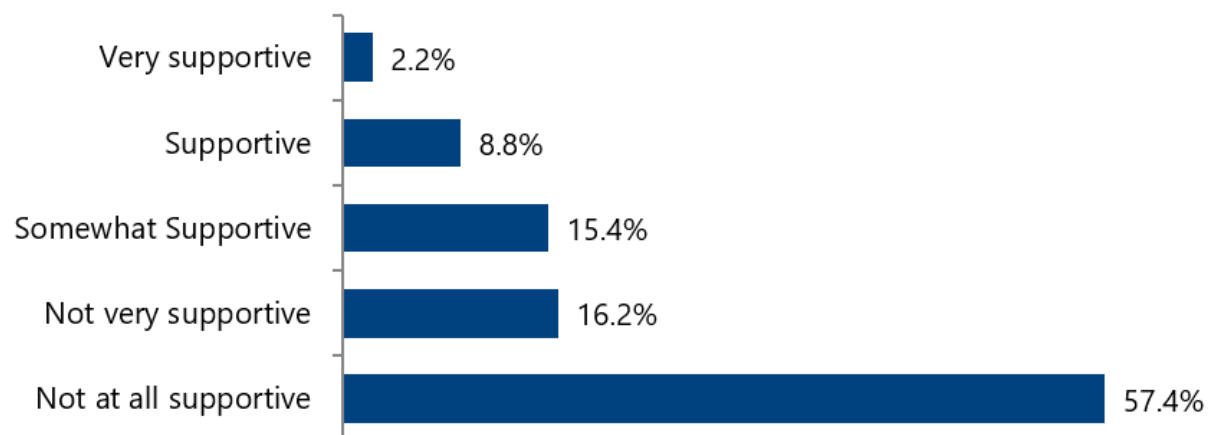
n = 3944



Q5. How supportive are you of Option 1: Temporary Fix - 10%?

Business rate payers only

n=136

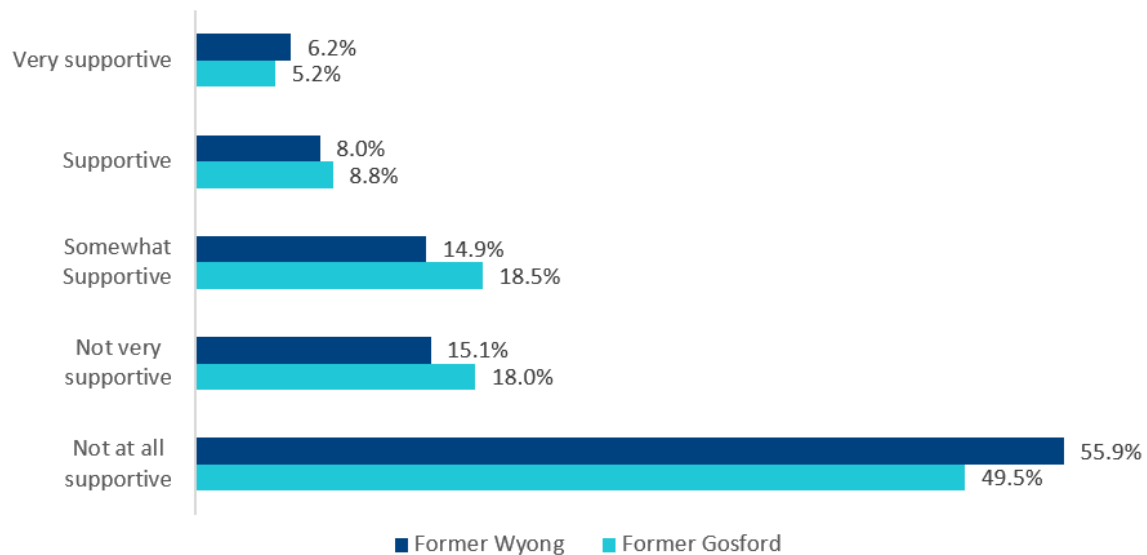


Q5. How supportive are you of Option 1: Temporary Fix - 10%?
Comparison of former Wyong and Former Gosford place of residence

Former Wyong n= 1461

Former Gosford n=2170

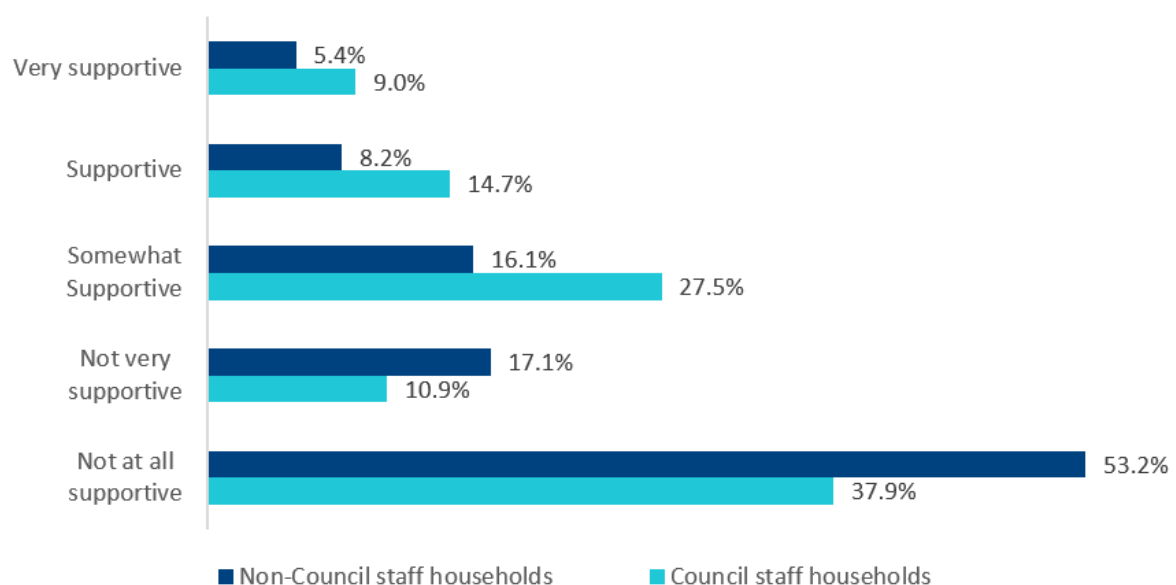
Note: Excludes 313 respondents who did not supply a suburb of residence, or resided outside the Central Coast LGA



Q5. How supportive are you of Option 1: Temporary Fix - 10%?
Comparison of Council staff households and staff non-households

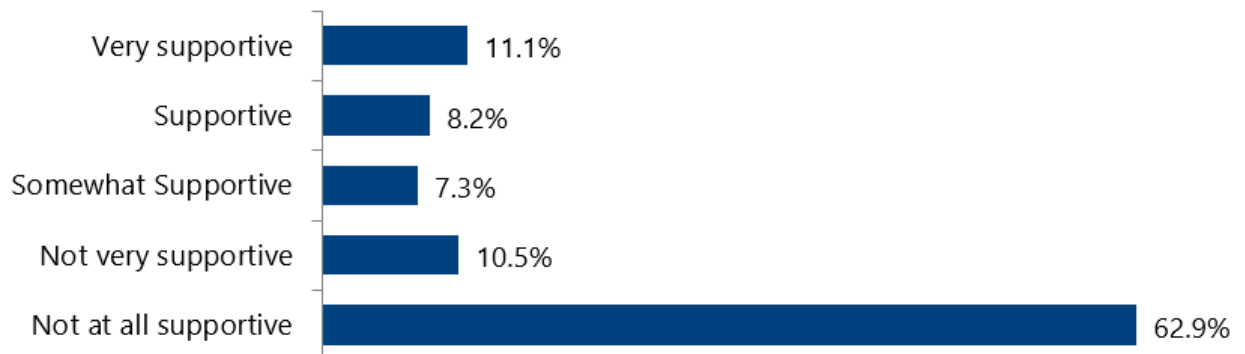
Council staff households n=211

Non-Council staff households n= 3733



Q6. How supportive are you of Option 2: Securing your future option - 15%?

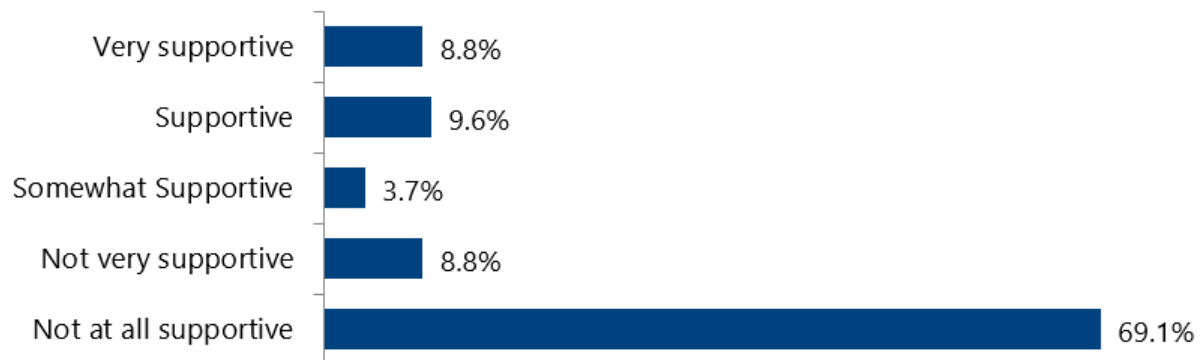
n = 3944



Q6. How supportive are you of Option 2: Securing your future option - 15%?

Business rate payers only

n=136

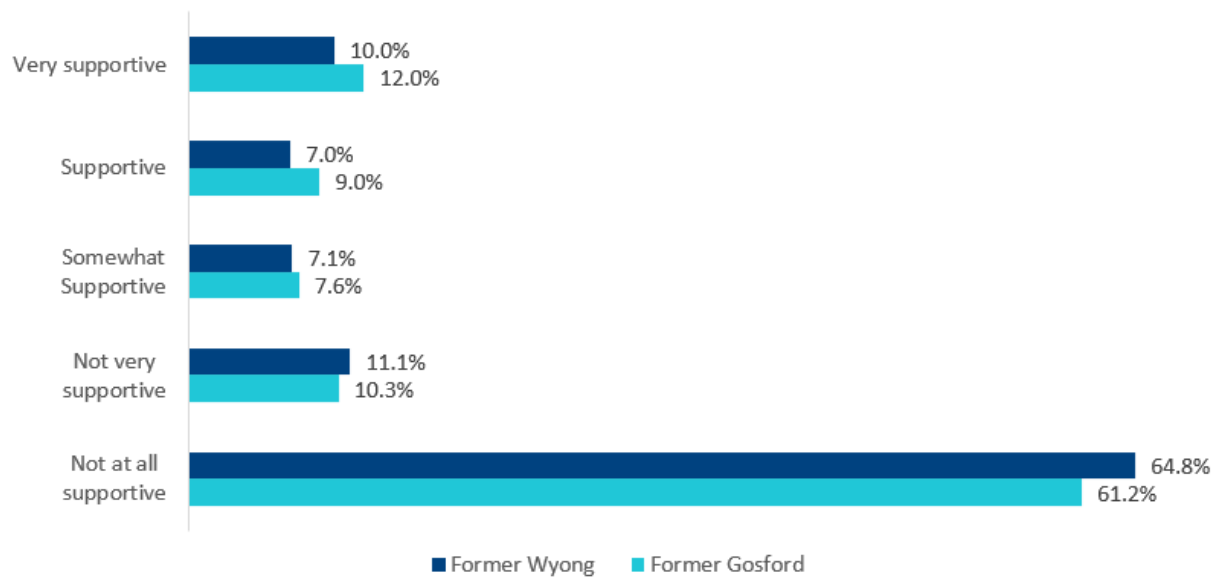


Q6. How supportive are you of Option 2: Securing your future option - 15%?
Comparison of former Wyong and Former Gosford place of residence

Former Wyong n= 1461

Former Gosford n=2170

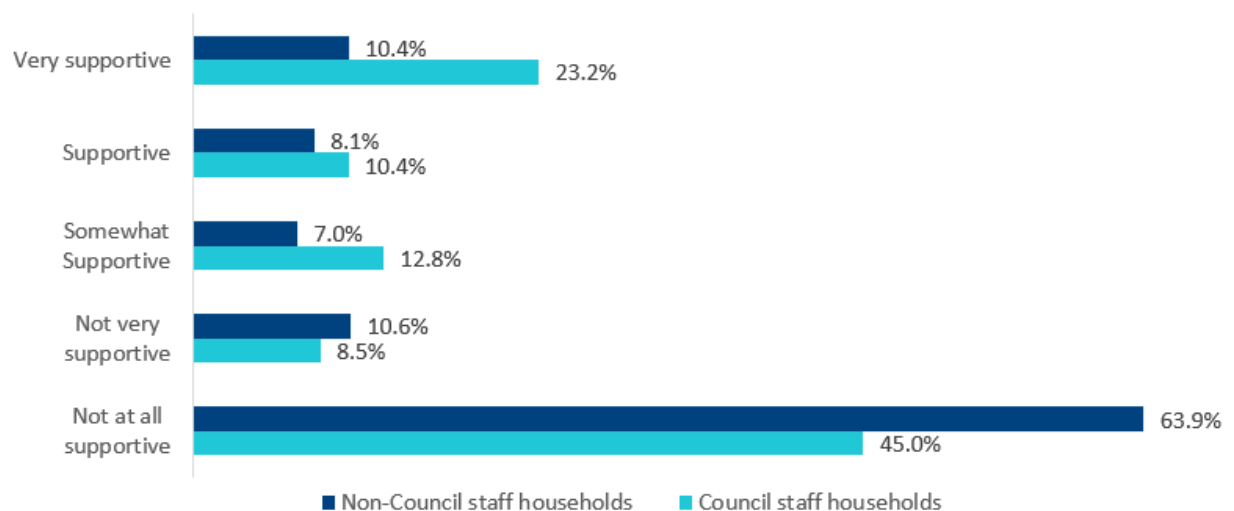
Note: Excludes 313 respondents who did not supply a suburb of residence, or resided outside the Central Coast LGA



Q6. How supportive are you of Option 2: Securing your future option - 15%?
Comparison of Council staff households and staff non-households

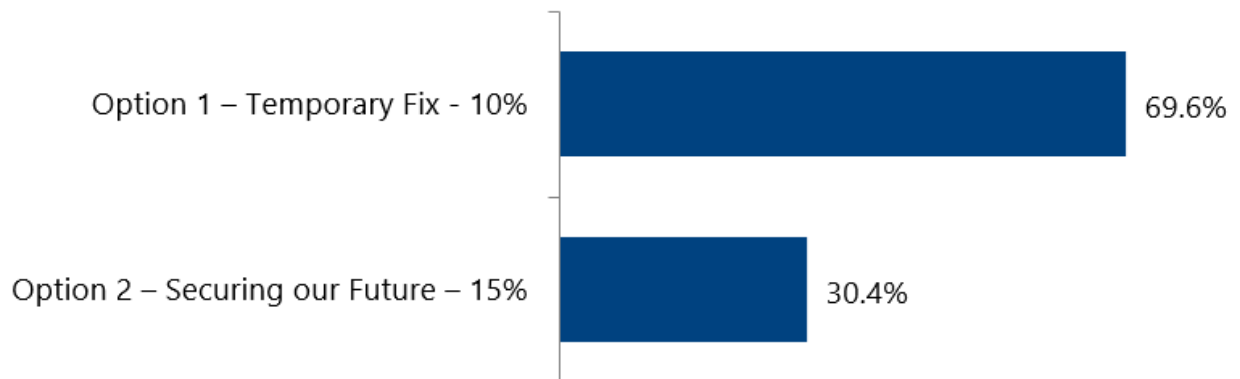
Council staff households n= 211

Non-Council staff households n=3733



Q7. If you had to choose between the two options, please tell us which one you would prefer?

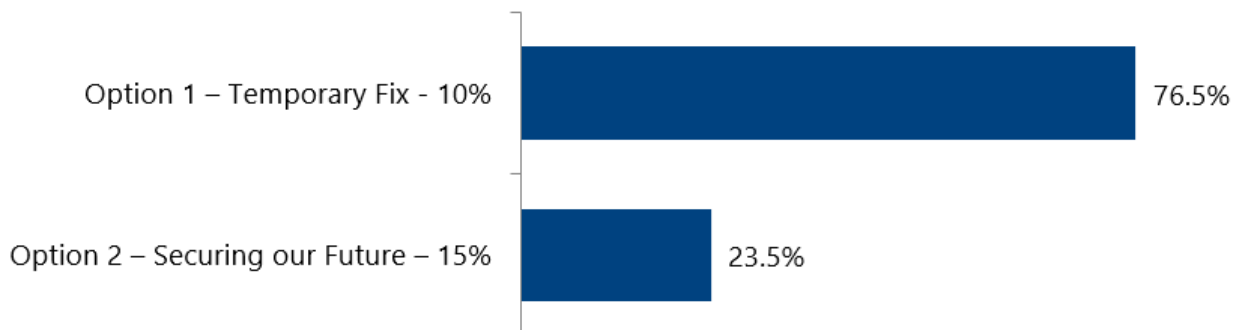
n=2944



Q7. If you had to choose between the two options, please tell us which one you would prefer?

Business rate payers only

n=136



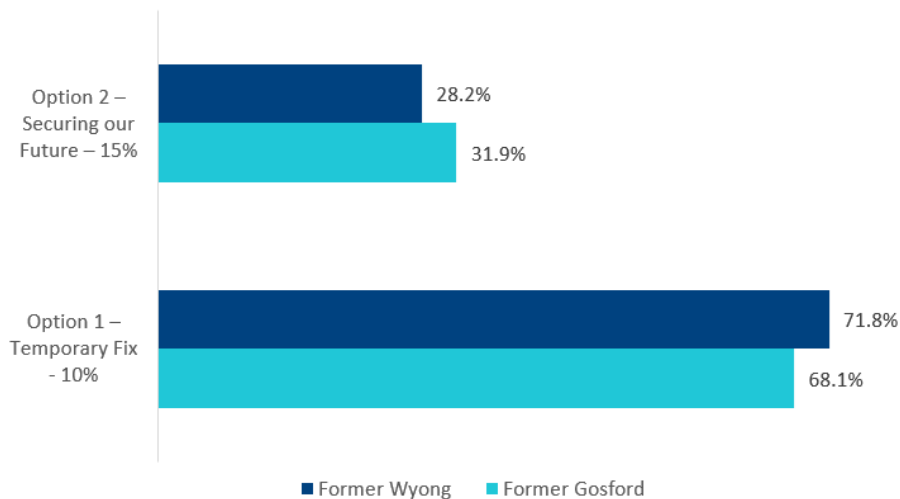
Q7. If you had to choose between the two options, please tell us which one you would prefer?

Comparison of former Wyong and Former Gosford place of residence

Note: Excludes 313 respondents who did not supply a suburb of residence, or resided outside the Central Coast LGA

Former Wyong n= 1461

Former Gosford n=2170

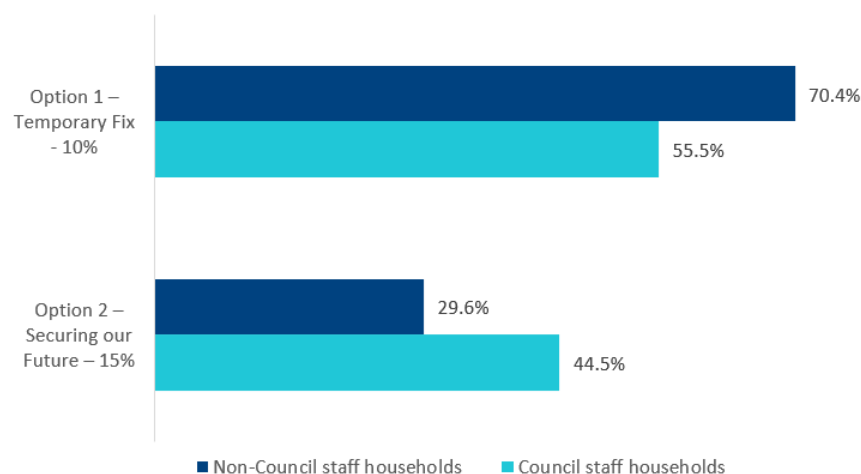


Q7. If you had to choose between the two options, please tell us which one you would prefer?

Comparison of Council staff households and staff non-households

Non-Council staff households n=3733

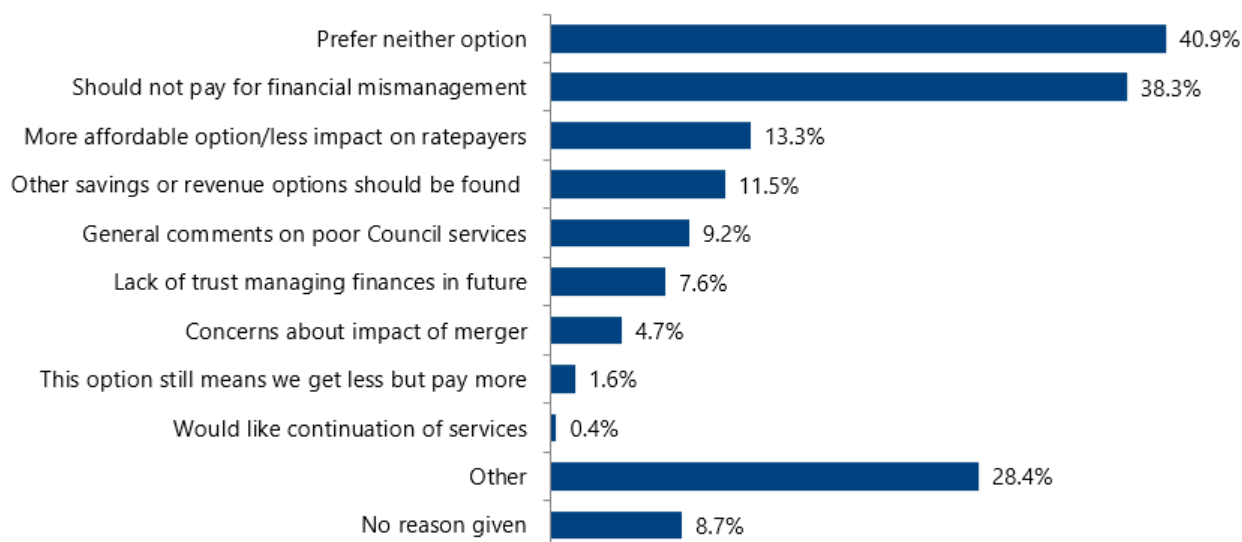
Council staff households n= 211



Q8. Reasons for selecting Option 1

n = 2745

Note: One response could contain multiple reasons so the total exceeds 100%



** Examples of poor services provided in responses include lack of maintenance of roads, open space and natural assets, lack of kerb and guttering, among others.*

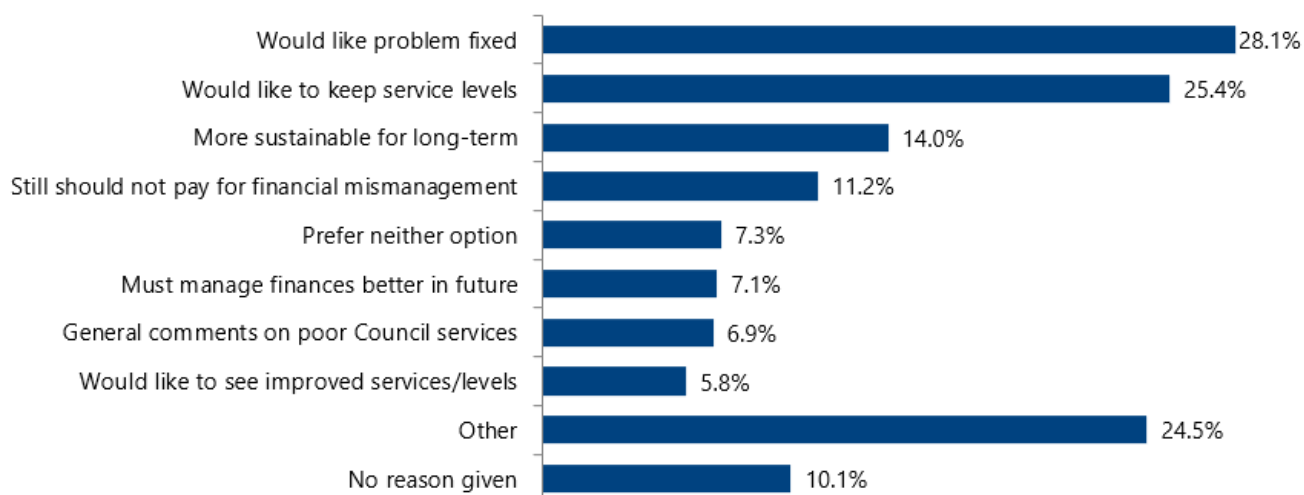
'Other' reasons included (but are not limited to):

- Calls to make Councillors / CEO / Executive / State Government /staff / others be made accountable
- Some suggestion corruption may have occurred
- Calls for investigations / prosecution / disciplinary action
- Concern over former CEO payout
- Just seems like a better option
- General concerns about the community's / business' capacity to pay for any rise
- "Lesser of two evils"
- Harmonisation / difference between Gosford and Wyong rates equalisation
- Affordability of a rate rise
- A temporary 10% fix means you can see if increases are required after seven years
- Rates are already high

Q8. Reasons for selecting Option 2

Note: One response could contain multiple reasons, so the total exceeds 100%

n = 1199



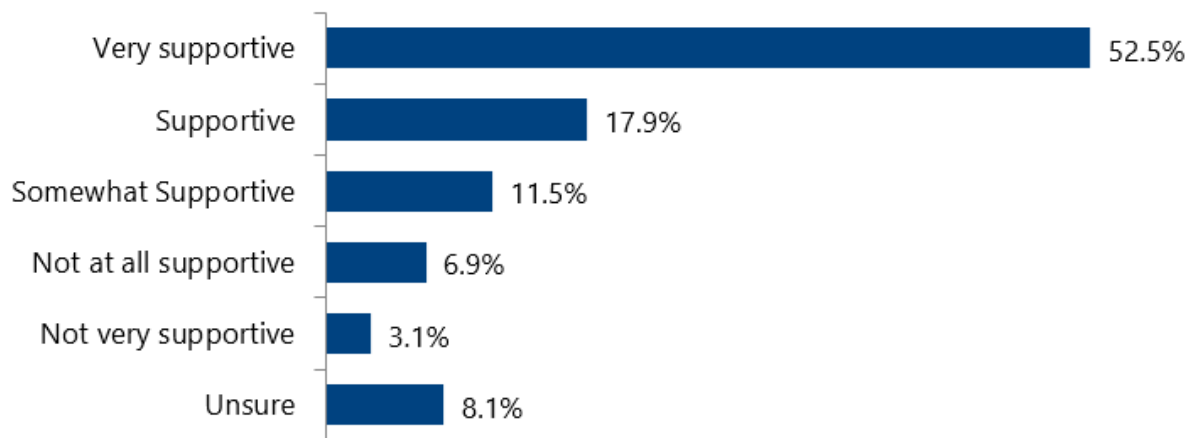
** Examples of poor services provided in responses include lack of maintenance of roads, open space and natural assets, lack of kerb and guttering, among others.*

'Other' reasons included (but are not limited to):

- Calls to make Councillors / CEO / Executive / State Government / others pay / be made accountable
- Calls for investigations / prosecution / disciplinary action
- Concern over former CEO payout
- Would like a fairer share of investment across the region
- Suggestions of other revenue raising options
- Mentions of rates harmonisation process / disparity in rates / will be fair after harmonisation
- Rates should be aligned with other Councils
- Would like to keep Council staff employed
- Seems like a better option
- Concerns about amalgamation
- Don't want another increase in the future
- Similar to surrounding LGA rates

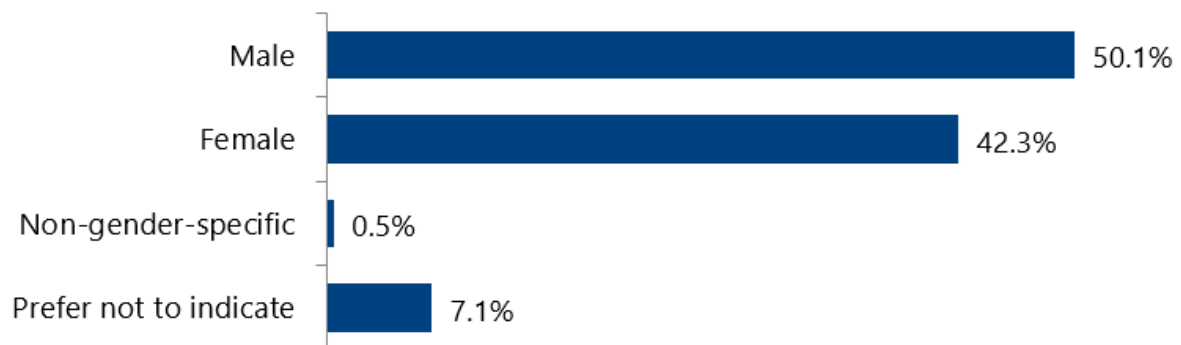
Q10. How supportive are you of the appointment of an independent financial controller?

n=3944



Q11. What is your gender?

n=3944



Q12. Are you of Aboriginal and/or Torres Strait Islander origin?

n=3944



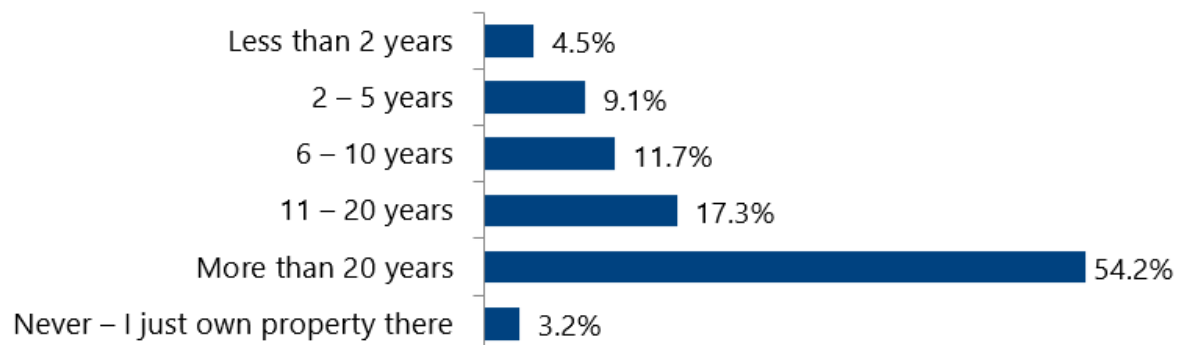
Q13. What is your primary suburb of residence?

n=3944



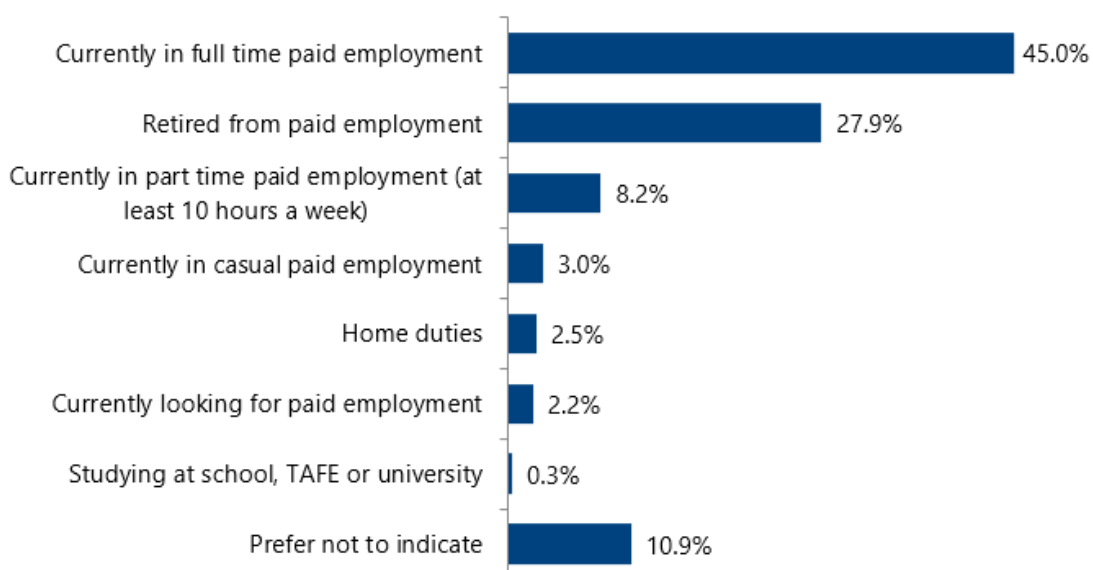
Q14. How long have you lived in the Central Coast area?

n = 3944



Q15. Which of the following best describes your current employment status?

n = 3944



Q16. Do you or someone in your household work for Central Coast Council?

n = 3944



Appendix C: Survey 2 results

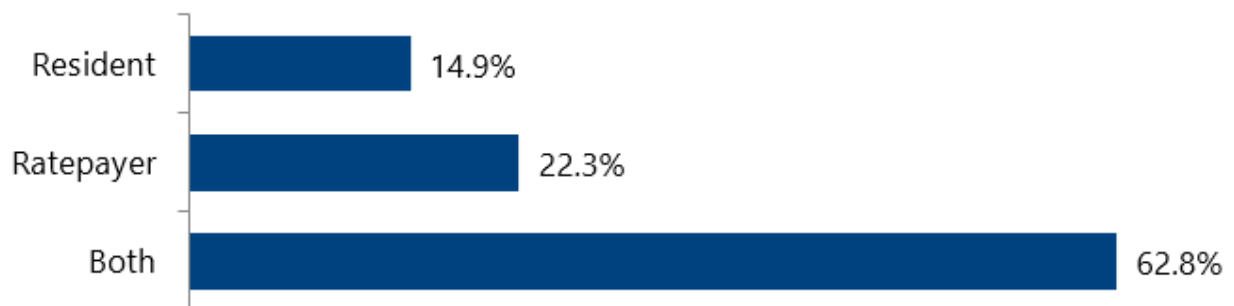
Council received **6285** responses to Survey 2.

Some totals may exceed or be less than 100% due to rounding (unless otherwise specified).

Q1. Are you a resident or a ratepayer in the Central Coast Local Government Area?

Note: This was a screening question only and respondents who selected 'Neither' (not shown) were disqualified from progressing further with the survey.

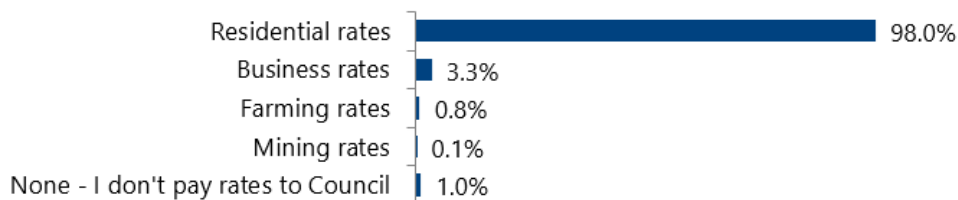
N = 6285



Q2. Which type of rates do you pay to Council?

n = 6285

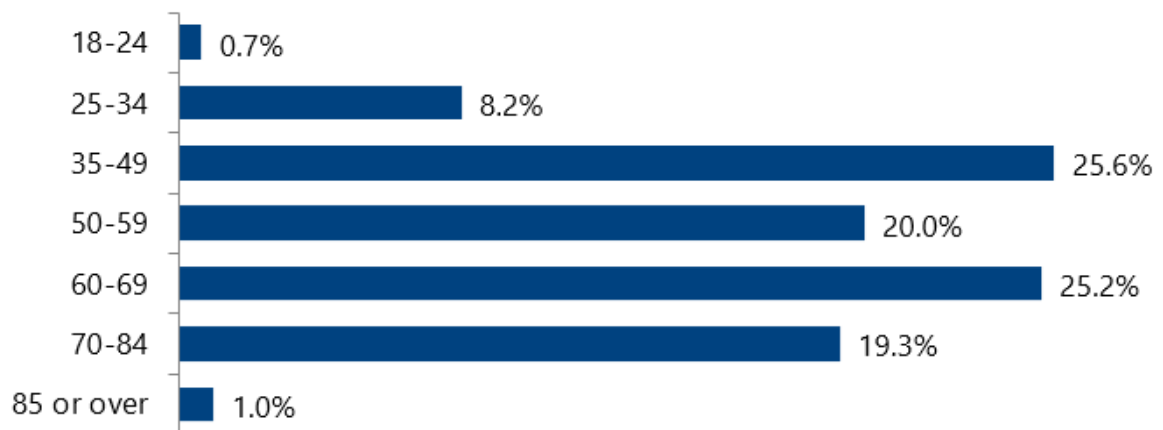
Notes: One response could contain multiple reasons so the total exceeds 100%. Mining rates (total of three responses) are likely to be incorrectly selected by the respondents however do not change the outcomes of the data so have been retained).



Q3. How old are you?

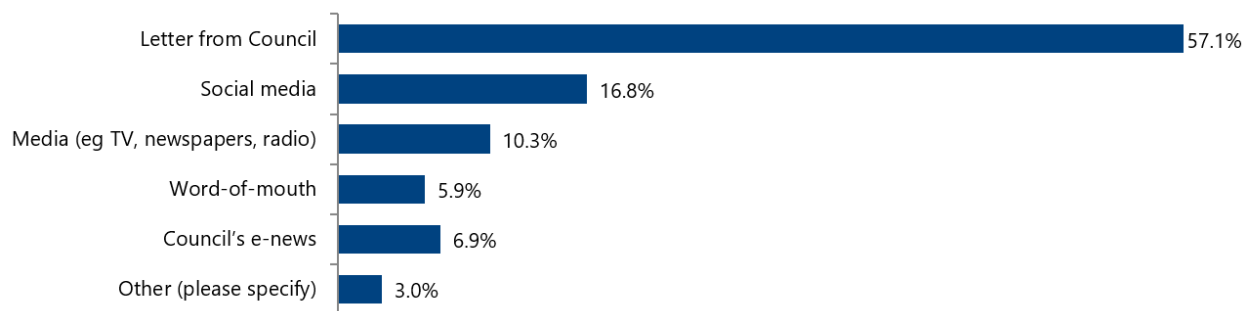
n = 6285

Note: Respondents who selected 'Under 18 (not shown) we disqualified from progressing further with the survey.



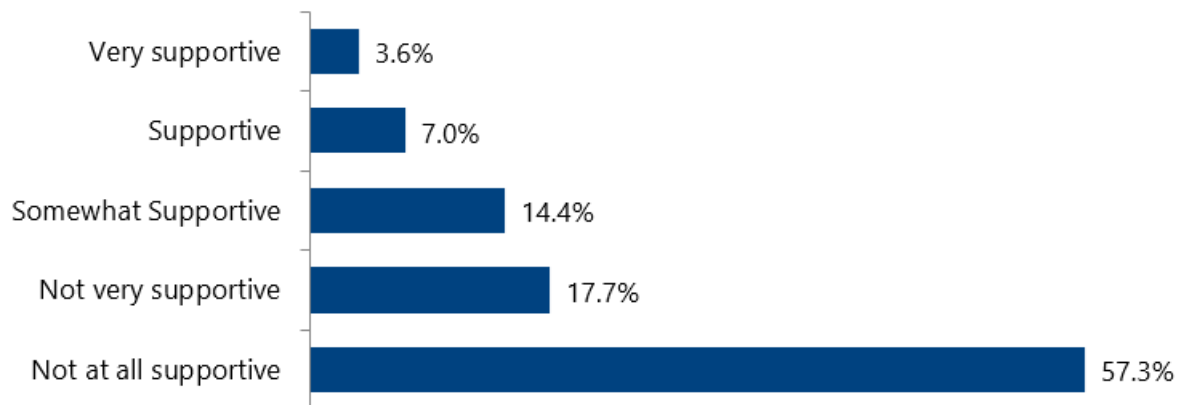
Q4. How were you made aware that Council was seeking feedback on a special variation?

n=6285



Q5. How supportive are you of Option 1: Temporary Fix - 10%?

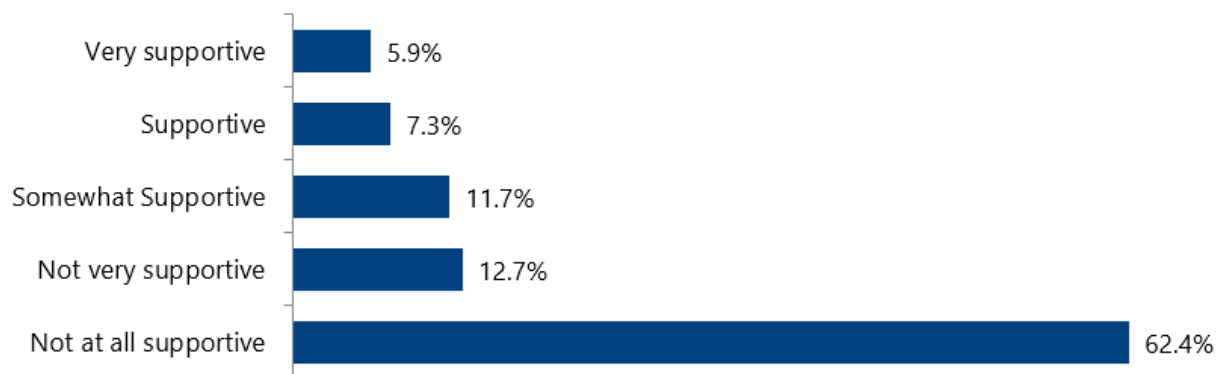
n = 6285



Q5. How supportive are you of Option 1: Temporary Fix - 10%?

Business rate payers only

n = 205

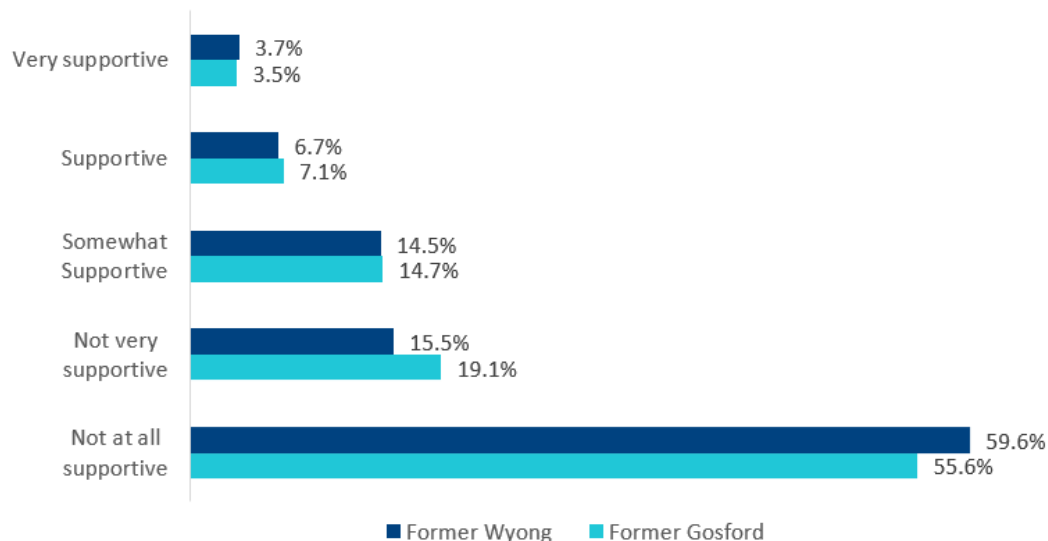


Q5. How supportive are you of Option 1: Temporary Fix - 10%?
Comparison of former Wyong and Former Gosford place of residence

Former Wyong n= 2521

Former Gosford n=3290

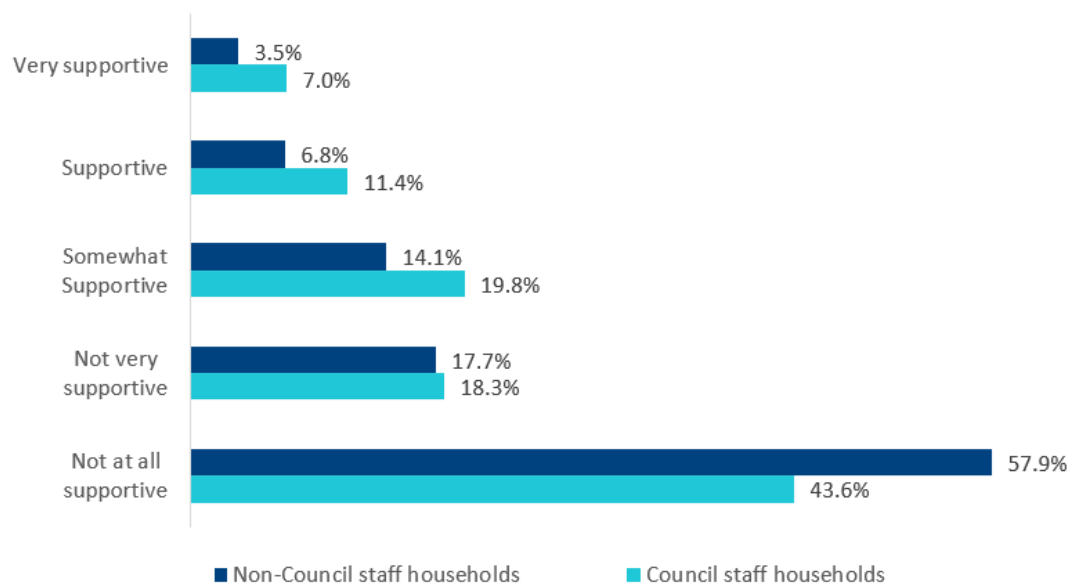
Note: Excludes 474 respondents who did not supply a suburb of residence, or resided outside the Central Coast LGA



Q5. How supportive are you of Option 1: Temporary Fix - 10%
Comparison of Council staff households and staff non-households

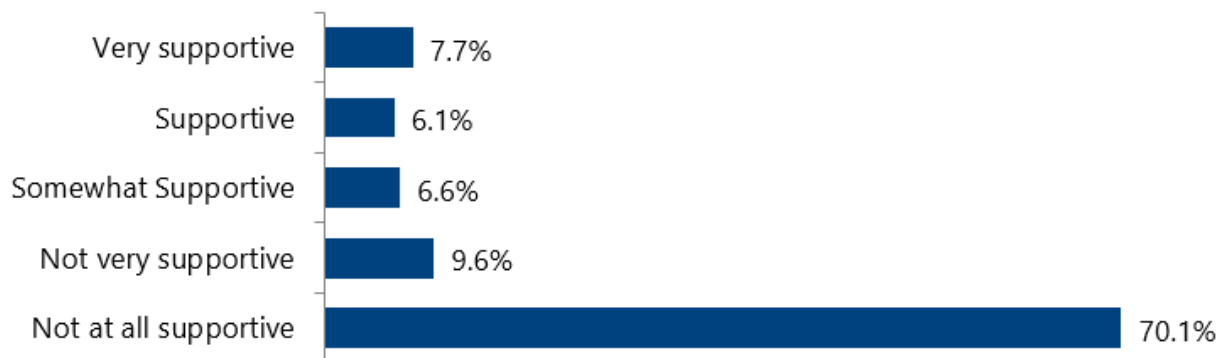
Council staff households n=273

Non-Council staff households n=6012



Q6. How supportive are you of Option 2: Securing your future option - 15%?

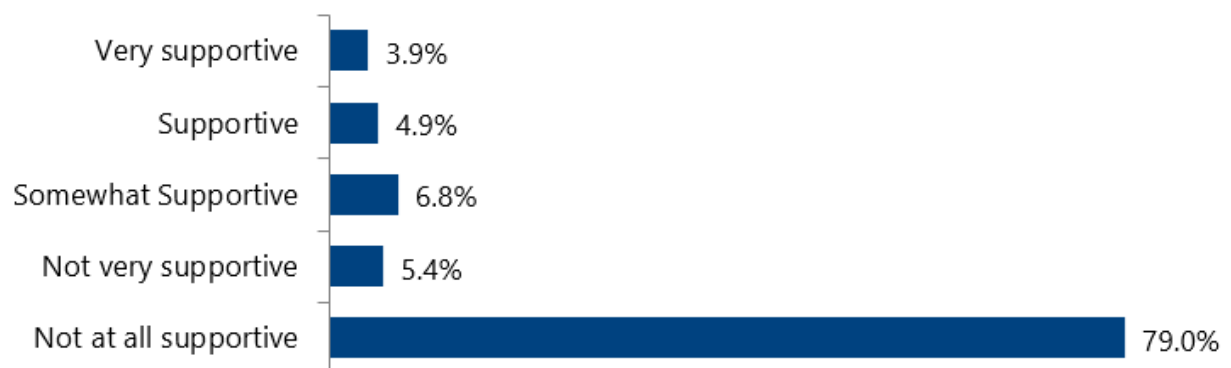
n = 6285



Q6. How supportive are you of Option 2: Securing your future option - 15%?

Business rate payers only

n=205

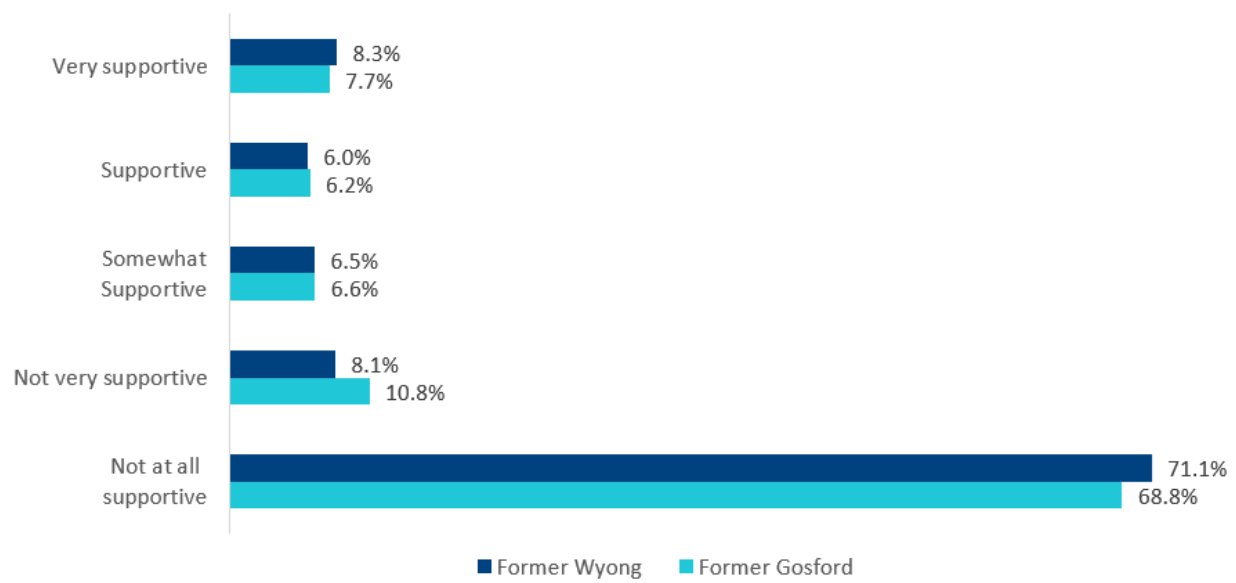


Q6. How supportive are you of Option 2: Securing your future option - 15%?
Comparison of former Wyong and Former Gosford place of residence

Former Wyong n= 2521

Former Gosford n=3290

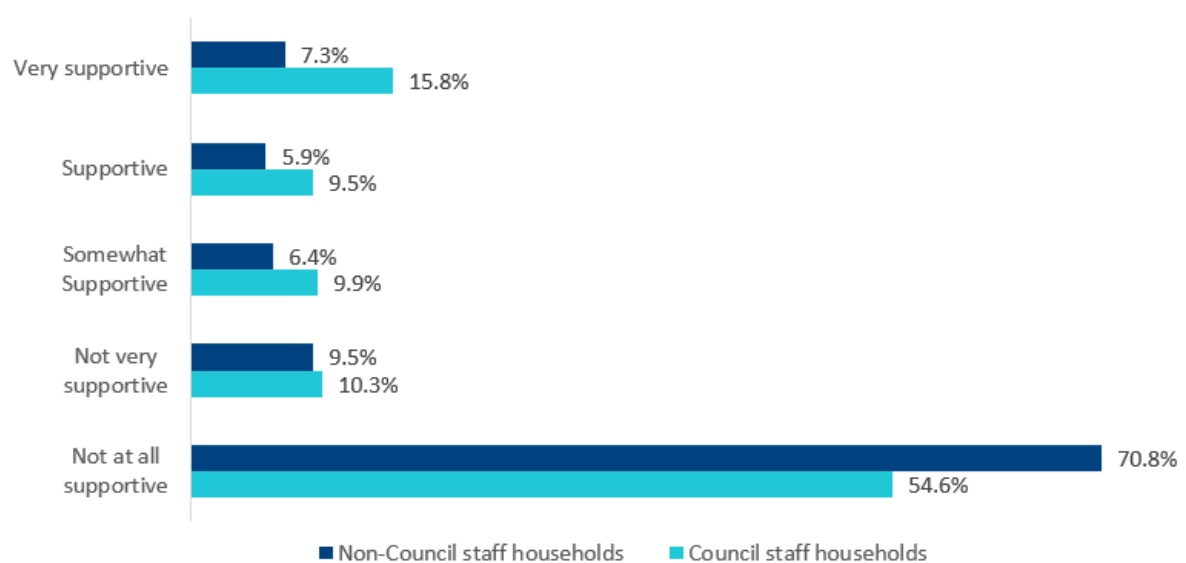
Note: Excludes 474 respondents who did not supply a suburb of residence, or resided outside the Central Coast LGA



Q6. How supportive are you of Option 2: Securing your future option - 15%?
Comparison of Council staff households and staff non-households

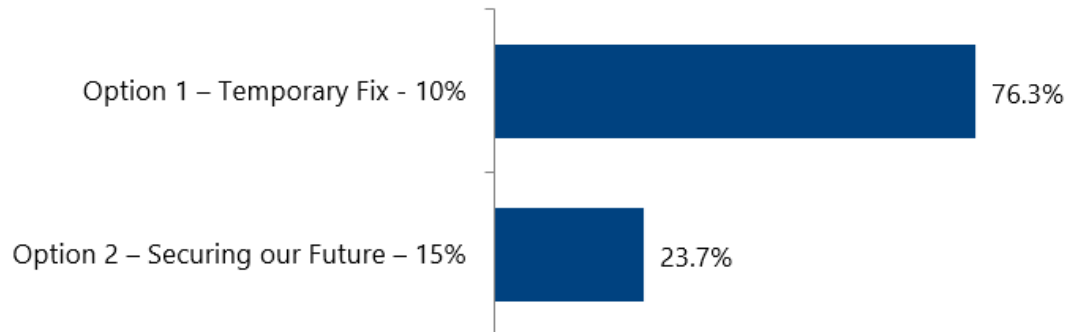
Council staff households n= 273

Non-Council staff households n=6012



7. If you had to choose between the two options, please tell us which one you would prefer?

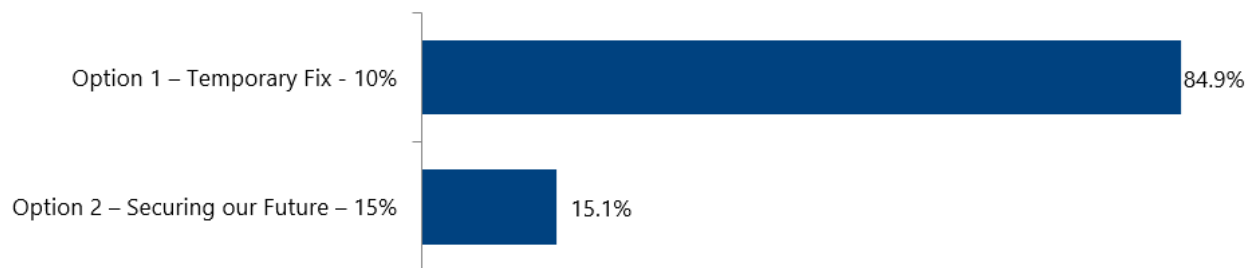
n=6285



Q7. If you had to choose between the two options, please tell us which one you would prefer?

Business rate payers only

n=205



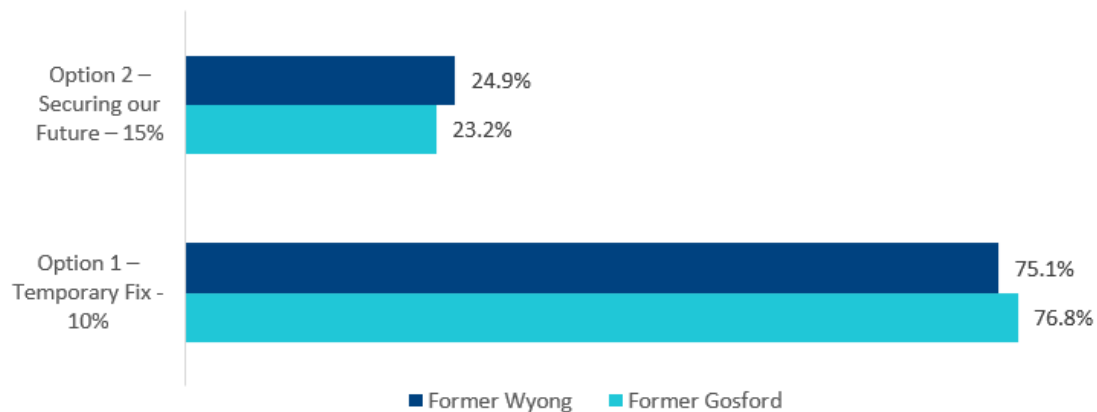
Q7. If you had to choose between the two options, please tell us which one you would prefer?

Comparison of former Wyong and Former Gosford place of residence

Former Wyong n= 2521

Former Gosford n=3290

Note: Excludes 474 respondents who did not supply a suburb of residence, or resided outside the Central Coast LGA

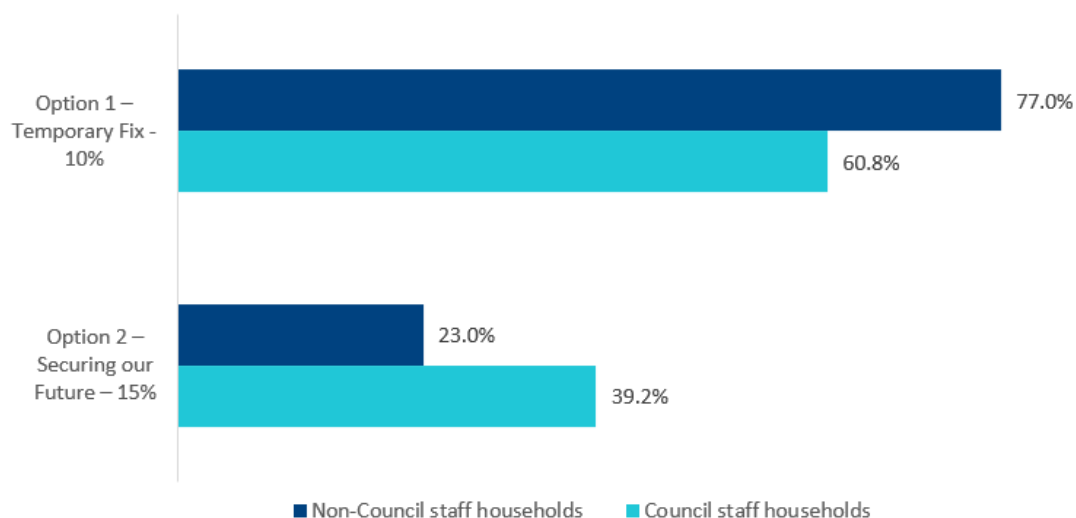


Q7. If you had to choose between the two options, please tell us which one you would prefer?

Comparison of Council staff households and staff non-households

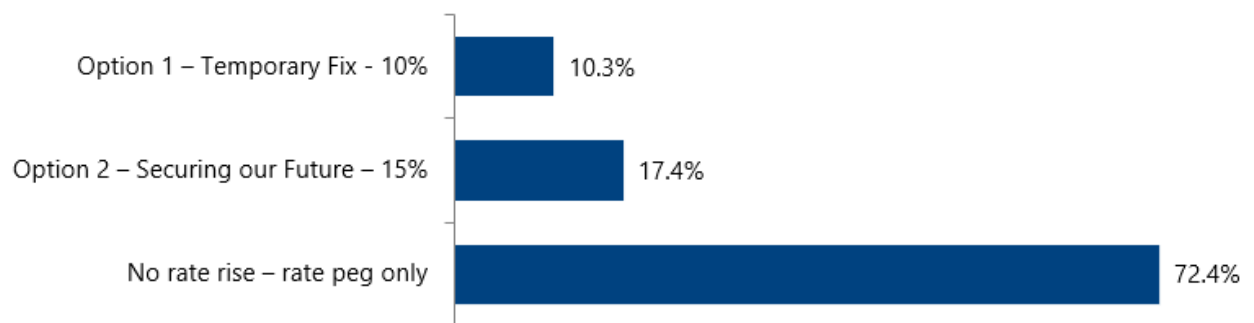
Council staff households n= 273

Non-Council staff households n=6012



Q8. Please tell us what your preference is out of all three scenarios.

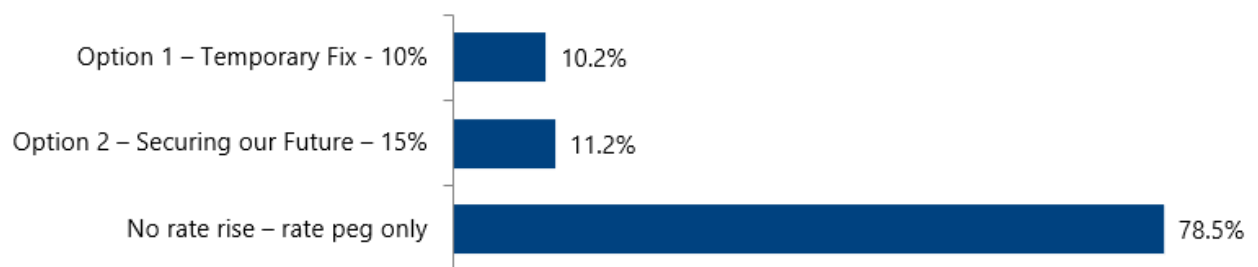
n=6285



Q8. Please tell us what your preference is out of all three scenarios.

Business rate payers only

n=205

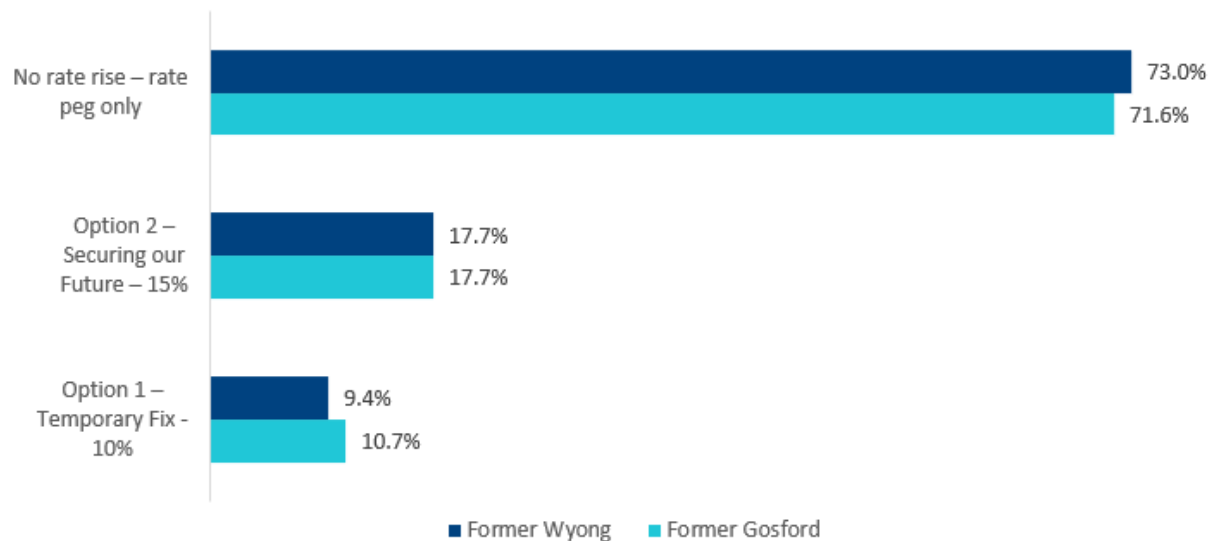


Q8. Please tell us what your preference is out of all three scenarios.
Comparison of former Wyong and Former Gosford place of residence

Former Wyong n= 2521

Former Gosford n=3290

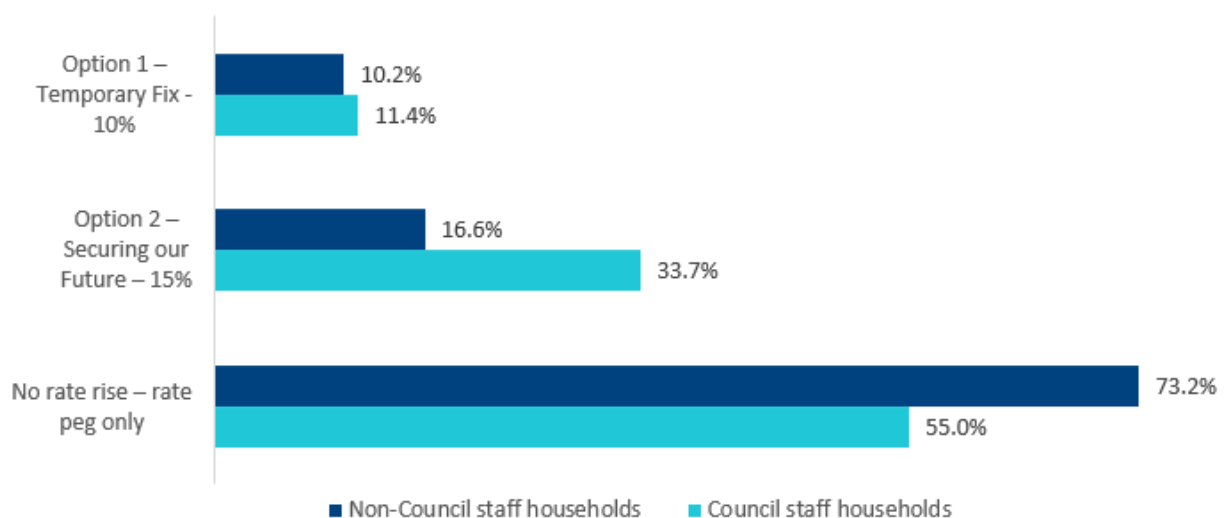
Note: Excludes 474 respondents who did not supply a suburb of residence, or resided outside the Central Coast LGA



Q8. Please tell us what your preference is out of all three scenarios.
Comparison of Council staff households and staff non-households

Council staff households n= 273

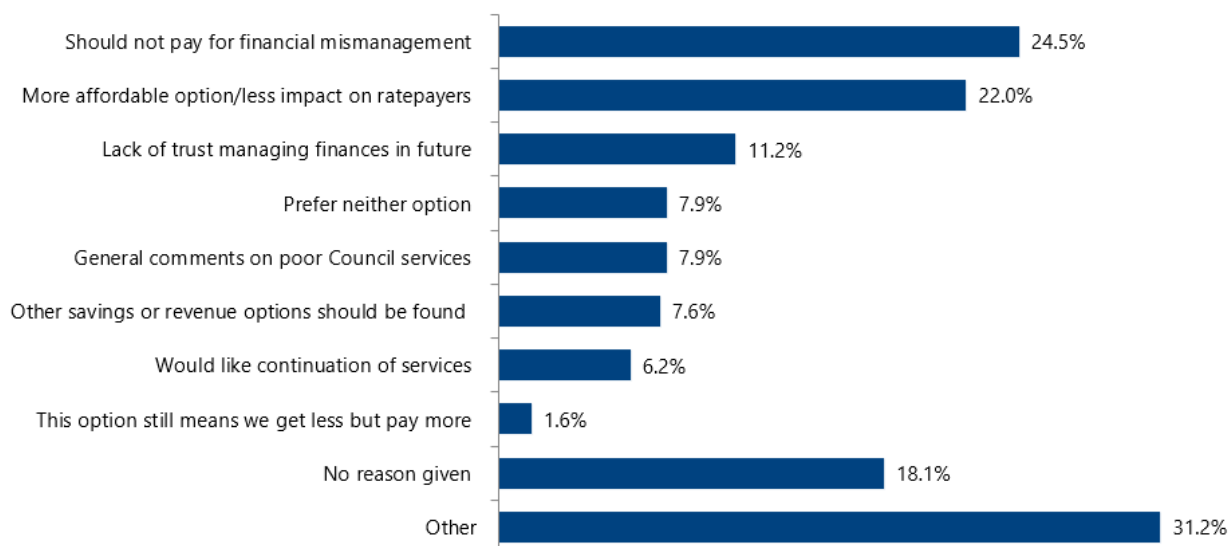
Non-Council staff households n=6012



Q9. Reasons for selecting Option 1

n = 645

Note: One response could contain multiple reasons so the total exceeds 100%



** Examples of poor services provided in responses include lack of maintenance of roads, open space and natural assets, lack of kerb and guttering, among others.*

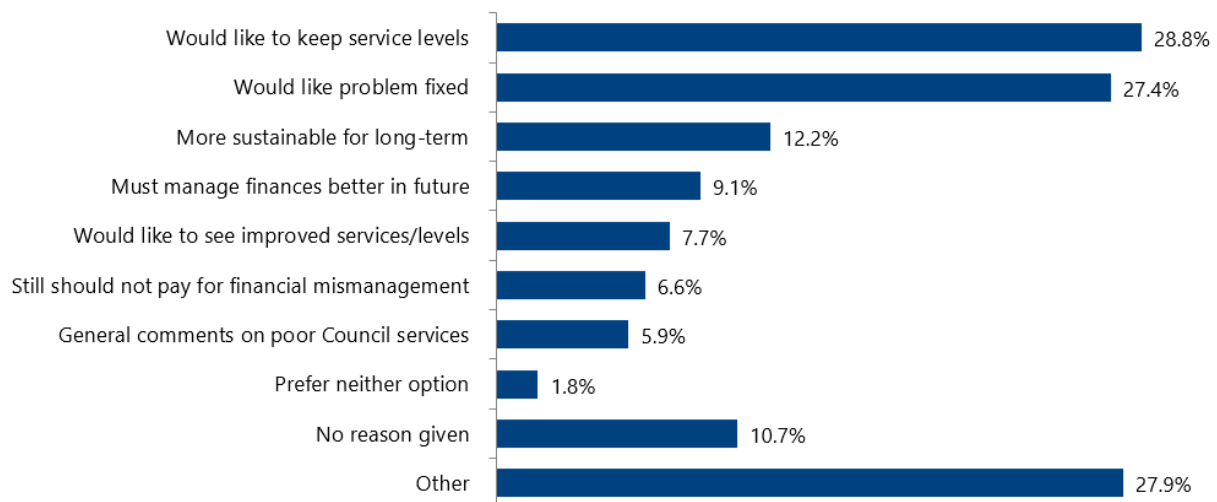
'Other' reasons included (but are not limited to):

- Calls to make Councillors / CEO / Executive / State Government /staff / others be made accountable
- Some suggestion corruption may have occurred
- Calls for investigations / prosecution / disciplinary action
- Concern over former CEO payout
- Just seems like a better option
- Harmonisation / difference between Gosford and Wyong rates equalisation
- A temporary 10% fix means you can see if increases are required after seven years

Q9. Reasons for selecting Option 2

Note: One response could contain multiple reasons, so the total exceeds 100%

n = 1092



** Examples of poor services provided in responses include lack of maintenance of roads, open space and natural assets, lack of kerb and guttering, among others.*

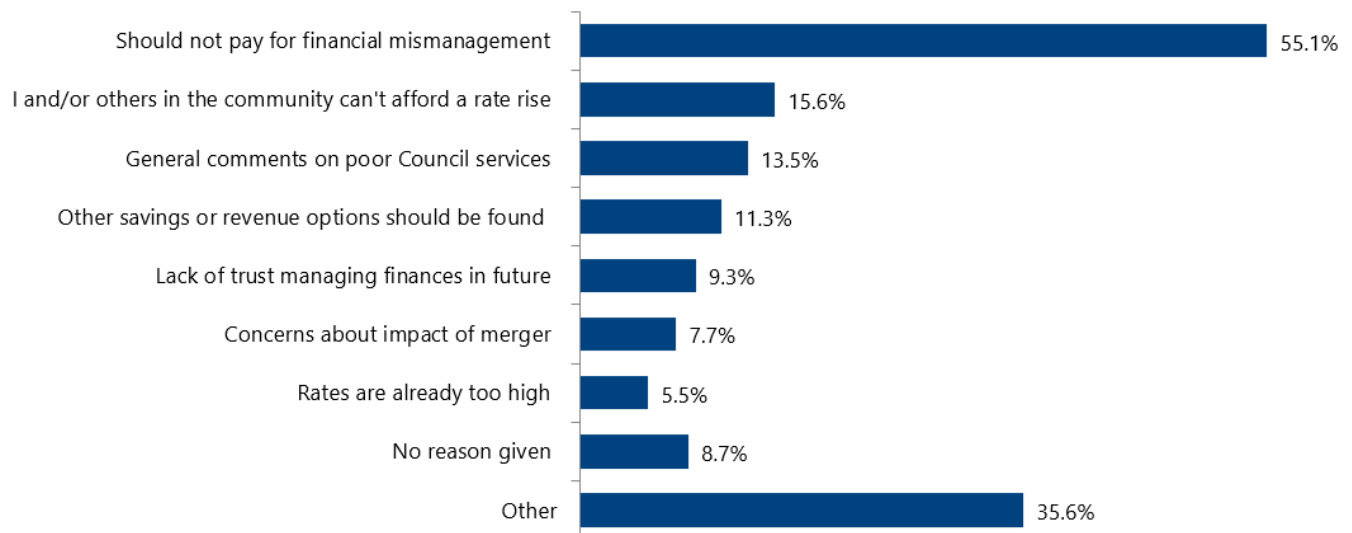
'Other' reasons included (but are not limited to):

- Calls to make Councillors / CEO / Executive / State Government / others pay / be made accountable
- Calls for investigations / prosecution / disciplinary action
- Concern over former CEO payout
- Would like a fairer share of investment across the region
- Suggestions of other revenue raising options
- Mentions of rates harmonisation process / disparity in rates / will be fair after harmonisation
- Rates should be aligned with other Councils
- Would like to keep Council staff employed
- Seems like a better option
- Concerns about amalgamation
- Don't want another increase in the future
- Similar to surrounding LGA rates

Q9. Reasons for selecting No rate rise – rate peg only

Note: One response could contain multiple reasons, so the total exceeds 100%

n = 4548



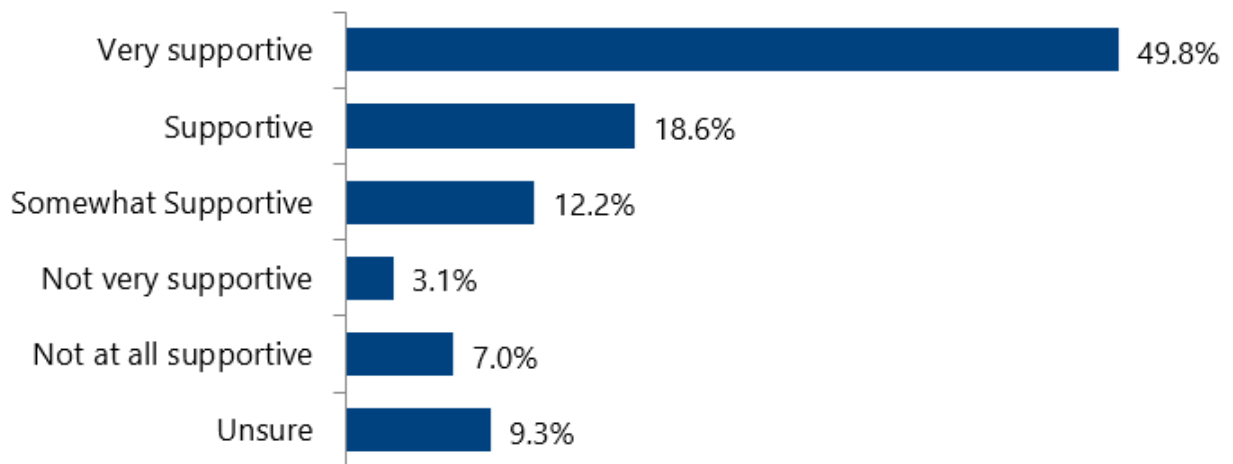
** Examples of poor services provided in responses include lack of maintenance of roads, open space and natural assets, lack of kerb and guttering, among others.*

'Other' reasons included (but are not limited to):

- Calls to make Councillors / CEO / Executive / State Government /staff / others be made accountable
- Some suggestion corruption may have occurred
- Calls for investigations / prosecution / disciplinary action
- Concern over former CEO payout
- Vague/not descriptive
- Comments about harmonisation / difference between Gosford and Wyong rates equalisation

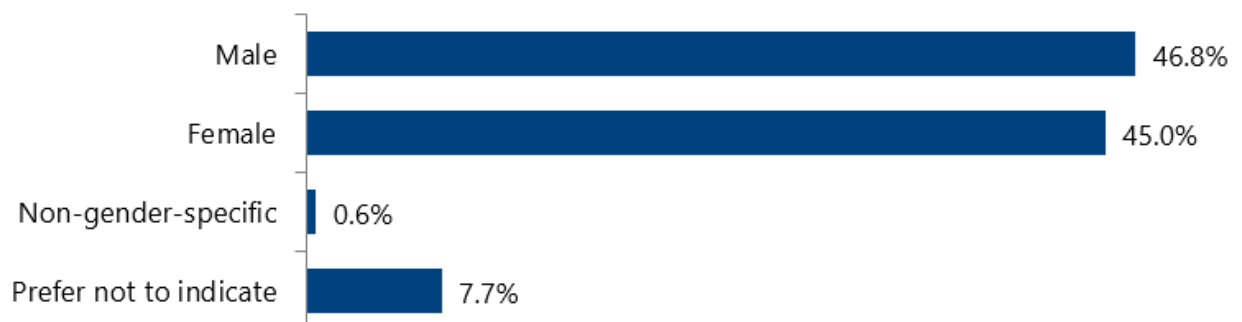
Q10. How supportive are you of the appointment of an independent financial controller?

n=6285



Q11. What is your gender?

n=6285



Q12. Are you of Aboriginal and/or Torres Strait Islander origin?

n=6285



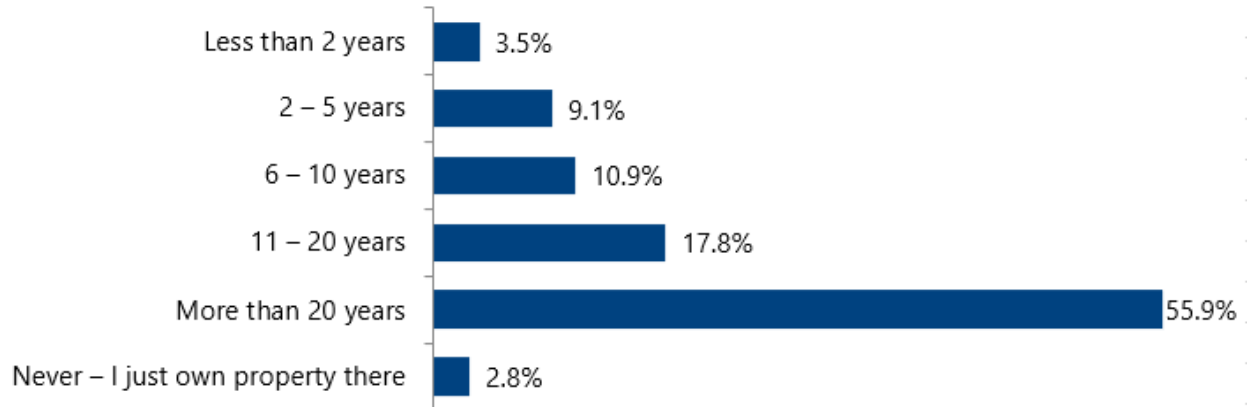
Q13. What is your primary suburb of residence?

n=6285



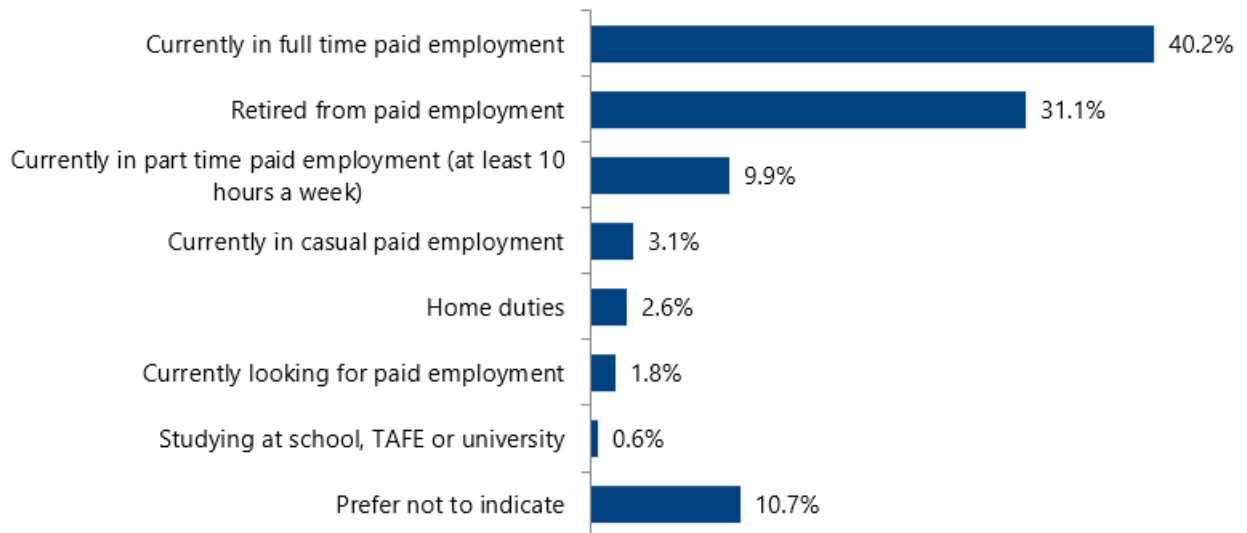
Q.14 How long have you lived in the Central Coast area?

n = 6285



Q15. Which of the following best describes your current employment status?

n = 6285



Q16. Do you or someone in your household work for Central Coast Council?

n = 6285



Appendix D: Letter to ratepayers



7 January 2021

Dear Ratepayer

Securing your future

2020 has been an exceptional year with reduced dam levels, bushfires, floods, coastal erosion, followed by COVID -19. These events required the constant redirection of resources to meet the needs of the community. Coupled with that has been the reality of our financial situation which we have been open in sharing with you. Now we need your help.

We have a legal obligation to reimburse the restricted funds that were unlawfully accessed to bring forward projects and infrastructure that has undoubtedly benefited the community. We have a Plan and we have taken swift action already. We are selling our underutilised assets; reducing our workforce and reducing spending on infrastructure, materials and contracts. These decisions alone are not enough for us to be financially sustainable. We need to apply for a rate rise as well.

We understand the concern at the prospect of paying more rates. However, if Council does not have a substantial increase in the total rate income, then we will need to significantly reduce or eliminate the standard and range of services we provide to you, our community. It could also see the condition of our assets deteriorate as there would be an ever-increasing gap in the funds required to maintain our existing infrastructure assets. Council's fees and charges will need to increase, more staff will need to be let go and the support Council provides to many organisations would decline. Many services may even cease altogether. Our priority has to be the repayment of restricted funds so that does not become a burden for future generations.

Council at first considered applying for a 10% one-off increase to its rate income that would stop after seven years. Since that initial resolution, further work has been done forecasting the reductions in the levels of service to achieve sustainable long-term financial plans and to repay the restricted reserves. As a result, it is now apparent that a larger and permanent increase needs to be considered in order to maintain a level of service our community expect. A 15% one-off permanent increase will get us there and that is what we are asking you to consider.

How much will I pay?

This will vary depending on where you live, or the location of your business and value of your land.

We have calculated that the **average residential increase will be \$3.20 a week** and the **average business increase will be \$9.30 a week** if the 15% one off permanent increase is approved. For all Council rating categories, the impact of the proposed changes are outlined in the table below:

		Annual rates (average)	Temporary fix option - 10%	Securing your future option - 15%
		Current Year	2021-22	2021-22
Residential average	Gosford	\$1,015	\$1,212	\$1,267
	Wyong	\$1,194		
Business average	Gosford	\$2,593	\$3,561	\$3,728
	Wyong	\$3,997		
Farming average	Gosford	\$1,359	\$2,031	\$2,123
	Wyong	\$2,909		
Mining average	Gosford	-	\$452,914	\$473,501
	Wyong	\$412,763		
Total Council rate income increase*			10%	15%
Total Extra Council Rate Income			\$17.3 million	\$25.9 million

Note: The figures contained above are based on a harmonised rating system and the application of Special Rate Variation (SRV) to increase Council's total rate income above the rate peg. The proposal includes a permanent one-off of 15% (inclusive of 2% rate peg and 13% SRV). The temporary option was a temporary 10% increase (inclusive of 2% rate peg and 8% SRV). With the harmonisation of rates, general average rates for former Gosford ratepayers are likely to increase while former Wyong's will decrease.

The prospect of a rate rise will be particularly difficult news for our pensioners and those in the community who are really doing it tough. Please be assured help is at hand. Pensioner rebates will apply and we have a Debt Recovery and Hardship Policy in place for those who may have difficulty paying their rates.

We want to hear from you. Opportunities to have your say will be available from 8 January 2021 via an online survey at yourvoiceourcoast.com. If you don't have internet access you can visit one of our Libraries or Administration Buildings or call us during business hours on 1300 463 954 and we will assist you to complete the survey.

We look forward to hearing from you.

Yours sincerely,



Rik Hart
Acting Chief Executive Officer

Appendix E: Coast Connect articles

Securing your future with a rate rise

Council has resolved to consider applying to the Independent Pricing and Regulatory Tribunal (IPART) for a rate rise to help with Council's financial recovery. This process is called a Special Variation (SV) application.

Council has resolved to consider two SV options:

- **Option 1 Temporary Fix Option – 10%**
– On 26 November 2020, Council considered applying for a 10% one-off increase to its rate income, remaining in the rate base for 7 years. In 2021-22 this increase would consist of the annual 2% rate peg and a further 8% SV that would be applied once in 2021-22 and will remain in the rate base for seven years. This option forecasts substantial reductions in the levels of service provided to the community and some elimination of services.

With a 10% increase the **average residential increase will be \$2.13 a week** and the **average business increase will be \$6.11 a week**.

- **Option 2 Securing Your Future Option – 15%**
– On 14 December 2020, Council considered applying for 15% one-off increase to its rate income, remaining in the rate base permanently. In 2021-22 this increase would consist of the annual 2% rate and a further 13% SV that would be applied once in 2021-22 and will remain permanently in the rate base. This option forecasts the maintenance of the current levels of service.

With a 15% increase the **average residential increase will be \$3.20 a week** and the **average business increase will be \$9.30 a week**.

Find out what a rate rise means for you and have your say at **yourvoiceourcoast.com**

Still time to have your say on a rate rise

Help secure the future of the Coast and have your say about a proposed rate rise for the Central Coast.

Council has been open with the community about our current financial situation - which is due to spending more money than we had coming in, both before and after amalgamation. The money came from restricted funds. The money was not lost rather, it was spent on infrastructure and services that directly benefited the community. In 2019-20 \$242M was spent on a capital works, delivering 1,383 projects including a new pipeline between Mardi and Warnervale, resurfacing of 107km of roads, drainage infrastructure and upgrade to wharves, parks, playgrounds and sporting fields.

Council are taking significant steps to help our bottom line - we are selling assets, reducing staff numbers, materials and contracts, reducing the capital works program, looking at fees and charges and in addition secured further loans. These decisions alone are not enough for us to be financially stable into the future and that is why we are asking for your help and support for a rate rise.

While we understand many in our community do not want a rate rise, this is not a viable option. Council needs a rate rise to repay the restricted funds spent on community infrastructure and services and to deliver a level of service to the community that ensures our assets and essential services are maintained. Council resolved to consider two options - a ten percent rate rise and a fifteen percent rate rise (both including the rate peg of 2%)

How much you pay will vary on where you live and the value of your land. The current average rates are \$1,194 per year (former Wyong Shire LGA) and \$1,015 per year (former Gosford LGA). With either

proposed rate rise, the rates would still be less than surrounding regions such as Newcastle (\$1,582 per year), Cessnock (\$1,261 per year) and Lake Macquarie (\$1,494 per year).

We want to hear from you. Please fill out our survey and have your say at yourvoiceourcoast.com by 1 February. If you don't have internet access you can visit one of our Libraries or Administration Buildings, or call us during business hours on 1300 463 954 and we will assist you to complete the survey.

Be assured, the written feedback you provide in the survey or to us directly will be counted and reported to IPART, including feedback that states a lack of support for a special variation.



Council meeting

To find out when the next Council meeting is and to view it online go to centralcoast.nsw.gov.au/meetings

Appendix F: Enewsletters

12 January



Securing your future with a rate rise

Council has resolved to consider applying to the Independent Pricing and Regulatory Tribunal (IPART) for a rate rise to help with Council's financial recovery. This process is called a Special Variation (SV) application.

Option 1 Temporary Fix Option – 10%

With a 10% increase the average residential increase will be \$2.13 a week and the average business increase will be \$6.11 a week.

Option 2 Securing Your Future Option – 15%

With a 15% increase the average residential increase will be \$3.20 a week and the average business increase will be \$9.30 a week.

Find out what these options mean for you and Council services and have your say via our online survey. We want to hear from as many ratepayers and residents as possible before 29 January 2021.

[Have your say](#)

28 January



Securing your future with a rate rise - second survey now open with option of 'no rate rise'

Council has extended the survey options for the community to have their say on a rate rise for the Central Coast. A second survey with an additional question about the option of 'no rate rise – rate peg only' is now open for you to complete. The updated questions are numbers 7 and 8.

The survey closes 5pm, Monday 1 February 2021.

This second survey has been created in response to community feedback that many residents and ratepayers felt restricted in their opportunity to express their views about the option of 'no rate rise – rate peg only.'

The first survey closed at 9am on 22 January 2021 and over 3,300 surveys were completed. A report on the first and second survey results will be made publicly available and the feedback will be reported to Council and IPART, including feedback that states a lack of support for a special variation.

Anyone can complete the second survey, including those who responded to the first survey.

Thank you for your feedback and commentary about this important matter.

[Take the survey](#)

Appendix G: Social media promotion



Central Coast Council

Published by HubSpot · 27 January at 14:38 ·

...

Help secure the future of the Coast and have your say about a proposed rate rise for the Central Coast. Complete our survey at <https://hubs.la/H0FwgRC0> by 1 February 2021.

While we understand many in our community do not want a rate rise, this is not a viable option. Council needs a rate rise to repay the restricted funds spent on community infrastructure and services and to deliver a level of service to the community that ensures our assets and essential services are maintained.

Council resolved to consider two options - a ten percent rate rise and a fifteen percent rate rise (both including the rate peg of 2%).

Be assured, the written feedback you provide in the survey or to us directly will be counted and reported to IPART, including feedback stating a lack of support for a special variation.

We want to hear all views and opinions so have your say today.

No action on Special Rate Variation

- ⊗ Service closures including some library branches and community facilities.
- ⊗ Significant reduction in maintenance of facilities, infrastructure and assets.
- ⊗ Significant reduction in road, footpath and drainage maintenance.
- ⊗ Reduced bulk kerbside collections quota.
- ⊗ Significant reduction to environmental programs
- ⊗ Longer processing times for all customer requests permits and applications.
- ⊗ More staff reductions and follow on service reductions.
- ⊗ Reduced maintenance of sporting facilities, parks and playgrounds – no new facilities or major upgrades only renewals based on safety.
- ⊗ No community events run by Council and no grants and sponsorship of other events.
- ⊗ Further sales of assets and land.
- ⊗ Significant increases in fees and charges.

Have your say
yourvoiceourcoast.com

Option 1 - 10% Rate Rise

(8% special variation and 2% rate peg)

- ⊗ Reduced opening hours or possible closure of facilities including leisure centres, libraries, childcare and community facilities.
- ⊗ Reduced maintenance of sporting facilities, parks and gardens.
- ⊗ Reduced maintenance of roads, footpaths, cycleways and drains.
- ⊗ Reduced environmental programs (e.g. weed removal and native vegetation programs).
- ⊗ Longer processing times for customer requests, applications and permits.
- ⊗ Fewer community events, limited grants and sponsorship.
- ⊗ Large increases in user fees and charges.

Have your say
yourvoiceourcoast.com

Option 2 - 15% Rate Rise

(13% special variation and 2% rate peg)

- ⊙ Maintaining opening hours and programs at pools, libraries, although no new facilities would be constructed.
- ⊙ Maintenance of sporting and community facilities, parks and gardens would remain as is, with no increase to mowing, planting or maintenance.
- ⊙ Construction of roads, footpaths, cycleways and drains would continue.
- ⊙ Environmental programs would be retained (e.g. weed removal and native vegetation programs).
- ⊙ Processing times for customer requests, applications and permits would remain the same.
- ⊙ Community events maintained, but not expanded.

Have your say
yourvoiceourcoast.com

Fact Checking

Common misconceptions around Council's financials

"The % increase is compounding, meaning my rates will increase 15% per year from now on."

False - this will be a one-off increase, remaining in the rate base permanently.

"This rate variation is due to corruption within our Council."

False - Council's current financial situation is due to spending more money than we had coming in, both before and after amalgamation.

The money came from restricted funds so we need to repay the money spent back into the restricted fund pool. The money was not lost rather, it was spent on infrastructure and services that directly benefited the community.

"This increase will mean we are paying higher rates than other neighbouring Councils."

False - In considering a possible rate variation, Council looked at the rate levels of our neighbouring Councils. Even with a 15% rate increase, Central Coast ratepayers will still be paying less than our neighbours.

Have your say
yourvoiceourcoast.com

Appendix H: DL flyer



From the Administrator

Late last year I released my 30-Day Interim Report. The report, on Council's website, provided the community with a history of how poor financial decisions and budget mismanagement led Central Coast Council to the position of being unable to pay our staff. Council's operating loss for the current financial year is on track to be in the order of \$115M, this follows last year's loss of \$89M. Of course such losses are not sustainable.

My report outlined urgent and strong action needed, with a series of measures to achieve the necessary turnaround:

- significant asset sales over the next two years
- further borrowings
- a rate increase
- an increase in some Council charges
- a reduction in Council's senior and middle management numbers
- reducing staff numbers to pre-merger level

Three months on and we've commenced identification of asset sales; further borrowings have been secured, partly to assist in a one-off cost of redundancy packages as a result of a reduction in staff numbers; a rate rise application to the Independent Pricing and Regulatory Tribunal (IPART) of 10% and 15% has been put forward for consideration; and recruitment for a CEO is underway.

To put a rate increase in perspective, a 15% rate increase would deliver around \$25M per annum towards reducing our deficit (\$89M last year). Reducing staff levels would give approximately \$30M-\$35M.

The rate rise is not a done deal and IPART will make the final determination in May following community consultation. I acknowledge the hardship these actions will cause for some and sincerely apologise for the real impact this financial mismanagement over the last few years will have on all residents and ratepayers.

Dick Persson AM
Administrator, Central Coast Council

 CentralCoastCouncil  @CCoastCouncil  @centralcoastcouncil



Securing your future with a rate rise

Council has resolved to consider applying to the Independent Pricing and Regulatory Tribunal (IPART) for a rate rise to help with Council's financial recovery. This process is called a Special Variation (SV) application.

Council has resolved to consider two SV options:

- **Option 1 Temporary Fix Option – 10%**
On 26 November 2020, Council considered applying for a 10% one-off increase to its rate income, remaining in the rate base for seven years. In 2021-22 this increase would consist of the annual 2% rate peg and a further 8% SV that would be applied once in 2021-22 and will remain in the rate base for seven years. This option forecasts substantial reductions in the levels of service provided to the community and some elimination of services.

With a 10% increase the **average residential increase will be \$2.13 a week** and the **average business increase will be \$6.11 a week**.

- **Option 2 Securing Your Future Option – 15%**
On 14 December 2020, Council considered applying for a 15% one-off increase to its rate income, remaining in the rate base permanently. In 2021-22 this increase would consist of the annual 2% rate and a further 13% SV that would be applied once in 2021-22 and will remain permanently in the rate base. This option forecasts the maintenance of the current levels of service.

With a 15% increase the **average residential increase will be \$3.20 a week** and the **average business increase will be \$9.30 a week**.

Find out what a rate rise means for you and have your say at yourvoiceourcoast.com

centralcoast.nsw.gov.au | 1300 463 954

Appendix I: Data coding reference check open-ended survey responses

Reasons for selecting Option 1 codes

Code	Example comment
Prefer neither option	I don't want either I don't want a rate rise I was forced to select one option/wasn't given a choice I'm not going to pay more above what I pay now
More affordable option/less impact on ratepayers	Cheaper option I'm on a pension
This option still means we get less but pay more	No guarantee ratepayers will benefit Council still won't fix issues/assets/services
Should not pay for financial mismanagement	Council/others are, not ratepayers Why should ratepayers bail out Council?
Lack of trust managing finances in future	What guarantees are there? Council needs to improve financial management Council will waste the money again I don't trust... I'm still concerned about...
Would like continuation of services	I don't want a decline/loss to services Council still needs to run properly
Concerns about impact of merger	The Councils shouldn't have amalgamated This is caused by amalgamation Wyong was better off/Gosford was worse Need to return to two separate Councils Amalgamation was meant to reduce costs
Other savings or revenue options should be found	Seek money from other levels of government Sell more assets Issue more fines to raise revenue Charge more for other services Reduce services like libraries, pools, childcare Cut back on staff/projects/general costs
General comments on poor Council services	I don't have kerb/gutter/water/sewerage Roads are poor Too many weeds/no mowing I don't get much for my rates already Dealing with Council is challenging/slow response time/inadequate actions

Reasons for selecting Option 2 codes

Code	Example comment
Prefer neither option	I don't want either I don't want a rate rise
Still should not pay for financial mismanagement	Council/others are responsible, not ratepayers Why should ratepayers bail out Council? <i>Respondents can support a rate rise but also express disappointment about this</i>
Would like problem fixed	Solves the problem Get it fixed/pay off the debt Get it done Ge out of this mess Most viable option <i>Implies short term action</i>
Would like to keep service levels	I don't want a decline/loss to services Council still needs to run properly <i>Implies that a rate raise will keep the status quo</i>
Would like to see improved services/levels	Expects more/improved services with increase Will see the Central Coast grow / get better / thrive Encourages investment The area/Coast needs to improve <i>Implies that a rate raise will generally improve the Central Coast through Council services, maintenance etc.</i>
More sustainable for long-term	Better security/certainty/long-term fix For future generations Secure More sensible <i>Implies longer term benefits/vision for financial security</i>
Must manage finances better in future	Need more oversight into Council's affairs Councils needs better processes/systems/budgeting Appoint capable expertise Would like improved leadership Don't want this problem again <i>Support for option 2 can be conditional.</i>
General comments on poor Council services	I don't have kerb/gutter/water/sewerage Roads are poor Too many weeds/no mowing I don't get much for my rates already Dealing with Council is challenging/slow response time/inadequate actions

Reasons for selecting 'No rate rise' codes

Code	Example comment
I and/or others in the community can't afford a rate rise	I can't afford this COVID impacts People can't afford this
Rates are already too high	We pay enough Rates are already high
Should not pay for financial mismanagement	Council/others are responsible, not ratepayers Why should ratepayers bail out Council?
Lack of trust managing finances in future	What guarantees are there? Council needs to improve financial management Council will waste the money again I don't trust... I'm still concerned about...
Concerns about impact of merger	The Councils shouldn't have amalgamated This is caused by amalgamation Wyong was better off/Gosford was worse Need to return to two separate Councils Amalgamation was meant to reduce costs
Other savings or revenue options should be found	Seek money from other levels of government Sell more assets Issue more fines to raise revenue Charge more for other services Reduce services like libraries, pools, childcare Cut back on staff/projects/general costs
General comments on poor Council services	I don't have kerb/gutter/water/sewerage Roads are poor Too many weeds/no mowing I don't get much for my rates already Dealing with Council is challenging/slow response time/inadequate actions

Central Coast Council

4 February 2021