



Central Coast Council  
Business Paper  
Extraordinary Council Meeting  
**26 November 2020**





# COMMUNITY STRATEGIC PLAN 2018-2028

**ONE – CENTRAL COAST IS THE COMMUNITY STRATEGIC PLAN (CSP) FOR THE CENTRAL COAST LOCAL GOVERNMENT AREA**

**ONE – CENTRAL COAST DEFINES THE COMMUNITY'S VISION AND IS OUR ROADMAP FOR THE FUTURE**

**ONE – CENTRAL COAST BRINGS TOGETHER EXTENSIVE COMMUNITY FEEDBACK TO SET KEY DIRECTIONS AND PRIORITIES**

One - Central Coast will shape and inform Council's business activities, future plans, services and expenditure. Where actions are the responsibility of other organisations, sectors and groups to deliver, Council will work with key partners to advocate on behalf of our community.

Ultimately, every one of us who live on the Central Coast has an opportunity and responsibility to create a sustainable future from which we can all benefit. Working together we can make a difference.

## RESPONSIBLE

**WE'RE A RESPONSIBLE COUNCIL AND COMMUNITY, COMMITTED TO BUILDING STRONG RELATIONSHIPS AND DELIVERING A GREAT CUSTOMER EXPERIENCE IN ALL OUR INTERACTIONS.** We value transparent and meaningful

communication and use community feedback to drive strategic decision making and expenditure, particularly around the delivery of essential infrastructure projects that increase the safety, liveability and sustainability of our region. We're taking a strategic approach to ensure our planning and development processes are sustainable and accessible and are designed to preserve the unique character of the coast.

 **Good governance and great partnerships**

**G2** Communicate openly and honestly with the community to build a relationship based on transparency, understanding, trust and respect

There are 5 themes, 12 focus areas and 48 objectives



All council reports contained within the Business Paper are now aligned to the Community Strategic Plan. Each report will contain a cross reference to a Theme, Focus Area and Objective within the framework of the Plan.



# Meeting Notice

**The Extraordinary Council Meeting  
of Central Coast Council  
will be held in the Council Chamber,  
2 Hely Street, Wyong on  
Thursday 26 November 2020 at 1.00 pm,  
for the transaction of the business listed below:**

## **1 PROCEDURAL ITEMS**

1.1 Disclosure of Interest ..... 4

## **2 GENERAL REPORTS**

2.1 Special Rate Variation application by Council..... 6

Rik Hart  
**Acting Chief Executive Officer**

**Item No:** 1.1  
**Title:** Disclosure of Interest  
**Department:** Governance

---



26 November 2020 Extraordinary Council Meeting

Reference: F2020/00039 - D14318645

Chapter 14 of the *Local Government Act 1993* ("LG Act") regulates the way in which the councillors and relevant staff of Council conduct themselves to ensure that there is no conflict between their private interests and their public functions.

Section 451 of the LG Act states:

- "(1) A councillor or a member of a council committee who has a pecuniary interest in any matter with which the council is concerned and who is present at a meeting of the council or committee at which the matter is being considered must disclose the nature of the interest to the meeting as soon as practicable.*
- (2) The councillor or member must not be present at, or in sight of, the meeting of the council or committee:*
- (a) at any time during which the matter is being considered or discussed by the council or committee, or*
  - (b) at any time during which the council or committee is voting on any question in relation to the matter.*
- (3) For the removal of doubt, a councillor or a member of a council committee is not prevented by this section from being present at and taking part in a meeting at which a matter is being considered, or from voting on the matter, merely because the councillor or member has an interest in the matter of a kind referred to in section 448.*
- (4) Subsections (1) and (2) do not apply to a councillor who has a pecuniary interest in a matter that is being considered at a meeting, if:*
- (a) the matter is a proposal relating to:*
    - (i) the making of a principal environmental planning instrument applying to the whole or a significant part of the council's area, or*
    - (ii) the amendment, alteration or repeal of an environmental planning instrument where the amendment, alteration or repeal applies to the whole or a significant part of the council's area, and*

## **1.1 Disclosure of Interest (contd)**

---

- (a1) the pecuniary interest arises only because of an interest of the councillor in the councillor's principal place of residence or an interest of another person (whose interests are relevant under section 443) in that person's principal place of residence, and*
- (b) the councillor made a special disclosure under this section in relation to the interest before the commencement of the meeting.*
- (5) The special disclosure of the pecuniary interest must, as soon as practicable after the disclosure is made, be laid on the table at a meeting of the council and must:*
  - (a) be in the form prescribed by the regulations, and*
  - (b) contain the information required by the regulations."*

Further, the Code of Conduct adopted by Council applies to all councillors and staff. The Code relevantly provides that if a councillor or staff have a non-pecuniary conflict of interest, the nature of the conflict must be disclosed as well as providing for a number of ways in which a non-pecuniary conflicts of interests might be managed.

### **Governance Recommendation**

*That the Administrator and staff now disclose any conflicts of interest in matters under consideration by Council at this meeting.*



**Item No:** 2.1  
**Title:** Special Rate Variation application by Council  
**Department:** Innovation and Futures

---

26 November 2020 Extraordinary Council Meeting

Reference: F2020/00039 - D14313480  
Executive: Ricardo Martello, Executive Manager Innovation and Futures  
Executive: Natalia Cowley, Chief Financial Officer

### **Report purpose**

To seek Council's endorsement to notify the Independent Pricing and Regulatory Tribunal (IPART) of Council's intention to prepare a Special Rate Variation.

### **Executive Summary**

As part of the Business Recovery initiative that Council has undertaken to address its current financial situation, the following suite of recovery measures are being put forward to ensure that Council is able to fulfil its obligations and meet the expectations of the Central Coast community:

- Structural reduction in operating expenditure;
- Reduction in capital expenditure funded by Council's own source of funding;
- Review and revision of Council's organisational structure;
- Obtaining bank loans to assist with the funding of priority capital expenditure;
- Generating additional revenue;
- Selling underperforming assets and
- Seeking a Special Rate Variation approval from IPART.

The process outlined by IPART for Councils applying for a Special Rate Variation includes a requirement to notify IPART of its intention to do so by 27 November 2020. It also requires Councils to update their Integrated Planning and Reporting documentation with information that is relevant to the proposed Special Rate Variation and to undertake extensive community engagement and consultation in relation to the application.

It is recommended that Council resolve to notify IPART of its intention to prepare an application for a Special Rate Variation of a one-off 10% (plus rate peg) permanent increase in 2021/22, remaining in the rating base over a ten-year period, satisfying the requirements of the process determined by IPART.

It is important to note that notifying IPART does not pre-determine an outcome as the process requires community consultation and preparation of a submission for IPART's consideration.

---

### Innovation and Futures Recommendation

- 1 *That Council endorse the making of an application to the Independent Pricing and Regulatory Tribunal for a one-off Special Variation increase of 10% (plus rate peg) in 2021/22 to remain permanently in the rate base for 10 years.*
- 2 *That the funds raised from this Special Variation are to fund improvements in Council's financial sustainability.*
- 3 *That Council notify IPART accordingly.*
- 4 *That Council staff update the integrated planning and reporting documents with information relevant to the proposed SRV application.*
- 5 *That Council staff undertake community consultation and engagement in relation to the proposed SRV application.*

### Background

As part of the Business Recovery initiative that Council has undertaken to address its current financial situation, the following suite of recovery measures are being put forward to ensure that Council is able to fulfil its obligations and meet the expectations of the Central Coast community:

- Structural reduction in operating expenditure;
- Reduction in capital expenditure funded by Council's own source of funding;
- Review and revision of Council's organisational structure;
- Obtaining bank loans to assist with the funding of priority capital expenditure;
- Generating additional revenue;
- Selling underperforming assets and
- Seeking a Special Rate Variation approval from IPART.

One of the last measures that can be considered, once all other levers have been enacted is an increase in rates. While it is recognised that this is not an imposition that Council would want to place on the local community, given the current financial situation, this is an option that should not be ruled out at this stage. The revenue that Central Coast Council generates from rates is proportionately lower than that of our neighbouring local government areas. Over the long term, it is not sustainable for Council to operate effectively and provide the services that this community values without receiving additional revenue.

At the Ordinary Meeting of 23 November 2020, Council resolved:

- 1101/20 *That an Extraordinary Meeting be conducted on Thursday, 26 November 2020 at Wyong Chambers at 1.00pm for consideration of a report regarding a possible Special Rate Variation by Council.*

## **2.1 Special Rate Variation application by Council (contd)**

---

This report confirms Council's intent to retain the option to apply to the Independent Pricing and Regulatory Tribunal to consider a Special Rate Variation, providing the community and other stakeholders with appropriate notice of this intention. It is important for the community to be aware that this is being considered and rest assured that appropriate consultation will be had over the coming months with Council to provide a variety of mechanisms for affected stakeholders to have their say over this important matter.

### **Type of Application**

Section 508A of the Local Government Act 1993 – Application for a special variation to the general income. It is intended that this would be a permanent increase which is retained within the rate base.

In submitting its notice of intent to apply for a Special Rate Variation to IPART, Council will seek an exemption to enable it to provide its Part A and Part B application forms in late March or early April 2021, in order to enable Council to complete its rates harmonization, scheduled for March 2021.

### **The percentage amount of the intended Special Rate Variation**

One-off 10% (plus rate peg) in 2021/22 remaining permanently in the rate base for ten years.

### **The purpose of the funds for the Special Rate Variation**

As part of the process of applying for a Special Rate Variation, the purpose for which the funds are being requested needs to be identified. The primary purpose, based on IPART categories, for the funds being sought under the proposed Special Rate Variation application is the improvement of Council's financial sustainability.

### **Consultation**

It is proposed that extensive community consultation and engagement in relation to the proposed SRV application be undertaken.

### **Financial Considerations**

At its meeting held 19 October 2020, Council resolved the following:

*1036/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.*

The following statement is provided in response to this resolution of Council.

An amount of \$200k be allocated in the 20/21 budget for a community engagement program to facilitate consultation with the community, in regards to a proposed application

## **2.1 Special Rate Variation application by Council (contd)**

---

to IPART for a Special Variation. This amount be sourced from the existing materials and contracts budget of Council.

### **Link to Community Strategic Plan**

Theme 4: Responsible

### **Goal G: Good governance and great partnerships**

R-G4: Serve the community by providing great customer experience, value for money and quality services.

### **Risk Management**

Council has yet to complete the rates harmonisation process following the amalgamation of the former Gosford City and Wyong Shire councils. An extension was granted by the NSW Parliament to 30 June 2021 for completion of the rates harmonisation process.

It is important to ensure that the rates across both former local government areas have been harmonised, ensuring there is equity in rates charges levied across the whole of the Central Coast region ahead of a Special Rate Variation potentially being introduced. Council staff anticipate this process will be completed in March 2021.

### **Options**

Council could determine to delay submission of an application and consider a submission for 2022/23. Delaying would allow for greater opportunity for community engagement and consultation, although it would also have a potentially negative impact on Council's long-term financial position.

### **Critical Dates or Timeframes**

Council must advise IPART in writing by 27 November 2020 of its intention to prepare a combined application for a Special Rate Variation and Minimum Rate Increase.

The submission must be completed and submitted to IPART for determination by 8 February 2021, if an exemption isn't granted.

### **Attachments**

*Nil.*