



# David Mehan MP

STATE MEMBER FOR THE ENTRANCE

25 January 2021

Dr Paul Paterson  
Chair  
Independent Pricing & Regulatory Tribunal  
[ipart@ipart.nsw.gov.au](mailto:ipart@ipart.nsw.gov.au)

Dear Dr Paterson,

## Central Coast Council application for Special Rate Variation

Central Coast Council (Council) was created by amalgamation of Gosford City and Wyong Shire in 2016. The Entrance electorate covers suburbs located in both these former council areas. Following the appointment of an [Interim Administrator](#) in October 2020, Council resolved on 14 December to apply to IPART for a [Special Rate Variation](#). My office has received many submissions from constituents opposed to the rate increase.

In making its decision, IPART should have regard to the existing rates which apply across the former Council areas which sees residents and businesses of the former Wyong Shire paying much more than those in the former Gosford City.

In 2013, IPART [approved](#) an application by the former Wyong Shire, which saw rates increase by 30.6% over 4 years. As a result, by 2017, residential rates had increased by an estimated average of \$868 per year. Application of the rate peg has seen Wyong Shire residents pay a higher compounding rate in each financial year since.

I suggest a fairer resolution to Councils SRV application would be to apply an immediate increase to rates in the former Gosford City area to bring these into line with rates being paid by residents in the former Wyong Shire. Residents of the former Wyong Shire should have no rate increase for 2021/22.

Rates paid by Central Coast residents are high compared to regions with similar household incomes and I cannot support an increase above the rates currently paid by former Wyong Shire residents.

Yours sincerely



**David Mehan**  
Member for The Entrance



# David Mehan MP

STATE MEMBER FOR THE ENTRANCE

12 February 2021

Dr Paul Paterson  
Chair  
Independent Pricing & Regulatory Tribunal  
[ipart@ipart.nsw.gov.au](mailto:ipart@ipart.nsw.gov.au)

Dear Dr Paterson,

## **Central Coast Council application for Special Rate Variation**

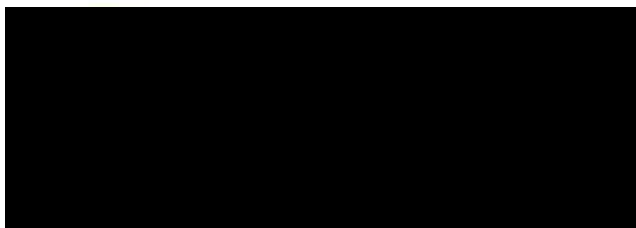
I make further representations on this matter and refer to my previous correspondence dated 25 January.

In support of my earlier correspondence, I attach information on the average rates currently being paid by other councils which have been ranked together as the Group 7 Councils by the NSW Office of Local Government. I have included various socio-economic indicators which reflect the capacity to pay of each council area.

I note that residents in two council areas with higher household income and better overall socio-economic indicators (viz, The Hills, Hornsby) currently pay less than residents of Central Coast Council (Council). More importantly, should the IPART grant the full 15% SRV increase sought by Council (an average residential rate of \$1,267), its residents would be paying a higher rate than most of the residents in the other council areas even though its residents are some of the most disadvantaged.

I understand the Administrator has advised that the rate increase sought is in part necessary to repay a bank loan taken to reimburse restricted funds wrongly spent by the Council. The intention is move Council immediately to a surplus position and repay this loan over ten years. This is an un-necessarily short term for a government entity and paying down debt over a longer period would reduce the need for a large rate increase. The IPART in determining a fair rate for Central Coast Council residents should do so chiefly to ensure the costs of existing Council services is covered and maintained.

Yours sincerely



**David Mehan**  
Member for The Entrance

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**Attachment to letter by David Mehan MP to IPART dated 12 February 2021.**

**A comparison with other Group 7 Councils of current rates and socio-economic indicators reflective of capacity to pay.**

Comparison with similar council areas					
Councils – Group 7 <sup>1</sup>	Ave annual residential rates (\$)²	Household Income (\$ per week)³	Low-income households (%)⁴	Unemployment rate (%)⁵	SEIFA ranking⁶
Central Coast – Gosford	\$1,015*	\$1,258	20.8	6.7	85
Central Coast – Wyong	\$1,194*				
Blue Mountains	\$1,747	\$1,468	15.0	4.7	110
Camden	\$1,272	\$2,047	11.6	4.1	114
Campbelltown	\$1,208	\$1,459	20.3	7.9	39
The Hills	\$1,050	\$2,363	10.7	4.6	125
Hornsby	\$1,172	\$2,121	11.3	4.8	121
Liverpool	\$1,122	\$1,550	20.6	7.5	41
Penrith	\$1,336	\$1,658	15.8	5.7	95
Highlight means	Lowest rates	Lowest income	Greatest % low-income	Highest unemployment	Most disadvantaged

\* Note Councils application to IPART seeks a maximum ave. residential rate of \$1,267 per year.

acknowledge the assistance of the NSW Parliamentary Library in assembling the information.

<sup>1</sup> NSW Office of Local Government (OLG) classification: <https://www.yourcouncil.nsw.gov.au/wp-content/uploads/2020/05/Australian-Classification-of-Local-Government-and-OLG-group-numbers.pdf>

<sup>2</sup> NSW OLG Your Council report: <https://www.olg.nsw.gov.au/wp-content/uploads/2020/12/Time-Series-Data-2018-2019.xlsx>

<sup>3</sup> 2016 census: median household income per week.

<sup>4</sup> 2016 census: percentage of low-income households in the area.

<sup>5</sup> 2016 census: unemployment rate.

<sup>6</sup> 2016 census. SEIFA (Socio-Economic Indexes for Area) is a relative measure of socio-economic advantage. This index ranks areas on a continuum from most disadvantaged to least disadvantaged. A low score on this index indicates a high proportion of relatively disadvantaged people in an area.