

Anonymous 1

I do not support Central Coast Council's request for a rate rise for the reasons below:-

I did not respond to the council's 2 recent rates surveys because :-

I did not receive notification by mail of the first survey because it arrived in the post on Friday afternoon, 22/1/21 although the survey had closed that morning. The date of the correspondence (13/1/21) and arrival revealed many days 'lost' in the system.

1. A search on the Councils' website revealed a new survey with a narrow window in which to participate
2. I tried to fill in the survey but I found it was skewed to make my answer to question 7 appear that I wanted a 10% or 15% increase to rates. The survey would not allow me to bypass question 7 in order to complete the option of a 2% increase in preference to 10% or 15%.
3. The survey was 'open' to anyone! This meant all those who did not pay rates were able to participate? This included tenants and those living outside the area could vote without any accountability as voting was not attached to a specific property.

Below are my reasons for not supporting Central Coast Council's extra 8% (10% overall increase) or 13% (15% overall increase) increase in rates above the 2% Ipart approved increase:-

1. The Central Coast region, especially the 'old' Wyong Council LGA pay some of the highest rates already in NSW.
2. Why has the 15% increase been referred to as a 'one off' increase. This gives the impression that the increase will be for one year only. Every reference I have heard in the media has referred to a 'one off increase' not that it is a 'permanent one off increase'. This is in itself misleading (even to ratepayers)!
3. Huge increases in rates will eventually lead to increased rent and debt within the community. This often results in homelessness and increased social problems.
4. If Central coast Council has more money from ratepayers-more money will be wasted as has happened in the past.

Previously, in 2016 administrator Mr Ian Reynolds was called into Wyong Council as they were unable to manage their responsibilities competently.

The old council was already in debt before amalgamation but Central Coast Council continued to spend huge amount of money (unfunded) and has admitted that this was done 'for the benefit of the community'

- I did not benefit at all.

5. Why did Council spend more than it collected? If a listed company did this the directors would be gaoled.

A recent report by the New South Wales Audit Office found that between 2001 and 2019, more than \$13 million in developer contributions collected by the Council were misspent on administration costs, in breach of the law.

6. We have witnessed huge wastage on unnecessary works in our rated area.

For example:-

Swadling Reserve at Toowoan Bay Beach where the following new amenities and 'infrastructure' was not needed.

- Replacing all the garbage bins with new bins. All of these were on new concrete slabs.
- Special 'enclosures' for the bins, along with new labeling- recycling and 'landfill' signage. Why would a 'rubbish' sign be replaced with a 'landfill sign'? This is confusing for some with limited English
- Replacement of the existing playground with a new 'pit' full of new playground equipment surrounded by what appears to be a new 'bike track' –why was the old equipment replaced? It appeared sound and was aesthetically pleasing.
- The toilets at the carpark at Swadling Reserve (Toowoan Bay) have become open slather for graffiti artists since their refurbishment because the original brickwork was cement rendered. The roofing was replaced by a new roof which has blocked the ventilation. Stainless steel toilets (without seats) were newly installed and eventually after a year or so toilet seats were eventually attached.
- The new toilet paper holders do not function as the rolls either become stuck as the holders are too tight or the paper flows to the floor as they are too loose depending how many rolls are 'locked in' to the holder!

All totally unnecessary and wasteful.

We would have preferred clean toilets to impractical ones.

Obviously image is more important than functionality and cleanliness with Central Coast Council.

- Whilst all the playground work was being carried out we noticed a 75mm gap in the footpath- a trip hazard from the footpath in the car park leading to the toilets. We took photos and reported it to council but it was not repaired.
- As we frequently need to do maintenance work in the Long Jetty/Toowoan Bay area of the Central Coast we needed to use the public facilities but we are appalled by their lack of cleanliness especially as it is a popular and beautiful area often frequented by day trippers and holiday makers.
- The local roads are a disgrace as there are pot holes everywhere.
- Drains are rarely cleaned out and overflow.
- Part of Jubilee Park near the laneway at the rear of my properties often has piles of branches and rubbish which is a fire hazard.
- Recent and very lengthy roadwork at the intersection of Toowoan Bay shops has made the intersection more difficult and dangerous to negotiate in a car. It is not an improvement :-

This work involved a huge expense over a lengthy period. New machinery was obviously purchased to do the road works there and in Pacific Street.

Why was this not subcontracted out in order to save on equipment and time?

We know that this is just a snapshot of where our rates have been spent unnecessarily. We have observed these examples over time.

We have wondered if much of the 'new infrastructure' has involved some sort of relationship with a third party regarding the supply of equipment, consultancy fees etc.

It is not the first time problems were found and an administrator was appointed. Let those at the top cut their salaries and find other avenues to address their debt!

Lastly, why was the most recent CEO given a huge payout to leave Central Coast Council when he had not performed his duties? This would not occur in private industry.

The former chief executive officer and the former chief financial officer were aware of the illegal use of restricted funds and allowed it to continue.

It was Mr Murphy's responsibility to put an end to this in order to justify his huge salary.

Why Mr Murphy was chosen as CEO?

Where did all our money go? Council needs to learn to operate a budget and to stop wasting money on 'vote attracting expenditure'.

The lack of accountability is appalling and must be investigated.

The following excuse from Council as to why Mr Murphy was paid out is totally unacceptable:-

"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.

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.

The best of bad options was selected for the long term future of Council, it's ratepayers and staff."

- I propose it would have been more acceptable to ratepayers and restored some faith in Council had the above process played out.

I am asking IPART to please decline Central Coast's request for a 10% or 15% increase in rates.

The administrator's initial finding 'that the council unlawfully used restricted funds and failed to understand or practice the basics of sound financial management' should be enough reason to reject their submission.

History has shown they should not be permitted to 'play' with rate payer's money.

Lastly, I am an example of many property owners in my area and we are paying some of the highest land rates in NSW.

I own 2 rental properties at Long Jetty. I am a single, retired male aged 73 who does all the maintenance on these properties in order to prevent financial loss.

I have always provided well maintained properties for my tenants and have supported them when they have experienced financial difficulties.

I have continued to leave their rent at a lower level for a number of years as I prefer to have a permanent longstanding tenant who I can rely on.

If the increases (either 10% or 15%) are approved I will have to increase my rent as I cannot afford to pay the increases along with the existing mortgage, increased insurance and maintenance.

How many times will this council (or other councils) dismiss its responsibilities and use ratepayers as a bank?

In conclusion, I do not support Central Coast Council's request for a rate rise and feel that Central Coast Council should be investigated by ICAC so that this example of incompetency is never repeated by any council.

Anonymous 2

Reasons against the special variation rate rise

- It is not fair or just

- It is not fair or reasonable that because Central Coast Council accessed funds that it should not have or mismanaged money, that the local community, who have been doing the right thing and paying rates, bail out the council for doing the wrong thing.

- Would it be reasonable for I and other community members to send all of the bills that we could not afford to pay to Council or IPART to pay for us, because we mismanaged our money? Would your organisation be willing to pay our debts for us if we could not pay them? If Central Coast Council or IPART is not willing to pay the debts of community members, than how could it be fair and reasonable to expect the community to pay for Councils debts when Council mismanaged the money.

- If people cannot afford to pay their Council rates, Councils have the right to take the person to court to seek a court order requiring payment, to ask for a portion of their wages to be garnished until the debt is repaid, or even ask for the house to be sold. Although it is unlikely to happen, it legally can. If the special rate rise is approved and not all people can afford it, how would it be fair for the Council to have the right to request their wages be garnished or threatened to have their home sold, in an effort to pay for mistakes the Council itself made, not the community members.

- Sends a poor message to all Councils and the community

- If you grant any increase above the rate peg, especially when the greatest majority of the community do not support it (72%), then the message you are sending is that the community members do not matter and that Councils can spend as much money as they want, get into huge financial debt, but that it will be okay because IPART will just force the local community to pay for their mistakes.

- Why would the community be willing to trust Council to manage additional money, if IPART approves the request for a rate rise, since Council has already demonstrated they can't manage it?

- It will cause financial stress

- The rate increases that have been proposed, 10% or 15%, will not be able to be met by numerous people who live on the Central Coast. Many people are already doing it tough financially (e.g. pensioners, minimum wage income earners, single parent households, etc.).

- Most people who have worked this past year have not only not had a pay increase, but some have actually had their working hours reduced or lost their jobs.

- Even for people who have secure employment, such as with NSW Health which many on the Central Coast do, the Council requested rate rise is also unaffordable for them as their pay increase was only .03%. This amount generally equates to a pay rise of between 13 to 18 cents an hour. If this is not enough to even pay for a cup of coffee a week, it certainly would not be enough to cover a 10 or 15% rate increase.

- Amalgamation of councils - 'Fit for the Future'

- Some of the financial debt is due to the strong request/demand of Gosford and Wyong Councils to amalgamate by the NSW State Government as part of their 'Fit for the Future' local government reform. Your organisation supported this reform as indicated in your (Oct 2015) report, despite both councils stating they were opposed to the merger due to ".....upfront costs and time lags for benefit realisation" or their own consultant's reports.

- Your organisation indicated that the amalgamation could result in improved planning decisions and enhanced economic growth – which so far it hasn't! Your 2015 report stated that "based on our indicative analysis, up to \$101 million over 20 years in NPV benefits could be realised from a Gosford and Wyong merger. In addition, Ernst & Young estimated NPV benefits from a merger of Gosford and Wyong is \$196 million over 20 years".

- Not only have there not been financial benefits realised yet after almost 5 yrs, but it has cost our Council \$39 million to cover all costs associated with the merger so far, which is in addition to the \$10 million given to our Council by NSW State government to implement the merger. Needless to say, \$10million does not come close to covering the costs supposedly involved. The expectation is that the amalgamation process will not be completed for at least another year, with it being 10 years before any benefits may be seen.

- As this merger was at the insistence of the State government, the costs should be sought from that department, not by the local community.

- Your organisation is NOT independent in reviewing Central Coast Councils application for special variation of council rates as IPART was involved in reviewing plans, making suggestions and determining if councils were 'fit or unfit', etc. in the lead up to the amalgamation. In addition, IPART was supportive of Gosford and Wyong councils merging.

If the rate rise is approved, does IPART and Central Coast Council give assurance to the community and guarantee that the money will be well managed, will clear all financial debt, that all community services will stay in place and be fully functioning, and that no further additional increases will be requested or approved for at least the next 7-8 yrs? If this cannot be guaranteed then even if IPART granted the Central Coast Council their request of a large rate rise than it would still be possible for Council to make further special variation requests to IPART in 3 yrs times, 6 yrs, time etc. or whenever they felt they needed more money as further debt was found or built up.

I am not in support of a rate rise that is higher than the rate peg.

Anonymous 3

Firstly, I would like to make a comment that the figures the council administrator Dick Persson are an absolute [REDACTED]. He must have known that the figures are over 40% increase. He was very fond of saying it is \$7 a week and former Wyong shire will go down by \$3 a week. He is laughing at us and making a mockery of this process. He even allegedly secured a \$100million loan on the proviso that there would be a rate increase amongst other things. It seems like he believes this rate rise is a foregone conclusion. He is also on huge money, plus staying at a local resort. Why? We all have to travel to work. He's an hour away by car. He can't drive that far each day? We have to pay for his accommodation? Hardly a cost cutting measure.

There is something that is extremely unfair for Wyong. We have been paying a previous rate variation which was I believe more than 40% in total (I cannot recall the exact figures). This special variation was granted for 4 years.

The amalgamation was forced upon us - and guess what? 3 years AFTER our SV was due to end, we are STILL paying it. Why? Has this been looked into? Is it legal? Surely not? Do we get a refund and interest at the same rate the council charges us if we are late paying? We are already the poor cousins of this council. Pay more-get less.

I have noted that in their submission to ipart, as well as one figure they quoted adding up to 100.1%, they have misrepresented the rates we pay. For example. My land valuation is \$350000. I am paying rates (by councils current guidelines that they submitted to you for this year) on land valued at \$450000. Again, I ask. Do I get a refund plus the usual interest charged on this overpayment by me?

I understand council are also applying for a water charge rise. We can't afford to pay for brown water as it is. Too often our water is brown and it ruins our washing and we can't drink it. They are charging us for Evian and giving us pond water.

Really, you should be looking at the amounts all councils charge. Why should one area pay more for water which is a basic necessity?. We probably pay more than other councils, and by the same token, we probably pay less than others. Water charges should be the same no matter where you live in Australia. We can't be held to ransom and be afraid to use water because we can't afford it.

Another consideration for you is the amount of admin expenses this council are paying out. We are millions more than Sydney Council, and a couple of hundred million more than most councils. This should be a huge red flag worthy of investigation.

I believe the figures for 'consultants' was in the range of \$217000 per week. Per. Week!

What on earth are they consulting about? Who are the people who are being consulted, and how much are they getting for this? Is it cash for mates? I think this is also worthy of investigation before you make your decision.

We the rate payers do not want to pay for this blatant waste of money by councillors. We the rate payers cannot afford a rate rise, especially of this magnitude.

The merged councils have to 'harmonise' the rates. Wyong shire rates should have gone back down 3 years ago, yet they have remained long after the approval you gave them. We should have had a significant discount. Now it seems that instead of saving money, the council are going to slug Gosford council with an increase to harmonise. Grossly unfair for them and Wyong shire. They don't deserve that all in one hit, and Wyong shire deserve the decrease we should have had 3 years ago.

You must do the right thing and do investigations as to where this money has gone and only allow the 2% increase if any at all. We did not get the council into the mess they are in, and we don't expect to have to pay to get them out of it because they were frivolous with money that isn't theirs.

Thank you for reading.

Anonymous 4

I strongly reject any rate increase or any Special Variation to rates proposed by the Central Coast Council.

IPART need to consider that the large majority of Central Coast Ratepayers do not have kerb and gutter, footpaths, streetlights and the basics that other Councils provide for their ratepayers. Why can other Councils deliver the basics to their ratepayers and this Council can't? About 3 months or so ago I queried as to what our rates were paying for and I was advised that the money went on Community projects and not on providing the basics for ratepayers. This is disgraceful!! But what about delivering the BASICS!! It seems that if a ratepayer wants the basics they have to pay for them. So again I ask you what are ratepayers paying rates for??

Some time ago I queried the 2% Rate Peg and what this charge provided to ratepayers. I asked as to why IPART do not do their due diligence prior to allowing the Central Coast Council to charge ratepayers for non delivery of services. It really is of no interest to me if it costs the government money to check if Council actually delivers the service. The government has to have checks and balances in places and for your organisation to say that this is not part of the job that you are responsible for is unacceptable.

IPART is allowing Central Coast Council to fleece ratepayers when Council ACTUALLY DELIVERS NO SERVICE to ratepayers! How about IPART actually do their job? And by that I don't mean checking that Councils actually deliver services to ratepayers and that they charge fair rates not NO SERVICE yet Council still demands that ratepayers pay more, and more and more! And also for Council NOT to get away with charging a Special Variation to make up for money that has been mismanaged by Council. This is immoral and totally unacceptable. For the Administrator to get a loan through a bank by guaranteeing that the loan will be paid by a rate rise is just wrong. How many years is it going to take to pay off the loan? If there is a rate rise you are rewarding incompetence with a rate rise for the Council to keep wasting money such as on incorrect surveys and letters having incorrect information x 2 times eventually they had to send out a third letter to rectify the previous 2 mistakes, paying out more money than they need to on interest on loans, scrapping IT systems worth \$50M in preference of another IT system that costs \$15M where does the waste with this Council end? This Council will never have enough money to satisfy their thirst because they keep wasting, wasting, wasting!

Surely IPART can see that this financial crisis is due to gross financial mismanagement? And why are ratepayers having to pay for some opportunists having taken advantage of the systems within Council?

The Administrator was caught out misrepresenting facts and when Council/CFO was confronted had to actually admit that the rise in rates is actually 42% or more as opposed to the 10% or 15% as advised by the Administrator. Is that being honest with ratepayers?

Most certainly not! And this is the best that the government could send us by way of an Administrator? A retired arrogant bureaucrat, full of his own self-importance who thinks that all people on the Central Coast are idiots!

Click on the link below to listen to the radio interview with CFO confessing the actual proposed rate increase to ratepayers will be – this was only confirmed on the 19th February 2021 which is at least 2 months from the time the Administrator advised that he would be making submissions to IPART for either a 10% or 15% rate increase. All the while using interviews with the media as opportunities to advise that a rate increase has been confirmed. How can the Administrator or the CEO say this unless they had a confirmation from IPART?



The Special Variation that was applied to Wyong ratepayers was supposed to be for 4 years and that should have expired at least 2 years ago but Wyong ratepayers are still paying the Special Variation? Why doesn't IPART call into question this continued disregard for the initial ruling and take responsibility for what the Council has clearly decided to ignore? What is the point then of contacting IPART in the first place if Council does what they please?

Your organisation needs to be accountable and take responsibility for when Councils don't do the right thing by their ratepayers such as letting the SV carry on past the end period.

Another example where Council is not doing the right thing is in Charge Dates and Due Dates. This particular complaint is in reference to my Water Account (IPART has had lots of input into this). Comparing the Water Account from last year to this year, details with reference to my complaint are as follows:

2020 - Period 01/01/2020 to 31/03/2020 2021 - Period 01/01/2021 to 31/03/2021

Assessment number		Assessment number	
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Issue Date	15 April 2020	Issue Date	24 Feb 2021
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Due Date	15 May 2020	Due Date	26 Mar 2021
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So now Council without contacting ratepayers have decided to ask for money 7 weeks in advance. Is this fair? Why is this?

I have a further issue that I believe is currently under discussion at IPART and that is the Stormwater charge. Council has not provided me any stormwater services on my block. I

have had to pay \$20K to have 2 drains installed on my property for Stormwater and yet I am STILL being asked to pay for Stormwater at 3 – 4 times more than what other Councils are charging their ratepayers. Why is this? I believe that IPART are discussing the legitimacy of this charge? What is the outcome? I was told in 2018 when I originally complained about this that I should attend a meeting that IPART was holding on the Central Coast in October/November 2018. I did attend and [REDACTED]. In the end nothing was resolved as far as my issue was concerned. I was asked for my contact details by one of your representatives. I was assured that I would be contacted and that my issue would be discussed. I STILL HAVEN'T HEARD BACK FROM IPART!!

I actually have no trust in your organisation as I deem you to NOT be independent. I have had various experiences with your organisation and I have been very unimpressed with the level of service.

One thing I can definitively confident in saying is that if there is a rate rise there will be mass protests and not just on the Central Coast.

We are writing this submission because we have very strong objections about Central Coast Council's intent to have a "special rates variation".

We have a number of reasons for our objections:-

1. The cost to us. We have been retired for the last 5 years, receiving the pension and had what we thought was an adequate amount of savings. We have lived on our property for over 30+ years, do not have "investment" properties that we can call on, our income is finite, bank interest rates on any savings are on record lows, and we cannot afford to be paying the additional 15% or even 10% per year, especially as it will be increasing cumulatively over the years. This is our home which we may no longer be able to afford to live in.

The "special rates variation" will become an unbearable burden as in the last few weeks we have been made aware that our rates are likely to rise by an enormous amount via "harmonisation", including the SRV!! This latter fact was only revealed because a council employee was asked the question during a radio interview ie about the actual extent of the increase. No-one at council had advised the Central Coast ratepayers of this fact and it appears that the Council /Administrator/ Acting CEO have been dishonest with us. Finally, in a local radio interview, dated 23 February 2021, "Calculations on how much residents would pay with a proposed 15% rate rise rose to 42% for some ratepayers, Central Coast Council has conceded, if you include rate harmonisation - according to the Acting Director of Corporate Affairs, Central Coast Council."

Our rates have already increased almost 16% from 2019/2020 to 2020/2021. We cannot afford more than the rate peg of 2% as we still have the spectre of "harmonisation" awaiting us.

With harmonisation and the 15% our rates will go up over 40%!! And future annual increases will compound! It is not affordable and we would find it extremely difficult to manage such an outcome!

There is a further matter which seems to have been ignored and adds weight to the unfairness of the overall rise in rates. There is no differentiation of rates between the rural area where we live and the urban suburbs of the Central Coast. According to Council's website, the average rate for my suburb is more than double that of an average suburban residential block. After harmonisation the average rate of my suburb will increase to almost 3 times!! Many rural residences do not have the services available to our urban counterparts, such as water and sewerage, kerbing guttering, etc . So we are already paying higher than average rates but receiving lesser services from Council! We have lived here with the acceptance that such Council facilities are not provided for us but shouldn't rates be reflective of the services provided? This is not a fair nor reasonable state of affairs.

2: When and how were we ratepayers supposed to be informed about the full extent of this increase, and also the fact that we could write submissions to "someone" to outline our objections?

It was firstly brought to our attention via a FaceBook page, but I am only an intermittent user of social media and I would expect formal written notification from the Council, advising what was happening and how the process worked. The majority of Central Coast ratepayers would not have had this information available to them (particularly those more senior and less tech savvy individuals). In terms of "Are people aware of what has been proposed?" and whether the council has engaged with and made the community aware of the proposed changes - I would say the minimum effort was made, and definitely not in an honest, transparent way. We have received ONE

letter of notification from Council (from the Acting Chief Executive Officer) dated 13 January 2021 and delivered the following week. The main purpose appeared to be to urge us to agree to either a 10% or 15% rate increase via a survey, with the threat of reducing or eliminating services to us and the community if we disagreed. We did not complete this survey as it did not give us the "opportunity to have our say" (quote from Council letter) as there was no option that we agreed with - "No increase". How many people were coerced into completing this survey because they thought it was their only choice? This letter gave a broad indication of the potential rate increase with a table of "average" examples. Council has a web page with "Proposed New Residential Rates Calculator". Using the first example (Residential Ave Gosford) from the Council's letter (Annual Rates Current Year - \$1015) and comparing it with the website calculator for an identical \$ value (Current Land Valuation 430,800 with 2020-21 Rates Annual) - there is a discrepancy. The letter states that the 15% Securing your Future fix will be \$1267 for 2021-22. However, on Council's website the 15% Securing your Future fix is \$1477 for 2021-22, a discrepancy of \$210. There appear to have been too many of these discrepancies in Council's communication to ratepayers and has lead to serious distrust for those of us who have been following the situation unfolding.

3 : Why is the Council's debt suddenly being thrust on the ratepayers? Why should we ratepayers be paying for something that was none of our doing? Both the NSW Audit Office and the Office of Local Government failed to detect errors in local government reporting and mismanagement, thus it would appear that the blame for the financial mismanagement should be shared across both state and local government. If the Council was audited in a legal fashion, then why did the auditors not report on whatever anomalies caused this huge debt? If the auditors did not carry out their duties, then surely there is some recourse to investigate why? If the Council employees were at fault, then I would assume there is little chance of recouping any money, but then surely there should be a criminal charge for negligence? Where is the duty of care?

4: Given the points in 3 above, what is to stop this sort of enormous financial disaster from happening again in other communities if there is no legal recourse, nor apparent deterrent, and instead innocent parties, eg the ratepayers, are the ones who will have to foot the bill, and continue to do so for many years to come? We, the community and ratepayers, are powerless in this process and have become the "cash-cows" to fix a problem which is not of our making.

5. What has the Council/Administrator shown to ratepayers re the work done to save money or to suggest other possible revenue streams so that the rates don't have to go up. As mentioned previously, we have received ONE letter from Central Coast Council, dated 13 Jan 2021, signed by Rik Hart the Acting CEO. In there it states that "We have a Plan" - includes selling assets, reducing workforce and reduced or eliminating spending on a range of services. Council has also threatened that without a rate rise the Bank loans will be called in. However, as the Administrator has pointedly advised to the ratepayers, it is our problem to fix because we voted the Council members in and are its shareholders. So one can only assume that, as the Administrator has come to that conclusion, the onus has been placed on our backs, to fund the shortfall at the expense of the ratepayers.

There do not appear to have been any creative ideas proposed in terms of new revenue streams. One obvious avenue, for instance, could have been via the incredibly busy tourist season we have just had, care of Covid travel restrictions. If this knowledge of missing/misspent money has been apparent for many months, why hasn't council introduced parking meters at tourist spots for non

residents like many of the other councils have? (with exemptions for residents). Surely popular areas such as Terrigal and The Entrance would have generated significant revenue to assist with some of their financial mismanagement. For instance at Terrigal there have been numbered parking spots in several parking areas for the last couple of years which we locals were expecting to see turned into a "revenue raiser" of sorts but nothing has happened.

Another apparent inappropriate use of funds, given the current circumstances, is the "forging ahead" of the Gosford Regional Library at a cost of approx \$27,700,000. I am an avid library user, visit almost weekly, but there are currently thirteen libraries on the Central Coast, including one in Gosford. There is no need for a new library and I don't understand how this correlates with the fact that Central Coast Council is bankrupt and has much more pressing need for funds elsewhere.

There have also been a number of very disquieting occurrences.

1. Whilst the information around the insolvency of CCC had been reported for a number of months, as mentioned previously, the first (and only) notice received from Council in regards to the proposed rate increase was dated 13 Jan 2021. This mentioned the survey available, no details of the content, and on further investigation it was found that the only options "offered" were either 10% or 15% increase, and no option for those of us who did NOT want either 10% or 15%. This biased survey was only corrected after a huge outcry from the community after which a third option, "no increase", was added to the survey parameters. The original survey was NOT a VALID survey - it was skewed to force a response to validate the Administrator's objective!

2. Whilst the term "harmonisation" had been raised a number of times, I don't believe that many of us knew what it actually meant, particularly in regards to the fiscal impact on most of us. Apparently it has come about because of the forced amalgamation of the previous Gosford and Wyong Councils. We definitely did not want the amalgamation, had no issues with the rates pre and even post amalgamation. There has been no mention of this term and its ramification over the 3 or 4 years since the amalgamation and then suddenly this has come on the agenda in the last couple of weeks.

It now appears that our own rates will go up over 40% and this is after our rates had already risen almost 16% from 2019/2020 to 2020/2021 with the latest recent land valuation in 2019!!

How is the average person expected to suddenly be able to pay this huge increase, especially as we do not understand WHY this has to happen?

Conclusion

We believe that in the interests of justice and fair play, IPART should not approve any increase in Central Coast Council rates until there is full investigation into what exactly caused this disastrous state of affairs. We ratepayers have not been satisfied by the actions of, and responses from, the Administrator, Mr Dick Persson, who has attributed the current situation to be our fault - his reasoning being that we had voted for the councillors, as well as stating that the money was to be funded by us, being "shareholders". Such a trite response trivialises the situation and shows little respect for us as a community. There has been serious mismanagement, by many levels of government, as well as both elected and council employees, which appears to stem back to the ill conceived forced amalgamation of the previous Wyong and Gosford Councils.

Many of us have petitioned the NSW government to hold a Judicial Inquiry in the hope that we will have some redress for the current situation that Central Coast Council has placed us in, as well as

establishing urgently needed, comprehensive legislation and enforceable guidelines to prevent future similar situations to both ourselves and other ratepayers.

Comments on criterion 1

We now know Central Coast Council has a debt of \$565 million.

There are not enough words to express my incredulity that there is NO-ONE to be held accountable and that the solution to this huge debt (according to the Central Coast Administrator) is to have the Central Coast ratepayers foot the bill for (in our case) our lifetimes!!

Comments on criterion 2

2: When and how were we ratepayers supposed to be informed about the full extent of this increase, and also the fact that we could write submissions to "someone" to outline our objections?

It was firstly brought to our attention via a FaceBook page, but I am only an intermittent user of social media and I would expect formal written notification from the Council, advising what was happening and how the process worked. The majority of Central Coast ratepayers would not have had this information available to them (particularly those more senior and less tech savvy individuals). In terms of "Are people aware of what has been proposed?" and whether the council has engaged with and made the community aware of the proposed changes - I would say the minimum effort was made, and definitely not in an honest, transparent way. We have received ONE letter of notification from Council (from the Acting Chief Executive Officer) dated 13 January 2021 and delivered the following week. The main purpose appeared to be to urge us to agree to either a 10% or 15% rate increase via a survey, with the threat of reducing or eliminating services to us and the community if we disagreed. We did not complete this survey as it did not give us the "opportunity to have our say" (quote from Council letter) as there was no option that we agreed with - "No increase". How many people were coerced into completing this survey because they thought it was their only choice? This letter gave a broad indication of the potential rate increase with a table of "average" examples. Council has a web page with "Proposed New Residential Rates Calculator". Using the first example (Residential Ave Gosford) from the Council's letter (Annual Rates Current Year - \$1015) and comparing it with the website calculator for an identical \$ value (Current Land Valuation 430,800 with 2020-21 Rates Annual) - there is a discrepancy. The letter states that the 15% Securing your Future fix will be \$1267 for 2021-22. However, on Council's website the 15% Securing your Future fix is \$1477 for 2021-22, a discrepancy of \$210. There appear to have been too many of these discrepancies in Council's communication to ratepayers and has lead to serious distrust for those of us who have been following the situation unfolding.

Comments on criterion 3

1. The cost to us. We have been retired for the last 5 years, receiving the pension and had what we thought was an adequate amount of savings. We have lived on our property for over 30+ years, do not have "investment" properties that we can call on, our income is finite, bank interest rates on any savings are on record lows, and we cannot afford to be paying the additional 15% or even 10% per

year, especially as it will be increasing cumulatively over the years. This is our home which we may no longer be able to afford to live in.

The "special rates variation" will become an unbearable burden as in the last few weeks we have been made aware that our rates are likely to rise by an enormous amount via "harmonisation", including the SRV!! This latter fact was only revealed because a council employee was asked the question during a radio interview ie about the actual extent of the increase. No-one at council had advised the Central Coast ratepayers of this fact and it appears that the Council /Administrator/ Acting CEO have been dishonest with us. Finally, in a local radio interview, dated 23 February 2021, "Calculations on how much residents would pay with a proposed 15% rate rise rose to 42% for some ratepayers, Central Coast Council has conceded, if you include rate harmonisation - according to the Acting Director of Corporate Affairs, Central Coast Council."

Our rates have already increased almost 16% from 2019/2020 to 2020/2021. We cannot afford more than the rate peg of 2% as we still have the spectre of "harmonisation" awaiting us.

With harmonisation and the 15% our rates will go up over 40%!! And future annual increases will compound! It is not affordable and we would find it extremely difficult to manage such an outcome!

There is a further matter which seems to have been ignored and adds weight to the unfairness of the overall rise in rates. There is no differentiation of rates between the rural area where we live and the urban suburbs of the Central Coast. According to Council's website, the average rate for my suburb is more than double that of an average suburban residential block. After harmonisation the average rate of my suburb will increase to almost 3 times!! Many rural residences do not have the services available to our urban counterparts, such as water and sewerage, kerbing guttering, etc . So we are already paying higher than average rates but receiving lesser services from Council! We have lived here with the acceptance that such Council facilities are not provided for us but shouldn't rates be reflective of the services provided? This is not a fair nor reasonable state of affairs.

Comments on criterion 5

What has the Council/Administrator shown to ratepayers re the work done to save money or to suggest other possible revenue streams so that the rates don't have to go up. As mentioned previously, we have received ONE letter from Central Coast Council, dated 13 Jan 2021, signed by Rik Hart the Acting CEO. In there it states that "We have a Plan" - includes selling assets, reducing workforce and reduced or eliminating spending on a range of services. Council has also threatened that without a rate rise the Bank loans will be called in. However, as the Administrator has pointedly advised to the ratepayers, it is our problem to fix because we voted the Council members in and are its shareholders. So one can only assume that, as the Administrator has come to that conclusion, the onus has been placed on our backs, to fund the shortfall at the expense of the ratepayers.

There do not appear to have been any creative ideas proposed in terms of new revenue streams. One obvious avenue, for instance, could have been via the incredibly busy tourist season we have just had, care of Covid travel restrictions. If this knowledge of missing/misspent money has been apparent for many months, why hasn't council introduced parking meters at tourist spots for non residents like many of the other councils have? (with exemptions for residents). Surely popular areas such as Terrigal and The Entrance would have generated significant revenue to assist with some of their financial mismanagement. For instance at Terrigal there have been numbered parking

spots in several parking areas for the last couple of years which we locals were expecting to see turned into a "revenue raiser" of sorts but nothing has happened.

Another apparent inappropriate use of funds, given the current circumstances, is the "forging ahead" of the Gosford Regional Library at a cost of approx \$27,700,000. I am an avid library user, visit almost weekly, but there are currently thirteen libraries on the Central Coast, including one in Gosford. There is no need for a new library and I don't understand how this correlates with the fact that Central Coast Council is bankrupt and has much more pressing need for funds elsewhere.

THERE HAS OBVIOUSLY BEEN NO COST CONTAINMENT STRATEGIES THAT CENTRAL COAST COUNCIL HAS REALISED IN PAST YEARS!

The request that is currently before the tribunal to raise rates over and above the standard 2% increase for 2021-2022 financial year (and there after permanently) is both objectionable to myself and majority of residents of the Central Coast Region (72.4% of the rate payers and residents who participated in a recent council survey on the matter object to any application for SV increase being applied to make up for the unlawfully accessed restricted funds (\$200,000,000) and rampant unaccounted spending by the now suspended Central Coast Council. Residents and Rate Payers feel betrayed by the Council and are in utter shock at the current debt of \$565,000,000.00, which includes the \$200,000,000.00 that was unlawfully spent of the restricted funds.

The people of the Central Coast now have a crisis of confidence in the Council, in its ability to provide good stable governance and value for monies collected from ratepayers. As a rate payer, I have serious concerns that the rates I am paying are NOT being put to optimal use and are NOT being managed in a prudent manner by those executives charged with this duty. In the words of the Administrator Dick Perrsons, in his 30 Day report, his opening statement claims "This is a story about the failure of a Council to understand or practice basics of sound financial management". Also in the words of the Administrator: The residents and rate payers of the Central Coast have "Been badly let down by the Council" and that this situation is most "Serious".

Whilst the Administrator claims in his initial 30 day report "The investigation found no evidence of theft or corruption", he did indicated "the new (amalgamated) council did not understand how much money they had at the outset, they expanded capital works and services they could not afford". This "Apart from the budget mismanagement, council funded much of this new expenditure from restricted reserves which was either unlawful or was done without the approval of the elected body". "The previous CFO, Mr Craig Norman and CEO Gary Murphy, were aware of this unlawful use of funds. While the exact time they became aware remains hard to ascertain, emails and notes indicate they continued to spend funds unlawfully after they became aware and before they advised the elected body."

These statements made by the Administrator in his initial 30 day report are both damning and clearly speaks to the lack of duty care by council executives and their inability to make sound financial decisions on behalf of residents and rate payers.

These failures speak more to the culture of the Central Coast Council and how it operates. There is a clear lack of accountability over an extended period and endemic failure to listen to the wishes of its rate payers and residents. Residents feel unheard as they opposed the amalgamation and clearly have not received value added services for the \$565,000,000.00 already spent by past and present executives and representatives of the Central Coast Council. This record breaking debt was only first formally reported on 12th October, 2020, and rate payers were subsequently made aware of that Council was in a dire financial situation and were effectively trading insolvent.

Given this evidence, residents and rate payers feel abandoned by their council as they have paid their dues each quarter and seen little to no improvement in services or meaningful capital works on the Central Coast. The current state of Gosford CBD speaks to the significant dysfunction of the Council and its inability to provide facilities fitting of a thriving community. The local swimming pool which was built in 1955, is in a state of disrepair, the local library is in desperate need of upgrade (a surcharge was applied to rates in the 1990's for upgrade but this is yet to happen), the main street looks like a war zone with buildings boarded up for near on two decades and vacant lots with developments stalled. The surrounding streets are pot hole ridden. Local parks have been stripped of unmaintained play equipment and left as vacant lots. Council toilets and parks are either locked

so they cannot be used or are in an unmaintained state which is a risk to public health. Local library sub-branches closes as a cost saving measure. Residential streets and major roads continually faced with little or no drainage and face constant flooding every time it rains. Businesses have mentioned they avoid dealing with the Council due to the extensive red tape and objections by councillors to development proposals. Many streets on the Central Coast still do not have basic kerb and gutter. Many houses still don't have mains water and are not connected to the sewer system and are forced to rely on outdated septic systems. There are few social or community enhancement programs of value, run by council either. Council has failed to provide the thriving community and services residents and rate payers have paid their dues for and rightly deserve.

My understanding is, instead ratepayer money seems to have been directed to self-approved wage rises and bonuses for executives and councillors, significant amounts of money spent on the Amalgamation adjustments, resulting in an industrial wage dispute (38/35 hr per week- unified salary scale) to the tune of \$25.3 million, with \$3.2 million ongoing in expenses. Amalgamation IT costs from the included upgrading IT systems and infrastructure (\$10 million government grant) plus \$50 million initial outlay plus \$8 million ongoing. Council also hired as part of the amalgamation 250 more FTE's and highly paid staff for projects. Many of these projects were over budget too. Residents and rate payers were promised that with this amalgamation, they would see significant and ongoing savings across the two regions and this would put the newly amalgamated council in a better financial position moving forward. Instead of rationalisation of the workforce and savings being made and a surplus being achieved instead residents and rate payers are now facing demands to foot the bill of rampant amalgamation spending.

To add insult to injury not only is the council in significant debt and asking for a 15% SRV but now residents of the old Gosford LGA are looking down the barrel of a permanent 26.9% increase in rates in the 2021/2022 financial year for harmonisation due to the council amalgamation. This harmonisation was delayed as there was a ruling that the 26.9% increase could not be applied in the first four years of amalgamation however now council is planning to apply this full 26.9% increase in the same financial year as the 15% SRV that has been. For those who live in the old Gosford LGA of the newly amalgamated council, if the full 15% SV increase is given the green light we will be looking at a 45.2% increase in their rates for the 2021/2022 financial year.

Residents and rate payers in the CCC region have a lower medium household income than other councils, education levels attained are much lower, there are poor employment prospects in the region and a large proportion of residents and rate payers are in receipt of some form of welfare payment. Also with the added stress of small businesses closing as a result of COVID restrictions, and also the housing bubble where rental properties are in short supply, people on the Central Coast are already having to make hard decisions between making mortgage or rent payments, electricity costs, rising food prices and being able to afford necessities of life such as, education and medical expenses. I myself have already had to make significant sacrifices and forgo essential specialist medical treatment and am having to use outdated prescription glasses, as I have to live within my budgetary means. I cannot afford the 26.9% rate increase for harmonisation let alone the added increase of 10%-15% SRV that Council is now requesting of IPART because of their budgetary mistakes. In the past few years people on the Coast are relying more heavily on charitable organisations for food hampers, electricity vouchers and emergency housing as they are struggling to keep their heads above water. Residents and rate payers can little afford the standard 2% rate increases each year when budgeting for their meagre incomes. The Council Executives and the newly appointed administrator Dick Perrson (who is paid a generous executive wage) lacks insight and understanding as to how badly the residents and rate payers are hurting financially and that they can ill afford a special variation rate rise. Residents and rate payers on a daily basis have to make

hard decisions if to pay the rent or forgo medication to make their budget work however it seems that Council executives were free to spend on ratepayers dime with little to no governance or accountability and we are now told by the administrator that "it's your Council, you are shareholders as you elected them, so you are financially responsible and you must pay". We the residents were kept in the dark by the executives and councillors and as such our democratic rights were taken away. We are told by the administrator that council executives unlawfully drew on restricted funds but this was not illegal and so we are told by the administrator that no legal action can be taken, nor can it be referred to the ICAC for investigation. I would like to ask where is the accountability or responsibility when residents had no say but are now being told they have no right to justice and that they must pay. In consumer law it is expected that a person who pays money receives the services they were promised however we as ratepayers are not afforded the same rights and are told that although council was reckless in its spending we have no recourse and must pay more?

As to the "hardship provisions" that the Administrator refers to in his IPART submission, I have looked over them and have found them to be wanting. The only provision that Council is offering is a reduced payment plan that needs special approval and a regular review. These provisions are inadequate and do little to alleviate the additional burden being placed on families with the harmonisation of rates by an increase of 26.9% and then the additional SV of 15% (total rate increase for old Gosford LGA residents 45.2% which on the average annual rate charges would increase rates by over \$400+ per year or \$100+ per quarter). As stated earlier people already are significantly struggling to make ends meet. Not all residents are in receipt of welfare payments and there are many single income families on the Central Coast supporting adult children who don't qualify for Centrelink and are not entitled to any other help. There are many single parent families struggling to afford rent in an overpriced rental market (These rate rises will no doubt be passed on to tenants by landlords). There are people with disability with no ability to increase their earning potential to cover the additional costs passed on through council rates, water rates and access to council services. This request by the administrator lacks foresight or empathy of how dire family household finances are on the Central Coast are at present.

The real issue is that Council chose not to live within their budgetary means. They chose instead to embark on a spending spree of unnecessary proportions of capital work projects and donations that should have been prioritised according to the budget availability. There appears to have been political party infighting and factions between councillors that refused to work collaboratively together and there appears to be a culture within the council of voting upon party lines. The executives and councillors mismanagement of the finances will now have a significant and long term impact on all residents and rate payers. The administrator has clearly stated if he does not get the requested SRV rate increase he is seeking, then it will be a process of slashing and burning essential community council services that have already been very sparse. This is unacceptable given we are paying sufficient quarterly rates for these services and the request he is making is to stomp up lack lustre financial management and oversight of the executives. These requested rises are not to improve services to rate payers but rather are to service untenable loans that Council has negotiated with lenders and the residents have been informed that even with the rate rise services will still be cut. I believe further rises above the CPI are not in the best interest of the community to raise rates to account for this shortfall and that Council needs to learn to manage their finances better and live within their means. Also Council needs to look to other sources of revenue raising, including better managing grants given by state and federal government and looking to private enterprise, in how they can work in partnership to improve services and make better use of assets owned by the Central Coast Council. The issue is that those in Council appear to lack strong oversight, clear governance and vision.

I ask that IPART delegates reject the request made by the Administrator and executives (who has promised the banks that this rise would take place, even before it went before IPART) for a SV or 10% to 15%. In addition, if in the scope of IPART authority, I would ask that the tribunal make a recommendation or ruling, for a full independent judicial enquiry into the business dealings and finances of both former councils (Wyang LGA and Gosford LGA) and the Amalgamated Central Coast Council. There desperately needs to be full transparency into the systematic failures of the past and above all else accountability for the rampant spending – This independent and transparent Judicial review is imperative, so to restore confidence of residents and rate payers, in this elected body moving forward and so the mistakes and culture of the past Council members are not carried forward into the future. Until this is done ratepayers will continue to distrust those in charge of expenditure as they feel they are being forced to throw good money after bad.

Thank you for taking the time to consider my submission

Comments on criterion 1

Is there a demonstrated need for the money?

Residents and Ratepayers do not believe Council has demonstrated a valid reason to apply for a SRV given the executive team and councillors mismanaged Council finances and unlawfully drew on restricted funds to the tune of \$200 million dollars with a total estimated debt of \$565 million dollars. I would like to ask IPART: Is it lawful for an SRV to be approved to pay off debt because of unlawful spending of restricted funds by an incompetent council? This SRV we have been told is to help service the loans taken out with banks due to their mismanagement of finances, where they had to borrow money to pay staff and pay creditors. We have been told by the administrator this was due to massive over spending on capital works and council amalgamation costs including an industrial relations wage claim. Council has now told ratepayers the money (the rates we have paid in good faith) is gone and you have to cough up more to cover our mismanagement as we promised the bank a SRV as part of the loan deal. This is unacceptable given Council is also looking at selling off assets and cutting services to ratepayers. So they not only want us to cover their mistakes but also tolerate and accept vital services will be slashed whilst having to pay significantly more for less. This is not acceptable and Ratepayers have voted a resounding NO to a SRV to prop up a broken system.

Whilst Council has put forward an explanation for why they are requesting a SRV of 10%-15% as a resident, I do not feel that they have put forward a justifiable argument for why this increase is needed. The premise of the claim for a SRV is faulty because Council failed to manage their budgetary limits and spent restricted funds which should have not been available for general expenses. In the words of the administrator Council embarked on a Capital Works spending spree where there were no funds to actually support such an ambitious program. Also the true costs of the amalgamation have not been accounted for adequately. Without a full independent judicial enquiry into the financial dealings of the two amalgamated councils (into the Central Coast Council) residents are left guessing as to how this money was truly spent. The final auditors report is yet to be released and so residents and ratepayers are in the dark as to where the money went before IPART submissions close. There appears to have been gaping holes in the management of these ratepayer and developer funds that lead to restricted funds of \$200 million dollars being spent unlawfully. No amount of SRV will fix a broken system where council does not keep accurate track of their spending. The question needs to be asked how much is reasonable for residents to pay for

basic services and why are the basics lacking in our region despite such a significant overspend. I would also like to ask IPART to go back to Council and request they be transparent regarding their administration costs in comparison to other councils of similar size. When looking at the figures for the 2018/2019 financial year for administration costs there seems to be a massive over spend at Central Coast Council. The administration costs of the Council need to be laid bare to see why they are so much higher than other Councils. We need to really look at why this is and how this can be minimised without reducing services at the ground level. Residents want to know if this council is top heavy with middle and senior executives at the cost cutting basic services to ratepayers. These issues are endemic and so there needs to be a significant overhaul of policy, procedure and culture within the council before a further SRV or rate increases is considered. There also needs to be a full independent and transparent judicial enquiry, so that confidence can be restored in council representatives moving forward. At the moment there is a significant disconnect between the average person and Council's perception of affordability of this rate rise.

Comments on criterion 2

Are the people aware of what has been proposed?

No, not all residents are aware of the proposed changes and many of the residents are confused about the proposed changes. In addition ratepayers are also questioning the accuracy of the information they have been provided by council representatives and the administrator. There is much uncertainty around the finances of council and what this means and how this will impact individual residents and ratepayers for the requested SRV before IPART and future rates, charges and services.

Whilst Council has somewhat attempted community consultation it appears that they have not been clear in communicating the true impact of this SRV of 10%-15%, in addition to the 26.9% increase for harmonisation that Old Gosford LGA residents are facing in the 2021/2022 financial year. In the letter sent to residents, by the Administrator in January 2021 titled "Securing your future" The letter claims that the average residential increase would be \$3.20 a week however this is misleading as it does specify the harmonisation increase for old Gosford LGA residents clearly and so when this is factored into the increase it will be substantially higher for most residents from the old Gosford Council areas. This harmonisation increase for Old Gosford Ratepayers of 26.9% was not explained within the letter sent to ratepayers and not all residents are aware that the total hike could be as high as 45.2%, which this percentage was omitted from the letter sent to notify residents.

Also of issue was the Community Consultation Surveys that Council offered for residents and ratepayers to complete as part of the consultation process. They were not user friendly: The first survey did not allow for residents to choose a definitive NO to councils requested SRV RATE RISE and only gave respondents the options of either a 10% to 15% SRV, within the survey to complete it. Residents felt that they were being coerced into selecting a rate increase amount, even when they were not in agreement, otherwise they could not complete the survey. Many residents and ratepayers were concerned that if they did not respond to the survey by selecting the lesser of the two evils, they would be counted by council as not caring about the proposed increases in rates. They were concerned that Council would try to use the lack of responses as evidence that ratepayers did not care and therefore supported the 10%-15% SRV before IPART. It is important for IPART to

note that not all those who selected the 10% SRV increase in the first survey were supportive of the increase and would not have chosen an increase but that the survey forced survey participants to select 10% or 15%.

After much feedback from disgruntled residents to Council about their bias survey, Council then put out a second survey with an additional question about the rate rise, giving a third option of a nil increase (which 72% of respondents in the second survey selected) but in order to get to that question survey participants still had to first still answer the question do they choose a 10% or 15% SRV increase which then meant that Council could then submit to IPART evidence that residents would support a 10% SRV, when in actual fact they would have skipped this question if at all possible to complete the survey. In the eyes of residents this was Councils way of manipulating the results of the survey to show that ratepayers would be accepting of a 10% SRV increase. This is not accurate and the way that Council went about this survey speaks to the culture which has led to residents having no confidence or trust in how the Council is currently run. Needless to say residents and ratepayers feel that council is not being fair or transparent in their consultation process and that survey and poll results are not truly reflective of their wishes in relation to this matter.

Also more recently a statement was put forward by Council said that they had completed a new phone survey of residents about the SRV increase and that more residents were now accepting of the proposed increase. This again is questionable due to the small proportion of ratepayers contacted to complete the survey and also the questioning techniques & scripts used by the people conducting the survey to gauge community sentiments on the topic.

At the end of the day the Administrator has indicated that the SRV must be approved even against the wishes of a vast majority of residents and rate payers, as this is what he states has been negotiated with the banks. There have been suggestions made that they will also slash and burn basic services (library, swimming pool) we currently pay our rates for, if we are not supportive of the SRV. I believe the consultation process has not been clear, important facts have been surreptitiously omitted to soften up residents which has given a skewed response and even so feedback from the vast majority of residents is that they are not supportive of a SRV and they cannot afford these proposed increases.

Comments on criterion 3

Is the proposed SRV affordable?

NO the proposed SRV is not affordable for the vast majority of ratepayers – particularly for OLD Gosford LGA residents who are already facing 26.9% increase in rates for harmonisation in 2021/22 financial year before the SRV is even considered. The proposed SRV plus the increase for harmonisation of 26.9% means that some residents (old Gosford LGA residents) will be looking at a 45.2% increase in residential rates if the permanent 15% SRV is approved that CCC has requested. This increase is too big a burden on a region that has high unemployment, a rental crisis due to housing shortage and inflated rents, a high population of low income households, lower academic attainment (so lower earning potential), higher rates of homelessness, mental health issues and a high proportion of aged and disability pensioners. Also given that on top of the harmonisation increase Council is planning to strip services to the residents and ratepayers as well as add the permanent SRV too. Effectively residents and ratepayers will be paying much, much more for so

much less, if the SRV is approved. This is not sustainable or equitable for most households on the Central Coast.

Due to the merger of Wyong Council and Gosford Council (the now second biggest council in the state) the Central Coast Council, residents have found out the harmonisation of rates between the two councils need to take place. This means that for the residents and ratepayers of the old Gosford City Council, they will see an increase of residential rates by 26.9%. Council representative when contacted advised that because there was a 4 year freeze on council rates increase (as part of the amalgamation process) the increase could not be applied till 2021/22. This means for old Gosford Council LGA ratepayers there will be a (non-negotiable & non-incremental increase) of 26.9% applied in one year alone. This is a huge burden on residents and this does not factor in the added burden of the 15% SRV that the administrator is now requesting of IPART. Residents are being overburdened and underservice by council.

Residents believe the issue of debts and funding for council does not lie in that they are underfunded but rather that it is an issue of mismanagement and unnecessary over spending . This proposed SRV is neither affordable, nor sustainable and does not provide residents with any extra benefits for paying more. The Administrator has openly admitted even with the increase that residents will actually receive fewer services. For residents of old Gosford Council LGA, residents have been advised when they questioned the council if the SRV is approved they are facing a 45.2% increase in council residential land rates in just one year alone. There has been no provision for ratepayers to have this harmonisation increase gradually introduced in increments either whereas when IPART originally approved the increase through SRV in 2013 for Wyong Council the increases were introduced incrementally to ratepayers to soften the burden. This method is not being offered to old Gosford Council rate payers and instead the council plans to slug them with the full 26.9% in one financial year alone. Residents will be overburdened with the harmonisation adjustment alone and this huge hike in charges MUST be accounted for when considering the SRV increase before IPART. (Please see general feedback for reasons why this request for SRV is not affordable).

Comments on criterion 4

I have viewed the documents that were submitted by council and made available to the public by IPART on this website. My only concern is that I have not had access to the full audit report which is still pending that the administrator has requested. In not having access to this information before the submission deadline I am still in the dark as to where the \$565 million dollar deficit was spent and if this massive over spend was justified.

Comments on criterion 5

Has the Council done the work to determine if there are other ways of saving money or possible revenue streams so rates don't have to go up?

Residents and ratepayers believe insufficient consideration has been given to finding other revenue streams – Council has advised residents that a promise was made to the banks that a SRV would be approved as part of their bailout loan agreement. Residents feel that they have not been heard, are being taken advantage of and that there has been little accountability internally by the council for the financial mistakes made. Residents feel that Council should have been in talks with the State

Government in relation to the additional costs surrounding the Amalgamation of the two councils and the wage disputes, the blow out in IT costs, additional staffing costs and other expenses such as rebranding linked to the merger. Residents and Ratepayers were told as part of the merger that there would see a net gain of between \$101 million to \$196 million over a 20 year period however instead after 4 years Central Coast Council is \$565 million in debt. When ratepayers have asked the Administrator and Ministers to ask the State Government for help, it has fallen on deaf ears. The Administrator states that the residents are the “shareholders” of the council and as such the burden for executive mistakes is resident are responsibility as they voted them in. Residents feel there has been neither transparency nor accountability and given that council has not given a reason to residents as to why they have not asked the State Government for additional financial help, residents feel the SRV request should be rejected in its entirety.

Whilst Council has looked at some ways to save money there seems to be a perception of the Administrator that this SRV is a given and will happen. There have been weekly protests held by residents requesting more transparency and also requests for the Administrator to seek help from the State Government given that the Amalgamation of the two Councils was forced upon residents by the two councils at the behest of the State Government. Residents were opposed to the amalgamation but were ignored by both Wyong and Gosford councils. Residents were promised when the merger was forced that they would see significant cost savings over the coming years due to rationalisation of services where there would be less double handling of jobs which would result in lower administration costs. However, these saving did not happen and instead Council embarked on hiring an additional 250 staff which increased administration costs for the ratepayers of this now amalgamated council. With the amalgamation there was also a significant wage dispute which resulted in a large payout and ongoing costs which ballooned spending further. Also the Administrator has stated that revenue was lost when IPART made a prior ruling about water and sewer charges as assets for water and sewer had been duplicated resulting in residents paying more for non-existent services within the council area. The Administrator has used this reduction approved by IPART as one of the factors that has led to the significant debt of \$565 million dollars. It is also concerning to residents that a grant of only \$10 million dollars was provided by State Government for IT infrastructure related to the merger however it costed another \$50 million dollars extra on top of that which was not budgeted for and then ongoing service costs surrounding IT. Although the Administrator has downplayed the impact of amalgamation there seems to have been significant spending directly related to the amalgamation. Residents feel that the administrator has been very staunch in looking to residents to fix the financial mistakes and cover the reckless overspend of council executives. His narrative is that if residents don't agree to the SRV and it is not approved that services will be slashed further and that the banks will call in the loans as he negotiated (that this SRV would be approved as part of the loan deal). At the end of the day I do not believe that COUNCIL HAS NOT LOOKED AT ALL OTHER AVENUES to fix this issue and has avoided going with cap in hand to the State Government who helped push through this Amalgamation despite both councils being in a poor financial state for a number of years prior to the merger. As a resident I feel that ratepayers and residents have already paid their dues and that the current CPI increases should be adequate to run the council and the services they provide. That Council need to instead look inward at unnecessary spending and look to budgetary savings in cutting executive wages, consultancy costs and administration costs associated with the day to day running of council. Residents feel that the administrator's threats to slash services at the ground level are his way to coerce residents into capitulating and will then accept the 10%-15% SRV. Residents are rightfully angry and are rightfully sceptical that any amount of increase will fix the underlying issues within council. They feel any extra money charged will be throwing good money after bad with no

improvement to services but rather reduction in the quality of services and facilities being offered into the future. For this reason alone I believe that it is justifiable for the 10%-15% increase to be declined and that Council be instructed to look for the money to repay the restricted funds they unlawfully spent elsewhere. It is not conscionable to expect residents and ratepayers to pay for the mistakes made by a dysfunctional council that has now been suspended due to their mismanagement of public monies.

As a rate payer in this district for over 42 years I would like to have my say in relation to the Council's application for a SV. My points are as follows:-

1. Rate payers should not be held responsible for the inefficiencies of the Councillors and Senior Management. It would appear that the CEO is being solely held responsible and even though this is appropriate there should be others with many questions to answer.
2. The Councillors have breached their responsibilities regarding governance and fiduciary duties. Being suspended is grossly inefficient and there should be far greater suspensions. Even if information was withheld from them they obviously were not analysing the information available correctly or had requested the information needed to carry out their responsibilities.
3. In order for such a substantial sum of money to leave "restricted funds" there would have to have been more than one person aware that this practice was occurring yet it would appear only one person has been penalised. Was the policy in place to withdraw funds followed as you would have expected there would have been a much greater approval process. I have read that there was an element of fear tactics used by senior management against subordinates. Therefore I would expect there was an environment of bullying, collusion or ineffective people in management positions all being paid on the Council purse.
4. The role played by Internal Audit would appear to be useless and this would appear to be another failure of the Council.
5. Equally the role played by Human Resources would also appear to be ineffective as the allegations of bullying or stand over tactics would have been (or should have been) well known. Employment agreements should be clearly written so that if unlawful or illegal practices occur then certain penalties will apply. If this doesn't already exist in employment contracts or policies and procedures then I am staggered. At the very least the Council's Code of Ethics and Conduct must have been breached and therefore penalties should apply. I feel that either these documents do not exist or are worth the paper they are written on.
6. The role played by the Auditor General was also extremely well below the level expected by the general public. How the deficiencies displayed by Council and were not detected is a massive failure and responsibility should be directed at them and held responsible.
7. One should not underestimate the role that political parties have played in this whole disappointing episode of local government. This Council has had a long history of Wyong versus Gosford as well as Labor/Greens versus Independents versus Liberals. Many of these Councillors have put their political allegiance ahead of their responsibility to govern the district and this can be no longer tolerated. It would be interesting to see in which Wards money has been spent and who was the elected Councillor for that Ward.
8. I reiterate the last people who should be held responsible are the rate payers as this is an easy fit. The impact on pensioners, new residents to the Coast and young families should also be gauged as an increase could place them in a dire position. Senior Management, Councillors, Auditor General, Local Government and State Government all have a role to play all have a role to play to correct this wrong doing. As the matter is unlawful (not illegal) does the insurance cover of the Council cover such an error and business interruption? Has a user pays mechanism been thoroughly examined so that rate payers have a choice in what services they use?
9. As far as the staffing levels are concerned the targeted number should be less than the workforce prior to amalgamation. Surely when we were going into amalgamation we would have had a

reduced number of staff as a target otherwise why were we amalgamating for in the first place. Amalgamations are about cost savings and staffing is one of the largest cost centres. If the Union representing the staff don't like this approach well that is just too bad as tough decisions have to be made. If the Union does not see the need to rationalise then this just emphasises the political pressures within the walls of this Council.

10. The fact that the SV has already been applied for shows me the Councillors, Senior Management, Auditor Generals and State Government are off the hook and therefore the consumer will have to pay. This alone is a disgrace.

11. The current Councillors cannot continue in their current roles, if there has been unlawful activities penalties must be applied. It may not be feasible in a democratic society but they should not be allowed to hold office at the Local Level again.

12. The election of Councillors in the future must be overhauled. membership to political parties should be banned and Councillors should be totally independent.

13. Senior Management should be totally reviewed and only people with the abilities to hold such an office should be employed.

14. An independent administrator should be employed on a five year contract to ensure these practices are not repeated.

15. The exposure this has caused our district is widespread. In recent times I have spent time in areas of Sydney, Tweed Heads and Newcastle and this topic is raised on a regular basis. At times in very condescending tones. The whole process has been an embarrassment.

I look forward to seeing how IPART places their emphasis regarding the activity and how their judgement is formulated.

I do not support Central Coast Council's request for a rate rise and feel that Central Coast council should be investigated by ICAC.

There appears to be a fine line between 'misspent', 'unlawful', 'illegal' and 'in breach of the law' when it comes to local government definition. I have read in numerous articles that all these terms have been attributed to Central Coast Council's spending.

I did not respond to the council's 2 recent surveys because:-

1. I did not receive notification by mail of the first survey because it arrived in the post on Friday afternoon, 22/1/21 although the survey had closed that morning. The date of the correspondence (13/1/21) and arrival revealed many days 'lost' in the system.
2. I immediately telephoned council and expressed my dissatisfaction.
3. A search on the Councils' website revealed a new survey with a narrow window in which to participate
4. I tried to fill in the survey but I found it was skewed to make my answer to question 7 appear that I wanted a 10% or 15% increase to rates. The survey would not allow me to bypass question 7 in order to complete the option of a 2% increase in preference to 10% or 15%. I telephoned 4 times to enquire if I could circumvent question 7 but found it was not possible. I again expressed my dissatisfaction that the survey was skewed.
5. The survey was 'open' to anyone! This meant all those who did not pay rates were able to participate? This included tenants and those living outside the area could vote without any accountability as voting was not attached to a specific property.

Below are my reasons for not supporting Central Coast Council's extra 8% (10% overall increase) or 13% (15% overall increase) increase in rates above the 2% Ipart approved increase:-

1. The Central Coast region, especially the 'old' Wyong Council LGA pay some of the highest rates already in NSW.
2. Why has the 15% increase been referred to as a 'one off' increase. This gives the impression that the increase will be for one year only. Every reference I have heard in the media has referred to a 'one off increase' not that it is a 'permanent one off increase'. This is in itself misleading (even to ratepayers)!
3. Huge increases in rates will eventually lead to increased rent and debt within the community. This often results in homelessness and increased social problems.
4. If Central coast Council has more money from ratepayers-more money will be wasted as has happened in the past.

The old council was already in debt before amalgamation but Central Coast Council continued to spend huge amount of money (unfunded) and has admitted that this was done 'for the benefit of the community'

- I did not benefit at all.

5. Why did Council spend more than it collected? If a listed company did this the directors would be gaoled.

A recent report by the New South Wales Audit Office found that between 2001 and 2019, more than \$13 million in developer contributions collected by the Council were misspent on administration costs, in breach of the law.

6. We have witnessed huge wastage on unnecessary works in our rated area.

For example:-

Swadling Reserve at Toowoorn Bay Beach where the following new amenities and 'infrastructure' was not needed.

- Replacing all the garbage bins with new bins. All of these were on new concrete slabs.
- Special 'enclosures' for the bins, along with new labeling- recycling and 'landfill' signage. Why would a 'rubbish' sign be replaced with a 'landfill sign'? This is confusing for some with limited English
- Replacement of the existing playground with a new 'pit' full of new playground equipment surrounded by what appears to be a new 'bike track' –why was the old equipment replaced? It appeared sound and was aesthetically pleasing.
- The toilets at the carpark at Swadling Reserve (Toowoorn Bay) have become open slather for graffiti artists since their refurbishment because the original brickwork was cement rendered. The roofing was replaced by a new roof which has blocked the ventilation. Stainless steel toilets (without seats) were newly installed and eventually after a year or so toilet seats were eventually attached.
- The new toilet paper holders do not function as the rolls either become stuck as the holders are too tight or the paper flows to the floor as they are too loose depending how many rolls are 'locked in' to the holder!

All totally unnecessary and wasteful.

We thought that following the refurbishment of the toilets they would be thoroughly cleaned. However disinfectant was a rarity and toilets were often dirty and covered in toilet paper because of the incorrect installation of the toilet roll holders.

(Toilets at another park- Jubilee Park were rarely cleaned as well. The filth often remained for weeks at a time although we had contacted council about this).

We would have preferred clean toilets to impractical ones.

Obviously image is more important than functionality and cleanliness with Central Coast Council.

- Whilst all the playground work was being carried out we noticed a 75mm gap in the footpath- a trip hazard from the footpath in the car park leading to the toilets. We took photos and reported it to council but it was not repaired.
- As we frequently need to do maintenance work in the Long Jetty/Toowoorn Bay area of the Central Coast we needed to use the public facilities but we are appalled by their lack of cleanliness especially as it is a popular and beautiful area often frequented by day trippers and holiday makers.
- The local roads are a disgrace as there are pot holes everywhere.

- Drains are rarely cleaned out and overflow.
- Part of Jubilee Park near the laneway at the rear of my property often has piles of branches and rubbish which is a fire hazard.
- Recent and very lengthy roadwork at the intersection of Toowoomba Bay shops has made the intersection more difficult and dangerous to negotiate in a car. It is not an improvement :-

This work involved a huge expense over a lengthy period. New machinery was obviously purchased to do the road works there and in Pacific Street.

Why was this not subcontracted out in order to save on equipment and time?

We know that this is just a snapshot of where our rates have been spent unnecessarily. We have observed these examples over time.

We have wondered if much of the 'new infrastructure' has involved some sort of relationship with a third party regarding the supply of equipment, consultancy fees etc.

It is not the first time problems were found and an administrator was appointed. Let those at the top cut their salaries and find other avenues to address their debt!

Lastly, why was the most recent CEO given a huge payout to leave Central Coast Council when he had not performed his duties? This would not occur in private industry.

The former chief executive officer (and the former chief financial officer) were aware of the illegal use of restricted funds and allowed it to continue.

It was the CEO's responsibility to put an end to this in order to justify his huge salary.

Why Mr Murphy was chosen as CEO is questionable!

So where did all our money go? Council needs to learn to operate a budget and to stop wasting our money on 'vote attracting expenditure'.

The lack of accountability is appalling and must be investigated.

The following excuse from Council as to why Mr Murphy was paid out is totally unacceptable:-

"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.

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.

The best of bad options was selected for the long term future of Council, it's ratepayers and staff."

- I propose it would have been more acceptable to ratepayers and restored some faith in Council had the above process played out.

I am asking IPART to please decline Central Coast's request for a 10% or 15% increase in rates.

The administrator's initial finding 'that the council unlawfully used restricted funds and failed to understand or practise the basics of sound financial management' should be enough reason to reject their submission.

History has shown they should not be permitted to 'play' with rate payer's money.

Lastly, I am an example of many property owners in my area and we are paying some of the highest land rates in NSW.

I own one small fibro house on the Central Coast which is rented out for \$380.00 (enough only to pay the mortgage-without expenses including rates etc) per week. I am a single, retired female aged 68.

My long term tenant, does not pay for water usage either.

I have continued to leave her rent at this level for a number of years as she cannot afford to pay more and I prefer to have a permanent long standing tenant who I can rely on.

My current land rates are \$2,320.00 p.a. (approx \$45.00 per week) which is far more than that of my residence on the Northern Beaches of NSW where my land value is more than double that of Long Jetty.

Water rates are now billed separately and average approximately \$1,000.00 p. a. (approx 20.00 per week).

These 2 rates total \$3,320.00 per annum or \$65.00 per week.

If the increases (either 10% or 15%) are approved I will have to increase my rent as I cannot afford to pay the increases along with the existing mortgage, insurance and maintenance.