

IPART
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14th January 2022

Dear Sir/Ma'am,

CENTRAL COAST COUNCIL

Objection to the Extension of the Special Variation (SV) Rates Increase from Three Years to Ten Years

I am a former Gosford City Councillor from 1999 to 2004. I have resided in Umina Beach permanently for the past thirty eight years and intermittently for the past sixty eight years. I am a third generation family from Booker Bay. I have managed our family business with my husband in town planning for over thirty years and contributed 'in-kind' to many local community projects including the Mainstreet Program, Peninsula Community Centre and the Peninsula Chamber of Commerce.

Following the financial collapse of Central Coast Council, the ratepayers of the city are now being asked to support Administrator Rik Hart's request to extend the approved 15% three year Special Variation Rate (SRV) for a further seven years. That is a special rate increase for a period of ten years which the Administrator sees as the only way to maintain and replace existing infrastructure whilst flagging that the residents of the city cannot expect any new infrastructure over that period.

I do not support the additional rate increase beyond the already approved three year SRV. I do not agree with the Administrators rates increase solution when there are other alternatives available. I do not accept that residents cannot expect any new infrastructure over that period as new infrastructure adds a further maintenance burden that Mr Hart says the Council cannot afford. I find this totally unacceptable.

It is my view that Central Coast Council has, in recent years, lost of sight of its role and responsibilities to the people of the Central Coast as a service provider. It has neglected its basic responsibilities and ventured into other areas that have contributed to the Council's current financial crisis.

The Council should ensure that the building of infrastructure and maintenance of public assets is of the highest standard.

The Council should act responsibly and live within its means ensuring that it balances its income and expenditure and ensuring that the income from their assets is fair and reasonably used and calculated. Central Coast Council has shown in the recent times that it is not capable of undertaking this responsibility with assets underutilized and mismanaged.

In the past twelve years, Council has twice used "restricted funds." In the first instance, Gosford City Council invested \$110M in risky CDO's and FRN's losing \$40M of ratepayer's money including Developer Contributions during and after the Global Financial Crisis. A total of \$33M from the Joint Water Authority was taken and lost. Gosford City Council then had no option than to borrow the \$33M and return it to the water authority.

Now we have become aware that Central Coast Council (an amalgamation of Gosford and Wyong Council's) accessed \$200M from the Water Authority to pay for the ongoing management of the organization eventually sending the Council into Administration.

In my local area of the Woy Woy Peninsula, we have over 36,000 residents who are heavily invested in the local community, raising families, working locally and enjoying our coastal lifestyle. The Peninsula is only one hour from the Sydney CBD or one hour from Newcastle in the north. However, despite the beauty of our coastline, it is inexplicable that over 70% of our roads are **NOT** kerbed and guttered, have poor drainage and desperately in need of footpaths to give safe, easy access, particularly for our children walking to school and for our senior citizens.

It is difficult to accept this situation when the Council wants to increase rates but will not commit to any new works or infrastructure. Therefore, despite increasing rates, our road infrastructure will remain unchanged for the next ten years.

Mr. Hart has taken the role to put Central Coast Council back into financial stability by reducing staff numbers, cutting back services and increasing rates. I don't agree with this approach. This is a simplistic solution and once again, the ratepayer will foot the bill.

Mr. Hart has publicly blamed the former Councilors and senior staff. He may well be justified. However, as a former Councillor and knowing many of them over the years, the majority of them would not know how to run a multi million dollar company let alone a Local Government organisation with over a half a billion dollars in income and expenditure. Sadly, both the Councillor's and senior management failed the people of the Central Coast and yet not one of them reported to the NSW Department of Local Government nor to the Minister for Local Government of the pending financial crisis and allowed the Council fall into a financial disaster.

It was the former Central Coast Council and its senior staff that led the organization astray and lost sight of its core responsibilities.

This has led the Council into non-core subsidized activities such as childcare, leisure centres, gyms, fitness centres and entertainment facilities that perform poorly and are in direct competition with the private sector. Further, the Council took on State Government roles such as managing Senior Citizen Centres, building expensive leisure facilities and performing arts centres. The Wyong Performing Arts Centre in the Wyong town centre cost \$20M and with millions of dollars in consultancy fees for failed second performing art centre at Gosford. Council is now embarking on a \$20M library complex proposed for Gosford town centre. And yet, we see little new funding to improve roads and maintain our best assets such as our unique beachfronts.

The management of Council's assets has been sadly lacking. With numerous auditoriums, art houses, public halls and community centres spread across the coast together with commercial office space, it is my view that these premises should be leased at commercial rates or sold off.

One example is the Ettalong Beach 50 Plus Leisure & Learning Centre that has been leased to persons at \$20 per hour who then run their own (sold out) shows making considerable profits at the ratepayers expense (ie: say four hour shows costing \$80 hire fee to Council then 400 tickets @\$55pp sold out show = \$22,000).

Presently, Council permits the same group to sublet the centre using Council owned property to run a business. These sorts of practices should be reviewed and Council owned facilities managed in a more commercial manner such that better returns are delivered to the ratepayer thus lessening the need for further rate increases.

Leisure and Fitness Centres

Further examples of poor management are the two major leisure centres. The Woy Woy Leisure Centre and the Lake Haven Recreation Centre both have 7 days/24 hour access to fitness centres (gyms) which are both staffed by Council employees. These facilities are in competition with other private commercial fitness centres. It would be instructive to examine the running costs of these facilities (including staff wages etc) to determine if they are efficient and profitable. Ideally, these could be leased or sold to private enterprise and further reduce the need for additional rate increases. Councils should not be running businesses that are unprofitable and in competition with the private sector.

From Council's Website

Lake Haven

Facilities

- Huge gym on level 1 with 24 hour access
- Group fitness including dedicated spin studio
- Personal training and small group training
- Active Over 50 group fitness program
- Functional training space and outdoor training facility
- Large sports hall with 2 indoor courts
- Kindy and Junior sports
- Squash courts, badminton and rockclimbing
- Several rooms and office spaces available for hire

Woy Woy

Facilities

- [Health and fitness centre](#) with 24 hour access
- [Learn to swim](#) and squad program
- Group fitness classes including Les Mills programs
- Aqua fitness classes
- Indoor heated FINA-certified 50m pool with electronic timing system
- Heated program and leisure pools
- Two full size indoor courts with a range of sports available
- Outdoor Splash Park
- Large creche with outdoor play space
- On site cafe
- Indoor soft play area
- Spa, sauna, steam room
- Barbeque and picnic facilities
- First Aid and Lifeguard training courses

Child Care Centres

Central Coast Council owns and manages eight childcare centres (see below). Parents fees to childcare centres are subsidized by the Federal Government to reduce the burden on families and provide support to working couples. This is not the role of Council especially if these facilities are subsidized in any way. It is no longer Council's responsibility to provide childcare as there are many, privately operated childcare centres on the Central Coast that provide high quality facilities. Rather than use ratepayer funds to subsidize childcare, it is timely to consider selling the eight childcare centres to accredited private operators. Recently, a childcare centre in Umina Beach sold for \$7 million.

From Council's website

Childcare centres

Kanwal Little Coast Kids

Kariong Child Care Centre

Niagara Park Children's
Centre

Northlakes Little Coast Kids

Terrigal Children's Centre

Toukley Little Coast Kids

Umina Child Care Centre

Wyong Little Coast Kids

Land Sales

Central Coast Council own land in both the north and south of the LGA, much of which has the potential for much needed residential housing. While Council has publicly listed the land sales it has put to market and has announced it has reached the bank's sales target of \$60 million, there are still many other assets that could be sold.

On the Woy Woy Peninsula alone there are numerous residentially zoned allotments in residential streets that would be put to better use for residential homes rather than remaining vacant and unmaintained. Whilst the property market is booming, it would be prudent to further liquidate surplus land assets and direct those funds to reducing debt and once again, avoiding the need to increase rates.

When a company becomes insolvent, then a Receiver is appointed to sort out the business obligations and pay down its creditors. If the cashflow is deficient, then assets are sold to pay creditors and to save the company from total collapse. For the company/business to be saved, the organisation is restructured, and the business goes back to basics to rebuild. It does not have the luxury to hike up the price of its products lest it become uncompetitive and fails regardless. Similarly, Council should not resort to jacking up the rates simply because it is a monopoly. **It should sell down assets, streamline the organisation and focus on its core business.**

Central Coast Council owns land assets and infrastructure from the south at Mooney Mooney to Lake Macquarie in the north. Much of these assets sit idle, commercial office space leased out for peppercorn rents and community facilities poorly managed.

Of particular note is the Central Coast Water Authority which is potentially worth approximately \$4 billion.

The Council has shown over the years that it is incapable of managing the Central Coast Water Authority. It has mismanaged millions of dollars over past years through poor management, poor financial investments and illegal use of “restricted funds”. Our local water supply is constantly complained about by residents as not being clean, discolouring clothing, drinking water not being up to standard and failing infrastructure. Council for years has blamed old pipes.

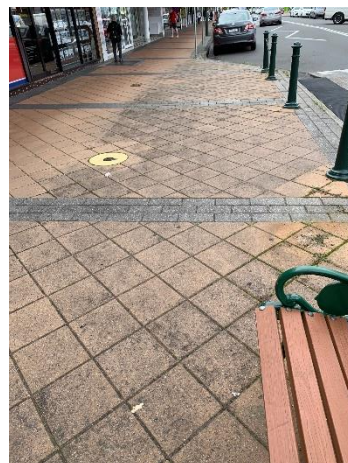
My solution to Central Coast Councils financial woes is to sell the Central Coast Water Authority. Such a sale would pay out the Council’s \$565B debt and to place the balance of funds \$3.5B into a FUTURE FUND.

Future Fund

The Central Coast Future Fund would focus on improvements to basic/core services such as:-

- (i) kerb and guttering our disgraceful roads especially on the Woy Woy Peninsula;
- (ii) providing stormwater drainage to the myriad of drainage blackspots across the LGA;
- (iii) providing safe concrete footpaths in high traffic residential areas;
- (iv) reconstructing/upgrading key local intersections;
- (v) upgrade and maintain our beachfronts and beachfront reserves. This is a priority to attract tourism dollars to the Coast;
- (vi) improve roadside gardens and medium strips throughout the Central Coast to show pride in where we live;
- (vii) construct and improve public parks and gardens for people to enjoy;
- (viii) construct wharves that would attract ferry travel with an emphasis on the connecting ferry service from Ettalong Beach to Circular Quay;
- (ix) upgrade our town centres and villages to improve the visitation experience and underpin retail and commercial activity; and
- (x) improving the cleaning and maintenance services within our town centres and remove graffiti

Woy Woy – no funding for footpath cleaning or graffiti cleaning.





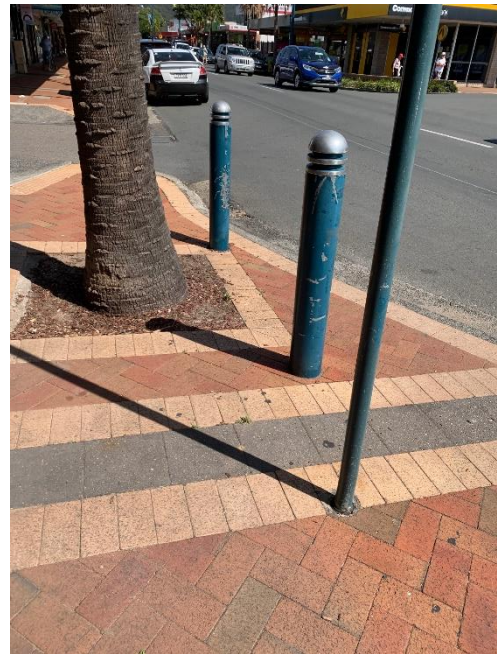
Ettalong Beach - *the maintenance of our beachfront is nonexistent and therefore the scrub has grown over our viewing decks and walkways giving the perception that it is unsafe and uninviting. This is our town beach that has become an overgrown, weed infested, unsightly waterfront. Council then expects tourism to flourish with return visitation.*



Umina Beach - *no funding to improve or maintain our Ocean Beach beachfront or carpark*



No funding to maintain the street poles – so street light shades painted several shades of blue.



OUR ROADS 2022 – *no kerb & gutter nor footpaths or drainage on a busy collector road*



Typical Woy Woy Peninsula Road

Conclusion

It is my opinion that the Administrator and Council CEO have proposed an easy way out by placing the responsibility on the ratepayer to pay for the former Council's mismanagement and reducing the debt by increasing rates over period of 10 years.

However, the poor management continues as we constantly endure Council's social media and advertising that clearly ignores the angry mood of the community during this financial crisis. Inexperienced Council personnel tell us how to "swim in our pool to save water", how to "flush a toilet" and how to "shower" whilst our roads crumble, our parks become overgrown and our town centres struggle.

Spending precious ratepayer's funds on frivolous programs at this time is an embarrassment. Art programs, training programs or applying for State funds to 'pretty up' a laneway is seen as further evidence that Council has lost its way. Yet, the community's call for a new footpath on a busy street is ignored.

Central Coast Council January 11 at 4:00 PM · 🌐

Did you know that toilets account for 14% of our indoor water usage?

If you have an older porcelain throne, it could be using around 18 LITRES of water per flush!

Here are our top tips to ensure we don't unnecessarily flush water down the toilet.... [See more](#)



Central Coast Council January 6 at 11:01 AM · 🌐

Calling all creatives, artists, makers and creator!

We have spaces for you to use in town centres in Gosford, Woy Woy and The Entrance.

Be part of our Cultivating our Creative Community Program and:

- Use our spaces for installations, workshops and more at low or no cost
- Develop your creative practice
- Share your work with new audiences

Expressions of interest are now open. Find out more and apply: <https://hubs.la/Q0119xNy0>



Central Coast Council December 7, 2021 · 🌐

Even though La Niña looks set to deliver a wet summer we need to remember that sustainable water use is an 'always' behaviour.

Did you know that nearly half of all water is used in the bathroom? Time in the shower is where we use the most water – 27% of our total water usage.

Our simple water saving tip for today – aim to keep your showers to four minutes or less and try using a shower timer.... [See more](#)



Central Coast Council December 24, 2021 at 2:10 PM · 🌐

Leaving your vehicle behind while you're going on holidays?

Make sure that your vehicle has current registration and is parked legally. Try to park as close to your registered address as you can.

This way, if someone reports your car, motorbike, caravan or boat as an abandoned vehicle, we can identify you as the owner, and won't consider your vehicle as abandoned. ... [See more](#)



It is my view, which is shared by many in the community, that Council should redirect its efforts to:-

- (i) further streamline the business and shed unnecessary activities that are non-core such as childcare centres, gyms, leisure centres, entertainment outlets;
- (ii) review and reorganize other community assets such as community centres and galleries such that they are run on a commercial footing such that they don't cost the ratepayer;
- (iii) sell off additional Council owned land that is surplus to Council's needs rather than pegging the sales to the bank's \$60M threshold;
- (iv) sell of the Central Coast Water Authority and set up a Central Coast Future Fund to pay for ongoing core infrastructure.

I do not support the additional rate increase beyond the already approved three year Special Rate Variation (SRV). I do not agree with the Administrators rates increase solution when there are other alternatives available.

Yours faithfully,



Debra Wales

