

LG Submission Form 2021-2022 - Applications

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IPART Special Variation Submission Form - Applications

Industry	Local Government
Review	(LG) Special Variations & Minimum Rates 2021-2022
Document Reference	
Council	Central Coast Council, Special Variation Application
If you have any general feedback regarding your council's proposed SV, please leave your comments in the comment box below.	<p>I am submitting herewith my feedback regarding Central Coast Council's application for a Special Rates Variation. As this feedback covers multiple assessment criteria I feel it is best submitted as general feedback.</p> <p>Misleading information and lack of meaningful consultation with the community</p> <p>[REDACTED] has consistently made incorrect claims and has failed to provide accurate information to the community. His examples of rate increase impacts have consistently been misleading, with mathematical assumptions that are dubious, if not intentionally incorrect. He has threatened the community by stating that without the 15% increase there will be no option other than service cuts. This is not meaningful consultation. It is bullying. The only significant method used to provide</p>

information to the community was a “Securing your future with a rate rise” survey which allowed only the choice of a 10% or 15% response. During the consultation period, the survey documentation was amended several times (at ratepayer cost) to correct mathematical and content errors. Various versions included issues such as:

- Option 2 was described as 75% instead of 15%.

When the error was referred to the Administrator his only response was “this has been fixed”.

- Phone number [REDACTED] (which belongs to Cleanaway Waste Services was listed as the number to call for assistance in completing the survey. Cleanaway found it necessary to publish a request that people not call them in relation to Council’s survey.

- By not having a “pegged rate only” option, the survey was designed to return a flawed result. The survey could not be submitted unless a 10% or 15% option was selected. By forcing respondents to make this choice, the vast majority were prevented from expressing their preferences. A revised survey was published but this was misleading and difficult to complete.

The samples used in the surveys and other communications were manipulated to falsify the true impact of the increases.

By presenting “average” rate increase examples, the survey did not allow ratepayers to calculate the true impact of increases on their rates.

A current rate of \$1015 per annum was used for Gosford. This is the rate assessment for a land valuation of \$431190 @ the current rate factor of .00235395.

The example shown for a 15% increase was \$1267 per annum in 2021-22. This is in fact the rate assessment for a land valuation of \$369645 @ the proposed rate

factor of .00342761. The land valuation has been reduced by \$61545 to hide the real impact of the rates increase.

If a land valuation of \$431190 had been used in both examples the increase would be \$1477, not \$1267.

This is a substantially higher increase than that claimed by Council.

Minimum Rates ratepayers did not receive any advice of the impact of the proposed increases on their rates.

There are currently 13324 properties in Gosford and 3413 properties in Wyong which are subject to minimum rates assessments

The 2020-2021 the minimum rates charge in Gosford is \$554. In Wyong it is \$300. Council's application to IPART requests that the minimum rates charge be increased to \$565 in 2021-2022. For Wyong minimum ratepayers the increase will be \$265. This is an increase of more than 88% in 2021-22. Over 7 years the accumulative percentage for Wyong is more than 118%

Pensioners, unemployed and disadvantaged.

Council's LG Application Part B Word document to IPART claims to have "Promoted Council's hardship policy in relation to those who may struggle with a rate increase – particularly pensioners"

No new assistance is included in this policy, but changes have been made removing certain options for:

- Deferring outstanding amounts
- Arranging appropriate extended payment schedules
- Not instigating legal action where costs will exceed the original amount

The Central Coast has more than 50000 aged pensioners in receipt of a Centrelink benefit. Many of these are ratepayers who have high land values

simply because they have lived for decades in areas which have now become desirable.

For a property with a current land valuation of \$450000 in the Gosford area, the proposed “Securing Your Future” increase will result in an annual rates increase of \$483. This is more than the pension payment for one week.

And this from an Administrator who defended a \$380000 severance payment to the exiting GM by commenting “The path to remove a CEO for unsatisfactory performance [still with 13 weeks’ pay] would have required me to conduct a performance review and then provide the CEO an opportunity to respond. On the two occasions I requested a meeting he declined to meet”

Financial Implications

Central Coast Council’s financial disaster will not be fixed by an unaffordable 15% rates increase that will only cause hardship to the community at a time of economic uncertainty, nor will it be fixed just by cost cutting and service reductions. The problem is much deeper than that.

A report in the SMH on 31/10/2020 reveals that the NSW Government’s council merger policy is in crisis, with the 20 amalgamated councils losing \$1.03 billion in three years and ratepayers facing hikes in rates and cuts in services. The report goes on to say...

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copyright concerns

[REDACTED]

[REDACTED]

Conclusion

The Special Rates Variation approved for Wyong Council in June 2013 did not fix that Council's problems, nor will a 15% increase fix Central Coast Council's financial disaster.

Without deep cultural and organisational change within the Council, the never-ending story of incompetence and mismanagement will just continue. Many of the financial problems go back to the initial time of the merger, when a presiding Administrator was appointed by the NSW Government. The warning signs have been there for a long time, but somehow the Audit Office of NSW did not have concerns. There was no referendum when the merger was forced upon the Central Coast community. The NSW Government provided just \$20m to fund the merger which resulted in the 3rd largest council in NSW (6th largest in Australia) with an area of 1680km² and a population of 350000. We are now being asked to pay for a financial disaster that had absolutely nothing to do with ratepayers.

The Central Coast community has not been told the truth about the impact of the proposed rates increase. Mr Persson's role as Administrator is to protect the NSW Government, and this is best done by keeping

the community in the dark. Early in his appointment, he described ratepayers as “shareholders” who have to take responsibility for Council’s financial disaster. He inferred that the community was at fault for electing the councillors.

He is absolutely wrong. The NSW Government is responsible for this debacle and the NSW Government should bear the financial costs.

Your comments on Criterion 1:

Your comments on Criterion 2:

Your comments on Criterion 3:

Your comments on Criterion 4:

Your comments on Criterion 5:

If you have attachments you would like to include with your feedback, please attach them below.

Your Details

Are you an individual or organisation?

Individual

If you would like your submission or your name to remain confidential please indicate below.

Anonymous - my submission can be published but my name should remain anonymous

First Name

Last Name

Organisation Name

Position

Email

[REDACTED]

IPART's Submission Policy

I have read & accept IPART's Submission Policy