



Central Coast Council
Business Paper
Ordinary Council Meeting
09 November 2021





COMMUNITY STRATEGIC PLAN 2018-2028

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

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

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

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

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

RESPONSIBLE

WE'RE A RESPONSIBLE COUNCIL AND COMMUNITY, COMMITTED TO BUILDING STRONG RELATIONSHIPS AND DELIVERING A GREAT CUSTOMER EXPERIENCE IN ALL OUR INTERACTIONS.

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



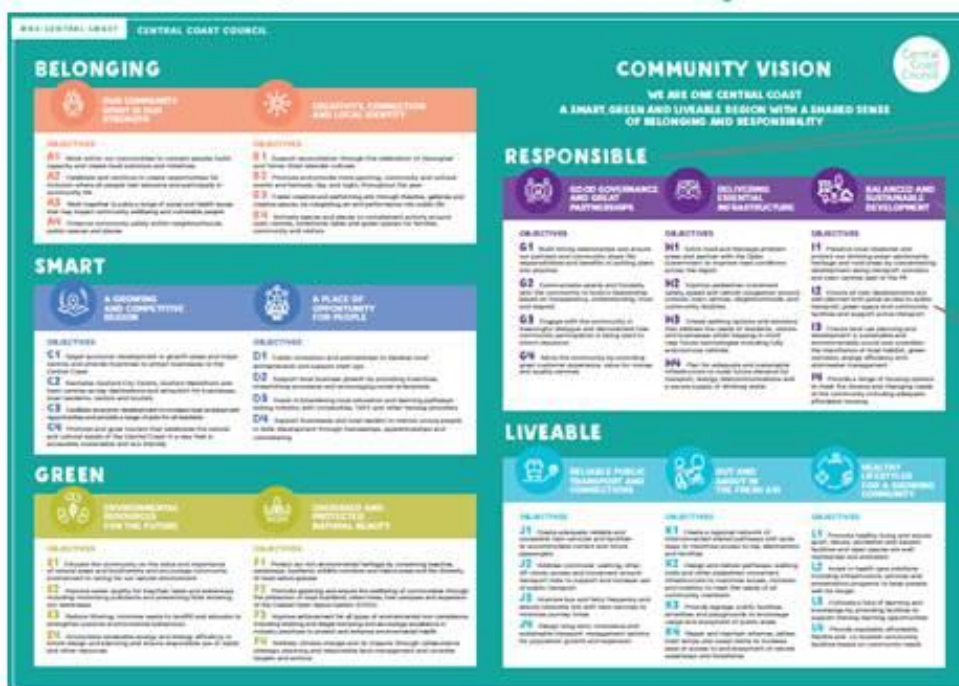
Good governance and great partnerships

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

There are 5 themes, 12 focus areas and 48 objectives

COMMUNITY STRATEGIC PLAN 2018-2028 FRAMEWORK

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



Theme

Focus Area

Objective

Meeting Notice

**The Ordinary Council Meeting
of Central Coast Council
will be held Remotely - Online,
on Tuesday 9 November 2021 at 6.30pm,
for the transaction of the business listed below:**

1 Procedural Items

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David Farmer
Chief Executive Officer

Item No: 1.1
Title: Disclosure of Interest
Department: Corporate Affairs

9 November 2021 Ordinary Council Meeting

Reference: F2021/00035 - D14832049



Recommendation

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

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

Section 451 of the LG Act states:

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

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

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

Item No: 1.2
Title: Confirmation of Minutes of Previous Meeting
Department: Corporate Affairs

9 November 2021 Ordinary Council Meeting

Reference: F2021/00035 - D14832055



Recommendation

That Council confirm the minutes of the Ordinary Meeting of Council held on 26 October 2021.

Summary

Confirmation of minutes of the Ordinary Meeting of Council held on 26 October 2021.

Attachments

1	MINUTES - Council Meeting - 26 October 2021	Provided Under Separate Cover	D14902552
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Item No: 1.3
Title: Notice of Intention to Deal with Matters in Confidential Session
Department: Corporate Affairs

9 November 2021 Ordinary Council Meeting

Trim Reference: F2021/00035 - D14832060



Recommendation

That Council note that no matters have been tabled to deal with in a closed session.

Summary

It is necessary for the Council to adopt a resolution to formalise its intention to deal with certain matters in a closed and confidential Session. The report is incorporated in the "Confidential" business paper which has been circulated.

The *Local Government Act 1993* requires the Chief Executive Officer to identify those matters listed on the business paper which may be categorised as confidential in terms of section 10A of the *Local Government Act 1993*. It is then a matter for Council to determine whether those matters will indeed be categorised as confidential.

Context

Section 10A of the *Local Government Act 1993* (the Act) states that a Council may close to the public so much of its meeting as comprises:

- 2(a) personnel matters concerning particular individuals (other than Councillors),*
- 2(b) the personal hardship of any resident or ratepayer,*
- 2(c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business,*
- 2(d) commercial information of a confidential nature that would, if disclosed:*
 - (i) prejudice the commercial position of the person who supplied it, or*
 - (ii) confer a commercial advantage on a competitor of the Council, or*
 - (iii) reveal a trade secret,*
- 2(e) information that would, if disclosed, prejudice the maintenance of law,*
- 2(f) matters affecting the security of the Council, Councillors, Council staff or Council property,*

1.3 Notice of Intention to Deal with Matters in Confidential Session (contd)

- 2(g) advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege,*
- 2(h) information concerning the nature and location of a place or an item of Aboriginal significance on community land.*
- 2(i) alleged contraventions of any code of conduct requirements applicable under section 440*

It is noted that with regard to those matters relating to all but 2(a), 2(b) and 2(d)(iii) it is necessary to also give consideration to whether closing the meeting to the public is, on balance, in the public interest.

Further, the Act provides that Council may also close to the public so much of its meeting as comprises a motion to close another part of the meeting to the public (section 10A(3)).

As provided in the Office of Local Government Meetings Practice Note August 2009, it is a matter for the Council to decide whether a matter is to be discussed during the closed part of a meeting. The Council would be guided by whether the item is in a confidential business paper, however the Council can disagree with this assessment and discuss the matter in an open part of the meeting.

Attachments

Nil



Item No: 2.1
Title: Internal Reporting Policy (Public Interest Disclosures)
Department: Corporate Affairs

9 November 2021 Ordinary Council Meeting

Reference: F2019/00851-002 - D14647655
Author: James Taylor, Section Manager Governance Services
Manager: Edward Hock, Unit Manager Governance and Legal Counsel
Executive: Natalia Cowley, Director Corporate Affairs and Chief Financial Officer

Recommendation

That Council review and endorse the Internal Reporting Policy and Procedures as set out in Attachment 1 and 2 to this report.

Report purpose

To review and endorse the *Internal Reporting Policy* dealing with Public Interest Disclosures set out in Attachment 1 to this report and note the supporting Procedures set out in Attachment 2 to this report.

Executive Summary

Council is required to review the Internal Reporting Policy every three years. This policy was created in November 2018 and is due for review no later than November 2021.

Background

Under section 6D of the [Public Interest Disclosures Act 1994](#) (PID Act), public authorities are required to have a policy and procedures for receiving, assessing and dealing with public interest disclosures.

Council's Internal Reporting Policy and associated Procedures have been based on the [NSW Ombudsman Model Internal Reporting Policy](#) and Guidelines.

The [NSW Ombudsman Model Internal Reporting Policy](#) states that an Internal Reporting Policy should:

- be strongly endorsed by the Mayor and Chief Executive Officer;
- show the council's commitment to high standards of ethical and accountable conduct and confirm that it will not tolerate any form of wrongdoing;
- conform with the Code of Conduct and/or other relevant ethical codes;
- address the relevant provisions of the PID Act;

2.1 Internal Reporting Policy (Public Interest Disclosures) (contd)

- state that staff who come forward and report wrongdoing are helping to promote integrity, accountability and good management within the council;
- outline the Council's broader responsibilities under the PID Act, such as reporting on public interest disclosures;
- state that it is supported by procedures based on the Ombudsman's guidelines;
- refer to any other relevant policies or procedures, such as the council's Code of Conduct and provide information about how staff can access that information;
- be publicly available on the council's website; and
- be implemented by the council through staff awareness training.

Under the PID Act, Council's Chief Executive Officer as the head of Council, is responsible for ensuring that:

- Council has an internal reporting policy;
- Council staff and Councillors are aware of the contents of the Policy and the protection available under the PID Act for people who make public interest disclosures;
- Council complies with the Policy and Council's obligations under the PID Act;
- the Policy delegates at least one staff member as being responsible for receiving public interest disclosures. Clause 3.15 of the Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW requires the Complaints Coordinator to be a Disclosures Coordinator. The Ombudsman recommends councils nominate more than one person as being responsible for receiving public interest disclosures.

Providing the Policy to Council for endorsement demonstrates the leadership commitment to its principles. The Chief Executive Officer has appointed the Senior Internal Ombudsmen as Council's Complaints Coordinator and Disclosures Coordinator, and Council currently has over twenty trained PID Officers spread across multiple locations.

The Internal Reporting Policy and Procedures that are attached to this report encompass these provisions and are [publicly available on Council's website](#).

Current Status

Since 2018, when Council's Policy was first adopted, there has been some minor changes in the [NSW Ombudsman's Model PID Policy in July 2020](#) and these have all been captured in the attached updated Policy.

As Council now has accessible templates for all policies and procedures, the content of both the Policy and Procedures have also been transferred to the new accessible templates with some administrative changes to Unit names and position titles also being made.

Consultation

Council is required by the PID Act to have these Policy and Procedures in place. As the Policy and Procedures have been based on the NSW Ombudsman's model policy and guidelines no public exhibition is required, nor recommended.

Consultation was undertaken with Council's Internal Ombudsman Office which provided feedback.

Financial Considerations

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

1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.

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

This report has no financial implications for Council.

Link to Community Strategic Plan

Theme 4: Responsible

Goal G: Good governance and great partnerships

R-G2: Communicate openly and honestly with the community to build a relationship based on transparency, understanding, trust and respect.

Critical Dates or Timeframes

This statutory policy is required to be reviewed by Council by November 2021.

Attachments

1	Internal Reporting Policy - September 2021	Provided Under Separate Cover	D14780429
2	Internal Reporting Procedure - September 2021	Provided Under Separate Cover	D14682984



Item No: 2.2
Title: Grants Program 2021-2022 - Events and Place Activation
Department: Community and Recreation Services

9 November 2021 Ordinary Council Meeting

Reference: F2018/01409 - D14787102
Author: Belinda McRobie, Section Manager Community Development
Manager: Glenn Cannard, Unit Manager, Community and Culture
Executive: Julie Vaughan, Director Community and Recreation Services

Recommendation

- 1 That Council allocate \$287,137.56 (inclusive of GST where applicable) from the 2021-22 grants budget to the Community Events and Place Activation Program as outlined in the tables (Attachment 1).**
- 2 That Council decline the applications for the reasons indicated in Attachment 1, and the applicants be advised and where relevant, directed to alternate funding.**

Report purpose

To seek endorsement of the recommendations for the Events and Place Activation Grant Program.

Executive Summary

This report outlines the recommendations of the staff grants assessment process for the 2021-2022 Community Grants Program - Events and Place Activation.

Due to ongoing COVID-19 impacts on the delivery of public events, mechanisms are in place to ensure that all relevant event approvals (including COVID-19 related) are provided prior to the release of any funds.

Recommendations for applications to receive part funding will be subject to confirmation by the applicant prior to the release of funds, that they are still able to deliver the project within the part-funded budget.

Background

Community Grants

Council's grant programs are provided to support the community to deliver programs, projects or events that build connections, celebrate our local community, align with the One-

2.2 Grants Program 2021-2022 - Events and Place Activation (contd)

Central Coast Community Strategic Plan and build capacity across the entire Central Coast community.

At its meeting on 27 April 2021, Council endorsed a modified Community Grants Program for 2021-22. The Community Grants program was modified in consideration of Council's current financial situation and the need to reduce spending whilst also meeting a critical community need.

The Community Grants Program was reduced to three programs which includes:

- Community Development Grant Program
- Community Events and Place Activation Grant Program
- Community Support Grant Program

Below are the current grant program areas being considered in this report to Council.

Community Events and Place Activation Program

Aims to support local organisations to deliver community events and activities that activate spaces and places to complement activity around town centres, foreshores, lakes and open spaces for families, community and visitors.

The Community Events and Place Activation Grant Program provides a budget of \$300,000 annually as detailed in table 1 below.

Table 1: Community Events and Place Activation Grant Program

Program	Budget	Opening Period	2020/21 allocation to date	Recommended allocation within this report (inclusive of GST where applicable)	Allocation plus Recommendation (inclusive of GST where applicable)
Community Events and Place Activation	\$300,000	1 July 2021 – 31 July 2021	\$0.00	\$287,137.56	\$287,137.56
TOTAL	\$300,000		\$0.00	\$287,137.56	\$287,137.56

Submissions

The 2021-2022 Grants Program opened for applications on 1 July 2021 and closed on 31 July 2021.

Assessment

For the 2021-2022 Community Grants Program, 49 applications were received in the Community Events and Place Activation Grant Program.

All Community Grant applications were assessed by Council's Grants Team and Senior Management with 29 applications recommended for funding in this Council report.

29 Community Events and Place Activation applications are recommended for funding totalling \$287,137.56 (Attachment 1)

Consultation

Information on Council's Community Grants program is provided on Council's website and promoted through Council's social media platforms.

Regular emails with relevant information were provided to the community grants database.

Council staff conducted two grant writing workshops with 51 attendees and four grant information sessions with 94 attendees

Additionally, Council staff also undertook two drop-in support sessions with 10 attendees to assist applicants with their submissions where required.

Financial Considerations

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

1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.

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

No additional budget is required nor sought through this report. All actions within have been funded through existing and approved operational plan budgets.

Link to Community Strategic Plan

Theme 1: Belonging

Goal A: Our community spirit is our strength

B-A1: Work within our communities to connect people, build capacity and create local solutions and initiatives.

Risk Management

All successful grant applications will receive a letter of offer outlining Council's requirements of funding, service delivery and accountability for both Council and the funded organisation.

Applications recommended for funding are conditional on all relevant event/activity approvals (including COVID-19 related) being provided prior to the release of funds, and successful applicants are required to return any unspent funds for projects not able to be delivered as planned through COVID-19 related impacts.

All successful applicants are required to submit a final project acquittal report no later than twelve (12) weeks after the agreed completion date of the activity/project with copies of any photos, promotional materials and evidence of payment/purchase for each funded item.

Options

- 1 Approval of all recommended applications as submitted will provide a community benefit to residents of the Central Coast Local Government Area.
This is the recommended option.
- 2 Non approval of some or all applications, as recommended, may result in projects not being undertaken if the respective proponents are unable to secure alternate funding. This is not recommended.


Many of these grant applications are dependent upon support via Council's grants program. Should decisions be delayed or not supported, projects may not be undertaken.

Expenditure is approved until the end of the 2021/22 financial year. Unspent funds will lapse on 30 June 2022.

Critical Dates or Timeframes

Many of these grant applications are dependent upon support via Council's grants program. Should decisions be delayed or not supported, projects may not be undertaken.

Attachments

- | | | |
|--|----------------------------------|-----------|
| 1 Community Events and Place Activation Grant
 Program 2021-22 Recommended and Not Recommended. | Provided Under
Separate Cover | D14911375 |
|--|----------------------------------|-----------|



Item No: 2.3
Title: Request for Memorial Seat
Department: Community and Recreation Services

9 November 2021 Ordinary Council Meeting

Reference: F2017/01262 - D14877141
Author: Brett Sherar, Unit Manager Open Space and Recreation
Executive: Julie Vaughan, Director Community and Recreation Services

Recommendation

That Council approve the application for a memorial seat to acknowledge the outstanding contribution of Mr Waters to the community of the Central Coast.

Report purpose

To seek approval to install a memorial seat on the grassed area, adjacent to the boat ramp at 'Dark Corner', Patonga Drive, Patonga in memory of the late, Mr Malcolm Waters.

Executive Summary

An application has been received by Mrs Waters to install a memorial seat on the grassed area, adjacent to the boat ramp at 'Dark Corner', Patonga Drive, Patonga in memory of her late husband, for his extensive contribution and outstanding voluntary service to the Central Coast community.

In accordance with the *Policy for Memorial, naming of Council Facilities and Donations of Park Furniture and Trees* any requests received are subject to a report to Council.

Background

Mrs Waters has submitted an application in accordance with *The Policy for Memorials, Naming of Council Facilities and Donations of Park Furniture and Trees (The Policy)* (Attachment 1) for the installation of a memorial seat to be placed adjacent to the boat ramp on the grassed area in 'Dark Corner', Patonga Drive, Patonga. The location of the proposed seat is identified in the map contained within Attachment 1.

A review of the application and attachments provided by Mrs Waters has determined that all requirements of the Policy have been met, including her confirmation that she will be responsible for the cost of purchase, installation and ongoing maintenance of the seat.

Assessment Against Relevant Policy

The application (Attachment 1) from Mrs Waters has been assessed and complies with the requirements of The Policy.

2.3 Request for Memorial Seat (contd)

Criteria Assessment

An assessment of the application has been undertaken and is considered to meet all requirements. The assessment is as follows:

Table 1: Assessment of Application

Policy Requirement	Assessed Criteria
Clause 8: A request for a commemorative memorial will be considered only if the person who is nominated (the nominee) has been deceased for at least six months, was of good repute and not likely to be the subject of controversy	Mr Waters passed on 26 March 2021 he is eligible. The proposed seat is in memory of Mr Malcolm Waters for his volunteer work with Woy Woy Meals on Wheels for 15 years and with the Red Cross for 13 years as a Telecross volunteer. During his working career as a Solicitor, Mr Waters also volunteered his service once a month as a Duty Solicitor at Minda Children's Courts to appear on behalf of children who required legal representation.
Clause 16: Applications must include a supporting statement for the nominee detailing how the nominee meets the conditions as stated in the Policy.	A supporting statement was prepared by Patonga Beach Progress Association Inc, and submitted by Mrs Waters with her application, detailing how Mr Waters has met the conditions as stated in the Policy. (Attachment 1)
Clause 17: All applications should include a site plan indicating the proposed location of the memorial seat.	A plan has been provided by Mrs Waters showing the proposed site for the memorial seat (Attachment 1)
Clause 18: The application must be supported in writing by a minimum of three third parties, one of which must be a local community group.	Letters of support from The Australian Red Cross and Meals in Wheels Central Coast and Patonga Beach Progress Association Inc. are provided in Mrs Water's application. (Attachment 1).
Clause 19: The documentation must be validated by Statutory Declaration.	The documentation attached to the application has been validated by a Statutory Declaration.
Clause 21: For park furniture, plaque size will be limited to 150mm by 100mm and will be installed in the concrete base around the park furniture. Wording should follow a simple and standard format and avoid terminology used in the cemeteries. The wording will recognise the nominee and their qualities/attributes, or an	The applicant acknowledges the plaque will be provided by Mrs Waters in the size stipulated within the Policy and wording will recognise the contribution of Mr Waters to the Central Coast community.

2.3 Request for Memorial Seat (contd)

Policy Requirement	Assessed Criteria
appropriate phrase outlined in the application.	
Clause 46: The applicant is required to meet all costs associated with the purchase, advertisement, delivery, installation and maintenance of the approved park furniture, tree(s) and/or the Council approved seat.	Mrs Waters has provided a commitment within the Statutory Declaration contained within the application to the cost of purchasing, installing and ongoing maintenance of the seat (Attachment 1)

Consultation

In accordance with the Policy, Council staff in the Open Space and Recreation Unit have been consulted in relation to the placement site of the seat and no concerns have been identified with the proposal.

Financial Considerations

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

1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.

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

There will be no financial cost to Council as Mrs Waters has agreed to pay all associated costs for the purchase, placement, and maintenance of the memorial seat.

Link to Community Strategic Plan

Theme 1: Belonging

Goal A: Our community spirit is our strength

B-A1: Work within our communities to connect people, build capacity and create local solutions and initiatives.

Risk Management

There are no identified risks regarding the installation of the memorial seat.

Options

- 1 To approve the application for the installation of the memorial seat to acknowledge the outstanding contribution of Mr Waters to the community of the Central Coast. **This is the recommended option.**
- 2 Council could decide to not approve the application for the installation of the memorial seat. This is not recommended, as the Applicant has met all requirements of the Policy.

Attachments

- | | | | |
|----------|---|-------------------------------|-----------|
| 1 | Application for Memorial Seat - Mr Malcolm Waters | Provided Under Separate Cover | D14909201 |
|----------|---|-------------------------------|-----------|

Item No: 2.4
Title: Stormwater Drainage Services on the Central Coast
Department: Infrastructure



9 November 2021 Ordinary Council Meeting

Reference: F2021/01668 - D14910262
Author: Jay Spare, Unit Manager Roads and Drainage Infrastructure
Executive: Boris Bolgoff, Director Infrastructure

Recommendation

- 1** *That Council note the intention to transfer the Stormwater Drainage Charge under the Water Management Act to a Stormwater Drainage Special Rate Variation or equivalent under the Local Government Act.*
- 2** *That Council is committed to make the change from Water Management Act to the Local Government Act by the 2026/27 financial year and will recommend to IPART that the change occur for the 2026/27 financial year.*
- 3** *That Council make a formal submission in response to the Independent Pricing and Regulatory Tribunal's Stormwater Drainage Information Paper in line with the above commitments.*

Report purpose

To respond to the Independent Pricing and Regulatory Tribunal's (IPART) Stormwater Drainage Information Paper published on 22 October 2021 and make clear Council's position in relation to how it charges for stormwater drainage services on the Central Coast, now and into the future.

Executive Summary

Historically, Council has funded stormwater drainage services via a combination of the Stormwater Drainage Charge under the Water Management Act and an additional Stormwater Levy under the Local Government Act in the former Wyong Council area.

The Stormwater Levy ceased to be charged in the 2016-17 financial year and since this time Council has had to increasingly subsidise stormwater drainage services using General Fund revenue. This has been done at the cost of other services.

In the current IPART Submission which comes into effect in the 2022-23 financial year, Council has proposed to simplify how it charges for stormwater drainage by funding all related activities via the single Stormwater Drainage Charge.

On 22 October 2021, IPART published their Stormwater Drainage Information Paper, recommending that Council's stormwater drainage services should be funded by local government rates regulated by IPART under the Local Government Act – and not the Stormwater Drainage Charge regulated by IPART under the Water Management Act. It also made a preliminary recommendation that this change should occur in two years' time.

In its Information Paper, IPART posed three questions to the stakeholder and ratepayers:

1. What do you think about funding stormwater services through the council's local government rates rather than through its charges as a Water Supply Authority?
2. Would you prefer to pay for stormwater services through the council's local government rates instead of through its charges as a Water Supply Authority?
3. If stormwater services were to change to be funded through local government rates, when would you want this change to occur?

Whilst there is merit in transitioning from a Stormwater Drainage Charge under the Water Management Act, to local government rates under the Local Government Act – Council would not be able to continue to deliver stormwater drainage services without a corresponding increase in local government rates. The way in which the change is implemented would also be critical in mitigating community and service level impacts.

IPART's preliminary recommendation is that the transition occurs in two years' time. This timing is not supported – and Council recommends that the change be implemented in four years' time at the end of the next Determination period for Water, Sewer and Stormwater.

The timing proposed by Council would provide stability for our ratepayers, ensure continued provision of services, prevent confusion with other processes underway and drive cost efficiencies as the consultation and application process could be run concurrent with the next Water, Sewer and Stormwater Determination

Background

Central Coast Council is responsible for managing a stormwater drainage network with over 1,200 kilometres of drainage pipe, culvert and open channel infrastructure as well as associated drainage pits, headwalls, detention basins, levees, wetlands, stormwater treatment devices and roadside table drains.

The stormwater drainage network provides a region wide benefit to all members of the community regardless of where they live – and does not rely on a direct property connection like a water and sewer service. Every time it rains the whole community benefits from the network as it takes stormwater runoff away from public roads ensuring one can move about the region, minimises and reduces the flooding of private properties, community facilities and

public areas and removes pollutants from stormwater runoff thereby protecting our waterways.

Council is unique in that it is both a Water Authority and a Local Government – as such it is entirely responsible for stormwater drainage within our declared drainage areas. This is different to our neighbouring Water Authorities who manage more localised, trunk drainage networks only – with the local Council managing the remainder of the network. This means that Central Coast Council's stormwater drainage network and operations are much more extensive and broader in scope than other Water Authorities.

Historically, Council has funded stormwater drainage services via a combination of:

- IPART determined Stormwater Drainage Charge under the Water Management Act
- Stormwater Levy under the Local Government Act in the former Wyong Council area – which ceased to be charged in the 2016/17 financial year via Council Resolution.
- Supplemented by State and Federal Grants for stormwater drainage capital works

The Stormwater Levy ceased to be charged in 2016-17 financial year and since this time Council has had to increasingly subsidise stormwater drainage services using General Rates Fund revenue. This subsidisation is not sustainable and has been done at the cost of other services Council provides.

Report

In the current IPART submission, Council has proposed to simplify how it charges for stormwater drainage by funding all related activities via the single Stormwater Drainage Charge. These activities include managing and maintaining the infrastructure that collects rainwater from roads, parks and private land. It also includes improving the quality of stormwater discharged into our waterways and undertaking flood planning and mitigation.

This approach is precededented by the inclusion of all the above stormwater drainage activities in former Council IPART Determinations and should not be considered new or innovative for Central Coast ratepayers.

IPART have acknowledged the regional benefit provided by the stormwater drainage network in their Stormwater Drainage Information Paper published on 22 October 2021, and made a preliminary recommendation that it would be more appropriate to fund Council's stormwater drainage services through local government rates – and not through the charges IPART sets for Council as a Water Supply Authority.

Council sees the merit in IPART's recommendation that it would be more appropriate to fund stormwater drainage services through either its local government rates, the introduction of a special rate for stormwater, or levying an annual stormwater charge under the *Local Government Act 1993*– with an equivalent drop in rates levied under the Water Management

Act. The change would allow Council to more efficiently manage its road and drainage functions, and simplify administration and reporting as there would only be one source of funding.

However, as acknowledged by IPART in its Information Paper, this change could not occur without an increase in local government rates revenue – generally equivalent to the drop in rates levied under the Water Management Act – to make sure Council has enough money to continue to fund its stormwater drainage activities.

In its Information Paper, IPART has also made a preliminary recommendation that the change in the way Council charges for stormwater drainage services should occur in the third year of the next Water, Sewer and Stormwater Drainage Determination period – which would see commencement of the new rating model in the 2024/25 financial year.

Council does not support the timing proposed by IPART and believes the most appropriate time to make this change is at the end of the next Determination period – with the new funding model to commence from the 2026/27 financial year.

The extended commencement date would provide stability for our ratepayers, ensure continued provision of critical stormwater drainage services and prevent any confusion associated with other Special Rate Variation processes which are currently underway. It would also be more efficient as Council could leverage the same resources allocated to next Water and Sewer Determination process. Council does not consider running a stand-alone special rate application process in two years' time as being prudent or efficient.

Council's proposed commencement date would also allow sufficient time to engage with the community on stormwater drainage services, develop the new rating model and work with IPART to transition the price determination process from IPART's current Water Authority application – to IPART's SRV or equivalent application.

In general terms, the intention would be to transition the Stormwater Drainage Charge to a Stormwater Drainage SRV or equivalent under the Local Government Act – with the Stormwater Drainage Charge on the Water Rates notice being removed and added to the Council Rates notice. The new rate would undergo a similar level of audit, rigour and approval by IPART – albeit via a different IPART department and different application process.

Consultation

In recent years, Council has undertaken extensive consultation with the community regarding our stormwater drainage service levels and activities. This has included:

1. Consultation regarding stormwater quality as part of the 'Our Coast Our Waterways' community survey undertaken between April and June 2021. This survey attracted over 1,100 respondents with over 95% of ratepayers identifying Central Coast's waterways as a key reason why they chose to live on the Central

Coast. The survey also demonstrated that a strong 'willingness to pay' more in order to achieve better stormwater quality outcomes.

2. Specific consultation undertaken in April 2021 to support key aspects of the current IPART Stormwater Drainage Submission. This involved structured surveys, opt in online surveys, phone surveys and two qualitative group sessions (conducted via Zoom).

The consultation included a specific question regarding the potential for Council to charge for stormwater drainage services via local government rates as opposed to the IPART determined Stormwater Drainage Charge.

The survey outcome was balanced with, in general – the same amount of support and opposition for a change in the way Council charges for stormwater drainage. The qualitative exploration of the results suggested the sentiment was influenced by the economic position of Council which had only recently come to light.

3. Additional IPART Stormwater Drainage consultation undertaken in July 2021 to explore ratepayer preferences in relation to the proposed increase in stormwater drainage step changes. The outcome of the consultation demonstrated strong support for the inclusion of the proposed stormwater drainage functions in the current IPART Submission.

A structured and specific program of consultation will be developed to support the proposed change in the way Council charges for stormwater drainage services – with the outcomes used to develop and support the future submission to IPART on the same.

Financial Considerations

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

1108/20 That any motions put before Council for the remainder of this term of Council that have financial implications require the Chief Executive Officer to provide a report on how those additional costs will be met.

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

The Stormwater Drainage Charge represents a significant revenue stream for Council and one that IPART acknowledged in its Information Paper – could not be absorbed into Council's current local government rates without significant service level and customer impacts. Any transition away from the Stormwater Drainage Charge would need to be supported by a stormwater drainage SRV or equivalent to ensure Council can continue to fund its stormwater drainage activities

2.4 Stormwater Drainage Services on the Central Coast (contd)

The table below summarises the proposed Stormwater Drainage Charge revenue phasing in 2021/22 through to the end of the next Determination period:

Proposed Revenue 2022-23	Proposed Revenue 2023-24	Proposed Revenue 2024-25	Proposed Revenue 2025-26
\$24.0M	\$25.4M	\$26.2M	\$28.8M

The Water, Sewer and Stormwater Drainage Determination process applies a 'building block' revenue model to develop stormwater drainage revenue requirements – which then forms the basis for setting the Stormwater Drainage Charge. This model supports full cost recovery on IPART Regulated OPEX components but excludes the funding of Depreciation or Borrowings.

The impact of the proposed change in how Council charges for stormwater drainage services would affect ratepayers differently depending on a number of factors including how it implements the change from charging for stormwater drainage services under the Water Management Act to charging under the Local Government Act.

Link to Community Strategic Plan

Theme 4: Responsible

Goal H: Delivering essential infrastructure

R-H1: Solve road and drainage problem areas and partner with the State Government to improve road conditions across the region.

Risk Management

The key risks associated with the proposal are presented below:

- Significant stormwater drainage service level reductions if an alternate revenue stream was not confirmed and approved prior to any proposed change.
- Impact on loan repayments which would place Council's trading position at risk.
- Community fatigue and confusion around continual rate changes and financial processes – recent SRV, ongoing public enquiries and application for proposed SRV extension, current Water, Sewer and Stormwater Drainage application and this proposal for another rate change.
- Insufficient time to consult and engage with the community and develop a robust rating / charge model and special rate application to IPART.
- Additional costs and resources associated with undertaking a stand-alone Special Stormwater Drainage SRV or equivalent in 2 years' time (as recommended by IPART).

2.4 Stormwater Drainage Services on the Central Coast (contd)

- Transferring the Stormwater Drainage Charge to be included in the rates bill under the Local Government Act will mean that some residents will pay more, and some will pay less, depending on the value of land due to the rates structure system.

The above risks would be mitigated through the development of a carefully considered change management plan to support the transition away from the Stormwater Drainage Charge under the Water Management Act to a Stormwater Drainage Special Rate Variation or equivalent under the Local Government Act.

It is Council's recommendation that it would be most prudent and efficient to implement the change commencing at the end of the next Water, Sewer and Stormwater Drainage – forecast to be the 2026/27 financial year subject to IPART Final Determination in May 2022.

Options

Council will need to increase local government rates revenue / or levy an annual charge to fund stormwater drainage activities from local government rates. This is because it would no longer receive revenue from the Stormwater Drainage Charges that IPART sets for Council as a Water Supply Authority.

In setting rates to cover stormwater drainage costs, Council has a number of options including:

Option	Description	Implications
Stormwater Drainage Charge (2 options presented)	Collect all the required revenue via the Stormwater Drainage Charge under the Water Management Act as proposed in Council's IPART submission	<ul style="list-style-type: none">• Different to other Water Authorities.• IPART has recommended this should change.
	A split model similar to other Water Authorities where the Stormwater Charge pays for trunk drainage and local government rates for the remainder of the network	<ul style="list-style-type: none">• Aligns with other Water Authorities• Defining of trunk drainage difficult given the network and topography• Needs to be supported by other funding streams• Administrative burden managing multiple funding streams
Stormwater Levy	Reinstating of the Stormwater Levy under the Local Government Act. This is currently capped at \$25 for a house, \$12.50 for an apartment and an area based charge for business	<ul style="list-style-type: none">• Insufficient revenue on its own – needs to be supported by other funding streams• Potential community confusion and fatigue for new rates

2.4 Stormwater Drainage Services on the Central Coast (contd)

Option	Description	Implications
		<ul style="list-style-type: none"> Administrative burden managing multiple funding streams
Local Government Rates / charge	Collecting all the required revenue via an increase in local government rates i.e. via a Stormwater Drainage Special Rate Variation or equivalent	<ul style="list-style-type: none"> Timing of the change is critical Potential community confusion and fatigue for new rates Requires a separate application to a different section of IPART

Critical Dates or Timeframes

To ensure Council allows sufficient time to engage with and consult with the community, develop the pricing framework and approach, prepare the stormwater drainage special rate / charge submission and obtain approval prior to commencement of the 2026/27 financial year – Council would need to commence the process at least 18-24 months earlier in the 2024/25 financial year.

The consultation process and submission development could be sequenced parallel to the next Water and Sewer Determination – driving potential savings and efficiencies for Council and the community by running one engagement process rather than two. Handled appropriately, this could also allay community perception that Council may ask for funding for stormwater drainage services via local government rates / charges and then again by a subsequent Water and Sewer Determination.

Attachments

1	IPART - Information-Paper-Paying-for-stormwater-drainage-on-the-Central-Coast-22-October-2021	Provided Under Separate Cover	D14901669
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