



Central Coast Council  
Supplementary Business Paper  
Ordinary Council Meeting  
**23 March 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.



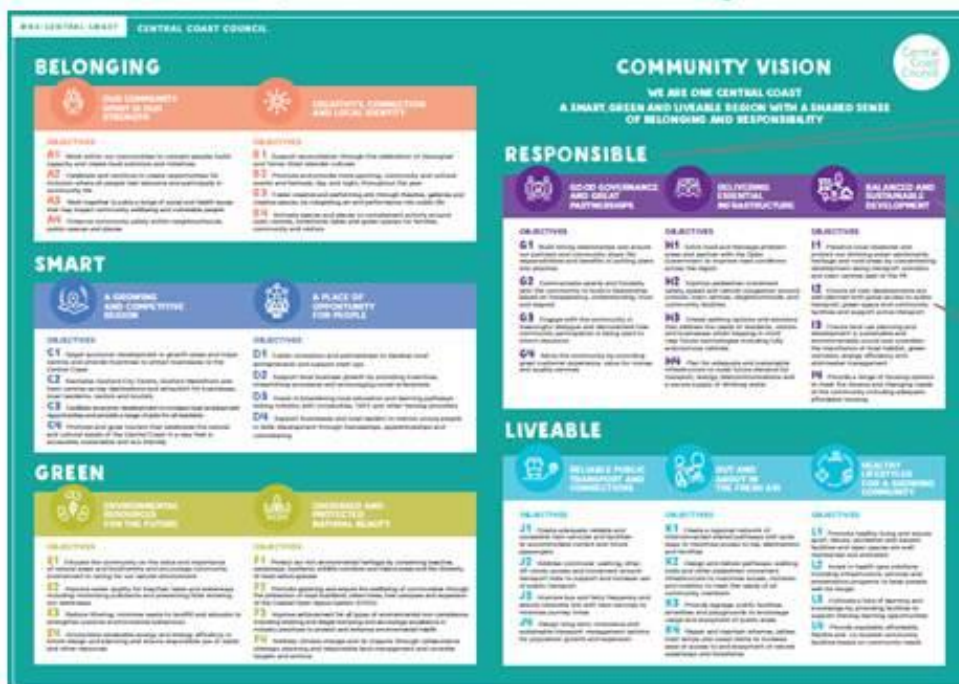
**Good governance and great partnerships**

**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 in the Council Chamber,  
Level 1, 49 Mann Street, Gosford  
on Tuesday 23 March 2021 at 6.30pm,  
for the transaction of the business listed below:**

## **Additional Items**

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*Please be advised that Item 2.1 – Central Coast Financial Plan – was amended Thursday 25 March 2021. Refer to Agenda document for this item.*

David Farmer  
**Chief Executive Officer**

## **ADDITIONAL ITEM**



**Item No:** 1.4  
**Title:** Administrator's Minute - End of Councillor Suspension Period  
**Department:** Administrator

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23 March 2021 Ordinary Council Meeting

Reference: F2021/00035 - D14536379  
Author: Dick Persson, AM, Interim Administrator

The Order made by the Minister for Local Government under Sections 438M and 438O of the Local Government Act 1993 expires on 29 April 2021. It is appropriate that steps be taken to transition back to an elected Council.

In my 30 day Interim Report I stated that Central Coast Councillors had not come to terms with the fundamental role of their position and their functions under the Local Government Act. In my 3 Month Progress Report I noted that changes have been implemented to see Central Coast Council return to a strong financial position over the next five years or so.

It will be imperative that Councillors, should they return to office, understand their role and also understand the systems that have been implemented to achieve good financial outcomes.

To facilitate this, I will be inviting all Councillors to attend two briefings. I would expect those suspended Councillors committed to the future of the Central Coast, and their role in it, to make all possible efforts to attend.

Below are further details. I note that it may be necessary to slightly amend the time or location due to logistical reasons.

### **Financial Briefing**

A financial briefing will be conducted on Tuesday 30 March 2020 in the afternoon. The briefing will be conducted in person only, but in accordance with Council's COVID safe plan.

The purpose of this briefing will be to give an overview of the financial situation and actions taken to date. Councillors will also be presented with examples of monthly reports that will be implemented for the information of Councillors and the community.

*Tuesday, 30 March 2021 – 4pm – Wyong Administration Building*

**Meeting with CEO**

All Councillors will be invited to meet newly appointed Chief Executive Officer, David Farmer on the afternoon of Thursday, 15 April 2021.

This will be an informal meeting and will be conducted in person.

A strong working relationship between Council and the CEO will be vital to the future of Central Coast Council and its success.

*Thursday, 15 April 2021 – 4pm – Wyong Administration Building*

***I formally move:***

*That the suspended Central Coast Councillors be invited as set out in this Administrator's Minute to two briefings: Financial Briefing and Meeting with Chief Executive Officer.*

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## **ADDITIONAL ITEM**



**Item No:** 1.5  
**Title:** Administrator's Minute - Question for Referendum  
**Department:** Administrator

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23 March 2021 Ordinary Council Meeting

Reference: F2019/00086 - D14550990  
Author: Dick Persson, AM, Interim Administrator

At the meeting held 3 February 2021, Council resolved as follows:

- 1 *That Council resolve to conduct a Constitutional Referendum for the reduction of Councillors (from 15 to 9) in conjunction with the September 2021 Local Government Elections.*
- 2 *That Council undertake community consultation to include: whether to reduce the ward structure from 5 to 3; have no wards; maintain the status quo with 15 councillors and 5 wards, and provide a report back to Council before mid April 2021.*
- 3 *That Council request the Acting Chief Executive Officer to notify the NSW Electoral Commission of this Administrator's Minute and resolution within 21 days as required under Schedule 10 of the Local Government (General) Regulation 2005.*
- 4 *That Council settle the proposed Constitutional Referendum question and provide this wording to the NSW Electoral Commission before mid April 2021 for the election.*
- 5 *That Council make provision in the 2021/22 budget for the additional costs of the NSW Electoral Commission running a Referendum in conjunction with the September 2021 Local Government Elections and the cost of Council fulfilling its obligations in relation to the explanatory material.*

In response to the resolution of Council, the NSW Electoral Commission was advised of Council's intent to conduct a Referendum in conjunction with the 2021 Local Government election.

In addition, Council undertook community consultation as resolved.

### **Report**

As part of my 30 Day report into the Central Coast Council's financial I formed the view that that fifteen Councillors is too many for the effective operation of a Council. I stated that this large number does not facilitate collaborative and effective decision making, and often results in an adversarial environment which does not benefit the Central Coast Community.

As a result, I resolved that a referendum be held at the September 2021 Local Government Election to reduce the number of Councillors from 15 to 9.

To pass, the question would need to be supported by a majority of Central Coast electors. Should the referendum be passed, the changes would take effect for the next local government election for the Central Coast to be conducted in 2024.

Consultation was undertaken on two issues being:

- 1 Reduction of Councillors
- 2 Ward structure

The consultation report is attached.

### **1 Reduction of Councillors**

In response to the consultation, the 78% of 613 survey participants wanted to reduce the number of Councillors from 15 to 9.

As a result, I plan to proceed with a Referendum question to reduce the number of Councillors from 15 to 9.

### **2 Change in Wards**

It is a requirement that there be an equal number of Councillors elected from each Ward where a ward structure is in place.

Prior to determining this question for the referendum, community consultation was conducted to ascertain community sentiment on whether to reduce the Wards from five to three or abolish wards..

[Section 16](#) and [Section 210 of the Local Government Act 1993](#) provides that if the Council proposes to alter, abolish or change the number of wards it must conduct a Referendum. Should it be determined through the Referendum that the wards should be reduced, then the boundaries will be changed in accordance with [Section 210A of the Local Government Act 1993](#).

The process for determining the revised ward boundaries includes the Council ensuring there is no greater than 10% difference in electors between any two wards (based on Census Collection Districts and approved by the NSW Electoral Commission), public exhibition of proposed ward boundaries for not less than 28 days, accepting submissions on proposed ward boundaries for not less than 42 days and consideration of submissions received prior to making a determination. This process would be undertaken should the Referendum be passed and twelve months before the following local government election.

In response to the community consultation 55% of 465 survey participants wanted to abolish Wards and have all Councillors represent the whole Central Coast.

### **Potential question**

The deadline to submit final wording for any question is 12noon on the closing date for the election in accordance with Clause 4(b), Schedule 10 of the Local Government (General) Regulation 2005 which is 4 August 2021. However, the NSW Electoral Commission has requested the wording be submitted as soon as possible but prior to the end of June 2021.

The Office of Local Government issued a Circular to Councils on 30 November 2020 regarding Constitutional referendums. In that circular the OLG advised that:

*It is of critical importance that the referendum question or questions are carefully framed to ensure that workable decisions are achieved. All questions put at a referendum should be clear, concise, and capable of being responded to with a 'yes' or 'no' answer. If more than one referendum question is being asked on a particular subject, then extra care needs to be taken to ensure that the possible combinations of 'yes' and 'no' answers do not produce a conflicting decision.*

The following wording is proposed for the conduct of the Referendum:

*Do you favour a reduction in the number of Central Coast Councillors, from fifteen to nine, and the removal of wards? This will result in nine Councillors with all electors voting for all nine Councillors, and all nine Councillors representing the whole Central Coast.*

Advice on the efficacy of the question has been sought and obtained from Local Government NSW who advise that should the question receive the majority of votes it will result the abolition of wards with a reduction in Councillors from 15 to nine.

### **Consultation**

The attached report details the consultation undertaken and the results.

### **Financial Considerations**

The most cost-effective way of conducting this Referendum is that it be held in conjunction with the September 2021 Local Government Elections, as oppose to a standalone Referendum.

The cost of a Referendum has been estimated by the NSW Electoral Commission as 10% of the costs of the Local Government Election, when run at the same time as an ordinary Election.



At this stage the NSW Electoral Commission has indicated that the costs to run the September 2021 Local Government Election for the Central Coast is \$2,147,083. The additional cost of the Referendum would be \$214,700 and will need to be budgeted for. This additional cost is based on one question being asked.

Council is also responsible for the preparation and publicity of the required explanatory material for the Referendum (which Council must ensure presents a balanced case both for and against any proposition to be put). It is proposed that \$15,000 be allocated in the 2021/22 Budget for this purpose.



***I formally move:***

- 1 *That Council resolve to conduct a Constitutional Referendum in conjunction with the conduct of the 2021 Local Government Election as follows:*

*Do you favour a reduction in the number of Central Coast Councillors, from fifteen to nine, and the removal of wards? This will result in nine Councillors with all electors voting for all nine Councillors, and all nine Councillors representing the whole Central Coast.*

- 2 *That Council advise the NSW Electoral Commission of the Referendum question.*

**Attachments**

- 1   Constitutional Referendum engagement summary D14542593

# Constitutional Referendum

## Engagement Summary

Central  
Coast  
Council

### Summary

In response to a resolution of Council on 3 February 2021 between 1 March and 15 March 2021 Central Coast Council's administrator Dick Persson AM sought community feedback on a Constitutional Referendum for the reduction of Councillors (from 15 to 9) in conjunction with the September 2021 Local Government Elections.

The consultation provided an opportunity for the community to submit feedback on the options proposed, which will help Council understand community sentiment on how the numbers may be reduced in order to finalise the proposed referendum questions.

We presented the community with an information package and invited them to participate in an online poll.

### Engagement Results

Participants were asked if they would like Councillors reduced from 15 to 9:

**Do you want Councillors reduced from 15 to 9?**

**78% Yes**

**22% No**

*(status quo to remain)*

*(613 participants total)*

Those that selected yes to a reduction in Councillors were then asked to let us know what their preferences for ward structure was:

**Reducing Councillors from 15 to 9 requires a change in the Ward Structure. Please let us know which of the following options you prefer:**

**45%**

*5 Wards reduces to 3 Wards*

**55%**

*Abolish the Wards, 9 Councillors represent the whole Central Coast*

*(465 participants total)*

### How you connected



1,625 visits to the Your Voice Our Coast website.



7,112 people reached and 1,623 interactions, comments and shares.



11,194 stakeholders were kept up-to-date through e-news.



613 people participated in the online poll

### What's next?

Councils administrator Dick Person AM will use the results of the poll to finalise the proposed referendum questions.

The referendum questions will be asked at the next Local Government Election being held on Saturday, 4 September 2021 however the change to the Council structure will not be enacted until the following Council election in 2024.

Find out more and stay up to date at [yourvoiceourcoast.com](https://yourvoiceourcoast.com)

March 2021

[yourvoiceourcoast.com](https://yourvoiceourcoast.com)

## **ADDITIONAL ITEM**

**Item No:** 1.3  
**Title:** Administrator's Minute - Managing the Channel  
**Department:** Administrator

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23 March 2021 Ordinary Council Meeting

Reference: F2020/00039 - D14553816

Author: Dick Persson, AM, Interim Administrator

As of Monday morning, it is clear this major storm event will repeat the flooding of many of the homes damaged last year. This will be heartbreaking for so many people who are barely over what happened only 13 months ago.

In terms of The Entrance channel, our acting CEO, Rik Hart, has been directing operations. Two Directors, Mr Cox and Mr Bolgoff, along with expert council staff, have been on the ground since last Thursday. Machinery has been in place and used as necessary. I continue to receive regular updates.

I have been impressed with the commitment and expertise of Council staff. I have no doubt they know what they are doing, and that everything was and is being done to minimise the impact of the weather.

Given the importance of this issue to so many people I have decided it is worth spending a small amount to engage an international expert to review our policy and approach to managing the channel.

Understandably public confidence in Council has been damaged with the events of the last few years.

An independent expert review by Mr Angus Gordon, Australia's leading coastal engineer, former head of Manly Hydraulics, former General Manager of Pittwater Council, will restore some of that confidence.

It is anticipated the review will result in either an endorsement or recommendation for change and will be available next week.

### ***I formally move:***

- 1 That Council engage Mr Angus Gordon, Australia's leading coastal engineering expert to undertake a peer review of Council's policy and approach in managing floods, particularly looking at the February 2020 flood event and flooding experienced in the past 4 days.***
- 2 That Council note this review will be undertaken immediately and a report will be released publicly when it arrives.***

## **ADDITIONAL ITEM**



**Item No:** 1.7  
**Title:** Administrator's Minute - Council Structure  
**Department:** Administrator

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23 March 2021 Ordinary Council Meeting

Reference: F2021/00035 - D14553898

Author: Dick Persson, AM, Interim Administrator

Council adopted a structure on 30 November 2020 which incorporates the following positions:

- Director Water and Sewer
- Director Community and Recreation Services
- Director Environment and Planning
- Director Infrastructure
- Director Corporate Affairs

Since adopting the structure there has been commentary that Council no longer has a Chief Financial Officer.

The Local Government Act requires that a Council have a Responsible Accounting Officer. As defined by the legislation a *responsible accounting officer, in relation to a council, means a member of the staff of the council designated by the council as its responsible accounting officer or, if no such member of staff is designated, means the general manager of the council.*

At Central Coast Council the Director, Corporate Affairs is the Responsible Accounting Officer. The role, when advertised, required relevant qualifications and identified that the role is accountable for ensuring a focus on the financial sustainability and financial leadership of the organisation.

However, to give the community confidence and to provide visibility that there is a role performing the functions of a Chief Financial Officer I propose to amend the title of Director, Corporate Affairs to Director, Corporate Affairs and Chief Financial Officer.

I am making this change in accordance with section 333 of the Local Government Act which provides that the organisation structure may be redetermined from time to time.

***I formally move:***

***That Council determine, pursuant to s. 333) of the Local Government Act 1993, that the position of Director, Corporate Affairs will be retitled to Director, Corporate Affairs and Chief Financial Officer.***

## AMENDED ITEM



**Item No:** 2.3  
**Title:** Restriction Reserves Write-Off  
**Department:** Corporate Affairs

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23 March 2021 Ordinary Council Meeting

Reference: F2020/01876 - D14511407  
Author: Peter Correy, Unit Manager, Finance  
Executive: Natalia Cowley, Director, Corporate Affairs

### Report purpose

To seek formal approval to write off \$20M of Internally Restricted Reserves pertaining to the following funds, in order to contribute towards the reimbursement of approximately \$200m of restricted reserves debt:

- \$10,000,000 – Land Development Reserve
- \$4,701,646 – Infrastructure Reserve
- \$316,223 – Water Safety and Surf Clubs Reserve
- \$182,662 – Kibble Park Café Reserve
- \$4,799,469 – Waste Disposal Facility Reserve

### Executive Summary

The Administrator's 30 Day Report in December 2020 identified that the extent of Council's accumulated debt is \$565m, made up of approximately \$365m of projected commercial debt as at 30 June 2021 and approximately \$200m of restricted reserves debt as at 30 June 2020 in the General and Drainage Funds.

It has been proposed that this restricted reserves deficit, be reimbursed as follows:

- Approx \$100m-\$110m from Council's budgeted surpluses over the 10 years, starting from 2021/22;
- Approx \$40m-\$60m from the sale of Council's property assets;
- \$20m-\$40m from the write-off of reserves that can be unwound and
- Commercial loan in the 10<sup>th</sup> year for any remaining restricted debt balance.

Detailed reviews of internally restricted reserves have identified instances where funds are either no longer necessary to support community needs or are in excess of the amount required to meet community needs.

Management recommends the write-off of \$20m of internally restricted reserves for the purpose of contributing to the reimbursement of the \$200m of restricted reserves debt.

### Corporate Affairs Recommendation

- 1 *That Council provide approval for the write-off totalling \$10,000,000 pertaining to the Land Development Reserve.*
- 2 *That Council provide approval for the write-off totalling \$4,701,646 pertaining to the Infrastructure Reserve.*
- 3 *That Council provide approval for the write-off totalling \$316,223 pertaining to the Water Safety and Surf Clubs Reserve.*
- 4 *That Council provide approval for the write-off totalling \$182,662 pertaining to the Kibble Park Café Reserve.*
- 5 *That Council provide approval for the write-off totalling \$4,499,469 pertaining to the Waste Disposal Facility Reserve.*

### Background

On 12 May 2016, the former Wyong Shire Council (WSC) and the former Gosford City Council (GCC) amalgamated to become Central Coast Council (CCC). At that time both WSC and GCC had in existence externally and internally restricted funds to cover employee leave entitlements, public liability insurance and numerous other funds to support community infrastructure. Since amalgamation a number of these internal reserves have been identified as no longer necessary to support community needs or in excess of the amounts required to meet community needs.

### Current Status

At the time of writing this report, the following internally restricted reserves were determined to have funding in excess of current and expected requirements:

## 2.3

## Restriction Reserves Write-Off (contd)

Restricted Reserves Name	Restricted Reserves Balance as at 28 February 2021	Proposed Write-Off Balance	Remaining Reserves Balance	Type of Restricted Reserve	Reason for Write-Off
Land Development	15,251,387	10,000,000	5,251,387	Internal	<p>According to a Council Report on 8th Feb 2021 regarding the Gosford Regional Library, the updated funding for the library requires \$12.2m of internal reserves funding (in addition to \$8.5m from Development Contributions and \$7m Federal Government Grant). Approx. \$11.6m of this \$12.2m requirement is held in the Regional Library Internal Reserves - therefore only \$600k is left necessary to be funded from this Land Development Reserve.</p> <p>Therefore \$10m is proposed to be written-off this reserve as it's in excess of the immediate needs of the community.</p>



## 2.3

## Restriction Reserves Write-Off (contd)

Restricted Reserves Name	Restricted Reserves Balance as at 28 February 2021	Proposed Write-Off Balance	Remaining Reserves Balance	Type of Restricted Reserve	Reason for Write-Off
Infrastructure	4,701,646	4,701,646	-	Internal	This is a reserve from 2014 from the former Gosford City Council. There are no plans for immediate works to be funded from this reserve and as a result, it is proposed to be written off in its entirety.
Water Safety and Surf Clubs	316,223	316,223	-	Internal	This is a reserve from 2017 from the former Gosford City Council. There are no plans for immediate works to be funded from this reserve and as a result, it is proposed to be written off in its entirety. Water Safety and Surf Clubs will continue to be serviced as part of business as usual.
Kibble Park Cafe	182,662	182,662	-	Internal	This is a reserve from 2016 from the former Gosford City Council. There are no plans for immediate works to be funded



## 2.3

## Restriction Reserves Write-Off (contd)

Restricted Reserves Name	Restricted Reserves Balance as at 28 February 2021	Proposed Write-Off Balance	Remaining Reserves Balance	Type of Restricted Reserve	Reason for Write-Off
					from this reserve and as a result, it is proposed to be written off in its entirety.
Waste Disposal Facility	28,238,947	4,799,469	23,439,478	Internal	Waste disposal facility costs could be further supported from the externally restricted Domestic Waste Management Reserve. The proposed write-off amount represents a 17% reduction of the reserve and is an amount that is deemed not detrimental to meeting the community's needs in due course. This write-off is also reflective of the fact that the Waste Fund is significantly subsidised by the General Fund.
<b>TOTAL</b>	<b>48,690,865</b>	<b>20,000,000</b>	<b>28,690,865</b>		

## 2.3 Restriction Reserves Write-Off (contd)

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The request is to write-off the above internally restricted funds currently held by Council in excess of that required to meet community infrastructure needs.

### Consultation

Consultation with the Office of Local Government, external auditors, primary lender.

### 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 \$20M write-off of internally restricted reserves will result in the reduction of the total restricted balance, thereby reducing the unrestricted debt that Council has to reimburse.

### Link to Community Strategic Plan

Theme 4: Responsible

### Goal I: Balanced and sustainable development

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

### Options

- Resolve to adopt the \$20m write-off of restricted reserves in excess to Council's needs.
- Resolve to adopt a lesser / different write-off of restricted reserves.
- Resolve not to adopt the \$20m write-off of restricted reserves in excess to Council's needs. This is not recommended.

### Critical Dates or Timeframes

*Nil*

### Attachments

*Nil.*