

ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the
Traditional Custodians
of the land on which
we live, work and play.

We pay our respects to Elders, past, present
and emerging and recognise their continued
connection to these lands and waterways.

We acknowledge our shared responsibility to
care for and protect our place and people.



Central
Coast
Council

The logo for Central Coast Council, featuring the text "Central Coast Council" in a light blue, sans-serif font, centered within a white circle.

Central
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Candidate Information Session 1

18 October 2023

Central Coast Council History

Pre-merger

- Gosford City Council and Wyong Shire Council were already in poor shape
- Gosford rate increase not implemented
- Wyong had \$5M cash at merger, Gosford had \$0

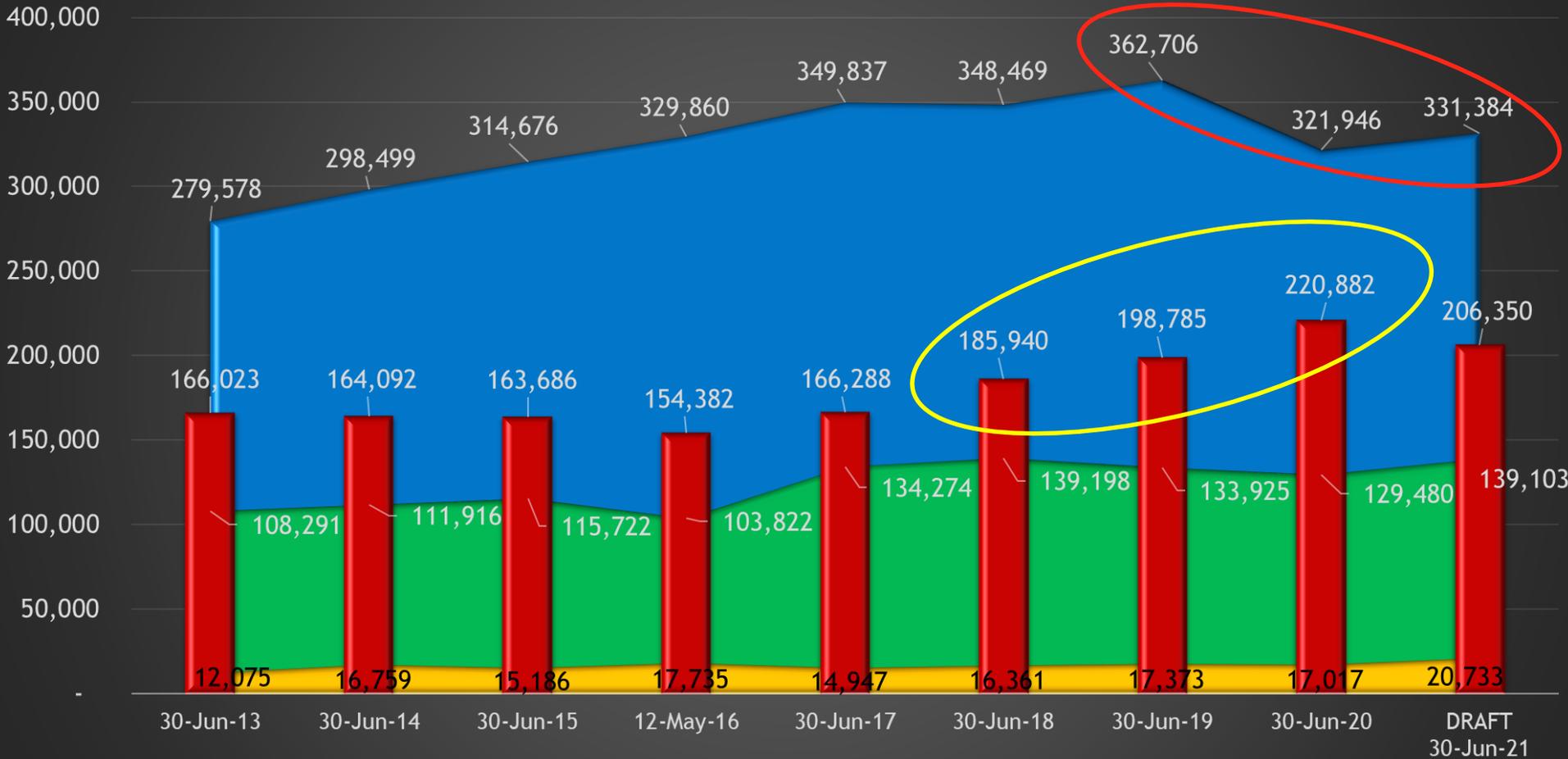
Post merger

- Challenges in the initial period of Administration (common)
- State government did not recognise Councils were in such poor shape
- Systems (IT) not up to standard for a large organisation
- Under experienced CEOs and CFOs

Financial Disaster

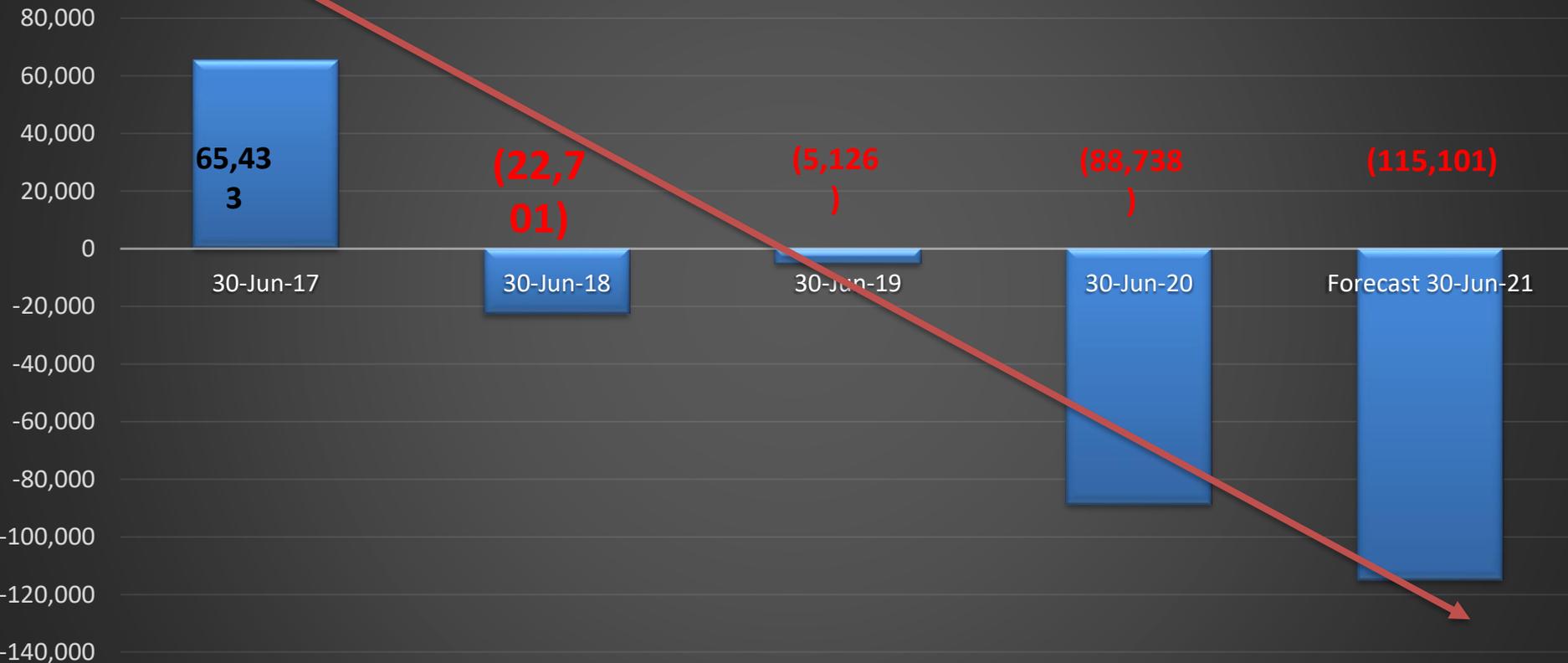
- Late October 2020
- Council unable to pay its wages
- Letters sent out to creditors advising payment would be delayed
- State Government refused bail-out
- Banks contacted for emergency loans (total \$150M)

Changes to Revenue and Employee Costs



■ Rates and annual charges
 ■ User charges and fees
 ■ Other revenues
 ■ Employee benefits and on-costs

Operating Result before Capital Grants and Contributions



Financial Recovery Plan in place

Securing revenue

- ✔ Temporary 15% rate increase for 3 years
- ✔ Maintain temporary 15% rate in the rate base for further 7 years to June 2031 (not a year-on-year increase)
- ✔ Water and Sewer pricing determination

Reducing costs

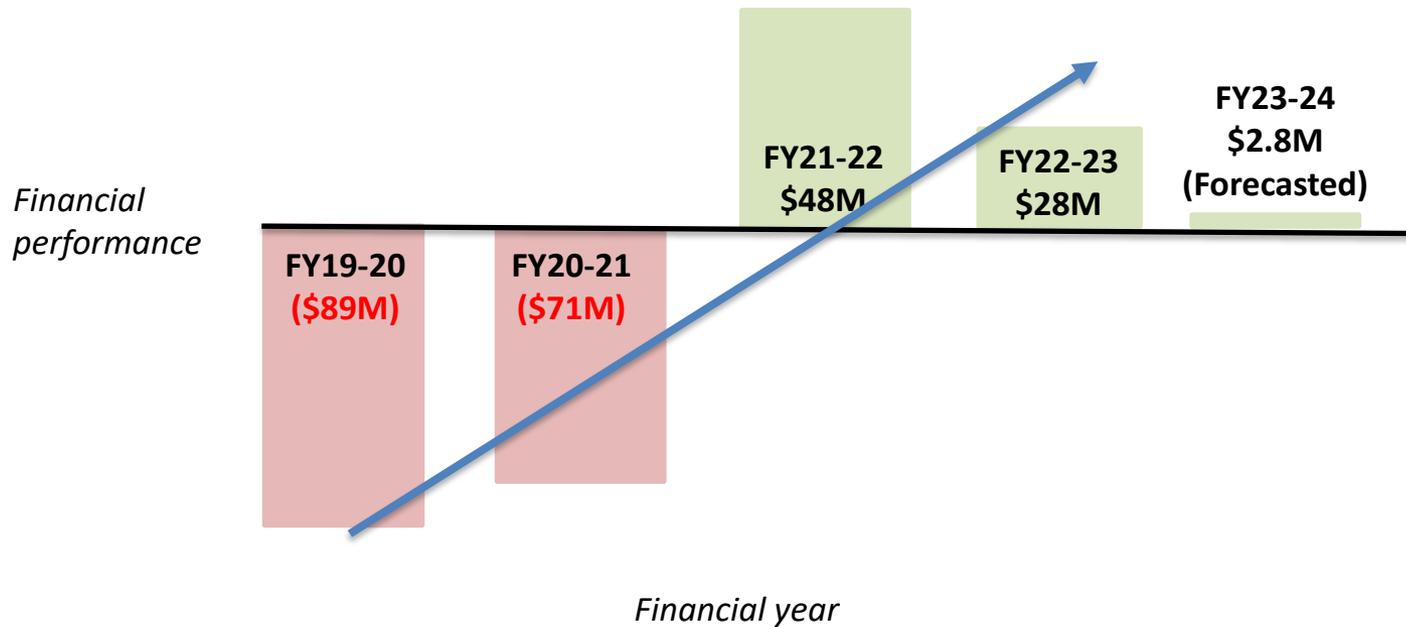
- ✔ \$30m employee cost savings
- ✔ \$20m materials and services savings
- ✔ \$20m internal restrictions that did not need to be repaired
- ✔ \$175m capital expenditure capped
- ✔ \$60m property asset sales

Go forward plan

- ✔ Bank loans secured and payments on track
- ▶ Productivity Improvement Plan
- ▶ Financial Sustainability Operating surpluses
- ▶ Finding other revenue sources

August 2022

Major financial turnaround



Monthly Financial Reporting

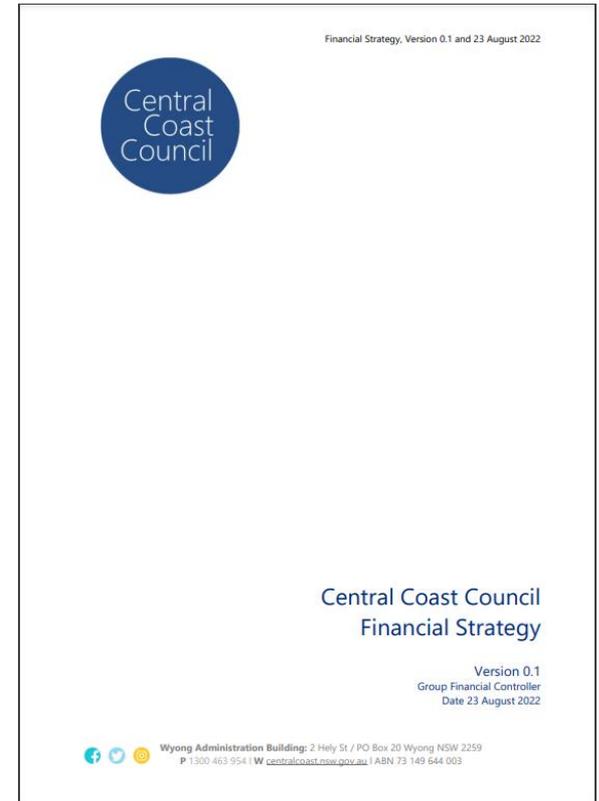
Consolidated Operating Statement										
August 2023										
										
	CURRENT MONTH			YEAR TO DATE				FULL YEAR		
	Actuals	Adopted Budget	Variance	Actuals	Adopted Budget	Variance	Last Year YTD Actuals	Last Year Actual	Original Budget	Year End Forecast
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Income										
Rates and Annual Charges	43,872	37,960	5,912	66,270	66,151	119	61,180	389,283	421,456	421,456
User Charges and Fees	13,830	12,727	1,103	24,755	24,930	(175)	24,255	164,977	163,782	163,782
Other Revenue	1,556	1,090	466	3,248	1,980	1,268	3,072	21,086	13,683	13,683
Interest	2,771	1,798	973	5,449	3,545	1,904	2,284	23,888	15,244	15,244
Grants and Contributions	2,396	873	1,523	2,980	1,764	1,216	2,888	56,621	49,880	49,880
Gain on Disposal	-	-	-	(13)	-	(13)	1,034	7,785	-	-
Other Income	935	744	192	2,044	1,483	561	1,305	9,754	8,775	8,775
Internal Revenue	4,827	4,688	139	9,552	10,248	(696)	10,919	61,923	60,701	60,701
Total Income attributable to Operations	70,186	59,878	10,308	114,284	110,101	4,183	106,936	735,318	733,521	733,521
Operating Expenses										
Employee Costs	17,706	17,948	242	30,140	29,817	(323)	24,848	184,873	195,069	195,069
Borrowing Costs	966	678	(288)	1,698	1,340	(359)	1,889	13,073	13,746	13,746
Materials and Services	16,173	17,288	1,115	34,014	37,979	3,965	30,944	216,095	237,509	237,509
Depreciation and Amortisation	15,478	15,478	-	30,970	30,970	-	24,256	176,598	192,226	192,226
Other Expenses	2,905	2,835	(70)	6,306	6,222	(84)	6,587	44,044	44,523	44,523
Loss on Disposal	-	-	-	-	-	-	-	22,060	-	-
Internal Expenses	4,296	4,304	8	8,608	8,727	119	9,732	50,087	47,634	47,634
Overheads	(0)	(0)	-	(0)	(0)	-	-	0	-	-
Total Expenses attributable to Operations	57,525	58,533	1,008	111,736	115,055	3,319	98,256	706,831	730,708	730,708
Operating Result after Overheads and before Capital Amounts	12,662	1,346	11,316	2,548	(4,954)	7,502	8,679	28,487	2,813	2,813
Capital Grants	2,386	-	2,386	5,392	-	5,392	3,507	48,684	59,854	59,854
Capital Contributions	3,654	545	3,109	7,949	1,089	6,860	3,333	69,368	17,500	17,500
Grants and Contributions Capital Received	6,040	545	5,495	13,341	1,089	12,252	6,840	118,051	77,354	77,354
Net Operating Result	18,701	1,890	16,811	15,889	(3,865)	19,754	15,519	146,538	80,167	80,167

Council's Current Cash Position

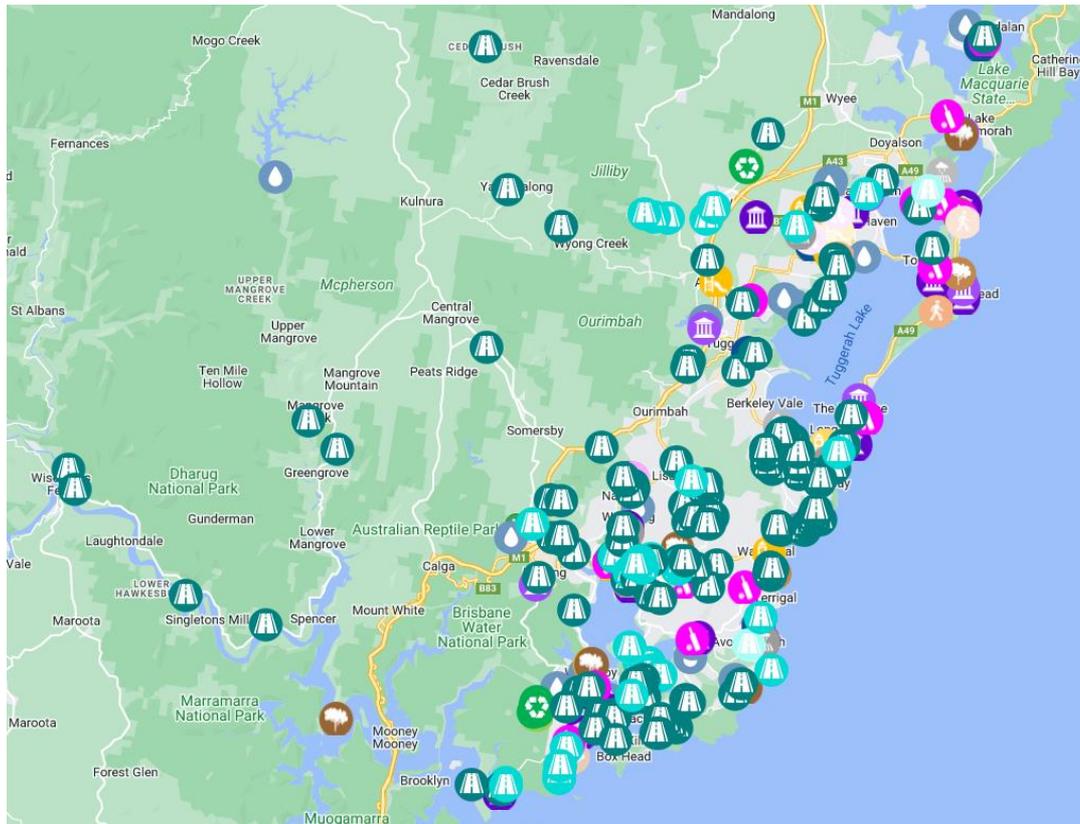
Fund	General Fund	Drainage Fund	Consolidated General Fund	Water Fund	Sewer Fund	Domestic Waste Fund
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
External Restricted Funds	220,635	35,583	256,218	15,776	30,179	99,771
Internal Restricted Funds	154,505	68	154,573	974	935	45
Total Restricted Funds	375,140	35,651	410,791	16,750	31,114	99,816
Unrestricted Funds	110,992	(-36,398)	74,594	(-5,735)	120,704	24,533
Total funds by Fund	486,132	(-747)	485,385	11,015	151,819	124,349

Financial Management

- Council has an adopted Financial Strategy
- Monthly reporting is mandated
- Long Term Financial Plan (Due shortly)
- In December, Council should be able to pay down \$100M of the \$150M in emergency loans
- We are focused on ensuring we are in a stable financial position for the return of Councillors in September 2024



Capital Works Program Map



Public Inquiry Recommendations

1. All civic offices at Central Coast Council be declared vacant, effective immediately.
2. An Administrator be appointed until the election for Central Coast Council scheduled for 2022.
3. The Administrator ensure the completion of the Business Recovery Plan as adopted and amended by Central Coast Council since October 2020.
4. **Prior to the next ordinary Council election involving Central Coast Council, information sessions for prospective candidates be conducted to provide information about the obligations and burdens on future councillors.**
5. **Within three months of the next ordinary Council election involving Central Coast Council, mandatory training be provided to each councillor, including training relating to financial management specific to local government.**
6. **Consideration be given to introducing as a mandatory requirement for all councillors, the completion of an accredited course for company directors, or a course of equivalent rigour developed specifically for local government councillors, within the first twelve months of their election, with refresher courses for councillors who have previously completed such courses.**
7. The Local Government Act 1993 be amended to eliminate any asserted ambiguity in section 409(3) of that Act to make it clear that money received as a result of levying rate or charges under any other Act may not be used otherwise than for the purpose for which the rate or charge was levied.
8. Alternatively, consideration be given to removing Central Coast Council as a water authority under the Water Management Act 2000 to enable it to administer its water supply and sewerage services in the same way as other NSW councils.

Governance

- Governance is decision-making, strategic planning and monitoring financials
- Governance in local government must be done in the best interest of the WHOLE community, not your ward or 'patch' – per the Local Government Act 1993
- Problems with parliamentary style governance on the Central Coast
- Councillor payments, expenses and facilities are provided

Local Government Act 1993

- The Local Government Act states that the role of a Councillor is (in part):

"...to be an active and contributing member of the governing body to make considered and well-informed decisions as a member of the governing body,"
and

"to represent the collective interests of residents, ratepayers and the local community."

- Once elected, the Local Government Act states that the Councillor must make an oath (or affirmation) which reads as follows:

"I [name of councillor] swear that I will undertake the duties of the office of councillor in the best interests of the people of the Central Coast and the Central Coast Council and that I will faithfully and impartially carry out the functions, powers, authorities and discretions vested in me under the Local Government Act 1993 or any other Act to the best of my ability and judgment."

Referendum

Central Coast residents will be asked the following question on 14 September 2024:

“Do you favour a reduction in the number of Central Coast Councillors from fifteen to nine? This will result in three Wards with each Ward electing three Councillors.”

Administrator's closing comments

- Perpetual succession
- Councillors are custodians
- Councillors must take a long-term view while they hold office
- The future of Central Coast Council is bright

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The Council

- Strong and effective leadership, representation, planning and decision making
- Providing best value for money
- Acting fairly, ethically and without bias
- Being a responsible employer
- Being transparent
- Actively engaging with the community

The Governing Body

- Directs and controls the affairs of the Council
- Provides effective civic leadership
- Ensures the financial sustainability of the Council
- Develops the community strategic plan, delivery program and associated plans, programs and strategies
- Determines the rating structure

The Governing Body Cont'd

- Reviews performance of the Council
- Appoints and monitors the performance of the General Manager
- Determines senior staff positions and the organisation structure
- Ensures the Council acts honestly, efficiently and appropriately

Characteristics of Good Governance

- Act within the Law, - particularly important to meet compliance requirements
- Lead your community
- Remember you are accountable to the community
- Take decisions for the whole community
- Be transparent

Characteristics of Good Governance Cont'd

- Participate
- Aim for collaborative decision making
- Be responsive to community needs, within strategic and financial plans
- Be effective and efficient
- Remember to be equitable
- Communicate

The Role of a Councillor

- an active and contributing member of the governing body
- make considered and well-informed decisions
- participate in the development of the integrated planning and reporting framework
- to represent the collective interests of residents, ratepayers and the local community

The Role of a Councillor Cont'd

- facilitate communication between the local community and the governing body
- uphold and represent accurately the policies and decisions of the governing body
- make all reasonable efforts to acquire and maintain the skills necessary to perform the role
- A councillor is accountable to the local community for the performance of the council

Support for Councillors

Council has a policy which enables the reasonable and appropriate reimbursement of expenses and provision of facilities to Councillors.

The Mayor

- first among equals, has the same role and responsibilities as other councillors but has additional responsibilities that reflect the leadership role
- voice of the Council
- highly recognised in and the leader of the community
- known in the region and throughout the state

The Mayor Cont'd

- will represent the Council and the community on issues at a regional, state and national level
- carry out civic and ceremonial functions
- will need time to fulfil the important role
- is the important link between the Council and the General Manager

The Chief Executive Officer

- the only staff member the Council will appoint
- Councillors will review the Chief Executive Officer's performance
- responsible for the day-to-day management of the Council in line with the direction set by the Council
- the Council determines the strategies and policies and the Chief Executive Officer and staff implement and deliver

Separation of Responsibilities

It is clear that there is a clear distinction between “direct and control” which is for the governing body and “implement and manage” which is for the General manager and staff.

The roles don't interact or overlap. There is a clear bright line between those activities”

Conduct

- ICAC legislation defines corrupt conduct
- Council's Code of Conduct, particularly as it relates to disclosures and conflicts of interest, receipt of gifts and benefits and relationships
- Council's Interaction between Councillors and Staff policy
- Misconduct provisions of the Local Government Act

Preparation for the Election

14 September 2024

There are rules about:

- Registration as a candidate
- Funding (Electoral Funding Act)
- Donations
- Caps on Expenditure
- Display material

Preparation for the Election Cont'd

14 September 2024

You will need to work out:

- If you will be part of a team or political group
- Who your campaign manager will be
- Who your official manager will be to report all financial transactions
- Who will be on your support team

Conclusion

“this community has been good to me
and I wanted to give something back”

Questions

Do you have any questions about becoming a Councillor?

Waiting for responses ...

