

# Brooks slams proposed rate hike extension

Community activist Kevin Brooks has slammed Central Coast Council for its plan to extend the "temporary" 15 per cent rate hike approved in 2022.

"The temporary special variation was granted by IPART for short term emergency purposes, principally the repayment of emergency loans, in the wake of the Council's 2020/21 financial crisis," Brooks said.

"It was only allowed for 10 years and is due to end in 2030/31.

"Central Coast Council has, however, recently published a



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Long Term Financial Plan that projects future deficits without an extension of the 'temporary' rate rise, and has stated an intention to extend it permanently.

"The Draft Operational Plan presented at the April 23 meeting is based on the assumption the rate hike will be extended."

Speaking at the public forum prior to the meeting, Brooks said there was an expectation in the community that the money currently being used to repay emergency loans would be returned to ratepayers once those loans had been repaid.

He said Council would not need to extend the rate hike if it were using the temporary 10-year period to "put its house in order".

"Council should be improving management performance and

organisational culture," he said.

"It should be improving efficiency, productivity, and prioritisation.

"(Instead), having failed to address underlying problems within the organisation, Council's only plan seems to be that of maintaining present course until the money runs out, then asking IPART for another bail out.

"There are no grounds for assuming IPART will agree to this, and no Plan B if it does not."

Brooks said IPART granted the exact amount, and for the

exact 10-year period, that Council applied for.

"In 2021/22, this Council was bailed out by ratepayers," he said.

"Thanks to ratepayers, Council ran a surplus that year in excess of \$40M.

"This year, that surplus is forecast to be just \$8M.

"And next year's surplus is already being revised down, despite the fact that Council will be receiving 40 per cent more from general rates and water rates that year than just four years earlier.

"Council will be drowning in a sea of red ink by the time

IPART's temporary rate variation expires.

"The temporary rate hike was only approved for short term emergency purposes such as the repayment of loans; IPART specified a condition that more than 40 per cent of the rate increase had to be spent repaying emergency loans.

"Once those loans are repaid, Council should no longer need that money.

"This Council needs leadership, not more rate hikes.

"It needs to change course before its approved financing runs out."

## Council confirms water rate rise

Central Coast Council has confirmed that rates for water, sewerage and stormwater services will rise by 11.9 per cent from July 1 as it moves into year three of its four-year Independent Pricing and Regulatory Tribunal (IPART) Determination.

Administrator Rik Hart confirmed the rise at the May 28 meeting, despite an impassioned address at the public forum by activist Kevin Brooks.

Council said the combined yearly bill for a typical household would increase by approximately \$168.03 (based on 170 kilolitres of water usage per year).

Director Water and Sewer Jamie Loader said the increase would allow Council to provide services that met community needs and expectations, now and in the future.

"The price increase in July is



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consistent with IPART's determination to ensure Council can deliver these essential services," Loader said.

"This year Council commenced work to deliver an \$82.5M upgrade to Mardi Water Treatment Plant ensuring the security of the Central Coast's water supply.

"The NSW Government provided \$6.85M through the Safe and Secure Water Program with over \$75M funded by Council.

"Since July 2023, Council has upgraded over 21.3km of new sewer lines and renewed 3.3km of water mains across the region.

"In addition, Council responded to 347 water main breaks and 796 sewer chokes across our network."

Loader said the determination would provide sufficient revenue to address the large maintenance requirements, but it would take a number of years before the improvements to the assets translates to an improvement in overall service performance.

Administrator Rik Hart said that in May 2022, IPART determined that residents would prefer that any necessary price increases be applied gradually.

He said the 2022 determination, which included a series of gradual increases, followed a 2019 determination which resulted in price

reductions of more than 20 per cent.

After adjusting for inflation, residents will now be paying very similar prices to what they paid in 2018 for these services, he said.

Residents of the former Gosford area will be paying slightly less and those from the former Wyong slightly more.

Kevin Brooks told the public forum that the rate hike would add to cost-of-living pressures in the region.

"Despite rising prices, I was recently supplied with dirty brown water," he said.

"After reporting it, I received a reply from the Director Water and Sewer telling me Council is 'a low cost service provider of water and sewer services'.

"Central Coast Water is rightly compared with Sydney Water and Hunter Water – the big three water utilities in NSW with scale.

"And from July 1 we will be

paying 13 per cent more than Hunter and 28 per cent more than Sydney.

"What are we getting in return?

"And we see this quarter, Council is again behind on many key targets, including unplanned service interruptions, water mains breaks, wastewater mains breaks and wastewater overflows.

"IPART's independent surveys also show no improvement in customer satisfaction over the past three quarters."

Brooks said in February 2022, the Kellogg Brown Report presented to Council recommended not only structural change for water and sewer, but also improvements not requiring structural change such as cost savings, and improvements in performance and efficiency.

"The CEO was tasked with reporting back on this," he said.

"When will we finally get an update on this report, including recommended improvements not even needing structural change?"

After the meeting, Brooks said it was disappointing that despite water rates going up 51 per cent in three years, Council now says it will be a number of years before customers see any improvement in overall service performance.

"That's not what was being said three years ago when they applied for these massive price increases," he said.

You can review the pricing for water and sewerage for the Central Coast by visiting the IPART website – [ipart.nsw.gov.au](http://ipart.nsw.gov.au)

To check eligibility and apply for hardship assistance for payment of rates search 'rates and hardship assistance' at [www.centralcoast.nsw.gov.au](http://www.centralcoast.nsw.gov.au)

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