

INQUIRY UNDER SECTION 438U OF THE LOCAL GOVERNMENT ACT

CENTRAL COAST CITY COUNCIL

Public Hearing

Conducted via Zoom videoconference

On Monday, 18 October 2021 at 10am
(Day 11)

Before Ms Roslyn McCulloch, Commissioner

1 THE COMMISSIONER: Good morning. The hearing into Central
2 Coast Council will now resume.

3
4 I believe I have Mr Joseph Halwagy waiting. Could you
5 please come on camera and off mute, Mr Halwagy?

6
7 MR HALWAGY: Hello. Good morning. Can you hear me?

8
9 THE COMMISSIONER: Yes, I can hear you, Mr Halwagy.
10 I just can't see you yet.

11
12 MR HALWAGY: Okay, start the video. Have I appeared
13 before you?

14
15 THE COMMISSIONER: Yes. We can now see you.

16
17 MR HALWAGY: Good morning, and likewise.

18
19 THE COMMISSIONER: Mr Halwagy, could you stay there,
20 Ms Annis-Brown will swear you in as a witness.

21
22 <JOSEPH HALWAGY, affirmed: [10.01am]

23
24 <EXAMINATION BY THE COMMISSIONER:

25
26 THE COMMISSIONER: Q. Could you just tell me a little bit
27 about yourself?

28 A. Well, let me start by saying I have lived in
29 Killarney Vale for the last 35 years, since we purchased
30 here in 1987, but before that we were regular visitors to
31 the area.

32
33 I'm a registered pharmacist with AHPRA, which is the
34 Australian Health Practitioner Regulation Agency. I hold a
35 bachelor of pharmacy degree from Sydney University in 1976
36 and many, many postgraduate degrees, the most important of
37 which is the postgraduate fellowship degree in clinical
38 pharmacy, and that was by examination and thesis. I was
39 a bit ahead of the curve when I looked at the use and
40 accountability of benzodiazepines in 1987. They were not
41 accountable then and their use was all over the place, and
42 they're now accountable drugs.

43
44 Then I started to do a masters of public health
45 management in I think it was in 1994, and halfway I changed
46 it to an MBA, in 1997. I'm not sure if you are interested
47 about my MBA, but it was about the viability of a

1 performing regional arts centre on the Central Coast. So
2 it's a bit of deja vu in here for you. I'm sure you would
3 have heard a lot about those things.

4
5 The genesis of this - are you interested in this?

6
7 Q. No, not so much. You have emailed us a written
8 submission, something that you said was your oral
9 testimony. Because you have reduced it to writing, you
10 don't have to repeat it.

11 A. Okay.

12
13 Q. But if you want to tell me what your main parts are,
14 that's fine.

15 A. The main point, the MBA submission, we decided because
16 at the time Gosford council was looking at updating the
17 Laycock theatre or looking somewhere else, and the Wyong
18 Shire was trying to establish theirs. So that was four
19 students, I'm included, decided that we approach the
20 university to have a look at the best location for the
21 Central Coast overall.

22
23 So we approached the Wyong Shire, we approached the
24 Gosford council, and we were given a bursary to look for it
25 and we decided that the best place for it was the Ourimbah
26 campus, which was next to the things. We did the modelling
27 for it and everything else, and I think it was attended by
28 Mr Dawson, who was then the general manager, but we didn't
29 hear about it, anything, afterwards, and it just
30 disappeared in the ether.

31
32 Q. Well, you still might have your way, because there is
33 not one there yet. What I meant when I said your main
34 points, I meant in terms of the submission to the inquiry.
35 You've had a look at the terms of reference and you have
36 given me --

37 A. Yes.

38
39 Q. You are quite unhappy with the state of the
40 infrastructure in the Central Coast?

41 A. Yes.

42
43 Q. And I have read all of that. One of the things you
44 mentioned was that landcare groups were started but then
45 you suggested that they were disbanded. Why did that
46 occur?

47 A. When this council came about a lot of them were

1 disbanded, because they just came in and they said, "You
2 can't do this, you can't do that", and then they just - so
3 a lot of the landcare people, they were sort of - they were
4 bewildered. You know, we'd been doing this for quite
5 a while with the Wyong Shire. They were given no
6 explanation. That was just, "This is just council, things
7 you are not supposed to touch". As a result of this, you
8 ended up with a lot of people that sort of go, "Look, this
9 is not managed; let's go. If I want to cut a tree, I can
10 do that", and they're still doing it to this day.

11

12 Q. Have you made any attempt to revive those groups since
13 the council has been under administration?

14 A. Yes, there is at the moment - our care group, they
15 continued on, because they just stood their ground and they
16 continued on and they have - so that was allowed. But some
17 others, they just - as a result of the non-encouragement by
18 the council, because when you are in a landcare group there
19 is a lot of expenses in relation to having a mower, having
20 machinery that you would need, you need to be reimbursed
21 for your petrol - the time is given for free, okay?

22

23 During the time of the Wyong Shire Council there would
24 always be someone from the council joining the landcare
25 group on a Saturday, which would be the first Saturday of
26 every month, okay, and they would give them guidance as to
27 what they can do, what they can't. When this council came
28 in, that just disappeared, okay? All the assistance also
29 disappeared and there was criticism. So it wasn't
30 conducive. I hope that makes sense.

31

32 Q. Yes. Apart from your concern about the
33 infrastructure, you are also concerned about rates rising.

34 A. Not so much so. As a matter of fact, when the council
35 got amalgamated, the general feeling was, well, that's
36 great, because, one, you will be cutting down on a lot of
37 the middle management, which is not cheap, okay; and then
38 you will try to harmonise the rate between Gosford and
39 Wyong at the higher rate, which Wyong was at. So we didn't
40 expect that there will be further rise; we expected the
41 Gosford city, the residents of the Gosford city will step
42 up to the plate and be, what do you call, be rated at the
43 same rate that we currently are. It never, ever happened
44 until today.

45

46 Q. Do you understand that the council was limited in its
47 ability to change the rates for a certain period?

1 A. Yes. I'm only explaining it from the residents'
2 perspective. We're not really privy to what the laws are
3 or - so I'm only sharing with you the discussion that
4 myself, with many members of my friends, neighbours and so
5 on, that we've had.

6
7 Q. Now, you say that you are worried because the council
8 wasted millions of dollars on comparatively low-value
9 projects. Can you give me some examples of things that you
10 think money was spent on that was not useful?

11 A. Okay. There has been - they have been building a lot
12 of, say, for instance, playgrounds for kids, okay, where
13 there was already a playground there and it was functioning
14 really well. They have approved it and they have changed
15 it to another one, okay. We have seen that in many places.
16 And some others, they were just taken out altogether and
17 left void and built somewhere else. Whereas our historical
18 assets was going down the gurgler.

19
20 Another thing, too, about - sorry.

21
22 Q. No, go ahead.

23 A. My apologies, I do apologise. Another thing that we
24 looked at, you know, they would talk and talk and talk
25 about the performing arts centres and the money being spent
26 and all of those things and we said, "Look, hang on, there
27 are more urgent needs that people use every day." I mean,
28 a performing arts centre is a cultural thing, it's nice,
29 but let's get down to the basic things, such as hygiene and
30 the toilets and so on. We were a bit bewildered by those
31 things. Like, why would you want to update a playground -
32 which is nice, but - when the basic health and the basic
33 existing structures, they are not being maintained.

34
35 Q. I understand. Are you concerned about a return of the
36 former councillors if they were allowed to return to the
37 council?

38 A. Absolutely, because I don't think they - well, given
39 the experience so far and the bickering that had been
40 happening and the lack of leadership that they have
41 demonstrated in terms of the environment, in terms of our
42 local environment and our basic infrastructure, lack of
43 maintenance on them, I don't think - how are we going to
44 have them back? I mean, if this is a corporate body, okay,
45 shareholders would be saying, "No, thank you. You've had
46 your go. Thank you."

1 Q. What about the return of a freshly elected council?
2 How would you feel about that?

3 A. I would be saying, "Look, could we please get on top
4 of the financial position first and make sure that the
5 administrator pulls us out of that big debt hole, ensures
6 that our current facilities are well maintained and revived
7 and there is adequate money to meet those needs."
8

9 There is other infrastructure, capital infrastructure,
10 that needs to be done, like the kerb and guttering and so
11 on, at least reach to a reasonable level before you can
12 appoint councillors that then they come up with their own
13 idea of, you know, cultural things and so on, and start to
14 respond to minority groups.
15

16 So let's get the financial first. Let's get the basic
17 infrastructure back again into the position where it makes
18 life nice and happy and quality of life, and let's have
19 a look at the way that our roads are fixed, before we can
20 get these councillors who will then talk about their own
21 political - you know, they are trying to respond to those
22 minority groups.
23

24 Q. You said in your submission that the council should be
25 debt free. Is that a realistic position to take?

26 A. I think so. Because when I mean debt free, we're not
27 talking about a few million dollars here or there, we're
28 talking about a reasonable level of income that's meeting
29 expenses and, yes, debt free in the sense of the balance
30 sheet is quite acceptable to the auditors.
31

32 Q. So you are not opposed to borrowing per se, provided
33 it can be afforded; is that what you're saying?

34 A. Absolutely. There is major capital works, whether it
35 be in the water, sewer and so on, and then you will need to
36 borrow a large amount of money, and this will be because
37 the life of that project may be 20 years, 30 years or
38 50 years. I mean, it's okay. I'm talking about the
39 day-to-day maintenance, the day-to-day running of the - you
40 know, the annual running budget of the council is debt
41 free.
42

43 Q. Do you recall in 2019 that your water rates went down?

44 A. Yes.
45

46 Q. Did the council communicate with you about why that
47 was happening?

1 A. No, I don't recall that.

2

3 Q. Were you aware of why it was happening?

4 A. No.

5

6 Q. Just excuse me, Mr Halwagy. You have made some
7 comments about the dredging of The Entrance?

8 A. That's correct.

9

10 Q. Are you aware that there has been a dispute between
11 the council and the state about whose responsibility that
12 activity is?

13 A. That dispute goes a long, long way back, okay? But
14 the council has had a dredger in the lake that was in
15 many - for the last three or four years it was sitting idle
16 and then they mothballed it. We're not - okay, I don't
17 expect the council was going to be footing a large bill for
18 a training wall, but at least to maintain the opening, and
19 we didn't see that; we didn't see that at all.

20

21 But yes, I'm aware of the dispute between the council
22 and the state. It's not a dispute, I mean, there is a lot
23 of discussion. But surely enough, it's up to the council
24 to present its best case to the State Government and make
25 sure that the community and the residents of this council
26 are in a safe position. I don't think they have done that.

27

28 Q. Is there anything else that you wanted to add to your
29 submission?

30 A. No. I just thought - I would like to convey that
31 I feel absolutely sad when I see the jetties down,
32 collapsed in the water, like Parry's Jetty. That was built
33 in the early 1940s, and the Long Jetty was built in 1915.
34 So we're talking about a significant historical asset.

35

36 I feel - I would like to put this on record. I feel
37 absolutely disgusted, when we go to the public toilets
38 around here and we don't see a sign encouraging young kids,
39 okay - adults have already formed their minds and they've
40 already got their habits, but young kids, they don't see
41 a sign that says the importance of hand-washing; to this
42 day it doesn't exist. That's disgusting. I feel
43 absolutely disgusted when we walk or we ride along the
44 track and we smell petrochemical still going out of the
45 storm waters into the lake. They have all been brought up
46 to the council attention. Nothing has been done yet. Am
47 I unreasonable?

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Q. No, I was just going to ask you, have you renewed your requests of the council since the council has been under administration, about the pollution of the water?

A. No. I haven't.

Q. Mr Halwagy, I don't have any more questions for you. I'll just check with Ms Annis-Brown to see if she does.

A. Thank you.

MS ANNIS-BROWN: No questions, thank you, Commissioner.

THE COMMISSIONER: Thank you. And Mr Simone, any application?

MR SIMONE: No application, thank you, Commissioner.

THE COMMISSIONER: Thank you. Mr Halwagy, thank you very much for coming along this morning. That concludes your evidence.

I believe we will have another witness following on. We'll just take a short adjournment and once I see that witness has joined our meeting, we will commence.

Thank you, Mr Halwagy. You could now watch on the YouTube live stream, but if you wouldn't mind leaving this meeting, that would be great.

THE WITNESS: Thank you very much.

<THE WITNESS WITHDREW

SHORT ADJOURNMENT

THE COMMISSIONER: Thank you. We will now resume. I see that Ms Jope is in the meeting. Ms Jope, would you please come on camera and off mute.

MS JOPE: Hello.

THE COMMISSIONER: Hello, thank you. Am I correctly pronouncing your name?

MS JOPE: You are. Thank you so much.

THE COMMISSIONER: I will ask Ms Annis-Brown to swear you

1 in.

2

3 MS JOPE: Thank you.

4

5 <SALLY JOPE, affirmed: [10.19am]

6

7 <EXAMINATION BY THE COMMISSIONER:

8

9 THE COMMISSIONER: Q. Thank you, Ms Jope. Could you
10 tell me a little bit about yourself?

11 A. Yes. I've been a resident on the Woy Woy Peninsula
12 since 1985, so quite some time. I had 10 years in
13 Melbourne in that time, but I've been back since 2009.
14 Before I left and since I've been back, I've always been
15 involved with the community. I've worked in the community
16 sector here and been engaged in local groups, in a landcare
17 group and various things in the past, and now I'm engaged
18 in a whole range of unpaid voluntary areas. Do you want me
19 to identify them or --

20

21 Q. I think you have listed many, many in your written
22 submission, so you don't have to repeat what you have said
23 there.

24 A. Yes, good. So I'm pretty active, pretty connected to
25 the community. I'm aware of government and the role of
26 government. I'm aware of policy and how that works. I'm
27 committed to democracy. I think it's really important that
28 we're all participating in our government. I have been
29 a long watcher of what was Gosford council and then more
30 recently with the Central Coast Council, yes.

31

32 Q. You just mentioned a landcare group, and I will just
33 take you off track for a minute, because the last witness
34 mentioned that his land care group experience had suffered
35 under the Central Coast Council. What about yours?

36 A. I don't think it did. I can't - I don't have that
37 strong recollection. We've always had - there's been cuts,
38 and especially since, you know, the administration, of
39 course, this most recent administration. But no, I think
40 we - up until then we had contractors working with us once
41 a month.

42

43 Q. You've given me a quite comprehensive submission and
44 you've detailed a lot of things that the inquiry has gone
45 over now?

46 A. Yes.

47

1 Q. You did it back in June. Thank you. One of the
2 things that you referred to is the investment report. Did
3 you see that as a key piece of information that the
4 councillors could rely on each month?

5 A. I would presume it would be, yes. Yes. My
6 understanding is as a, you know, an observer, not being
7 actually involved, and I've learnt so much from watching
8 this process and reading the transcripts. So thank you for
9 that.

10
11 Q. One of the things about the investment reports is that
12 virtually every one of them was adopted by the council
13 without discussion, without debate. Were you concerned at
14 all about that?

15 A. Yes. Yes. I've been on the board of a local women's
16 health centre - not a budget similar to the council but we
17 always look at our finance reports. We had a finance
18 committee that looked at the finance reports before they go
19 to the board. The board always looks at the finance
20 report. We would never adopt them en masse.

21
22 Q. So you would think that was a failing in the
23 councillors?

24 A. I think it was a failing in the process that that was
25 allowed to happen. I think they should always be separated
26 out. I think this - you know, I have a bit of sympathy for
27 the councillors. They came in to what sounds like was
28 a bit of a mess anyway financially and I don't think they
29 were advised on what their roles were. I think it was
30 interesting, I was reading just yesterday that they need to
31 be trained in applying - or were they trained in applying
32 what the integrated planning and reporting process; you
33 know, it's like I wonder. To me, there are so many levels
34 where things have failed.

35
36 Q. You are somebody who is connected with the community.
37 What do you see as the community perception of the
38 councillors who are currently suspended?

39 A. I think there wouldn't be one community perception,
40 you know. There are people, I think, who are engaged and
41 involved and probably watching the inquiry who would be
42 going, "Oh, my God, I didn't know it was that bad." And
43 there are people who just maybe are following social media
44 and just want to blame someone, and they want to blame the
45 councillors, and that has been encouraged by social media.

46
47 Q. Do you think there is a desire to return to

1 a democratic system?

2 A. I hope so.

3

4 Q. You have that desire, I guess?

5 A. I think - you know, like, it is a level of government,
6 so it needs some sort of democratic process or we have an
7 administrator and we don't have any democratic process.

8 The concern - you know, I've had concerns in the past where
9 I've raised issues with council and I've, after some time,
10 got a response back saying, "Council doesn't think that's
11 an issue."

12

13 And when I say "raised it with council", I might have
14 gone through my local councillor, he has put it up and he
15 has got the report back saying, "That's not an issue."
16 It's coming from a resident and it's usually about safety,
17 and to be told something's not an issue, "We don't think
18 it's an issue", I think is really - that doesn't encourage
19 participation and I think local government should encourage
20 participation.

21

22 Q. That's presumably coming from a staff level - so you
23 were using your democratic rights. That won't necessarily
24 change whether there is a democratically elected person in
25 place or not, will it?

26 A. Yes, I understand that.

27

28 Q. Your concern is more about the level of engagement of
29 the staff with the community?

30 A. If we didn't have councillors, the loss of being able
31 to have input into the strategic direction, the higher
32 level, what we want the Central Coast to be like, where are
33 our priorities.

34

35 Q. Did you participate in that democratic process when
36 the initial 20-year strategic plan was being developed?

37 A. I don't think I - I've been involved in some
38 consultations, not necessarily in that one, no, I don't
39 think so.

40

41 Q. Do you have a perception of what the community thinks
42 about the current term of administration?

43 A. I think the community is - I can't tell. I can't talk
44 for the community. I would like to see this period of
45 administration to get everything sorted, you know, to - if
46 we're going to remain as a really large local government
47 area, we need the infrastructure. We - you know, like we

1 do have a backlog of infrastructure needs and do we go into
2 debt to do that? Do we invest in that or do we stop
3 developing our infrastructure? I'm torn on that, really,
4 to be quite honest. Because I think ideology comes into
5 it, where it's about we have to have a balanced budget,
6 et cetera.

7
8 If you come to the Central Coast, we're a growth
9 region. We keep having developing housing estates, and
10 where I live we just keep getting more and more people
11 living here, which is understandable, but we need the
12 infrastructure to go with it. So do we invest in
13 infrastructure? Do we go into debt for infrastructure? Or
14 do we maintain balanced budget and always have a backlog?
15 I think that's a bit of an argument there.

16
17 Q. Yes. I don't know that the debt and the balanced
18 budget are necessarily mutually exclusive. I think there
19 is already a substantial level of debt and part of that
20 relates to the paying back of restricted funds.

21 A. Sure.

22
23 Q. In your engagement with the council did you ever
24 observe the councillors in the chamber? Did you ever go to
25 a council meeting or watch on YouTube?

26 A. Yes, I did both. I went to - I think I've only been
27 to one council meeting. I was a bit upset with the way -
28 because some of the councillors spoke to each other and to
29 community members, I think, yes. I think there was a -
30 there should have been a code of conduct. I'm also
31 a primary ethics teacher and I think our rules for primary
32 ethics classes. Could have been applied to council. It
33 would have been a lot more helpful.

34
35 Q. Well, there is a code of conduct, you'll be happy to
36 know. You didn't see it being utilised in the chamber?

37 A. I don't think so. I don't think so. If I'd been
38 chairing those meetings, I would have been a lot more
39 strict, yes.

40
41 Q. So do you think it came down to the chair or was it
42 something more cultural or more ingrained?

43 A. Yes. No, I don't think it was - it's part of the
44 chair's role, definitely. I - but the behaviour in council
45 was pretty poor at times.

46
47 Q. Can you give me an example of what you observed?

1 A. Probably if I did, I might be described as being
2 unpartisan, so I would rather not. I also don't want to be
3 attacked on social media, which, you know, happens.

4
5 Q. Ms Joep, I don't want to go over your submission,
6 thank you. I've got all of that. Is there anything else
7 that you wanted to say or do you want to summarise for me
8 what your main points are?

9 A. Yes, yes. So thank you for so far what you've been
10 doing, and going broader than what we were concerned were
11 quite narrow terms of reference. It has been really
12 helpful to unpick what has happened prior to the first lot
13 of administration, the council, the second lot.

14
15 I think the impact on people's perception of council
16 has been really bad. I think - and council as a whole and
17 then trying to, you know, tease out administration and
18 governing bodies.

19
20 I think it's been used for political purposes.
21 I think the - I think just claiming that councillors were
22 corrupt, and there's been levels of that with no evidence,
23 and suspending the councillors with no evidence of
24 wrongdoing - I mean, yes, somebody needed to step in, but
25 I think the way councillors have been treated en masse has
26 been - by those legal processes, by spokespeople in the
27 community sort of lumping everybody in together and saying
28 all the councillors are bad, or all the Labor councillors
29 were bad, or the Labor councillors and independent
30 councillors were all bad.

31
32 There's no evidence that anyone did anything wrong.
33 There's evidence that it was a very big job for anybody,
34 really, coming in to it. I think there needs to be some
35 public statements around that, just because who would think
36 of applying for council or nominating to be a councillor
37 next on the Central Coast? I really couldn't imagine why
38 you would. It is a huge job, you get no thanks, and it
39 didn't seem to me that you got appropriate administrative
40 support either. That's my comment.

41
42 Q. Well, thank you, Ms Joep. I don't have any further
43 questions. I'll just ask Ms Annis-Brown if she does.

44 A. Thank you.

45
46 MS ANNIS-BROWN: Thank you, Commissioner. No questions.

1 THE COMMISSIONER: Thank you. And Mr Simone, any
2 application?

3
4 MR SIMONE: No application, thank you, Commissioner.
5

6 THE COMMISSIONER: Thank you very much, Ms Jope. That
7 concludes your evidence. If you wouldn't mind leaving the
8 meeting and then you can return to your slightly delayed
9 YouTube stream. I will adjourn for a short time until the
10 next witness has entered the meeting. Thank you.
11

12 SHORT ADJOURNMENT
13

14 THE COMMISSIONER: Thank you. We will resume the hearing
15 now. I see that Mr Campbell is in the meeting. Could you
16 come on camera and off mute, please, Mr Campbell.
17

18 MR CAMPBELL: Is that right, Commissioner?
19

20 THE COMMISSIONER: Yes, thank you. I'll ask
21 Ms Annis-Brown to swear you in as a witness.
22

23 MR CAMPBELL: Thank you.
24

25 <MICHAEL CAMPBELL, affirmed: [10.36am]
26

27 <EXAMINATION BY THE COMMISSIONER:
28

29 THE COMMISSIONER: Q. Thank you, Mr Campbell. Can you
30 just tell me a bit about yourself before we get into the
31 nitty-gritty?

32 A. Yes. I have been an activist on the Central Coast for
33 a few decades now and I've been involved in various council
34 elections in the past as a minor candidate on a ticket.
35 I've attended many council meetings over the years and have
36 known most of the councillors that have been part of the
37 Wyong Shire Council over the years and the Central Coast
38 Council as well.
39

40 Q. What's your background?

41 A. My background is I used to work for the Department of
42 Education in farming agriculture, but I don't have any
43 financial background. I used to be in the banking industry
44 many, many years ago, but that's quite simple, it's not an
45 accounting position.
46

47 Q. You have made a written submission and in that you

1 asked to also make a verbal submission.

2 A. Yes, that's correct.

3

4 Q. You have provided something today - no, you didn't,
5 sorry. You have provided something back in June?

6 A. That's right, right back in June.

7

8 Q. Now, you were concerned then about the terms of
9 reference. Do you maintain that concern?

10 A. Yes. Since reading some of the information available,
11 I believe that the terms of reference originally it wasn't
12 about the current council or the council that was
13 dismissed, but that prior to amalgamation the condition of
14 both of the councils seems to now be a condition worth
15 looking at in regard to the Commission.

16

17 Q. And are you satisfied that the inquiry is looking at
18 all of those matters?

19 A. I would say so. I've been reading Professor Sansom's
20 information and what is contained in that is quite
21 holistic. I believe that the Commission will be able to
22 take that in once Professor Sansom addresses the
23 Commission.

24

25 Q. You are concerned about the rising rates in the
26 Central Coast?

27 A. Yes, that was one of the issues - one of the issues.
28 I put that in because it was all about the ability to pay,
29 ability for the average person to pay. I'm seeing a trend
30 here of high rise in valuations, land valuations. In our
31 case, we were hit with a \$400 increase in the last
32 12 months just simply on the value of the land. That's
33 apart from the IPART increases that will come forward. So
34 I think this is a trend that is going to reverberate right
35 across the community. Not only will they be up for IPART
36 increases, both ordinary rates and water rates, but then as
37 the valuer general increases occur - it is assessed now by
38 private companies. The valuer general's department doesn't
39 in fact assess any more, it is assessed by a private
40 company. So simply the value of land that is sold around
41 you influences the sale or the value of the property in
42 your street or where you are. I live in a rural area. But
43 that's the case.

44

45 And so when you apply for a review of that, you apply
46 to the private company - this one is in Newcastle. So you
47 apply to the private company and they simply write back and

1 show you a list of homes and properties that have been sold
2 in your region similar to yours and say, "These were sold
3 for 1.8 million", you know, "1.2". So therefore the value
4 of your land is usually about \$300,000 taken off for
5 improvements, so the value of the land is 1.3, 1.2. So
6 this is a trend now that's going through. I realise that
7 the rate ratio, of course, is supposed to be pinned, but in
8 my case, of course, I received a letter within two weeks of
9 that valuation saying that "Your rates have gone up \$400."

10
11 Q. So they went up not because the rate of the rates went
12 up but because the value of your land went up?

13 A. The value of the land went up and I was hit with
14 a \$400 rate rise. What I'm trying to say here,
15 Commissioner, is that on top of what IPART may inflict upon
16 the people of the Central Coast, this is another outside
17 influence that's going to reverberate and I think will have
18 a lot of impact on low income earners particularly as the
19 years go on.

20
21 So I did say that it was a bit shambolic, the way it
22 is all done. What I meant by that was that one part of the
23 rates doesn't confer with other parts, the valuation is
24 a separate one, the IPART is separate, the water one is
25 separate. You know, there's no concerted system that says
26 that, you know, what's the ability to pay.

27
28 Q. The IPART decision in 2019 would have seen your water
29 rates reduced. Did you notice that?

30 A. No, I don't have water rates, living in the rural
31 areas, I look after my own water and sewerage.

32
33 Q. I see. Okay. But it did take a big chunk of money
34 out of the council's budget.

35 A. Yes.

36
37 Q. Have you looked at the rates, the level of your rates
38 compared to local government areas around you?

39 A. Other local government areas, no, I haven't. No,
40 I haven't.

41
42 Q. You said you've had quite a bit of experience with
43 both the previous Wyong council and the Central Coast
44 Council?

45 A. Yes.

46
47 Q. Did you go to meetings?

1 A. Oh, quite often. Quite often went to meetings. That
2 was my initial concern when the blow-out of the budget
3 occurred, that I had attended many meetings of the Central
4 Coast Council right up until the time of dismissal - quite
5 a few meetings. At each of those meetings, of course, you
6 had the councillors, we are in the gallery and the
7 councillors were there, but you had on the podium, of
8 course, the general manager and the senior person in charge
9 of all of the sectors of the council, including the senior
10 financial controller.

11
12 I must say that I can't remember any debate about
13 expenditure that might come from the floor about something,
14 from the councillors; the financial controller I never
15 heard said, "We are approaching a crisis in what might be
16 available to be spent by council". I think that's just
17 from an external point of view, looking out from over the
18 councillors in the council chamber. I have never, never
19 heard it mentioned that that would be the case. So what's
20 now thrown up by this is that, if I can read from Professor
21 Sansom's notes - he will be addressing you, I think.

22
23 Q. Please don't read from his notes. He will be giving
24 evidence and he has made a very lengthy written submission.

25 A. Yes. There are other things I wanted to say today, if
26 I could, Madam Commissioner. Mr Persson made out that - in
27 a statement in the paper, when this all blew up and people
28 were saying, "Who is going to pay?" He suggested that "You
29 will pay", it was in writing in the paper in one of his
30 columns that we are in fact shareholders in the council.
31 Well, that's not true. It is simply not true. It's an
32 improper statement and he should have gone back on that,
33 because shareholders in fact - we're not shareholders. We
34 live in the council area, we are required to pay rates to
35 support the council, but we can't trade our rates or
36 withdraw our rates, and shareholders, in fact, my
37 understanding of shareholders in a company, if a company
38 goes bust, the shareholders are not actually liable for
39 debts incurred by that company because it's a separate
40 legal entity. That's how I understand shareholders to be.
41 So in fact, if we were shareholders, we wouldn't, under
42 law, be obliged to be paying debts.

43
44 Q. Can I just take you back to your experiences observing
45 the council?

46 A. Yes.

1 Q. Did you see the behaviour of Central Coast Council to
2 be very different to what you had observed the Wyong Shire
3 Council?

4 A. No. No, no. It's always been the same. I think most
5 councils are the same. I mean, clearly, you know, everyone
6 knows there are two political party candidates and so you
7 have blocs and you have independents, but I saw quite a -
8 no, there was nothing untoward in the processes.
9

10 I must say that there were major issues that the
11 Central Coast Council had and it was around the Warnervale
12 airport, it became a really major battleground, because
13 I know from going right back that the - and the problem is
14 that when Mr Persson sat in the seat, of course, this was
15 debated and council had pushed back against any further
16 expenditure on the Warnervale airport because they could
17 see no clear income from it or no clear pathway that could
18 be justified in the public. However, it became a thing.
19

20 But Mr Persson I was shocked at. Mr Persson that
21 night sat there and amongst all of the cost-cutting that
22 was required and cutting to the bone right through the
23 organisation that was required, that he had projected -
24 then on the night, of course, he said, "Oh, but I'm going
25 to allow \$5 million to be spent on a Warnervale master
26 plan", a plan that we - nobody of us have seen. But here
27 was an expenditure item in the middle all of this deep
28 cost-cutting.
29

30 At the same time, adjacent to the Warnervale airport
31 is the most important Porters Creek Wetland. The council
32 that was dismissed had an agreement with the Biodiversity
33 Conservation Trust in New South Wales, which is a quasi
34 government body, about long-term preservation of that, and
35 waiting for - it had all been worked out, and waiting for
36 a signature on that. But literally in the same motion that
37 the \$5 million was to be spent on this Warnervale master
38 plan, they said, "We will also scrap this idea of the
39 conservation agreement between us and Biodiversity
40 Conservation Trust."
41

42 That only could be done for one reason - that is, the
43 airport runway could be extended into that wetland area in
44 the long term. There was no reason to scrap that
45 Biodiversity Conservation Trust agreement, which was
46 written and waiting for a signature, but it went hand in
47 hand with the Warnervale development. So what has

1 happened, because our democracy has been taken away, we're
2 sitting on the outside looking at this, Madam Commissioner,
3 because it's worrying. There are no eyes on it. It's
4 simply an internal process now, proceeding along that way.

5
6 Q. Can I just ask you about the agreement with the trust?

7 A. Yes.

8
9 Q. Would that have required the council to spend money?

10 A. I'm not sure - no, I'm not too sure. It was simply to
11 protect it as it was because there are developers coming in
12 from all sides. There are developer contributions about
13 development around the outside. But there wasn't a great
14 amount of money attached to that agreement. It simply was
15 to protect it from development from outside.

16
17 The other thing I wanted to raise, Madam Commissioner,
18 if I can - are we looking at current expenditures that may
19 impact upon the people at the moment, forecast
20 expenditures?

21
22 Q. Do you mean the inquiry?

23 A. Yes.

24
25 Q. Well, we're looking at the attitude of the community
26 to the current administration, the former councillors,
27 a possible new council, all of those things.

28 A. Yes. I've been looking at IPART information. This is
29 triggered by the recent call for an IPART rate rise in
30 water rates of 34 per cent, which is going to be another
31 added thing right through the community. Part of the plan
32 for this water upgrade is for a - as required under the
33 agreement with the State Government for a desalination
34 plant to be built.

35
36 In the application to IPART from the current
37 administered council, it shows that the Central Coast
38 Council basically - we only have about 140,000 properties
39 that are incorporated in paying water rates as compared to,
40 say, Sydney Water. I'll just hold it up, on the bottom
41 there, Central Coast Council is here.

42
43 Q. It is very difficult to read those things on the
44 screen, Mr Campbell, but I do invite you, when you have
45 finished, to email it to us, because that would be more
46 useful.

47 A. Okay. I'll do that. But in the IPART application -

1 of course, it's about 34 per cent rate rise, all of the
2 infrastructure to be upgraded right through - repair pipes
3 and all such things, it's in the 60-page application. But
4 in the recently publicly - in the public Central Coast
5 water security plan, which submissions have just been
6 closed off on, they're looking at a desalination plant,
7 that in the next two to five years, they're looking at -
8 the council is looking at an inlet pipe for a desalination
9 plant on the same scale that Hunter Water have just
10 pencilled in as a plan. Now, this goes a kilometre out to
11 see at Norah Head.

12
13 Now, this is a large public infrastructure. I would
14 throw a figure at it of about \$30 million. In their
15 forward plan for the security plan, they say that within
16 the next five years they'll develop the detailed plan and,
17 subject to a delivery risk assessment, deliver the intake
18 for a desalination plant at Toukley and the protective
19 works for the Norah Head ocean outfall. That's up to the
20 next five years. That doesn't appear, in effect, in their
21 application to IPART, which is from 2022 to 2026.

22
23 I'm concerned because there's also temporary
24 desalination. Now, Hunter Water described temporary
25 desalination as a far cheaper alternative. For our base of
26 people here, I'd say temporary desal is a much better idea.

27
28 Now, in the plan, a desalination plant is not required
29 to be switched on until 2043. There's usually about four
30 years at the most, or five years at the outside, to begin
31 to build these. They are triggered when the water supply
32 drops - they have said here - down to 45 per cent; in the
33 Hunter it's 35 per cent of capacity.

34
35 Since we have had the Mardi to Mangrove pipeline which
36 covers water from the valley regions to the Mangrove Dam,
37 and that has been in place since 2010/2011, our water
38 resources have gone up, continued to rise on a high rising
39 graph right up to now being 75 per cent. Recently we've
40 had an engineer's assessment that says we can now fill it
41 to 100 per cent. We have not been in a drought situation
42 for 14 years.

43
44 But what I'm trying get at, Madam Commissioner, is
45 why would our current council wish to be bringing 14 years
46 ahead of, say, 2036, to begin something like
47 a construction? Why would they be saying that in the next

1 five years they'll begin the construction or construct the
2 inlet for this at Norah Head, which I say - I'm throwing
3 a figure up, because there are no figures available,
4 there's nothing available. But I'd say \$30 million, not
5 reflected in the current IPART application. So it's sort
6 of a bit of an anomaly.

7
8 I'm concerned about not only the current 34 per cent
9 rate rise for water for the community but then, on top of
10 that, from a very small basis of 140,000 homes or
11 businesses, paying for a 200 to \$250 million permanent
12 water desalination plant when, in effect, what the State
13 Government are asking for are plans to be put forward, as
14 Hunter have done.

15
16 Hunter have not indicated they are putting a shovel in
17 the ground but they have the plans there now and that's
18 gone to an EIS, et cetera, in case there is a drought that
19 occurs. But, as I say, their water resources at the
20 moment, they are saying this would be enacted only if the
21 water levels dropped to 35 per cent. Now, we've had
22 90 per cent water levels through the Hunter. We have
23 a connection with them through the Hunter Water system, so
24 we are a connected process and we work with Hunter Water.
25 I looked it up today, they are currently 97 per cent - all
26 their dams are 97 per cent and some are 100 per cent. Our
27 dam is 75 per cent and with rising graphs.

28
29 A drought is not likely to impact us in the next few
30 years, and it takes about six or seven years for that water
31 to diminish right down to a level which is not potable. We
32 did get down in 2007 to about a 15 per cent level. But
33 I must say, too, Commissioner, at that stage, it was after
34 then that the Mardi-Mangrove pipeline was built. Since
35 then the graph has gone up and it's been quite a dynamic
36 system worth \$120 million, by the way, which we paid for,
37 which federal and state levels of government paid for.

38
39 I'm trying to condense this down to why are council
40 bringing this ocean outfall for a permanent desalination
41 plant as opposed to a much cheaper temporary system which
42 can be put in place within 18 months or so? We would know
43 that when the level gets down to about 45 per cent, and
44 then we would start doing something. But in the forward
45 plan, I think they are committing this community to
46 a \$250 million plant which they say the running costs per
47 annum are somewhere from \$12 million to \$16 million per

1 annum to run that plant.

2
3 Now, the Sydney plant, of course people call it
4 a white elephant. The Sydney plant is massive. It's a 250
5 megalitre a day. We are talking about here 30 - they're
6 talking about on the Central Coast here up to 40 megalitres
7 per day, so it is scalable. But the Sydney desalination
8 plant, regardless of whether it delivers water to the
9 system or not, the thing is the desalination plant is
10 a contract and it works because you have to continue to run
11 them to keep all the membranes alive, et cetera, et cetera.
12 The Sydney plant cost \$170.5 million a year to run, the
13 Sydney desal plant. It has produced probably water only
14 for about 12 months since its inception in 2012. It has
15 not been required because the Sydney dams have done the
16 job. So what I'm trying to say here is I think they are
17 jumping the gun by 14 years.

18
19 Q. But this is something in a plan for a water strategy.
20 It's not something that's budgeted at the moment, is it?

21 A. No, well, it is not in the current IPART budgets.
22 That's what I'm saying to you. The current budget for the
23 34 per cent rate rise does not embody any expenditure upon
24 a desalination plant.

25
26 Q. Or the council's budget?

27 A. No. To my knowledge, it doesn't. But yet it's in a
28 forward plan. I can't understand - I don't understand.
29 It's a bit scary for me because it's not required, and in
30 their long-term plan they are saying, "We don't need
31 a desalination plant on the trajectory of water consumption
32 per household or per growth until 2043." So a normal
33 person would say, "You don't need to be looking at
34 expending money before about 2036."

35
36 What worries me is that the community have not had
37 a chance, because of the structure of the council - it's in
38 an undemocratic situation. So the public have not had
39 a chance to look at permanent desal or a temporary desal,
40 which is cheaper, less, according to our base, which may be
41 more applicable. I'm simply worried that on their forward
42 plan they intend to push ahead with that.

43
44 Q. I understand. But is that something that is coming
45 from a staff level and would never have been part of the
46 democratic process anyway until it needed to be budgeted?

47 A. Yes, that's true, but I did raise that. I did have

1 a meeting with some of the water people and they weren't
2 concerned about the timeline for this. They didn't say
3 "Oh, no, we're not going to worry about it."
4

5 Q. It could be a wish list that they hope somebody else
6 will pay for?

7 A. Well, maybe that's right because - yes. But
8 eventually we will pay. I know Hunter Water said that if
9 we do switch on a desalination plant there would be
10 a \$100 rate rise per household in the Hunter. I know in
11 Sydney, it's \$100. They seem to work from backwards, the
12 ability to pay - the ability to pay and work back up to
13 what will be billed, I guess. In Sydney it is 100
14 per annum on top of your bill, and it has been that way
15 since 2012, to simply run the plant even though it doesn't
16 produce water, because it costs \$170 million a year to run.
17

18 Q. It is very scary since I live there.

19 A. It is scary. I'm just trying to raise that with you,
20 Madam Commissioner, just to keep that in mind.
21

22 I will be approaching IPART on this and asking them,
23 saying that council need to explain their forward plan.
24

25 Q. Thank you, Mr Campbell. Is there anything else that
26 you wanted to raise with me from your submission?

27 A. Not really. I think I've covered most of those
28 things. I have been very unhappy about how our councillors
29 have been projected in the media, and we are finding out
30 now that it's a vast process - you know, the amalgamation
31 wasn't set up, we didn't have the money, there were things
32 that happened. This will all come out in your report, no
33 doubt. I just wish that people would not particularly home
34 in and say the councillors of the Central Coast Council
35 were totally at fault in all of this.
36

37 Q. Thank you, Mr Campbell. Just wait there and I will
38 see if Ms Annis-Brown has any questions for you.

39 A. Thank you.
40

41 MS ANNIS-BROWN: Thank you, Commissioner. No questions.
42

43 THE COMMISSIONER: Thank you. And Mr Simone, any
44 application?
45

46 MR SIMONE: Thank you, Commissioner. No application.
47

1 THE COMMISSIONER: Thank you. Thank you very much,
2 Mr Campbell. You can now leave the meeting and you are
3 welcome to join us on YouTube.

4
5 THE WITNESS: Yes, thanks very much, Madam Commissioner.
6

7 <THE WITNESS WITHDREW
8

9 THE COMMISSIONER: I will take a short adjournment until
10 the next witness.
11

12 SHORT ADJOURNMENT
13

14 THE COMMISSIONER: Hello, Ms Wales.
15

16 MS WALES: Hello. I'm just having trouble, Commissioner.
17 There we are.
18

19 THE COMMISSIONER: Could you just wait there while
20 Ms Annis-Brown swears you in as a witness.
21

22 <DEBRA WALES affirmed: [11.04am]
23

24 <EXAMINATION BY THE COMMISSIONER:
25

26 THE COMMISSIONER: Q. Thank you, Ms Wales. I have your
27 written submission, you don't need to explain what's there,
28 but you might just explain who you are, what's your
29 background?

30 A. Okay, my background is that I have run a business with
31 my husband, Wales & Associates Urban Design, for over
32 30 years. During that period I've done quite a bit. One
33 was that I was contracted by state and regional development
34 to revitalise town centres - Umina Beach, Ettalong Beach
35 and Woy Woy. I've continued that work under the auspice of
36 the Peninsula Chamber of Commerce, which has been around
37 for over 25 years. So I continue that in an in kind
38 position in designing events and lobbying for funds for
39 small projects.
40

41 I initiated and established the Bendigo Bank at
42 Ettalong Beach and I have negotiated with Energy Australia
43 at the time to install the power underground at Umina
44 Beach.
45

46 I also, under DSARD, completed training in
47 facilitating community workshops and event management,

1 community economic development, which saw the success of
2 major events such as the Brisbane Water Oyster Festival
3 which has been around for over 20 years.
4

5 I've also been a councillor, in 1999 to 2004, for
6 Gosford City Council and I worked for Adam Crouch as the
7 senior electoral officer, who still remains the member, and
8 I was there from 2015 to 2017, so I saw through the
9 amalgamation of both councils. I'm still presently
10 a partner in my husband's business in urban design.
11

12 Q. Thank you. You make a number of specific points about
13 different community assets that are being used in a way
14 that you are not satisfied with. One of them is child care
15 centres. You don't think the council should be running
16 them. Do the council child care centres have subsidised
17 rates?

18 A. I would presume so, that's why they are so inexpensive
19 to attend, but I don't believe that they run at a profit.
20 What I'm saying, I'm giving points - I'm thinking outside
21 the square: rather than slugging the ratepayer once again,
22 for the second time in the last 10 years, let's look at the
23 assets of council and are they generating an income. If
24 they are not, sell them on to private enterprise. Let's
25 say - I took also the fitness centres, which council own
26 two of them, one up north and one down here, they run seven
27 days a week and 24 hours --
28

29 Q. I'm sorry, I missed the word you said then, the
30 centres?

31 A. Fitness centres.
32

33 Q. Could I just stay on the child care centres? Do you
34 know whether they are means tested?

35 A. I don't know. I don't know. But I do know that a lot
36 of our areas around here run successful child care centres
37 and a lot of the customers, the parents, are subsidised by
38 the Federal Government. I would presume the same would be
39 for council as well. However, what I've found over the
40 past is that council often, particularly with the leisure
41 centres and fitness centres, don't include the cost of the
42 staff running these things. So they might get a very low
43 loss, should I say - because I know some of these projects
44 run at a loss, particularly the leisure centre at Woy Woy -
45 and the argument would be, "Well, they provide a wonderful
46 community asset", and that's true, but at a time when we
47 are half a billion in accumulated debt, should we be not

1 reviewing this and whether council should be running these
2 enterprises, these projects, these child care centres that
3 could be better run by private enterprise?
4

5 Q. Yes. So you make that point about the child care
6 centres, the fitness centre and even, to some extent, other
7 community services?

8 A. Yes.
9

10 Q. Have you raised these matters with the administrator
11 who is currently in place at the council?

12 A. We tried to have a meeting earlier this year with him,
13 the administrator, but he spent most of the time talking
14 about his role, to a point where in the last 10 minutes
15 I said, "Look, we called this meeting. Could we please sit
16 down and talk to you." But we have written, I have given
17 all of that, all my files to the now new administrator, and
18 our letter back was just kind of plain, answering me, and
19 nowhere do we find it better, even today, in terms of,
20 let's say, the town centre place management that they have
21 put in. We've been running our town successfully for years
22 as a chamber of commerce, and I think that's a chamber's
23 role. Even if council would communicate with chambers of
24 commerce they would find that these people have expertise
25 in knowing their community but also in a business sense.
26 Right now we are all sidelined because they are putting in
27 this very expensive place management program where we see
28 things that are happening that we are just shaking our head
29 at.
30

31 I give an example of council applying earlier this
32 year for \$327,000 to the State Government, and achieved it,
33 to upgrade a laneway at the back of our private homes and
34 towards our beachfronts. Now, we look at it today and they
35 haven't - I thought they would design by safety. That was
36 my recommendation when I put my submission in. They
37 haven't. They have prettied it up with cartoon characters
38 on the road itself, a bubbler in the middle of it and
39 stands with historic photos, in a laneway - that should
40 have gone in our town.
41

42 I find this frustrating because from our experience
43 and the years and years of living here and growing up here,
44 we have so much knowledge to give but the council just
45 won't communicate with us.
46

47 Q. Sorry, you said that program was really expensive. Do

1 you know how much it cost, the place management program?
2 A. Total, no, I don't. I just know that they are putting
3 things into our town that, should they have asked us,
4 I would have said, "It won't gain benefit to our retailers
5 or businesses" - you know, garbage bin wrap-arounds or
6 cheap flags that don't reflect our community. It is just
7 not giving a great feel or a financial benefit or, as
8 I explained to the director at the time, earlier this year,
9 "We're trying to attract people to the shop window, not to
10 the garbage bin. If you would please just talk to us, on
11 our chamber of commerce executive we have people with
12 experience and background in business that is a wealth of
13 knowledge, but we're sidelined." I find this incredibly
14 difficult.

15
16 I will ask you, Commissioner, a question, because of
17 my background --

18
19 Q. I'm sorry, you can't ask me a question.

20 A. Oh, sorry.

21

22 Q. But I can ask you a question. I was going to say, do
23 you think the council fails to properly engage with the
24 community?

25 A. Absolutely.

26

27 Q. And is that at a staff level, a councillor level,
28 both, administrator --

29 A. Both. Both. We had three councillors that
30 represented the area here from Gosford down to the Woy Woy
31 Peninsula and either they didn't answer your calls - I'm
32 talking councillors - or they just didn't have time to meet
33 and do a walk-through with us. So I can't say they were
34 a great council at all. It was disappointing.

35

36 Management have - I should say lower management, so
37 planning staff or strategic planners would and did,
38 particularly when we were offering up our concepts for the
39 upgrade of Woy Woy, which is in decline, rapidly declining.

40

41 The success stories are Umina Beach and Ettalong
42 Beach. They are doing great guns, but we don't want the
43 interference of those who don't have knowledge of our area.
44 We would rather them engage with us and that we can both,
45 in partnership, help one another. That's not happening.

46

47 Q. Have you had any cause to see the council in chambers,

1 just go to council meetings or to watch them on YouTube?
2 A. Yes, particularly if one of our DAs are up, and
3 I watched them on YouTube from time to time. My opinion
4 is - and it's just my opinion - they're very politicised,
5 very much so. I have sat on a few committees over the
6 years and one in particular was our 5 Lands Walk, which are
7 a great bunch of people. They are responsible for an
8 annual festival. But also that group has been responsible
9 for the Winnie Bay project, which is a costal walkway from
10 Copacabana right up to Terrigal. It is a magnificent walk.
11 It is likened to the Cinque Terre walk in Italy, but much
12 safer and much better. Council's engineers spent quite
13 a few years on this and so did the volunteers.

14
15 When it came to council, and the State Government had
16 dedicated nearly \$5 million to this project, the council
17 refused it: refused and knocked back this wonderful
18 tourist destination. So we just shake our head.

19
20 You know, we nearly lost the Kangy Angy rail project
21 because of the council. It was a \$300 million project and
22 100 local jobs.

23
24 They voted against the Terrigal boardwalk.
25 Thankfully, that got through and today is constructed and
26 a magnificent tourist attraction.

27
28 So I say, yes, they are politicised and they have lost
29 their role. Over the years they have lost their role as
30 what a councillor should be. They have forgotten that they
31 are servants of the people and that they represent the
32 people. That's what they were voted there for. They don't
33 represent council to the people, they are there to take the
34 views of their community to the CEO, to the senior
35 management, in a credible and honest role.

36
37 And I certainly don't think that any of them should
38 have been sitting on a committee to review the CEO's
39 contract, or senior management. They just don't have the
40 credentials to do that. That's the local government role
41 and it should never, ever happen again, because it puts too
42 much pressure on a CEO and senior management to do as they
43 are told by councillors instead of managing the council and
44 its finances, and here we are again.

45
46 Q. Did you understand that that is the model that is set
47 up for the way --

1 A. Oh, absolutely. Absolutely. But from my time in
2 council I have been saying that from day one. I did not
3 sit on a committee to review the general manager. He was
4 far more experienced and capable than I and it was not up
5 to a councillor who runs a hamburger store or - you know,
6 no offence to that, but you represent people. You are not
7 there to do these - well, now we find that they can't read
8 a balance sheet and here we are, half a billion in debt.

9
10 Q. Are you concerned about the absence of a democratic
11 process at the moment because the council is under
12 administration?

13 A. No, I think the administration should be allowed to
14 fulfil the role and get us back on track. I think they
15 need time. If it is another term, if we don't go to
16 a council election next September, then so be it, because
17 the new CEO and the administrator have to get us back on
18 track financially.

19
20 We've got to remember this is the second time.
21 Gosford City Council invested over 100 million into, you
22 know, very risky CDOs and RFNs and lost millions of
23 dollars - millions. You have to remember they went into
24 restricted funds back then. 33 million they took out of
25 the water fund and invested it into CDOs. That was
26 shameful. Nobody answered for that.

27
28 So we're back here again and again we've been told
29 that there will be no more new infrastructure, there will
30 be no new roads, for years to come.

31
32 Commissioner, I live on the Woy Woy Peninsula and yes,
33 our beaches are stunning, the best on the east coast of
34 Australia - the best - and yet 70 per cent of our roads are
35 not kerbed and guttered, we have poor drainage, lacking
36 footpaths nearly everywhere. When I leave my house, I have
37 to watch kids walking to school - and they will be soon
38 again - on a the verge of the side of the road; elderly
39 people - we have an elderly population - in their motorised
40 wheelchairs; and mums and dads pushing prams on the side of
41 a road. And we're knocked back - our chamber applied for
42 footpaths and upgraded roads and we were knocked back. It
43 is not even in the future plan of road constructions. So
44 I just don't know what to say, what the future is of this
45 council.

46
47 If I can say, because I think differently from a lot

1 of other people in terms of design, and why I'm saying that
2 council should review their assets, is because it's always
3 the ratepayer that is sluggish with the mismanagement of
4 this council and the lack of infrastructure that again
5 we're not going to see for years to come. We have applied
6 and I have designed boardwalks and all sorts of things, and
7 again I receive a letter from Mr Hart saying, "This isn't
8 going to happen - for years, anyway." So it is very
9 disappointing that way.

10
11 But here's an administrator that takes - the one thing
12 that does generate income are DAs and developer
13 contributions, and yet the council are reduced from
14 something like, you know, 60 planners, 60 planners, to
15 40 planners now, and yet they have three times the number
16 of DAs coming in to council.

17
18 We were told last week that a major development here
19 on the peninsula will take eight months to assess. I just
20 fear for mums and dads who are just trying to get their
21 homes approved, let alone the investor into the Central
22 Coast. It's not sustainable. They can't afford that. You
23 know, the banks won't relax on interest rates, et cetera.
24 So I just don't understand why council would reduce the
25 staff in the one area that is producing income. So there
26 is a question I'll have --

27
28 Q. Income in terms of developer contributions?

29 A. Contributions and DA applications. So you can see
30 thousands of dollars for a DA application. That's your fee
31 to council. You know, it might be \$3,000 for a home; it
32 might be \$30,000 for a multi-storey development. So they
33 are not looking at the departments that do generate the
34 money, but major expansion - well, was, major expansion in
35 community services, and they don't generate --

36
37 Q. I don't think there is any expansion at the moment.

38 A. No, no, no. I'm talking before all of this, all of
39 this, going back to 2019, 2018.

40
41 Q. Do you understand that there have been staff
42 reductions across the board?

43 A. Yes.

44
45 Q. Is there anything else that you wanted to add? You
46 don't have to repeat anything that's in your statement
47 already.

1 A. No, I think I have said a lot in my submission and
2 I appreciate your time very much, too. So thank you, and
3 I wish you the best. I hope the outcome is great.
4
5 Q. Could you just stay there and I will see if
6 Ms Annis-Brown has any questions for you.
7 A. Okay, thank you.
8
9 MS ANNIS-BROWN: Thank you, Commissioner, no questions.
10
11 THE COMMISSIONER: Thank you. And Mr Simone, any
12 application?
13
14 MR SIMONE: Thank you, Commissioner. No application.
15
16 THE COMMISSIONER: Thank you, Ms Wales. If you could
17 leave the meeting now and you are welcome to watch us on
18 YouTube. I believe you are the last witness for the
19 morning session, so we will resume at 1.30.
20
21 THE WITNESS: Thank you, Commissioner.
22
23 <THE WITNESS WITHDREW
24
25 LUNCHEON ADJOURNMENT
26
27 THE COMMISSIONER: Good afternoon. The hearing into
28 Central Coast Council will now resume.
29
30 I believe Mr Fortey is in the meeting. Mr Fortey,
31 would you come on camera and off mute, please. There you
32 are.
33
34 MR FORTEY: There I am.
35
36 THE COMMISSIONER: Thank you. I will just have
37 Ms Annis-Brown swear you in as a witness.
38
39 <STEVEN FORTEY, affirmed: [1.30pm]
40
41 <EXAMINATION BY THE COMMISSIONER:
42
43 THE COMMISSIONER: Q. Thanks, Mr Fortey. Now you are
44 here as a representative of the Avoca Beach Community
45 Association?
46 A. Yes.
47

1 Q. Can you tell me what your role is in that
2 organisation, what it is?

3 A. I'm president of the association and have been so for
4 about five years now. I have been a resident and ratepayer
5 on the coast for about 40-odd years, I think, and 33 of
6 those has been in Avoca.

7
8 Q. What does the community association do? What is your
9 role?

10 A. We hold regular meetings. We deal with issues,
11 obviously, that are pertinent to us. Many of them are
12 controversial DAs or DAs that might be controversial. We
13 have done a lot of liaising with council over various
14 issues, things like we worked with them on the foreshore
15 implementation, that's a beautiful thing that the council
16 has done very well; refurbishment of the local playground;
17 rates; Avoca Lagoon.

18
19 Avoca Lagoon is probably the prettiest lagoon on the
20 coast but it has the poorest water quality and it's
21 something we're trying to address at the moment, not the
22 poorest water quality on the coast but in the state,
23 apparently. So we think there has been probably a
24 leaking sewage pipe. We've applied for funding through
25 IPART and we're hoping that will come through.

26
27 Little things like dangerous trees, there is a big
28 pine that has been struck by lightning on the waterfront
29 which is posing a danger to residents. We're trying to
30 advocate for them. Car parking submissions, advocating for
31 the acquisition of local land for a public park, all those
32 pretty much local issues, yeah. We've got --

33
34 Q. Did your association have much contact with
35 councillors?

36 A. Yes. Yes. We did. We had a really good relationship
37 with our ward councillors, particularly Jeff Sundstrom and
38 Jane Smith. Both of them have been very, very good for us.
39 They have attended meetings when asked and been invited; on
40 occasions we've moved our meeting night from a Monday,
41 which is when they met regularly, to a Tuesday, so they
42 could attend. They have been willing to meet us on site
43 over issues and - no, they have been very good. I can't
44 speak highly enough of them in the role they played with
45 us.

46
47 Q. Did you ever have cause to go to a council meeting or

1 to watch them online?
2 A. Yes. I have spoken at council meetings probably on
3 four or five occasions.
4
5 Q. What was your experience like?
6 A. My experience at the meetings?
7
8 Q. Yes, what did you observe of the councillors and their
9 behaviour at those meetings?
10 A. Oh, I think there was - it's fairly evident that there
11 was - I wouldn't say a north versus south culture, but
12 I would say that there were definite voting blocs on there
13 and that the independents performed a pretty vital role in
14 that scenario.
15
16 I found the old Gosford council much easier and
17 friendlier to deal with than the new amalgamated council,
18 and that's probably because you are dealing with people you
19 don't know. Yes.
20
21 Q. You say in your submission that your association fears
22 the consequent loss of democracy that has come since the
23 suspension of the councillors?
24 A. Yes.
25
26 Q. Are you advocating for the return of those councillors
27 to their positions?
28 A. Absolutely. Or fresh council elections would --
29
30 Q. I'm trying to differentiate between a fresh council
31 and the current, the councillors who would currently be
32 reinstated if a decision was made in those terms?
33 A. Well, I think it's my view that the current
34 councillors got a bit of a raw deal. I think a lot was
35 asked of them that they were unaware of. Their financial
36 expertise was something that wasn't important when they
37 were elected, or was not prioritised, anyway.
38
39 I know as a ratepayer, when you are electing a
40 councillor or going to a council election, you don't think
41 of "Does this person have financial acumen; is this person
42 capable of running a million-dollar business or having
43 a say in a million-dollar business?" It's more about
44 whether or not they will represent you and your concerns in
45 the community to the council. Even though council is -
46 what is it? I'm trying to think, the Local Government Act,
47 it's got the role of a councillor, and I looked that up and

1 it doesn't in any way, shape or form - it never says
2 specifically anything to do with finance. It might imply
3 it but it doesn't say the word "finance", or "financial
4 matters" - they are not mentioned.
5

6 I had a good friend who ran for council at the last
7 elections. Fortunately for her she didn't make it. But
8 when I spoke to her yesterday, I said, "Were you ever
9 informed about the financial responsibilities you would
10 have as a councillor?" She said, "No, nobody even
11 mentioned a thing."
12

13 Q. Do you know if she went to the candidate awareness
14 sessions that were held prior to the election of the
15 current --

16 A. I'm pretty sure she did, yes. Yes.
17

18 Q. So do you think councillors need better training?

19 A. Absolutely, yes. Absolutely. I think they should
20 sign off on such training, there should be accountability.
21 I also think that that training should take place in
22 conjunction with the CFO and the council financial staff so
23 that they are all on the same page, they're all aware of
24 each other's roles and responsibilities, they get on better
25 and you'll get a better outcome that way. With greater
26 transparency and greater cohesion, you can't - you know,
27 I think that's a no-brainer. I don't know why it's not
28 done.
29

30 Q. Do you think the current period of administration
31 needs to continue for any period of time?

32 A. I would like to see the councillors back into
33 a full-time council, but I'm not sure that the time is
34 right now. It's probably a little bit out of my province
35 in that I don't know how well council has re-established
36 itself after its demise, if you like. I do notice that
37 we're still running at a deficit.
38

39 Q. Yes. I think that was a predicted deficit.

40 A. Yes.
41

42 Q. Although I did hear some encouraging news about the
43 monthly figures recently.

44 A. Right. Okay. Good.
45

46 Q. Mr Fortey, I don't have any further questions for you.
47 Is there anything you wanted to emphasise from the written

1 submission that you have made on behalf of the association?
2 A. Yes, I think a couple of things. One is the
3 state-wide amalgamation that was pretty much forced upon
4 everybody. I know we initially opposed it and the Gosford
5 council's view initially was in terms of thinking of
6 imposing it. They turned around, I think on a premise that
7 it was better for them to go along with it rather than be
8 forced into it, which would maybe create a resentful
9 situation.

10
11 So in many ways that made sense, the amalgamation.
12 But what didn't make sense was the absence of oversight and
13 the inadequate funding of the State Government and the OLG,
14 if you like, for that amalgamation to take place. You're
15 putting together two very different councils. Even though
16 they live side by side, they're very different. They have
17 different LEPs, different DCPs, they've got different
18 issues, and it was never going to be a good fit, if you
19 like, in that regard. I think it was a little bit of
20 a north/south culture developed out of it.

21
22 So I think a longer training - a longer period of
23 leading in to it would have been advantageous. I also
24 think better funding would have been a good thing,
25 particularly seeing that both councils were on pretty shaky
26 financial grounds when they amalgamated. So forcing them
27 together at that stage, or putting them together at that
28 stage, probably needed a lot more oversight.

29
30 I also think that the State Government should pitch in
31 a little bit here at some stage. I think ratepayers feel
32 that they're carrying the can for the mistakes made in
33 council. Many of the locals around here have had
34 a 40 per cent rate rise and they're waiting now for another
35 30-odd per cent in their water rates, and it seems only
36 fair that the State Government should kick in and maybe do
37 something there, because, you know, in the words of many
38 people around me, they forced us into it. Yes.

39
40 Q. Now that it has been done, what do you feel the
41 sentiment in at least your association is about the
42 amalgamation?

43 A. The sentiment at the moment with no councillors is a
44 little - it's a little bit frustrating. Finding somebody
45 on council who is familiar with your issue was
46 a particularly difficult task in the beginning. It's
47 getting better now. Staff that you had been dealing with

1 in Gosford council suddenly disappeared and you were
2 dealing with somebody up at Wyong, not Gosford, and they
3 weren't familiar with your situation or your issues. Not
4 only that, you'd ring two weeks later and a new person was
5 doing the job, you know. So it was really quite
6 frustrating in that regard.

7
8 Q. But in terms of the amalgamation, what do you feel is
9 the sentiment in your association about whether it's a done
10 deal now or - are people still pushing for a demerger?

11 A. Yes. Yes. I don't know how strongly they are, but
12 there's a lot of talk about whether or not we should go to
13 a demerger. In fact, the next council elections, or the
14 next referendum should be for a demerger is what a lot of
15 people are saying.

16
17 Q. But the referendum is not a referendum to demerge?

18 A. It should be - there should be one.

19
20 Q. I see. There should be one is what you are saying?

21 A. Yes. Yes. I think that's about all I've got to say.
22 I just make the point that - everybody is aware of it -
23 councillors are paid a handsome sum of about \$37,000
24 a year, and to equate that with the CFO, who is on probably
25 10 times that amount or close to it, and then expect them
26 to be able to compete on equal grounds or be treated
27 equally is - no, to me, it's a bit of a farce. Yes.

28
29 The other thing, we think the council - if we do go
30 back, we think 15 councillors is a good number to have.
31 It's a big, big council area, 340,000-odd people, and
32 I look at the Northern Beaches who have 100,000 fewer
33 people and they have 15 councillors. So I think you
34 compare it like for like.

35
36 The thing is, too, if you drop down to nine
37 councillors, like Mr Persson was recommending, you have the
38 danger of your independents missing out. I think the way
39 council votes go, the two political parties tend to be
40 filled - seats are filled first, they are the most popular
41 votes because they have the biggest machine behind them.
42 Then your independents tend to fill the last places. Well,
43 if we were back to nine, we would end up probably with four
44 and four and one independent. To me, that doesn't make
45 sense. I think your independents are really important.

46
47 I also think that the way that the State Government

1 has overseen this whole thing has not been really
2 satisfactory. Yes. And that's pretty much it, I think.

3

4 Q. Okay. If you just wait there I will just see if
5 Ms Annis-Brown has any questions for you?

6 A. Thank you very much.

7

8 MS ANNIS-BROWN: No questions, thank you, Commissioner.

9

10 THE COMMISSIONER: Thank you. And Mr Simone, any
11 application?

12

13 MR SIMONE: No application, thank you, Commissioner.

14

15 THE COMMISSIONER: Thank you. Thank you very much,
16 Mr Fortey. If you could just leave the meeting, you are
17 very welcome to come back on YouTube and watch us this
18 afternoon, and then I will take a short break until our
19 next witness. Thank you.

20

21 THE COMMISSIONER: Thank you very much.

22

23 <THE WITNESS WITHDREW

24

25 SHORT ADJOURNMENT

26

27 THE COMMISSIONER: Thank you. We will resume the
28 hearings.

29

30 I see that Mr Halstead is in the meeting. If you
31 could come on camera and off mute, please, Mr Halstead.

32

33 MR HALSTEAD: Hello.

34

35 THE COMMISSIONER: We are hearing you. We are not yet
36 seeing you. There you are. Could you just wait there
37 a moment and Ms Annis-Brown will swear you in as a witness.

38

39 <BRIAN HALSTEAD, sworn: [1.48pm]

40

41 <EXAMINATION BY THE COMMISSIONER:

42

43 THE COMMISSIONER: Q. Thanks, Mr Halstead. I notice
44 from your address that you are not a local. Is that right?

45 A. That's right.

46

47 Q. Could you explain why you are making a submission to

1 the inquiry?
2 A. Look, I have a number of friends up in the Central
3 Coast and we discussed the crisis that had occurred and
4 they, knowing I had got a history about --
5
6 Q. You will have to turn your YouTube streaming off
7 because it is repeating on your microphone.
8 A. Oh, is it?
9
10 Q. Yes.
11 A. Oh. Is that better?
12
13 Q. I believe so. I can't hear myself seven seconds later
14 anymore. Okay. So you had some friends who --
15 A. No, so - I've been involved in the amalgamation.
16
17 Q. I can still hear my voice. So --
18 A. Why would that --
19
20 Q. You'll have to turn that internet connection off.
21 A. Yes. I obviously have a problem. Sorry, I will
22 turn - I've got a "live on YouTube". Hold on.
23
24 Q. Mr Halstead, can I suggest if you go on mute and off
25 camera and I'll have my administrative assistant give you
26 a ring to explain to you how to get the YouTube turned off
27 so that we can start again and she will send me a message
28 when you are ready?
29 A. Okay.
30
31 Q. Okay. I will go off now and you go off.
32 A. Will do. I will leave the meeting.
33
34 SHORT ADJOURNMENT
35
36 THE COMMISSIONER: Q. We're back on air.
37 A. Back again. Sorry about that.
38
39 Q. That's one of the problems. You can't give evidence
40 and watch at the same time. It's one or the other. Okay.
41 Now, I notice - sorry. I interrupted you. You were
42 telling me how you came to be making a submission to the
43 inquiry.
44
45 Q. Yes. I had been involved in the amalgamation and
46 council accounts for about 10 years and my friends knew
47 this and we talked about the problem in the Central Coast,

1 so I thought I would try and understand what had happened.

2

3 Q. Okay. Are you an accountant?

4 A. Yes. Look, I've got degrees in chemical engineering
5 and economics and am a CPA.

6

7 Q. Okay. Yes, I could get that flavour from your
8 submission. Did you compile it simply from the public
9 documents?

10 A. I did indeed.

11

12 Q. I won't ask you about your submission because I have
13 all of that, and it does cover a lot of what I have heard
14 during the hearings. But I noticed in your submission that
15 you said you had sat on an audit committee for
16 a metropolitan council. So was that a committee that was
17 like the ARIC for Central Coast Council?

18 A. Yes, it was. It was my neighbouring council. I was
19 living in Warringah at the time and it was in Mosman, audit
20 and risk committee. I mean, I had 30 years with Unilever
21 and with postings overseas in UK and Taiwan, and ended up
22 as the finance director here in Australia and New Zealand
23 and then retired, because I didn't want to go overseas, and
24 spent 15 years in board and consulting roles and, would you
25 believe, about 10 years ago became passionate about
26 transparency and accountability in local government, and
27 joined the audit and risk committee of the council.

28

29 That started me along the amalgamation journey where
30 I made contributions and listened to the Sansom inquiry,
31 the Fit for the Future, the amalgamation proposals. In
32 that process, I became opposed to council amalgamations
33 because I could see no evidence of them giving transparency
34 and productivity and, you know, a couple of years ago I did
35 a - went through the accounts of the 20 amalgamated
36 councils in New South Wales and reported on their
37 performance against the amalgamation proposals, and it was
38 not a pretty picture, as they had failed to produce the
39 results projected in the amalgamation, so the Central Coast
40 was not alone in its problems.

41

42 Q. And did you publish some sort of document?

43 A. Yes. We - I was part of an organisation and we
44 published a document "Council Amalgamations a Sea of Red
45 Ink."

46

47 Q. Yes. I have seen that. Okay. So the ARIC that you

1 sat on, or the audit committee that you sat on, did it have
2 a similar charter, do you know, to the Central Coast ARIC?
3 A. Yes, I think it - I think it had a similar charter.
4 I think it was a bit more modern in that it had two
5 councillors, an independent chair and two independents,
6 yes.
7
8 Q. Did you look at the accounts of the council or were
9 you at a much higher policy level?
10 A. No, no, we looked at the accounts. We looked at
11 considerable detail in the accounts.
12
13 Q. Did you look at budgets?
14 A. Yes, we did. They were very open, the council, with
15 us and they let us look at the budgets before they were
16 presented, yes.
17
18 Q. Did you offer advice, like detailed advice or was it -
19 tell me what your role was?
20 A. We offered significant advice on a number of matters
21 and, you know, one of my own views is that councils should
22 report the numbers of people they have in their budgets
23 and, yes, we got that through and so now the Mosman council
24 reports in its process the number of people that it
25 employs, the most - the biggest cost of council.
26
27 Q. Did you intervene at all to suggest changes to whether
28 there was a deficit or a surplus in a budget?
29 A. No. No, I don't think that was our role. I mean, the
30 Mosman council was in surplus through the period. There
31 were some difficulties, but it was in surplus. And
32 councils have to be in surplus if they want to generate
33 cash for new assets, unless they get a grant. There is no
34 other way.
35
36 Q. I didn't actually have any more questions - oh, yes,
37 I do. You said in your - you've asked Central Coast
38 Council for information and this submission was prepared
39 some time ago. How did you go getting any further
40 information from the council?
41 A. I was unsuccessful. That - there were four points.
42 I made two submissions, as you know. One was the number of
43 things I would like you, as the Commission, to look at.
44
45 Q. Yes.
46 A. I am absolutely delighted that, you know, you actually
47 are doing all of those things, and so that gives me a lot

1 of pleasure. The second submission was about the
2 transparency of the reporting and accounts, and if I could,
3 I would like to just run through the key points in that, if
4 I could.

5
6 Q. Sure.

7 A. The four points were the situation, the handover to
8 the councillors, the restricted cash and the \$565 million
9 worth of debt, which I was trying to get answers from the
10 council on, and the IPART rate reductions. They were the
11 key elements to me.

12
13 The first, the situation at the handover to the
14 elected representatives, the administrator said that the
15 accounts were sound and strong, and I have a question about
16 that, whether - there were savings but there was no system
17 for recording those savings. There were no budgets given
18 to the councillors, not by area, and no staff numbers were
19 given, even in total.

20
21 Depreciation showed increasing - small increases, it
22 was inconsistent with the huge capital expenditure in
23 total. And the depreciation was increasing only slowly.
24 An example of that is that, in the year 2022, the
25 administrator had said the depreciation would be
26 130 million and the last budgets that came out in the July
27 results said the depreciation would be 177 million. Now,
28 that's a huge difference. There was no major change in
29 capital expenditure levels until they started to cut last
30 year, so it's really hard to understand that.

31
32 They were making large - the administrator approved
33 large capital expenditure budgets out of unrestricted cash.
34 He talked about the new technology platform but didn't talk
35 about the risks in implementation. And interestingly
36 enough, one of the good things was there was transparent
37 reporting of the restricted cash at a meeting on May 24,
38 '17, when he showed the restricted cash by fund. This did
39 not appear again until July 2021, and at that stage, he
40 lent out of the general fund \$20 million to the water fund
41 to cover the unrestricted amount.

42
43 Now, in my view, the conclusion is that the incoming
44 councillors were not inheriting finances that were sound
45 and strong and there was no transparent budgeting by area
46 for employee numbers, for savings being generated, and
47 transparent links between the depreciation and the large

1 capital expenditure. So I had a problem at that handover.

2
3 The next point was the restricted cash, because there
4 has been a lot of talk about this restricted cash, and
5 I would just like to make a couple of points. The internal
6 restricted funds can be unrestricted by resolution of
7 a council at any time and they were in the order of
8 \$100 million. Between '17 and '21, they remained at
9 \$100 million. It appears, on my review of the accounts,
10 that only in August '20 the externally restricted funds
11 were used, and the maximum I calculated was about
12 30 million.

13
14 The debate between the auditors and the solicitors
15 about unrestricted cash in the sewerage fund, which was
16 \$80 million at the end of '20 and has now risen to
17 \$112 million, to me is not relevant. The council could
18 have an inter-fund loan from sewer to the general fund for
19 that amount. This is the process that the first
20 administrator went through when he lent money out of the
21 general fund to the water fund. So the fact that the money
22 was unrestricted means that it's capable of being lent to
23 another fund.

24
25 The alternative - there was 20 to 30 million dollars
26 which came out of the externally restricted funds. So
27 there were two options available to the council. One was
28 to ask the minister to approve a loan for the domestic
29 waste fund; or take out an external loan with the interest
30 associated with it.

31
32 The \$86 million in the domestic waste fund is amounts
33 paid by the ratepayers for the service that was greater
34 than the cost of the service, and this could have been lent
35 to avoid the external interest costs.

36
37 I mean, the things I have described about cash would
38 help manage the cash availability and show the need for
39 some additional borrowing, but nothing in the above negated
40 the necessity to bring the profit and loss back into
41 surplus by reducing costs or raising income and thus
42 generating additional cash.

43
44 So there was a restricted cash issue but there was
45 still a bigger issue about reducing costs or increasing
46 income.

1 Then I would like to go on to the question about the
2 debt that I asked the council to provide information on.
3 It was often quoted that the council had \$565 million worth
4 of debt. I asked the council on a number of occasions how
5 this was calculated and I did not get a satisfactory
6 answer, and I think the size of this figure had an impact
7 on the community's confidence in the council.
8

9 The figures I have put in my submission showed that at
10 the end of September '20, the maximum debt, including
11 restricted borrowings, was calculated at \$440 million, well
12 below the 565 million that was often quoted, and then it
13 fell after that. So the interesting thing is that the
14 issue was not as big as it was often reported.
15

16 It's also interesting to note that the current
17 administrator is saying in the July investment report -
18 where, for the first time since May the unrestricted funds
19 are shown by fund again - he's saying, "Unrestricted funds
20 deficit is being funded through the general fund internally
21 restricted reserves". So what the administrator is saying
22 is that the unrestricted funds are being used. So he's
23 knowingly using the restricted funds, internally restricted
24 funds, to run the business day-to-day, which is similar to
25 what the previous council had been accused of and
26 criticised for doing.
27

28 The other point which I had in my submission was to do
29 with IPART reducing the water and sewerage charges by
30 39 million. This decision to reduce the charges, and thus
31 the income of the council, had a dramatic impact on the
32 profitability of the council. I found it odd that the
33 management did not highlight this more strongly or
34 emphasise the benefit that the ratepayers were getting from
35 the reduced charges; nor did it detail a plan of cost
36 reduction to reduce the impact of the loss.
37

38 IPART reduced the charges by about 20 million. The
39 council was already reducing the charges a bit but they
40 reduced it by an additional 20, and interestingly was
41 critical of the quality of the council's submission. As
42 you know, there are cross charges between the funds for
43 services, and they would have to be reduced with this
44 income reduction.
45

46 As previously stated, there were no budgets by area
47 produced so there was no transparency to the councillors -

1 where the changes were being made to reduce the costs, who
2 was going to manage it and deliver the reduction. It's my
3 understanding that the current administrator is now
4 applying to IPART to increase the charges for the full
5 39 million, so, clearly, he feels the previous reduction
6 was not correct and an increase can be justified.
7

8 The community could have been informed that the
9 reduction in water and sewerage rates would need to be
10 offset by a general rate increase, but, overall, ratepayers
11 would still have a reduction in charges.
12

13 So when I looked through the accounts the conclusion
14 I came to is that these crises could have been avoided by
15 the management having systems providing transparent
16 reporting of cash holdings, financial performance by budget
17 area, employee numbers by budget area, and this would have
18 enabled the community and the councillors to understand the
19 issues, plan action and follow up on the actions being
20 delivered.
21

22 Like you said earlier, it's pleasing to note that much
23 of this is shown in the July '21 monthly reports, which
24 have reported by budget area for the first time and are
25 projecting an overall surplus of \$7 million.
26

27 This still does not report the number of employees in
28 every budget, so the community does not know where the big
29 reductions in numbers that have been spoken of - where they
30 come from, frontline services or from overheads. I hope
31 overheads.
32

33 As mentioned earlier, for the first time since May
34 2017 the restricted cash fund is done by fund, but it
35 continues to show the unrestricted sewer funds, which
36 I mentioned earlier, which are capable of being lent to
37 another fund as restricted, and in my view this distorts
38 the cash availability.
39

40 A last point, just for the record: the
41 amalgamation --
42

43 (The court reporter interrupted the proceedings to
44 advise that she had briefly lost Zoom connectivity.)
45

46 THE WITNESS: The last point that I wanted to make is just
47 to record that the amalgamation proposal had the council

1 with a surplus of \$30 million, more than \$30 million in the
2 current year, so at \$7 million, we've got a lot to do.

3
4 THE COMMISSIONER: Q. Can I ask you in terms of the
5 reaction by the council and the general manager and the
6 chief financial officer to the news that they got
7 \$39 million reduction from IPART in May 2019, do you think
8 the reaction was sufficient?

9 A. Look, they had put forward a proposal to reduce the
10 income by about 20. I was surprised, they were halfway
11 through the budgetary process and clearly they had budgeted
12 for the \$20 million they had proposed to IPART. When the
13 other \$20 million came through that they had to find more
14 money for, they didn't - I mean, it's - I haven't been
15 through, because I didn't get the first draft budget and
16 then the second draft budget, but there seemed to be no
17 commentary on the fact that suddenly we've got hit with
18 a loss of another reduction in income of \$20 million. It
19 is \$20 million which is going to the ratepayers; it is lost
20 to the council, but it shouldn't be forgotten that the
21 ratepayers all got the benefit of that additional
22 \$20 million.

23
24 Q. Those that had water services did.

25 A. Yes, yes, sorry. So I was surprised all the way
26 through that there wasn't much emphasis on what I think is
27 a dramatic reduction, which is, you know - well, I don't
28 know how many people it's equivalent to but more than 100,
29 150 people, employees, would have to be reduced to try to
30 make up that amount of loss.

31
32 Q. Now, you've referred in your submission to the
33 confusion of the second administrator on the external
34 restrictions. Are you talking about - well, you tell me,
35 what do you mean by "confusion"?

36 A. I don't think I used the word "confusion", did I?

37
38 Q. Mmm.

39 A. In my submission?

40
41 Q. Yes, in the written submission.

42 A. I'll have a look.

43
44 Q. It is on the second-last page under "B.
45 Restrictions".

46 A. What were the words - sorry, I can't --
47

1 Q. "The confusion of the second administrator on the
2 external restrictions of the cash held in the water and
3 sewer entity has made the cash situation difficult to
4 understand?"

5 A. Ah. What I mean is that we had this difference of
6 opinion between the administrator and the audit office on
7 whether the unrestricted funds in the sewer fund were
8 restricted in the consolidated accounts, and that argument
9 was not resolved.

10
11 The difficulty, why I called it, probably,
12 "confusion", is that the administrator was saying that in
13 the annual accounting package, but the restricted situation
14 report that came out monthly didn't represent that
15 position. So you had different positions being reported to
16 the community on what the restricted money was as per the
17 accounts and as per the monthly report, and that's the
18 confusion to which I was referring, is which of those two
19 sets of figures were to be followed or understood. I note
20 that in the latest thing on the July report that that now
21 is clearer.

22
23 Q. I don't have any further questions for you. Did you
24 want to say anything else, Mr Halstead?

25 A. No, no, not all.

26
27 Q. I will just check if Ms Annis-Brown has any questions
28 for you.

29 A. Thank you.

30
31 MS ANNIS-BROWN: Thank you, Commissioner, no questions.

32
33 THE COMMISSIONER: And, Mr Simone, any applications?

34
35 MR SIMONE: No application, thank you, Commissioner.

36
37 THE COMMISSIONER: Thank you, Mr Halstead. I'm sorry
38 about some of the technical difficulties we had.

39
40 THE WITNESS: All good.

41
42 THE COMMISSIONER: If you could now leave the meeting and
43 you're very welcome to listen to us on YouTube.

44
45 THE WITNESS: Thank you very much.

46
47 THE COMMISSIONER: Thank you. And I will just take

1 a short break before our next witness.

2

3 <THE WITNESS WITHDREW

4

5 SHORT ADJOURNMENT

6

7 THE COMMISSIONER: Thank you. We will resume the hearing
8 and I now call Mark Snell. Could you please come on camera
9 and off mute, Mr Snell.

10

11 MR SNELL: Thank you, Commissioner.

12

13 THE COMMISSIONER: I see the hat. You are very welcome to
14 wear the hat.

15

16 MR SNELL: Thank you.

17

18 THE COMMISSIONER: Could I just ask Ms Annis-Brown to
19 swear you in, please.

20

21 <MARK SNELL, affirmed: [2.17pm]

22

23 <EXAMINATION BY THE COMMISSIONER.

24

25 THE COMMISSIONER: Q. Could you just tell me a little
26 bit about yourself, Mr Snell, and why you have made
27 a submission to the inquiry?

28 A. Yes. I'm a resident of Umina on the Woy Woy
29 Peninsula. I guess that I've been editor of Peninsula News
30 in a voluntary capacity for the last 23 years, and I see
31 the need - I've previously been a councillor in the Shire
32 of Healesville in Victoria in the 1980s before it was
33 amalgamated, and I see, or I would like to put the
34 perspective of a local community to the inquiry.

35

36 I think my basic submission is that, you know,
37 ratepayers at one level are being blamed for not holding
38 their councillors accountable, who in turn have not held
39 the operation of the council accountable for the financial
40 performance.

41

42 I think that if we're to do that, to be held
43 responsible as residents and ratepayer, and if we are to
44 operate as a democracy, there are a couple of things that
45 I think that we need to do, and one is to engage more at
46 a community level and provide more community level
47 financial information. Secondly, we need to look at the

1 structures standards for regional governance.

2
3 Just by way of introduction, I guess that the word
4 "community" is used very widely and loosely to mean
5 a number of things. I guess that in the context of the
6 peninsula, the Woy Woy Peninsula, we have clear geographic
7 boundaries which help define us; we are identified as two
8 levels, two statistical areas by the bureau of statistics.

9
10 We have, I believe, quite a strong community identity,
11 people who live here commonly refer to themselves as from
12 the Peninsula, rather than from their particular suburb or
13 referring to themselves as from the region or the local
14 government area, and we have a number of sort of social
15 infrastructures, you know, clubs and groups and ways we
16 operate together as a community, that are Peninsula-wide.

17
18 Peninsula News is owned by a voluntary non-profit
19 community group, and as I say, the newspaper is now in its
20 23rd year, and among the aims of the group are to
21 strengthen the Peninsula community and encourage local
22 democratic processes and the residents' engagement with
23 those processes.

24
25 So it's sort of from that perspective that I come.
26 I think it is important to say that the Peninsula has
27 a population of roughly 40,000 people, and that is a larger
28 population than half the local government areas in
29 New South Wales. In addressing the idea of community level
30 financial information, those half of all LGAs do get that
31 level of financial reporting, and that would be one of the
32 things that I would be requesting.

33
34 Q. Can I just stop you there. Have you seen the level of
35 reporting that is now being undertaken by the council?

36 A. I guess that my - I have submitted a supplementary
37 document.

38
39 Q. Yes, I have that.

40 A. That cites the council agenda of 2 December 2020, and
41 this was when the council's budget was being revised.
42 There's a couple of things that I'd like to say about that.
43 One is that it doesn't actually give that breakdown to the
44 level of the Peninsula.

45
46 Q. I see what you mean. You want a Peninsula-wide
47 information?

1 A. That's right.

2
3 Q. I'm sorry, I didn't understand that.

4 A. Sorry, I should have made it clearer. The idea is
5 that if we're going to engage the community so that they do
6 hold the councillors more accountable, they need to have
7 something that they can relate to.

8
9 I believe that at 40,000 people, we're at the limit of
10 what I would call the community, you know? Healesville
11 Shire was 15,000 people. I have cited another document
12 from a councillor at Temora, where the size of the shire is
13 7,000 people. In both of those cases there is a clear
14 sense of community and there is that ability to see the
15 figures at that level and therefore relate them to the
16 operation of the swimming pool or the tip, or whatever it
17 happens to be, and say, "Okay, well, what sorts of policies
18 do we want to have in relation to the facilities that we
19 have in our community?"

20
21 I think that, you know, things like the Peninsula
22 Leisure Centre, at one stage we were told that the aim
23 would be to have 85 per cent recoverable costs, and that,
24 as far as I can find - well, put it this way, without
25 having it reported as a Woy Woy Peninsula cost centre with
26 all its component parts, it's very hard to be able to track
27 through all the council documents to see whether that has
28 occurred or not. Those sorts of decisions, which, you
29 know, I would say are policy decisions rather than
30 operational decisions - I mean, you know, to what level are
31 we providing a swimming pool as a service to our residents?
32 To what extent are we providing it as a commercial
33 operation? If it's as a commercial operation that's
34 serving more than just our own residents, at what point do
35 we say, "Well, is this really the role of the council to be
36 continuing to operate or should that be something that, you
37 know, is sold and given to private operators?"

38
39 So it's that sort of level of detail that I believe we
40 need to be able to, as a community, inform our councillors
41 about what it is we would like to see the finance policies
42 to be.

43
44 Yes. So I'm not sure that - I hope I have explained
45 that.

46
47 Q. No, you did. I was misunderstanding - I was thinking

1 you were talking about the financial disclosures generally
2 and you were talking about a more specific and purposeful
3 disclosure of information.

4 A. Yes. And so, you know, the two main things I want to
5 make clear are that I think the idea of having this
6 detailed community level financial information is to make
7 it more relevant and understandable to our residents so
8 they engage in that process. It's in the interests of the
9 council and our local community and the region as a whole
10 to have this level of residents engagement. If you spread
11 it too far and wide, well, it becomes too abstract, people
12 don't have something to relate to.

13
14 You know, part of it is the idea that our councillors
15 should be receiving feedback from the community, and the
16 community should have information in front of it that aids
17 policy decisions rather than, you know, for example, pet
18 projects or things that are in a sense purely doctrinaire,
19 without having any specific details about them.

20
21 I think that the other thing that is important is that
22 if we are going to have councillors who are educated and
23 prepared to take a responsible role as a councillor, that
24 education needs to start well in advance of them nominating
25 for the council and going through, you know, various
26 orientation courses to try to bring them up to speed on how
27 the council works. We need that information out in the
28 public domain well ahead of that, people being able to see
29 what the policy issues are and knowing the framework within
30 which they are working before they even come to nominate.

31
32 I think that in terms of democratic processes, if we
33 are the people who are in a sense the governance of
34 ourselves through the council, then we need to be able to
35 know what the parameters are to shape our own future.

36
37 One of the things that used to be said, I'm sure back
38 in Healesville Shire - and it was a throwback from times
39 before that - was that the council often used to be
40 referred to as "The ratepayers of the Shire of Healesville
41 in council assembled".

42
43 Q. That's quaint.

44 A. Well, it is, but I think it also captures the sense of
45 democracy and democratic purpose and the perspective that
46 I think we all need to retain when we are approaching
47 councils as a level of government. Without this community

1 level information, it makes it very hard for people to
2 consider themselves in that role and to have the detail
3 necessary to be able to do so.
4

5 Q. A couple of documents that you sent today are very
6 lengthy. Can you direct me to somewhere specific? You
7 don't have to do it on camera, but if there are particular
8 points of those documents that you want me to look at,
9 I would appreciate if you could email the inquiry.

10 A. I will do that. Yes, no, thank you, Commissioner.
11 Thank you for that invitation.
12

13 I will just point out, in terms of the council agenda,
14 there's a point that I want to make. It's not only the
15 content that's not there, it's the form that the agenda
16 takes. So there are three major things in that agenda that
17 are all in a graphic format, they are not in a text format.
18 That means they are not searchable. It means that
19 councillors only have a few days and they have to read
20 through it all, they can't just search for particular key
21 words or issues that they are looking for.
22

23 The administrator's report was just a graphic capture;
24 the operational plan, which is the one that was to be
25 adopted by that council meeting, was in that graphic form.
26 It wasn't - in a sense, you don't know what changes are in
27 it unless you have some electronic ability, I would argue,
28 to be able to make comparisons, and it's not searchable,
29 it's not sortable. So, you know, you need that both in the
30 community, so that the community can inform itself and
31 bring these things to the attention of councillors, but you
32 also need it for the councillors.
33

34 So that is a particular aspect of that document that
35 I --
36

37 Q. You are not the only one who suffers there, believe
38 me. I have found it quite difficult. It looks very
39 pretty, but it's not particularly useful if you are looking
40 for specific information.

41 A. Yes. That again is one of my submissions, that too
42 much money is spent on presentation and appearance and not
43 enough on substance and real thought, in my view, about how
44 the information can be useful to us, the residents and
45 ratepayers.
46

47 Q. Even if there were two versions of the document

1 available - the pretty and the one, the nuts and bolts?
2 A. Exactly, yes. And so a second item that I have
3 mentioned is the Peninsula News front page of December 14,
4 which is the report that was drawn for the Peninsula
5 community in Peninsula News, that extracted all of the
6 Peninsula references. I think - I mean, you know, that's
7 instructive in that when you look at it, there ultimately
8 is only a small portion of the information, and it's only
9 related to capital expenditure, not operational. It really
10 doesn't give a picture from a community perspective, you
11 know? That's really what Peninsula News attempts to do.
12 We look at whatever is going on through the eyes of our
13 local community.

14
15 Often we're faced with this challenge that so much -
16 we're considered to be part of a region and an amorphous
17 region, not our own community with our own particular needs
18 and interests and characteristics. So that, just to give
19 you an example, trying to find the details of vaccination
20 rates and the cases of the coronavirus on the Peninsula is
21 something that we want to report to show what the trends
22 are here on the Peninsula. And at present, you know, we've
23 got a real spike in coronavirus cases that isn't reflected
24 in the general figures, because it looks like the Central
25 Coast will numbers are coming down.

26
27 We had eight cases alone in the 2256 postcode area
28 just a couple of days ago, when I think the total number of
29 cases on the coast was 14. So to say that, well, you know,
30 14 across 300,000 people, that's not much; but if you do
31 the eight out of 40,000, that is a lot greater proportion.
32 It's that sort of issue.

33
34 Q. In terms of the council information, this would have
35 been a problem back prior to the amalgamation?

36 A. Yes. Well, it is, but I think that it's been
37 increasingly going in the direction that amalgamation means
38 uniformity and that one size fits all. Just a simple
39 example: in the Gosford council meetings there was always
40 the Gosford local traffic committee report. That included
41 all of the attention given by that traffic committee to
42 issues of traffic on the Peninsula as well as elsewhere in
43 the Gosford electorate.

44
45 Now, since the amalgamation, that has just
46 disappeared. Again, I would say that was a very useful way
47 to help engage our local residents in the democratic

1 process. They could see that if an issue had been raised,
2 or one that they had raised themselves, they could see that
3 it was addressed through the processes and ultimately came
4 to the council as a recommendation and a decision was made,
5 and the process was clear and transparent and there for
6 them to see.

7
8 That's just one example, but I think across the board
9 there's been - you know, once upon a time you could do
10 a search on the Gosford council agenda and you would get
11 references to Umina, Ettalong, Woy Woy, Booker Bay and
12 Pearl Beach, et cetera. These days if you can do a search
13 and bring up one instance of all of those, you're really
14 lucky, you know? So I think that it is a trend away from
15 having this local level information.

16
17 Q. Have you made any submission or request of the council
18 that they provide information in this format?

19 A. Not specifically, no. I mean --

20
21 Q. So you don't know what their - I am just wondering
22 whether there is a cost associated with that?

23 A. I'm sure there is, but I think also that it's one of
24 these things, I mean, the argument is really that by
25 amalgamating we're getting more services for less cost, and
26 I think that that may or may not be potentially the case,
27 but I think that we need to say, well, we shouldn't be
28 losing services that we've previously had and that in
29 theory, at least, if you have, you know, good enough IT
30 systems, then providing things in one form rather than
31 another, providing you have your chart of accounts set up
32 right, shouldn't be really - you know, once you've got it
33 there it's no extra cost. It is really more about what our
34 model of regional governance is and, you know, my
35 submission is that I don't believe the corporate model is
36 the appropriate model to be using, or analogy.

37
38 But even if you take that, the corporate model often
39 is one where, you know, the biggest corporations break down
40 their operations into separate cost centres, and that that
41 then can become useful, even within that corporation, to
42 compare one cost centre operation with another, and I would
43 argue that, look, the Woy Woy Peninsula is an ideal cost
44 centre in that respect. It can be compared with the region
45 as a whole, it can be compared with other areas of the
46 region, and because it is a median size in terms of local
47 government populations, it is a good way to benchmark our

1 performance as a region and as a community against other
2 local government areas.

3
4 Q. I understand. Are you, do you think, an opponent of
5 mergers or do you just want better information about what
6 is going on?

7 A. Look, I'm not an opponent of mergers but I'd have to
8 say that I have seen - look, there's no magic answer for
9 anything. That's the first thing to say. Actually, I was
10 reading - I can't remember what it was, but it was, you
11 know, the Chief Justice, Owen Dixon at the time, saying no
12 system is perfect. He's absolutely right. We can't expect
13 anything to be perfect. But, you know, you can have good
14 regional government or you can have bad; you can have good
15 small local government or you can have bad, in whatever way
16 you want to evaluate it. My bottom line and my focus is,
17 well, how much are we able as a community, under whatever
18 is happening, to control our own destiny as a local
19 democracy. That's really my - that's where I'm coming
20 from.

21
22 How you do it, again, this is where I've addressed
23 this idea of separation of powers. How it's done, well,
24 that is essentially up to the administration in a sense to
25 work that out, but what I'm suggesting is that in
26 fundamental terms, we need the information at the local
27 level, relevant to us, to be able to exercise that
28 function.

29
30 Q. Can I just ask you, as somebody who has considerable
31 contacts within the community, what's your perception of
32 the community attitude to the suspended councillors
33 returning?

34 A. I think there's a lot of hesitancy. I think there's a
35 lot of - I mean, you know, one of the things about
36 councillors is that everybody is willing to say how bad
37 they are, and what I have tried - you know, in my
38 supplementary submission I have tried to suggest a solution
39 rather than saying what is wrong. So I think that there's
40 a lot of people who feel in a sense that the councillors
41 haven't been active enough and independent enough of the
42 staff, and some people would say, "Look, we just need to
43 chuck them out and get a lot of new faces."

44
45 I suppose I believe in the democratic process but
46 I believe in having the supporting elements of it that
47 enable us to not just vote for a good bloke but to know

1 what the policies are that he is wanting to see implemented
2 and how they align with the policies that we believe need
3 to be implemented. I just don't think that happens at
4 present, and partially because of the nature of the
5 structure of councils generally in New South Wales and the
6 framework that is there, together with the framework of
7 amalgamation and together with the rhetoric of corporate
8 entities, rather than democratic public administration
9 entities.

10
11 One of the things about a corporation is that it's an
12 entirely voluntary and discretionary association, you know?
13 If you don't like it, you can get out. Well, if we're on
14 the Central Coast and we don't like the Central Coast
15 council corporation, we can't get out. So I believe that
16 the corporate model really is not appropriate; it doesn't
17 take account for the fact that, in any democracy, in any
18 society, community, whatever, we have differing opinions,
19 and one of the corporate - I think it is drawn from the
20 corporate model is this idea, well, we all have to act
21 cooperatively to the same ends.

22
23 Now, I just don't think that's workable, you know?
24 What we need is a structure that acknowledges and accepts
25 the fact that we can have very different opinions.

26
27 This sort of leads to my second point which is that
28 I think that we need to be able to look at ways that we can
29 have a better structure for regional governance, and what
30 I would suggest, and I have not heard it really seriously
31 considered, is the idea that, you know, a Westminster model
32 of government for the region.

33
34 The numbers of people we have here in the region are
35 not far off what the Northern Territory has or the ACT.
36 A Westminster model can recognise the fact that we have -
37 you know, what is essentially a party-based political
38 system; it can ensure continuity and consistency in a term
39 of office by electing a government and that, you know, you
40 would expect that government to have a broad policy
41 platform that it implements, and that you appoint ministers
42 so that individual councillors become the minister for
43 water or for roads or whatever, and that those people then
44 become the people who are individually personally
45 accountable.

46
47 As soon as you - I mean, the collegiate model and

1 the cooperative model can work in a small council, because
2 party politics really becomes a whole lot less relevant.
3 But I don't believe it's scalable. I don't believe
4 that that same model that works well at a small level
5 can actually be really workable at the larger level,
6 and particularly in our case where, you know, we've been
7 trying - we're trying to make a transition from one
8 familiar level of operation to an entirely different one.

9
10 Also, I think the other issue that I have raised is
11 this separation of powers. I think that with the
12 Westminster model it means that the council staff become
13 public servants and the directors become heads of
14 department in that public service model. The definition
15 and the understanding of those roles in terms of
16 separations of power are much more understood generally
17 when you're looking at that scale of government. You know,
18 I think that in the absence of anything else that actually
19 clarifies roles and makes clear what respective roles are
20 and who is to do what, that's what occurs to me as being
21 a very workable possibility.

22
23 Q. It might be beyond the scope of my recommendations,
24 but I understand your point. Mr Snell, I don't have any
25 more questions for you. Can I just check whether
26 Ms Annis-Brown does, please.

27
28 MS ANNIS-BROWN: No questions, thank you, Commissioner.

29
30 THE COMMISSIONER: Mr Simone, any application?

31
32 MR SIMONE: No application, thank you, Commissioner.

33
34 THE COMMISSIONER: Thank you.

35
36 Q. Mr Snell, do you feel that you have said everything
37 that you wanted to say to the Commission?

38 A. Look, there's a couple of other things, if you have
39 time, if that's okay.

40
41 Q. Sure.

42 A. One of the things I think has also slipped in council
43 at the broader governance level is the ethical standards.
44 I think that the department of local government had an
45 extremely good model code of conduct in 2008 and that those
46 standards have slipped generally, but also in particular,
47 if you compare that code to the council's code, there

1 aren't as many ethical obligations. I think that the other
2 thing about that particular model code is that it was - it
3 came with explanatory notes that were really very clear and
4 very helpful, and that, you know, I think it would be good
5 to reintroduce those.

6
7 I think that there has been a lot of concentration
8 generally across - in commissions of inquiry into councils
9 on the role of councillors, but not a lot into the role of
10 staff.

11
12 I have submitted a master's dissertation by a Temora
13 councillor about the role of the councillor, which focuses
14 again on the role of the councillor, but he makes a number
15 of side comments about the fact that, you know, there
16 isn't - that is an area that is missing. He raises a whole
17 range of issues about how we train councillors to take
18 their role.

19
20 One of the points I think he makes is that we really
21 don't have that clear definition that enables staff and
22 councillors to know exactly where each other stands. I'm
23 reminded of the - I don't know, the TVs series ages ago
24 "Yes Minister", where, you know, Sir Humphrey Appleby would
25 always say, "Oh, that's a very brave decision, minister."
26 Now, that's funny, because it does actually acknowledge the
27 fact that public servants aren't meant to be making
28 decisions and are there in an advisory capacity, even
29 though the whole show is about how that thing gets
30 manipulated. But the point is that we don't even have that
31 pretence clear within the Central Coast Council. I think
32 that these things interfere with financial management.
33 That's really what my point is.

34
35 I think the other thing that I would like to raise is
36 the relationship of the council and senior management of
37 the council to the media, which is one of the main avenues
38 for getting information out to the residents and
39 ratepayers, to the public, really isn't the best. I have
40 cited two examples where the senior manager, the general
41 manager of council - well, there have been statements
42 issued without attribution and where I have taken the view
43 that if the council has issued a statement and it's not by
44 the mayor, that in fact it's the general manager who is
45 responsible and accountable for that statement, in the
46 absence of anybody else being named, and I was taken to
47 task for that. But I believe that that is a situation

1 which, you know, the role of the general manager is to be
2 accountable for these things and to take responsibility for
3 what is issued, and to try and manipulate public opinion by
4 having unattributed statements really isn't a good enough
5 standard of accounts. So that's, I guess, another point.
6

7 Look, I guess the third point is really just I have
8 forwarded a couple of letters that were published in
9 Peninsula News, and one is the fact that somebody is sort
10 of saying it's a pretty sorry state we've got to when we
11 find ourselves as residents and ratepayers in a position
12 where we're having to fight the council all the time.
13 I think that there is that sense, on the one hand, that you
14 know, both councillors and staff are there to work for us,
15 and there is no sense across the community that, broadly
16 speaking, that's what's happening.
17

18 In fact, the other letter is more or less about, you
19 know, well, they asked for our opinion in terms of public
20 submissions on all sorts of issues, and then rather than
21 really taking that on board and engaging with the community
22 and having meaningful discussions within the community, for
23 example, calling meetings to try and get the community
24 together to come to a community position, instead they take
25 individual submissions and then they go through them and
26 say "No, no, no, no, no, no, no." So you get these
27 planning documents where you have, say, 300,000 people, and
28 30 people put in a submission for things that are going to
29 affect the very nature of their life on the coast. I just
30 think that level of engagement is poor, and particularly
31 when it is compared to the previous Gosford council, where
32 when the last planning exercise was done for the Peninsula,
33 Peninsula Urban Direction Study, there were meetings
34 convened and we had hundreds of people from the Peninsula
35 help contribute to the character statements and other
36 aspects of the new planning provisions that at that time
37 were being introduced. So I think that - you know, I think
38 that we need to find ways to find better engagement of the
39 council with the community and vice versa.
40

41 Yes, I think that's essentially all. You have already
42 touched on the fact that many of the strategies and
43 policies and plans are lovely in presentation but are not
44 solid. That is a really important thing. I mean, I think
45 that particularly in terms of the financial implications,
46 we need to know exactly what they mean. I have just picked
47 out one of the current ones, the draft tennis facility

1 action plan, where they used two phrases, "economic
2 sustainability", and "activation", but there is nowhere in
3 that document that tells you what is meant by that, you
4 know? That's no good for the residents, but also, really,
5 it's no good for the staff who are expected to administer
6 it. There is actually no direction in real terms given,
7 there's no performance measures, there is no real rationale
8 that says, "What principles are we applying in which case",
9 for example.

10
11 That's all I really need to say. Thank you very much,
12 Commissioner, for the opportunity. I will take you up on
13 perhaps giving some more direct reference to the issues in
14 terms of citing particular aspects of the documents.

15
16 Q. That would be really useful. Thank you, Mr Snell.

17 A. Thank you.

18
19 THE COMMISSIONER: If you could leave the meeting now,
20 I think we have one more witness - two more witnesses.

21
22 <THE WITNESS WITHDREW

23
24 THE COMMISSIONER: Mr Williamson, I presume?

25
26 MR WILLIAMSON: Yes, Commissioner.

27
28 THE COMMISSIONER: Thank you. We will resume the hearing.
29 Could I Ms Annis-Brown to swear you in as a witness,
30 please.

31
32 <DOUGLAS WILLIAMSON, affirmed: [2.52pm]

33
34 <EXAMINATION BY THE COMMISSIONER:

35
36 THE COMMISSIONER: Q. Now, Mr Williamson, I understand
37 that you have recently sent some speaking notes to the
38 inquiry email address. Unfortunately, I haven't had an
39 opportunity to read them.

40 A. That's okay.

41
42 Q. But please go ahead. First of all, just tell me your
43 background?

44 A. Well, I am speaking on behalf of the Central Coast
45 Greens. We have over 150 members. I have been a resident
46 here on the Central Coast for about eight, nine years now.
47 I'm a former school teacher and recently completed

1 a masters of environment at Macquarie University.

2
3 Q. Thank you. You may speak to your notes.

4 A. Thank you. Thank you. Firstly, as a resident on the
5 Central Coast, I would like to acknowledge that we speak on
6 indigenous land. This is the land of the Wannungine, the
7 Awabakal and the Darkinjung people, and I would acknowledge
8 my respect for their elders, past, present and future.
9 This land was never ceded and is still rightfully theirs.

10
11 Going on from that, my comments, as I've put in the
12 notes to you - previous statements I've found by both the
13 Central Coast Council referendum website and
14 Administrator Persson that the council is - the
15 councillors, rather, were board members, and ratepayers are
16 mere shareholders, is quite an absurd convention. It is
17 understood that a local government needs to run
18 efficiently, managing its costs and its risks and its
19 sources of revenue, but it's not a business any more than
20 BHP is local government. Any doubt on that matter would be
21 the whole restricted funds debacle which wouldn't have
22 occurred in a true business. That's one of our main
23 contentions.

24
25 The other thing we wished to point out was that
26 councillors are actually volunteers, and highly overloaded
27 ones at that. They have a job oversight of a huge and
28 complex Central Coast local government area which currently
29 has a human population of almost 355,000 people. That
30 compares with the territory of the ACT which had 431,000
31 people last year, and that has government status and
32 attendant funding within the Australian governance
33 hierarchy. Similarly, England had 67.1 million people.

34
35 On the operation and the overall size of the council
36 and our contention that it should be deamalgamated, we need
37 more rather than less councillors to run this local
38 government area, which is 71 per cent of the size of the
39 ACT or 1.3 per cent of the size of England. It has
40 a population that is predicted to grow by almost
41 17 per cent to 2036. That will be a total number of
42 414,600 people.

43
44 Similarly, the gross regional product of Central Coast
45 Council is 15.5 million, or was at the end of the last
46 financial year. That's 38 per cent of the gross domestic
47 product of the ACT and it compares to England, again, which

1 at 2021 was 3.51 trillion Australian dollars.

2
3 One of the things that came up to us in the current
4 operation of the council is that it has been noted under
5 the first tranche of operational asset sales, despite
6 public assurances by the previous Administrator Persson
7 that no environmental land would be sold, at least four
8 blocks on 238 hectares of environmentally zoned land in
9 Doyalson, possibly purchased under clause 14 of the Wyong
10 local environment plan, were recently and possibly
11 illegally sold at a significantly knocked down price, which
12 was again contrary to statements by previous
13 Administrator Persson. This was despite vigorous
14 opposition from community representatives. We would like
15 to know how this situation is demonstrating, as claimed in
16 the Central Coast Council's mission statements, any form of
17 environmental sustainability, integrity of governance,
18 accountability in protecting and building on our
19 environment or transparency of process or prudent financial
20 management.

21
22 Now, any future sales of environmental land we believe
23 should be banned with immediate effect, and again restating
24 that the Central Coast Council must be deamalgamated
25 immediately and local government elections held in the
26 former Wyong and Gosford local government areas under the
27 old election structure as soon as COVID restrictions allow.

28
29 Finally, this inquiry is looking at finding out what
30 happened to lead us to the current situation we find
31 ourselves in. We believe that blame is not being laid
32 where it is actually due.

33
34 Now, agreeing with the previous speaker Mr Brian
35 Halstead, who I have never met before in my life, it was
36 known prior to the institution of the amalgamation program
37 by the New South Wales Government that the diseconomies of
38 scale and alleged efficiencies that were expected were not
39 likely to occur. That is corroborated by Associate
40 Professor Joseph Drew. He pointed out that the New South
41 Wales Government failed to recognise that staff expenses
42 were going to actually go up, and they have gone up by over
43 15 per cent, rather than decrease and provide any sort of
44 budgetary saving.

45
46 The New South Wales Government further failed to
47 provide any sort of guidance or modelling to staff and to

1 the newly elected councillors on how to run a major centre.

2
3 The other problem we see in how the previous council
4 was operating was how and why did the state appointed
5 auditors not report the use of restricted funds from the
6 Central Coast Council accounts? Who is responsible for the
7 following accumulated debts? Why has the current
8 administrator, as pointed out by Mr Snell, I believe,
9 recently - sorry, I am mistaken there, I think that was
10 Mr Halstead said this, that the current administrator has
11 granted himself the rights to use the very same restricted
12 funds that the previous councillors are being vilified for
13 using.

14
15 As stated in our written submission, the Central Coast
16 Greens strongly recommend this inquiry broaden its terms of
17 reference to include the previous period of administration
18 under Ian Reynolds, Rob Noble, Brian Bell and Paul Anderson
19 prior to 2 February 2018, as many of the problems which
20 were encountered by the last elected council were put in
21 train by these administrators, CEOs and general managers,
22 particularly that of the IT system alignment. The
23 broadening of terms of reference is enabled through the
24 third clause of the current terms of reference under "Any
25 other matter".

26
27 That said, I have provided in my speaking notes a list
28 of references to a number of the points that I have raised
29 today and I would be happy to answer any questions from
30 you, Commissioner McCulloch, or indeed from any of the
31 other commissioners.

32
33 Q. Thank you very much, Mr Williamson. I haven't had an
34 opportunity to look at the references that you have
35 provided, but, similar to the last speaker, could you
36 ensure that they are specific rather than to a whole
37 document? If you have a reference, can you make it to the
38 particular part of the document that you are referring to?
39 A. Yes.

40
41 Q. If that hasn't been done already, you are very welcome
42 to update it with a further email.

43 A. Thank you.

44
45 THE COMMISSIONER: I don't have any questions for you.
46 I will just check with Ms Annis-Brown.

1 MS ANNIS-BROWN: Thank you, Commissioner. I have no
2 questions.
3
4 THE COMMISSIONER: Thank you. And Mr Simone, any
5 application?
6
7 MR SIMONE: Thank you, Commissioner. No application.
8
9 THE COMMISSIONER: Thank you. Thank you, Mr Williamson,
10 unfortunately, there are no other commissioners who can ask
11 you questions, but could you please leave the meeting now.
12 We have another witness at 3.30pm, Ms Louie, so we will
13 adjourn until then. Thank you.
14
15 <THE WITNESS WITHDREW
16
17 SHORT ADJOURNMENT
18
19 THE COMMISSIONER: Thank you, we will now resume the
20 hearing. I see Ms Louie has joined the meeting. Ms Louie,
21 could you come on camera and off mute, please.
22
23 MS LOUIE: Good afternoon, Commissioner.
24
25 THE COMMISSIONER: Thank you. I will just have
26 Ms Annis-Brown swear you in as a witness.
27
28 <VIVIANNE LOUIE, affirmed: [3.30pm]
29
30 <EXAMINATION BY THE COMMISSIONER:
31
32 THE COMMISSIONER: Q. Thanks, Ms Louie. Could you let
33 me know your professional background and your
34 qualifications, please?
35 A. I have over 27 years of experience within finance.
36 I have worked in lots of different organisations and
37 different backgrounds, from public practice, helping the
38 general public with their finance and audit, as well as
39 working in large global pharmaceuticals, not for profit.
40 During my time studying I have done my professional year to
41 be a chartered accountant. I completed those exams in
42 2000, 2001.
43
44 Q. You formerly worked at Wyong Shire Council?
45 A. That's right. That's right. I commenced working in
46 Wyong Shire Council in January 2012 as the financial
47 controller of systems. During my time at the former Wyong

1 Shire Council I also acted in the CFO position on numerous
2 occasions when the CFO was either on leave or was seconded
3 on to other projects within the organisation.
4

5 Upon the amalgamation of the councils, the former
6 councils to become the Central Coast Council, at that time
7 I was the acting CFO at the former Wyong Shire Council
8 because the CFO at the time was actually working on the
9 transition program with the former Gosford council at the
10 time.
11

12 Q. And that was Mr Naven?

13 A. That's right.
14

15 Q. He may have told me, when did Mr Naven start with
16 Wyong?

17 A. My recollection is also in 2012, he commenced after
18 myself and the other controller started.
19

20 Q. I understand that Wyong was going through a bit of
21 a catch-up financially in that period too?

22 A. In the former Wyong Shire Council, yes. There was
23 a special rate variation that was applied for and that was
24 granted by IPART, and that was to address the asset backlog
25 of works that was there at the time.
26

27 Q. So you were familiar with Mr Naven when you moved over
28 to Central Coast Council?

29 A. Yes.
30

31 Q. In about May 2017 the Gosford accounts were published
32 and in the previous December the Wyong accounts were
33 published, and we have heard evidence about the change in
34 accounting procedure.

35 A. Mmm-hmm.
36

37 Q. Were you aware of that change in accounting procedure?

38 A. Yes, I was aware.
39

40 Q. Mr Naven said that it didn't really make any
41 difference to the day-to-day operations because you
42 continued to monitor cash on a fund by fund basis; is that
43 right?

44 A. Yes, that's correct.
45

46 Q. So when you came over to Central Coast Council, what
47 did you say your role was?

1 A. So at Central Coast Council, at that time everyone was
2 in the positions that they were at amalgamation, obviously
3 because the structure for Central Coast Council needed to
4 be determined, and going through the recruitment processes
5 to appoint. So at that time I was the acting CFO in the
6 former Wyong Shire Council. After the executive
7 appointments, when the structure was put in place and the
8 CFO was appointed for Central Coast Council, then the
9 organisational structure for the finance team and the
10 recruitment of people into the finance team structure
11 commenced.

12
13 During that process I was appointed to the unit
14 manager of finance, so at that time there was one unit
15 manager of finance position. There were discussions
16 between myself and Mr Naven about the responsibilities of
17 that role. I had flagged that there was quite a broad
18 level of responsibility and in an organisation of our size
19 at the time of the amalgamation, I felt that it would be
20 perhaps better split between two unit managers, which
21 eventually that did occur. We actually had two separate
22 unit managers, but that occurred in, I think, the beginning
23 of 2018.

24
25 Q. So you became the unit manager financial performance?

26 A. When the role - when the unit manager of finance role
27 was split, yes, that's correct.

28
29 Q. And the other role was the unit manager financial
30 services?

31 A. That's correct.

32
33 Q. And who was that initially?

34 A. The unit manager of financial services, Mr Oldfield
35 was appointed into that role.

36
37 Q. So he continued in that role until he left?

38 A. Yes, when it was created in the Central Coast Council
39 structure, yes.

40
41 Q. So in your role, were you involved in the budget
42 formulation?

43 A. Yes, working with the business and the executive, yes,
44 to form the budget.

45
46 Q. Would you describe the budget formulation process as
47 a bottom-up type of process?

1 A. Yes, that's how I would describe it.

2

3 Q. So, as I understand it, that would be where each
4 directorate would basically give the wish list, and then
5 that could be trimmed down to meet a budget that could be
6 sustainable?

7 A. Yes. So parameters were provided, obviously, you
8 know, we don't want to have a deficit and we want to make
9 sure that, you know, we are financially sustainable. You
10 know, at times there were additional things added to the
11 budget based on legislative requirements or different
12 things like that.

13

14 Q. So it started from your point of view from a position
15 of neutral or a surplus budget?

16 A. That's what we, you know, obviously tried to do. That
17 didn't happen, as you can see, in all areas for each year.
18 So that's definitely the position we started from. Each
19 year, that then sort of changed.

20

21 Q. So the councillors have given evidence that they
22 didn't really have much input into the fact of whether
23 a budget was a deficit or a surplus budget. Would that be
24 correct?

25 A. The budgets were developed and presented to the
26 councillors at a councillor weekend workshop where
27 questions in relation to what was included and what would
28 be delivered under the budgets, whether they be operational
29 or capital, were discussed. And if there were any
30 questions about items that perhaps were not covered in the
31 budget, that they would like to see covered, there were
32 separate briefings post the councillor weekend workshops to
33 provide the councillors with updated information. That
34 also included additional projects that the councillors
35 wanted to be considered in the actual budget.

36

37 Q. So they have given evidence, most of them, that you
38 could swap a project in or out, but you couldn't really
39 make any - you didn't really have the ability to make
40 a change to the bottom line of the budget. Would that be
41 a fair assessment?

42 A. I think you will note that on some occasions when the
43 budgets were actually adopted, councillors did actually add
44 some items in. So I'm not sure that that's a hundred per
45 cent fair but, as I said, you know, budgets were developed
46 to deliver what was outlined in the community strategic
47 plan and questions were asked about, you know, did it

1 actually cover these types of services, and the relevant
2 executive would confirm if that service was included for
3 delivery within their budgets.

4
5 Q. So the budget might have gone up or gone into further
6 deficit, but it wouldn't have changed to surplus or reduced
7 the deficit following the councillor input?

8 A. No.

9
10 Q. In some of the budgets there were items described as
11 targeted savings within each directorate. Were those
12 savings known or described at the budget time? How did
13 they work?

14 A. We were obviously looking to make sure that we could
15 reduce our expenditure and sometimes at that time there
16 wasn't a clear particular service that may have been
17 reduced, so there was a request from the CEO to put in that
18 targeted saving. You know, there were discussions also
19 that putting a savings target in won't actually achieve
20 that without changes to services.

21
22 Q. Were those targeted savings realised in the actual
23 figures?

24 A. In some areas, you know, they definitely made headway
25 into achieving their savings targets, and in other areas,
26 not as much.

27
28 Q. When Mr Bell was the general manager, September '17
29 to February '18, I believe at that stage Mr Naven had left?

30 A. Yes, that's my recollection.

31
32 Q. And you were in the acting CFO role?

33 A. That's right.

34
35 Q. Mr Bell said that you didn't at that stage want to
36 have the permanent role as CFO; is that right?

37 A. That's correct, at that time, yes.

38
39 Q. Correct me if I'm wrong - you were the acting CFO
40 from October 2017 until May 2019?

41 A. No. So I was the acting CFO when Mr Naven left, which
42 was in August 2017. During the recruitment process for the
43 CFO position, that took a long period of time. My
44 understanding is that you can only act in positions for
45 12 months, so during the recruitment process of the CFO,
46 which extended beyond the 12 months, I was then no longer
47 the acting CFO but I had additional duties added to my unit

1 manager position to cover off some of the responsible
2 accounting officer role.

3
4 Q. So were you the responsible accounting officer for
5 that entire period?

6 A. Yes. There was a different change in my reporting
7 line, so in that period I reported to the acting director
8 of governance, which meant that I wasn't reporting directly
9 to the CEO and wasn't attending all of the executive
10 meetings and was getting my updated information on what was
11 happening from the acting director of governance.

12
13 Q. Why did it take so long to recruit the CFO role?

14 A. I'm not sure. That's probably a question for
15 Mr Murphy. I know that initially there obviously were
16 changes in the CEO a number of times and, you know, that in
17 itself, I suppose, delayed the kicking off of the process.
18 But the CEO at the time, Mr Glendenning, did kick off the
19 process to make sure that when Mr Murphy started, he would
20 have a pool of candidates to be able to commence the
21 engagement, the recruitment of a CFO. My understanding is
22 that Mr Glendenning did that to ensure that Mr Murphy would
23 be able to select someone that he could work with because
24 it was a key role.

25
26 Q. At that stage were you interested in the job?

27 A. I did actually apply and I wasn't successful.

28
29 Q. Did Mr Murphy undertake any further advertising for
30 the position?

31 A. Yes. I'm not sure how many times the position was
32 recruited. I know that it was a minimum of two times that
33 it was advertised, but I'm not sure if it was more than
34 that. I couldn't confirm that for you.

35
36 Q. Did you apply both times?

37 A. No. I only applied the first time.

38
39 Q. Was that before Mr Murphy had joined the council or
40 during his tenure?

41 A. That was before, so applications closed before
42 Mr Murphy started at council.

43
44 Q. But no decision was made at that point?

45 A. No. It was just to make sure that a pool of
46 applicants was available for Mr Murphy to commence his
47 review.

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Q. So when he started, he would have the opportunity to review those candidates and select somebody, but he didn't do that, he went back to the market, did he?

A. My understanding is that the candidates from the first round of recruitment - they didn't pick a successful candidate from that, so that's why they went out a second time to recruit.

Q. Were you disappointed that you weren't given the job?

A. Yes.

Q. Given that you had been doing it for so long. Did that affect your relationship with Mr Murphy or any of the other directors?

A. No. I like to believe that I'm always professional, you know, with my interactions, and I also advised Mr Murphy that obviously if there is anything that he needs, that's my role, to support him, so if there was anything that he needed to let me know and offered to obviously meet up with him, you know, as he requires also.

Q. I omitted to ask you some questions about compliance with the budget. How was that monitored?

A. We have a reporting system that has been in place that actually reports what the budgets are, what the actuals are, and we can go and see that for, you know, this month, year to date; we can see the budget changes that have happened during quarterly budget reviews as well.

Q. And is that across directorates or is it - I mean, within individual directorates or just across the council?

A. The detail in there, you know, is by individual directorates, units. It goes down to cost centres, depending on, obviously, how far people want to drill down.

Q. So you could get that on a monthly or even at a time - at a point in time or monthly or quarterly, could you?

A. That's right. So it's available, you know, managers are able to go into it every day and it will be updated with the prior year, the prior day's information.

Q. That was part of your role to monitor compliance with the budget?

A. Mmm-hmm, that's correct.

Q. Did you get any pushback when people weren't complying

1 with their budgets?

2 A. Yes and, you know, with target savings people refer to
3 them as a finance budget, you know, and that's - sometimes
4 we're just unfortunately the bearers of bad news.
5

6 Q. So the option would have been to actually reduce the
7 budget for each directorate and take projects out of the
8 budget rather than introduce an optimistic targeted
9 savings; would that be right?

10 A. The discussions that were had were that we needed to
11 obviously look at services and really service levels or
12 services that couldn't be afforded, and that was a piece of
13 work that was agreed to be done post, which didn't
14 eventuate.
15

16 Q. Now, there were also monthly investment reports, and
17 I understand they weren't something that you prepared.

18 A. No, that's right. That's part of the financial
19 services.
20

21 Q. During your tenure as the responsible accounting
22 officer, were you satisfied that there was no use of
23 restricted funds by the council?

24 A. As far as I was aware, the only thing that obviously
25 came to light, and that was post my responsible accounting
26 officer acting duties, was the developer contributions,
27 which I think a lot of people have referred to in their
28 evidence that they've provided. That related to developer
29 contribution plans being charged for administration fees
30 where they shouldn't have been charged for administration
31 fees.
32

33 Q. And that was a situation that went a long way back,
34 back to Gosford council?

35 A. That's right, the former Gosford council. But again,
36 that became apparent - I think that was, my recollection
37 is, oh, July or August of 2019, when we were preparing some
38 statements.
39

40 Q. So it wasn't so much that restricted funds were being
41 used - well, the restriction that was being - sorry, the
42 money that was being used was connected with the use for
43 restricted funds but not authorised by the section 94 plan;
44 that was the issue?

45 A. Yes. The issue was that the section 94 plan did not
46 actually, in all of the cases, in all of the plan, allow
47 for administration fees to be charged, and for those that

1 did, the administration fees had already been recovered so
2 they were over-recovered.

3
4 Q. I see. How did the state of the council's IT system
5 impact on your ability to provide timely and accurate
6 information to the CFO, the general manager and the
7 councillors?

8 A. You know, there were multiple systems that we
9 obviously need to obtain information from and do
10 reconciliations to, to be able to provide financial
11 information.

12
13 Depending on the financial information requested,
14 especially if it was historical information, of which
15 a number of questions have been about historical, then
16 depending on which council or former council that related
17 to, it could take some time, based on the information in
18 the systems and the ability to be able to access it.
19 I think some of the previous people who have provided
20 evidence have also spoken about some of the issues that we
21 had with one of the finance systems and with scripting, so
22 that made finding information, especially historical
23 information, more difficult --

24
25 Q. What about current information? Was current
26 information easy to obtain?

27 A. Current information - again, you know, during the time
28 there's been lots of new systems or consolidations that
29 have happened during that time. So as it stands now, it's
30 much easier than it has been, you know, during the
31 amalgamation process. There has been multiple systems as
32 you can imagine because of the legacy systems of both
33 councils which have different organisational structures, so
34 therefore trying to add simplistically the two, you know,
35 amounts together can be quite difficult because the
36 organisational structures themselves that the former
37 councils had set up in their reporting was different to the
38 new structure of Central Coast Council.

39
40 Q. What about the quarterly reports - were they also
41 within the domain of Mr Oldfield or were they you?

42 A. No. That was in my position, financial performance.

43
44 Q. And if you identified situations where the budgets
45 weren't being met, what tools did you have? What steps did
46 you have to take to try and rectify that?

47 A. So we'd be continually, obviously, looking for savings

1 and asking the business to continue to look at their
2 expenditure and make sure that it was required and
3 essential rather than discretionary. That was, you know,
4 obviously what we were working through and obviously making
5 sure that the executive, including the CEO, most
6 importantly the CEO, was obviously aware of that.

7
8 Q. And did you ever have to adjust the budgets because of
9 budgets being exceeded?

10 A. Yes, sometimes we would need to change those budgets,
11 especially if there was a legislative requirement coming in
12 that required additional funds for different activities, we
13 would need to do that.

14
15 Q. Once Mr Norman was appointed, did you have access to
16 the investment reports prior to them being published to the
17 councillors?

18 A. I - yes, I would be able to go and look at them in our
19 council reporting system.

20
21 Q. You know that in November 2019 when the October
22 investment report was published, it changed its format to
23 no longer refer to the unrestricted cash position?

24 A. Yes, I have subsequently had a look at that report.

25
26 Q. But you didn't know at that time?

27 A. No, because that wasn't actually part of my position's
28 responsibilities.

29
30 Q. So that was Mr Oldfield. Did he ever talk to you
31 about that?

32 A. That reporting change? I don't recall a conversation
33 about that.

34
35 Q. Did he ever talk to you about the fact that the
36 council was dipping in to restricted funds?

37 A. We did have a conversation about that when all of this
38 information sort of came out in 2020, because I did ask,
39 sort of, "What happened there?"

40
41 Q. What month was that?

42 A. To be honest, I don't recall what month we had that
43 conversation.

44
45 Q. Mr Oldfield left in mid-August 2020; is that right?

46 A. He was on leave in August 2020. I'm not sure of his
47 exact final date at council.

1
2 Q. When did he go on leave?
3 A. I'm again not a hundred per cent sure when he went on
4 leave, sorry, because --
5
6 Q. No, that's okay.
7 A. Yes, I wasn't keep of track on if he was on leave or
8 not so I can't answer that question.
9
10 Q. So you think it was before he went on leave --
11 A. Oh, yes.
12
13 Q. So at that point, did that ring any alarm bells for
14 you?
15 A. Yes. And, you know, in my discussions with
16 Mr Oldfield he had said that he had raised this earlier.
17
18 Q. With whom?
19 A. With Mr Norman.
20
21 Q. Mr Norman had departed in April?
22 A. Yes, I believe, yes.
23
24 Q. So Mr Oldfield told you that he'd raised it with
25 Mr Norman?
26 A. That's right.
27
28 Q. Did you talk to the general manager about it? Because
29 at that stage Mr Norman had left, I don't know whether you
30 were the - you weren't the chief financial officer, because
31 Mr Murphy had taken over that position, or had to assume
32 the position of the responsible accounting officer?
33 A. At the time when Mr Oldfield was in the office he was
34 the acting CFO. He was the acting CFO post Mr Norman
35 leaving.
36
37 Q. So it would have been his job, then, to speak to
38 Mr Murphy?
39 A. That's right.
40
41 Q. What was your relationship with Mr Norman like?
42 A. It was a professional working relationship.
43
44 Q. He didn't have a background in local government?
45 A. Mmm-hmm.
46
47 Q. Did he seem to understand the restricted/unrestricted

1 issues?
2 A. I don't feel like I could comment on that. He didn't
3 specifically speak to me about that.
4
5 Q. And it wasn't really within your realm, I understand;
6 you were more on the budget side of things rather than the
7 control of funds?
8 A. Yes. There was obviously, you know, handovers with
9 information and obviously Mr Norman could ask us, you know,
10 for any information that he needed, or for clarification,
11 of which, you know, he did with anything that was in my
12 space with me.
13
14 Q. Do you recall there being any questions about why the
15 investment report wasn't published for October -
16 sorry, November and December 2019 until the following year?
17 A. There is something in the local government - either
18 the Act or regulations that talks about the frequency of
19 investment reports and that they need to be presented at
20 ordinary meetings. I am not sure the reasons why they
21 weren't, but I know that if there were no ordinary meetings
22 left in the year, it would have to go to the next year, but
23 I'm not sure in this particular instance what would be the
24 reason behind that.
25
26 Q. There did seem to be some ordinary meetings between
27 the November - or at least one. Okay. And it wasn't
28 something that came up for discussion amongst the finance
29 team?
30 A. No, not that I recall.
31
32 Q. So when did you become aware that the unrestricted
33 cash position had fallen in to the negative?
34 A. When there was discussions in general about that after
35 Mr Norman left.
36
37 Q. So you didn't become aware at the time of the
38 Grant Thornton review, which was --
39 A. I think that was --
40
41 Q. -- in, I believe, July.
42 A. Mr Norman had already left by then.
43
44 Q. August. Okay, there was a preliminary report in June
45 and then the phase 2 report in August, and he had left by
46 then?
47 A. Mr Norman, yes. I don't ever recall seeing the draft

1 report from Grant Thornton either. I know that it was
2 discussed when we were working with Grant Thornton and
3 I did ask whether I would be able to see that and we were
4 advised that that was actually provided to Mr Murphy for
5 his review.

6
7 Q. And finance wasn't provided with a copy of that?

8 A. Look, I'm not sure if anyone else was. I wasn't at
9 the time.

10
11 Q. So you did receive the phase 2 report?

12 A. I'm not sure. I'd have to go back and check. There
13 was a lot of things happening at that time, and lots of
14 emails, so I wouldn't want to say yes or no without going
15 back to check.

16
17 Q. Yes. No, I understand. Do you know why Mr Oldfield
18 took personal leave?

19 A. Not specifically. I know that he wasn't well.

20
21 Q. Would he have been aware of the rapidly escalating
22 situation in relation to the restricted funds during 2020?

23 A. I believe so.

24
25 Q. Do you know why he left the council?

26 A. No, not specifically, no.

27
28 Q. In your role as a chief financial officer acting, you
29 would have had to attend the council meetings regularly?

30 A. That's correct.

31
32 Q. What was your observation of the behaviour of the
33 councillors in the chamber?

34 A. I'm sure my observations are the same as everyone else
35 who watched the live streams, which was, you know, at times
36 it could be quite heated.

37
38 Q. Was that different to what you had observed when you
39 were at Wyong Shire Council?

40 A. I believe that there was always, you know, debate and
41 it could - on certain topics it could be quite heated, but
42 I do believe that at Central Coast Council it was different
43 to the former Wyong Shire Council. But keep in mind
44 I didn't attend those council meetings, so it probably also
45 felt different being in attendance versus observing.

46
47 Q. You didn't attend which ones? Wyong or --

1 A. In the former Wyong Shire Council.
2
3 Q. I see. I thought you may have when you were the
4 acting chief financial officer there?
5 A. I don't recall.
6
7 Q. Now you are still in the role of unit manager
8 financial performance?
9 A. No. I'm not.
10
11 Q. What's your role?
12 A. I'm actually in a senior finance project coordinator
13 role. For personal reasons, mainly due to caring and
14 support responsibilities outside of work, I made the
15 decision not to apply for the unit manager of finance
16 position because I wouldn't have been able to dedicate the
17 time and effort that the role requires and I didn't think
18 that that was actually fair.
19
20 Q. Do you think the council's now getting back on track
21 financially?
22 A. I do believe so, yes.
23
24 Q. What is different now about how finance, at least,
25 within the council is managed compared to the period up to
26 2019?
27 A. I think the differences are Mr Farmer has been very
28 clear as to what his expectations are throughout the
29 organisation in relation to everything that he expects to
30 be delivered, which includes that everyone needs to ensure
31 that they keep to their budgets and that they do not exceed
32 those budgets, so I think that that is very different; and
33 also we have Ms Cowley as well you know. Who is a strong
34 advocate.
35
36 Q. Do you feel more supported by the general manager now
37 than in the past?
38 A. I don't work directly in the finance team like I did
39 before, so that's probably a little bit more a question for
40 maybe the finance team, but my observations are yes, my
41 position that I currently have now reports directly in to
42 the CFO working on special projects, so it's slightly
43 different to the role that I had previously.
44
45 Q. Now, are you a resident of Central Coast?
46 A. I am, born and bred.
47

1 Q. Do you think the community's perception of the council
2 has been damaged by what has happened in the last - in
3 2020?

4 A. Yes, I believe so.
5

6 Q. Tell me what you consider the perception to be?

7 A. Based on, you know, if you are looking at any social
8 media posts, which obviously aren't the best way to get
9 your public feedback, but also in relation to people
10 writing in to council, you know, when they have got
11 questions or concerns. You know, there is a lot of,
12 I suppose, mistrust is definitely a word that I would use
13 for that.
14

15 Q. From your perspective as a staff member on the
16 council, do you have any concern about if the elected
17 representatives were to be returned?

18 A. As in the elected representatives --
19

20 Q. The currently suspended councillors?

21 A. I mean, the concern would be whether or not we would
22 have the same outcomes as we've had previously.
23

24 Q. Do you mean under Mr Farmer?

25 A. Yes. I mean, I believe that, you know, Mr Farmer,
26 like I said, he is very much more clear about his direction
27 and what he wants done, so therefore it would be different,
28 but the council meetings, the length of them, the debate -
29 would that necessarily change?
30

31 Q. Those are my questions for you, Ms Louie. Can I say
32 that, without exception, every witness has commented on
33 your diligence and hard work, so I hope you didn't consider
34 that you being called as a witness was somehow a criticism
35 of you.

36 A. Thank you.
37

38 Q. I will just see if Ms Annis-Brown has any questions
39 for you.
40

41 MS ANNIS-BROWN: Thank you, Commissioner, no questions.
42

43 THE COMMISSIONER: Thank you. Mr Simone, any application?
44

45 MR SIMONE: Thank you, Commissioner, no application.
46

47 THE COMMISSIONER: Thank you. Thank you very much,

1 Ms Louie, for coming along. I know you are busy, even in
2 your new role. That will conclude the evidence for today.
3 We will be back again tomorrow morning at 10am.
4

5 <THE WITNESS WITHDREW
6

7 AT 4.08PM THE INQUIRY WAS ADJOURNED TO
8 TUESDAY, 19 OCTOBER 2021 AT 10AM
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