

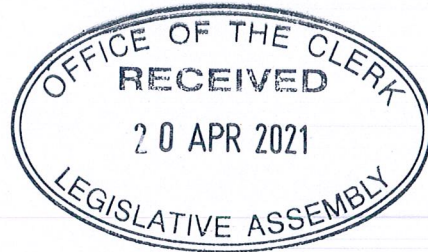


The Hon. Shelley Hancock MP
Minister for Local Government

Ref: A765021

Ms Helen Minnican
Clerk of the Legislative Assembly
Parliament of New South Wales
SYDNEY NSW 2001

By email: helen.minnican@parliament.nsw.gov.au



Dear Ms Minnican

I refer to the e-petition lodged by Mr David Harris MP, Member for Wyong that was tabled in the Legislative Assembly on 16 March 2021 requesting that the Legislative Assembly hold a judicial inquiry into Central Coast Council to investigate its financial circumstances and that I delay any application by the Council seeking a Special Rate Variation and its sale of assets until the outcome of such judicial inquiry.

The NSW Government is focused on providing the best possible solution for the residents of the Central Coast, which is why, upon discovering that Council were unable to pay their staff and having considered Council's submission on my intention to issue a suspension order, I acted to immediately suspend Council on 30 October 2020 for three months and appointed an interim administrator, Mr Dick Persson AM.

Council's failure to adequately address its own financial mismanagement meant that the Government had no alternative but take this necessary action.

On 22 January 2021, after considering a report from the interim administrator, I extended the period of suspension for a further three months. The extension of the period of administration provided the interim administrator with the opportunity to continue to implement the measures he has developed to restore the proper and effective functioning of the Council.

This action I have taken is to assist the Council to identify the extent of its financial situation and begin a recovery program.

On Thursday 15 April 2021 the interim administrator handed down his final report, which has provided two main recommendations, namely, that the suspended Councillors are not returned to Office; and for a Public Inquiry to be held, which are both options available for me to consider.

In his final report the interim administrator identified the three principal issues that caused Council's current financial circumstances. These were:

- The misuse of Council's restricted reserves;
- The failure to manage Council's restricted reserves; and
- The failure to focus on achieving efficiency dividend/savings from the merger.

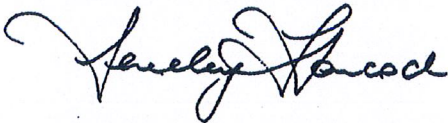
While I note the request for a judicial inquiry, this is not an action available to me as Minister for Local Government. Under the *Local Government Act 1993* (the Act), I can only appoint a person or persons as commissioners to hold a public inquiry into a council.

As Minister, I have various discretionary powers to intervene in a council's operations. The exercise of these powers is made where there is a serious breakdown in council operations or major flaws in key council processes are evident. Consideration must be given to the council's autonomy, the public interest, and whether intervention is warranted having regard to the overall operations of local government and to the weight of available evidence.

The NSW Government will determine the future of the Central Coast Council based on expert advice and consideration of the interim administrator's final report, his two earlier reports; the views of the local community and expert advice from the Office of Local Government before making a decision prior to 29 April 2021.

I can assure the Parliament and the community, that all avenues available under the Act to restore confidence in the functioning of the Council are being explored.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Shelley Hancock', written in a cursive style.

The Hon. Shelley Hancock MP
Minister for Local Government