



7 January 2026

To All Councillors

Notice is hereby given, in accordance with the provisions of the Local Government Act 1993, that the next Ordinary Meeting of Council will be held in the Council Chambers, on Wednesday, 14 January 2026 at 6.30pm, for the purposes of transacting the undermentioned business.

AGENDA:

PAGE NO.

- (1) **ACKNOWLEDGEMENT OF TRADITIONAL LAND OWNERS**
- (2) **RECEIPT OF APOLOGIES AND APPLICATIONS FOR LEAVE OF ABSENCE , OR ATTENDANCE BY AUDIO-VISUAL LINK**
- (3) **CONFIRMATION OF MINUTES OF PREVIOUS MEETING**
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- (4) **DISCLOSURES OF INTEREST**
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- (5) **CONSIDERATION AND ADOPTION OF ALL REPORTS BY ENGLOBO**
- (6) **MAYORAL MINUTES**
- (7) **MOTIONS OF URGENCY**
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- (8) **RESCISSION MOTIONS**
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Tribunal for a Permanent One-Year Special
Variation of 39.9% 45
- (10) **COUNCILLORS' REPORTS**

‡ - Denotes that Report is for notation only.



Principles for Local Government

Exercise of functions generally

The following general principles apply to the exercise of functions by Councils:

- a) Councils should provide strong and effective representation, leadership, planning and decision-making.
- b) Councils should carry out functions in a way that provides the best possible value for residents and ratepayers.
- c) Councils should plan strategically, using the integrated planning and reporting framework, for the provision of effective and efficient services and regulation to meet the diverse needs of the local community.
- d) Councils should apply the integrated planning and reporting framework in carrying out their functions so as to achieve desired outcomes and continuous improvements.
- e) Councils should work co-operatively with other Councils and the State government to achieve desired outcomes for the local community.
- f) Councils should manage lands and other assets so that current and future local community needs can be met in an affordable way.
- g) Councils should work with others to secure appropriate services for local community needs.
- h) Councils should act fairly, ethically and without bias in the interests of the local community.
- i) Councils should be responsible employers and provide a consultative and supportive working environment for staff.

Council's Values

- Integrity
- Accountability
- Respect
- Excellence
- Teamwork

Our Community's Vision

Cessnock will be a cohesive and welcoming community living in an attractive and sustainable rural environment with a diversity of business and employment opportunities supported by accessible infrastructure and services which effectively meet community need.

Cessnock – thriving, attractive and welcoming.

Our Community's Desired Outcomes

- A connected, safe and creative community.
- A sustainable and prosperous economy.
- A sustainable and healthy environment.
- Accessible infrastructure, facilities and services.
- Civic Leadership and effective governance.



Council Code of Conduct

Council adopted its current Code of Conduct on 23 October 2024. This Code provides details of statutory requirements and gives guidance in respect of the way in which pecuniary and conflict of interest issues must be disclosed. Councillors took an oath or affirmation at the commencement of their term of office under section 233A of the *Local Government Act 1993* (NSW) and are therefore obligated under Council's Code of Conduct to disclose and appropriately manage their conflicts of interest.

Generally, the Code outlines the following issues:

1. Councillors are under an obligation at law to disclose any interest they may have in any matter before the Council as soon as practicable and to refrain from being involved in any consideration or to vote on any such matter where required and out outlined in the Code of Conduct.
2. Councillors must disclose any interest in any matter noted in the business paper prior to or at the opening of the meeting.
3. The nature of the interest shall be included in the disclosure.
4. Councillors shall immediately and during the meeting disclose any interest in respect of any matter arising during the meeting which is not referred to in the business paper.
5. All disclosures of interest shall be recorded in the minutes of the meeting.
6. All disclosures of interest shall as far as is practicable be given in writing.
7. Any member having a pecuniary or non-pecuniary significant conflict of interest shall leave the meeting and remain absent while the subject of the interest is being considered by Council.
8. The meeting shall not discuss any matter in which a Councillor has a pecuniary or non-pecuniary significant conflict of interest while the Councillor is present at the meeting.



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**MINUTES OF ORDINARY COUNCIL MEETING OF THE CESSNOCK CITY COUNCIL
HELD IN COUNCIL CHAMBERS ON WEDNESDAY, 10 DECEMBER 2025, COMMENCING
AT 6.30PM**

PRESENT: His Worship the Mayor, Councillor D Watton (in the Chair) and Councillors Dixon, Harrington, Hill, Jurd, King, Lea, Madden, Mason, Palmowski, Pascoe and Hawkins.

IN ATTENDANCE: Interim General Manager (Director Planning and Environment)
Acting Director Planning and Environment (Development Services Manager)
Director Corporate and Community Services
Director Works and Infrastructure
Acting Development Services Manager (Development Engineering Coordinator)
Economic Development & Tourism Manager
Economic Development Officer
Communications & Engagement Manager
Help Desk Support Officer
Council Services Team Leader

The Prayer was presented by Pastor Rachael Main

The Mayor on behalf of Council extended his condolences to the family of former Mayor and Councillor Alison Davey who passed away recently. Alison was a past Councillor of Cessnock Council for 29 years, including one term as Mayor from 2008 to 2012.

A moments silence was held as a mark of respect.

APOLOGY:

MOTION

Moved: Councillor Hawkins
Seconded: Councillor Palmowski

312

RESOLVED that the apology tendered on behalf of Councillor Dunne, for unavoidable absence, be accepted.

FOR

AGAINST

Councillor Dixon
Councillor Harrington
Councillor Hill
Councillor Jurd
Councillor King
Councillor Lea
Councillor Madden
Councillor Mason
Councillor Palmowski
Councillor Pascoe
Councillor Hawkins
Councillor Watton
Total (12)

Total (0)

CARRIED UNANIMOUSLY

MINUTES:

MOTION **Moved:** Councillor Pascoe
 Seconded: Councillor Madden

313
RESOLVED that the Minutes of the Ordinary Meeting of Council held on 19 November 2025, as circulated, be taken as read and confirmed as a correct record.

| FOR | AGAINST |
|-----------------------|------------------|
| Councillor Dixon | |
| Councillor Harrington | |
| Councillor Hill | |
| Councillor Jurd | |
| Councillor King | |
| Councillor Lea | |
| Councillor Madden | |
| Councillor Mason | |
| Councillor Palmowski | |
| Councillor Pascoe | |
| Councillor Hawkins | |
| Councillor Watton | |
| Total (12) | Total (0) |

CARRIED UNANIMOUSLY

DISCLOSURES OF INTEREST

DISCLOSURES OF INTEREST NO. DI12/2025

SUBJECT: DISCLOSURES OF INTEREST

RM1/2025 - PE31/2025 - DA 8/2025/536/1 - Proposed Telecommunications Tower Facility (Mobile Telephone Infrastructure) – Councillor Jurd declared a Pecuniary Interest for the reason that she is forced to leave the Chamber due to a conflict of interest that affects her family massively, where it will cause her loss of value and force her to move.

MM15/2025 - Minutes of the Council Initiated Awards Committee held 19 November 2025 - Councillor Lea declared a Non Pecuniary Interest – Less Than Significant Conflict for the reason that he has a personal relationship with an award recipient. Councillor Lea chose to remain in the Chamber and participate in discussion and voting as the conflict has not influenced him in carrying out his public duty because he is not part of the Awards Committee who made the decision.

MM15/2025 - Minutes of the Council Initiated Awards Committee held 19 November 2025 - Councillor Hawkins declared a Non Pecuniary Interest – Less Than Significant Conflict for the reason that he has a relationship with one of the award nominees. Councillor Hawkins chose to remain in the Chamber and participate in discussion and voting as the conflict has not influenced him in carrying out his public duty because this relationship does not affect his decision making on this matter.

PETITIONS

Nil

ADDRESS BY INVITED SPEAKERS

The following person has been invited to address the meeting of Council:

| Speakers | For / Against | Report | Page No. | Duration |
|------------------------------------|---------------|--|----------|----------|
| Amanda Deer on behalf of residents | For | WI15/2025 - Petition - Provision of Public Amenities at Crawfordville Park, Millfield. | 86 | 3 mins |

WORKS AND INFRASTRUCTURE NO. WI15/2025

SUBJECT: *PETITION - PROVISION OF PUBLIC AMENITIES AT CRAWFORDVILLE PARK, MILLFIELD.*

MOTION **Moved:** Councillor Jurd **Seconded:** Councillor Harrington
314

RESOLVED

1. That Council notes the petition calling for accessible public toilets at Crawfordville Park, Millfield.
2. That the outcome of the cleaning services review be considered prior to any additional public amenities being serviced by Council.
3. That the Interim General Manager notify the petition organiser of the outcome of Council's decision.

FOR

Councillor Dixon
Councillor Harrington
Councillor Hill
Councillor Jurd
Councillor Lea
Councillor Madden
Councillor Mason
Councillor Palmowski
Councillor Pascoe
Councillor Hawkins
Councillor Watton

Total (11)

AGAINST

Councillor King

Total (1)

CARRIED

CONSIDERATION AND ADOPTION OF ALL REPORTS BY ENGLOBE OR INDIVIDUALLY WITH NOMINATED EXCEPTIONS

MOTION **Moved:** Councillor Lea **Seconded:** Councillor Jurd
315
RESOLVED

that having read and considered the reports in the agenda related to items

OFFICERS REPORTS

| | | |
|-------------|---|----|
| ‡ CC86/2025 | Annual Code of Conduct Complaints Report | 60 |
| ‡ CC88/2025 | Disclosures of Interests in Written Returns | 65 |
| ‡ CC89/2025 | Investment Report - November 2025 | 68 |

Council adopt the recommendations as printed in the business papers for those items.

| FOR | AGAINST |
|-----------------------|------------------|
| Councillor Dixon | |
| Councillor Harrington | |
| Councillor Hill | |
| Councillor Jurd | |
| Councillor King | |
| Councillor Lea | |
| Councillor Madden | |
| Councillor Mason | |
| Councillor Palmowski | |
| Councillor Pascoe | |
| Councillor Hawkins | |
| Councillor Watton | |
| Total (12) | Total (0) |

CARRIED UNANIMOUSLY

NOTICE OF INTENTION TO DEAL WITH MATTERS IN CONFIDENTIAL SESSION

NOTICE OF INTENTION NO. NI3/2025

**SUBJECT: NOTICE OF INTENTION TO DEAL WITH MATTERS IN
CONFIDENTIAL SESSION -
REPORT WI185/2025 - PROCUREMENT CONCESSION UNDER
SECTION 55(3)(I) WOLLOMBI ROAD UPGRADE PROJECT**

MOTION **Moved:** Councillor Jurd **Seconded:** Councillor Pascoe
316
RESOLVED

That Council considers in Confidential Session the following matters in accordance with Sections 10A (2) (c) (di) of the *Local Government Act 1993*:

Report WI185/2025 – Procurement Concession under Section 55(3)(I) Wollombi Road Upgrade Project as it deals with information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business; AND commercial information of a confidential nature that would, if disclosed (i) prejudice the commercial position of the person who supplied it.

| FOR | AGAINST |
|-----------------------|------------------|
| Councillor Dixon | |
| Councillor Harrington | |
| Councillor Hill | |
| Councillor Jurd | |
| Councillor King | |
| Councillor Lea | |
| Councillor Madden | |
| Councillor Mason | |
| Councillor Palmowski | |
| Councillor Pascoe | |
| Councillor Hawkins | |
| Councillor Watton | |
| Total (12) | Total (0) |

CARRIED UNANIMOUSLY

MAYORAL MINUTES

MAYORAL MINUTES NO. MM15/2025

**SUBJECT: MINUTES OF THE COUNCIL INITIATED AWARDS COMMITTEE HELD
19 NOVEMBER 2025**

Councillor Lea declared a Non Pecuniary Interest – Less Than Significant Conflict for the reason that he has a personal relationship with an award recipient. Councillor Lea remained in the Chamber and took part in discussion and voting.

Councillor Hawkins declared a Non Pecuniary Interest – Less Than Significant Conflict for the reason that he has a relationship with one of the award nominees. Councillor Hawkins remained in the Chamber and participated in discussion and voting.

MOTION **Moved:** Councillor Watton
317

RESOLVED

That Council endorse the recommendations of the Council Initiated Awards Committee for Cessnock City Council Australia Day Awards

| FOR | AGAINST |
|-----------------------|------------------|
| Councillor Dixon | |
| Councillor Harrington | |
| Councillor Hill | |
| Councillor Jurd | |
| Councillor King | |
| Councillor Lea | |
| Councillor Madden | |
| Councillor Mason | |
| Councillor Palmowski | |
| Councillor Pascoe | |
| Councillor Hawkins | |
| Councillor Watton | |
| Total (12) | Total (0) |

CARRIED UNANIMOUSLY

MOTIONS OF URGENCY

MOTIONS OF URGENCY NO. MOU12/2025

SUBJECT: MOTIONS OF URGENCY

Nil

RESCISSION MOTIONS

RESCISSION MOTIONS NO. RM1/2025

SUBJECT: PE31/2025 - DA 8/2025/536/1 - PROPOSED TELECOMMUNICATIONS TOWER FACILITY (MOBILE TELEPHONE INFRASTRUCTURE)

Councillor Jurd declared a Pecuniary Interest for the reason that she is forced to leave the Chamber due to a conflict of interest that affects her family massively, where it will cause her loss of value and force her to move.

Councillor Jurd left the meeting, the time being 6.55pm

MOTION **Moved:** Councillor Mason **Seconded:** Councillor King

That resolution to Report No. PE31/2025 (Motion 284) from Ordinary Council Meeting on 19 November 2025 be rescinded:-

| FOR | AGAINST |
|-----------------------|----------------------|
| Councillor Dixon | Councillor Hill |
| Councillor Harrington | Councillor Lea |
| Councillor King | Councillor Madden |
| Councillor Mason | Councillor Palmowski |
| Councillor Watton | Councillor Pascoe |
| | Councillor Hawkins |
| Total (5) | Total (6) |

The Rescission Motion was **PUT** and **LOST**.

Councillor Jurd returned to the meeting, the time being 7.03pm

GENERAL MANAGER'S UNIT

GENERAL MANAGER'S UNIT NO. GMU6/2025

**SUBJECT: APPOINTMENT OF AUDIT, RISK AND IMPROVEMENT COMMITTEE
INDEPENDENT MEMBER**

MOTION **Moved:** Councillor Hill **Seconded:** Councillor Harrington
318

RESOLVED

1. That Council endorses Steve Embry as an Independent Member of the Audit, Risk and Improvement Committee for the period 1 January 2026 to 31 December 2029 in accordance with section 5.3 of the Audit, Risk and Improvement Committee Charter.
2. That Council thanks William Middleton, retiring Independent Member for his knowledge, expertise and dedicated service to the Audit, Risk and Improvement Committee.

| FOR | AGAINST |
|-----------------------|------------------|
| Councillor Dixon | |
| Councillor Harrington | |
| Councillor Hill | |
| Councillor Jurd | |
| Councillor King | |
| Councillor Lea | |
| Councillor Madden | |
| Councillor Mason | |
| Councillor Palmowski | |
| Councillor Pascoe | |
| Councillor Hawkins | |
| Councillor Watton | |
| Total (12) | Total (0) |

CARRIED UNANIMOUSLY

PLANNING AND ENVIRONMENT

PLANNING AND ENVIRONMENT NO. PE34/2025

**SUBJECT: VISITOR ECONOMY GRANTS AND SPONSORSHIP PROGRAM
2025/2026 APPLICATIONS**

MOTION

319

Moved: Councillor Lea

Seconded: Councillor Hill

RESOLVED

That Council endorses the following funding applications under the 2025/2026 Visitor Economy Grants and Sponsorship Program:

Grants:

- Hunter Valley Wine Country Content Development - \$20,000
- Wollombi Valley Sculpture Festival - \$8,700
- Theatre in the Vines - \$9,560

Sponsorships:

- Natmeet XVI - \$5,000

| FOR | AGAINST |
|-----------------------|------------------|
| Councillor Harrington | Councillor Dixon |
| Councillor Hill | Councillor Jurd |
| Councillor Lea | Councillor King |
| Councillor Madden | |
| Councillor Mason | |
| Councillor Palmowski | |
| Councillor Pascoe | |
| Councillor Hawkins | |
| Councillor Watton | |
| Total (9) | Total (3) |

CARRIED

CORPORATE AND COMMUNITY

CORPORATE AND COMMUNITY NO. CC84/2025

**SUBJECT: *AUTHORISATION FOR SALE OF SURPLUS COUNCIL LAND - PART
LOT 378 DP 1002112***

MOTION **Moved:** Councillor Hill **Seconded:** Councillor Lea

- 1. That Council authorise sale of part Lot 378 DP 1002112 subject to the purchaser bearing all costs associated with the transfer of the land including but not limited to the survey, registration, valuation, legal costs and registration of covenant.**
- 2. That Council grant authority to the General Manager or delegated officer to negotiate the sale with reference to a current market valuation and execute all relevant documentation to affect the transaction.**
- 3. That Council note the net proceeds of the sale are to be credited to the Property Investment Fund and allocated in accordance with the Property Investment & Development Policy.**

PROCEDURAL MOTION Moved: Councillor Jurd
 Seconded: Councillor King

320

RESOLVED

That the report be deferred pending further advice regarding the removal of the shed.

FOR

Councillor Dixon
Councillor Harrington
Councillor Jurd
Councillor King
Councillor Lea
Councillor Madden
Councillor Mason
Councillor Palmowski
Councillor Pascoe
Councillor Hawkins
Councillor Watton
Total (11)

AGAINST

Councillor Hill

Total (1)

CARRIED

CORPORATE AND COMMUNITY NO. CC85/2025

**SUBJECT: FINANCIAL SUSTAINABILITY AND SCHEDULING OF JANUARY
2026 ORDINARY COUNCIL MEETING**

MOTION **Moved:** Councillor Pascoe **Seconded:** Councillor Madden
321

RESOLVED

That Council amends the schedule of Ordinary Meetings of Council for 2026 to include an Ordinary Council meeting on 14 January 2026.

| FOR | AGAINST |
|-----------------------|------------------|
| Councillor Dixon | Councillor Jurd |
| Councillor Harrington | Councillor King |
| Councillor Hill | |
| Councillor Lea | |
| Councillor Madden | |
| Councillor Mason | |
| Councillor Palmowski | |
| Councillor Pascoe | |
| Councillor Hawkins | |
| Councillor Watton | |
| Total (10) | Total (2) |

CARRIED

CORPORATE AND COMMUNITY NO. CC86/2025

SUBJECT: ANNUAL CODE OF CONDUCT COMPLAINTS REPORT

MOTION

Moved: Councillor Lea

Seconded: Councillor Jurd

322

RESOLVED

That Council notes the Annual Code of Conduct Complaints Report for the period 1 September 2024 to 31 August 2025.

FOR

AGAINST

Councillor Dixon
Councillor Harrington
Councillor Hill
Councillor Jurd
Councillor King
Councillor Lea
Councillor Madden
Councillor Mason
Councillor Palmowski
Councillor Pascoe
Councillor Hawkins
Councillor Watton

Total (12)

Total (0)

CARRIED UNANIMOUSLY

CORPORATE AND COMMUNITY NO. CC87/2025

SUBJECT: WARD BOUNDARIES - VARIATION IN ENROLMENTS - UPDATE

MOTION

Moved: Councillor Hill

Seconded: Councillor Harrington

323

RESOLVED

1. That Council acknowledges that a ward elector enrolment variation of greater than 10% currently exists with the variation as at 30 October 2025 being 12.52%.
2. That Council notes the current variation and monitors until 2027 at which time Council will commence the process to alter the ward boundaries for effect at the 2028 Council election.

FOR

AGAINST

Councillor Dixon
Councillor Harrington
Councillor Hill
Councillor Jurd
Councillor King
Councillor Lea
Councillor Madden
Councillor Mason
Councillor Palmowski
Councillor Pascoe
Councillor Hawkins
Councillor Watton

Total (12)

Total (0)

CARRIED UNANIMOUSLY

CORPORATE AND COMMUNITY NO. CC88/2025

SUBJECT: DISCLOSURES OF INTERESTS IN WRITTEN RETURNS

MOTION

Moved: Councillor Lea

Seconded: Councillor Jurd

324

RESOLVED

That Council notes the tabling of the disclosures of interests written returns for the period 1 August 2025 to 31 October 2025 in accordance with Council's Code of Conduct.

FOR

AGAINST

Councillor Dixon
Councillor Harrington
Councillor Hill
Councillor Jurd
Councillor King
Councillor Lea
Councillor Madden
Councillor Mason
Councillor Palmowski
Councillor Pascoe
Councillor Hawkins
Councillor Watton
Total (12)

Total (0)

CARRIED UNANIMOUSLY

CORPORATE AND COMMUNITY NO. CC89/2025

SUBJECT: INVESTMENT REPORT - NOVEMBER 2025

MOTION

Moved: Councillor Lea

Seconded: Councillor Jurd

325

RESOLVED

That Council receives the Investment Report for November 2025 and notes that:

- **Investments are held in accordance with Council's Investment Policy, which is in accordance with the Ministerial Investment Order.**
- **Council's month end cash and investments balance was \$82,311,452.**

| FOR | AGAINST |
|-----------------------|------------------|
| Councillor Dixon | |
| Councillor Harrington | |
| Councillor Hill | |
| Councillor Jurd | |
| Councillor King | |
| Councillor Lea | |
| Councillor Madden | |
| Councillor Mason | |
| Councillor Palmowski | |
| Councillor Pascoe | |
| Councillor Hawkins | |
| Councillor Watton | |
| Total (12) | Total (0) |

CARRIED UNANIMOUSLY

CORPORATE AND COMMUNITY NO. CC90/2025

SUBJECT: RESOLUTIONS TRACKING REPORT

MOTION **Moved:** Councillor Jurd **Seconded:** Councillor Harrington
326
RESOLVED

That Council receives the report and notes the information in the Resolutions Tracking Report.

| FOR | AGAINST |
|-----------------------|------------------|
| Councillor Dixon | |
| Councillor Harrington | |
| Councillor Hill | |
| Councillor Jurd | |
| Councillor King | |
| Councillor Lea | |
| Councillor Madden | |
| Councillor Mason | |
| Councillor Palmowski | |
| Councillor Pascoe | |
| Councillor Hawkins | |
| Councillor Watton | |
| Total (12) | Total (0) |

CARRIED UNANIMOUSLY

WORKS AND INFRASTRUCTURE

WORKS AND INFRASTRUCTURE NO. WI14/2025

SUBJECT: UNSEALED ROADS AND COSTS

MOTION

Moved: Councillor Lea

Seconded: Councillor Dixon

327

RESOLVED

1. That Council notes the report on the unsealed roads network review.
2. That Council notes the estimated annual cost required to maintain all unsealed roads.
3. That Council notes the grant opportunities available that may help maintain and/or upgrade our unsealed road network.
4. That Council endorse a revised Unsealed Roads Maintenance Program that reflects current service levels.

| FOR | AGAINST |
|-----------------------|------------------|
| Councillor Dixon | |
| Councillor Harrington | |
| Councillor Hill | |
| Councillor Jurd | |
| Councillor King | |
| Councillor Lea | |
| Councillor Madden | |
| Councillor Mason | |
| Councillor Palmowski | |
| Councillor Pascoe | |
| Councillor Hawkins | |
| Councillor Watton | |
| Total (12) | Total (0) |

CARRIED UNANIMOUSLY

WORKS AND INFRASTRUCTURE NO. WI16/2025

SUBJECT: QUOTATION - Q2026-08 DOYLE STREET BRIDGE REPLACEMENT

MOTION **Moved:** Councillor Harrington **Seconded:** Councillor Hawkins
328

RESOLVED

1. That Council accepts the quotation submitted by Coffs Harbour City Council t/a Coastal Works Pty Ltd for Doyle Street Bridge Replacement (Q2026-08) in the lump sum amount of \$2,756,636 (including GST).
2. That Council notes this procurement is being undertaken as a direct engagement under Section 55 of the Local Government Act 1993 for Coastal Works (Coffs Harbour City Council) to deliver the Construction-Only component of Doyle Street Bridge Replacement.

| FOR | AGAINST |
|-----------------------|------------------|
| Councillor Dixon | |
| Councillor Harrington | |
| Councillor Hill | |
| Councillor Jurd | |
| Councillor King | |
| Councillor Lea | |
| Councillor Madden | |
| Councillor Mason | |
| Councillor Palmowski | |
| Councillor Pascoe | |
| Councillor Hawkins | |
| Councillor Watton | |
| Total (12) | Total (0) |

CARRIED UNANIMOUSLY

WORKS AND INFRASTRUCTURE NO. WI17/2025

SUBJECT: ADOPTION OF THE ASSET MANAGEMENT STRATEGY & ASSET MANAGEMENT PLANS

MOTION **Moved:** Councillor Hawkins **Seconded:** Councillor Lea
329

RESOLVED

That Council adopt the Asset Management Strategy and Asset Management Plans.

| FOR | AGAINST |
|-----------------------|-------------------|
| Councillor Dixon | Councillor Jurd |
| Councillor Harrington | Councillor King |
| Councillor Hill | Councillor Madden |
| Councillor Lea | |
| Councillor Mason | |
| Councillor Palmowski | |
| Councillor Pascoe | |
| Councillor Hawkins | |
| Councillor Watton | |
| Total (9) | Total (3) |

CARRIED

BUSINESS OF WHICH WRITTEN NOTICE HAS BEEN GIVEN

BUSINESS WITH NOTICE NO. BN18/2025

SUBJECT: SUSPENSION OF ALL NON-LEGISLATED NET ZERO EXPENDITURE TO SUPPORT FINANCIAL SUSTAINABILITY

MOTION ***Moved:*** Councillor King ***Seconded:*** Councillor Jurd

- 1. That Council suspend all future expenditure, programs, projects and activities related to achieving net zero emissions that are not required under any State or Federal legislation. Any future net zero expenditure outside of State or Federal legislation is to be presented to Council for determination, with a cost-benefit analysis, before adoption.**
- 2. That Council redirect any future savings realised toward stabilising Council's financial position and supporting core service delivery.**

[illegible]

That the motion be PUT.

| FOR | AGAINST |
|----------------------|-----------------------|
| Councillor Lea | Councillor Dixon |
| Councillor Madden | Councillor Harrington |
| Councillor Palmowski | Councillor Hill |
| | Councillor Jurd |
| | Councillor King |
| | Councillor Mason |
| | Councillor Pascoe |
| | Councillor Hawkins |
| | Councillor Watton |
| Total (3) | Total (9) |

The Motion was **PUT** and **LOST**.

Councillor Pascoe left the meeting, the time being 8.11pm

Councillor Pascoe returned to the meeting, the time being 8.13pm

PROCEDURAL MOTION **Moved:**
Seconded:

Councillor Hawkins
Councillor Madden

That the report be deferred for a briefing.

| FOR | AGAINST |
|--------------------|-----------------------|
| Councillor Lea | Councillor Dixon |
| Councillor Madden | Councillor Harrington |
| Councillor Hawkins | Councillor Hill |
| Councillor Watton | Councillor Jurd |
| | Councillor King |
| | Councillor Mason |
| | Councillor Palmowski |
| | Councillor Pascoe |
| Total (4) | Total (8) |

The Procedural Motion was **PUT** and **LOST**.

MOTION **Moved:** Councillor King **Seconded:** Councillor Jurd
330
RESOLVED

1. That Council suspend all future expenditure, programs, projects and activities related to achieving net zero emissions that are not required under any State or Federal legislation. Any future net zero expenditure outside of State or Federal legislation is to be presented to Council for determination, with a cost-benefit analysis, before adoption.
2. That Council redirect any future savings realised toward stabilising Council's financial position and supporting core service delivery.

| FOR | AGAINST |
|-----------------------|----------------------|
| Councillor Dixon | Councillor Hill |
| Councillor Harrington | Councillor Lea |
| Councillor Jurd | Councillor Madden |
| Councillor King | Councillor Palmowski |
| Councillor Mason | Councillor Pascoe |
| Councillor Watton | Councillor Hawkins |
| Total (6) | Total (6) |

The Mayor used his casting vote and the Motion was **CARRIED**.

COUNCILLOR REPORTS

Councillor Jurd left the meeting, the time being 8.30pm

Councillor Jurd returned to the meeting, the time being 8.31pm

Councillor Madden

Black Hill Quarry Report

On Friday 28 November the Black Hill Quarry Community Liaison Group met. The meeting was held in Kurri Kurri as per the normal meeting practice. There was a subsequent site visit associated with this meeting which I was unable to attend on this occasion.

Just briefly, some of the agenda items included discussed at the meeting:

- The current quarry will be operational until June 2026.
- There will be no plan for rehabilitation on the quarry floor due to the due to the potential waste facility.
- Most of the material extracted from the quarry is for John Holland for the M1 extension on the southern side of the river.
- There are currently 6 to 7 thousand tons stockpiled on site.
- The 23/24 tonnage report was updated and the 24/25 tonnage figures are incorrect and there are some issues with the five year average as well.
- There were some discussions from the committee on the Section 94 contributions, reported by a member that in all the years that there has only been two years when funds were expended. There is currently \$442K available in the account to expend on road improvements. Senior council representatives to investigate what projects are in the plan.
- The Bloomfield group are acquiring the land from Yancoal in this area and will take responsibility for the ongoing rehabilitation of the area acquired. The Donaldson mine conservation area has also been acquired, and Bloomfield will take responsibility for management of it.
- I asked the question of when the last Resource Regulator inspection was conducted at the quarry, were there any findings, and can a report be accessed by the committee. There were no findings and no report provided by the regulator at this time.

Mayor Summary – 20 November to 10 December 2025

| DATE | ACTIVITIES |
|-------------|--|
| 20 November | <ul style="list-style-type: none">• Kurri Kurri Retired Mineworkers Association – Christmas Lunch• Media – Plan B Competition – CCC & Liquor Accord |
| 21 November | SRV Session Wollombi – Introduction of Professor Drew |
| 22 November | SRV Session ECBC |
| 22 November | SRV Session Kurri Kurri |
| 23 November | SRV Session Branxton |
| 24 November | LGNSW Annual Conference |
| 25 November | LGNSW Annual Conference |
| 26 November | <ul style="list-style-type: none">• Media – CCC Food and Toy Appeal• Alison Davey Funeral |
| 27 November | <ul style="list-style-type: none">• Cessnock Walks Kawuma Event• Heartbeat of the Community Program• Media – CCC Food and Toy Appeal |
| 2 December | HVWTA and Visitor Services member Christmas celebration |
| 3 December | <ul style="list-style-type: none">• Kurri Kurri High School Annual Awards Ceremony• Agenda Review & LTFP Discussion (staff & councillors) |
| 4 December | <ul style="list-style-type: none">• Hunter JO Board Meeting• Clontart Awards Night – Presentation of Award |
| 5 December | CCC Carols in the Park |
| 9 December | <ul style="list-style-type: none">• Kurri Kurri Public School Presentation Day• CCC Food and Toy Appeal Distribution |
| 10 December | <ul style="list-style-type: none">• Cessnock East Public School Presentation Day• Ordinary Meeting |

8.33pm

Confidential reports (closed session)

MOTION **Moved:** Councillor Jurd **Seconded:** Councillor Mason
331

RESOLVED that the meeting move into closed session in order to consider confidential items.

Councillor Hawkins left the meeting, the time being 8.33pm

| FOR | AGAINST |
|-----------------------|------------------|
| Councillor Dixon | |
| Councillor Harrington | |
| Councillor Hill | |
| Councillor Jurd | |
| Councillor King | |
| Councillor Lea | |
| Councillor Madden | |
| Councillor Mason | |
| Councillor Palmowski | |
| Councillor Pascoe | |
| Councillor Watton | |
| Total (11) | Total (0) |

CARRIED UNANIMOUSLY

Councillor Hawkins returned to the meeting, the time being 8.35pm

8.58pm

Open Session

The meeting moved back into open session and the Mayor reported on the outcome.

WORKS AND INFRASTRUCTURE NO. WI18/2025

SUBJECT: CONFIDENTIAL - PROCUREMENT CONCESSION UNDER SECTION 55(3)(I) WOLLOMBI ROAD UPGRADE PROJECT

This matter is considered to be confidential under Section 10A(2) (c) (di) of the Local Government Act, as it deals with information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business; AND commercial information of a confidential nature that would, if disclosed (i) prejudice the commercial position of the person who supplied it.

MOTION

Moved: Councillor Pascoe

Seconded: Councillor Hill

332

RESOLVED

1. That Council determines that there are uncertainties as to whether the required works being the subject of the contract for Stage 1 of the Wollombi Road Upgrade Project will be completed under the current contract.
2. That Council determines that, if the required works being the subject of the Stage 1 Wollombi Road Upgrade Project cannot be completed because the Stage 1 Contract is brought to an early end by agreement or otherwise then, pursuant to section 55(3)(i) of the Local Government Act 1993, Council enter into negotiations with any person (whether or not the person was a tenderer) with a view to entering a contract in relation to the subject matter of the tender as a satisfactory result would not be achieved by inviting tenders due to the extensive procurement process that was undertaken to identify competitive tenderers.
3. That Council delegate authority to the General Manager to undertake negotiations and enter into contracts in relation to the subject matter, in accordance with the approved budget for the project.

| FOR | AGAINST |
|-----------------------|------------------|
| Councillor Dixon | Councillor Jurd |
| Councillor Harrington | Councillor King |
| Councillor Hill | |
| Councillor Lea | |
| Councillor Madden | |
| Councillor Mason | |
| Councillor Palmowski | |
| Councillor Pascoe | |
| Councillor Hawkins | |
| Councillor Watton | |
| Total (10) | Total (2) |

CARRIED UNANIMOUSLY

The Meeting Was Declared Closed at 8.59pm

CONFIRMED AND SIGNED at the meeting held on 14 January 2026

.....**CHAIRPERSON**

.....**GENERAL MANAGER**

Disclosures Of Interest

Report No. DI1/2026

Corporate and Community Services



SUBJECT: DISCLOSURES OF INTEREST

RESPONSIBLE OFFICER: Corporate Governance Manager

RECOMMENDATION

That Councillors now disclose any interests and reasons for declaring such interest in the matters under consideration by Council at this meeting.

SUMMARY

The provisions of Chapter 14 of the Local Government Act, 1993 regulate the way in which Councillors and nominated staff of council conduct themselves to ensure that there is no conflict between their private interests and their public trust.

The Act prescribes that where a member of Council (or a Committee of Council) has a direct or indirect financial (pecuniary) interest in a matter to be considered at a meeting of the Council (or Committee), that interest must be disclosed as soon as practicable after the start of the meeting and the reasons for declaring such interest.

As members are aware, the provisions of the Local Government Act restrict any member who has declared a pecuniary interest in any matter from participating in the discussions, voting on that matter, and require that member to vacate the Chamber.

Council's Code of Conduct provides that if members have a non-pecuniary conflict of interest, the nature of the conflict must be disclosed. The Code also provides for a number of ways in which a member may manage non pecuniary conflicts of interest.

ENCLOSURES

There are no enclosures for this report.

Motions of Urgency

Report No. MOU1/2026

Corporate and Community Services



SUBJECT: *MOTIONS OF URGENCY*

RESPONSIBLE OFFICER: *Corporate Governance Manager*

RECOMMENDATION

That Councillors now indicate if there are any matters of urgency which they believe should be conducted at this meeting of Council.

SUMMARY

Under Clause 9.3 of Council's Code of Meeting Practice, business may be transacted at a meeting of Council even though due notice of the business has not been given to the Councillors. This can only happen if a motion is passed to have the business transacted at the meeting, the Mayor rules that the business is of great urgency and the business notified in the agenda for the meeting has been disposed of.

Only the mover of such a motion can speak to the motion before it is put.

ENCLOSURES

There are no enclosures for this report.

Rescission Motions

Report No. RM1/2026

General Manager's Unit



RESCISSION MOTIONS No. RM1/2026

SUBJECT: BN19/2025 - SUSPENSION OF ALL NON-LEGISLATED NET ZERO EXPENDITURE TO SUPPORT FINANCIAL SUSTAINABILITY

The undersigned lodge the following motion of rescission:

That the recommendation to BN18/2025 - Suspension of all Non-Legislated Net Zero Expenditure to support Financial Sustainability be rescinded and that:-

1. That Council note the ongoing review into Financial Sustainability and efforts within the draft Long Term Financial Plan and reviewed Delivery Program which prioritises spending on asset maintenance and net positive organizational initiatives.
2. That the General Manager provide a Councillor workshop to inform on the currently adopted Climate Change Resilience Plan (2023).

Sgd: Mitchell Hill

Sgd: Sophie Palmowski

Sgd: Mitchell Lea

Date: 11 December 2025

Received: 11/12/2025 – 2.15pm

ENCLOSURES

There are no enclosures for this report

Corporate and Community

Report No. CC1/2026

Corporate and Community Services



SUBJECT: ***ADOPTION OF THE LONG TERM FINANCIAL PLAN 2026-2036***

RESPONSIBLE OFFICER: ***Chief Finance Officer***

SUMMARY

This report seeks the adoption of the Long Term Financial Plan (LTFP) 2026–2036 following public exhibition in accordance with the Integrated Planning and Reporting framework.

The LTFP provides Council's 10-year financial outlook and establishes the long-term financial framework underpinning service delivery, infrastructure renewal and strategic decision-making.

RECOMMENDATION

That Council adopts the Long Term Financial Plan 2026-2036 and that the adopted Long Term Financial Plan is published on Council's website in accordance with Integrated Planning and Reporting requirements.

BACKGROUND

Council prepared a comprehensive revision of its LTFP to replace the current adopted version. The revised LTFP provides a contemporary 10-year financial forecast incorporating updated economic conditions, new asset management information, reprioritised capital works, population growth forecasts, and an extensive program of efficiency measures.

The updated LTFP responds to:

- Persistent structural operating deficits
- Escalating infrastructure renewal demands, particularly for roads, stormwater and bridges
- The latest Asset Management Strategy and Asset Management Plans
- Increased depreciation following asset revaluations
- High labour, materials and construction cost inflation
- Reduced predictability of capital grants
- Rapid population growth and newly dedicated infrastructure
- Community expectations for improved road condition and asset maintenance

At its Ordinary Meeting of Council on **19 November 2025**, Council resolved to place the Draft LTFP 2026–2036 on public exhibition.

REPORT/PROPOSAL

PUBLIC EXHIBITION AND COMMUNITY ENGAGEMENT

The Draft LTFP 2026–2036 was publicly exhibited from 21 November to 19 December 2025 via Council's Together Cessnock engagement platform, in accordance with the Integrated Planning and Reporting Guidelines.

The exhibition provided the community with access to the full LTFP, supporting explanatory material, key dates and frequently asked questions. Engagement activity recorded during the exhibition period included:

- 310 total visits, with 248 users accessing at least one project page;
- 141 users accessing detailed financial information, including document downloads and supporting material; and
- 144 downloads of the LTFP, by 121 unique visitors, indicating active review of the Plan by interested community members.

One formal submission was received during the exhibition period and has been considered below.

The engagement data demonstrates that the Draft LTFP was publicly available, accessible and reviewed, providing a reasonable opportunity for community awareness and feedback. Council is satisfied that the exhibition process meets the transparency and consultation expectations applicable to the adoption of the LTFP and any subsequent Special Variation application.

SUMMARY OF SUBMISSION AND OFFICER RESPONSE

Submission

The submission acknowledges the depth and quality of the financial analysis contained within the LTFP and broadly supports the objectives of the Integrated Planning and Reporting framework.

Key matters raised include:

- Support for the case for a (Rate) Special Variation as a necessary step toward long-term financial sustainability;
- Agreement that Scenario 3 represents the most balanced and appropriate pathway for Council;
- Commentary that efficiency measures should be implemented carefully, with consideration of service impacts;
- Observations regarding the importance of grant funding, regional transition and broader community wellbeing initiatives; and
- Commentary on the need to consider opportunity costs associated with delaying or abandoning strategic projects.

Officer Response

- The submission is noted and is broadly consistent with the intent and conclusions of the LTFP.
- The LTFP explicitly recognises the importance of balancing financial sustainability with community wellbeing, the role of non-rate revenue sources (including grants), and the need to carefully manage the implementation of efficiency measures.

Corporate and Community

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Corporate and Community Services



The submission does not identify any factual errors or deficiencies in the assumptions, modelling or conclusions underpinning the LTFP. Accordingly, no amendments to the LTFP are proposed as a result of the submission.

The final LTFP will be provided under separate enclosure prior to the council meeting. For reference, Councillors can review the draft LTFP at <https://together.cessnock.nsw.gov.au/long-term-financial-plan-2026-2035>.

Overview of the Long Term Financial Plan

The LTFP 2026–2036 sets out a more accurate and realistic assessment of Council’s financial outlook over the next decade. It establishes the current financial baseline, incorporates more than \$28 million in identified efficiency measures, integrates updated asset management data, and reflects a reprioritised capital works program focused on high-risk assets

The Plan includes five long-term financial scenarios:

- **Base Case**, demonstrating that without additional revenue Council cannot fund required asset renewal, with renewal ratios averaging around 40 per cent and a rapidly increasing backlog.
- **Scenario 1**, which illustrates that achieving asset benchmarks without additional revenue would require borrowing at unsustainable levels.
- **Scenario 2**, incorporating a 39.9 per cent Special Variation, improving sustainability but remaining highly reliant on borrowing.
- **Scenario 3 (Preferred)**, refining the capital program, applying the proposed Special Variation and delivering the most balanced and sustainable long-term outcome, with renewal ratios exceeding 100 per cent by approximately 2031/32.
- **Scenario 4**, modelling an additional future Special Variation for strategic context only and not forming part of the current decision-making process

Scenario 3 represents a responsible and practical pathway to long-term financial sustainability, aligning financial capacity with community expectations, particularly in relation to road condition and infrastructure renewal.

Key Differences from the Current Adopted LTFP

The updated LTFP represents a significant recalibration from the currently adopted plan. The most material change arises from the improved integration of the Asset Management Strategy and Asset Management Plans, which now incorporate more detailed condition assessments, updated unit costs and contemporary service standards across major asset classes.

These updates reveal substantially higher renewal requirements than previously forecast, particularly across roads, stormwater and bridges. Combined with updated economic assumptions reflecting higher construction, materials and labour costs, the revised LTFP projects materially higher operating and capital expenditure requirements than the existing plan.

Depreciation has also increased due to recent asset revaluations and continued asset dedication associated with population growth. The revised Plan applies contemporary assumptions and sensitivity analysis, presenting a more realistic view of long-term sustainability and demonstrating that Council’s financial position deteriorates materially under the base case without additional revenue.

Corporate and Community

Report No. CC1/2026

Corporate and Community Services



The inclusion of detailed Special Variation modelling further distinguishes the updated LTFP, providing clarity on the revenue required to address infrastructure renewal backlogs and maintain essential services.

Efficiency Measures

The LTFP incorporates more than \$28 million in efficiency measures over the forecast period. These include controlled workforce growth, targeted operational savings, reprioritisation and deferral of non-essential capital works, and updated fees and charges aligned to market conditions.

These measures demonstrate that Council has pursued internal efficiencies prior to seeking any additional revenue from the community. Likewise, Council will continue to seek further efficiencies to limit future burden onto the community.

OPTIONS

Failure to adopt a contemporary LTFP would leave Council without a compliant long-term financial framework, undermine strategic planning and increase the risk of unsustainable service and infrastructure outcomes.

CONSULTATION

- Asset Planning Team
- Developer Contributions Team
- Financial Planning Team
- Infrastructure
- Chief Finance Officer
- Executive Leadership Team
- Professor Joseph Drew

STRATEGIC LINKS

a. Delivery Program

Outcome 5 – *We have strong leadership and effective governance*

DP Strategy 5.3 – Ensure we are accountable and responsive to our community

b. Other Plans

The Long Term Financial Plan underpins the Community Strategic Plan, Delivery Program, Operational Plan and Resourcing Strategy.

IMPLICATIONS

a. Policy and Procedural Implications

Nil

b. Financial Implications

The adoption of the LTFP does not in itself authorise expenditure. However, it establishes the long-term financial parameters that will inform future budgets, operational plans and capital works programs.

Corporate and Community

Report No. CC1/2026

Corporate and Community Services



c. Legislative Implications

Adoption of the LTFP is required under the *Local Government Act 1993* and the *Local Government (General) Regulation 2021*.

d. Risk Implications

Failure to adopt a contemporary LTFP would expose Council to strategic, financial and reputational risk, including the absence of a clear framework for managing infrastructure backlogs, financial sustainability and long-term service delivery.

e. Environmental Implications

Nil

f. Other Implications

Nil

CONCLUSION

The LTFP 2026–2036 provides a transparent, evidence-based assessment of Council's financial position and long-term sustainability challenges. The Plan was publicly exhibited in accordance with statutory requirements, with no submissions received.

Adoption of the LTFP will provide Council with a robust financial framework to guide strategic decision-making, infrastructure investment and service delivery over the next decade.

ENCLOSURES

- 1 ➡ Submission on Long Term Financial Plan

Corporate and Community

Report No. CC2/2026

Corporate and Community Services



SUBJECT: ***REVIEW OF DISTRIBUTIVE EQUITY IN COUNCIL'S RATING STRUCTURE***

RESPONSIBLE OFFICER: ***Chief Finance Officer***

SUMMARY

Council's rating structure determines how the cost of providing local services and infrastructure is shared across the community. While the current rating framework is compliant with legislative requirements and provides stable revenue, rating structures can have differing impacts on households and businesses with varying capacities to pay.

Recent community engagement undertaken as part of the Special Variation process has highlighted the importance of Council understanding both the adequacy of its revenue base, and the distributional impacts of its rating structure. In particular, feedback from informed community participants raised questions about capacity to pay and the way rate burdens are distributed across different cohorts.

This report seeks Council's approval to undertake a structured review of the distributive equity of Council's rating structure. The review will examine whether current settings equitably distribute the rating burden, while maintaining financial sustainability, transparency, and legislative compliance. The review does not pre-determine changes to rates or rating categories, and any findings will be reported back to Council for consideration.

RECOMMENDATION

1. That the General Manager undertake a review of the distributive equity of Council's current rating structure; and
2. That Council notes that the distributive equity review will assess equity impacts, legislative compliance, revenue stability, administrative feasibility, with findings and any proposed options to be reported to Council for consideration, with an intention for inclusion in the 2027/28 Revenue Policy.

BACKGROUND

Council raises a substantial amount of its operating revenue through rates, which fund essential local services and infrastructure. Under the *Local Government Act 1993* (the Act) and associated regulations, Council has discretion in how rates are structured, including the use of ad valorem rates, base amounts, and differential rating categories.

While Council's current rating structure is legally compliant and consistent with historical practice, rating frameworks are not neutral in their effects. Different rating settings can result in materially different outcomes for ratepayers depending on property value, land use, location, and broader socio-economic circumstances.

Corporate and Community

Report No. CC2/2026

Corporate and Community Services



As part of Council's recent Special Variation engagement, an independent *Report on Community Engagement* was prepared by Professor Drew and colleagues. That report found that, when residents were provided with detailed information and the opportunity to ask questions, there was strong recognition of Council's financial sustainability challenges and the need for additional revenue. At the same time, the engagement identified consistent concerns regarding how rates are distributed, particularly in relation to capacity to pay for lower-value residential properties, small businesses, and other vulnerable cohorts.

The engagement report observed that these distributional issues are distinct from the question of overall revenue adequacy and recommended that consideration of distributive equity be undertaken through a separate, structured review, rather than being conflated with the Special Variation process.

REPORT/PROPOSAL

It is proposed that Council undertake a structured review of the distributive equity of its current rating structure.

The review will examine how the existing mix of ad valorem rates, base amounts, minimum rates and any differential rating categories distributes the rating burden across the community, with particular regard to capacity to pay, access to services and unintended regressive impacts. In doing so, the review will consider whether the current framework remains fair, transparent and defensible, while continuing to provide stable and sufficient revenue to support Council's service delivery and asset management obligations.

The proposal arises directly from recent community engagement undertaken as part of the Special Variation process, including the independent *Report on Community Engagement*. That engagement demonstrated that, while there is an understanding among informed residents of the need for additional revenue, there is also an expectation that Council actively examines how the burden of rates is shared across different categories. The engagement report explicitly recommended that distributive equity be addressed through a separate, evidence-based process, rather than alongside decisions about overall revenue levels.

The review will be undertaken within existing resources, informed by available data, reasonable proxies and comparative practice across the local government sector. Legislative and regulatory requirements will be central to the review, and internal stakeholder input and external benchmarking may be utilised where appropriate to support the analysis.

The review will not pre-determine changes to rates or rating categories. Any findings, options or recommendations arising from the review will be reported to Council for consideration prior to any policy change or public consultation.

Undertaking this review supports sound governance, transparency and informed decision-making. It provides assurance to the community and regulators that Council is actively examining the equity implications of its rating framework, while maintaining a clear separation between decisions about revenue adequacy and decisions about how the rating burden is distributed.

Corporate and Community

Report No. CC2/2026

Corporate and Community Services



OPTIONS

1. Adopt the recommendation as drafted (preferred option)
2. Not adopt the recommendation. This is not recommended as this review is based on extensive community consultation and feedback.

CONSULTATION

Councillors
Professor Joseph Drew
Executive Leadership Team
Chief Finance Officer

STRATEGIC LINKS

a. Delivery Program

5.3.3 Ensure we maintain adequate funding to support our plans of management, cash position and adopted plans and strategies

b. Other Plans

Revenue Policy

IMPLICATIONS

a. Policy and Procedural Implications

After research and review, Council changes adopted will be incorporated into the Revenue Policy.

b. Financial Implications

There are no immediate financial implications arising from this report. The review will be undertaken within existing operational resources. Any potential changes to the rating structure identified through the review would be subject to separate Council consideration and, where necessary, public exhibition.

c. Legislative Implications

The review will be conducted in accordance with the Act, relevant regulations and applicable rating guidelines. Any future recommendations would be subject to statutory requirements, including public consultation where applicable

d. Risk Implications

There is a risk that the review may be perceived as pre-empting changes to rates or increasing complexity in the rating framework. This risk will be mitigated through clear communication that the review does not pre-determine outcomes and is focused on understanding equity impacts rather than setting rate levels.

Corporate and Community

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Corporate and Community Services



There is also a risk of community concern arising from confusion between the Special Variation process and the proposed equity review. This will be mitigated by clearly distinguishing the purpose and timing of the review from decisions about overall revenue adequacy.

e. Environmental Implications

Nil

f. Other Implications

Nil

CONCLUSION

Approving a review of distributive equity in Council's rating structure supports good governance, transparency and informed decision-making. The review enables Council to respond constructively to community feedback, better understand the equity implications of its current rating framework, and consider whether refinements are warranted to improve fairness while maintaining long-term financial sustainability.

ENCLOSURES

There are no enclosures for this report

Corporate and Community

Report No. CC3/2026

Corporate and Community Services



SUBJECT: ***APPLICATION TO THE INDEPENDENT PRICING AND REGULATORY TRIBUNAL FOR A PERMANENT ONE-YEAR SPECIAL VARIATION OF 39.9%***

RESPONSIBLE OFFICER: ***Chief Finance Officer***

SUMMARY

This report seeks Council's approval to submit an application to the Independent Pricing and Regulatory Tribunal (IPART) for a permanent one-year Special Variation (SV) of 39.9%, inclusive of the applicable rate peg, to general income, commencing in the 2026/27 financial year.

The application is supported by extensive independent financial analysis, updated Long Term Financial Planning, efficiency and capacity-to-pay assessments, and a comprehensive community engagement program undertaken in accordance with IPART and Office of Local Government (OLG) requirements.

Without approval of the proposed SV, Council faces an ongoing structural funding deficit that will materially impair its ability to maintain core services, renew critical infrastructure, and meet its financial obligations over the short to medium term that could materially impair Council's financial sustainability and service delivery capacity.

While some of the supporting analysis has previously been considered by Council, the attached independent expert reports and engagement material are provided as enclosures to ensure transparency and allow the community to fully understand the evidence informing Council's decision to apply to IPART.

RECOMMENDATION

1. That Council approves the submission of an application to IPART for a permanent one-year Special Variation of 39.9%, inclusive of the applicable rate peg, to general income, commencing in the 2026/27 financial year.
2. That Council notes that the determination of whether the Special Variation is approved rests solely with IPART under delegation from the Minister for Local Government.
3. That Council notes that the application is supported by independent expert reports addressing financial sustainability, efficiency, capacity to pay, debt capacity, and community engagement, together with updated Long Term Financial Plan modelling.
4. That Council authorises the General Manager to finalise and lodge the Special Variation application and supporting documentation with IPART in accordance with the 2026–27 IPART Special Variation Guidelines.

BACKGROUND

Under the *Local Government Act 1993* (the Act), councils may apply to IPART for approval to increase general income above the annual rate peg through a SV.

Council's Financial Sustainability Review, Long Term Financial Plan (LTFP), and associated independent expert reports have consistently identified a long-standing structural mismatch between recurrent revenues and the cost of delivering and maintaining essential services and infrastructure.

Key drivers of this position include:

- sustained cost escalation exceeding movements in the rate peg;
- growth-related cost pressures not fully funded through developer contributions;
- an ageing asset base with increasing renewal requirements;
- constrained capacity to increase debt; and
- historically low average rate effort relative to comparable councils.

In response, Council undertook a staged and evidence-based process, including:

- commissioning independent expert reviews of sustainability, efficiency, capacity to pay and liabilities;
- updating financial modelling through the LTFP;
- undertaking a comprehensive community engagement program consistent with IPART and OLG requirements; and
- previously notifying IPART that Council was considering an SV.

This report represents the final step in that process, seeking Council's decision on whether to formally apply to IPART.

REPORT/PROPOSAL

Nature of the Proposed Special Variation

Council proposes a permanent one-year Special Variation of 39.9%, inclusive of the applicable rate peg, applied to general income in the 2026/27 financial year.

The proposed increase has been designed to:

- materially improve Council's operating result;
- stabilise liquidity and cash flow;
- enable increased investment in asset renewal and maintenance; and
- place Council on a more sustainable financial trajectory over the long term.

Independent modelling indicates that lesser variations would not address the underlying structural deficit, while multi-year staged increases would prolong financial stress and compound financial and asset risk.

Financial Sustainability and Alternatives Considered

Independent expert analysis confirms that Council has limited scope to resolve its financial position through efficiencies alone, and no meaningful capacity to fund ongoing operations through additional borrowings without unacceptable intergenerational impacts.

Corporate and Community

Report No. CC3/2026

Corporate and Community Services



Alternative measures, including further service reductions, asset divestment, and deferral of renewal expenditure, were examined and found to either deliver only marginal short-term relief or materially increase long-term financial, operational, and asset management risks.

Accordingly, the proposed SV represents the least-worst option available to Council to restore financial sustainability while continuing to deliver core services.

Community Awareness and Engagement

Council has undertaken a comprehensive engagement program to ensure the community was informed of:

- the financial challenges facing Council;
- the nature and quantum of the proposed SV;
- how additional revenue would be used; and
- the consequences of not proceeding with a SV.

The engagement program utilised a mix of written materials, surveys, public meetings, online sessions, digital engagement tools, and extensive communications across multiple channels, consistent with IPART and OLG guidance.

Key Themes Raised by the Community and Council Response

Feedback received through the engagement process identified a number of consistent themes and concerns raised by participants.

Key matters raised included:

- affordability and cost-of-living pressures, particularly for pensioners, low-income households and fixed-income residents;
- concern regarding the size and timing of the proposed increase;
- expectations that Council continue to pursue efficiencies and cost containment;
- a desire for clearer information on how additional revenue would be used; and
- concerns regarding asset condition and service reliability if additional funding is not secured.

Council has considered this feedback in finalising its approach and, in response, proposes to:

- maintain and strengthen existing hardship and payment assistance arrangements for eligible ratepayers;
- ensure that any additional revenue approved by IPART is directed toward core services, asset renewal and financial sustainability, consistent with the LTFP;
- continue to pursue efficiency and cost-containment initiatives, as identified in independent reviews;
- improve ongoing financial transparency and communication to the community regarding Council's financial position and use of rate revenue; and
- consider the structure of the rating system, including the base amount, to mitigate disproportionate impacts on ratepayers with lower land values, subject to further Council consideration.

Representativeness and Interpretation of Engagement Outcomes

Council acknowledges that, while the engagement program generated significant levels of activity across multiple channels, participation was not statistically representative of the entire population.

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As documented in the *Report on Community Engagement (19 December 2025)*, participation rates for formal engagement instruments were modest relative to the total number of rateable properties within the Local Government Area. Survey 1 responses represented approximately 4.37% of households, and attendance at in-person information sessions represented approximately 1.86% of residents.

Council notes that non-participation cannot reasonably be interpreted as either support nor opposition.

Consistent with IPART guidance and prior determinations, Council notes that representativeness is not a prerequisite of the SV engagement criteria. The regulatory test is whether Council provided adequate opportunity for awareness, access to information, and informed participation, and whether feedback received has been appropriately considered.

Importantly, the engagement outcomes demonstrate a clear distinction between initial awareness-based responses and informed participation. While early survey responses indicated lower levels of support, subsequent engagement with residents who accessed additional information through public briefings and information sessions showed materially higher support, with approximately 77% of Survey 2 respondents supporting the proposed SV after receiving detailed information.

Council considers that the engagement program has met the requirements for community awareness and informed engagement, while transparently acknowledging its limitations in terms of statistical representativeness. Feedback received has been used to refine Council's understanding of community concerns and inform mitigation measures, including hardship and rating structure considerations.

Role of IPART

It is noted that Council is not approving a rate increase through this resolution. Council is approving the submission of an evidence-based application for independent determination by IPART, which will assess the proposal against statutory and guideline criteria and make the final decision under Ministerial delegation.

This distinction has been clearly communicated throughout the engagement process.

OPTIONS

Option 1 – Proceed with the Special Variation application (Recommended)

Council resolves to submit an application to the Independent Pricing and Regulatory Tribunal for a permanent one-year Special Variation of 39.9%, inclusive of the applicable rate peg, commencing in the 2026/27 financial year.

This option enables independent assessment by IPART and provides the opportunity to address Council's structural financial sustainability challenges in a timely manner.

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Option 2 – Do not proceed with a Special Variation application

Council resolves not to submit a SV application.

Under this option, Council would be required to manage its financial position through a combination of alternative measures, which would include a combination of:

- material reductions to service levels;
- deferral of asset renewal and maintenance expenditure, increasing long-term risk and cost;
- further depletion of cash and liquidity buffers; and/or
- increased reliance on short-term measures that do not address the underlying structural funding gap.

This option does not provide a pathway to independent regulatory consideration of Council's financial sustainability and carries heightened long-term financial, asset, and service delivery risks.

Failure to address the identified structural funding gap increases Council's exposure to heightened regulatory scrutiny and potential intervention mechanisms available under the Act, particularly where financial sustainability and service continuity cannot be demonstrated.

Option 3 – Proceed with a Special Variation application at a different percentage or timing as recommended in the independent report

Council resolves to submit a SV application over an amended timeframe or alternate rate.

Should Council elect to take this course of the action, the implications would be similar to Option 2 (as above) and would also be highly likely to fail the engagement requirements for an SV, as the option would be substantially different to that presented to the community as part of the engagement process.

CONSULTATION

Internal

- Councillors
- Executive Leadership Team
- Senior Leadership Group
- Finance, Integrated Planning and Reporting, Asset Management, Developer Contributions and Procurement teams
- Customer Service and Communications teams

External

- Ratepayers and residents of the Local Government Area
- Business and commercial ratepayers
- Landowners and ratepayers residing outside the Local Government Area
- Participants in community information sessions, online briefings and survey respondents

STRATEGIC LINKS

a. Delivery Program

5.3.3 Ensure we maintain adequate funding to support our plans of management, cash position and adopted plans and strategies.

The Delivery Program also expressly foreshadows consideration of a SV as a mechanism to address identified financial sustainability challenges.

b. Other Plans

The proposed SV is consistent with Council's Integrated Planning and Reporting framework, including the Community Strategic Plan, Delivery Program 2025–2029 (Action 5.3.3), Resourcing Strategy, LTFP, Asset Management Strategy and Asset Management Plans. Collectively, these documents identify the need to maintain adequate and sustainable funding to deliver Council's adopted services and infrastructure over the long term

IMPLICATIONS

a. Policy and Procedural Implications

There are no immediate changes to Council policy arising from this report.

Approval of this report authorises the submission of a SV application to IPART in accordance with the Act and relevant guidelines. Any future changes to rating structures, hardship provisions or associated policies would be subject to separate Council consideration following IPART's determination.

b. Financial Implications

Approval of the application enables IPART consideration of additional general income critical to Council's long-term financial viability. Failure to apply materially increases the risk of service reductions, asset deterioration, liquidity stress, and adverse regulatory intervention.

c. Legislative Implications

Part 2 of Chapter 15 of the Act, enables councils to apply to the IPART for approval to increase general income above the annual rate peg through a SV.

Approval of this report authorises the submission of an application to IPART in accordance with section 508(2) of the Act and relevant IPART and OLG guidelines.

The proposed SV cannot be implemented unless approved by IPART.

d. Risk Implications

Not proceeding with an application exposes Council to heightened financial, operational, asset, and governance risks. Proceeding appropriately transfers the decision to the independent regulator as intended under legislation.

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e. Environmental Implications

Nil

f. Other Implications

Proceeding with a SV application carries a risk of community concern regarding affordability and cost-of-living pressures. This has been mitigated through a comprehensive community awareness and engagement program and the development of hardship and support measures.

Conversely, not proceeding with an application carries reputational risk associated with declining service standards and infrastructure condition.

CONCLUSION

Based on independent expert advice, updated financial modelling, and comprehensive community engagement, the proposed permanent one-year SV of 39.9%, inclusive of the applicable rate peg, is necessary to address Council's structural financial challenges.

Approval of this report enables Council to submit a robust, transparent, and evidence-based application to IPART for independent determination.

ENCLOSURES

- 1 ➡ Professor Drew Pty Ltd Report on Community Engagement
- 2 ➡ CCC Report on Community Engagement Supplementary
- 3 ➡ Professor Joseph Drew Pty Ltd Capacity to Pay Report
- 4 ➡ Professor Joseph Drew Pty Ltd Cessnock Efficiency Report
- 5 ➡ Professor Joseph Drew Pty Ltd Cessnock Liabilities Report