



17 October 2025

To All Councillors

Notice is hereby given, in accordance with the provisions of the Local Government Act 1993, that an Extraordinary Meeting of Council will be held in the Council Chambers on Wednesday, 22 October 2025 at 5.30pm, for the purposes of transacting the undermentioned business.

AGENDA:

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| (1) | ACKNOWLEDGEMENT OF TRADITIONAL LAND OWNERS | |
| (2) | OPENING PRAYER | |
| (3) | RECEIPT OF APOLOGIES | |
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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 adopted Model 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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Disclosures Of Interest

Report No. PPD11/2025

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.

Corporate and Community

Report No. CC70/2025

Corporate and Community Services



SUBJECT: ***ENDORSEMENT OF CONSULTATION FOR FINANCIAL SUSTAINABILITY***

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

SUMMARY

This report seeks Council's endorsement to notify the Independent Pricing and Regulatory Tribunal (IPART) that it is considering lodging a Special Variation (SV) application and to commence community consultation on the proposal.

The consultation program will provide multiple opportunities for residents, ratepayers, and businesses across the Local Government Area to engage and provide feedback.

Importantly, this report does not authorise Council to submit a Special Variation application. A further report will be presented following the consultation phase to inform Council's decision on whether to proceed with an application.

RECOMMENDATION

- 1. That Council notes the updated report from the independent advisor.**
- 2. That Council endorses notification to IPART that Council is considering a Special Variation application.**
- 3. That Council endorses commencement of community consultation on Financial Sustainability and Special Variation.**
- 4. That Council endorses the fact sheet and survey as provided under supplementary enclosure for the purpose of consultation.**

BACKGROUND

At its meeting on 16 April 2025, Council noted the report of the Institute for Regional Futures of the University of Newcastle outlining the financial sustainability challenges for Cessnock City Council. Council resolved to authorise the engagement of an independent advisor to provide further advice to Council on the potential for a special variation and to report to Council on the recommendations of the advisor prior to any decision being made on a Special Rate Variation application by Council.

Under the *Local Government Act 1993*, councils may seek approval from the Independent Pricing and Regulatory Tribunal (IPART) to increase general income above the annual rate peg through a Special Rate Variation (SRV).

Before any application can be made, IPART and the Office of Local Government (OLG) require councils to undertake meaningful community engagement to demonstrate awareness and understanding of the proposal and its impacts. This is assessed under OLG Criterion 2 – Community Awareness and Engagement, as outlined in IPART's *2026–27 Guidance Booklet for Councils – Special Variations: How to Prepare and Apply*.

Corporate and Community

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Council's most recent Financial Sustainability Review and Long-Term Financial Plan (LTFP) have identified an ongoing structural funding gap which, if unaddressed, will impact Council's ability to maintain service levels, invest in asset renewal, and achieve long-term sustainability.

Endorsing the proposed consultation allows Council to inform the community about these challenges, explore available options, and gauge the level of community support for addressing them through a possible Special Rate Variation.

REPORT/PROPOSAL

It is proposed that Council authorise the General Manager to notify IPART of its intention to consider a Special Variation application and commence a comprehensive community engagement process to gauge community awareness, sentiment, and willingness to support a potential SRV.

Notifying IPART at this stage is an important procedural step that:

- Signals transparency and intent, ensuring the independent regulator and the community are aware that Council is exploring a Special Variation as part of its long-term financial planning.
- Ensures compliance with IPART's 2026–27 guidance, which requires councils to indicate consideration of a Special Variation before the formal application period.
- Allows IPART to provide feedback or advice on information requirements, timing, and supporting documentation for any future application.
- Demonstrates best-practice governance, confirming that Council is taking a measured and consultative approach to assessing its financial sustainability before any decision is made.

The engagement program will meet the expectations of OLG Criterion 2 – Community Awareness and Engagement and will include:

- Distribution of a fact sheet and survey to every household, farm, and business in the Local Government Area (LGA), and ratepayers outside of the LGA. Each survey will include a reply-paid envelope to make participation simple and cost-free to residents.
- Designated drop-off points across the LGA, including Council facilities, libraries, and the administration building, for residents to return completed surveys.
- Nine listening posts/pop up engagement sessions at various locations across the LGA held in the week leading up to the community information sessions.
- Four in-person community information sessions held in key town centres and one online session to ensure broad accessibility.
- Clear and transparent communication of:
 - the need for and extent of a potential rate increase;
 - what the SRV would fund and how it aligns with community priorities;
 - how Council continues to pursue efficiencies and cost savings; and
 - the implications if an SRV is not approved.

All reports, fact sheets and surveys will be provided to Councillors as supplementary documents prior to the extraordinary meeting.

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The outcomes of the consultation will be reported to Council, together with updated financial modelling and community feedback, to inform Council's consideration of whether to proceed with a formal application to IPART.

Consistent with the *2026–27 IPART Guidance Booklet* and the *Office of Local Government's Special Variation Guidelines*, any required addendums to Council's Integrated Planning and Reporting (IP&R) documents — including the Long-Term Financial Plan, Delivery Program, and Asset Management Plans — will be completed and presented to Council for public exhibition prior to any Council resolution to apply.

This ensures that the community has the opportunity to review the updated financial and strategic context before Council determines whether to proceed with an SRV application.

OPTIONS

1. **Endorse the recommendation** to notify IPART and commence community consultation — enabling Council to meet regulatory expectations, engage transparently with the community, and gather evidence for informed decision-making.

This is the preferred and recommended option.

2. **Do not endorse the recommendation** — which would preclude notification to IPART and prevent consultation from occurring, thereby limiting Council's ability to consider a Special Variation to support long-term financial sustainability. This may lead to OLG regulatory actions.

CONSULTATION

Internal consultation has been undertaken with the Communications and Engagement team, the Finance team, the Senior Leadership Group, Professor Joseph Drew and the Executive Leadership Team.

STRATEGIC LINKS

a. Delivery Program

This proposal aligns with the Delivery Program objectives to ensure financial sustainability, maintain community assets, and deliver responsible long-term management of Council services and infrastructure.

b. Other Plans

Long-Term Financial Plan 2025–2035
Asset Management Strategy and Plans
Community Strategic Plan – *Cessnock 2036*

IMPLICATIONS

a. Policy and Procedural Implications

Consultation will be undertaken consistent with Council's *Community Engagement Policy* and IPART's and OLG's Special Variation guidelines. Any amendments or addendums to IP&R

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documents will be completed and brought to Council for public exhibition prior to any resolution to apply for a Special Variation.

This is part of the engagement process seeking community input into financial sustainability challenges and options of Council, and **is not a final** decision that a SRV application will be lodged with IPART.

b. Financial Implications

The consultation phase will be funded within existing operational budgets.

c. Legislative Implications

Governed by the *Local Government Act 1993*, *Local Government (General) Regulation 2021*, and IPART's *2026–27 Special Variation Guidance Booklet*. Notification and consultation are mandatory prerequisites before any application may be lodged.

d. Risk Implications

Key risks include community misunderstanding or opposition to the proposal. These will be mitigated through transparent information, multiple engagement channels, and clear communication about Council's financial challenges and options.

e. Environmental Implications

Nil

f. Other Implications

This process enhances transparency and supports informed community participation in decisions that affect Council's financial sustainability and future service delivery.

CONCLUSION

Endorsing the commencement of community consultation and notifying IPART of Council's intention to consider a Special Variation represents a procedural but critical step in assessing the financial options available to maintain long-term sustainability.

This action ensures compliance with legislative and procedural requirements, supports open and informed community dialogue, and allows Council to make evidence-based decisions in future.

Endorsement of this report does **not authorise** Council to submit a Special Variation application.

In line with the *IPART 2026–27 Guidance Booklet* and *OLG Special Variation Guidelines*, any addendums to the Integrated Planning and Reporting documents will be completed and exhibited prior to Council's consideration of any resolution to apply, ensuring further transparency and communication with the community.

ENCLOSURES

Supplementary enclosures to be provided.