



ORDINARY MEETING OF COUNCIL

MINUTES

22 APRIL 2014

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CITY OF GREATER GERALDTON
ORDINARY MEETING OF COUNCIL
HELD ON TUESDAY, 22 APRIL 2014 AT 5.30PM
CHAMBERS, CATHEDRAL AVENUE

MINUTES

DISCLAIMER:

The Chairman advises that the purpose of this Council Meeting is to discuss and, where possible, make resolutions about items appearing on the agenda. Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on the basis of such decision or on any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting. Persons should be aware that the provisions of the Local Government Act 1995 (Section 5.25(e)) and Council's Standing Orders Local Laws establish procedures for revocation or rescission of a Council decision. No person should rely on the decisions made by Council until formal advice of the Council decision is received by that person. The City of Greater Geraldton expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any resolution of Council, or any advice or information provided by a Member or Officer, or the content of any discussion occurring, during the course of the Council meeting.

1 ACKNOWLEDGEMENT OF COUNTRY

The Deputy Mayor acknowledged the traditional owners of the land on which the Council meet and pays respect to the Elders and to knowledge embedded forever within the Aboriginal Custodianship of Country.

2 DECLARATION OF OPENING

The Presiding Member declared the meeting open at 5.31pm.

3 ATTENDANCE

Present:

Cr N McIlwaine
Cr D Brick
Cr D J Caudwell
Cr J Clune
Cr J Critch
Cr R deTrafford
Cr S Douglas
Cr P Fiorenza
Cr R D Hall
Cr S Keemink
Cr T Thomas
Cr S Van Styn

Officers:

K Diehm, Chief Executive Officer
P Melling, Director of Sustainable Communities
B Davis, Director of Corporate and Commercial Enterprises

N Arbuthnot, Director of Community Infrastructure
C Budhan, A/Director of Creative Communities
S Moulds, PA to the Chief Executive Officer
L Taylor, Executive Support Secretary
S Chiera, Coordinator Marketing & Media
B Robartson, A/Manager Marketing, Economic & Property Development
L MacLeod, Coordinator Land & Property Services
M Jones, Business Analyst, Strategic Business Planning Services
D Cole, Ranger
A Brown, Ranger

Others:

Members of Public: 34
Members of Press: 1

Apologies:

A Selvey, Director of Creative Communities

Leave of Absence

Mayor I Carpenter
Cr V Tanti
Cr L Graham

4 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil.

5 PUBLIC QUESTION TIME

Questions provided in writing prior to the meeting or at the meeting will receive a formal response. Please note that you cannot make statements in Public Question Time and such statements will not be recorded in the Minutes.

Our Local Laws and the Local Government Act require questions to be put to the presiding member and answered by the Council. No questions can be put to individual Councillors.

Public question time commenced at 5.33pm.

Ms Lesley Adrian, 2/2 Gertrude Street, Geraldton

Question

What is being done to preserve the trees in various places from the corellas, Bill Sewell centre, Stirling Centre, footpath outside the QEII?

Response

Corrella's are a national problem with eastern states cities and towns experiencing the same destruction as Geraldton. There have been many and varied attempts taken to remove corrella's from urban areas and all have failed. The City has a damage licence to cull flocks. The licence is limited to

a total given number of birds (400) and to five locations in the City. The specified locations are Walkaway Recreational Reserve, Wonthella Oval, Utakarra Oval, Alexander Park and Greenough Oval. The licence precludes the City from undertaking culling outside these nominated areas. Any damage / culling licence is restricted to areas where damage is occurring. Damage permits can be renewed by application to the Department of Environment and Conservation. Culling in the past has not been successful in deterring corrella's from returning and culling is not popular with sections of the community.

From research undertaken of papers written on the subject of removing corrella's a concentrated and prolonged program is required incorporating culling and scaring corrella's at roosts in early morning or evening. As the culling / scaring requires the use of 12 gauge shot guns disturbance to residents in urban areas is inevitable as is the wounding of birds through the use of shot guns. While the birds do damage to infrastructure, create a mess and foul footpaths they are nonetheless protected and the only legal way of eradication is through obtaining damage licences and undertaking a costly, prolonged and to some an unpopular campaign. The actual cost of damage to infrastructure and community assets may not be known for some time nevertheless the cost of control would certainly be less than the real and potential damage caused. Clearly the problem is one that requires more liberal damage licencing to allow greater effectiveness of minimising the impact currently being experienced.

To date the City has attempted on a number of occasions to move the corrella's on using a gas gun to no avail and the lack of rain has exacerbated the corrella experience in the last year. The licence held by the City precludes control in the CBD area where significant damage and nuisance is occurring.

Ms Mellie Welsh, 481 Marine Tce, Geraldton

Question

When will erosion study commence (Greys beach, all areas) and study complete?, results be available?, and at what cost?

Response

Initial investigations have been undertaken on developing a temporary barrier at the car park at Grey's beach to contain the erosion until a detailed study of the Point Moore area is undertaken. The barrier is planned to be constructed prior to the end of the current financial year subject to available funding. This work is not part of the detailed studies and work to be undertaken and is planned as a temporary barrier until a final decision is made regarding the Point Moore area.

The detailed study will not commence until funds have been provided. Consideration of funding will occur during the framing of the 2014/15 Council budget. The cost will be determined as part of the tender process when calling for tenders to undertake the study.

Question

When would action be taken?

Response

When funds are provided in the Council budget.

Question

Why was sand removed recently when road cleared of sand (about two weeks ago on Marine Terrace southern Part?) Where was it put? Would it be better pushed back where it came from originally?

Response

Sand was removed as it was considered to be a hazard to road users. The quantity of sand removed was approximately 60 cubic metres. Forty (40) cubic metres was transferred back to the erosion area and twenty (20) cubic metres was taken away because of contamination with sticks and stones.

Mr Anthony George Moustafa – 187 Monsoon Lane, Point Moore

Item: SC143 2014 Expiry Point Moore (West End) Beach Cottage Leases

Question

Can Councillor's consider deferring their vote tonight until the next meeting, because

1. I have challenged Landgate GMRVA on March 2014 (verification attached).
2. Legal action is pending and legal advice needs to be taken. 3 days is not enough.
3. I have only been 3 working days since the agenda forum and disclosure, not enough time for anyone.
Including yourselves to absorb and evaluate matters mentioned.
4. Media releases are imminent draft copies attached.
5. Our Port ward Councillor is absent on holidays and we have no council representative.

Response

The City has followed its standard process for lease reviews/offering further renewal of lease as required under the Local Government Act including obtaining a current valuation that is used to determine the new lease fee.

Sue Chiera 129 Zodiac Lane West End (Point Moore)

Item: SC143 2014 Expiry Point Moore (West End) Beach Cottage Leases

Question

This question is with reference to the study to be undertaken for the Point Moore area and addressing the ongoing erosion. As there are stakeholders other than Point Moore residents with a vested interest in the area, could the City explore a collaborative funding approach to mitigating the erosion?

The stakeholders include the Commonwealth Government (Lighthouse) and State Government BCMI, freehold land. Geraldton Port Authority, Brookfield Rail, Aurizon, Watco, CBH, Karara - and it is anticipated Top Iron in the future

- all use the rail line which is equally at risk of coastal inundation and erosion. Also BCMI is at risk with the erosion of Separation Point.

Response

The City in many of his projects does get other stakeholders involved either financially or in kind. The issue of coastal erosion impacts on many stakeholders depending where on the coast the developments/ facilities are located. The City will seek funds from others to assist in the initial study funding but it is the cost of remediation works etc. where the significant dollars will be and again funding would be sought from multiple sources.

Question

Revenue from **lease fees** *forms part of income generated from fees and charges, which supports the Ordinary Operating Activities of the City.*

Point Moore is part of Greater Geraldton and sees little return of this revenue so could some of this be used towards mitigating the perceived coastal inundation/erosion problem?

Response

At this time the State Government via the Department of Planning has identified possible risks at Point Moore, however until full investigations are undertaken and then possible remediation options are evaluated and costed it is premature to speculate on where funding will be sourced from.

Revenue from rates, lease fees etc. that are generated are allocated via Council's budget process and priorities assigned to projects/ works etc. The Point Moore project will be part of that process.

Question

My maths has never been very good, but I calculate that over the next 14 years Point Moore will return to the City somewhere in the region of \$6.3 million in lease fees, and upwards of \$3.6 million in rates which would contribute more than \$9 million to City revenue. That is a lot of money the City will miss out on if the leases are not renewed beyond 2028. Is that a concern for the City?

Response

Of course, but at this point in time it is premature for the City to focus on potential losses in income from the Point Moore area without having the "science" behind understanding the potential risks and possible mitigating solutions. It would have been remiss of the City to not have identified the concerns expressed by a State Agency when dealing with the extension of the Point Moore leases.

Mr Paul Robb, 26 Bosuns Crescent, Point Moore

Item: SC143 2014 Expiry Point Moore (West End) Beach Cottage Leases

Question

Does the City consider that after making publicised comments pertaining to the Point Moore leases and the non-renewal of such, that it has drastically affected the real estate market at Point Moore?

Response

No. The Council's position with respect to Point Moore has not changed with the recommendation currently before Council. When prospective purchasers of leases currently call the Council we advise them that the Council has not made a decision to extend the leases and that they should not acquire the leases on the assumption that they will be extended.

Question

Upon what evidence does the City base its public comments regarding the risk of renewal of leases at Point Moore?

Response

We have written advise from the State that they consider that the area is not fit for permanent residences due to the risks of inundation.

With respect to the potential environmental and health impacts associated with the septic systems, our evidence is anecdotal and from personal observations. Staff have witnessed that after large rain events many of the septic systems overflow and have expressed concern in relation to potential health problems.

For these reasons it is important to thorough investigations before making any decision to consider extending the leases in Point Moore

Question

What will the financial cost be, on the remaining ratepayers of Greater Geraldton, caused by future loss of revenue to the City when there are no further lease fees or rates recovered from Point Moore?

Response

The potential cost has not been calculated. This will be considered as part of the investigations as will the potential costs to mitigate the coastal inundation , environmental and health risks.

Question

Does the City include the Bel Aire Caravan Park as a leasee which will be impacted upon by the non renewal of leases at Point Moore?

Response

No, the Caravan Park has a current lease and the park is principally for short stay accommodation which it is understood complies with the Department of Planning advice.

Question

Does the City consider it was premature to go 'public' with information regarding the future non-renewal of leases at Point Moore, given there was no public consultation regarding lease extensions or lack of such at Point Moore?

Response

No. It would be improper for us not to make it clear to prospective purchasers that there is no decision by Council to extend the leases.

Angus Barnes, 185 Monsoon Lane, Point Moore

Item: SC143 2014 Expiry Point Moore (West End) Beach Cottage Leases

Question

Why did the City unilaterally decide not to further extend point Moore leases past 2028 until studies were undertaken? Why was this decision not put to the Council?

Response

The City has made no decision to extend the leases beyond 2028, this has not changed. It would be improper to extend the leases knowing the risks and the advice from the owner of the land that the land is not suitable for permanent residences.

Question

The City, by making this decision, has now placed a moratorium on the sale of point Moore cottages given it now appears leases will not be renewed in 2028. Why is no economic impact of this decision not included in the proposal? Why is the impact on market values of properties not being considered? Why is the new situation regarding rents not being taken into consideration when making a market assessment to determine the lease fee?

Response

The City has not placed a moratorium on the sale of the properties. There has been no change to the Council's position. Prospective purchasers have always been made aware that the lease expires in 2028 and that they should not rely on an extension of the lease in determining when to purchase the property.

The market price for rental is based upon the Government advice. The proposed lease provides for a review every three years.

Question

Will the City compensate people wishing to sell their properties the difference between the market price before this proposal was published and the market price after?

Response

No. the Council's position has not changed with respect to the termination dates of the leases.

Question

What is the timeframe for the studies proposed - when will they commence / finish? On what basis will the City make decisions once these studies have been completed?

Response

The studies will be listed for consideration in the 2014/15 budget. The recommendation of staff will be based upon the relative costs and benefits of extending the leases and addressing the identified risks.

Question

Will the City address the situation they have created by assuring the market place that 2028 leases will be renewed?

Response

There has never been any decision by the Council to extend the leases beyond 2028. It would be improper to do so without understanding the risks and relative cost to mitigate those risks. Further to this the State has made it clear that they do not consider the land suitable for permanent residency.

Question

How does the City determine the lease fee based on rental values? Why is the percentage of the rental value determined as appropriate?

Response

The rental value is based upon the states valuation. It is considered that there should be equity with leases currently being considered and the leases that are currently in place to 2828.

Father Robert Cross, Unit 4/141 Cathedral Avenue, Geraldton WA 6530

Item: SC145 Gaskin Drive, Cape Burney Leasehold Properties

Question

In regard to Part "A" of the motion, sections 1 and 2, could you please advise what the rescindment of these sections is designed to achieve?

Response

The City has a decision of Council that has been given to the CEO to implement regarding the free holding of the Gaskin Drive lots. That decision was made on the understanding the land would be developed and the development would fund the free holding of the lots, the decision stands until such time it is rescinded by Council. And as a matter of process in accordance with local government act we have to have the Part A, 1 & 2 to follow process.

Question

In regard to Part "B" of the motion, sections 1 and 2, could you please advise what the rescindment of these sections is designed to achieve?

Response

It is part of the process, Part A is the resolution to consider to rescind and Part B is the actual rescission

Question

IN regard to Part "C" could you please advise what the surrendering our leases that still have five years to run and the entering into new leases at this time is designed to achieve?

Response

To give a greater level of certainty and provide a greater amount of time for the current lessees

Dave Murray, 5 Gaskin Way, Cape Burney WA 6530

Item: SC145 Gaskin Drive, Cape Burney Leasehold Properties

Question

Given part "D" of the executive motive for the free holding of Gaskin Drive indicates Council's ongoing commitment to investigate possibilities to freehold, and to which end the CEO is directed to "consult with leaseholders to identify and develop options for the creation of freehold lots", is it necessary to surrender our current lease which still have five year to run, which time is more than adequate to do this?

Response

No. From the City's point of view it would be prudent to allow an extension of the lease to provide a greater level of certainty to leases and a greater ability to realise their investment prior to the Council ultimately making a decision, either to freehold or not to freehold.

Question

Under the section FINANCIAL AND RESOURCE IMPLICATIONS 5 Options have been costed and considered.

My question is How can Council make and arbitrary decision on leaseholders financial resources and the social, cultural and community values they place on their properties?

Response

In relation to the lease holder's financial resources, the City can't make any determination on the financial resources of lease holders and I don't believe the City has done that. The City is discussing the financial impact to the Council. With regards to the Social, Cultural & Community values subheadings in the report, they are our best understanding of the value to The City of Greater Geraldton, not the individual lease holders.

Anne Hogben, 45 Gaskin Drive Cape Burney, WA 6530*Item: SC145 Gaskin Drive, Cape Burney Leasehold Properties***Question**

Why **NOW** the Rush?

Response

There is 5 years remaining on the currently leases. The City did not want to be in a position that come year 4, when people are looking at perhaps selling their leases or becoming concerned about their future, we were having to rush through a decision. We didn't want to be in that environment, we believed it was prudent to extend the leases and bring the Councils previous decision to freehold back to the floor so it can be considered.

Keith Devenish, 148 Zodiac Lane, Point Moore*Item: SC145 Gaskin Drive, Cape Burney Leasehold Properties***Question**

If this year's leases are to be shortened to 14 years then why can't the existing lease agreements just be extended for another 14 years at their existing yearly lease fee of \$1513 plus CPI as the only fair way of doing so.

Response

The leases haven't been shortened to 14 years, there was a termination date on the lease, and that was the date the leases expiry. The City has actually extended the lease to a common expiry date of 2028.

With regards to the existing yearly lease fee. From an equity point of view it would be unfair to all the other leaseholders who are paying market value with a 3 yearly review, for the leases that we are extending to continue on the subsidised rate which effectively is money forgone by the Greater Community. The City believes it is only fair for them to pay the market value.

Question

Also what is being planned after all leases run out in 2028 ? Will the land be offered for conversion to freehold title or will further leases be offered and will they be 21 or 14 year leases?

Response

The Council has no plan beyond 2028, the recommendation before the Council directs the CEO to list the investigations with regards to environmental, health and coastal inundation risks for consideration in the 14/15 budget. If adopted by the council, the CEO will present an estimate to undertake the investigations during the budget deliberations. When those studies are complete The City will be in a position to readdress the community to make the outcome of those studies available and explore options. This may or may not include freeholding of the lots, termination of the leases, extension of the leases, and a substantial amount of capital works to make those properties safe for permanent habitation.

Mr Sean Hickey provided questions at the meeting, which he subsequently advised were a draft version. The new questions were sent through and these questions and responses will be provided in the May Minutes of the Ordinary Council. Mr Hickey will be provided a response in writing.

Public question time concluded at 6.13pm.

6 APPLICATIONS FOR LEAVE OF ABSENCE

Existing Approved Leave

Councillor	From	To (Inclusive)
Cr V Tanti	15 April 2014	26 May 2014
Cr L Graham	16 April 2014	23 April 2014
Mayor I Carpenter	22 April 2014	22 April 2014

COUNCIL DECISION

MOVED CR THOMAS, SECONDED CR HALL

Cr N McIlwaine request for leave of absence for the period 19 May 2014 to 21 June 2014 be approved.

Cr J Critch request for leave of absence for the period 22 June 2014 to 2 July 2014 be approved.

Cr R deTrafford request for leave of absence for the period 2 May 2014 to 7 May 2014 be approved.

Cr B Hall request for leave of absence for the period 1 May 2014 to 12 May 2014.

Mayor I Carpenter request for leave of absence for the period 27 May 2014 be approved.

Cr D Brick request for leave of absence for the period 18 May 2014 to 25 May 2014.

CARRIED 12/0

6:14:53 PM

Mayor Carpenter	N/V
Cr. McIlwaine	YES
Cr. Van Styn	YES
Cr. Graham	N/V
Cr. Brick	YES
Cr. Hall	YES
Cr. Fiorenza	YES
Cr. Thomas	YES
Cr. Caudwell	YES
Cr. Critch	YES
Cr. Douglas	YES

Cr. Keemink	YES
Cr. Tanti	N/V
Cr. deTrafford	YES
Cr. Clune	YES

7 PETITIONS, DEPUTATIONS OR PRESENTATIONS

Presentation of a WA Ranger Association Bravery Award to Chase Whitehead.

Chase Whitehead was nominated for this Bravery Award through the WA Ranger Association by the Animal Control Team Leader Darren Cole and the investigating Ranger of the incident Archie Brown. The WA Rangers Association from time to time present a “Bravery Award” to children who have experienced the trauma of a dog attack. The purpose of this program, is to help kids who have been attacked and injured by a dog. These awards help victims get through the trauma of the attack and to assist in promoting a quick and full recovery.

Presentation to Council of the Participatory Budgeting Community Panel Range and Level of Services Recommendations and Report by the Community Panel.

Community Panel members presented the Draft Participatory Budgeting Community Panel Range and Level of Services Recommendations and report to the Deputy Mayor.

The Deputy Mayor accepted the draft report and passed it to the Chief Executive Officer to action.

The following community members spoke to Council about the Community Panel Process and their experience.

- Alison Redway
- Rob Pillner
- Peter Murphy

In recognition of their efforts the Deputy Mayor presented the Community Panel with a Plaque that honours the contribution they have made in making the City of Greater Geraldton such a wonderful place to live.

The plaque will hang alongside the 10 Year Capital Works Panel Plaque to commemorate the Participatory Budgeting milestone events that have made history in the City of Greater Geraldton.

Presentation of In Appreciation certificate to the City of Greater Geraldton from the WA Football Commission by Cr P Fiorenza.

Cr P Fiorenza received on behalf of the City of Greater Geraldton an In Appreciation certificate for the City of Greater Geraldton from WA Football Commission. The WAFL greatly appreciated the City's efforts for the organisation and conduct of the Country Sport Enrichment Scheme Game: East Fremantle v Subiaco held on Saturday 29 March 2014. He presented this to the Deputy Mayor

8 DECLARATIONS OF CONFLICTS OF INTEREST

Cr J Clune has declared an impartiality interest in Item CC154, Wonthella Oval Lights, as he is Chairman of the Wonthella Oval Management Committee.

Cr S Douglas has declared an impartiality interest in Item CC154, Wonthella Oval Lights, as funding is being requested from MWDC, of which he is an employee.

Cr S Douglas has declared an impartiality interest in Item SC144, Excisions of Reserves 32023 & 38658, as he is a member of the Tarcoola Tennis Club.

9 CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING – as circulated

RECOMMENDED that the minutes of the Ordinary meeting of Council held on 25 March 2014 as previously circulated, be adopted as a true and correct record of proceedings.

COUNCIL DECISION

MOVED CR HALL, SECONDED CR BRICK

RECOMMENDED that the minutes of the Ordinary meeting of Council held on 25 March 2014 as previously circulated, be adopted as a true and correct record of proceedings.

CARRIED 12/0

In accordance with Section 9.3 (2) of the City of Greater Geraldton's Meeting Procedures Local Law, February 2012 the motion was passed unopposed.

10 ANNOUNCEMENTS BY THE CHAIR (WITHOUT DISCUSSION)*Events attended by the Mayor or his representative*

DATE	FUNCTION	REPRESENTATIVE
28 March 2014	Northern Country Zone of WALGA Biennial Members Training/Conference	Mayor Ian Carpenter
31 March 2014	Future Governance Alliance Meeting	Deputy Mayor Neil Mcllwaine
31 March 2014	Tourism Sundowner & Official Unveiling and Release of the 2014 Geraldton Visitor Guide	Cr Bob Hall
1 April 2014	Verita Road Inspection Tour	Deputy Mayor Neil Mcllwaine
1 April 2014	Concept Forum 2014	Deputy Mayor Neil Mcllwaine
2 April 2014	Grants Commission Meeting – Perth	Mayor Ian Carpenter
3 April 2014	Melissa Price MP – discuss aged care facilities	Deputy Mayor Neil Mcllwaine
3 April 2014	2014 Western Australian Heritage Awards - Perth	Deputy Mayor Neil Mcllwaine
4 April 2014	Opening of Wandina Primary School by Hon Colin Barnett	Deputy Mayor Neil Mcllwaine
4 April 2014	Opening of the Esplanade	Deputy Mayor Neil Mcllwaine
4 April 2014	Geraldton University Centre Scholarship Presentation	Deputy Mayor Neil Mcllwaine
7 April 2014	Meeting with Local Members	Deputy Mayor Neil Mcllwaine
7 April 2014	Regional Capitals Australia Telephone Interview – Dr Alex Gooding	Mayor Ian Carpenter
8 April 2014	Special Concept Forum	Mayor Ian Carpenter
11 April 2014	Heritage Awards 2014 Presentation Night	Cr Jerry Clune
12 April 2014	Champion Bay Surf Life Saving Club Presentation Evening	Cr Steve Douglas
15 April 2014	Agenda Forum 2014	Deputy Mayor Neil Mcllwaine
17 April 2014	Launch of Interpretive Signage – Dr Foley's Olive Tree	Deputy Mayor Neil Mcllwaine
22 April 2014	Visit from Consulate General Socialist of Republic of Vietnam	Deputy Mayor Neil Mcllwaine
22 April 2014	Ordinary Meeting of Council 2014	Deputy Mayor Neil Mcllwaine

11 REPORTS OF COMMUNITY INFRASTRUCTURE

Nil.

12 REPORTS OF CORPORATE & COMMERCIAL SERVICES

CCS042 STATEMENT OF FINANCIAL ACTIVITY TO 31 MARCH 2014

AGENDA REFERENCE:	D-14-21699
AUTHOR:	A Van Der Weij, Financial Coordinator
EXECUTIVE:	B Davis, Director of Corporate and Commercial Services
DATE OF REPORT:	3 April 2014
FILE REFERENCE:	FM/17/0001
APPLICANT / PROPONENT:	City of Greater Geraldton
ATTACHMENTS:	Yes x1

EXECUTIVE SUMMARY:

The attached financial reports provide a comprehensive report on the City's finances to 31 March 2014. The statements include no matters of variance considered to be of concern.

EXECUTIVE RECOMMENDATION;

That Council by Simple Majority pursuant to Regulation 34 of the Local Government (Financial Management) Regulations 1996 RESOLVES to:

1. RECEIVE the March 2014 monthly financial activity statements as attached.

PROPONENT:

The proponent is the City of Greater Geraldton.

BACKGROUND:

The financial position to the end of March 2014 is detailed in the attached report and summarised as follows relative to year-to-date budget expectations:

Operating Income	\$131,426	0.2%	Positive Variance
Operating Expenditure	\$3,977,611	6.6%	Positive Variance
Net Operating	\$4,109,037		
Capital Expenditure	\$11,082,345	31.8%	Positive Variance
Capital Revenue	\$35,897	7.9%	Negative Variance
Cash at Bank - Municipal	\$6,280,091		
Cash at Bank – Reserve	\$19,393,728		
Total Funds Invested	\$18,844,000		
Net Rates Collected	96.24%		
Receivables Outstanding	\$1,749,547		

The attached report provides explanatory notes for items greater than 10% or \$50,000. This commentary provides Council with an overall understanding of how the finances are progressing in relation to the adopted budget.

The financial position represented in the March financials shows a positive variance of \$4,109,037 in the net operating result.

The closing funding surplus is due to:

1. Year to date Capital expenditure being less than YTD budget, as a result of timing of works for buildings, roads, plant & equipment, and timing of repayment of debentures and land held for development acquired.
2. Infrastructure works in progress and other financial commitments of \$12.1 million as at the end of March 2014.

ECONOMIC, SOCIAL, ENVIRONMENTAL & CULTURAL ISSUES:

Economic:

There are no economic impacts.

Social:

There are no social impacts.

Environmental:

There are no environmental impacts.

Cultural & Heritage:

There are no cultural or heritage impacts.

RELEVANT PRECEDENTS:

Council is provided with financial reports each month.

COMMUNITY/COUNCILLOR CONSULTATION:

There has been no community/councillor consultation.

LEGISLATIVE/POLICY IMPLICATIONS:

Section 6.4 of the Local Government Act 1995 and Regulation 34 of the Local Government (Financial Management) Regulations 1996 require that as a minimum Council is to receive a Statement of Financial Activity.

FINANCIAL AND RESOURCE IMPLICATIONS:

Any issues in relation to expenditure and revenue allocations or variance trends are identified and addressed each month.

INTEGRATED PLANNING LINKS:

Title: Governance	Inclusive Civic and Community Engagement and Leadership
Strategy 5.2.7	Ensuring efficient and effective delivery of service

REGIONAL OUTCOMES:

There are no impacts to regional outcomes.

RISK MANAGEMENT

There are no risks to be considered.

ALTERNATIVE OPTIONS CONSIDERED

There are no alternative options to consider.

COUNCIL DECISION**MOVED CR VAN STYN, SECONDED CR HALL**

That Council by Simple Majority pursuant to Regulation 34 of the Local Government (Financial Management) Regulations 1996 **RESOLVES** to:

- 1. RECEIVE the March 2014 monthly financial activity statements as attached.**

CARRIED 12/0

In accordance with Section 9.3 (2) of the City of Greater Geraldton's Meeting Procedures Local Law, February 2012 the motion was passed unopposed.

CCS043 EOI 31 1314 EXTERNAL MEMBER OF AUDIT COMMITTEE

AGENDA REFERENCE:	D-14-21851
AUTHOR:	M Adam, Executive Assistant
EXECUTIVE:	B Davis, Director Corporate and Commercial Services
DATE OF REPORT:	4 April 2014
FILE REFERENCE:	FM/25/00063
APPLICANT / PROPONENT:	City of Greater Geraldton
ATTACHMENTS:	No

EXECUTIVE SUMMARY:

This report seeks Council approval to appoint an external member to the Audit Committee in accordance with section 3.3.4 of the City of Greater Geraldton Audit Committee Charter.

EXECUTIVE RECOMMENDATION;

That Council by Absolute Majority in accordance with section 7.1A (2) RESOLVES to:

1. APPOINT Travis Bate as an independent member of the Audit Committee for a term of two years from 22 April 2014.

PROponent:

The proponent is the City of Greater Geraldton

BACKGROUND:

The City of Geraldton Audit committee charter section 3.1 provides for the appointment of:

'One external independent person, provided that a suitably qualified person is locally available'.

Section 3.3.4 refers to the selection of an independent member:

The appointment of independent members shall be made by Council following a public advertisement process. The evaluation of potential members shall be undertaken by the Mayor, a Councillor who is preferably a member of the Audit Committee and the Chief Executive Officer and would take into account the experience of candidates and their likely ability to apply appropriate analytical and strategic management skills to matters which come before the Audit Committee. A recommendation for membership will be put to Council for approval.

Section 3.3.5

External members shall be appointed for a two (2) year term and are eligible to be reappointed after the expiry of their terms. The terms of appointment shall be aligned to the biennial council election cycle.

EOI 31 1314 for an external member of the Audit Committee was advertised in the West Australian on 22 February 2014. The submission period closed

on 10 March 2014. One submission was received and assessed by the Mayor, the Chief Executive Officer, the Chairman of the Audit Committee and an Audit Committee member. The Audit Committee authorised the Chief Executive Officer to interview the applicant on the Committees behalf. The interview took place on 4 April 2014. The Chief Executive Officer was satisfied with the capacity of the applicant.

ECONOMIC, SOCIAL, ENVIRONMENTAL & CULTURAL ISSUES:

Economic:

There are no economic impacts.

Social:

There are no social impacts.

Environmental:

There are no environmental impacts.

Cultural & Heritage:

There are no cultural or heritage impacts.

RELEVANT PRECEDENTS:

There are no relevant precedents.

COMMUNITY/COUNCILLOR CONSULTATION:

Members of the Audit Committee met on 18 March 2014 to evaluate the submission for EOI 31 1314.

LEGISLATIVE/POLICY IMPLICATIONS:

Section 7.1A(2) of the Local Government Act 1995 relates to appointment of members to a Local Government Audit Committee. Section 16 of the Local Government (Audit) Regulations 1996 describes the functions of an Audit Committee.

FINANCIAL AND RESOURCE IMPLICATIONS:

There are no financial or resource implications.

INTEGRATED PLANNING LINKS:

Title: Governance	Inclusive civic and community engagement and leadership
Strategy 5.2.7	Ensuring efficient and effective delivery of service

REGIONAL OUTCOMES:

There are no impacts to regional outcomes.

RISK MANAGEMENT

Appointment of a fully qualified and experienced senior Certified Practising Accountant or Chartered Accountant will assist the Audit Committee in discharging its duties in accordance with the Local Government Act 1995 and with reference to the Department of Local Government Guidelines no 9. (revised September 2013) – *Audit in Local Government – The appointment, function and responsibilities of Audit Committees.*

ALTERNATIVE OPTIONS CONSIDERED

No alternative options were considered

COUNCIL DECISION**MOVED CR VAN STYN, SECONDED CR DOUGLAS**

That Council by Absolute Majority in accordance with section 7.1A (2) **RESOLVES** to:

1. **APPOINT** Travis Bate as an independent member of the Audit Committee for a term of two years from 22 April 2014.

CARRIED BY ABSOLUTE MAJORITY 12/0

6:37:15 PM

Mayor Carpenter	N/V
Cr. McIlwaine	YES
Cr. Van Styn	YES
Cr. Graham	N/V
Cr. Brick	YES
Cr. Hall	YES
Cr. Fiorenza	YES
Cr. Thomas	YES
Cr. Caudwell	YES
Cr. Critch	YES
Cr. Douglas	YES
Cr. Keemink	YES
Cr. Tanti	N/V
Cr. deTrafford	YES
Cr. Clune	YES

13 REPORTS OF CREATIVE COMMUNITIES

CC154 WONTHELLA OVAL LIGHTING	
AGENDA REFERENCE:	D-14-22322
AUTHOR:	C Budhan, Acting Director Creative Communities
EXECUTIVE:	C Budhan, Acting Director Creative Communities
DATE OF REPORT:	15 April 2014
FILE REFERENCE:	GO/6/0015
APPLICANT / PROPONENT:	City of Greater Geraldton
ATTACHMENTS:	Yes x3

EXECUTIVE SUMMARY:

The purpose of this report is to seek a Council resolution on the support of the Wonthella Oval Flood Lighting Project.

EXECUTIVE RECOMMENDATION:

That Council by Absolute Majority pursuant to section 6.8 of the Local Government Act (as amended) RESOLVES to:

1. COMMIT an additional \$200,000 to the Wonthella Oval Flood Lighting Project (for a total of \$580,000) for 500lux lighting subject to funding of \$590,000 from the Mid West Development Commission (MWDC); and
2. COMMIT an additional \$160,000 to the Wonthella Oval Flood Lighting Project (for a total of \$540,000) for 250lux lighting subject to funding of \$230,000 from the MWDC, if the preferred option of 500lux lighting isn't supported by the MWDC.

PROponent:

The proponent is the City of Greater Geraldton.

BACKGROUND:

The Wonthella Oval Flood Lighting Project is identified in the Council-adopted Sporting Futures Report as a high-priority sporting infrastructure project. The two options for flood lighting at the Wonthella Oval are: (1) 500lux lighting; and (2) 250lux lighting. One lux is equal to one lumen per square meter (a measure of the total amount of visible light emitted). The total project cost, inclusive of project management, is an estimated \$1.5million for 500lux lighting and \$1million for 250lux lighting.

At the Ordinary Meeting of Council on 28 August 2012, Council resolved to submit a funding application to the Department of Sport and Recreation's Community Sport and Recreation Facilities Fund (CSRFF) for 500lux lighting. The City's CSRFF application was partially successful in that funding for 250lux lighting (\$230,000) was approved.

The City committed \$380,000 toward the project, and the Australian Football League (AFL) committed \$100,000 contingent on 500lux lighting (not 250lux). This left a shortfall of \$790,000 for 500lux lighting. On this basis, a business case seeking funding of \$790,000 from the Midwest Development Commission's (MWDC's) Mid-West Investment Plan (MWIP) was endorsed by Council on 26 November 2013, and submitted to the MWDC in December 2013.

The City has been advised that the MWDC Board has assessed the business case and made comments summarised as follows:

1. There is insufficient evidence in the current draft to support the 500lux option (e.g. insufficient evidence of events that require 500lux lighting and a respective events strategy);
2. If the Board supports the 500lux option, it would only fund it to \$590k; and
3. If the Board supports the 250lux option, it would only fund the equivalent of the CSRFF's contribution of \$230k.

While considerable effort was put into the business case, it was difficult to find sufficient commitment from elite-level sports to justify 500lux lighting. The key point in support of 500lux lighting is that it would allow for AFL pre-season games, which would bring economic and social benefits. The AFL has been unwilling to commit to a schedule for Geraldton, or indeed regional, games; however, they have committed \$100,000 toward 500lux lighting.

Concerns were raised in February (just prior to the MWDC Board meeting) that the NAB Cup has gone to an 18 games in 18 days format – all of which are televised on Foxtel. This raised questions about the implications for Geraldton's bid to host future AFL pre-season games. The suggestion was that if all NAB Cup fixtures must be televised on Foxtel, 500lux lighting won't be sufficient. The following response was provided by Paul Lekias, West Australian Football Commission (WAFC), Manager Facilities Services.

The 2014 NAB Challenge was a brand new concept and until all matches are played and final figures confirmed, it is difficult to determine its success. There is no guarantee that this format will remain for future years. Arena Joondalup was chosen as the location for a match in 2014 due to its ability to meet the requirements of AFL players and officials, as all venues are assessed against by the WAFC and the AFL. The timing of this year's match, given it went live into the east for prime time, allowed the fixture to take place without the need for lighting. Fortunately, the weather also played its part in reducing the need for a later start time. I am not privy to the TV Broadcast deal and any guarantee that future pre-season matches are required to be broadcast. The matches for this year's competition have been/will be spread across Etihad Stadium, Geelong, Tasmania, Canberra, Townsville and Alice Springs to name a few, with the matches in WA and SA played at state league venues. However, a match was taken

to Wangaratta in Victoria, which is over 200km out of Melbourne and by my understanding only has 500lux lighting.

All possible venues are investigated by the WAFC to determine the suitability of them to host an AFL fixture and a recommended location is presented to the AFL for their endorsement. There is a continued push to take the game outside of venues that host regular AFL fixtures and it is likely that this will continue. It must be noted though that the final decision lies with the AFL. For information, both Bunbury and Northam were considered for hosting the 2014 NAB Challenge fixture. In addition, the AFL has shown its commitment to this project through granting \$100,000 to the 500lux lighting project for Wonthella Oval.

Despite efforts from staff and key stakeholders, no other sporting code has been willing to provide a firm commitment to bring elite-level games in Geraldton. This has seriously undermined the business case.

However, sporting stakeholders continue to indicate strong support for 500lux lighting; and discussions with stakeholders and MWDC are ongoing. Support letters have recently been received from Event Nation, Football West and RugbyWA (attached), all of which indicate a strong preference for the 500lux option. Following is an extract from RugbyWA's letter.

RugbyWA support the Great Northern Football League submission for installation of high quality, 500 lux lights at Wonthella Oval. The installation of these lights would open the possibility to host high level Rugby Union matches to be played in the MidWest. Without lighting of this standard it is not possible to arrange such matches, which effectively limits any Rugby development or promotional visits effectiveness in the area.

The resolution made by Council on 26 November was clear; Council support for 500lux lighting was subject to full funding support from the MWDC – see extract from Council minutes below.

1. *COMMIT to supporting the 500lux lighting project for Wonthella Oval subject to full funding support from the MWDC;*
2. *SUBMIT a Business Case to the Mid-West Development Commission for funding of \$790,000 from the Mid-West Investment Plan for 500lux flood lighting at Wonthella Oval;*
3. *NOTE that the 500lux option effectively commits ongoing funding towards the annual maintenance costs estimated at approximately \$20,700 per annum;*
4. *NOTE that the 500lux option effectively commits ongoing funding towards the annual asset replacement costs estimated at approximately \$111,237 per annum; and*
5. *COMMIT to progressing the 250lux lighting option In the event the MWIP Business Case does not attract full funding of \$790,000 for 500lux lighting for Wonthella Oval but does get full funding of \$390,000 for 250lux level lighting.*

Even if the 500lux option can be proven and is supported by the MWDC, the MWDC has stated it would fund only \$590,000, resulting in a \$200,000

shortfall. Progressing with 500lux would require Council approval of a further budget allocation of \$200,000 (for a total of \$580,000).

Likewise, progressing with the 250lux lighting option would also require Council approval of a further budget allocation of \$160,000 (for a total of \$540,000), given that the MWDC has indicated it would provide \$230,000 for 250lux (not the full \$390,000 required). See below for cost comparison table based on the latest advice of potential support from the MWDC's MWIP.

Column two figures are based on the assumption the 500lux option can be proven and is supported by the MWDC. Column three figures are based on the assumption the case for the 500lux option cannot be proven and the MWDC provides support for 250lux, but that Council determines to progress the 500lux option.

Funding Body	250lux	500lux with \$590,000 from MWIP	500lux with \$230,000 from MWIP
CGG (committed)	\$380,000	\$380,000	\$380,000
CRSFF (confirmed)	\$230,000	\$230,000	\$230,000
AFL (confirmed for 500lux only)	\$0	\$100,000	\$100,000
MWIP	\$230,000	\$590,000	\$230,000
Additional CGG funds required	\$160,000	\$200,000	\$560,000
Total	\$1m	\$1.5m	\$1.5m

The City was allocated the CSRFF funding of \$230,000 in February 2013. Delays in determining the scope of this project are jeopardising that funding. There is an expectation the detail design phase would have commenced by 7 March 2014. Furthermore, part of the City's contribution is from the Country Local Government Fund (CLGF), and delays in spending and acquitting this funding may well jeopardise future CLGF allocations.

To progress the Project within funding timeframes, the City must commit to providing an additional \$200,000 for the 500lux lighting option or \$160,000 for the 250lux lighting option. The 500lux option is preferred only if the MWDC commit \$590,000. This is reflected in the Executive Recommendation.

ECONOMIC, SOCIAL, ENVIRONMENTAL & CULTURAL ISSUES:

Economic:

The Wonthella Oval Flood Lighting Project will enable night-time sporting events to be held in Greater Geraldton. Such events have the potential to attract significant visitation and thereby support economic development. For example, a West Australian Football League game could attract an estimated 500 overnight visitors (250 regional and 250 interstate) as well as 4,000 domestic day visitors. Tourism Research Australia indicates that the average spend of a sports tourist is \$241 per person per day; therefore, the direct

economic impact from 500 overnight visitors would be approximately \$120,500.

Social:

This Project will enable lighting for night training and matches, which will give rise to more opportunities for the sporting community.

Environmental:

There are environmental impacts associated with the electricity consumed by flood lights. This is reflected in the annual operating cost, which is estimated at \$6,950 for 250lux lighting and \$7,542 for 500lux lighting.

Cultural & Heritage:

This Project will give rise to more opportunities for the sporting community and sporting enthusiasts. Sport is a vital part of Australian and Greater Geraldton culture.

RELEVANT PRECEDENTS:

There are no relevant precedents.

COMMUNITY/COUNCILLOR CONSULTATION:

The City and Wonthella Oval Management Committee have undertaken copious community consultation pertinent to the Wonthella Oval Flood Lighting Project through the development of the 2005 Eighth Street Master Plan, 2010 Wonthella Oval Lighting Study, and the 2013 Sporting Futures Report. The Project is identified in the Sporting Futures Report as a high priority.

Moreover, the Project has been presented to Council at the Ordinary Meeting of Council on 26 November 2013 and Concept Forum on 1 April 2014, as well as in briefing notes dated 5 March 2013, 29 April 2013, 13 May 2013, 27 May 2013, 2 July 2013 and 5 November 2013.

LEGISLATIVE/POLICY IMPLICATIONS:

This Project is consistent with the Sporting Futures Policy CP048.

FINANCIAL AND RESOURCE IMPLICATIONS:

Based on the Executive Recommendation, the City's total contribution to the initial capital cost (including the City's existing \$380,000 commitment) will be \$540,000 if the MWDC Board supports the 250lux option or \$580,000 if the Board supports the 500lux option.

In addition, the City will be required to meet the annual operating, annual maintenance, and replacement costs of the lighting. The annual operating cost of the 250lux and 500lux lighting will be approximately \$6,950 and \$7,542 respectively; the annual maintenance cost will be \$11,240 and \$20,680 respectively; and the anticipated replacement cost in 25 years will be \$1.85m and \$2.78m respectively. However, the Wonthella Oval Management Committee has committed that any additional revenue generated from event

activity will be used to partially offset the annual maintenance and renewal costs.

INTEGRATED PLANNING LINKS:

Title: Social	Recreation and Sport
Strategy 3.1.1	Supporting the strong sporting culture that has shaped Greater Geraldton's identity and lifestyle

REGIONAL OUTCOMES:

The Wonthella Oval is the flagship sporting oval of the Mid West region; therefore, this Project will be of region-wide benefit.

RISK MANAGEMENT

While every effort has been made to ensure the accuracy of the estimates provided herein, there is risk that the project's initial capital cost, ongoing maintenance and operating costs, and replacement cost will be greater than anticipated.

ALTERNATIVE OPTIONS CONSIDERED

One alternative option would be to not proceed with the project. However, this option is not preferred because it is not consistent with the Sporting Futures Report and expressed community aspiration.

Another alternative option would be to commit an additional \$560,000 (for a total of \$740,000) to progress the 500lux option if the MWDC Board supports the 250-lux option only. However, this option is not preferred because its cost to the City would exceed its benefit.

Cr J Clune has declared an impartiality interest in Item CC154, Wonthella Oval Lights, as he is Chairman of the Wonthella Oval Management Committee and left Chambers at 6.37pm.

Cr S Douglas has declared an impartiality interest in Item CC154, Wonthella Oval Lights, as funding is being requested from MWDC, of which he is an employee and left Chambers at 6.37pm.

COUNCIL DECISION**MOVED CR FIORENZA, SECONDED CR HALL**

That Council by Absolute Majority pursuant to section 6.8 of the Local Government Act (as amended) **RESOLVES** to:

1. **COMMIT** an additional \$200,000 to the Wonthella Oval Flood Lighting Project (for a total of \$580,000) for 500lux lighting subject to funding of \$590,000 from the Mid West Development Commission (MWDC); and
2. **COMMIT** an additional \$160,000 to the Wonthella Oval Flood Lighting Project (for a total of \$540,000) for 250lux lighting subject to funding of \$230,000 from the MWDC, if the preferred option of 500lux lighting isn't supported by the MWDC.

CARRIED BY ABSOLUTE MAJORITY 10/0

6:46:02 PM

Mayor Carpenter	N/V
Cr. McIlwaine	YES
Cr. Van Styn	YES
Cr. Graham	N/V
Cr. Brick	YES
Cr. Hall	YES
Cr. Fiorenza	YES
Cr. Thomas	YES
Cr. Caudwell	YES
Cr. Critch	YES
Cr. Douglas	N/V
Cr. Keemink	YES
Cr. Tanti	N/V
Cr. deTrafford	YES
Cr. Clune	N/V

Cr Douglas and Cr Clune returned to Chambers at 6.46pm.

CC155 PARTICIPATORY BUDGETING COMMUNITY PANEL RANGE AND LEVEL OF SERVICES

AGENDA REFERENCE:	D-14-22314
AUTHOR:	R Ellis, Manager Community Development & Empowerment
EXECUTIVE:	C Budhan, Acting Director Creative Communities
DATE OF REPORT:	15 April 2014
FILE REFERENCE:	GO/6/0015
APPLICANT / PROPONENT:	City of Greater Geraldton
ATTACHMENTS:	Yes x1

EXECUTIVE SUMMARY:

The purpose of this report is to seek a Council resolution on the Participatory Budgeting Community Panel Range and Level of Services Recommendations and Report (Services Report).

EXECUTIVE RECOMMENDATION;

That Council by Simple Majority pursuant to Section 5.20 of the Local Government Act RESOLVES to:

1. RECEIVE the Participatory Budgeting Community Panel Range and Level of Services Recommendations and Report;
2. REFER the Participatory Budgeting Community Panel Range and Level of Services Recommendations and Report to the Executive for assessment of feasibility and development of an implementation plan; and
3. REQUIRE that the Executive's assessment and implementation plan be brought to Council in May 2014.

PROPONENT:

The proponent is the City of Greater Geraldton.

BACKGROUND:

At the Ordinary Meeting of Council on 13 September 2013, Council approved the #changesCGG leadership and transition management strategy (#changesCGG):

1. *APPROVE the change leadership and transition management strategy - #changesCGG; and*
2. *DELEGATE authority to the Chief Executive Officer for its implementation.*

As part of the implementation of #changesCGG, the City appointed two stratified, random-sample participatory budgeting community panels. The 1st, the 10-Year Capital Works Panel, was tasked with deliberating and recommending to Council a priority list of capital works projects to be funded, as well as a methodology to prioritise future projects. Those recommendations were endorsed at the Ordinary Meeting of Council on 25 February 2014.

The 2nd, the Range and Level of Services Panel (Services Panel), was tasked with recommending to Council the range, level, and priority of services to be delivered within the budget limitations set by the Long Term Financial Plan, as well as a methodology to prioritise future services. This report brings those recommendations to Council (see the attached Services Report).

Following is a brief summary of the Services Panel's recommendations:

RECOMMENDED DIRECTION	SERVICE AREA
1. Service areas where an <u>INCREASE</u> in the service level is recommended.	1.1. Asset Management: Develop a rating system for assets, and monitor assets. 1.2. Land Development: Increase selling and buying of lots. 1.3. Land and Leasing: Increase building maintenance services. 1.4. Rubbish Collection: Investigate recycling options for organic waste, and educate the community about current recycling and waste reduction options.
2. Service areas where a <u>DECREASE</u> in the level of service is recommended.	2.1. Aquarena: Reduce service in winter months. 2.2. Operations Support: Review vehicle requirements. 2.3. Parks: Reduce maintenance and care of parks.
3. Service areas where there was a <u>DIVIDED VOTE</u> on the service level provision.	3.1. Community Engagement 3.2. Library 3.3. Mullewa Town and Community
4. Service areas where the level of service should <u>REMAIN THE SAME</u> with a <u>DIFFERENT FOCUS</u> .	4.1. Planning and Design 4.2. QPT 4.3. Community Development
5. Service areas where the level of service should <u>REMAIN THE SAME</u> .	5.1. All other services

In the Services Report, all service recommendations include specific actions to achieve the recommended direction and reasons for that action. Furthermore, the service recommendations have been prioritised in order of importance for implementation.

Through approving #changesCGG, Council has committed to:

1. seriously consider all recommendations made by the participatory budgeting community panels;
2. implement recommendations wherever feasible;
3. where a recommendation or recommendations cannot be implemented, Council will clearly communicate the reasons to the community panels and the broader community;
4. where a recommendation or recommendations cannot be implemented, Council will seek to understand the intent of the

- recommendation/s and work with the community panels to find other ways to fulfil the intent; and
5. retain the power to veto any or all recommendations made by the community panels.

To progress the Services Panel's recommendations, the Services Report must be referred to the Executive for assessment of feasibility and development of an implementation plan. This is reflected in the Executive Recommendation.

ECONOMIC, SOCIAL, ENVIRONMENTAL & CULTURAL ISSUES:

Economic:

There are economic benefits associated with the alignment of service delivery with community expectations. In addition, the Services Report makes recommendations regarding the range and level of economic development services, and the assessment of future economic development services.

Social:

There are strong social benefits associated with increasing community participation in decision making. In addition, the Services Report makes recommendations regarding the range and level of community services, and the assessment of future community services.

Environmental:

The Services Report makes recommendations regarding the range and level of environmental services, and the assessment of future environmental services.

Cultural & Heritage:

The Services Report makes recommendations regarding the range and level of current cultural and heritage services, and the assessment of future cultural and heritage services.

RELEVANT PRECEDENTS:

The 10 Year Capital Works Plan was received and endorsed by Council at the Ordinary Meeting of Council on 25 February 2014.

COMMUNITY/COUNCILLOR CONSULTATION:

Council approved #changesCGG at the Ordinary Meeting of Council on 13 September 2013. In addition, the Council-adopted Strategic Community Plan articulates the community's aspiration for more inclusive civic and community engagement such as:

1. providing consistent community engagement where constructive feedback results in action;
2. promoting community involvement in decision making so it is collaborative and transparent;

3. fostering a more trusting relationship between the Council, City staff and the community to build trust through the engagement process;
4. facilitate more Aboriginal and Torres Strait Islander participation in engagement processes; and
5. facilitating youth involvement in community engagement.

Moreover, the CEO publically committed to recommending a more inclusive budget process as part of the recent mediation with the Ratepayers Demand Change Action Group.

LEGISLATIVE/POLICY IMPLICATIONS:

This proposed process for Participatory Budgeting is consistent with and progresses the Council policy for Community Engagement, CP042.

FINANCIAL AND RESOURCE IMPLICATIONS:

The Services Report recommends the range, level, and priority of services to be delivered within the budget limitations set by the Long Term Financial Plan.

INTEGRATED PLANNING LINKS:

Title: Governance	Community Engagement
Strategy 5.1.2	Promoting community involvement in decision making so it is collaborative and transparent

REGIONAL OUTCOMES:

As Greater Geraldton is the centre of the Mid West region, many of the Services Report's recommendations could have regional implications.

RISK MANAGEMENT

The purpose of #changesCGG is in part to mitigate risk through ensuring the alignment of the City's project and service delivery with community expectations. Given Council's approval of #changesCGG, there would be reputational and other risks associated with not implementing the Service Report's recommendations.

ALTERNATIVE OPTIONS CONSIDERED

One alternative option is for Council to decline to receive the Services Report. However, this option is not preferred because it is inconsistent with Council's adoption of #changesCGG.

Another alternative option is for Council to endorse the Services Report directly without referring it to the Executive for assessment of feasibility. However, this option is not preferred because the viability of the Services Report's recommendations has not yet been determined.

COUNCIL DECISION

MOVED CR BRICK, SECONDED CR HALL

That Council by Simple Majority pursuant to Section 5.20 of the Local Government Act RESOLVES to:

1. **RECEIVE** the Participatory Budgeting Community Panel Range and Level of Services Recommendations and Report;
2. **REFER** the Participatory Budgeting Community Panel Range and Level of Services Recommendations and Report to the Executive for assessment of feasibility and development of an implementation plan; and
3. **REQUIRE** that the Executive's assessment and implementation plan be brought to Council in May 2014.

CARRIED 12/0
6:53:03 PM

Mayor Carpenter	N/V
Cr. McIlwaine	YES
Cr. Van Styn	YES
Cr. Graham	N/V
Cr. Brick	YES
Cr. Hall	YES
Cr. Fiorenza	YES
Cr. Thomas	YES
Cr. Caudwell	YES
Cr. Critch	YES
Cr. Douglas	YES
Cr. Keemink	YES
Cr. Tanti	N/V
Cr. deTrafford	YES
Cr. Clune	YES

14 REPORTS OF OFFICE OF THE CEO

CEO033 WESTERN POWER TAX RECOVERY	
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AGENDA REFERENCE:	D-14-24045
AUTHOR:	K Diehm, Chief Executive Officer
EXECUTIVE:	K Diehm, Chief Executive Officer
DATE OF REPORT:	14 April 2014
FILE REFERENCE:	ER/16/0002
APPLICANT / PROPONENT:	City of Greater Geraldton
ATTACHMENTS:	Yes x2

EXECUTIVE SUMMARY:

Western Power has announced that as at 1 May 2014 it will be charging a surcharge of 13.9% on all capital contributions made to it.

The impact on local communities will be as follows:

1. Local governments will now be required to pay the additional costs and this in turn will need to be recovered from the community through their rates and charges.
2. The cost of development will rise, which will result in some developments being shelved or deferred.
3. Land prices will increase because of higher development costs.

EXECUTIVE RECOMMENDATION;

That Council by Simple Majority pursuant to Section 3.18 (c) of the Local Government RESOLVES to:

1. CALL upon the State Government to consider the decision of the Economic Regulatory Authority and make arrangements with Western Power, in accordance with the provisions of the National Competition Policy, to negate the impact that the additional charges on capital contributions will have on local government and the development industry.

PROPONENT:

The proponent is the City of Greater Geraldton

BACKGROUND:

The attached announcement from Western Power, and related information sheet from WALGA, outlines the decision to charge a tax equivalency rate of 13.9% on the value of capital contributions.

As at 1 May Western Power will be charging local governments, developers and any other persons an additional charge of 13.9% on all capital contributions. A capital contribution includes any payments to Western Power for the provision of infrastructure; it also includes the value of any infrastructure donated to Western Power. For local governments this includes relocations, street lighting, network extensions, etc. For developers it includes

all infrastructure to be handed over to Western Power at the completion of development works, and any other capital works required to be undertaken by Western Power to be able to service a development.

The attached documents from both Western Power and WALGA suggest that this additional charge is because capital contributions create an additional tax liability on Western Power and that the Economic Regulatory Authority (ERA) has ruled that a 'user pays' approach is more economically efficient.

This decision is concerning for the following reasons:

1. Local governments will now be required to pay the additional costs and this in turn will need to be recovered from the community through their rates and charges.
2. The cost of development will rise, which will result in some developments being deferred and land prices increasing.
3. Land prices will increase because of higher development costs.

However what is most concerning is what is not disclosed in the public announcement, namely:

1. The tax liability is not a true tax, it is a tax equivalency. As a Government owned corporation Western Power is not required to pay income tax to the Federal Government. Rather, it calculates what tax it would have to pay if it were not exempt (the tax equivalency) and pays that directly to the State Government.
2. Because it is a tax equivalency, it provides a financial gain to the State Government.
3. Based upon Western Power's 2012/13 Financial Statements the windfall to the State Government is likely to be in excess of \$24.5M per year.
4. Western Power will use the infrastructure paid for by the contributions of others to generate revenue.
5. The price for electricity already includes a return on capital which is used to eventually replace the infrastructure provided by contributions.
6. National Competition Policy best practice pricing principles allows the State to negate this impact through other mechanisms such as community service obligation payments to Western Power from the dividends and tax equivalency payments they receive.
7. The State Government earned more than \$171M in tax equivalencies and dividends during the 2012/13 financial year.

ECONOMIC, SOCIAL, ENVIRONMENTAL & CULTURAL ISSUES:

Economic:

The additional charge will increase development costs which will result in some developments being shelved or deferred.

Social:

The social impact of the additional charge will be increased development costs and therefore a decrease in housing affordability.

Environmental:

There are no environmental impacts.

Cultural & Heritage:

There are no cultural or heritage impacts.

RELEVANT PRECEDENTS:

There are no relevant precedents.

COMMUNITY/COUNCILLOR CONSULTATION:

There has been no community/councillor consultation.

LEGISLATIVE/POLICY IMPLICATIONS:

There are no legislative or policy implications.

FINANCIAL AND RESOURCE IMPLICATIONS:

The additional charge will be required to be funded from increased rates and charges. The quantum of the impact will depend upon a local government's capital contribution.

INTEGRATED PLANNING LINKS:

Title: Economy	A dynamic, diverse and sustainable economy
Strategy 4.3	Supporting economic development initiatives and promotion of the region

REGIONAL OUTCOMES:

Regional impacts will result from increased development charges.

RISK MANAGEMENT

There are no effective risk management solutions

ALTERNATIVE OPTIONS CONSIDERED

The alternative option is to accept the charges and pass them on to the community through increased rates and charges.

COUNCIL DECISION**MOVED CR DOUGLAS, SECONDED CR KEEMINK**

That Council by Simple Majority pursuant to Section 3.18 (c) of the Local Government **RESOLVES** to:

- 1. CALL upon the State Government to consider the decision of the Economic Regulatory Authority and make arrangements with Western Power, in accordance with the provisions of the National Competition Policy, to negate the impact that the additional charges on capital contributions will have on local government and the development industry.**

CARRIED 12/0

In accordance with Section 9.3 (2) of the City of Greater Geraldton's Meeting Procedures Local Law, February 2012 the motion was passed unopposed.

15 REPORTS OF SUSTAINABLE COMMUNITIES

SC143	2014 EXPIRY POINT MOORE (WEST END) BEACH COTTAGE LEASES
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AGENDA REFERENCE:	D-14-21972
AUTHOR:	L MacLeod, Coordinator Land and Property Services
EXECUTIVE:	P Melling, Director Sustainable Communities
DATE OF REPORT:	4 April 2014
FILE REFERENCE:	PM/6/0010
APPLICANT / PROPONENT:	City of Greater Geraldton
ATTACHMENTS:	No

EXECUTIVE SUMMARY:

The objective of this report is to seek Councils support to enter into new lease agreements with 35 Point Moore Beach Cottages Lessees with leases that are due to expire on 30 June 2014.

EXECUTIVE RECOMMENDATION;

That Council by Simple Majority pursuant Section 3.58 of the Local Government Act 1995 RESOLVES to:

1. ENTER into a new lease agreement with the current lessees who have leases expiring on 30 June 2014;
2. MAKE the determination subject to;
 - a. no outstanding debt is owed to the City;
 - b. an advertising notice period of not less than 14 days inviting public submissions;
 - c. consent from the Minister for Lands;
3. SET the conditions as:
 - a. enter into a fourteen (14) year lease to expire on 30 June 2028;
 - b. commence the lease fee at \$3,900 per annum;
 - c. adjust the lease fees every triennium by Perth CPI;
4. APPLY a 50% discount to the annual lease fee to those lessees who are current eligible pensioners for the balance of the term of their lease;
5. LESSEE being responsible for separately paying:
 - a. all applicable rates, taxes and other utilities;
 - b. legal expenses associated with the preparation, execution and registration of the lease; and
6. REFER the matter back to Council for final consideration if any submissions are received.

PROponent:

The proponent is the City of Greater Geraldton.

BACKGROUND:

There are currently 176 Point Moore Beach Cottage leases.

In 2007 the City entered into 51 new lease agreements upon expiry of their leases on 30 June 2007. Due to increased demands from the 2014 expiry lessees, the City also offered an early surrender and new lease agreement to all the 2014 lessees. Pursuant to the Section 3.58 of the Local Government Act 1995, a current ground market valuation was obtained at the time by Landgate who established a fair and reasonable market rent to be between \$5,000 and \$6,500 per annum depending on the location and size of the land in question.

Council resolved at its meeting on 9 September 2008 to set the lease fees at \$3,000 and adopt a 50% discount to eligible pensioners who held a current lease at 30 June 2007. This discount was implemented to alleviate the substantial increase in lease fees and was also extended to eligible pensioners with a 2014 lease expiry who took up the early surrender option offered by the City. A total of 46 leaseholders took up the early option to renew and were extended out to the 30 June 2028 leaving a balance of 35 to expire at their due date 30 June 2014.

To enable equitability to the Point Moore lease hold pensioners, it is recommended that the Council support a 50% discount to the annual lease fee to those lessees who are current eligible pensioners for the balance of the term of their lease. An eligible pensioner is a pensioner who is a permanent resident of their Point Moore property. This discount will only apply to the current lessee and not be transferable should the property be assigned to another party.

Apart from the 2014 expiry leases, the current lessees expire in two categories, being 2025 and 2028. It is recommended that the remaining 2014 expiring leases be brought into line with a common expiry of 2028 maintaining the two common expiry dates.

The Ground Market Rental Valuation Assessment conducted by Landgate in March 2014, valued the lease fee for the properties between \$3,900 and \$4,150 per annum. The vast majority of the properties were valued at \$3,900 per annum; therefore it is recommended that the leases be based on that figure.

ECONOMIC, SOCIAL, ENVIRONMENTAL & CULTURAL ISSUES:**Economic:**

There are no economic impacts associated with this proposal.

Social:

There are no social impacts associated with this proposal.

Environmental:

A detailed study is required which includes a:

- coastal inundation / coastal protection assessment;
- environmental assessment; and
- health assessment of continued use of septic tanks the Point Moore area conformity with State coastal legislation requirements.

Cultural & Heritage:

There is no cultural, heritage or indigenous impacts associated with this proposal.

RELEVANT PRECEDENTS:

The City has leased the beach cottages located at the West End area since the commencement of the Management Order dated 7 December 1966.

COMMUNITY/COUNCILLOR CONSULTATION:

Should Council support this proposal, public advertising will be conducted for a period of not less than 14 days inviting public submissions.

LEGISLATIVE/POLICY IMPLICATIONS:

Section 3.58 of the Local Government Act 1995 details the process for “disposing” (in this case leasing) of property.

FINANCIAL AND RESOURCE IMPLICATIONS:

A commencement lease fee of \$3,900 per annum will result in a gross income of \$136,500 per annum over the term of the lease excluding triennium CPI increases.

Currently the 2014 leases are generating a gross income of \$50,585 per annum.

INTEGRATED PLANNING LINKS:

Title: Economy	A dynamic, diverse and sustainable economy.
Strategy 4.1.2	Acknowledging the need for smaller, denser housing types to accommodate population growth and diverse household sizes.

Regional Outcomes:

There are no potential impacts, either positive or negative to regional outcomes associated with this proposal.

RISK MANAGEMENT

The City will not consider any further extension(s) to current leases (beyond this current extension) until a detailed study is prepared that examines:

- coastal inundation / coastal protection assessment;
- environmental assessment; and
- health assessment of continued use of septic tanks the Point Moore area conformity with State coastal legislation requirements.

ALTERNATIVE OPTIONS CONSIDERED

An alternative option considered was to implement the individual property lease fees as per the Landgate valuation however considering that 28 of the 35 properties were valued at \$3,900, this option was disregarded for the purpose of the simplification of administration purposes.

Alternatively, Council may consider maintaining the current lease fee rates currently between \$1461 and \$1635 per annum. However this would cause inequities with previous Point Moore lease resolutions and the City would be required to support the financial short fall.

COUNCIL DECISION**MOVED CR DOUGLAS, SECONDED CR VAN STYN**

That Council by Simple Majority pursuant Section 3.58 of the Local Government Act 1995 RESOLVES to:

1. **ENTER** into a new lease agreement with the current lessees who have leases expiring on 30 June 2014;
2. **MAKE** the determination subject to;
 - a. no outstanding debt is owed to the City;
 - b. an advertising notice period of not less than 14 days inviting public submissions;
 - c. consent from the Minister for Lands;
3. **SET** the conditions as:
 - a. enter into a fourteen (14) year lease to expire on 30 June 2028;
 - b. commence the lease fee at \$3,900 per annum;
 - c. adjust the lease fees every triennium by Perth CPI;
4. **APPLY** a 50% discount to the annual lease fee to those lessees who are current eligible pensioners for the balance of the term of their lease;
5. **LESSEE** being responsible for separately paying:
 - a. all applicable rates, taxes and other utilities;
 - b. legal expenses associated with the preparation, execution and registration of the lease;
6. **REFER** the matter back to Council for final consideration if any submissions are received;
7. **ADVISE** leaseholders that the City will not consider any further extension(s) to current leases (beyond this current extension) until a detailed study is prepared that examines:
 - a. coastal inundation / coastal protection assessment;
 - b. environmental assessment;
 - c. health assessment of continued use of septic tanks the Point Moore area conformity with State coastal legislation requirements; and
8. **DIRECT** the CEO to include for Councils consideration in the 2014/15 Budget the undertaking of health, environmental, coastal inundation protection and other relevant studies which will inform future decision-making.

CARRIED 12/0
7:05:27 PM

Mayor Carpenter	N/V
Cr. McIlwaine	YES
Cr. Van Styn	YES
Cr. Graham	N/V
Cr. Brick	YES
Cr. Hall	YES
Cr. Fiorenza	YES
Cr. Thomas	YES
Cr. Caudwell	YES
Cr. Critch	YES
Cr. Douglas	YES
Cr. Keemink	YES
Cr. Tanti	N/V
Cr. deTrafford	YES
Cr. Clune	YES

REASON FOR VARIATION TO EXECUTIVE RECOMMENDATION: That Council not consider any further extensions to leases until detailed studies have been undertaken, and such studies to be considered in the 2014/15 budget.

SC144	EXCISIONS OF RESERVES 32023 & 38658
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AGENDA REFERENCE:	D-14-21978
AUTHOR:	J Dowling, Land and Leasing Officer
EXECUTIVE:	P Melling Director Sustainable Communities
DATE OF REPORT:	2 April 2014
FILE REFERENCE:	A63771 and A66165
APPLICANT / PROPONENT:	City of Greater Geraldton
ATTACHMENTS:	No

EXECUTIVE SUMMARY:

The purpose of this report is to seek Councils support to:

- excise a portion of land from Reserve 32023 known as Alexander Park to create a new Reserve with the power to lease that Reserve to Rover Soccer Club Incorporated for the purpose of Club Rooms; and
- excise a portion of land from Reserve 38658 known as Tarcoola Park to create a new Reserve with the power to lease that Reserve to Tarcoola Tennis Club for the purpose of Tennis Club.

This process will enable both these clubs the opportunity to retain their current infrastructure and provide long term tenure over the land.

EXECUTIVE RECOMMENDATION;

That Council by Simple Majority pursuant to Section 3.54 of the Local Government Act 1995 RESOLVES to:

1. MAKE the determination;
 - a. to excise a 200 square metre portion of land from Reserve 32023 known as Alexander Park to create a new Reserve with the power to lease that Reserve to Rover Soccer Club Incorporated for the purpose of Club Rooms;
 - b. to excise a 1.1 hectare portion of land from Reserve 38658 known as Tarcoola Park to create a new Reserve with the power to lease that Reserve to Tarcoola Tennis Club Incorporated for the purpose of Tennis Club;
2. SUBJECT to the creation of these two new Reserves, Council enter into a lease agreement with:
 - a. Rover Soccer Club Incorporated;
 - b. Tarcoola Tennis Club Incorporated;
3. SET the proposed conditions as follows:
 - a. enter into a twenty one (21) year lease agreement;
 - b. commence the lease fee in accordance with the City's Schedule of Fees and Charges reviewed annually;
 - c. consent being granted from the Minister for Lands;
4. LESSEE being responsible for separately paying;
 - a. all applicable rates, taxes and other utilities; and

- b. legal expenses associated with the preparation, execution and registration of the lease.

PROPONENT:

The proponent is the City of Greater Geraldton.

BACKGROUND:

The former Shire of Greenough entered into a Management Agreement in lieu of a Lease with Rover Soccer Club Incorporated over Reserve 32023 and the Tarcoola Tennis Club Incorporated over Reserve 38658. Both the aforementioned Reserves are Public Recreation Reserves which by definition ensures the public's access to the land is not restricted. Leasing powers are not included in management orders issued to local governments over these reserves.

The Management Agreements with these clubs have expired. In order to provide the clubs with a lease agreement the City has liaised with the Department of Lands to excise a portion of these Public Recreation Reserves to create a new Reserve with the power to lease. Under the circumstances, the Department of Lands has granted 'in principle' support to proceed with these excisions.

Both clubs have requested a lease agreement with the City to commence once the new Reserves have been created.

ECONOMIC, SOCIAL, ENVIRONMENTAL & CULTURAL ISSUES:**Economic:**

There are no economic impacts with this proposal.

Social:

There are no social impacts with this proposal.

Environmental:

There are no environmental impacts with this proposal.

Cultural & Heritage:

There are no cultural, heritage or indigenous impacts with this proposal.

RELEVANT PRECEDENTS:

The City of Greater Geraldton leases Crown Reserves to community and sporting clubs for associated purposes.

COMMUNITY/COUNCILLOR CONSULTATION:

Statutory advertising was conducted for a period of 42 days including a mail merge to residents within a 100 metre radius requesting submissions regarding the excisions. At the end of the public submission period, no submissions were received.

The City has liaised extensively with both the Rover Soccer Club and the Tarcoola Tennis Club throughout this process.

LEGISLATIVE/POLICY IMPLICATIONS:

CP049 Community Group Land Lease/License Policy.

Section 3.58 of the Local Government Act 1995 details the process for “disposing” (in this case leasing) of property.

FINANCIAL AND RESOURCE IMPLICATIONS:

A commencement lease fee of \$338.00 per annum pursuant to the City of Greater Geraldton’s Schedule of Fees and Charges adjusted annually.

INTEGRATED PLANNING LINKS:

Social: 3.1	Recreation and Sport.
Strategy 3.1.1	Supporting the strong sporting culture that has shaped Greater Geraldton’s identity and lifestyle.

Regional Outcomes:

There are no potential impacts, either positive or negative to regional outcomes.

RISK MANAGEMENT

There are no identified specific risks to the City regarding this proposal. The proposal accurately reduces the City’s risk exposure via having legal agreements.

ALTERNATIVE OPTIONS CONSIDERED

The alternative option would be to not proceed with the excision of the two Crown Reserves and give notice to Rover Soccer Club and the Tarcoola Tennis Club to remove their structures and revitalise the Reserves.

This alternative was discounted due to the high costs involved in relocating the two clubs and the social and community values already established within these areas.

Cr S Douglas has declared an impartiality interest in Item SC144, Excisions of Reserves 32023 & 38658, as he is a member of the Tarcoola Tennis Club and left Chambers at 7.06pm.

COUNCIL DECISION**MOVED CR HALL, SECONDED CR VAN STYN**

That Council by Simple Majority pursuant to Section 3.54 of the Local Government Act 1995 RESOLVES to:

- 1. MAKE the determination;**
 - a. to excise a 200 square metre portion of land from Reserve 32023 known as Alexander Park to create a new Reserve with the power to lease that Reserve to Rover Soccer Club Incorporated for the purpose of Club Rooms;**
 - b. to excise a 1.1 hectare portion of land from Reserve 38658 known as Tarcoola Park to create a new Reserve with the power to lease that Reserve to Tarcoola Tennis Club Incorporated for the purpose of Tennis Club;**
- 2. SUBJECT to the creation of these two new Reserves, Council enter into a lease agreement with:**
 - a. Rover Soccer Club Incorporated;**
 - b. Tarcoola Tennis Club Incorporated;**
- 3. SET the proposed conditions as follows:**
 - a. enter into a twenty one (21) year lease agreement;**
 - b. commence the lease fee in accordance with the City's Schedule of Fees and Charges reviewed annually;**
 - c. consent being granted from the Minister for Lands;**
- 4. LESSEE being responsible for separately paying;**
 - a. all applicable rates, taxes and other utilities; and**
 - b. legal expenses associated with the preparation, execution and registration of the lease.**

CARRIED 11/0

In accordance with Section 9.3 (2) of the City of Greater Geraldton's Meeting Procedures Local Law, February 2012 the motion was passed unopposed.

Cr Douglas returned to Chambers at 7.07pm

SC145 GASKIN DRIVE, CAPE BURNEY LEASEHOLD PROPERTIES	
AGENDA REFERENCE:	D-14-21983
AUTHOR:	L MacLeod, Coordinator Land and Property Services
EXECUTIVE:	P Melling, Director Sustainable Communities
DATE OF REPORT:	4 April 2014
FILE REFERENCE:	LP/5/0002
APPLICANT / PROPONENT:	City of Greater Geraldton
ATTACHMENTS:	No

EXECUTIVE SUMMARY:

The purpose of this report is to seek Councils support to resolve the issue regarding the lease hold properties at Gaskin Drive, Cape Burney.

Previously the former Shire of Greenough had resolved to freehold the 23 leasehold lots on Gaskin Drive as part of the whole of the development of Lot 200. It is considered that the cost to achieve the freeholding is economically unviable for the City to subsidise the short fall in subdivision costs outlined in the Financial and Resource Implications. Therefore a long term lease with no subsequent further lease term is the preferred recommendation.

EXECUTIVE RECOMMENDATION:**PART A**

Council by 1/3rd Majority pursuant to Section 3.18 of the Local Government Act RESOLVES to CONSIDER to RESCIND in PART the Council Decision made at the Ordinary Meeting of Council on 25 August 2009:

That Council by Simple Majority pursuant to Section 3.58 of the Local Government Act 1995 (Revised) RESOLVES to:

1. *NOTE that the Business Plan for the proposed major land transaction business undertakings, as previously approved by the Shire of Greenough, will be updated following completion of the feasibility study in accordance with due process; and*
2. *REAFFIRM Council's commitment to existing leaseholders to enable purchase of their leased properties under the same conditions as previously determined, following the successful implementation of rezoning and subdivision approvals.*

PART B

Council by Absolute Majority pursuant to Section 3.18 of the Local Government Act 1995 RESOLVES to RESCIND in PART the Council Decision made at the Ordinary Meeting of Council on 24 May 2011 being:

That Council by Simple Majority pursuant to Section 3.58 of the Local Government Act 1995 (Revised) RESOLVES to:

1. *NOTE that the Business Plan for the proposed major land transaction business undertakings, as previously approved by the Shire of Greenough, will be updated following completion of the feasibility study in accordance with due process; and*
2. *REAFFIRM Council's commitment to existing leaseholders to enable purchase of their leased properties under the same conditions as previously determined, following the successful implementation of rezoning and subdivision approvals.*

PART C

That Council by Simple Majority pursuant Section 3.58 of the Local Government Act RESOLVES to:

1. ENTER into a new lease agreement with the 23 current leaseholders located at Gaskin Drive, Cape Burney;
2. MAKE the determination subject to:
 - a. the surrender of the current lease agreement due to expire on 30 June 2019;
 - b. advertising notice period of not less than 14 days inviting public submissions;
3. SET the proposed conditions to:
 - a. enter into a twenty (20) year lease agreement commencing on 1 July 2014;
 - b. set the commencement lease fee at \$3,200 per annum based on the current ground market valuation;
 - c. adjust the lease fees each triennium as at 1 July in line with the preceding March Consumer Price Index for Perth;
 - d. implement an administrative pensioner discount of 50% to eligible pensioners that are in primary residence;
 - e. there being no substantial improvements made to the property;
 - f. surrender the lease at the end of the term and return the property to its natural state at the lessees cost;
4. LESSEE being responsible for separately paying:
 - a. all applicable rates, taxes and other utilities; and
 - b. legal expenses associated with the preparation, execution and registration of the lease.

PART D

That Council by Simple Majority pursuant to Section 3.58 of the Local Government Act 1995 RESOLVES to:

1. DIRECT the Chief Executive Officer to consult with lease holders to identify and develop options for the creation of single freehold lots on the land for further consideration of Council; and
2. NOTE that lessees entering into new leases would not be precluded from the ultimate purchase of freehold lots, if offered by Council.

PROPONENT:

The proponent is the City of Greater Geraldton.

BACKGROUND:

The former Shire of Greenough owned the land at Lot 200 Greenough River Road, Cape Burney in freehold title since 1962. The property contains 23 lease properties (which are due to expire on 30 June 2019) on the unofficial road known as Gaskin Drive. It was the former Shire Council's position (since its meeting of **16 June 1972**) that these lease lots *not* be made permanent and the land be developed for public use at a later stage after the leases expire. Council previously maintained that the area upon which these cottages are located would be of greater use and benefit to the community as some form of recreational or tourist land use.

This position was reconsidered by the then Council, and formally changed at its **29 June 2005** meeting due to the sustained wish of leaseholders to permanently reside at their current address of choice and be given certainty of tenure.

It was minuted at the Finance and General Purpose Committee Meeting of **June 2005** that a Steering Committee be formed to commence the process of administrating the Cape Burney freeholding as part of the proposed whole development of Lot 200.

A valuation of the unimproved leasehold lots was conducted by the Department of Land Information (now Landgate) in **December 2005** with valuations for the months of March and November 2005. It was decided that the valuation for November 2005 be used as a basis and lessees were informed of the valuation of their leasehold property by letter on 23 December 2005. The valuations ranged between \$75,000 and \$87,000 per lot.

Council resolved at its meeting of **25 January 2006**:

1. *Receive the minutes of the Cape Burney Freeholding Committee meeting held on 9 January 2006;*
2. *Council advise all lessees, if any new applications for transfer of a lease property are received by Council for consent to transfer after 31 January 2006, the new lessees will not be eligible to purchase the land at less than the commercial market value determined for the property by Council;*
3. *Council accept that there be no restrictions applied on ownership of multiple leases in proposed sale arrangements;*
4. *That the following freehold process be adopted:*
 - 9.1.1 *Council is committed to determine if it will proceed with freeholding of the leased land at the earliest possible date once it obtains full details of all relevant development costs. It has a target date to complete this by 31 March 2006;*
 - 9.1.2 *Assuming that Council has been able to meet this timeframe, made a decision to proceed with freeholding and received all the*

necessary approvals for the zoning change by then, the following process will apply to the freeholding;

9.1.3 A period of three months will be given for property owners to exercise an option to purchase their current lease which will require the payment of 10% deposit (target date 1 April 2006 to 30 June 2006);

9.1.4 Those lessees who chose to remain on their sites until the expiry of their lease and then seek to purchase their leased lot will not be eligible to purchase at less than market value;

9.1.5 Those lessees who choose to seek purchase of their lease lot between now and the expiry of their lease will not be eligible to purchase at less than market value;

9.1.6 Council will be sole arbitrator on deciding market value which will be generally determined by the average price of three independent real estate valuations for the unimproved value of the lot; and

- 5. That Council ascertain Mr D Williams interest in purchasing a freehold lot in the new Gaskin Drive subdivision in return for early termination of his existing leased lot.*

The former Shire of Greenough advertised an Expression of Interest (EOI) in **February 2007** for interested parties to either project manage the Cape Burney development or purchase Lot 200 (the entire land parcel) with the condition that the leasehold blocks be developed in accordance with Councils previously agreed terms.

Following the EOI, Council resolved at its meeting on **19 April 2007** to dispose of Lot 200 to Bayform Holdings Pty Ltd (for the price of \$4.5m) on the understanding an agreement be drawn up to ensure Bayform Holdings comply with Council directions and offer the land occupied by leaseholders for freehold purchase at the previously agreed values which would be subsidised by the development and sale of the balance of lots created over Lot 200.

After a long period of negotiations between the City and Bayform Holdings including the postponement of the settlement date, it was obvious that Bayform Holdings could not meet their obligation to settle on **30 April 2009** and consequently the offer and acceptance was terminated.

To uphold the former Shires commitment, the City engaged Greg Rowe and Associates to conduct a scope of works, subdivision concept plan and feasibility study for the development of Lot 200.

The concept plan was endorsed by Council at its meeting of **25 August 2009** and the following was resolved:

- 1. AGREE in principle to adopt the concept plan as presented by Greg Rowe and Associates for development of Lot 200 Greenough River Road, Cape Burney;*
- 2. REFER the concept plans to Community Infrastructure and Sustainable Communities to ensure current planning and design principles are incorporated within the concept drawings as essential inputs to the feasibility study being undertaken by Greg Rowe and Associates;*

3. *NOTE that the Business Plan for the proposed major land transaction business undertakings, as previously approved by the Shire of Greenough, will be updated following completion of the feasibility study in accordance with due process;*
4. *REAFFIRM Council's commitment to existing leaseholders to enable purchase of their leased properties under the same conditions as previously determined, following the successful implementation of rezoning and subdivision approvals;*
5. *DELEGATE authority to the Chief Executive Office to:*
 - a. *commence detailed planning to facilitate the rezoning and necessary subdivision applications; and*
 - b. *progress freehold sales following rezoning and subdivision approvals.*

On **1 May 2013**, the Minister for Planning granted final approval to the Outline Development Plan for Town Planning Scheme No.1 (Greenough River Resort) Amendment No.6.

To enable equitability to the lease hold pensioners, it is recommended that Council support a 50% discount to the annual lease fee to those lessees who are current eligible pensioners for the balance of the term of their lease. An eligible pensioner is a pensioner who is a permanent resident of their Gaskin Drive property. This discount will only apply to the current lessee and not be transferable should the property be assigned to another party.



ECONOMIC, SOCIAL, ENVIRONMENTAL & CULTURAL ISSUES:

Economic:

Reference is made to the financial and resource implication section regarding this.

Social:

The further long term lease option will provide lessees a further term of security of tenure over portion of the lot to enable the continued use and the passive enjoyment of the public amenity of Lot 200. The City recognises that there is a social heritage in the current leasehold community.

Environmental:

A full environmental study was undertaken by GHD as part of the Outline Development Plan for Town Planning Scheme No.1 (Greenough River Resort) Amendment No.6.

Cultural & Heritage:

An ethnographic study of the area was conducted by the City in November 2010. There are five Registered Aboriginal Sites in Cape Burney however there are no registered archaeological sites in the designated subject area. There are no formal cultural, heritage or indigenous impacts relate to this proposal. It is noted that previous lessees experiences in living in the area have added to the social culture of the area and state.

RELEVANT PRECEDENTS:

The City leases freehold and Crown land to individuals, companies and not for profit organisations for a variety of purposes.

COMMUNITY/COUNCILLOR CONSULTATION:

This item was presented at the Council Concept Forum on 4 March 2014 for information.

Correspondence received from Mr S Crothers on behalf of lessee's states:

“As of now all lease holders with the exception of Bayform (whom we have had difficulty contacting) have individually indicated in writing, and are unanimous in their desire to free hold their leases” (attachment SC145).

An additional step in the process has been incorporated to engage with lessees to determine if there is an opportunity for existing lessees to contribute to the costs that would be incurred to subdivide the land.

LEGISLATIVE/POLICY IMPLICATIONS:

Section 3.58 of the Local Government Act 1995 details the process for Disposing of Property.

FINANCIAL AND RESOURCE IMPLICATIONS:

The City engaged Greg Rowe & Associates to undertake a Feasibility Study of Subdivision Options.

Greg Rowe & Associates were provided five (5) options to use as a base for the study. All of these options include the freehold of the 23 leasehold lots on Gaskin Drive. These are in summary as follows:

Option	Total Income and Costs	Loss -
Option 1 – 23 residential lots (leasehold conversion)	Total Income: \$2,404,545 Total Costs: \$4,260,862	- \$1,856,317
Option 2 – 23 residential lots (leasehold conversion) and 6 residential lots	Total Income: \$3,495,455 Total Costs: \$4,839,848	- \$1,344,394

Option 3 & 4 – 23 residential lots (leasehold conversion) and 1 tourist lot	Total Income: \$2,904,545 Total Costs: \$4,589,967	- \$1,685,422
Option 5 – 23 residential lots (leasehold conversion), 6 residential lots and 1 tourist lot	Total Income: \$3,995,455 Total Costs: \$5,104,803	- \$1,109,349

The feasibility study shows all of the options incurring a substantial loss to the City ranging from \$1.10M to \$1.85M. Option 1, which only includes the conversion of the leasehold lots and the realignment of Greenough River Road, is estimated to have the greatest loss at \$1.85M. Option 2 to 5 reduce the loss incurred under Option 1 through the inclusion of additional market rate income (i.e. the balance R60 lots and the tourist site), however these options require additional expenditure.

If Option 1 was considered, based on cost estimates provided above, lessees would be required to pay an *upfront* minimum payment of \$185,255 per property to enable the proposed freehold at no cost to the City. That is the total estimated construction cost of \$4,260,862 apportioned over the 23 leasehold lots. The Landgate valuation states the current value of these lots ranges from \$106,000 to \$150,000 therefore making the upfront cost of the lots to the lessees substantially higher than their actual current market valuation.

The current ground market valuation conducted by Landgate in **February 2014** determined the lease fee to range between \$3,200 and \$4,500 each per annum dependant of land size and location.

INTEGRATED PLANNING LINKS:

Governance	Planning and Policy.
Strategy 5.2.4	Maintaining ease of living in a small sized city, satellite communities and rural communities.

Regional Outcomes:

There are no potential impacts, either positive or negative to regional outcomes.

RISK MANAGEMENT

The City has sought advice from its Lawyers with respect to available options regarding this matter that have been made available to Council as per prior confidential attachments.

ALTERNATIVE OPTIONS CONSIDERED

The alternative is to consider the options outlined above in the Financial and Resource Implications, by developing and freeholding the 23 leasehold lots on Gaskin Drive at a financial loss to be subsidised by the City.

COUNCIL DECISION**MOVED CR DOUGLAS, SECONDED CR VAN STYN****PART A**

Council by 1/3rd Majority pursuant to Section 3.18 of the Local Government Act RESOLVES to CONSIDER to RESCIND in PART the Council Decision made at the Ordinary Meeting of Council on 25 August 2009:

That Council by Simple Majority pursuant to Section 3.58 of the Local Government Act 1995 (Revised) RESOLVES to:

- 1. NOTE that the Business Plan for the proposed major land transaction business undertakings, as previously approved by the Shire of Greenough, will be updated following completion of the feasibility study in accordance with due process; and***
- 2. REAFFIRM Council's commitment to existing leaseholders to enable purchase of their leased properties under the same conditions as previously determined, following the successful implementation of rezoning and subdivision approvals.***

CARRIED BY 1/3RD MAJORITY 12/0

7:09:27 PM

Mayor Carpenter	N/V
Cr. McIlwaine	YES
Cr. Van Styn	YES
Cr. Graham	N/V
Cr. Brick	YES
Cr. Hall	YES
Cr. Fiorenza	YES
Cr. Thomas	YES
Cr. Caudwell	YES
Cr. Critch	YES
Cr. Douglas	YES
Cr. Keemink	YES
Cr. Tanti	N/V
Cr. deTrafford	YES
Cr. Clune	YES

COUNCIL DECISION**MOVED CR DOUGLAS, SECONDED CR VAN STYN****PART B**

Council by Absolute Majority pursuant to Section 3.18 of the Local Government Act 1995 RESOLVES to RESCIND in PART the Council Decision made at the Ordinary Meeting of Council on 24 May 2011 being:

That Council by Simple Majority pursuant to Section 3.58 of the Local Government Act 1995 (Revised) RESOLVES to:

- 1. NOTE that the Business Plan for the proposed major land transaction business undertakings, as previously approved by the Shire of Greenough, will be updated following completion of the feasibility study in accordance with due process; and***
- 2. REAFFIRM Council's commitment to existing leaseholders to enable purchase of their leased properties under the same conditions as previously determined, following the successful implementation of rezoning and subdivision approvals.***

CARRIED BY ABSOLUTE MAJORITY 12/0

7:10:17 PM

Mayor Carpenter	N/V
Cr. McIlwaine	YES
Cr. Van Styn	YES
Cr. Graham	N/V
Cr. Brick	YES
Cr. Hall	YES
Cr. Fiorenza	YES
Cr. Thomas	YES
Cr. Caudwell	YES
Cr. Critch	YES
Cr. Douglas	YES
Cr. Keemink	YES
Cr. Tanti	N/V
Cr. deTrafford	YES
Cr. Clune	YES

Cr Van Styn foreshadowed a motion to move to Part D should the new motion Part C be lost.

NEW MOTION

COUNCIL DECISION

MOVED CR DOUGLAS, SECONDED CR VAN STYN

PART C

That Council by Simple Majority pursuant Section 3.58 of the Local Government Act RESOLVES to:

1. **DEFER entering into a new lease agreement with the 23 current leaseholders located at Gaskin Drive, Cape Burney pending the outcome of Part D.**

LOST 7/5
7:12:51 PM

Mayor Carpenter	N/V
Cr. McIlwaine	NO
Cr. Van Styn	NO
Cr. Graham	N/V
Cr. Brick	NO
Cr. Hall	NO
Cr. Fiorenza	YES
Cr. Thomas	NO
Cr. Caudwell	YES
Cr. Critch	NO
Cr. Douglas	YES
Cr. Keemink	YES
Cr. Tanti	N/V
Cr. deTrafford	NO
Cr. Clune	YES

REASON FOR VARIATION TO THE EXECUTIVE RECOMMENDATION: To defer the entering of new lease agreements with the leaseholders of Gaskin Drive until consultation with leaseholders has been undertaken.

COUNCIL DECISION**MOVED CR VAN STYN, SECONDED CR HALL****PART D**

That Council by Simple Majority pursuant to Section 3.58 of the Local Government Act 1995 RESOLVES to:

1. **DIRECT** the Chief Executive Officer to consult with lease holders to identify and develop options for the creation of single freehold lots on the land for further consideration of Council;
2. **DIRECT** the Chief Executive officer to provide his written report to the Council by no later than 28 October 2014; and
3. **NOTE** that lessees entering into new leases would not be precluded from the ultimate purchase of freehold lots, if offered by Council.

CARRIED 12/0

7:18:10 PM

Mayor Carpenter	N/V
Cr. McIlwaine	YES
Cr. Van Styn	YES
Cr. Graham	N/V
Cr. Brick	YES
Cr. Hall	YES
Cr. Fiorenza	YES
Cr. Thomas	YES
Cr. Caudwell	YES
Cr. Critch	YES
Cr. Douglas	YES
Cr. Keemink	YES
Cr. Tanti	N/V
Cr. deTrafford	YES
Cr. Clune	YES

REASON FOR VARIATION TO THE EXECUTIVE RECOMMENDATION:

That the CEO report back to Council no later than 28 October 2014.

16 REPORTS TO BE RECEIVED**REPORTS TO BE RECEIVED**

AGENDA REFERENCE:	D-14-23511
AUTHOR:	K Diehm, Chief Executive Officer
DISCLOSURE OF INTEREST:	No
FILE REFERENCE:	GO/6/0012
DATE OF REPORT:	7 April 2014

EXECUTIVE SUMMARY:

To receive the Reports of the City of Greater Geraldton.

EXECUTIVE RECOMMENDATION:**PART A**

That Council by Simple Majority pursuant to Section 22(2) of the Local Government Act 1995 RESOLVES to

1. RECEIVE the following appended reports:
 - a. Reports – Creative Communities:
 - i. CC156 – Geraldton Regional Art Gallery Committee Minutes 26 March 2014;
 - ii. CC157 - Australia Day Committee Minutes 18 March 2014;
 - b. Reports – Sustainable Communities:
 - i. SCDD085 – Delegated Determinations; and
 - ii. SC146 – Geraldton Futures Governance Alliance Committee Meeting – Minutes 14 October 2013.

PART B

That Council by Simple Majority, pursuant to Sections 5.13 and 34 of the Local Government (Financial Management) Regulations 1996 RESOLVES to:

1. RECEIVE the following appended reports:
 - a. Reports – Corporate and Commercial Services:
 - i. CCS044 - Confidential Report – List of Accounts Paid Under Delegation March 2014.

PROPONENT:

The proponent is City of Greater Geraldton

BACKGROUND:

Information and items for noting or receiving (i.e. periodic reports, minutes of other meetings) are to be included in an appendix attached to the Council agenda.

Any reports received under this Agenda are considered received only. Any recommendations or proposals contained within the “Reports (including Minutes) to be Received” are not approved or endorsed by Council in any

way. Any outcomes or recommendations requiring Council approval must be presented separately to Council as a Report for consideration at an Ordinary Meeting of Council.

COMMUNITY/COUNCILLOR CONSULTATION:

Not applicable.

LEGISLATIVE/POLICY IMPLICATIONS:

Not applicable.

COUNCIL DECISION

MOVED CR THOMAS, SECONDED CR DETRAFFORD

That Council by Simple Majority pursuant to Section 22(2) of the Local Government Act 1995 RESOLVES to

1. **RECEIVE the following appended reports:**
 - a. **Reports – Creative Communities:**
 - i. **CC156 – Geraldton Regional Art Gallery Committee Minutes 26 March 2014;**
 - ii. **CC157 - Australia Day Committee Minutes 18 March 2014;**
 - b. **Reports – Sustainable Communities:**
 - i. **SCDD085 – Delegated Determinations; and**
 - ii. **SC146 – Geraldton Futures Governance Alliance Committee Meeting – Minutes 14 October 2013.**

PART B

That Council by Simple Majority, pursuant to Sections 5.13 and 34 of the Local Government (Financial Management) Regulations 1996 RESOLVES to:

1. **RECEIVE the following appended reports:**
 - a. **Reports – Corporate and Commercial Services:**
 - i. **CCS044 - Confidential Report – List of Accounts Paid Under Delegation March 2014.**

CARRIED 12/0

In accordance with Section 9.3 (2) of the City of Greater Geraldton's Meeting Procedures Local Law, February 2012 the motion was passed unopposed.

17 ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

18 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

Nil.

19 URGENT BUSINESS APPROVED BY PRESIDING MEMBER OR BY DECISION OF THE MEETING

Nil.

20 CLOSURE

There being no further business the Chairman closed the Council meeting at 7.23pm.

APPENDIX 1 – ATTACHMENTS AND REPORTS TO BE RECEIVED

Attachments and Reports to be Received are available on the City of Greater Geraldton website at: <http://www.cgg.wa.gov.au/your-council/meetings>