

Attachment 7

Q&A on CEO's Presentation – 4 March 2015

Question: A – When did the auditor general last visit the city including the regional towns?

Response: The Council's accounts are audited every year and a statement is provided in our Annual Report by the Auditor as to whether our accounts are in order. Copies of the audited financial statements must be provided to the Department of Local Government and Communities, for scrutiny for compliance with all statutory and regulatory obligations.

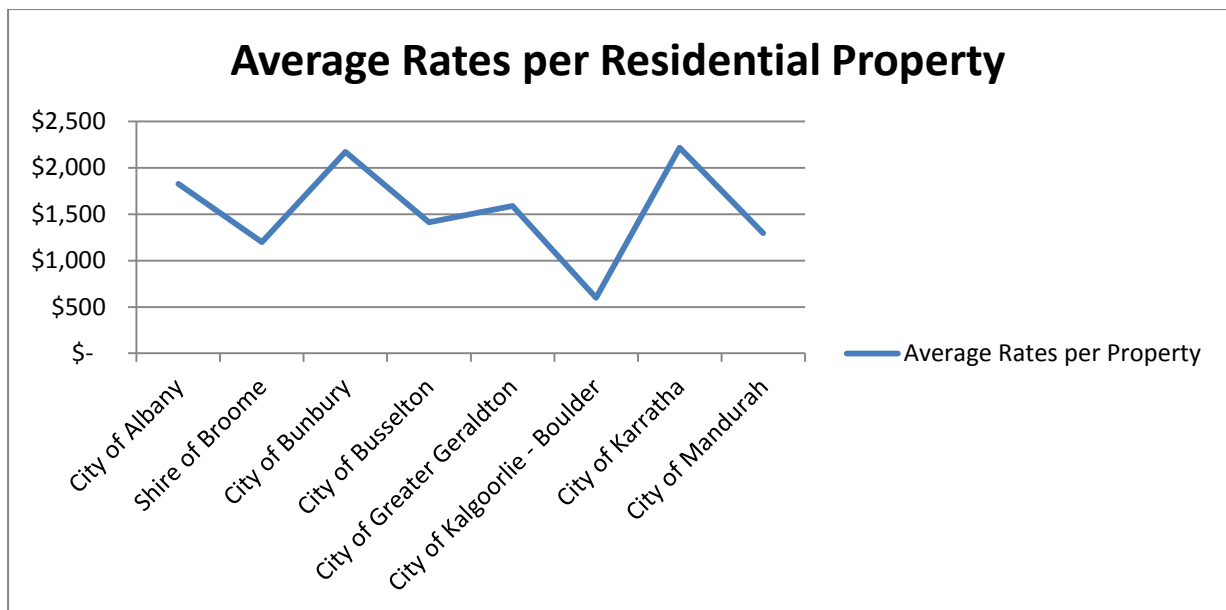
Question: B - What is the plan to fund future capital projects if they arise?

Response: As the City grows new infrastructure will be required. This infrastructure could be funded by general revenue (rates) or through loans. Typically, new infrastructure would be funded by loans but we have to ensure that the City does not become overburdened by debt.

Question: C - Are rates in Geraldton similar / more or less than other towns in WA and other states?

Response: We are in the middle of the range. We are not the highest and not the lowest as the following table shows:

2014 15 GRV Rates Comparison				
Council	No of Properties	Rates in the Dollar c	Total Rates \$	Average \$
City of Albany	13,740	9.7920	\$ 25,099,297	\$ 1,827
Shire of Broome	67		\$ 80,400	\$ 1,200
City of Bunbury	13,996	8.1047	\$ 30,374,352	\$ 2,170
City of Busselton	12,411	8.9174	\$ 17,546,600	\$ 1,414
City of Greater Geraldton	13,374	10.4835	\$ 21,261,592	\$ 1,590
City of Kalgoorlie - Boulder	11,625	5.6666	\$ 6,951,786	\$ 598
City of Karratha	6,372	2.8832	\$ 14,111,170	\$ 2,215
City of Mandurah	28,955	8.0100	\$ 37,537,000	\$ 1,296
Town of Port Hedland	5,101	3.5145	\$ 14,305,861	\$ 2,805



Question: D - Is there an expected increase in rates income due to the growing population of Greater Geraldton?

Response: Yes, but only if more land is developed with houses and businesses. Greater population without new housing does not increase our rates revenue and places a greater demand on our services.

Question: E - Why is it not fine for a 5.2% rate rise?

Response: It may well be, this is a matter for Council to consider. In order to reduce rates increases below 5.2%, pay our bills when they are due, renew our assets when they need it, and not get into too much debt we need to cut \$7.5M from our budget.

We will provide a recommendation to Council on how this may be achieved but ultimately it will be their decision on what the rate increase is and what, if any, services are cut.

Question: F - What was the agreement struck through rate payers demand change?

Response: The agreement provided for an increase in aggregate rates of 2.25% during the 2013/14 year and 5.2% for the next 8 years. The City has honoured the agreement for the 2013/14 financial year and provided a rate increase lower than the agreement for the 2014/15 financial year (residential - 3.6% and the Commercial - 4.3%).

Question: G - Will Council look at buildings and assets, selling or demolishing buildings that are too expensive to maintain?

Response: Absolutely. We are looking at every opportunity to reduce costs. If assets are not required to maintain service levels then we will examine the best way to dispose of them.

Question: H - Why did CGG take on the amalgamation with Mullewa and now Mullewa has adopted CGG financial problems?

Response: This question assumes that Mullewa Shire Council was financially sustainable and this was definitely not the case. Mullewa residents have a higher level of service since amalgamation.

Question: I – Why would CGG take on the Abrolhos Islands as it has been referred to as a money pit? What are CGG's advantages?

Response: There are two reasons why we worked with Northampton Shire to have the Abrolhos islands brought into our City's boundaries:

1. If there is a disaster event, all of the emergency support and assistance will be coordinated from Geraldton and the City will be required to provide assistance. Given that we will be a major party in providing this assistance it is only proper that it be within our jurisdiction.
2. Tourism is a major contributor to our local economy (approximately \$400m per annum) and the Abrolhos Islands are the jewel in our crown. Unless the islands are within our jurisdiction it is hard to have a legitimate seat at the table with the Government to have a say in the development of its tourism potential.

Further questions which were not able to be answered on the night

1. Would like to know more about what kind of services have been reduced? For example new sustainable future projects e.g. wind power / solar power to reduce operational costs?

Response: We have not reduced any services that have been provided in our budget. During this process we will be using last year's Community Panel's recommendations to examine potential changes in service levels. Our recommendations on changes to service levels will be provided to Council as part of the budget process.

2. Efficiency Savings - What are the nature of them and how is that affecting service levels?

Response: We have reduced the number of Managers, reduced our vehicle fleet, and found savings in a wide range of programs without impacting upon our service levels.

3. Are we using excessive fuel consumption travelling to and from Mullewa? / Drive in drive out City workers to Mullewa – staff in Mullewa can do since merger Geraldton staff do them now. Trying to build Mullewa jobs/community.

Response: It is our preference to employ workers from Mullewa for vacant positions in the Mullewa district. Unfortunately this may not be possible if we cannot find suitably skilled workers or do not have sufficient hours to justify full time positions. We attempt to find the most cost effective outcome for undertaking work in the Mullewa area, whilst being mindful of our obligations to enhance its social and economic prosperity.

4. *Where are the 18-25 year olds tonight?*

Response: Significant effort was put into ensuring Youth participation. Invitations were sent to secondary schools and distributed via Youth networks. As a result nine people aged 15-25 were registered to attend. However two phoned to withdraw at the very last moment, two attended and five people simply did not attend with no reason provided.

5. *Will members of the Summit be provided with the social benefit data for the services the City provides to help make decisions?*

Response: The information provided in your packs provides details of the social benefits associated with our activities. For some however there is very little empirical evidence that quantifies the social benefits and a subjective assessment will need to be made.

6. *What has changed since the Community Forum last year?*

Response: The biggest change is the understanding of our asset condition and the significant amount of money required to renew assets that have or will soon reach the end of their useful life. In addition to this there has been a large drop in grants and subsidies from other levels of government.

The work from last year's Community Forum was related to capital works priorities and the level of service. This information has and will continue to feed into our budget process. This year's Community Summit is looking at the range of services to help us understand the community's priorities if services need to be cut.

7. *How would we know if the City is the only service provider in a certain space and whether the cessation of that service would have knock on effects in that there would be a gap in service provision to the community and potential negative economic impacts*

Response: All of the services being provided by the City are being provided of established need and therefore a reduction in any of the services would leave a resultant gap in service provision. That being said there are other agencies that work in a similar space across all areas of service delivery to the community and representatives from these agencies are attending the summit to assist with better understanding and potential synergies and impacts. However if you have a specific service you are interested in, please let us know and we will be able to investigate in detail.

8. *Why do so many have to go out to cut bushes down. 5 people do this. Why can't only two?*

Response: Possibly. As part of this process we will be internally examining our work practices to find efficiencies and savings.

9. *Our assets slide - What information can you present about CGG Human Assets (i.e. staff) How many staff? What Costs? Solutions?*

Response: In the 2014-15 Budget, employee costs are about \$29.5M, around 37% of our annual operating expenditure, with about 320 Full Time Equivalent (FTE) staff. Actual staff numbers have in fact reduced the FTEs that would have resulted from retention of all personnel from the amalgamated local governments (Geraldton, Greenough and Mullewa). Natural attrition has

assisted, and a 2013 restructure to reduce number of departments from 5 to 4 reduced the number of executives and managers.

Recruitment by the City was frozen some months ago, with vacancies unfilled and workloads reallocated where possible, in order to cap employee costs. Staff were invited to seek voluntary redundancies, with an initial target of 20 positions. A re-organisation is currently under consideration, including consideration of opportunities for further reduction in numbers, and that process will be informed by the outcomes of the community summit, regarding range of services.

10. Would the staff being offered redundancies be replaced by a more expensive private contractor?

Response: No.

11. Is it possible for Council workers to rent vacant Council owned houses in Mullewa?

Response: Possibly, we are currently reviewing our staff housing policy in Mullewa. Many staff already rent Council houses and some may be required to be demolished due to their poor state of repair. This suggestion will be taken into consideration as part of the review.

12. How much would the City save if there was a drug/alcohol testing program with workers compensation?

Response: We are looking at implementing a compulsory drug and alcohol testing program for all staff. I don't envisage any savings with workers compensation as I don't believe that we have a drug and alcohol problem in our workforce.

13. Why not go to 3 Directorates and make some Managers step up and do multiple roles?

Response: The scope and range of the Directors current responsibilities are too wide to reduce the number of Directors. Each Director already works well in excess of 50 hours a week and it would be unfair to burden them with more responsibilities.

14. Can we involve community in doing more for the Council, i.e. instead of paying local consultant, look to not for profits/TAFE etc? / Why can't some of the public assist with road cleaning/watering, mowing etc? / Small infrastructure jobs to be done by the prison?

Response: Definitely – This is currently being examined.

15. In presentation it was said \$2.5m per year for new assets. Does this include principle and interest on new loan repayments of \$24m = 2.5m per year to service these loans?

Response: It includes the operating costs, any interest costs associated with loans, and the annual depreciation of the asset. It does not include principle repayments.

16. FIFO charge at the airport – long-term parking? How much per day?

Response: For the Long Term Car Park at the Airport, fees are \$15/day for the first 2 days then \$10/day. Note however that for the Shine Aviation and Geraldton Air Charter terminals, a number of

free car parking bays are provided. The car parking fees at Geraldton Airport are significantly lower than some other regional airports, and very much lower than Perth Airport.

17. WALGA annual report states: Rates collection \$37M approx. \$ 81m income

Response: The difference is made up of grants and subsidies, land sales, fees and charges, interest earnings and contributions.

18. How significant has been the amalgamation with Mullewa on creating this shortfall in budget?

Response: Prior to amalgamation no Council was financially sustainable. At the time of amalgamation each Council had incomplete data on the assets that they held so it is not possible to determine the respective impact of amalgamation without undertaking a considerable body of work.

19. What is the proposed rate increase for small business! And over how many years?

Response: A 5.2% in aggregate rates over the next 8 years

20. Are there any buildings in the CGG that do not pay rates and why?

Response: Yes. All state Government buildings and buildings owned by charities are exempt under the provisions of the Local Government Act.

21. When is the next GRV re-evaluation due?

Response: The Valuer-General for WA is currently undertaking Gross Rental Value (GRV) property revaluations, to apply from 1st July 2015. Revaluations for Unimproved Value (UV) properties – primarily used for agriculture – are undertaken every year by the Valuer-General.

22. How much in \$ does 5.2% increase in rates equal?

Response: A 5.2% increase in aggregate Rates collections, based on 2014-15 Budget for Rates of \$39,553,622 would be \$2,056,788. Across nearly 20,000 rateable properties, the average effect would be about \$103 per property – but noting of course that different rates apply to the different GRV differential rating and UV categories of property.

For contrast:

- 4.2% increase in aggregate collections would be \$1,661,252 with an average of about \$83 per property
- 3.2% increase would be \$1,265,716 with an average of \$63 per property
- Each 1% change alters the average effect per property by about \$20 per year.

23. Has a 'head-tax' that takes the burden off single households been considered, i.e. a % of rates paid according to occupancy?

Response: The Local Government Act does not allow this type of revenue raising.

24. What % is being spent in Mullewa and is it fair?

Response: The Local Government Act explicitly prohibits Councils preparing revenue and expenditure budgets by Ward. A range of budgeted operational expenditures in and for Mullewa are distributed over a number of departments, depending upon the nature of the service provided. Accordingly, this data will take some time to extract.

25. If members of the Summit decide they DON'T want to cut enough services, will the Executive Team accept higher than 5.2% increase?

Response: This is a matter for decision by the elected Council, not by the Executive team. The role of the Executive team is to provide advice to the Council on a range of options, for Council deliberation and decision.

26. If members of the Summit are able to find enough cuts, is it possible to have 0% rate increases in future?

Response: In order to have a 0% rate increase, all of the non-mandatory services provided to the Community Summit would need to be cut. There would also need to be substantial cuts in the mandatory services performed by the City. This would tear at the social fabric of our community and may result in us not being able to deliver our statutory obligations associated with mandatory services. It would also result in the City not being able to renew roads and other assets as they wear out.

CPI and inflation mean that there will always be a need to increase rates as the cost of goods and services increase annually.

27. Have the forced amalgamations caused any savings?

Response: There have not been any 'forced amalgamations'. The amalgamations between Geraldton, Greenough and Mullewa were all voluntary amalgamations.

There has definitely been savings as a result of Amalgamation. We now have fewer CEO's, Directors, Managers, staff and their associated vehicles. Some costs have risen as a result of the need to improve services to areas that previously did not receive them, but scale of operations means that unit costs have been lower than otherwise would have been the case.

28. What % of annual revenue is used for debt servicing?

Response: The level of debt allowed to be entered into by any Council in WA is restricted by the State Treasurycorp. Councils are not permitted to enter into debt levels which would require more than 10% of ordinary annual revenues to service interest and principal repayments. The only exceptions relate to short term debt facilities which, if a business case is approved by Treasurycorp, may be utilised for land development projects permitted under the Local Government Act.

For 2014-15, funds for repayment of loan principal, and interest expense, were budgeted at about \$2.989M, assuming that all new loans would be drawn down during the year. On budgeted operating income of about \$88.381M that represents about 3.4%. Within that, interest expense is

about \$872,000 – which is less than the interest earnings of the City on its investments, budgeted at \$1.458M.

29. Why does the Council not “live within its income?”

Response: We can but it will require a significant reduction of expenditure and services currently provided. It doesn't help when that income target changes with reductions in funding from other levels of government. The work that we are doing will help us develop a financial plan that will ensure that we can live within our income.

30. What are some examples of other revenue?

Response: City operating income budgeted for 2014-15 includes:

- | | |
|------------------------------------|-----------|
| • Rates | \$39.553m |
| • Grants, subsidies, contributions | \$27.124M |
| • Fees and Charges | \$18.415M |
| • Interest earnings | \$ 1.458M |
| • Other revenue | \$ 1.68M |

Other revenue includes a range of sundry income streams, such as income from hiring out swimming instructors to Three Springs, book sales at the Library, Town Planning Development Assessments, Diesel Fuel Rebate, Community Nursery Sales but a major component of around \$1.2M derives from general waste tipping fees at Meru.

31. What is the current level of borrowings? How is it repaid? What is the interest rate currently? Are the borrowings likely to increase?

Response: If all new loans authorised for 2014-15 were to be drawn down, the year-end level of borrowings would be in the vicinity of \$43M, with annual principal and interest servicing outflows of about \$2.989M. Debt servicing is funded from operating revenue. The response to question 26 is relevant. Interest rates applicable to a particular debenture are the prevailing rates provided by Treasurycorp. Recent loans rates have been in the range 2.4%-2.5%. Note the aggregate borrowing levels vary over time, as older debentures are repaid. Borrowings are only likely to increase should the Council consider loan funding of any capital projects in 2015-16.

32. How can the Federal government cut the funding so much?

Response: We ask ourselves the same question. Both the Federal and State Government are struggling financially and unfortunately it is often Local Government that suffers when they need to cut their budgets.

33. Why didn't the CEO mention the 30% rate rise in Geraldton in 12/13?

Response: Firstly because it was not 30%, and secondly because I am looking forward and do not see the value in continually looking back to the past. However, I did acknowledge that the 2.25% increase in aggregate rates in 2013/14 and the 3.6% increase in 2014/15 was motivated to provide some relief from the projected rate increases of 5.2%.

34. Why is it that when I improve the value of my house, my rates go up?

Response: Because the Local Government Act requires us to charge rates based upon the Gross Rental Value (GRV) of your Property for residential properties. Note that the City does not determine the GRV. That valuation is undertaken by the State Valuer-General, and for GRV properties revaluations are currently undertaken every three (3) years.

35. Is there methane extractions from land fill? Is it possible?

Response: Not presently. This may be an opportunity but would require a cost benefit analysis.

36. Are there more renewable energies planned such as geothermal at the Aquarena?

Response: Geothermal has been installed at the Aquarena. The City may consider similar installations elsewhere if there is a positive cost benefit analysis.

37. Why not have solar powered lights? / Have options such as solar power and timers been looked at for sports and street lighting so that lighting is not on when not required? / What percentage of buildings have solar panels? / Why aren't street lamps solar powered?

Response: Solar power is an alternative for City owned parks and facility lighting. The City has solar panels installed on a number of its buildings such as the Aquarena where the orientation, building structure and area are suitable for solar installation. Solar lighting has a higher capital cost in parks and streets to meet lighting standards due to the lower lighting output requiring closer spacing of lights. This is also true for sporting field lighting where lighting standards are dictated by the sporting codes and grades of competition. The City is continuing to investigate alternative lighting / power systems to reduce costs while at the same time meeting safety and operational standards.

38. Have increased costs of predicted climate change impacts been factored into future cost modelling? e.g. predicted coastal impacts / costs of sea level rise?

Response: Yes. However more work is being done to quantify the impacts on selected areas.

39. Why aren't the street lamp poles painted white?

Response: Because there has not been an identified need to paint them white.

40. Street photos and names etc. were about Geraldton – is there a separate plan for regional areas i.e. Mullewa?

Response: The same level of evidence of the state of assets and infrastructure is available for Mullewa as well.

41. Value of environmental assets and costs of maintaining versus cost of their loss to community if not maintained?

Response: Preservation of our environmental assets is important to our lifestyle and community and funding is provided in our budget.

42. Please explain why coastal zone dunes and beaches are not considered an asset.

Response: From an accounting perspective they do not meet the criteria. However we provide much the same consideration to maintaining and preserving our coastal zones as we do with other infrastructure assets.

43. City assets: Option to sell or lease? Are vacant buildings paying rates?

Response: All vacant buildings, except vacant buildings owned by the State or charitable organisations, are required to pay rates.

44. Can we look at fixing deteriorating assets now while interest rates are low, instead of when they come up for renewal and save \$?

Response: Yes. This is one strategy that is being considered.

45. What are the categories of assets? Where are the assets located – urban/rural?

Response: The asset categories and their values can be found in our annual report. Assets are located throughout our whole local government boundary – both urban and rural.

46. Have assets been reviewed to determine whether they should be maintained/renewed?

Response: Yes. Further savings may be able to be achieved in this area if we are able to define the service levels that are to be delivered by these assets.

47. What is the Council doing to support services that keep money in Geraldton? E.g. conducting water analysis in a Geraldton laboratory?

Response: We have a local preference policy for purchases and are currently working with the Midwest Chamber of Commerce to improve our purchasing policy and practices. We are directed by the State where water analysis can be undertaken.

48. What support is there to create “new money” e.g. tourism, festivals?

Response: We are currently developing an event tourism strategy to bring “new money” into town.

49. If we are saving money by reducing services, is this money going to help generate new business in the region, i.e. entice more services to become local? For example there are laboratories in Geraldton that can do work that is currently being sent to Perth. Why not use them?

Response: Savings will be used to keep rates increases down and to fund activities of the Council. We are directed by the State where water analysis can be undertaken.

50. How are you going to keep the kids here?

Response: Our youth will stay here if they have three things – jobs, educational opportunities and lifestyle. We are working hard to ensure that our community has similar lifestyle opportunities as our metro cousins. We are also working with other levels of government to facilitate the creation of more jobs and education opportunities.

51. Why keep developing more site e.g. Housing Developments – Why not force concentrated development?

Response: We have restricted our growth boundary and are encouraging more concentrated development.

52. Are there any examples in Australia where developers/local government partnerships for infrastructure maintenance have been successful?

Response: Yes there are and I have personally been involved in some. Where appropriate, we will be considering the potential to outsource some of our work.

53. Where does the tourism revenue go to from the Abrolhos islands? What financial liabilities did we incur from this? / Will we receive rates from Abrolhos islands?

Response: The tourism revenue goes to local businesses and the people they employ. We have not incurred any financial liabilities associated with the Abrolhos Islands. It is as yet unclear if the properties will be required to pay rates and we will be discussing this with the State Government in the near future.

54. Passionate – why is Council in black?

Response: We are actually in the red (making a loss). The reasons are four fold:

- We have had substantial cuts in our government grants and subsidies
- Our costs are rising higher than CPI
- New infrastructure has increased our annual costs
- For more than 30 years previous Councils have not been generating enough revenue to renew our assets when they reach the end of their useful life

55. Why are inspectors not coming to Geraldton to do regular inspections?

Response: I am not sure what type of inspectors this question is referring to.

56. Re wages and workplace conditions. Who pays for it? E.g. Town Towers

Response: The City's staff are employed under an enterprise agreement and their wages are funded from revenue generated by rates, fees and charges. I do not understand the reference to Town Towers in the context of wages and workplace conditions.

57. Tarcoola Beach – Glendinning Road/lighthouse would like further information.

Response: I am happy to provide further information if more detail can be provided in relation to the nature of the information required.

Suggestions

- Do not use colour toner for printing unless necessary marketing.

Response: Our default printer settings are black and white and double sided.

- Cut out verge pick up

Response: The verge pick up is one service that has been included in the list for the Community Summit participants to consider whether it should be funded or not.

Responses to questions posed between March 4 and March 22 Workshops

1. ***In your presentation to the Summit on Wednesday 4 March (page 13) you highlight a reduction in rate increases from 7.6% in 2011/12 to 2.25% - 3.6% in the last 2 years. The perception is that there's been a substantial reduction of rates increases. This is a clear attempt to misrepresent the truth. You conveniently omitted the massive rate rise of 30% in Geraldton residential (not aggregated for the whole of the CGG with the decrease in Mullewa reflecting 27.19% increase overall) and the ongoing compounding effect going forward which has resulted in approximately \$20M of extra rates being paid over and above what would have been paid if the original rate increase set in place in 2009/10 had been adhered to.***

I am very disappointed at the ham fisted attempt by yourself to misrepresent the facts and truth to a group who you are asking for assistance from. The suggestion by you that Council are trying to reduce rate increases is laughable when looking at the rate revenue increase since 2011/12 and the massive increase in borrowings this year.

I ask that the before-mentioned facts are transmitted to the summit participants in the interests of fairness and honesty.

Response: It wasn't my intention or desire to misrepresent, mislead or deceive. I assumed everybody was aware of the significant rate increases in 2012/13.

In my presentation I was trying to highlight the fact that since that time the Council has made a concerted effort to cut costs and was able to bring in rate increase significantly below the 7.6% that was planned.

2. ***I'm appalled at your attempt to suggest to ratepayers that Geraldton rates are in the middle of the range when in fact they are by far and away the dearest rates across the state on a proper comparable same value property criteria.***

The only fair and reasonable comparison is to use the same value (GRV) house in different municipalities and multiplying that figure by the RID

i.e. \$20,000 GRV house

Bunbury

\$20,000 x 8.1047

\$1620.94

Busselton	\$20,000 x 8.9174	\$1783.48
Kalgoorlie	\$20,000 x 5.6666	\$1133.32
Port Hedland	\$20,000 x 3.5145	\$ 702.90
Geraldton	\$20,000 x 10.9371	\$2187.42

The difference between Bunbury and Geraldton is \$566.48 or 35% - i.e. Geraldton is 35% dearer on the same value property.

Your graph and statements are totally misleading and appear to come straight from the Tony Brun handbook – eg. – your RID is 2013/14 not 2014/15.

Ratepayers don't pay rates on the average house across the board they pay on their own individual property. Geraldton is the highest rated Council in the state on any given house (GRV) value bar none. This fact needs to be made clear to all participants next Saturday. If you don't want to do it I'm happy to.

Response: Comparing rates in the dollar is a meaningless and misleading comparison it has no reflection on how rates are determined and does not take into account the large variations in the number of residential properties, the mix in the types of properties (commercial, rural, urban) and their valuation, the alternate sources of revenue available to Councils, and the range and level of services provided.

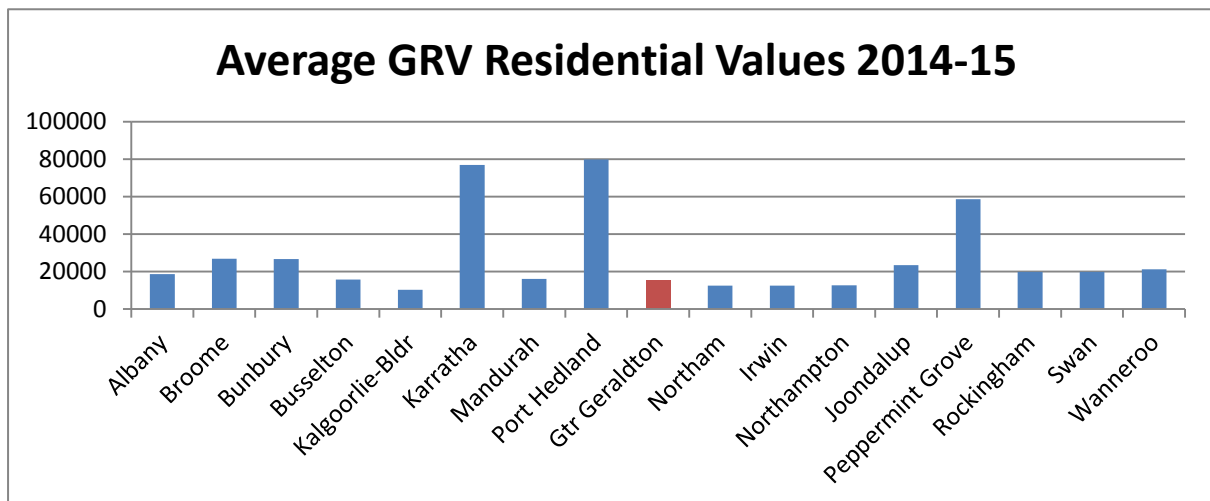
Setting the Rate in the Dollar

An expenditure budget is determined based upon the range and level of services to be provided by the City, revenues from grants, subsidies and fees and charges are calculated. The shortfall between the revenues and expenditure determine the rates revenue required to balance the budget.

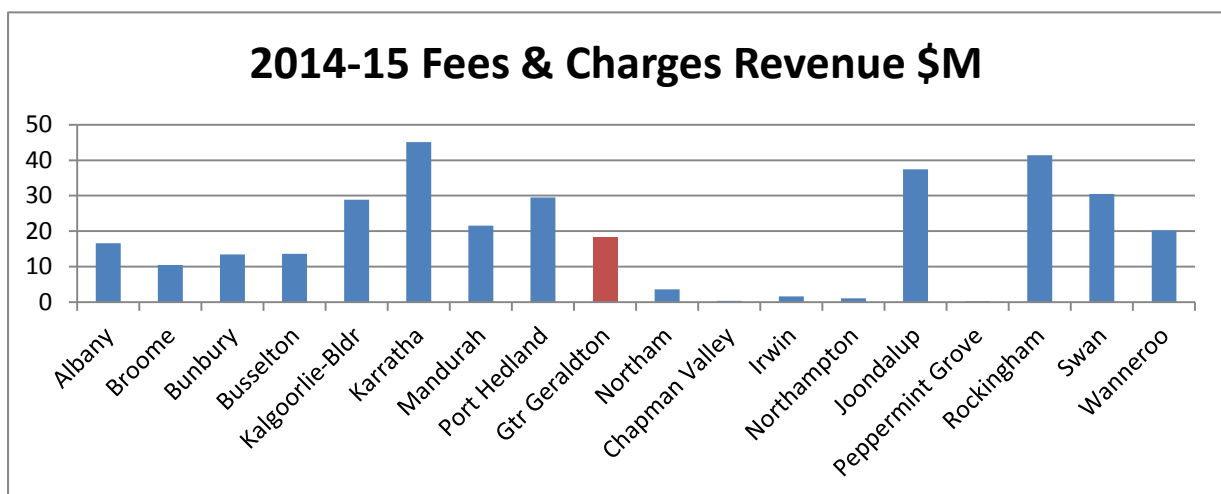
The rate in the dollar is calculated by dividing the rates revenue required by the valuation of all properties. Rates in the Dollar comparisons are only relevant if two communities are exactly the same, with respect to a number of factors, including property values, other revenue sources, property mix and range and level of services.

Property values: Vary from town to town and are influenced by a wide range of social, location and economic factors. A Town that has higher property values only requires a lower rate in the dollar to generate the same revenue as a town with lower property values.

Consider two identical Councils: Comparing rates in the dollar would only be useful if the property values were the same in every Council district. But they are not.



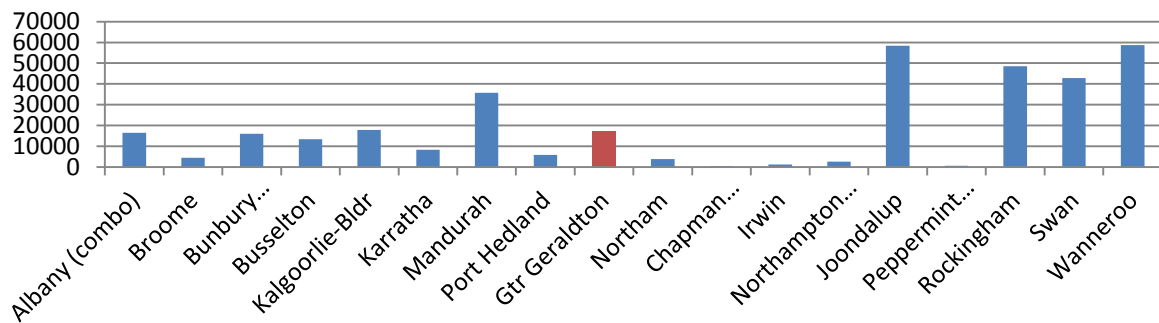
Other revenue sources: Other sources of revenue have a big impact on the rate in the dollar that is set by the Council. The more revenue a Council can earn from other sources, the less revenue it requires from rates and therefore the rate in the dollar can be set lower. Comparing rates in the dollar would only have useful value if the amount of revenue from other sources were the same in every Council district. But they are not.



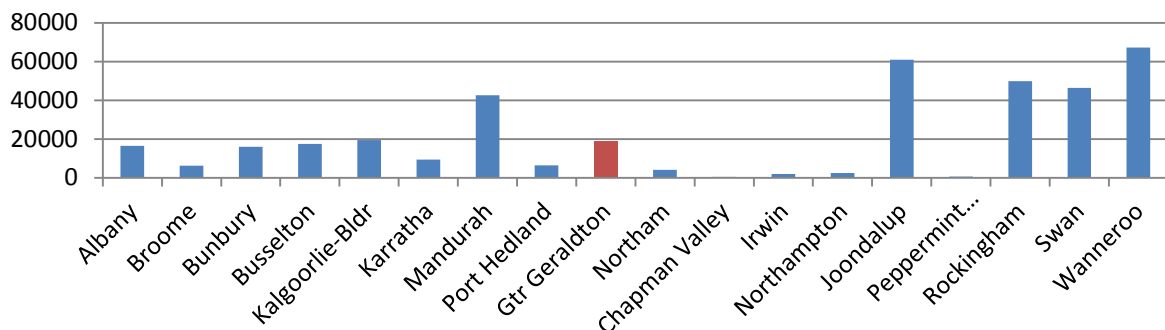
Property Mix: The type of properties within a local government area, and the Council's rating methodology, also have a big impact on the ultimate rate in the dollar set by Councils.

Differential rating policies across the State typically require commercial and industrial properties to pay a higher proportion of the total rates revenue than residential properties. A greater number of commercial and industrial properties means that the rate in the dollar can be set lower for residential properties. Comparing rates in the dollar would only have useful value if the types and mix of properties were the same in every Council district. But they are not.

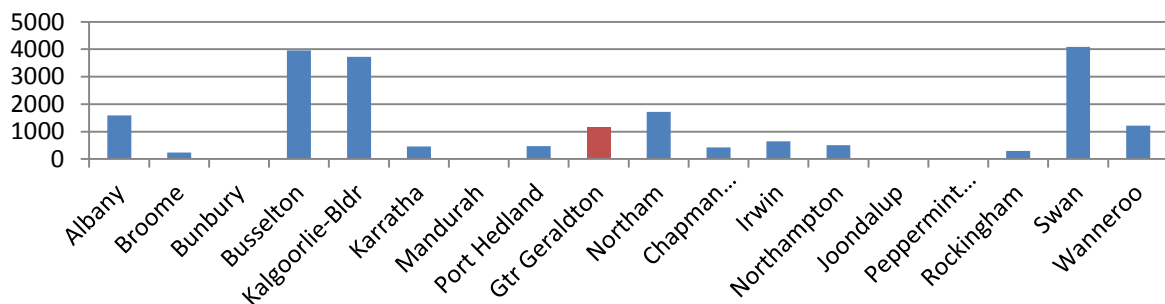
Number GRV Residential Properties



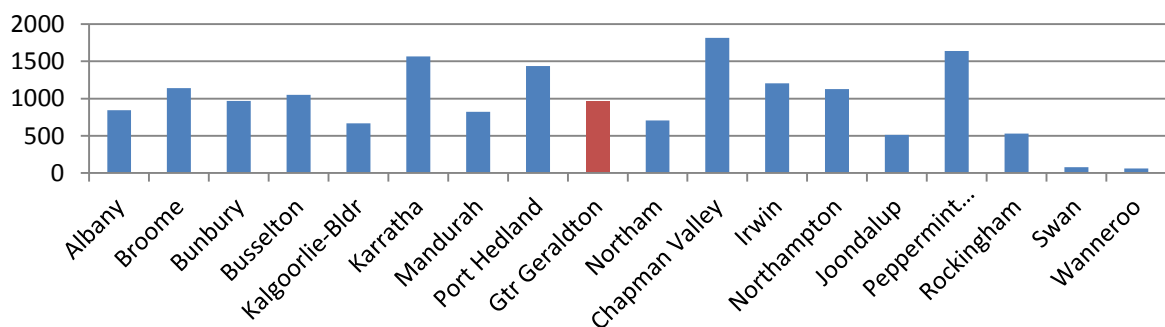
Total Number GRV Properties 2014-15

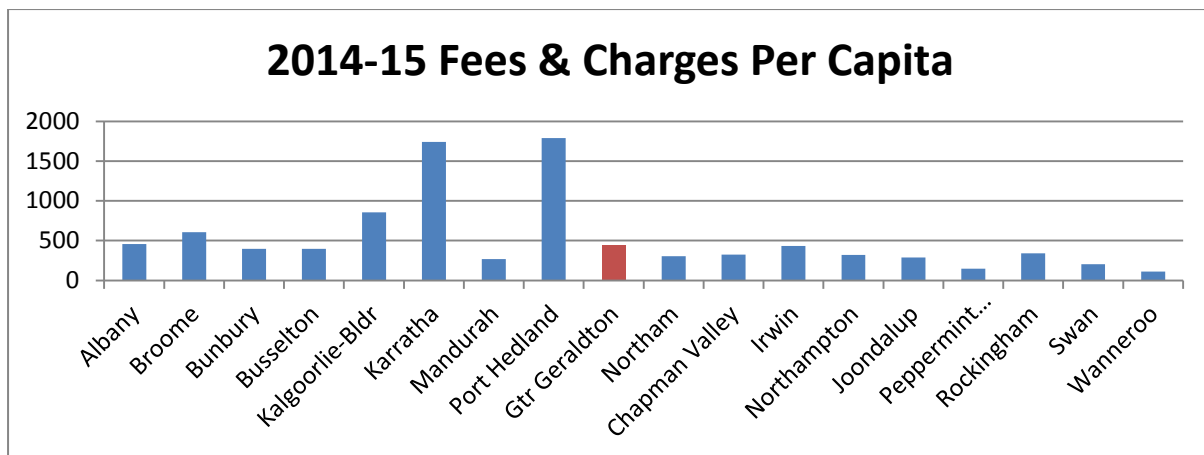


Total Number UV Properties 2014-15



2014-15 Rates Per Capita





3. Question: *In answer to question 27 at the Summit last Wednesday you stated that there were no forced amalgamations and that the 2 amalgamations were voluntary – how do you rationalise that statement when only 8% of the ratepayers in the Geraldton/Greenough and Mullewa Councils voted in favour of the amalgamation i.e. only 38% of the total ratepayers voted – of them only 22% voted in favour – i.e. 78% of those that voted were against the amalgamation – and that’s a majority!!*

It was a total gerrymander that has cost the ratepayers millions of dollars over the past 4 years – an absolute rort.

You may also like to mention the fact that the highest rating Councils in the State of WA are all amalgamations – every picture tells a story - less efficient and cumbersome.

The theme of the statements being made is reverting to 2012/13 Tony Brun half-truths and untruth scenario – I believe the ratepayers are approaching the summit in a spirit of openness and honesty which is more than I can say for some Council responses. I certainly hope the tone improves on Saturday.

Response: The democratic process provided for in the Local Government Act required a poll to be conducted and the Minister was required to reject the proposed amalgamation if:

- At least 50% of electors voted; and,
- If a majority of the electors who did vote, voted against the amalgamation.

The democratic process reflected in the legislation is that the opinion of the minority of electors should not determine a matter affecting the majority of electors.

Contrary to the opinion expressed, 78% of 38% of electors does not represent a majority. The alternate, and more accurate, view is that 70% of all electors were either in favour or amalgamation or simply did not care. The suggestion that amalgamation has cost the Council millions of dollars over the last four years is baseless and simply not true. The Amalgamation has resulted in significant savings over the last four years and will continue to do so.

4. How much money has been spent in Mullewa area over the past few years pre and post amalgamation?

Mullewa District		2013-14 Total Actuals	2012/13 Total Actuals	2011/12 Total Actuals	2010/11 Total Actuals
Parks					
Operating		252,187	224,943	215,347	164,531
Capital		34,289	24,237	18,240	0
Roads					
Operating		597,579	524,294	407,450	525,579
Capital		1,437,213	1,710,711	1,458,524	1,011,303
Swimming Pool					
Operating		197,030	143,841	129,688	142,486
Capital		27,204	37,060	235,711	771,531
Buildings					
Operating		268,905	166,255	177,584	209,186
Capital		126,591	239,507	29,036	178,580

Note:

Between 2010 to 2013 Capital Expenditure was significantly influenced by the Local Government Royalties for Region funding programme which has now ceased.

For example:

1. In 2012-13 capital road expenditure increased on the back of \$268,000 RfR funding for Drive Trails
2. The various stages Mullewa Pool upgrade in 2010-11 & 2011-12 was supported mainly by external grants from RfR & Department of Sport & Recreation.
3. Building capital expenditure has similar seen spikes in 2010-11 & 2012-13 due to RfR funding of the Recreation Centre & Town Hall.