



# SPECIAL MEETING OF ELECTORS MINUTES

11 SEPTEMBER 2012

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## MEETING GUIDELINES

### Meeting Procedures

The procedures for this meeting of electors are governed by the *Meeting Procedures Local Law 2011*.

As such, this meeting is controlled under sole direction of the Mayor.

<b>The following requirements apply:</b>
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| <ul style="list-style-type: none"><li>• Be courteous and respectful – <i>Section 5.17</i>;</li><li>• Comply with the directions of the Mayor as Presiding Member – <i>Section 5.17</i>;</li><li>• Do not interrupt or interfere with proceedings – <i>Section 5.17</i>;</li><li>• The Mayor will determine the order of speaking so wait your turn to speak – <i>Section 7.5</i>;</li><li>• You need to cease speaking when asked to by the Mayor – <i>Section 7.5</i>;</li><li>• Do not use offensive language – <i>Section 7.7</i>;</li><li>• Stick to the question you are asking – <i>Section 7.7</i>;</li><li>• Don't dominate the discussion – <i>Section 7.9</i>;</li><li>• Don't interrupt others – let everyone have their say – <i>Section 7.11</i>;</li><li>• Don't use offensive or objectionable expressions in relation to individuals – <i>Section 7.14</i>.</li><li>• Limit questions and statements to 5 minutes per person – <i>Section 7.9</i>.</li></ul> |
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<b>If the above requirements are NOT followed, the Mayor may:</b>
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| <ul style="list-style-type: none"><li>• Warn the person to cease making a disturbance and if the behaviour continues the Mayor may order the person to leave the meeting – <i>Section 5.17</i>;</li><li>• Cause the removal of the person from the room should he/she fail to leave willingly – <i>Section 5.17</i>;</li><li>• Direct the person who is being offensive or insulting to withdraw the remark and apologise – <i>Section 7.15</i>;</li><li>• Rule the person out of order and direct him/her to refrain from taking further part in the meeting, other than to vote – <i>Section 8.6</i>;</li><li>• Adjourn the meeting for up to 15 minutes – <i>Section 8.7</i>;</li><li>• Adjourn the meeting to another time and place – <i>Section 8.7</i>.</li></ul> |
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**CITY OF GREATER GERALDTON**  
**SPECIAL MEETING OF ELECTORS**  
**HELD ON TUESDAY, 11 SEPTEMBER AT 5.30PM**  
**AT QUEENS PARK THEATRE, GERALDTON**

**M I N U T E S**

To listen to the full meeting please visit: <http://www.ustream.tv/channel/city-of-greater-geraldton>

**1 DECLARATION OF OPENING**

The Presiding member opened the meeting at 5.32pm

**2 ATTENDANCE**

Mayor I Carpenter  
Tony Brun, Chief Executive Officer  
Sheri Moulds, PA to the Chief Executive Officer *Minute Secretary*  
Councillors - 10  
City of Greater Geraldton Staff - 9  
Electors as registered for meeting – 387

**3 PURPOSE OF THE MEETING**

**The purpose of this meeting as stated on the petition is:**

1. To ask questions relating to the unjustifiable 2012/2013 rate rise and the expenditure of ratepayers money for the 2012/2013 financial year and preceding financial years;
2. To address the issue of increased rates for the 2012/2013 financial year; and
3. To object to the rate for the year 2012/2013 and put forward our concerns.

**4 OPENING STATEMENT FROM CGGRDC**

On behalf of the City of Greater Geraldton Ratepayers Demand Change, who were instrumental in the arrangement of the public petition that has brought to us all her today, welcome and thank you for your support!

It is important to understand that this is not a Council meeting but rather a meeting held by and for – you – the ratepayers of Geraldton. This means that we encourage you as a ratepayer to participate in this meeting whether it be constructive input into discussions or voting on motions that are raised from the floor.

You as ratepayers are able to ask questions from the floor if you feel that a rate issue you have questions about has not been answered. We will need to

ensure that comments or discussions are kept short and direct so all issues to be covered are done so within a reasonable timeframe. With this in mind please make sure that all comments and questions are valid, constructive and to the point.

However, before we commence there are formats and rules that apply to this meeting which we all need to be aware of and comply with.

I now refer you to the handout you were supplied when signing in for the meeting.

Please familiarise yourself if you haven't already with the rules of engagement.

It is important that we all abide by these rules and show respect and courtesy to the meeting procedures so that this meeting is beneficial to all involved. Failure to comply with the rules of Engagement may cause the meeting to be prematurely terminated which would in turn jeopardise the point of being here which is to make our voices heard.

The meeting will have the following format:

- Notice of Motion
- Questions from the CGGRDC
- Questions from the floor
- Motion
- Closing statement

While other motions will be raised during the course of this meeting, our overriding goal is to address the following notice of motion.

I now hand the floor to Max Correy who will read the Notice of Motion which will be later put and voted on.

Mr Max Correy read out of the Notice of Motion which is on Page 48 of these minutes

## **5 PUBLIC QUESTIONS ON NOTICE**

### **Shain Forth, 21 Sexton Drive, MORESBY WA 6530**

#### Question .1

*The world has just gone through the biggest economic downturn with the high dollar, the mining sector has flat-lined and the retail sector is at its worst in 25 years. This is all public knowledge on the news every day, yet the Councillors enforce such high rates without any acknowledgment of this. Did the councillors realise the impact of their vote, when agreeing to the recent massive rate rises?*

Response

Yes. The Council was presented 6 detailed options which ranged from -18% decrease in the rate in the dollar (resulting in a zero increase in revenue from 2011/12 figures) through to a 7.6% increase in the rate in the dollar.

Through the comprehensive budget workshop process Council gave serious and detailed consideration of the potential impacts of each model and also had due regard for the requirements to properly fund the City's financial needs including asset development and asset renewal.

Question 2

*It is noted in your Budget Principals for 2012-13 too significant an increase over a short period of time, had potential to cause financial hardship to too higher proportion of ratepayers and residents.*

*If Council recognises that the huge rate increase for the 2012-13 financial year would cause such hardship, please justify why you applied such a high rate in the dollar especially when it has been previously noted that it would be a gradual increase from 2010?*

Response

The Council in setting the 2012/13 'rate in the dollar' level had due regard of the detrimental impact of the substantial 'rate in the dollar' reduction applied in the 2007/08 financial year (at the time of the last revaluation).

It is noted that the current 'rate in the dollar' is 85% (or 15%) less than the rate in the dollar applied in 2007, prior the last revaluation.

In setting the 2012/13 budget Council actually adopted a 'rate in the dollar' which was less than the adopted Financial Sustainability Policy which recommend a 7.6% increase. The Policy made no reference to adjustments for the revaluation of property values.

Question 3

*Please explain why the CGG continues to refer the public to Landgate who are unable to assist with budgetary explanations, rather than take responsibility for their actions and provide open and honest responses to ratepayers.*

Response

The City has not referred people to Landgate in relation to the budget. All references to Landgate have been purely relating to the valuation of properties.

It is noted that the City produces one of the most comprehensive budget information websites (in Local Government) which not only detail the financials, but also the principles, policies, budget by work area and exhaustive FAQ's.

Question 4

*How much is forecast for City operations in the 2012-2013 budget? How much of this is contributed by rates?*

Response

Operating Expenses budget for 2012-13 is: \$88.265 million

Rates revenue budgeted for 2012-13 is: \$37.009 million

Question 5

*All government agencies have been told to decrease spending by around 2%. Will the CGG be following the same path?*

Response

It is noted that for the past three years the City has undertaken extensive operational budget savings amounting to 5.25% of rates over the 3 year period. This equates to an annualised saving (as referred to in the 2012/13 budget) of approximately \$1.9 million.

The City's efficiency gain would compare very favourably to any State Government agency especially noting that in the previous year's few, if any of the State agencies, actually achieved their stated 'dividend reduction' targets.

Question 6

*Can you please clarify total staffing costs for the City of Greater Geraldton in the 2012-2013 financial year, breaking these costs down into:*

- a) Permanent and casual staff*
- b) Contractors and contract staff, and*
- c) Special projects and consultants.*

Response

*Staff numbers as at 2007/8 reflect the actual head count and vacancies as at the amalgamation of the City of Geraldton and Shire of Greenough at the start of the 2007/08 financial year.*

Full employment costs for 2012/13 including superannuation, workers compensation insurance, personal development and training costs, recruitment costs and leave provisions totals \$26.499 million.

The City doesn't separate contractors and consultants expenditure. The City predominantly outsources major works and projects as can be seen by the staff chart above which shows a static level of staff numbers.

The budget for contractors and consultants for 2012/13 is \$34M.

Question 7

*We would like to know how many Council cars are in the fleet, how many mobile phones are used for Council purposes and how many iPads were issued to Council employees in the past 12 months. What dollar value of our rates is contributing the use of these items including private use of phones and fuel?*

Response

Number of light vehicles in the fleet is 102 which includes sedans and work utilities.

Total cost of fuel for these items was approximately \$250,000.

Number of mobile phones used for Council purposes is 133.

Total cost of mobile phone usage is \$115,060.

Number of iPads issued to employees in the last 12 months is 9.

Question 8

*We have been advised that it costs \$1.3 million to run the 14 Councillors in the 2012-2013 financial year. This equates to each Councillor on average being allocation \$92,857. Considering they are paid \$7000 each per annum, what else do these funds cover?*

Response

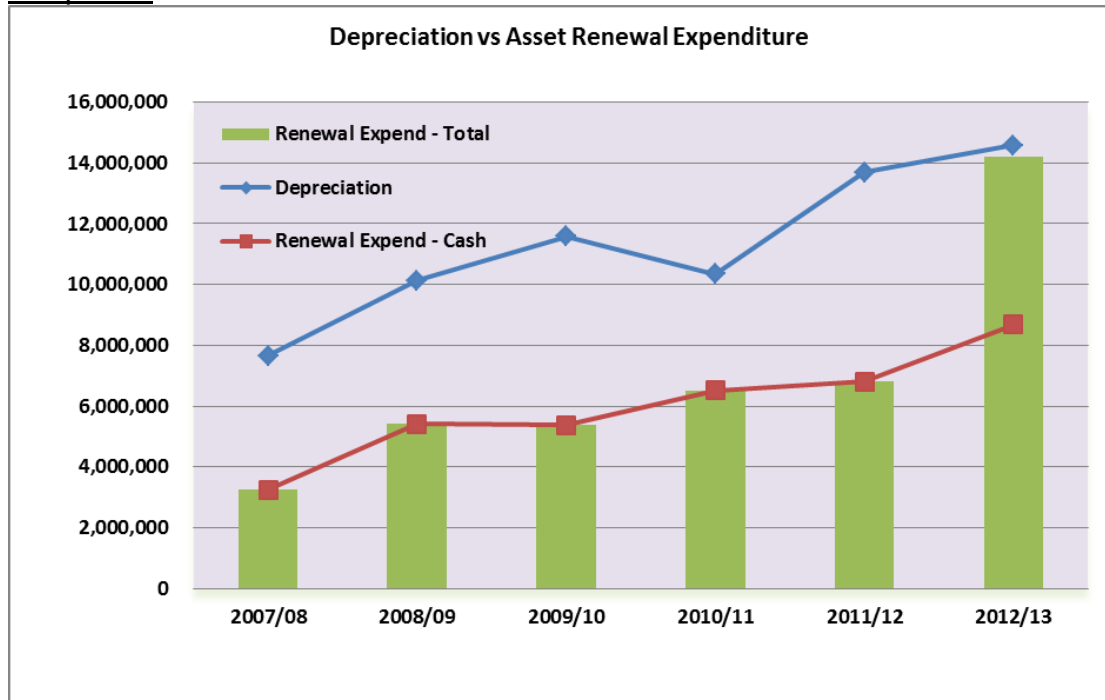
The budget makes provision for all Governance costs, totalling \$1.584 million. It includes:-

- statutory allowances and meeting attendance fees for the Mayor, Deputy Mayor and Councillors,
- conference, external meeting expenses and Councillor training,
- travel allowances,
- recurring community donations (\$381,000),
- the Community Support Fund (\$360,000)
- Mullewa Community Trust (\$65,000), and
- costs of operations of the Mayor and CEO offices including staff support and secretarial support for Council meetings.



Question 9

*It is interesting to see in a year of this huge rate increase, the budget for asset maintenance and replacement has been reduced, please explain.*

Response

The budgets for asset maintenance, renewal and replacement have not been reduced. To the contrary, allocations for renewal and replacement have been increased significantly.

To understand the full budget it is necessary to include allocations in the operations budget (which cover operational maintenance) and allocations in the capital budget.

Full details are available in the capital expenditure program included in the published budget papers.

Question 10

*If an individual loses a sum of money, it is lost forever. If our council loses money, through bad management or bad investments, they recover it by raising our rates. Please justify to the ratepayers why they have to continually compensate for our Council making poor financial decisions and/or investments? And who was responsible for investing into high risk accounts resulting in the loss of masses of ratepayers money?*

Response

The [then] City of Geraldton in 2005 invested approximately \$3.5 million into 'AAA Rated' Collateral Debt Obligations (CDO's) put together by Lehman Brothers and sold through Grange Securities.

The City has since recouped approximately \$1 million. The balance of \$2.45 million now has a written down value of \$881,000. The City's current financial planning and budgeting has provided and accounted for these written down values.

There is no evidence of any poor financial planning or management by the either the [then] City of Geraldton-Greenough or the current City of Greater Geraldton.

Question 11

*One councillor has publicly compared the CGG with the City of Mandurah and yet Mandurah's median rates are \$1125, while our median rates are \$1370. Mandurah's services and facilities are far superior to ours so their Council can obviously manage their finances far better than the CGG can manage ours. How can you justify the difference?*

Response

It is noted the City of Mandurah has not undertaken any process to address their asset depreciation needs in terms of funding their required asset renewal and replacement program. This contrasts considerably with the City of Greater Geraldton which has achieved a 62% level of asset renewal/replacement to asset depreciation. It is also noted that Mandurah has a considerably larger rate base.

WALGA has recently confirmed that there is across Western Australian local government a \$1.75 billion asset renewal/replacement backlog.

Question 12

*It has been noted on several budgeting documents that amounts for various major projects have discrepancies. For example, in the 2012-12 CGG Capital expenditure program document, there is \$4.75 million set aside for Meru Landfill (New Cell and Recycling Facilities), however on the budget brochure the distribution to the ratepayer, the same major project was allocated 4.55M. as well as this, on your capital expenditure document you have allocated 1.53M for the Art Gallery (roof replacement and environmental system replacement), however on the brochure distributed to ratepayers, you note that the Art Gallery building upgrade has been allocated 1.23M. as well as this, in your 2-page layout in the Midwest Times on July 26, Pg 17 the same Art Gallery Project has an allocation of only 2M.*

*To pick up a third discrepancy which evidences this to be common practice, the Aquarena budget in the Capital Expenditure program is 2.6M, this same figure applies in the brochure distributed to ratepayers, however again in your 2 – page layout in the Midwest times it is allocated 2M.*

*It is important to note these are not the only discrepancies detected between and within different publications, and it is these types of discrepancies, which cause your ratepayers confusion, concern and angst.*

*Is there something Council is hiding by not disclosing consistent amounts for works to be carried out?*

Response

Differences between information provided in the lead-up period and the final Budget adoption reflect the realities of the budget formulation process which occurs over a period of months. Up to and including the Council meeting at which the Council considers the full Budget for formal adoption, proposed allocations can be and often are changed by Council as part of their deliberations.

In the interests of informing the community prior to final budget adoption, information was provided based on the estimates at that time.

Question 13

*On amalgamation it was stated that costs would be reduced and the Council streamlined. Can council please explain why rates, parking costs, rubbish collection etc. have skyrocketed since amalgamation?*

Response

It is noted that over the past 4 years, there have been considerable external inflationary impacts such as utilities (power, water and gas), constructions costs and other inflation.

As highlighted in Question 5 the City has actually achieved an operational savings equivalent to \$1.9 million annually and this has in large part been fully redirected to progressing towards full cash back funding of the asset renewal/replacement program in response to meeting its depreciation needs.

Question 14

*Many Small Businesses lease their premises. Consistent with commercial property lease practices, they pay the rates as part of this lease, yet don't reap the benefits of the increased value of the property they operate from. How does council justify the burden of the massive rate rise on small businesses, which are the backbone of our city?*

Response

The City bases its rating strategy in accordance with the provision of the Local Government Act and in accordance with practice across Western Australia (and Australia) it is applied to all properties whether they are owned or leased or private or commercial in use.

Question 15

*We believe several years ago the domestic rubbish collection was increased to cover recycling. Please explain why this charge remains when recycling has not commenced nor does there appear to be any imminent plans to do so?*

Response

Council will not proceed with earlier proposals to introduce *Domestic Kerbside Recycling*. That decision was taken in 2010/11 after going to tender for establishment of a materials recovery and recycling facility. Through this process it became obvious that the capital costs of doing so were excessive for the community and would not have delivered value for money to the City in terms of reducing quantities of waste going to landfill or adequate recovery of materials for recycling.

The view that there are no imminent plans to commence recycling activities is incorrect. Provision has been made in the 2012-13 budget to deliver major elements of Council's strategy including redevelopment and expansion of the recycling centre at Meru, and development of the first modern Bring Centres within urban Geraldton.

All surpluses from waste-related revenues of prior years have been retained in the reserve account for waste functions and have no direct impact on general rates.

Question 16

*The City of Albany charges \$284 per year for a full domestic refuse service including Weekly Refuse – 140L mobile garbage bin; fortnightly recycling – 240L mobile garbage bin; and monthly green waste – 240L mobile garbage bin. Please justify why CGG's refuse payable is \$221 and only includes 1 x weekly refuse removal?*

Response

Albany collects waste from 13,500 premises while Geraldton services 19,600 premises and therefore collection costs are significantly higher. Geraldton residents do not have to pay to deposit domestic waste at Meru whereas Albany residents have a minimum fee of \$8 to take their household waste to their landfill site and for larger loads its costs \$100/tonne. At Meru, depositing green waste is free while in Albany it costs \$13/cubic metre.

Taking all of the different waste charges into account Geraldton's waste charges are very competitive.

Question 17

*Rubbish collection fees have increased by 50% in the past 4 years. Private rubbish contractors were only able to increase their rates by the CPI, which the Reserve Bank indicated at 1.6%. Where is the justification for Council to increase ratepayers fees so dramatically, and where is the extra money being spend?*

Response

The State forecast for CPI increases in WA for 2012-13 is 3.6%. Unfortunately, while forecasts in Consumer Prices might be useful for monitoring household expenditures, the consumer price index actually has limited relevance to organisations in the construction, transport or waste

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management industries or to Local Governments which have functions across those industries.

With the Labour Costs index and the Construction Costs index for WA both independently forecast to increase by 4.5% in 2012-13, using the CPI alone to forecast local government cost increases would put any Council into fiscal difficulty in terms of ability to maintain services.

As well, the City has to cover externally imposed inflation from increased costs of utilities – electricity, water and gas.

Question 18

*Ratepayers are charged a \$29.90 pool inspection fee, a 217% increase from 2010. Can council please explain why ratepayers who own a pool are paying this fee every year when this service is not carried out annually and why, as per local government laws, inspections are carried out every four years, with a maximum rate of \$55, we are paying \$119.60 over the four year period?*

Response

Pool inspection fees have not been amended by the State Government since the introduction of the pool inspection process. While the changes to the fee levy process has enabled the City to now recover more of the true cost for inspections it is still being subsidised by rate payers and will continue to do so until the State Government amend the fee to reflect cost recovery.

Question 19

*Can council please explain how vacant land, which is likely to receive a little or no rental income can be charged rates based on GRV?*

Response from Landgate

Where an annual value cannot reasonably be determined, the GRV becomes the assessed value. Assessed value is defined in the Valuation of Land Act as a percentage applying to the capital value of land within a particular class.

Residential zoned land for which no rental value can be determined is valued on the basis of 3% of its total capital value. Assessed value for land designated for uses other than residential is assessed on the basis of 5% of its total capital value".

The reference in this case to GRV is purely to indicate that it is the rating value applied to the vacant site in accordance with the Valuation of Land Act. Further information can be accessed from [www.landgate.wa.gov.au](http://www.landgate.wa.gov.au) see - Property information - Property valuation - Valuations used for local government and land tax assessment.

Question 20

*It was noted in the media release dated August 30, 2012 that final funding from the various State agencies for the Flores Rd Project was only confirmed in April this year. You also stated that the City had the full design and a contractor in place ready to start works. If the Flores Road project has been*

*part of the capital expenditure in the last four budgets, please explain why we have been charged so long in advance, for services not yet rendered?*

Response

Given the scale and size of this project, the process to develop the Flores & Place Road has required the progressive collection of both City and external grant funds over a multiple financial years period.

It is noted that the Flores & Place Rd's intersection project is not a service, but a capital works project, for which all funding collected (either general rates or grants) has been allocated and will be spent on this project alone.

Question 21

*Did the Councillors approve the expenditure of ratepayer's money for the recent private investigations carried out on staff?*

*Can you please provide a full accurate costing for these services for the 2011/2012 financial year?*

*The CEO is quoted saying in the West Australian on March 16, 2012, that the City would on occasion use Private Investigators and it is common practice. Given this statement, can you please disclose how much you will be spending on such activities this financial year?*

Response

The costs of staff management are included in the total employment budget which is approved by Council.

The City is required, by law, to properly investigate any allegations of misconduct which are identified either through internal review or external complaint. The amount spent is completely dependent on complaints received which include on some occasions vexatious or false complaints.

The cost of investigations, auditors and surveillance for 2011/2012 was \$100,185.

Question 22

*A business owner recently raised a safety issue where a designated footpath was being used by cars as a traffic lane to avoid traffic congestion. The business owner requested Council to place bollards on the footpath to prevent traffic driving on it. The Councils response for this was it was Main Roads issue. Since when have footpaths become the responsibility of Main Roads?*

Response

The question can only be answered if details of the road in question are provided. If the road reserve is a Main Roads controlled road, then all works must be approved by MRWA as the City does not have the delegated authority or jurisdiction to make changes or affect a MRWA controlled road.

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Question 23

*Confirmed by various CGG staff, please tell the ratepayers where the flagpole is? If the order was cancelled, please show us the cancelled invoice. Is it true that the flagpole was ordered without approval from the Councillors and a \$5000 deposit was paid?*

Response

There is no flagpole.

It is the case that a purchase order was raised prior to the matter being deliberated on by Council. Purchase order 16038 was subsequently cancelled.

No deposit was paid but a cancellation fee of \$3130 was paid to compensate the provider for some initial work undertaken after receiving the order.

This matter has been extensively and publicly responded to on the public record in Council Minutes of 13 October 2009 & 24 November 2009 in response to public questions provided.

Question 24

*Why did the CGG's Human Resources Manager recently go to Melbourne to train the Council staff there at ratepayer's expense? What is our link with Melbourne?*

Response

The Manager Human Resources attended a local government benchmarking conference in Melbourne. She visited several local governments which had similar systems used by the City. At no stage did she train or undertake any services with these local governments.

Question 25

*We believe a local wooden furniture maker has been contracted to make a \$20,000 table for Council. Have the Councillors approved this expenditure? Does this not seem excessive?*

Response

The City was approached about an opportunity to re-use the timber from the historic Maley's (Convict) Bridge for Council furniture. A similar table was provided for the Shire of Morawa.

To date no quote or formal proposal has been received by the City and no commitment made to purchase any table or furniture.

Question 26

*During original planning for the new City Library, why were the original architectural drawn plans, which cost ratepayers a large sum of money, disposed of without being utilised? How much did it cost to have second plans drawn up for the current structure and was it the same company that provided these plans?*

Response

The new City Library at Marine Terrace was designed by Eastman Poletti Sherwood. There was no other architect.

It may be possible that the questioner has confused projects. The City did engage Mathews Architects to undertake architecture work for the refurbishment of the former library at Cathedral Avenue and the existing administration centre. The contract with the Architects was terminated at the conclusion of their design work (i.e. they were not retained to undertake the project management of the works). The City engaged an in-house architect to review and make relevant modifications to the work by Matthews Architects and to project manage the delivery of the project (which has been done through a local building company). The bulk of the work undertaken by Matthews, including mechanical and electrical design, was retained used in the redevelopment works.

The decision to review the project delivery has seen the project cost drop from a budgeted \$4.5 million down to \$3.5 million and further it is noted that notwithstanding the reduction in expenditure there has actually been considerable expansion in the scope of works.

The matter was responded in detail on the public record on Council minutes of 10 August 2011 & 12 October 2011.

Question 27

*While we acknowledge the decision to waive some of the fees this financial year, can Council please explain why ratepayers incur such varying administrative costs for the various paying options compared to other Shires.*

*Examples of this are Mundaring Shire who charge an additional \$22 for using the instalment option where CGG charge an extra \$65. That is a 295% difference. And Mandurah Council charge \$3 per instalment fee, which is only \$12 for this option. Please explain why CGG's fee needs to be so high, knowing that, as you quoted yourselves, a high proportion of ratepayers would have financial hardship and be unable to pay the full amount.*

Response

The Council has resolved to not charge any instalment fees or interest charge for instalment and direct debit payments of rates.

The application of charges and fees varies across local governments depending on their own specific circumstances.

Question 28

*You noted that in the Ordinary Council meeting on 28 August 2012 that \$285,000 is included in the budget for late fees accumulated from rate payments. How can Council plan to spend this money when it is not guaranteed?*



Response

It is accepted budget practice by all local governments and State and Federal agencies to include all fees and charges, including late fees, as an estimate of revenues.

Question 29

*Can Council please explain why so much money has previously been wasted, multiple times, on digging up and repaving the drainage at the foreshore, and why this drainage still does not work properly? Secondly are there long term plans to permanently resolve this ongoing issue which is proving costly for local businesses in the area?*

Response*Foreshore Project*

It is noted that with projects such as the Foreshore Project which was externally funded and delivered over a 7 year period that some elements had to be constructed using sacrificial elements (e.g. they were constructed and planned with the intent of partial demolition and replacement).

This matter was extensively responded in the public record in Council meeting minutes of 8 July 2008.

*CBD Drainage*

The Budget provides \$2.5 million for the stormwater efficiency project which is a joint City and Federally funded project which will include the redirection of substantial flows from the city catchment away from the Durlacher outflow to Maitland Park as a means to capture and store water for future re-use. The project will also include modifications within the CBD and the Durlacher outflow as a means to reduce and minimise the probability and impacts from storm events.

Question 30

*Can Council please explain why engineering still have not fixed the water drainage issues in front of Dick Smith on Marine Terrace caused by the lack of slope into drains and removal of gutters? Will this mishap be fixed at ratepayers expense or will the shops just continue to have 'sandbags' delivered in the event of heavy rain?*

Response

The Budget provides \$2.5 million for the stormwater efficiency project which is a joint City and Federally funded project which will include the redirection of substantial flows from the city catchment away from the Durlacher outflow to Maitland Park as a means to capture and store water for future re-use. The project will also include modifications within the CBD and the Durlacher outflow as a means to reduce and minimise the probability and impacts from storm events.

Question 31

*Please clarify for ratepayers the financial deal (inclusive of amounts) in regards to the discounted rates for Dome Cafe and why such a deal was proposed given other local businesses were not benefiting from this rates discount?*

Response

Dome Coffees Australia Pty Ltd has not ever received a rate discount or waiver. They are required pay full rates and fees and charges based on the full GRV valuation of their property.

The matter has been canvassed and responded extensively on the public record, including a Special Electors Meeting and other Council Meeting Minutes which clearly, publicly and transparently detail the lease arrangements.

Question 32

*Please explain why, when the forced amalgamation of the Greenough Shire and the City of Geraldton took place, the CEO of each organisation had to stand down. But when the City of Geraldton Greenough amalgamated with the Shire of Mullewa and became the City of Greater Geraldton, Mr Brun just rolled on without having to stand down or even reapply for the Position of CEO.*

Response

Firstly the amalgamation of the [then] City of Geraldton and the [then] Shire of Greenough was not a forced amalgamation. The respective CEO's voluntarily stood down and were compensated accordingly.

In terms of the subsequent voluntary merger with the [then] Shire of Mullewa, the CEO of Mullewa indicated at the time he did not wish to compete for selection as the CEO of the new entity. As such, in accordance with written advice by the Department of Local Government, Mr Brun as the only CEO at the time of the merger was confirmed at its initiation.

This matter was extensively dealt with in the public record in the Council Meeting minutes of 13 July 2011.

## **6 PUBLIC QUESTIONS**

### **Mr Paul Connolly, 63 Gregory Street, Geraldton WA 6530**

In relation to the following two leasehold properties, the Dome Coffee Shop on Foreshore Drive and the shop at Point Moore at 25 Captains Crescent, West End, could you please provide the following information in each case for each year from the financial year 2009-2010 onwards:

Question

What is the GRV per financial year for each Property?

Response

	<u>Effective 01/07/2008</u>	<u>Effective 01/07/2012</u>
Dome Coffee Shop:	\$ 124,800	\$140,400
25 Captains Crescent:	\$14,716	\$23,192

Note: Revaluation of GRVs occur every 4 years.

Question

What is the area of land for each property?

Response

Dome Coffee Shop: 1085 square meters  
25 Captains Crescent: 650 square meters

Question

What is the lease amount per year for each property?

Response**Dome Coffee Shop:**

As per Council resolution CE26 Agenda Reference 09/00970 carried by an absolute majority

Commencement of lease was 1st October 2009. As per their lease agreement 'No rent is payable for the period 1 October 2009 to 30 September 2011.

6.2 Fixed Rent Review Dates

- |     |                |                              |
|-----|----------------|------------------------------|
| (a) | 1 October 2012 | Fixed Increase of \$2,500.00 |
| (b) | 1 October 2013 | Fixed Increase of \$2,500.00 |
| (c) | 1 October 2014 | Fixed Increase of \$2,500.00 |
| (d) | 1 October 2015 | Fixed Increase of \$2,500.00 |
| (e) | 1 October 2016 | Fixed Increase of \$2,500.00 |
| (f) | 1 October 2017 | Fixed Increase of \$2,500.00 |

(g)	1 October 2018	Fixed Increase of \$2,500.00
(h)	1 October 2019	Fixed Increase of \$2,500.00
(i)	1 October 2020	Fixed Increase of \$2,500.00
(j)	1 October 2021	Fixed Increase of \$2,500.00
(k)	1 October 2022	Fixed Increase of \$2,500.00
(l)	1 October 2023	Fixed Increase of \$2,500.00
(m)	1 October 2024	Fixed Increase of \$2,500.00
(n)	1 October 2025	Fixed Increase of \$2,500.00
(o)	1 October 2026	Fixed Increase of \$2,500.00
(p)	1 October 2027	Fixed Increase of \$2,500.00
(q)	1 October 2028	Fixed Increase of \$2,500.00

If Lessee exercises its option of renewal for a First Further Term then:

(r)	1 October 2029	Fixed increase one hundred and twenty-five percent (125%)
(s)	1 October 2030	Fixed Increase two point five percent (2.5%)
(t)	1 October 2031	Fixed Increase two point five percent (2.5%)
(u)	1 October 2032	Fixed Increase two point five percent (2.5%)
(v)	1 October 2033	Fixed Increase two point five percent (2.5%)
(w)	1 October 2034	Fixed Increase two point five percent (2.5%)
(x)	1 October 2035	Fixed Increase two point five percent (2.5%)
(y)	1 October 2036	Fixed Increase two point five percent (2.5%)
(z)	1 October 2037	Fixed Increase two point five percent (2.5%)
(aa)	1 October 2038	Fixed Increase two point five percent (2.5%)

If Lessee exercises its option of renewal for a Second Further Term then:

(bb)	1 October 2040	Fixed Increase two point five percent (2.5%)
(cc)	1 October 2041	Fixed Increase two point five percent (2.5%)
(dd)	1 October 2042	Fixed Increase two point five percent (2.5%)
(ee)	1 October 2043	Fixed Increase two point five percent (2.5%)
(ff)	1 October 2044	Fixed Increase two point five percent (2.5%)

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The lease payment arrangements (as above) were approved by Council in accordance with the disposal of land requirements in the Local Government Act had due regard for the comparative return to Council over the period of the lease agreement (as follows):

**Net Present Value (Comparisons)**

	Market Ground Rent	Dome Proposal
20 years	\$627, 799	\$789,130
40 years	\$1,000,489	\$1,010,092

**25 Captains Crescent:**

As per Council resolution CS012 Agenda Reference 07/01078 carried by an absolute majority was originally \$6500.00

2009/2010 - \$6883.50

2010/2011 - \$6883.50

2011/2012 - \$6883.50

2012/2013 - \$6960.60 (CPI Increase as per lease agreement)

Question

What is the Council rate amount per year, with rubbish and ES levy separated, for each property?

Response

**Dome Coffee Shop:**

	2009/2010	2010/2011	2011/2012	2012/2013
Rates		\$11,192.81	\$12,043.45	\$14,456.71
ESL		\$1,360.32	\$1,073.28	\$1,235.52
Commercial Rubbish Service		3,318.81*	248.60	268.40
			\$13,365.33	\$15,960.63
Note: the new building was rated on 1/07/2010				
*Original amount levied was \$9,702.00 and was adjusted on 28/10/2010 due to the removal of services not required.				

**25 Captains Crescent:**

	2009/2010	2010/2011	2011/2012	2012/2013
Rates	\$1,226.59	\$1,319.82	\$1,420.12	\$2,388.03
ESL	\$136.86	\$160.40	\$126.56	\$204.09
Domestic Rubbish	\$195.00	\$195.00	\$205.80	\$221.00

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Service				
Commercial Rubbish Service	\$231.00	\$231.00	\$248.60	\$268.40
	\$1,789.45	\$1,906.22	\$2001.08	\$3,081.52

**Sandra Gedling, 28 Stuart Road, Moresby**

Question

Why do we in Moresby have to pay so much in rates when we get nothing in our suburb in return. We do not have any parks, kerbing, paths or street lights, I don't want them but I also do not want to be paying the same rates as the suburbs that have all of that. Also we do not get any maintenance on our streets or trees cut western power does them. You can't even brush cut or mow the verge during fire season. Also if rates are based on rental value why are ours so expensive more than Karratha's when they have higher rents than us.

Response

The Basis of Rates in WA is on Valuations that are undertaken, in the case of WA they are undertaken by an independent authority on behalf of the State Government and the City apply a rate in the a dollar to it, It does not look at what services are provided in a specific area it is a simple application on the rate in the dollar against that independent assessed value of your property, which is standard right across Australia.

There are exceptions to that where in some areas Councils can apply a specified Area Rate where they want to add extra or additional services where that community wanted those. But that is not the case which the City is dealing with here in Geraldton. There is a consistent rate applied across the Board. Most of those services are applied for things like Libraries, community benefit, that whether you use them or not are considered to be part of the service that is charged. That goes to Sporting fields for the whole community. There is a whole series of services that are applied on that basis. This is a consistent area the City has always looked at. This is applied across Local Governments in Western Australia.

In terms of why are other Local Governments where there are lower or higher valuations and our rates are higher, the City have tried to address some of that in the attachments in there, but essentially it comes down to the level of service, infrastructure needs and commitments as to what the City have to fund and set a rate in the dollar at a sufficient level to fund those. Some Local Governments have a higher or lower level – some Local Governments apply a greater amount of funding out of their revenue stream towards funding their asset renewals. Others have a lower level. At present the bulk of our additional investment in rates as been directed at asset renewal. That is replacing our assets that the City already owns. \$425m worth of assets that the Council owns and maintains on behalf of the Community. Once of the issues the City identified in this budget process, and in fact of the last three budget processes was actually addressing a significant shortfall in the replacement and renewal of those assets. That ranges from buildings, roads,

to a whole series of infrastructure that the City needed to do. The City set the rate on what is believed to be a fair amount to recover that true cost. It is noted that some other Councils have started their journey on covering the true cost their assets. Port Hedland this year increased their rate by 19% in reflection of their inability to cover the cost of their asset renewal. Most other councils will have to start doing this as of 1 July 2013 when it becomes compulsory for all Local Governments to do what the City did this year voluntarily and that was to start addressing our asset renewal.

The issue of whether our rate is fair that is something for the Community to assess and provide advice on. But the basis of the decision making was primarily related to meeting our needs on renewing our assets. That is a different decision made by the 139 Local Governments across the State.

*Questions taken from the floor*

Question

Mr Shane Forth referred to Question 2 that was submitted by the City of Greater Geraldton Ratepayers Demand Change as presented above.

Response

The CEO added to the previous response as follows:

In terms of the Policy settings that council adopted a number of years ago. One of the key issues they were seeking to identify was how they can best address the concerns of properly funding a total asset base. In Council making the determination this year they had to consider a wide array of options, it considered a scenario from 0%, or 0 dollar increase on the rates collected last year which would have been a cut of 18% in the rate in the dollar applied through to the adopted policy position in which was a 7.6% increase in the rate in the dollar which would have raised a bit over 30% increase in rate revenue. The final one that was struck was the 6.7% increase. It was done knowing the whole series of impacts that would happen on a whole series of properties, but it was counter balanced on what was the state of the assets that Council had, what were a whole series of assets that needed urgent improvement and replacement and they were some urgent initiatives such as the recreation grandstand, the Art Gallery roof and the air conditioning system, the Aquarena, all major items that had come to a point that needed urgent work done to them. The principles applied by Council were no different to those that the State government has had to do and has been forced to do through practices such as their electricity pricing. Most people will be aware over the last four years they have had to go through a process of 62% increase in power, they have done similar increases with their sewerage rates and that was to be in a position to actually properly maintain assets that they have got as they were not properly recovering those costs.

They were exactly the same decision making processes that Council had to consider. The CEO is not part of the voting member of Council, he provides the advice and recommendations to Councils on what vote they actually do, that all the Councillors deliberated long and hard on all the items and options, especially the 6 options and what were the different projects that they could or

couldn't get rid of. In terms of the decision the various questions that were asked by Council was to assure themselves of the need of the various investments and they were also fully aware of the impacts. It was a matter of great concern for the elected Council in making that final decision. No different to what the State Government had to do with their electricity charges as they were just not able to sustain that same level of charging that they had done previously. In the sense that is the basis of how they came to that decision.

#### Question

Mr Shane Forth referred to Question 3 that was submitted by the City of Greater Geraldton Ratepayers Demand Change as presented above.

Mr Forth added that Councillors have been referring ratepayers to Landgate if they are unhappy with their rate increase.

#### Response

The City's Rates and Customer Service have a prescribed process that has been followed in terms of advising people what the basis of the rates are, the information has been provided. The only time people are referred to Landgate has been where people have queried their valuation, as this is the only part that Landgate can advise on. The City has had discussion with Landgate on this, and they have advised that this has been the basis of all their queries, where people have queried their valuation by Landgate, that is a completely separate matter from the rate in the dollar and the City has sorted all cases to provide all the justification as to why the City have applied that rate in the dollar through the FAQs, through the information that is available on the City's website and the script that is available to our staff, whether it is the Rates staff or the Customer Service team.

#### Statement

Mr Forth added that not everyone understands how to work out the rate in the dollar, but they are warier now.

#### Question

Mr Shane Forth referred to Question 5 that was submitted by the City of Greater Geraldton Ratepayers Demand Change as presented above.

#### Response

Over the past three years the City has been reviewing its operational expenditure in terms of what efficiency dividend can be provided. In the three consecutive years there were dividends of 1.75% and an accumulative 5.2% of savings. That was in relation to what are the cost increases that are applied because of inflation, what is the amount available money that actually comes through to operations. So over three years the City identified 5.2% in savings which equates to a recurrent in current dollars this year a \$1.9m saving. Out of that in the budget all of that was redirected to new capital expenditure or asset renewal expenditure, as the City's priority and has been putting forward in respect of active budgets for some time and has been to redirect those savings to meet that shortfall in asset investment that the City



has historically had. Not just an issue for Greater Geraldton or the previous Councils prior to merger but Local Governments across the state have all had this asset renewal shortfall. The City has identified them and are happy with the scrutiny that comes with it. The City believes those savings have been real and justified and review. The City notes that the State government has on many occasions identified operational dividend savings and in many cases those agencies have actually delivered on those and the State Government's budget have actually exceeded expectations. The City has identified those savings and the City has actually come in on budget on every one of the years, over the last four years.

#### Question

Mr Shane Forth referred to Question 6 that was submitted by the City of Greater Geraldton Ratepayers Demand Change as presented above.

Can Council Clarify how much of the \$34m is spent locally to our contractors and Consultants

#### Response

Within this financial year the City cannot give that guidance as the City still go through tender. The City has an adopted policy in terms of buy local, which provides a purchase preference for any tenderer that comes from within the boundary of the City of Greater Geraldton. The City applies that in terms of the tender assessment, which is undertaken in accordance with the Local Government Act which allows the City to consider the tenders and give an advantage to those tenderers. The City can only to within the limits that are provided in the Local Government Act which allows a 5% or up to \$50,000 consideration for any tender, so it is hoped that any local tenderers will supply those services that are the tenderers. The City does try to package up our contracts at a scale that enables local tenderers to deliver services far greater than large scale tenders where possible. Mainly because if the City packages up tenders too large it does prevent local from having a reasonable opportunity in bidding for them. The City believes they have the available options for local companies to tender for works, there are policies in place and generally they are adopted and taken advantage of.

#### Question

Mr Simon Keemink referred to Question 12 that was submitted by the City of Greater Geraldton Ratepayers Demand Change as presented above.

#### Response

No.

All budget documentation, every project and its full details are available at the City offices, that is all the budget document, or on online.

There are discrepancies as to when it comes to the original promotional material or advertising material relating to some of that information. Some of those figures don't quite correlate as they are not quite comparing apples with apples. In terms of the Art Gallery for example, one of the figures refers to the

building works, the other figure has got air conditioning replacement or plant and equipment as a separate figure so if you add the two together they are still essentially the same. With Meru, part of one of the figures referred to had the total expected expenditure at Meru, and one of the other figures didn't include site offices which were seen as an administrative expenditure, which was approximately \$200,000 and that was the difference in the expenditure shown there.

Main variances a purely through Promotional material as part of the start of advertising, but the detail and the correct information is fully contained in the budget papers which are available on the website and in the City if you would like a copy and were available prior to the budget. A full copy can be provided at the City's offices. Every line item expenditure is identified and every details of what is exactly proposed.

#### Statement

Mr Keemink stated that hopefully the City can see why ratepayers are so confused as there are so many discrepancies and an apparent the lack of transparency.

#### Question

Mr John Ward referred to Question 18 that was submitted by the City of Greater Geraldton Ratepayers Demand Change and the City's response as presented above.

Why can Local Government override the State Government?

#### Response

The City has not overridden the State Government.

The City is provided with a prescribed amount the City can charge or there are elements that the City can charge - there are different components.

1. Inspection fee
2. Registration fee

The City has certain limits in terms of set fees and other ones in terms of inspection fees of what can be charged. As noted above, the cost that the City can recoup do not represent the total cost of the service provided, it is a service that the City does partially in-house, and partly outsources through contractors. What ratepayers pay for is the inspection fee that has to be carried out in a certain time frame which is irrespective of the year that the service is undertaken, which is on a four year basis. The City is bound by how often it does the inspection, and what can actually charged with the State Government and there are caps that apply. The City does not go outside of the guidelines that are provided by State Legislation. .

#### Question

Mr John Ward referred to Question 22 that was submitted by the City of Greater Geraldton Ratepayers Demand Change and the City's response as presented above.

*The business owner confirmed to the meeting the location of the area. The area referred to is the Geraldton Second Hand Barn, near McDonalds on North West coastal Highway and referred to his question.*

Response

The City did have to get approval to put the footpath in from Main Roads.

Question

*The business owner asked if they could put bollards in.*

Response

The CEO advised that the ultimate decision to have bollards put in rests with Main roads. The City does not have the jurisdiction for this area. It is not the City's road. It is a simple matter for the City to request this with them but it will be their final decision. The whole road reserve, boundary to boundary, is under the control of Main Roads.

The City is happy to ask on the business owners behalf, but the City cannot commit to doing the work without their approval.

Question

*The business owner advised that all the Shire, Main Roads, Police that he asked passed the buck back to being Main Roads. He referred to a family who live on Place Road who have issues with people driving on their footpath the Shire went and installed bollards straight away.*

Response

Place Road is a City controlled road. The City has the jurisdiction, which means if there is a request it can be acted on straight away. The City does not have to ask for approval and bollards would be installed. But if it is a State road the City does not have that jurisdiction to put any infrastructure or any works on it, and are not even allowed to put line marks on the road. That is a matter for Main Roads to actually do on their road. .

Main Roads is the State authority for the road.

The City will address the issue with Main Roads

Question

Mr John Ward referred to Question 23 that was submitted by the City of Greater Geraldton Ratepayers Demand Change and the City's response as presented above.

*Was a purchase order raised incorrectly and has the amount been recouped.*

Response

As discussed at the time, the CEO advised that ultimately it is his responsibility in terms of what decisions staff take and what actions they take. This has been dealt with quite extensively. At the time the CEO gave instructions as people recall in 2008 when the CEO came to the City, the

foreshore project had been progressing slowly. One of the directives he gave to the staff was to do whatever it takes to get action done and make decisions quickly. At the time as well, the City was looking at ways to make improvements and variations to the design of that project that would actually deliver it a way that was more useable and friendly. There were changes to scope in minor ways and in some significant ways. They included putting retaining walls around the playground, as it was going to be earth banks as the City knew that parents would rather sit on lime stone walls rather than earth banks which you couldn't sit on, this didn't go to Council. That was a decision made by staff under the CEO's direction to make it a more useful space. The decision to include additional shade structures was done by staff to make it a more useful project under the CEO's direction. The decision to go ahead with the flag pole was done by staff. It was a concept that was talked about and the CEO asked staff to start looking at it, did not give direction to do it, which was because at the time the City identified savings within the project of \$80,000 that financial year. The City knew they had major events, it had discussions with RSL about relocating the route, which has now subsequently happened for the Anzac Day March past, and the City thought that there was an opportunity within the budget, that was approved by Council, to actually put structures up there that would be iconic and attractive to the City. The CEO advised that it was his call. The CEO's direction to staff, he didn't sign off on any purchase order, but he never reprimanded a staff member, as he said in Council on the public record back at that time, as he gave them the directive to them to get things happening. Unfortunately with that one it didn't go to Council, as with the retaining walls around the playground equipment, as some of the shade structures didn't. The CEO advised he takes responsibility for that.

If out of a \$33m project under the CEO's direction there is a loss of \$3,000 through an incorrect order then he will take full "cop for it". But he had delivered, under that project, a \$33m project within the final time frame that was allowed going back to 2002, it was delivered within the budget and the funds provided – a \$33m project – and he looks with interest at some State Agencies compare equivalent projects, some projects started at \$150m and end up at \$450m projects, and no one is asked to account about that sort of variation. In full view of every member and every ratepayer at the meeting, the CEO takes full responsibility for that, and as said – he did not reprimand that staff member because I didn't want the culture that was in the organisation which was not to make a decision; to let things lie; and sit in the hope that the fear of being reprimanded would not be tolerated under the CEO.

The CEO advised that he accepts full responsibility for the \$3,000, he accepts full responsibility for the fact that the City came up with the idea of a flag pole, it didn't work out, but he loves the culture that has been built up in the organisation that was to have a go; that was to do things that are different; to challenge; and not be embarrassed by what they wanted to do.

Question

*Member of the audience presented a question:*

He advised that he had a picture of the flag poles, in the 'shire' yard and that he photographs of the poles, and had gained access to the 'shire' yard.

He advise there are two flag poles in a wooden box and they are galvanised. Whose money is it?

Response

The whole issue relates to a 35 metre flag pole proposal. The City did buy flagpoles, one is out the front of the Queens Park Theatre, which was used, , there are four standard flag poles, which are part of the normal purchasing process. One of those is out the front of the QPT, and that was used for the Aboriginal flag, which this City never used to fly; two are down at the foreshore at Batavia Park, they are standard 9 metre poles. They are only used during Anzac Day for the March pass. The other flag poles the City intend to use are actually there as replacements, as the poles at the front of Civic Centre, Cathedral Avenue are old wooden poles and are not in a condition to stay up much longer. The intent is to use those flag poles purchased at Mullewa where the City needs those extra flagpoles because historically they have never flown the State flag or the Aboriginal flag. In accordance with Council Policy the City flies all those flags.

Yes they were purchased as part of the normal process and were not the 35 metre flag poles.

They have never been hidden in different buildings around the Town, it was never received,

Question

*Question from the floor*

Referred to the response from Question 23, and advised he has not problem with that, but wouldn't it be expedient in open and accountable government to also to tell the ratepayers that 20/11/2009 that the City paid a company called Ingal \$870 for the design of a concrete footing or a footing for a flag pole. The City also paid the same company on the 18/12/2009 a sum of \$5,789.74, so thinks the actual cost, while accepting the CEO's response in respect of the overall cost of the foreshore project, it is not a huge amount of money, but in light of the controversy at the time surely we would present all of the facts to the people that go to the trouble of asking these questions and do not want to be fobbed off with any old answer, they want the whole answer. They will accept the whole answer, everybody makes mistakes, nobody is god, except for God, but when people continue to ask the same question but don't get the total answer it leads to all sorts of innuendos. He thinks we need to be open, and accountable and in this case, he doesn't think the City has been.

Response

The figures quoted were in a Council minute which was provided in 2009, openly and transparently on the public record and also in letters provided to the various people, and at the time the advice given to Council in the public record and to the letters that were responded to individual that wrote to the

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City, stated that they would seek to recoup the cost or redirect those expenditures where possible. The only cost that the City was not able to recoup was the \$3,300 figure for the pole. The rest in terms of the concrete work and footings was actually reallocated and with negotiation with Ingal for other elements within the foreshore project, so they were not funds that were paid for no return. This information was provided back in 2009 of the likely total liability would be back then and as I had in the advice and in the letter, which was provided to the gentleman that raised the question.

No money was lost as part of that work. Ultimately the only bit that was lost was the \$3,300 expenditure. This cost could not be recouped.

#### Question

##### *Question from the floor*

It is appreciate that the CEO has a difficult job and that he has a certain amount of spending, which has been explained quite extensively, but note the City is spending 20% on asset renewal. The increases that have been given are very strong and very high and the people are at the meeting because a lot of them are going to struggle to pay those.

Can you not make that asset renewal spread out over a longer period of time, so the increases can be less. That is a practical question for what we are all here for.

#### Response

What is a realistic amount of the increase and what can the rate payers, whether they are residential or commercial can sustain. This is a point that has been well made and recognised by Council. No different to the State Government where they had to make some tough decisions in terms of energy pricing, 62% in a short window of four years.

The City looked at what the demands were on our assets and what the City realistically needed to spend to be able to maintain what the City owned and the advice that was provided to Council on the decision that the elected Council made was based on what they believe needed to spend on what were urgent priorities, and the only way they could make the books balance was with the rate rise that was proposed this year. It has been a difficult one, it was a difficult one for staff to put together, as with everyone at the meeting, the bulk of the staff are residents and ratepayers of this community and pay the same rates, they have the same bills. All staff members at every level have the same bills that they have to pay.

It was seriously considered, but at the end the decision was made based on what did the City need to do to actually retain the assets that the City have, but also the other point was what opportunities were we potentially foregoing by not collecting enough revenue in missing out on potential grants, and some of the significant grants the City has attracted this year will have a longer term benefit, but unfortunately have an impact in today's dollars in terms of having to find the cash to match them. Some of those will offset future losses or liabilities that Council has got. Example of those is Verita Road. A road that

has been planned since 1974. It has been part of the structure of the future development of the southern end of Geraldton since that time. Most of the suburbs have been built around and need that that road. Unfortunately that road, which is estimated to cost \$22m, has only had, because of decisions in the past, \$360,000 worth of contributions from the Developers towards that \$22m offset. The unfunded balance, essentially the full \$22m sits with the ratepayers to fund that road as it stood. The City had the opportunity to go to the Federal Government and secure one of the largest grants in WA, and one of the largest grants in Australia, to help fund part of that road cost. The City received \$9m through the Building Better Regional Cities grant. The City is also currently negotiating with the Mid West Development Commission for Royalties Funding of \$14m. Part of what the City want to use that money, the City then has to find \$5m to leverage that \$22m worth of grant funding.

Part of what that that funding will actually achieve is the building of that road using predominately State and Federal money that would have otherwise been by ratepayers. Maybe a liability that ratepayers would not have had next year or year after, but over the next 10 years that \$22m would have been a liability that you would have been paying for. Had the City not grasped that opportunity and got the grant that is the outcome that the City would have had. It would have been a lost opportunity. It was an incredibly difficult choice to make. The City has had a great run with grants in the last 12 months.

#### **\$13.8m – West End Project / Eastern Breakwater**

At the moment it will require \$2.6m of City funds, almost a 6:1. If the City doesn't provide the \$2m it will lose the rest.

They are things the City had to take into consideration and they are difficult decisions. The City fully understands and appreciates while people find it hard. The decisions were made, when you look at the total basis of it, the asset renewal issue having enough money to replace the assets the City have and doing the urgent projects that the City need, and to also to forego future liabilities such as Verita Road with were things that the City needed to be mindful of.

The CEO understands the impact, and the elected Council deliberated long and hard on those impacts, and are aware and are ratepayers as well.

Mayor added that the 3.5 months leading up to the adoption, Council were involved in considering the information that the CEO has advised the meeting of. To be able to do a project with a small input and get such a great result, Council simply couldn't afford not to do that project. The road is so important, It will Open up the southern district sporting fields; open up an alternate route from the back of Tarcoola to Karloo. This will save people having to go to Brand Highway. It is a dangerous area down there where people enter Brand Highway, and if the City can stop that happening it is very important that the City does that.

In respect of asset renewal and preservation. The City started on that journey two years ago to try and make sure the city had sufficient funds to address the asset renewal and replacement shortfall. You can't make an apology for trying to do the best you can for your City, which is exactly what the City is trying to do.

1 July 2013 the State Government has said that the City must be in a position where they are sustainable. The City has been working towards that for three budgets. This was recognised a long time ago and the City is now getting to the point where they are getting very close to it.

#### Question

*Member of the audience presented a question:*

With respect of the \$3,000 that was perhaps wasted that is fine in an overall amount of \$150m, but it all honestly the ratepayers don't have the luxury in their budgets to lose \$3,000, or the luxury to lose \$10. Think that over a period of time you seem to see the 'Shire' wasting money left right and centre. That is how it looks to the ratepayers. Referred to sprinklers being on when they shouldn't on council properties. Referred to receiving two lots of rate payments in the mail as apparently the first one was incorrect as she was overcharged \$2. Families in Geraldton are struggling. Never mind the rate increase, we do not have the luxury in our family budgets. Thinks what the ratepayers are asking for is a lot more transparency. Need to see where the money is going, most ratepayers do understand that the City is trying to do, but all is seen is waste. Asked the City to tighten their belts please.

#### Response

Mayor noted the comments and advised that staff try to do that.

#### Question

*Member of the audience presented a question:*

Member of the audience advised that she was overcharged by \$78 in her rates, and try to retrieve the refund from the cashiers, who advised that she needed a bank account, which she doesn't have.

#### Response

This will be looked into.

#### Question

*Member of the audience referred to Question 15 above:*

With reference to recycling, understands that the City is responding in respect of capital costs of being too expensive or not delivering value for money. As someone that is educating our youth as to environmental concerns, as ironically the City uses the word sustainable, he feel that economics doesn't have a place in the discussion and would argue and ask that recycling be put firmly on the agenda and would be happy to pay part of his 30% rate increase towards that.



Response

Council did seriously look at, and to the extent of going to the market to identify what it would cost to provide a recycling service in Geraldton.

Unfortunately what came out was that it needed a \$10m up front capital investment, which would have resulted in a near doubling of rate charge from the \$224 over \$400 in the current market. Based on the advice received on market testing there is not an appetite to sustain that level of an increase.

The other part that Council seriously looked at when it went through an exhaustive tender process, was to identify what amount of the waste stream would actually be taken out by the introduction of recycling. An important thing is not to get caught up in to a view that by just doing recycling they are being sustainable or environmentally friendly. What was identified and the clear advice that was provided, was at best that it would be removing from landfill – 15% to 18% of our waste stream - which is clearly not a significant return on investment for at \$10m investment up front and doubling of the waste charge.

Once of the things the City has to look at what are the potential impacts of new state charges that are coming. The City has been put on notice, the metropolitan areas, which already has a waste landfill levy of \$28 per tonne, is that it will be introduced in time and applied across the regional centres. That is a consideration of the City. The City is currently putting 45,000 tonnes of waste to landfill. So a simple sum will show that it is in the simple order of over a \$1m per annum in a landfill charge that it will have to pay the State. Assuming we do not reduce our amount of waste going to landfill.

If the City had double the waste rate and only taking 18% out the stream, it would have had a marginal impact on that amount of waste going to landfill.

There are also issues in relation to the carbon tax and the emissions that come from our waste area. Currently the City is sitting at 13 kilotonne. We are not within the threshold payable, but if it gets to that threshold, and given that the City is a growing community, again that is something the City will have to pay a direct tax. Cities like Kalgoorlie and some larger regional Councils are over the threshold and they pay their \$23 per tonne.

Carbon taxed based on the emissions they are omitting. Again removing only 18% would have not had a considerable impact in that.

Based on that the City adopted an alternate strategy. Reviewed what was the best practice going around the Country and internationally for dealing with waste. The new council strategy looks at pick up zones around the City, which provides for better opportunities to take recyclable within their own neighbourhood rather than a bin service to a house. City also looks at ways of reconstructing the receival area at Meru so there is a high level of sorting and waste stream management on site to prevent the amount of waste that is actually going to landfill. This is now seen as being a more effective and cost efficient way, the City have funded this in this year's budget. \$4.5m that is

already actually identified in the budget papers this year, is to build the facilities at Meru to enable that greater separation on site so people don't just dump at the landfill face and have the opportunity to recycle the larger volumes of product. So there is a pick up facility around the neighbourhood, again to enable and encourage community based recycling. Move to a model which is actually seen as more successful than a bin. It has been identified in areas where a bin is provided, is that unfortunately people abuse that system and do not put cleaned out water bottles, as is required, only paper and certain plastics. Once you put in other materials, i.e. lawn clippings, which is happening in the metropolitan areas, that it pollutes the product to such a point that it is not able to be recycled. Therefore it goes to landfill by the main operator. 60% of waste that is collected councils where this service is provided goes to landfill as it is unsortable.

#### Question

*Member of the audience referred to Question 15 above:*

Member of the audience referred to a documentary on a slum in India where they are able to recover 80% of the waste, and sure a developed country could recover 80% with all the resources provided.

#### Response

People in India are not paid any wages to undertake this, they are doing this for a living. Not only do they recoup the product from the slums, stockpile waste to make money, they actually recover food products to eat, there is nowhere in Australia that would entertain that. Our minimum wage makes that almost impossible. The bulk of the products collected and the plastic products here in Australia are actually sent to Malaysia, where they are refined and reproduced because our cost structure for recyclables is so high here. That is the issue, if you are comparing apples with apples, you have compare to what it cost to pay wages here, and we also need to be realistic about the amount of waste we produced. We are a small city of only 40,000 people, and while 45,000 tonnes of waste might sound a lot, the recoverable percentage is very small for what you can sell that for. The transport and sorting cost make it difficult. That is why the City has funded in this year's budget an alternate model that sees more community orientated bring points placed around the City where people can provide those that are active, whether they are community groups or as individuals who want to participate through recycling, It is an education campaign, can do so, those that go to Meru are forced to separate their waste rather than dumping it on the landfill face. With that the City feels that they can get their recoverable waste up to order at least 30% with targets of 50% or higher, which is ultimately far more than you would get with a yellow wheelie bin at your home. It might not feel as good in terms the obligations you get within the community, but it is far more effective and it is seen as being the best practice now.

Mayor referred to his recent visit at Margaret River and a trip to the rubbish trip, which is a 20k drive to the site, he had a 6x4 trailer, their rubbish rate is \$330, City is \$220, he was charged \$20 for dumping the contents and larger items which was \$12. A 20k drive and a \$32 bill and compare with what we are charged in Geraldton is very good.

Statement*Mr Tim Duggan*

Mr Duggan referred to the PR skills of Council prior to the budget meeting. Before he left for holiday there was talk of a 6% rise, which he didn't think was too bad – CPI is about 3% - 4% so would give Council some fat in the budget - but when he returned it was 20 to 25%. He reviewed the rates he pays or through a company and paid anywhere between 25% to 29% -to- 37% to 40% increase over last year. He thinks that is a very unfair impost to suddenly put on someone and say that is just for asset renewal.

He asked if the City of Greater Geraldton could take a few of those comments on board and next year improve their PR skills on this matter.

Response

The Mayor noted this point.

Question*Mr Tim Duggan*

Mr Duggan referred to Budget Planning 101.

Generally within your budget you need to work out what needs to be done. You then prioritise those needs. You then go and cost them out. If the budget is excessive, in other words excessive to Mr Duggan would be CPI plus the bit of fat that he mentioned before, then you need to whittle away what is not essential, or complete them over the coming years. That way he believes the City would have a less of an impost on the residents.

Would you believe that this is a practical thing to do?

Response

Yes it would be under normal circumstances operating on a basis of CPI or thereabouts, on an ongoing basis, may be a viable option. In Western Australia Local Government unfortunately it isn't. Western Australia undertook considerable reform in their Local Government sector in the early 1990s and they have been working on a system where like normal businesses they actually have to produce a balance sheet and other statements to effect on how they are performing in a financial way.

One of the beauties of Western Australia is that it decided not to pursue that reform back in the early 1990s, like the rest of Australia. So the City still has this interesting statement that is produced in the budget papers called a rate setting statement, which allows the City to look at what our assets are depreciating by and then write that amount off. So in effect, what the community's assets owned and write that off with a non-cashed based item to balance the books. If you are a business, reporting like local governments in Western Australia do, you would be posting a significant loss, each year, year on year. And at the rate that the City was going at in here, and this is no different to what any other local government is, not portraying this as a Geraldton specific problem. If we went on that basis, we would have a

balance sheet in the order of zero dollars. In effect the City has written everything down to nothing. This is just not sustainable. The private sector doesn't do it, local governments in other states don't do it, and they haven't done it for a long time. Unfortunately in WA, we have let this happen for a long time because it was the convenient thing to do.

It left a massive funding hole. It is the reason why we didn't have the funds to fix iconic buildings such as the Railway grandstand, which was falling down before our eyes; it was the reason why we didn't have funding to fix the Aquarena, a building which was 15 years old but was also falling down. Those that had the opportunity to see the state of the mechanical equipment and other areas that we had to fix, and that we are doing currently, would understand that context and where we didn't have the funding to do it. So we faced the position at crunch point, and referred to the State, and the CEO doesn't do this anyway to be critical of the State, because they got hit with the same problem when it came to power price charges. There is a reason why they didn't do 3.5% increases in power for the last four years. They simply couldn't do it because it didn't have the money to do it. So the consequences of decade long problems of underrating, of under recovering the cost of that services was that we have started getting pole top fires, power poles falling over, and large payouts by the State Government where there was damages. In fact in some cases there were deaths because that infrastructure was falling down around us.

The City hasn't had anyone die, thankfully, and hopefully there won't be. The City doesn't have that same sort of critical infrastructure. But the City does have infrastructure that is in desperate need of catch up. That is the decision that Council had to make balancing, therefore it was a case of simple budgeting 101. The City wishes it was in that position, and be able to advise Council that all we need to do is stick to balancing budgets 101. The bulk of Local Government CEOs in this State still tell their Councils and their communities what they want to hear *'you don't need to make the hard calls because as a CEO I will be gone, I will be on to the next Council, or the one after that by the time of the consequences of me telling you what you want to hear, is there'*. That is why the City provides that advice.

It was to ensure that the City was rating properly for the assets that the City has, and were in a position to sustain them properly. CEO advised he is comfortable with what happened, the very thing that was introduced, a programme that was introduced three years ago, in terms of meeting our financial sustainability is actually been adopted by the State Government, and will be compulsory as of 1 July 2013. We shall see a lot of Councils having to report what the City has done this year, voluntarily and in a staged way, granted that the staged way is hard this year for ratepayers, but there will be some Councils next year that once they have to start reporting the figures in a way that the City has been doing for three years, will be faced with decisions much harder than what the City has had to face here.

We know that as some of the preliminary reporting in terms of what different Councils are doing in replacing their assets, which is not pleasant. .

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Mayor referred to Page 3, tables presented, of the Rates Budgets and questions, which is available on the website at <http://www.cgg.wa.gov.au/your-council/budget>. It also compares what the other councils are paying on asset renewal, some of which are unable to identify what that are spending on asset renewal and replacement. Mayor thinks the City has made some good decisions in the last three to four years and are heading in the right direction.

As part of his job as Mayor he is a representative the major regional cities of the Western Australian Grants Commission. Federal government disperse quite a large sum of money each year, which needs to be spread across local governments. The money needs to be spread in a fair manner and it is the Grants Commission's job to come up with the formulas that spread it in a fair manner. As a result of his position on this committee, some financial statements that he sees within local government are absolutely abysmal. Geraldton is leading the way in terms of where we are going financially.

#### Question

*Member of the audience presented a question:*

Asked for clarification if there will be a jump in the rates every year from now on to cover the costs.

#### Response

Mayor advised that inflation with all be with us and the cost of labour and material is not going to go down, it is expected in future that there were still will have to be rises and hopefully not at the same rate as this year.

#### Question

If at the same rate people will not be able to live in their properties and therefore where are you going to put everybody.

#### Response

The Mayor understands that and Council recognises that, we don't want them to be anymore than they have to be. We all to pay rates.

#### Statement

*Statement from Mr Duggan*

Mr Duggan advised the meeting that he hadn't cherry picked these properties, they actually are concerned with his family:

Brisbane - \$1,200

Tuart Hill - \$1,300

Geraldton - \$1,900

Similar properties

Response

Mayor advised that also important to recognise that those Councils address their asset renewal and replacement has a very marked effect on what their rates are.

Question

*Member of the audience presented a question:*

Are you asking ratepayers to take a hit, asking why isn't the CEO and your management not prepared to take the bonuses, as in private enterprises most of the CEOs that haven't performed had to forego their bonuses. So just to be fair, why don't you consider that point.

Response

The Mayor advised that the City's CEO is paid well below for the local governments of this size.

The CEO said he has no problem in disclosing his salary and is in the information provided for the meeting.

In the context of the State Government Act actually sets banding for different Local Governments, and what he would be entitled to get for the role he does. His salary, as it is fully disclosed in the documentation provided when entering QPT, is in the bottom 15<sup>th</sup> percentile of what he is entitled or potentially able to get. 28% of Local Government CEOs in this state are paid more than 100% of their allowable. The CEO has no fear, in terms of justifying what he is paid, he doesn't ask for a bonus or expect a bonus this year. In terms of the CEO role, sure people think they can do it a lot better than him, and they will have the opportunity as he has already told Council he does not intend to be here at the end of his five year contract. It is not because he is leaving for any other reason other than he wants to pursue other things and he has a lot of opportunities in life and a lot of things he wants to achieve in life. But in terms of being excessively paid, in the context of the industry that we are in, in terms of what the State Allowance Tribunal actually determines that he is allowed to get, as is in the public record, and you compare what he is paid to some of the surrounding shires that had budgets that are less than 10% of the ones that we are responsible for, that don't have a compliance issues for their varied business models from childcare centres family day care centres and airport operations, he is comfortable with the pay that is provided.

It was an open and transparent process to select the CEO. If there was someone better Council would have appointed them. Open and transparent process to be part of the Executive team, managers, right throughout the organisation. The City's salaries are, in terms of the management salaries, for managers and directors, are independently assessed. The City has a contract with a company called Mercer, who do the salary review, package review, for the Salaries and Allowances Tribunal. Again, the City benchmarks against the those.

The CEO said he has no fear or shame on what he paid. Happy to disclose it. In terms of statements that are made, or derisory comments in terms of

supposed bonuses or other things he gets, they are just not fact. The facts are what he is entitled to get, and what he actually gets, are listed in the FAQs. There are there for all to see.

Question

*Mr Barry Thompson*

When he first came to the town the rain that fell in Fitzgerald Street just seemed to know how to flow out into the ocean. Under the current regime, the rain that falls down there now seems to be a completely different animal. It tends to lay around for ages, and it is not until the Council wheels out a big pump down in front of Skeetas that it manages to get over the beach and into the water.

Remembers reading an article in the Guardian some months back, apparently quoting the CEO that \$130,000 had to be spent in order to make the drainage system work. That made him worry quite a bit as to whether the \$130,000 was ever again to be spent and if we can actually rely on the drainage systems to be up to the task.

Response

Money is allocated in this year's budget. One of the problems the City is facing is that – referring to the Durlacher Street outfall – purely is the way it is structured and the bulk of that water is actually is going out below sea level. When you actually have considerably increased catchment areas as buildings go up, there are greater roof areas, greater areas that are sealed, you have greater area of impervious area, then it does infiltrate onto the ground. Therefore you get much more run off in short time frames.

Engineering team have looked at different options and has come up with ways to enhance the pumping structure and the infrastructure related to that outfall and to ensure that it actually functions better during a peak event, that is not as reliant or has more redundancy. The problem of flooding that occurred earlier in the year was the lack of redundancy when their power went out, there were problems with the pumps, we are looking at improving that. We have secured, on top of those additional works, \$3m worth of federal funding to match \$3m of City funds, to actually looking at ways to directing water away from outfalls and there are three components to that project, two major significant ones, one is one that the City will be embedding of the Olive street land development which will prevent water from going out of north pipe and south pipe, collecting that water in the basin and reusing it for stormwater.

The second one relates to the Durlacher drain. That is to redirect the peak flow so it doesn't go out to sea, doesn't cause flooding down town, redirect that water to the low point in Maitland Park in underground buried stormwater cells there so that water can be reused.

The City secured \$3m worth of funding, which is the largest grant is Australia for that project. It will go a long way into solving that problem. Drainage is always a difficult issue. The City are getting types of storm events that actually dump a lot of rain in short periods. The City believes that it has

solutions to minimise the impacts of those, and that problem will disappear over time. There will always be issues with heavy, which is always a problem in most cities.

Question

*Mr Michael Raymond*

The main reason Mr Raymond feels that rates have increased is because of the budgeting process. He said that they have been flogged off by the story of asset renewal. In normal budgeting if you have extra asset costs then something has to give. He is wondering what happened during the Council meetings about considering what could be saved so the rates wouldn't have to be increased so much.

Every time you talk about getting a grant you are talking about getting more assets, more maintenance costs, renewal costs and costs to run them. The city shouldn't be grabbing at every grant because it is just bringing in extra repair costs later on. We don't seem to have actually made any inroads in trying to save costs, offset them against these asset and renewal costs we have got on our books, which when you think about it these asset renewal costs are not new, they have been around for years. It just seems we have taken too long to come to grips with them and we are not making the effort to try to make savings elsewhere.

Response

As mentioned earlier – The City had identified a 1.75% operating saving this year and over three years that is 5.25% or \$1.9m recurrent.

Statement

You have spent it again.

Response

It was spent again, it was put directly to the asset renewal account so that we were actually spending the money on the assets that needed work.

Question

Why not save the money and reduce the rates?

Response

The interesting thing that comes with any of those decisions is then what services, what infrastructure, what built form don't ratepayers want?

Question

That is what the Council is meant to do. At the council meetings you should be making recommendations on things where the savings should be. This seems to be passing the buck on to the councillors and not taking the responsibility to try and find savings. At the end of the day ratepayers should not expect rate increases beyond the CPI.



Response

That is a matter of conjecture and in terms of opinion. Everything that was put up for renewal was actually requested and the City has had significant demand from either user groups in those areas asking for those assets to be retained and renewed or through the community through various surveys. There was a clear basis to actually retain and enhance those levels of service. The City has not had a great demand for people to say *we don't want that service provided or we don't want that infrastructure maintained or that level of service maintained.*

Question

Mr Raymond asked if the City has a service charter, a charter which tells the people what they are expected to do and not expect to do, what they would like to do, what is and is not essential. Is there a Service Charter where we can measure the priority of where the works is done in the Council. You talk about it in general terms, but specifically they need to know what is on and what is not on.

Response

No.

Question

If you don't have priorities how do you spend the money?

Response

Mayor advised that City officers go through a process of looking at what is required and prioritizing, before the budget is presented to Councillors. From experience there is a lot of culling on the budget process. Council again looks at priorities where more culling occurs. At some point that we need to ensure an asset is maintained to ensure it doesn't fall down. The CEO referred earlier for example to the Aquareana, the slide in the aquarena was so badly corroded that given much longer it has the potential to injure someone, so that really needed to be addressed. Again there was a brick wall at the back of the Aquarena which you could almost see through, which needed to be addressed. We can't leave those issues undone.

Question

Those examples are just ongoing are maintenance issues that should have been addressed over the years.

Response

The Mayor agreed and advised that this Council is addressing those issues.

Question

The City has a Strategic Community Plan, it has an operational business plan attached and it also has goals and outcomes and strategies. All of which Mr Raymond believes needs review and prioritising of the effort we do.

Response

That was noted and is an ongoing process.

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Question

When was it last reviewed?

Response

Last October it went through an extensive review and was adopted by Council.

Question

It doesn't have priorities on it. It is a utopian type of statement, all the things are desirable, it doesn't list the things that are essential and non essential. He thinks we need to do that so the money can be spent wisely.

Response.

There is a process currently being undertaken and one of the things that the City is required to do under the new Financial Regulations for the Local Government Act is to not only have a community strategic plan, which we were required to do the 1 July 2012, but also tyhen have the business plan and prioritisation, that is exactly a process that we will be going through over the next six months, in accordance with the requirements to be fully compliant with the department's regulations, by 1 July 2013. There will be priorities set in there, that is things that will be raised with the community in terms of what services the community want and don't want. Also part of the City's requirements is, what is being worked on currently, is also identifying what areas and resourcing we can provide throughout different functional areas, and what people want and don't want, and what the business sector want and don't want. That is what the City is still going through and an engagement process over the next six months as part of the next review to implement.

Question

*Mr Des Rick, Walkaway*

With all the State and Federal government and the shire rates all going up who will be the first to foreclose on their property as they can't pay their rates. Is it going to the shire of the banks. People are hurting, and everytime it goes up council use the grants to justify the rate rising, so you can match them to get the grant, he is pretty sure that people would rather a home than a beautiful foreshore. Is the Karloo as referred to on Question 6, are the rates going to go towards the affordable homes in that area when people are already in areas where they want to be, trying to make a living in those areas.

Response

The City does ensures that we are raising enough rates to cover not only our asset renewal, but the City's cost implications that has flowed through from both State and Federal charges, just as they flow through directly as householders and business, who get the direct impact of new State and Federal charges or increases in those. In terms of our operation, the City gets those as well. In some cases they are at a higher level, because they offer an opportunity for an indirect increase through to the ratepayers or households and businesses. So they are things that the City tries to account for and as we mentioned previously, in terms of our savings that have been identified

each year, a lot of those have been picked up through identifying ways that we have not pass on the full cost implications of our increasing expenditures, that is where we get our best savings from.

In terms of the other project raised, Wandina / Karloo, the City's principle there is the contributing \$5m that will be loan funds which has been budgeted for and expect to recoup through land development not through rates. That project there was one of the conditions that we have to release 400 affordable housing lots as part of the Federal condition. The City is meeting that through the grant that the Federal Government is providing, not through rate funds, and through a partnership agreement that we have done jointly with the Department of Housing. So on top of the \$28m investment that has come in, in terms of the roads, power, water and sewerage that is going in that area, and in terms of the roads, as mentioned before, that includes Verita Road, which would have been a liability paid for by the ratepayers in full if the grant funding wasn't provided. On top of that infrastructure the City secured \$28m commitment from the Department of Housing. This was a significant benefit for this community to release additional affordable housing within this area. Part of it then they will leverage additional social housing that comes with it. Rates funds are not being use with that. The city is leveraging its capacity to borrow and invest in land and developments to actually achieve that. The city is focussing most of its assets investments on assets it owns. That has been the primary focus. Where the City can get grants to leverage spending that we would otherwise would have had to do anyway.

#### Question

*Member of the audience presented a question:*

Most of the people that came to the meeting because of frustration. He has one property at a rental increase of 32%, another property he owns went up by 306%, and another property went up 70%. Everyone is talking about inconsistencies in rate increases. if there was a common factor or a methodology or a process that was adopted over the properties he owns, he asked if someone could explain why there are inconsistencies in the increases as mentioned above.

#### Response

The process within Western Australia, and is a common one across Australia, is that Council's apply a rate in the dollar, got a fixed rate in the dollar that they set each year, and that is multiplied against what your assessed property value is. The City does not have any part in setting that property value.

#### Question

He spoke to Landgate about that today, and said that his increase was from 9.5% to 10.7%, which was above what they thought was fair and average throughout the system, which was a Landgate quote this afternoon. Arguably about the valuations of the properties, one of the particular properties has been leased by a commercial valuer in Geraldton, within the last three weeks, and he is paying \$17,000 a year less than what it has been valued at. So have put that to Landgate as well, so there seems to be a real problem in relation to valuations in Geraldton going up. He put it that he doesn't think

they have gone up, he thinks they have decreased. So the rates are increasing and the valuations are decreasing, so wonder where the problem falls. He owns a vacant block of land and last year it was valued at \$8,400 and the rateable value this year is \$7,950, but the rates have gone up.

Response

The City increased the rate in the dollar that is applied, it went up 6.7%, if your property, assuming it had no change in its valuation, it would have had a 6.7% increase. On average across the whole district there was a 24% increase in property values. Because of in effect some minimum rating impacts on properties with a lesser value, the net impact on our rateable revenue was at 27.1% increase in revenue. That was the average across. The City does not set the property valuation. Some areas went up more than others, other areas had decreases. Not many, but on average it was 24%. Even within suburbs there were variations considerably above and below that amount.

Question

My rates payable last year were \$10,224,96. His rates payable this year are \$19,908.60. He suggested to the City that we get some sort of staged effect relative to these rate charges, as he thinks that is unsustainable to go from approximately \$10,200 to nearly \$20,000 in one year. Could the Council look at going back and make a decision, and stage this over three or four years so that they all have chance.

Response

Mayor advised that it is important to note that we can't go backwards with the rates we can only go forward.

Question

*Member of the audience presented a question:*

Why can't you go back on the rates?

Response

The process within Local Government is a requirement that Council must adopt the rate in the dollar and set its budget and the rates prior to 31 August each year. The Council must advertise their intended rate, at the end of that process consent is required from the Minister to consider a differential rate, which we did this time after the department reviews the process that we undertook and are satisfied we are compiled with all the rules and regulations under the Act and then Council strikes that rate. Once it is acted, and in terms of being acted or it is actually applied, the action has happened. Rates notices have gone out and the process is undertaken. So in terms of, City has struck the rate, issued the rate notices, the deadlines have all happened, so it has been acted. Under the Local Government Act the City is not allowed to rescind on a motion where it has been acted upon. We are also not allowed to strike a rate after the 31 August, because has to be done at that time. There is every opportunity at a future rate setting time to look at alternate rate settings. But once you have struck a rate, no different to how State Government works when they set land tax or sewerage rates or the like. Once they are done they don't come back and reissue a new notice post

event. That action has happened. There is the opportunity to go back in terms of the next budget and take into account new principles that may be put forward by the community and Council. Council can consider those at that time.

#### Question

Member of public advised that he couldn't find the CEO's salary in the document provided and asked the CEO to tell the meeting what his salary is. He was aware of salary but asked the CEO to read it out.

#### Response

The CEO was more than happy to read out his salary and referred to the question in the published material '*Has the CEO had a pay rise and are they linked to rates*'. As was stated quite repeatedly by a lot of people. Not it is not. It never has been. The CEO's salary and package is actually guided by the Salaries and Allowances Tribunal. Salaries and Allowances Tribunal sets the range that he is entitled to receive between \$273,043 and \$376,327. The CEO advised that his packages is \$279,180.

The CEO is quite happy to state that publicly, he has never had a problem with stating that publicly. You go to any of the surrounding Councils or any Councils across the State and they will say to you that it is Commercial in Confidence and private information and they do not disclose it. He has never had any problem in disclosing it.

The position was advertised, and when he applied for the role a whole lot of people had opportunity to apply for the job. The Council at the time determined he was the best applicant. He was given referees right through from the Minister for Local Government. He is comfortable with the role he has performed and Council makes that assessment as elected members. He can state the salary over and over again if that satisfies the people and will publish it again, it is currently on the City's website. He made a public presentation at the QPT at a conference and gave my salary figure. He has now fear in giving it, scared to give it, and he is not embarrassed by it.

#### Question

Referred to Question 23 above, *paraphrase: gave the order to do whatever it takes to get things moving*. If this the case then what actually the function of the Council the elected representatives if the CEO can do whatever he likes as that is what it seems to him.

#### Response

The Mayor advised that it is important for ratepayers to know that The CEO is given delegated authority to do certain things. The operational issues that he carries out on behalf of the City directing the labour force to do projects, that is in his domain. Council make strategic decisions.

The CEO added that under the Local Government Act and the way that it works here, as it does in every other State. Elected council is no different to a board of a company and it has a strategic role. So they are responsible for

adopting the strategy of the organisation and the community; they are responsible for appropriating funds; they are responsible for setting the laws that they are allowed to do under the jurisdiction; and they are responsible for appointing a CEO to undertake those first three tasks. They have no mandate and no jurisdiction to get involved in any operational matter outside of those first three things there were listed. That is the way the Act is structured and what they do is actually appoint a CEO to get in and deliver what their strategies and what their outcomes are.

As mentioned before, within the budget we had with the Foreshore project, there was an appropriated amount of funds and a process to deliver on those, there is always scope to variation within delivering those types of projects. He gave examples of how designs were changed on the spot, without going back to Council because the City stuck to within the budget figures that were available and the intended outcome of that project which was foreshore amenity or public amenity. The City then goes on and amends in ways it believes, at time, on site, delivers a better community outcome. Sometimes the City gets it right and sometimes the City gets it wrong. What the CEO tried to instil when he came as CEO was to ensure there was a culture that made the decisions and didn't have a fear of retribution if sometimes they went wrong. That is a fear that is commonly held within the public service, that is why it is hard to get a decision out of the State sometimes, and why historically it is hard to get decisions out of Local Governments any where. People are scared to make a decision because they will get it wrong. You won't get a mistake in that environment, and the culture that the CEO has tried to install is better to make a mistake and get it wrong and have a go.

As stated, the City got it wrong on that one; the CEO advised or that he got it wrong and accepts full responsibility for it.

#### Question

This was appreciated, we are all trying to build a culture. Noted CEO said he got it wrong, but asked who pays the \$3,133.

#### Response

The CEO asked if then he get a bonus for effectively getting the \$23m of grant funds that offsets what would have been a fully funded, from rates, road infrastructure, does the City get the funding for the new library that he got Federal funding for that was out of no grant process, 'no we don't', and he doesn't expect it. That is part of what he is paid to do is to get the best value for money and if that means getting grants he does it. If it is trying to minimise costs so be it, that is what he does as well. Also what he is mandated to do is to get the organisation running as efficiently as possible. He keeps hearing people saying that they want to de-amalgamate. That is an opportunity but they have got to lobby to the State Government. One of things that he would say to those people is, when you look at the City's finances, and look at the savings that have been audited on a repeated basis, and what has been achieved in terms of meeting the capacity to repay the assets that they have, that weren't getting done before, because let's not forget it was the Shire of Greenough that approved sub-divisions without getting a developer

contribution to pay for a road network that was part of it. It wasn't the merged Council.

The City has been put in a position now where it can make up for that mistake that was done back there of not collecting the true amount of funding for it. It wasn't the new Council that invested in CDOs in 2005. That happened when the Council invested in foreign investment bank equities. The City has covered that deficiency, that happened pre-amalgamation and it was the City's financial management that got them to a point that did it. Those were things that didn't go well before. The City hasn't gone out there and made a big song and dance about that, the City has just gone on and made those savings and addressed those costs. And this is part of what the CEO is employed to do.

The CEO doesn't ask for bonus when he brings the money in and thinks when sometime things go wrong the same sort of consequences. If people expect him to pay the \$3,000, he would be happy to pay it, but he doesn't know why you would, and would question the value of it. The counter of it would be for the grant money that the CEO brought in he would get an equivalent amount of bonus, and he thinks that would be ridiculous and offensive.

#### Question

*Member of the audience presented a question:*

Stated a Mandate is collective views of people in a particular electorate, isn't a law or act passed by parliament which is not a law. The City claims it is a local government, 2.5 of the Local Government Act, Local government establishes as a body corporate. The City trades as a body corporate, the City is actually a company with a an ABN number, which is on the rate notice, tax invoice, ABN, and advised the City that they were committing a fraud on the people of this town under Section 53 of the Trade Practices Act with false and misleading conduct to start off with. And as a company, the City cannot collect the taxi in this Country, the only authority to collect tax is under the Crown. The City is not the Crown, the high court ruled, you are a statute and creature of statute.

#### Response

The Mayor advised that there are another 139 Local Governments in Western Australia that are doing the same thing.

#### Statement

They are all frauds.

#### Response

The Mayor advised that this is his opinion.

#### Question

Advised that this statement of fact of law, and that he didn't come to the meeting to argue with the Mayor or CEO, but to come to put a question. How can the City operate and claim to be a government when the City is actually a company and ignore the will of the people at the meeting. The ratepayers

want you to drop the rates, *don't tell me you can't* . The City is a corporation, trading as a corporation, High Courts rule the City is a corporation. It also ruled that employees to the Council because they are corporations, are not officers of the Crown, and as such the City cannot collect a tax. He advised that he got a ruling of from the Supreme Court in 2006, rates are a tax. They can be collected by a public authority for a public purpose, a corporation is a corporate entity, a sovereign entity, not a public authority. The City has no right to collect tax. Get a life.

#### Response

The Mayor asked if he would like his question responded to.

The CEO advised that Local Government is enacted under the Local Government Act 1995, by the Government of Western Australia. The City is given power to act and charge rates and provide services in accordance with that Act. It is law in this land of Western Australia.

#### Question

City of Greater Geraldton Ratepayers Demand Change asked if the Motion be put.

#### Response

The Mayor confirmed that it could be put.

## **7 ELECTOR'S MOTIONS**

### **MOTIONS**

#### **MOVED MAX CORREY, SECONDED JOHN WARD**

1. The ratepayers of this Special Meeting of Electors of the City of Greater Geraldton insist that the budget be amended and the rates levied for the financial year 2012-13 be reassessed and the 'rate in the dollar' recalculated to reflect a maximum increase in the 'average rate per Property' over the 2011-12 rates according to the following:
  - a. For Vacant Residential and Residential properties – 7%;
  - b. For Non Residential and Unoccupiable City Centre Zone properties - 10%;
  - c. For Agricultural General properties – 7%; and
  - d. For all other property categories - as rated.

Using the CoGG table on page 30 of the Budget Note Book 2012-13 (attached) as a calculation base.

2. Further, the increase in rates levied against any one individual property be capped to a maximum 50% increase.

**CARRIED**



**MOVED TONY VINER, SECONDED MICHAEL RAYMOND**

3. Council immediately caps operational expenditure at CPI and engages an appropriate and experienced consultant to undertake an urgent independent review of all major items of planned expenditure.
4. Council resolves to abandon the approach of taking the increase in aggregated valuations as a rates increase in future Budget considerations.
5. The City of Greater Geraldton commissions research of the capacity of the community and local businesses of the district to meet future rate costs, incorporating a transparent consultative process, following which these factors are incorporated into the City's Financial Sustainability Policies.
6. The City of Greater Geraldton writes to the Department of Local Government seeking its advice on the process of consultation, public advertising and budget setting and deliberations it has undertaken for the 2012/13 Budget, how this complies with the Local Government Act, Regulations, Policies and Practices; and advice on best practice recommended by the Department on these matters.

**CARRIED**

**MOVED DANNI BLOOMFIELD, SECONDED KIM PARKER**

7. Council considers investing in a local community bank, which is dedicated to contributing to their local community rather than investing in high risk schemes.

**CARRIED**

**MOVED DANNI BLOOMFIELD, SECONDED KIM PARKER**

8. That the pool inspection fee be amended to reflect the maximum rate of \$55 over a four year period, as per State Government legislation, and all payments charged over and above state legislation be refunded to relevant ratepayers.

**CARRIED**

**MOVED DANNI BLOOMFIELD, SECONDED SIMON KEEMINK.**

9. That the amended fee structure adopted for the 2012-13 financial year be carried over permanently.

**CARRIED**

## 8 CLOSING STATEMENTS

*The City of Greater Geraldton Ratepayers Demand Change made the following closing statement*

As you can see by the recent backlash from the wider community, the ratepayers of the City of Greater Geraldton are incredibly disillusioned with the decisions made by our Council in relation to the rates of 2012-2013. We expect that you will take notice of what has happened here tonight and go to the next Council meeting with the community's best interests in mind.

Until the City of Greater Geraldton does this, the ratepayers of this town will not rest and the current Mayor, Council and CEO will be under incredible scrutiny and will never again be trusted – your integrity, and indeed your jobs, are on the line. As our elected council you MUST be responsible for your actions, especially when your decision are not made in the interest of the people your represent.

We would like to thank the ratepayers for attending tonight and for also for all the support we have received so far. We encourage you to all stay on board and continue to show an active interest in the way our city is managed.

*The following questions were not raised at this meeting, but were provided in writing after the meeting and are presented in these minutes.*

### **Mr Ross Davies**

#### Question

How much money was invested with Lehman Brothers bank, and what is the final outcome in dollar terms, how much did we lose?

#### Response:

See response to Question 10 in the agenda.

#### Question

Why invest overseas with no certainty of security, what was the interest % in dollar difference verses an Australian investment, why take the risk with OUR money?

#### Response:

The current Council is unable to answer questions related to rationale for investments (overseas or otherwise) made by the [then] City of Geraldton in 2005.

#### Question

What happened to buy local?

Response:

The local preference policy of Council was adopted, remains in place, and provides for local preference within the limits prescribed in Local Government regulations.

Question

How much money is invested thru brokers and any other agencies for shares or other securities?

Response:

Full details of all City investments are reported monthly to Council and the information is on the public record. Example of our investments in August Monthly Report is attached.

Deposit Ref	Current Credit Rating	Maturity Date	Invested Interest rates	Amount Invested	Interest Earned YTD	Current Value @ 31/08/2012	Percentage of Portfolio
<b>Grange Securities</b>							
Helium Capital-Esper	D	20/3/2013		500,000		218,580	
Merimbula	N/R	20/6/2013		500,000		495,000	
Kakadu	C	20/3/2014		700,000		145,061	
Parkes AAA	D	20/6/2015		250,000		22,518	
<b>Subtotal</b>				<b>1,950,000</b>	<b>-</b>	<b>881,159</b>	<b>2.8%</b>
<b>Commonwealth</b>							
Municipal BOS account	A1+	At call		3,000,000		3,000,000	
Reserve 150	A1+	28/9/2012	4.44%	2,352,290		2,352,290	
Reserve a/c	A1+	At call		1,830,729		1,830,729	
Reserve 150	A1+	At call		23,683,022		23,683,022	
<b>Subtotal</b>				<b>30,866,041</b>	<b>-</b>	<b>30,866,041</b>	<b>97.2%</b>
<b>Total Funds Invested</b>				<b>32,816,041</b>		<b>31,747,200</b>	<b>100.0%</b>

Is the City gambling on the stock market, or are they serving the community?

Response:

The Council policy governing investments is on the public record. The Local Government Act 1995 and Local Government (Financial Management) regulations strictly confine what Council may and may not invest in. It has not and does not invest in the stock market.

Question

With figures delivered at the 21st August 2012 meeting, stated by Director Bob Davis, being an additional 2 staff members since amalgamation why did we have to move the library, at cost of \$7 million (I believe) to accommodate more staff?

Response

Conversion of the previous library space to office accommodation, and refurbishment of other parts of the Civic centre, to establish Council Chambers, have been undertaken because City staff are still located at the previous Greenough Shire offices on Edward Road, and Council is still utilising that centre for its meeting chambers. The object is to get Council meeting in refurbished chambers at the City Civic centre offices, and to have ALL staff other than depot personnel located in one place – enabling leasing out or disposal of the Edward Rd building.

Question

Does this figure include all FTE's, part time employees, casuals, temporary staff and consultants and any other category?

Response

The City has 322 full time equivalent employees (FTE's). Currently that equates to 455 people, as per last financial year, however it must be noted that in some case an employee may be included in those numbers having only worked several casual hours at the Aquarena or Queens Park Theatre.

The City, as per local government and state government industry practice, does not include consultants in its staffing establishment numbers as these people are not employees of the City. Further it is noted that any consultant used is in effect engaged by contract for a specific purpose or task through the normal procurement policies under the Local Government Act.

Question

How much money in total is held in Reserve funds, including investments and any other form of savings?

Response:

This information is publicly available as part of the Budget documents

	2012/13 Budget \$	2011/12 Estimate/Actual \$	2011/12 Budget \$
<b>( a ) Airport Reserve</b>			
Opening Balance	1,741,438	1,269,410	1,582,017
Amount Set Aside / Transfer to Reserve	1,000,000	1,000,000	1,000,000
Amount Used / Transfer from Reserve	(1,925,000)	(527,972)	(1,714,000)
	816,438	1,741,438	868,017
<b>( b ) Asset Development (Capital Works Program) Reserve</b>			
Opening Balance	4,921,413	4,211,643	4,638,709
Amount Set Aside / Transfer to Reserve	1,969,565	2,079,744	670,513
Amount Used / Transfer from Reserve	(5,687,002)	(1,369,974)	(4,293,243)
	1,203,976	4,921,413	1,015,979
<b>( c ) Asset Renewal Fund Reserve</b>			
Opening Balance	1,887,105	2,618,905	2,688,562
Amount Set Aside / Transfer to Reserve	2,472,920	1,721,717	1,577,487
Amount Used / Transfer from Reserve	(3,710,159)	(2,453,517)	(3,835,445)
	649,866	1,887,105	430,604
<b>( d ) Effluent Scheme Reserve</b>			
Opening Balance	58,019	58,019	58,019
Amount Set Aside / Transfer to Reserve	25,000	-	-
Amount Used / Transfer from Reserve	(50,000)	-	-
	33,019	58,019	58,019

**( e ) Employee Leave Entitlements Reserve**

Opening Balance	376,946	376,946	541,946
Amount Set Aside / Transfer to Reserve	50,000	-	-
Amount Used / Transfer from Reserve	-	-	-
	<u>426,946</u>	<u>376,946</u>	<u>541,946</u>

**( f ) Family Day Care - Reserve**

Opening Balance	8,630	8,630	8,630
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
	<u>8,630</u>	<u>8,630</u>	<u>8,630</u>

**( g ) Meat Inspection Reserve**

Opening Balance	45,964	45,964	45,964
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
	<u>45,964</u>	<u>45,964</u>	<u>45,964</u>

**( h ) Meru Waste Disposal Site Reserve**

Opening Balance	3,053,581	2,899,852	3,207,251
Amount Set Aside / Transfer to Reserve	500,000	272,705	272,705
Amount Used / Transfer from Reserve	(2,850,000)	(118,976)	(2,864,276)
	<u>703,581</u>	<u>3,053,581</u>	<u>615,680</u>

**( i ) Meru Waste Rehabilitation Reserve**

Opening Balance	420,789	193,494	193,494
Amount Set Aside / Transfer to Reserve	250,000	227,295	227,295
Amount Used / Transfer from Reserve	-	-	-
	<u>670,789</u>	<u>420,789</u>	<u>420,789</u>

**( j ) Mullewa Community Reserve**

Opening Balance	385,792	477,516	-
Amount Set Aside / Transfer to Reserve	100,000	100,000	-
Amount Used / Transfer from Reserve	(70,000)	(191,724)	-
	<u>415,792</u>	<u>385,792</u>	<u>0</u>

			2011/12 Budget \$
<b>( k )    Mullewa Reseal Reserve</b>			
Opening Balance	1,491,288	1,291,288	-
Amount Set Aside / Transfer to Reserve	200,000	200,000	-
Amount Used / Transfer from Reserve			-
	1,691,288	1,491,288	0
<b>( l )    Mullewa Medical Centre Reserve</b>			
Opening Balance	55,900	55,900	105,900
Amount Set Aside / Transfer to Reserve	-	-	
Amount Used / Transfer from Reserve	-	-	(50,000)
	55,900	55,900	55,900
<b>( m )    Olive Street Redevelopment Reserve</b>			
Opening Balance	-	-	-
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
	0	0	0
<b>( n )    Parking Land Reserve</b>			
Opening Balance	410,654	306,650	142,347
Amount Set Aside / Transfer to Reserve	140,000	104,004	102,000
Amount Used / Transfer from Reserve			-
	550,654	410,654	244,347
<b>( o )    Plant Replacement Reserve</b>			
Opening Balance	194,769	194,769	372,268
Amount Set Aside / Transfer to Reserve	2,332,225		-
Amount Used / Transfer from Reserve	(2,382,225)	-	(100,000)
	144,769	194,769	272,268
<b>( p )    Risk Management Reserve</b>			
Opening Balance	403,475	503,475	503,475
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	(100,000)	-
	403,475	403,475	503,475
<b>( q )    Rubbish Tip (Flores Rd) Reserve</b>			
Opening Balance	679,105	679,105	679,105
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-

	679,105	679,105	679,105
<b>( r ) Strategic Initiatives Reserve</b>			
Opening Balance	109,679	179,679	179,679
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	(70,000)	-
	109,679	109,679	179,679
<b>( s ) Unexpended Capital Works &amp; Restricted Grant Reserve</b>			
Opening Balance	13,638,571	6,456,489	2,433,939
Amount Set Aside / Transfer to Reserve	-	10,122,795	
Amount Used / Transfer from Reserve	-	(2,940,713)	(1,800,000)
	13,638,571	13,638,571	633,939
<b>Total Cash Backed Reserves</b>	<b>22,248,442</b>	<b>29,883,118</b>	<b>6,574,341</b>
Opening Balance	29,883,118	21,827,734	17,381,305
Transfer to Reserve	9,039,710	15,828,260	3,850,000
Transfer from Reserve	(16,674,386)	(7,772,876)	(14,656,964)
Closing Balance	22,248,442	29,883,118	6,574,341

Question

Why is the reserve fund in existence, what is it for?

Response

It is not a single account. Reserve accounts are created for specific purposes. For example, the Airport Reserve has the purpose of allowing Council to transfer annual operating surpluses to it, to be then applied through the annual budget process exclusively to airport projects. Similarly, the Meru reserve holds any annual surplus from operations of the waste management site, and those funds are then allocated for projects at Meru – for example, contributions towards capital works.

Question

Is this a “rainy day fund”, if so we have a thunder storm.

Response:

No. The reserve accounts each have specific and active purposes, with annual transfers to and from them detailed in the annual Budget papers, demonstrating their use, and also set out in the annual financial statements. Full information is included in budget documents available from the City website.

Question

Why do we see council vehicles during business hours at school car parks picking up children and after hours at shopping centres, beaches and launching boats at the boat ramp?

Response

Under their employment contracts, managers have private vehicle use provisions. Other City vehicles not allocated to such managers should not be utilised for private purposes.

Question

I am a pensioners on a fixed income and I pay for my car and my vehicle expenses, why don't council staff so this at a cost of time out plus vehicle expense?

Response

City Executives and Managers have provision for private use of vehicles as part of their term contracts – in the same manner as provided by private businesses and government departments. Unlike the majority of other commercial or government entities, annual benefit levels for City Directors and Managers are independently market-tested every year by the Mercer organisation.

Question

At the current rates a single pensioner in my suburb would be looking at paying up to one month's pension on their rates, 8% of a very small income.

Response

Councillors are conscious of rate impacts on seniors and retirees, and aware that special provisions for them exist in cases of hardship under State regulations.

Question

Why don't we use technology such as Skype more often than expensive trips overseas to lift our profile

Response

The City does use these technologies and has prudently invested in new teleconferencing facilities to reduce trips away from the City – including trips to Perth necessitated by the absence of most Federal and State agencies from the City.

**C Deighton, 31 Pearson St, Mt Tarcoola**Question

Mr CEO referred to renewal of assets. I have paid rates in the Mt Tarcoola ward for 12 years. There are 3 exits from my allotment to the south, the airport and the city. Each one of these is pitted with potholes. When is it our turn to have these asset renewed without patchwork that was put on Rangeway road.



Response

The City works staff will follow through on this request and make direct contact to ascertain the streets in question and provide a further response on what action can be taken.

**Mr Rob Offer, 50 Harrison Street, Bluff Point**Question

Is the increase in rates going to also result in an increase in services, more specifically recycling? This has been a cause of constant concern to me since I moved to Geraldton 5 years ago. I feel that an argument based on economics is invalid when discussing an environmental necessity.

Response

The environmental necessity is reduction in the volume of domestic and commercial waste going into landfill, to reduce landfill greenhouse gas emissions, and to enable recovery, re-use and recycling of materials from the waste stream. How that is best and most cost-efficiently achieved in a centre with a population of only 40,000 people and distant from viable markets for recycled material, is the question. The City went through an extensive tender process to establish a clean materials recycling facility at Meru, combined with domestic kerbside recycling. At \$10M cost, and likely to only achieve only 15-18% diversion of waste from landfill, it was judged bad value for money, and unaffordable for this community. A full study was subsequently undertaken and a very comprehensive Waste Strategy adopted by Council which has a target of 50% diversion of waste from landfill – and an aspirational target of 75%, dependent on emerging new waste treatment technologies. It is probably the most progressive waste management and recovery, re-use, recycling strategy across WA Councils. Note that the State Government targets for regional Councils only target 30% diversion of waste from landfill. The first major stages of implementation are included in the 2012-13 Budget, with redevelopment of the recycling site and facilities at Meru, and establishment of the first modern Bring centres in the urban area.

**Mr Ray Underwood, 9 Omega Place, Geraldton**Question

With your answer to Question 23 stating that a cancellation fee. Should it not have also included payments made to Ingal & PS for \$870 on the 20.11.2009 & \$5789.74 on 18.12.2009.

Response

No. As has been repeatedly explained on the public record, including reports to Council since 2009 and direct letters to individuals. It is on public record that the order for a concrete foundation was not cancelled, but re-directed to another project. The funds were spent for that project – not in any way related to the cancelled flagpole project. And to reiterate – a large 35 metre flagpole was never purchased. It does not exist and never did.

## **9 CLOSURE**

There being no further business the meeting closed at 7.55pm