



SPECIAL MEETING OF COUNCIL  
MINUTES

1 JULY 2014

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**CITY OF GREATER GERALDTON**  
**SPECIAL MEETING OF COUNCIL**  
**HELD ON TUESDAY, 1 JULY 2014 AT 5.30PM**  
**CHAMBERS, CATHEDRAL AVENUE**

**MINUTES**

**DISCLAIMER:**

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

**1 ACKNOWLEDGEMENT OF COUNTRY**

The Mayor acknowledged the traditional owners of the land on which we meet, and pay respect to the Elders and to knowledge embedded forever within the Aboriginal Custodianship of Country.

**2 DECLARATION OF OPENING**

The Presiding Member declared the meeting open at 5.30pm.

**3 ATTENDANCE**

Present:

Mayor I Carpenter  
Cr D Brick  
Cr D J Caudwell  
Cr J Clune  
Cr R deTrafford  
Cr S Douglas  
Cr P Fiorenza  
Cr L Graham  
Cr R D Hall  
Cr S Keemink  
Cr N McIlwaine  
Cr V Tanti  
Cr T Thomas  
Cr S Van Styn

Officers:

K Diehm, Chief Executive Officer  
P Melling, Director of Sustainable Communities  
B Davis, Director of Corporate and Commercial Enterprises  
A Selvey, Director of Creative Communities  
N Arbuthnot, Director of Community Infrastructure  
S Moulds, PA to the Chief Executive Officer  
S Chiera, Coordinator Marketing & Media  
M McGinity, Manager – Communications, Marketing and Tourism  
P Radalj, Manager Treasury & Finance  
M Connell, Manager Urban & Regional Development  
M Jones, Senior Treasury Office  
D Emery, Manager Aquarena  
A Van Der Weij, Financial Accountant  
N Browne, City Statutory Planner

Others:

Members of Public: 18  
Members of Press: 2

Apologies:

Nil.

Leave of Absence:

Cr J Critch

#### **4 PUBLIC QUESTION TIME**

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

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

*Public question time commenced at 5.31pm*

#### **Mr Max Correy, 52 Bayview Street, Mount Tarcoola, WA6530**

Question

As all Local Government authorities have implemented the requirements of the Local Government Act Section 5.56 (1) and (2) why is City of Greater Geraldton the only Local Government that has imposed massive rate rises on the ratepayers?

In fact some of the larger Metropolitan authorities have quite sophisticated asset management practices and have been planning long term for a number of years however they have refrained from implementing significant rate increase both before the revision to the Local Government Act requiring long term financial planning and after the introduction of the legislation.

The excuse used by prior management that the increases to rates would be matched by other Local Governments and that City of Greater Geraldton had implemented the process first is ridiculous and highlights some of the misleading information being peddled by City of Greater Geraldton.

#### Response

Your comment that “all Local Government authorities have implemented the requirements of the Local Government Act Section 5.56 (1) and (2)” relates to the need for Council’s to:

1. Develop a Strategic Community Plan;
2. Develop a Corporate Business Plan, and;
3. Develop a Long Term Financial Plan for a period of at least ten years

This statutory requirement does not go to the heart of the matter, with respect to financial sustainability, and additional requirements have been prescribed in other regulations to which you have not referred. In particular, Local Government (Financial Management) Regulation 17A, which prescribes the following timeframes for the implementation of fair value accounting for local government assets:

- Plant & Equipment - by 30 June 2013
- Land and buildings – by 30 June 2014
- Infrastructure – (by far the largest assets class for Councils) - by 30 June 2014
- All classes of assets – by 30 June 2015.

So whilst all Council’s may have implemented the requirements of Section 5.56 of the Act, this alone is not sufficient to satisfy the additional requirements of the Local Government Act. To properly make your assertions you need to consider which Councils have fully implemented the requirements of Regulation 17A to value their assets at fair value. Evidence shows that many Councils are unlikely to recognise the fair value of all their assets and review their long term financial planning accordingly until 30<sup>th</sup> June 2015.

It is only after Councils have brought on the fair value of their assets and have reworked their long term financial plans that you can consider, not just the rate increases, but also the financial sustainability performance indicators of each Council. Without properly undertaking this analysis it is impossible to make an informed opinion as to the suitability or otherwise of other Council’s rate increases.

The decision to substantially increase the rates in 2012/13 was due to the lack of revenue generated to effectively maintain and renew our infrastructure as it wears out. At that time it was also planned to have annual rate increases of 7.6% for the next ten years. Since then, the Council has adopted a rate increase of 2.25% for the 2013/14 financial year and has sought to cut costs and realised efficiencies which has resulted in a lower projected annual rate increases of 5.2% with a reduced debt burden.

The Council is conscious of the impact of rate increase on the community and has, or is, undertaking a number of activities to limit future rate increase, including:

1. Reached agreement with the Ratepayers Demand Change Action Group limiting rate increases over the next 10 years to 5.2%.
  2. Engaged consultants to undertake an organisational effectiveness survey to identify key areas (in terms of Management Behaviour & Culture, Business Processes, and Strategic Intent) that require improvement.
  3. Implemented 26 teams within the Council to develop action plans to improve organisational effectiveness and efficiency.
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4. Created and consulted with Community Panels to review the range and level of services, and capital works priorities.
5. Tasked the CEO with finding a further \$1M in cost savings and efficiency gains over the next year.

#### Question

Does Council wish to effect an economy changing decision tonight by reducing the rate take by approximately \$6.5M from the executive recommended rate to allow this city's economy to regenerate and benefit all citizens? i.e. Set the rate take in line with the rest of Council's state-wide of between 5 & 6% from the 2011/12 starting point of \$29M.

#### Response

The Council has committed to provide a level of service consistent with the recommendations of the Community Panels that were established to review the City's capital works priorities and its range and level of services. Mr Correy was a panel member in this process, and it was made repeatedly clear to him during this process that rates could be reduced by cutting back on services that the City of Greater Geraldton currently provides. Mr Correy's question is at odds with the outcomes of the process that he participated in, and agreed to, and lacks any reasonable detail in relation to how this might be considered or achieved.

Mr Correy's question is also flawed in that it disregards the potential negative outcomes associated with what he proposes. There is no doubt that a \$6.5M reduction in rates would result in a significant drop or termination of many Council services that would impact on youth, families, seniors, community groups, sporting associations, road maintenance, arts, parks and animal control (just to name a few). This would in turn result in adverse, economic, cultural, environmental and social consequences. Rather than benefit all citizens, as suggested by Mr Correy, I would argue that it would lead to urban and social decay coupled with decline and deterioration of the local economy as essential infrastructure is not renewed and valued community services are not delivered.

The final response in relation to the Question relates to the claim that the rest of Council's across the state are increasing rates between 5% and 6%. This is simply not true. what percentage other Council's choose to increase their rates by is irrelevant to our circumstances. What is relevant is whether the range and level of services provided by the City of Greater Geraldton meets community expectations.

#### Question

Is Council prepared to stand up for the citizens of this city and refer the budget back to the executive with instruction to abide by the State Government overriding instructions with respect to the rate setting formula "*You must also balance the needs and priorities identified in your Strategic Community Plan with the community's capacity and willingness to pay*"?

#### Response

No such overriding State Government "instruction" has ever been issued by the Minister or included in any legislation, only a letter of guidance from the Department of Local Government to Councils. The quoted statement was a reflection on the poor financial state of many local governments and a growing unease in the Department about how different Councils might respond to the challenge of achieving financial sustainability.

Having said that, the citizens of this City have been given an opportunity, unprecedented in local government, to have their say in the range, level and priority of services and the capital works provided by the City.

70 community panel members that were demographically representative of our community (of which Mr Correy was one), spent over 5000 hours collectively, reviewing the list of potential capital works projects and range and level of all services provided by the City in the context of what they cost to deliver. They were asked to balance their own and community expectations for services with fiscal responsibility, i.e. community capacity and willingness to pay. These citizens made 42 recommendations on service levels which have been incorporated into the 2014/15 budget.

*Members of public are requested to only submit 3 questions. In consultation with Mr Correy this question was not addressed at the meeting but will be published in the Minutes.*

Question

Is Council prepared to put ratepayers, citizens and the financial health of the city ahead of an empire building philosophy being proposed by the executive?

Response

I believe that the Draft Budget not only considers and addresses the financial health of the City, but also the environmental, economic, regulatory, social and cultural health of its Citizens and ratepayers.

I can see no evidence of an empire building philosophy being proposed by the Executive of the Council, as suggested by Mr Correy. Evidence to the contrary includes:

1. Reduction in the number of Departments;
2. Reduction in the number of Senior Managers;
3. Reduction in the number of vehicles;
4. Cost efficiencies and savings of more than \$650,000 incorporated into the 2014/15 Budget;
5. More than \$1.5M in cost savings and efficiency gains being required by the Executive over the next year; and
6. The adoption of the recommendations of the Community Panels in relation to capital works priorities and range and level of services provided by the City.

**Mr Mark Gilligan – 54 Hall Road Waggrakine WA 6530**

Question

Will the increase in rates be sufficient to maintain the present level of services and amenities or will there be cuts? If so, where?

Response

Yes, the proposed level of rates in the Budget should be sufficient to maintain the present level of key services and amenities, and to continue City efforts to maintain and renew assets as they wear out, despite the impacts on City from the Federal Budget (with freezing of levels of financial assistance grants), and impacts from the State budget (with increases in costs of electricity and water). This has been achieved by strictly reviewing all proposed initiatives

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and projects, cancelling or deferring anything not deemed essential to be done in the coming year and by looking for reductions and cost savings in operating expenses across the board. For example, there will be virtually no increase in the allocations for materials and contracts for normal operating services for 2014-15 compared to 2013-14. Searching for savings across programs has also allowed some reallocation of resources, to enable important initiatives such as CBD revitalisation to continue. There will be modest changes to Library services on weekends, and there will be closing down of some of the pools (not all) at the Aquarena during the winter, as negotiated with the User Group. Levels of essential services will be maintained.

Question

Referring to 2014-15 General Charges, concessions, latest section, point 5, page 18, What is the rationale for what looks to be two separate charges for the same processing action?

Response

These are two different things, part of these charges are setting up charges, for payment by instalments, the fee is for the cost for setting up the new rates notices that have to be sent out either 6 monthly or every quarter. The 5.5% interest charge is to cover the loss of revenue to the City when people opt to not pay the rates by the initial deadline.

Question

Referring to 2014-15 General Charges, Concessions, latest section, point 10(b), page 18

Will the discount on rates currently available for Age Pensioners be removed?

Response

No this pension discount will not change; they also do not pay interest charges.

**Mr Paul Robb – PO Box 87, Cervantes WA 6511**

Question

In tonight's budget how much money has been allocated for the required studies to ensure the continued security of tenure of leases at Point Moore?

Response:

\$500,000 has been allocated for beach protection and stabilisation works at Grey's Beach to protect essential City infrastructure and Point Moore from inundation. \$50,000 has been allocated for investigative studies in relation to risks and appropriate mitigations with respect to the potential for continued residential habitation at Point Moore.



Question

If there is no funding in this budget for the studies required for Point Moore, why not?

Response:

\$500,000 has been allocated for beach protection and stabilisation works at Grey's Beach to protect essential City infrastructure and Point Moore from inundation. \$50,000 has been allocated for investigative studies in relation to risks and appropriate mitigations with respect to the potential for continued residential habitation at Point Moore.

Question

In regards to the new lease fee of \$3,900.00 for Point Moore residents, what is the amount in terms of dollars per square metre?

Response:

There are a large number of lots at Point Moore, each with varying size. This question will need to be taken on notice. Landgate applied a rate of yield at approximately 3% that was considered appropriate for residential property of this nature to the referred value range of \$130,000 to \$140,000 per lot that reflected the rental levels at approximately \$3,900 to \$4,200 per annum.

**Mr Barry Thompson – PO Box 90, Geraldton WA 6530**Question

What is the official City of Greater Geraldton Council's policy with regard to SECRECY and deliberate non-disclosure of matters pertaining to Local Govt. Business?

I am referring here to secrecy in matters that are of significant importance to ratepayers not personal medical records etc. of employees. If we have truthful and honest governance, why is council secrecy still practiced here in Geraldton?

SECRECY is not some warm, fuzzy, cuddle entity. SECRECY is the suppression of facts and suppression of the truth. Why is it resorted to in this council?

Let me relate a couple of issues of concern that have occurred in the Geraldton City Council not that long ago. Consider a new house – council planted trees close to boundary – advised as feral by horticulturist and replacement recommended to, owner. Repeated requests made to council for their removal and repeated refusal by council, despite evidence of structural damage the matter escalated – finally the WA Supreme Court, no less, handed down a decision against City of Greater Geraldton Council, costs awarded against our City Council total amount approximately \$500,000 which did not include the cost of council – hired lawyers so another \$100- \$200,000 or so can be added to this.

NOW have any of your heard of this episode?? Why not? The simple disgusting answer is SECRECY, SECRECY requested by our City Council

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officers. They were so embarrassed by their profligate waste of rate payer's money they hushed it up and buried it. Similarly you might be interested in the flower arrangement for a mayoral Christmas party, at a cost of \$2000.00! Another example of council's waste of rate payer's money. What else remains hidden? The real cost of council works on the foreshore?

These revelations now lead into the present matter of the council's proposed 5.2% rate increase for the forthcoming year. This figure in itself seems almost acceptable, but of course it comes compounded on top of the excessive 28% plus increase of the second last rate rise and so is quite unacceptable to battling businesses and home owners alike. It is alarming that the people we to run out local government have no hesitation in sustaining a bloated and inefficient bureaucracy by charging excessive rates to fund it. Instead of looking outward to continually provide more money it is past time that we saw them looking inwards with both a **full external financial audit** of the City's accounts, as well as a **full external productivity audit** of our councils operations.

It is pertinent to recall that the wife of the senior financial officer, Mr Bob Davis is not only employed by council but has recently received a promotion and possibly a salary increase; despite very lean times being experienced by retailers in Geraldton. There are now 10-12 empty shops in the main street? We need to see balance and accountability clearly displayed by council executive, starting with the Chief Financial Officer, Mr Davis and his department.

Max Corey and the Rate Payers demand Change group effectively reduced the rate burden for CGGC ratepayers by some \$19.0 Million over 10 years using our own money to achieve this. Instead of accolades and medals this group was castigated and threatened with legal action by the council (using ratepayer's money of course) all because they wished to withdraw from an agreement in which the wording had been altered and offered for signing without them first being advised of the changes. The so called "final draft document", which was sent to them for acceptance only hours before the signing, was significantly altered in effect before it came back to Council officers claim the letter of direction sent to council lawyers with the "final draft" did not request this specific alteration, the insertion of the word "aggregated". Mr Davis has refused to release the letter's contents by claiming "legal privilege" (secrecy) even though this would clear the matter up.

Sadly this manoeuvre is permitted by the Freedom of Information Act however the lawyer conducting a recent mediation between Max Correy and Bob Davis (and to which I was a party advised this privilege can be easily lifted by councillors, undertaking to serve their ratepayers electors and ensure transparency, truth, honest dealings and NO secrecy in local government). They can easily propose and support a simple motion to order waiver of the legal privilege that is being used by Mr Davis to keep this document secret and have the contents revealed as is only proper.

Secrecy diminishes trust and increases the suspicion and disrespect that ratepayers have for council. It has long been street chatter that CGG Council has been run by the Mayor and the executive followed by very compliant councillors. This is an opportunity for our councillors to show us who really runs the show, them or the employees. Have they got the corjonies to step up and do the job?

No Secrecy and full external audits for both council finances and productivity. Nothing less. An appropriate quote here is “The only thing necessary for the triumph of evil (or mediocrity) is for good men to do nothing”

### Response

Mr Thompson raises a number of questions within questions and throws in a few false accusations for good measure and I will respond to them in order.

### **Secrecy and Disclosure**

Councillors and Council staff are bound by the provisions of the Local Government Act, Freedom of Information Act, Public Interest Disclosures Act, Corruption and Crime Commission Act, Statutory Corporations (Liability of Directors) Act, and Common Law with respect to disclosure.

In addition to this as CEO I am obligated by law to report misconduct of staff and or Councillors to the Crimes and Corruption Commission.

Misconduct occurs if —

- a. *A public officer corruptly acts or corruptly fails to act in the performance of the functions of the public officer's office or employment; or*
- b. *A public officer corruptly takes advantage of the public officer's office or employment as a public officer to obtain a benefit for himself or herself or for another person or to cause a detriment to any person; or*
- c. *A public officer whilst acting or purporting to act in his or her official capacity, commits an offence punishable by 2 or more years' imprisonment; or*
- d. *A public officer engages in conduct that —*
  - i. *adversely affects, or could adversely affect, directly or indirectly, the honest or impartial performance of the functions of a public authority or public officer whether or not the public officer was acting in their public officer capacity at the time of engaging in the conduct; or*
  - ii. *constitutes or involves the performance of his or her functions in a manner that is not honest or impartial; or*
  - iii. *constitutes or involves a breach of the trust placed in the public officer by reason of his or her office or employment as a public officer; or*
  - iv. *involves the misuse of information or material that the public officer has acquired in connection with his or her functions as a public officer, whether the misuse is for the benefit of the public officer or the benefit or detriment of another person, and constitutes or could constitute —*
  - v. *an offence against the Statutory Corporations (Liability of Directors) Act 1996 or any other written law; or*
  - vi. *a disciplinary offence providing reasonable grounds for the termination of a person's office or employment as a public service officer under the Public Sector Management Act 1994 (whether or not the public officer to whom the allegation relates is a public service officer or is a person*

*whose office or employment could be terminated on the grounds of such conduct).*

***Tree Scenario***

It is my understanding that this matter is more than 10 years old and involved more than one party and centred around multiple issues, including structural damage, property boundaries, boundary walls, and setbacks. This wasn't just about the City's reluctance to remove a tree.

It is my understanding that the Council of the day was briefed on the matter and that there was a settlement negotiated with the City's insurers, the details of which are confidential as all parties were required to sign a confidentiality agreement.

***Flower Arrangement***

The suggested \$2,000 "flower arrangement" refers to the purchase of flower arrangements for tables at the Seniors Christmas Party in November 2009 – more than four and a half years ago.

Multiple flower arrangements were purchased – perhaps up to or more than 20 and they were used as gifts for those seniors in attendance.

***Full External Financial Audit***

This is done every year. In addition to the full external audit, the Council has established an Audit Committee that includes external representation.

***Full External Productivity Audit***

The City has used an external consultant to undertake an organisational effectiveness survey of the City and has compared that with the results of more than 10,000 companies around the world and more than 5 million survey respondents. The results of this survey show that the City compares favourably with the benchmark and in many cases exceeds the benchmark. Despite this favourable outcome, we have implemented an organisational effectiveness improvement program that has so far this year yielded more than \$650,000 in savings and efficiency gains across the whole organisation.

During the 2014/15 financial year the Executive will need to find a further \$1.5M in efficiency gains and cost savings to limit future rate increases to 5.2%

***Han Jie Davis***

Ms Davis is an exemplary and dedicated employee and member of this community and you should be ashamed of yourself for continuing to vilify and smear Ms Han Jie Davis's good name and reputation in the public manner in which you have.

Ms Davis's position was publicly advertised and her application was processed and considered in the normal manner. No special treatment was given to her appointment.

Ms Davis has not been recently promoted and has not received a salary increase, except for the standard Enterprise Bargaining Agreement increase that all staff have received.

I am aware of your malicious email in relation to Ms Davis's character and I would hope that now that you are aware of the facts that you would publically retract those statements.

***Ratepayers Demand Change***

The Ratepayers Demand Change Action Group entered into an agreement which we honoured and continue to honour. In fact, the current draft budget exceeds the commitment sought by the Ratepayers Demand Change Action Group by reducing the rates increases below the agreed amount of 5.2%.

Last year the Group reneged on the agreement and sought legal action against the City. After being unsuccessful in their legal challenge, the Group sought copies of legal instructions between the City and its Lawyers in attempt to reignite debate around their actions.

The Office of Information Commissioner has reviewed the City's legal instructions and confirmed the City's common law right not to release legal communications between the City and its lawyers. This Common Law right has been in existence for hundreds of years and it would be considered a dangerous precedent to release confidential instructions, particularly to an aggrieved and litigious party such as the Ratepayers Demand Change Action Group.

Question

Some 11 months AFTER the Geraldton-Greenough Historical Society (GGHS) lost their tenancy of the Greenough Museum property, they received an official account from the City of Greater Geraldton Council (COGGC) for the sum of \$45,000. The account was for repairs and improvements carried out WELL AFTER the society left the premises. It was NOT a clerical error or a slip of the pen. It was accompanied by a letter from an officer in the City's Heritage Dept. She instructed most intriguingly "that the account should be paid from the Maley bequest" (please see copy enclosed) payment was not made and a lawyers letter denying liability was sent by the GGHSoc.

A further account rendered advising payment over-due was then issued by council officers. In the past many of us have received requests, *offers* or demands of similar nature to this, but they nearly always come from Nigeria. They were scams attempts to gain money or benefit by deception and dishonesty. This however was from our local council! What was the story here? What was the Agenda? Who instigated this action which required detailed knowledge of the historical society's business affairs?

Along with a witness, I decided to find out on behalf of our organisation an arranged to meet with the lady concerned, the author of the letter. During the course of that meeting she told us that her senior had given her the instruction to send the account. She then went on to say to me THAT THEY ENQUIRY I WAS MAKING MIGHT COME BACK TO BITE ME. A threat? Was this woman

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trying to intimidate a genuinely concerned member of GHSoc who had made a legitimate enquiry about an apparent scam to scoop \$45,000 from the society 11 months after they had been senselessly evicted from the museum. I thought about this later.

As dentists, we classify BITES into three groups and each has several iterations. What sort of BITE was I to expect? I have decided to ask the present CEO of COGG, Mr Ken Diehm if he could ascertain full details of the BITE that I might sustain and, as a precautionary measure, could he also advise whether I should arrange inoculations for Rabies, Tetanus, Hendra virus and most importantly Creutzfeldt – Jakob disease, or CHD (Otherwise known as mad cow disease). CJD is of concern to dentists and now, to me in particular, seeing I might be about to be bitten, Mr Diehm, just how prevalent is mad cow disease in the Geraldton City council present? Please advise me ASAP in detail of your findings.

I have made light of this but we all know it is a most serious matter if a council servant attempts to scam aged members of an august voluntary community group such as the GH society, especially if it involves the considerable sum of \$45,000. Compounding this is an apparent attempt to intimidate a member of GHSoc. When they sought an explanation of a highly irregular event. The matter has been reported to the Geraldton Police for their consideration and so that the issue is simply “on records” Having already been threatened, I suspect that this matter is beyond the safe scope of any individual to follow up and suggest that the ACCC be notified. Can the C.E.O please investigate the revelations detailed and report back to me and council?

#### Response

During the period that the Geraldton Greenough Historical Society had the lease for the Greenough Pioneer Museum, they were responsible for the maintenance of the building and when appropriate, they funded works from the Maley Bequest in accordance with the stipulations of the Bequest. When the Geraldton Greenough Historical Society vacated the building, the City carried out required maintenance and sought to recoup some of the cost from the Maley Bequest as the works were consistent with the principles of the Bequest. This matter has since been resolved amicably between the City and Executive of the Geraldton Historical Society. The Geraldton Historical Society accept that the Maley Bequest is to provide funding for the maintenance of the Greenough Pioneer Museum and both parties are currently working together to ensure a collaborative approach for utilising the Bequest.

*Public question time concluded at 5.48pm*

**5 APPLICATIONS FOR LEAVE OF ABSENCE****Existing Approved Leave**

<b>Councillor</b>	<b>From</b>	<b>To (inclusive)</b>
Cr J Critch	22 June 2014	2 July 2014
Cr T Thomas	14 July 2014	19 July 2014
Cr T Thomas	17 August 2014	23 August 2014
Cr J Clune	12 August 2014	25 August 2014
Cr S Douglas	14 July 2014	23 July 2014

**COUNCIL DECISION****MOVED CR MCILWAINE, SECONDED CR DETRAFFORD**

**Cr S Keemink request for leave of absence for the period 19 August 2014 to 26 August 2014 be approved.**

**Cr B Hall request for leave of absence for the period 13 July 2014 to 19 July 2014 be approved.**

**Cr D Caudwell request for leave of absence for the period 14 July 2014 to 31 July 2014 be approved.**

**CARRIED 14/0****5:48:53 PM**

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

**6 PETITIONS, DEPUTATIONS OR PRESENTATIONS**

Nil.

**7 DECLARATIONS OF CONFLICTS OF INTEREST**

Nil.

## 7A URGENT BUSINESS APPROVED BY PRESIDING MEMBER OR BY DECISION OF THE MEETING

<b>CCS059 ATTENDANCE AT COUNCIL MEETING BY INTERNET</b>	
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<b>AGENDA REFERENCE:</b>	<b>D-14-43649</b>
<b>AUTHOR:</b>	<b>T Mbirimi, Manager Governance &amp; Risk</b>
<b>EXECUTIVE:</b>	<b>B Davis, Director of Corporate &amp; Commercial Services</b>
<b>DATE OF REPORT:</b>	<b>1 July 2014</b>
<b>FILE REFERENCE:</b>	<b>GO/7/0008</b>
<b>APPLICANT / PROPONENT:</b>	<b>City of Greater Geraldton</b>
<b>ATTACHMENTS:</b>	<b>No</b>

### EXECUTIVE SUMMARY:

The purpose of this report is to seek approval from Council for Councillor Van Styn to attend the Agenda Forum and Ordinary Meeting via Internet link from Carnarvon.

### EXECUTIVE RECOMMENDATION;

That Council by Absolute Majority pursuant to Regulation 14A of the Local Government (Administration) Regulations 1996 RESOLVES TO:

1. APPROVE Carnarvon as a suitable place for the purposes of Regulation 14A; and
2. APPROVE the arrangement under which Councillor Van Styn is to be taken to be present at the Agenda Forum meeting on 15 July 2014 and Ordinary Meeting of Council on 22 July 2014 by being simultaneously in audio contact by Internet with each other person present at the meeting.

### PROPONENT:

The proponent is the City of Greater Geraldton.

### BACKGROUND:

The City has received a request for Councillor Van Styn to attend the Agenda Forum on 15 July 2014 and the Ordinary Meeting of Council on 22 July 2014 via Internet link. Councillor Van Styn will be in Carnarvon.

The Local Government (Administration) Regulations 1996 Section 14A allows for attendance at a Council Meeting if:

- a. The person is simultaneously in audio contact, by telephone or other means of instantaneous communication, with each other person present at the meeting; and;
- b. The person is in a suitable place; and
- c. The council has approved\* of the arrangement

\*Absolute majority required.



***Suitable place*** means a place that the council has approved\* as a suitable place for the purpose of this regulation and that it is located-

- a. In a town site or other residential area; and
- b. 150km or further from the place at which the meeting is to be held under regulation 12, measured along the shortest road route ordinarily used for travelling;

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

### **Economic:**

There are no economic impacts.

### **Social:**

There are no social impacts.

### **Environmental:**

There are no environmental impacts.

### **Cultural & Heritage:**

There are no cultural or heritage impacts.

## **RELEVANT PRECEDENTS:**

Item CCS006 – Cr McIlwaine’s request to attend the Special Council Meeting on 21 October 2014 and the Ordinary Meeting of Council on 22 October 2013 by telephone from Queensland was approved.

## **COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no community/councillor consultation.

## **LEGISLATIVE/POLICY IMPLICATIONS:**

There are no legislative or policy implications.

## **FINANCIAL AND RESOURCE IMPLICATIONS:**

There are no financial or resource implications.

## **INTEGRATED PLANNING LINKS:**

Title: Governance	Planning and Policy
Strategy 5.2.6	Supporting decisions to create a long term sustainable city

## **REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

## **RISK MANAGEMENT**

There are no risks to the City if this proposal is not approved.

## **ALTERNATIVE OPTIONS CONSIDERED**

An alternative option is to not approve Cr Van Styn’s request to attend the Agenda Forum and Council Meeting via Internet. But there is no justifiable reason not to and previous requests from Councillors to attend meetings via

telephone or other form of instantaneous communication have all been approved.

### **COUNCIL DECISION**

#### **MOVED CR HALL, SECONDED CR DETRAFFORD**

**That Council by Absolute Majority pursuant to Regulation 14A of the Local Government (Administration) Regulations 1996 RESOLVES TO:**

1. **APPROVE** Carnarvon as a suitable place for the purposes of Regulation 14A; and
2. **APPROVE** the arrangement under which Councillor Van Styn is to be taken to be present at the Agenda Forum meeting on 15 July 2014 and Ordinary Meeting of Council on 22 July 2014 by being simultaneously in audio contact by Internet with each other person.

#### **CARRIED BY ABSOLUTE MAJORITY 14/0**

**5:50:38 PM**

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

## 8 REPORTS OF CORPORATE & COMMERCIAL SERVICES

CCS058 CITY OF GREATER GERALDTON BUDGET 2014-15
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<b>AGENDA REFERENCE:</b>	<b>D-14-42283</b>
<b>AUTHOR:</b>	<b>P Radalj, Manager Treasury and Finance</b>
<b>EXECUTIVE:</b>	<b>B Davis, Director Corporate and Commercial</b>
<b>DATE OF REPORT:</b>	<b>25 June 2014</b>
<b>FILE REFERENCE:</b>	<b>FM/7/0001</b>
<b>APPLICANT / PROPONENT:</b>	<b>City of Greater Geraldton</b>
<b>ATTACHMENTS:</b>	<b>Yes</b>

### EXECUTIVE SUMMARY:

This report seeks adoption by Council of the 2014-15 Financial Budget for the City of Greater Geraldton. The report also seeks the adoption of the Long Term Financial Plan (revised) for the 10 year period covering 2014-15 to 2023-24 and the Corporate Business Plan (revised) for the period covering 2014 to 2018.

### PROponent:

The City of Greater Geraldton

### BACKGROUND:

As part of the function of local government and its operations, each year the Council is required, under Section 6.2 of the Local Government Act 1995, to formally adopt its annual financial year budget, to enable the administration to carry out the defined services and programmes and to raise revenue through rates and fees and charges.

Consistent with sections 6.2(4) of the Local Government Act 1995, the 2014-15 Budget for the City of Greater Geraldton includes the following:

- Statement of Objects and Reasons Proposed City Rates and Minimum Payments for 2014-15
- Capital Works
- Fees and Charges
- General Charges and Concessions
- Allowances
- Borrowings
- Reserve Accounts
- Budget Estimates for Adoption

### 1. Rating & Minimum Payments

The Statement of Objectives and Reasons for Proposed City Rates and Minimum Payments for 2014-15 attached to this report provides detail of budget principles applied in formulating the 2014-15 Budget. The primary focus of these principles is to improve the City's position over the coming years, for financial sustainability, having regard to the Community Strategic

Plan, the Corporate Business Plan, the Long Term Financial Plan, delivery of necessary services, and prevailing economic circumstances.

2014-15 is the second year of budget preparation informed by a Ten Year Long Term Financial Plan. The following Table 1 provides an overview of the differences between the revised budget for the 2014-15 financial year adopted by Council as a result of the mid-year budget review, and the budget recommended in this report for 2014-15.

<b>BUDGET</b>	<b>Revised 13/14 Budget</b>	<b>Proposed 14/15 Budget</b>	<b>Increase on 13/14 Revised Budget</b>
<b>Revenue</b>	<b>\$000s</b>	<b>\$000s</b>	<b>%</b>
Rates	37,738	39,547	4.8%
Fees & Charges	17,267	18,415	6.6%
Interest Earnings	1,908	1,459	-23.5%
Other Revenues	1,241	1,680	35.4%
Operating Grants, Subsidies & Contributions	11,954	8,963	-25.1%
<b>Total Revenue</b>	<b>70,110</b>	<b>70,063</b>	<b>-0.1%</b>
<b>Expenses</b>			
Employee Costs	28,751	29,511	2.6%
Interest Expenses	800	872	9.0%
Materials & Contracts	21,979	22,598	2.8%
Depreciation & Amortisation	18,018	17,939	-0.4%
Utilities	3,170	3,300	4.1%
Insurance	963	945	-1.9%
Other Expenses	2,127	2,356	10.8%
<b>Total Expenses</b>	<b>75,810</b>	<b>77,522</b>	<b>2.26%</b>
<b>NET RESULT FROM ORDINARY ACTIVITIES</b>	<b>(\$5,700)</b>	<b>(\$7,458)</b>	

Table 1: Comparison 2013-14 and Recommended 2014-15 Budget

#### Budget Result

The 2014-15 Budget recommended for adoption incorporates an estimated operating deficit of about \$7.46 million for the period ending 30 June 2015.

Councillors will note that this is the *real operating deficit*, not to be confused with the 'deficiency' envisaged in section 6.2(2) or the 'budget deficiency' described in related Local Government (Financial Management) Regulation 32, calculated for the purposes of determining the amount of cash revenue required from general rates. The real operating result includes non-cash depreciation and amortisation expenses, representing in effect the City's annual costs of a capital nature. In general terms, the extent to which the City does not raise revenue to cover its costs of a capital nature (for example, by

excluding depreciation expenses from calculation of the cash 'budget deficiency' in the rate setting statement), contributes directly to the real operating deficit in the financial accounts.

This forecast result is based on a proposed differential rates model (per the Executive Recommendation) in which a 4.7% overall increase in aggregate rates revenue (excludes interim and prior year rates collection) is recommended for Gross Rental Valuation (GRV) residential and non-residential GRV properties, and Unimproved Value (UV) rural properties.

Residential GRV and Vacant Residential GRV for the previous Geraldton-Greenough areas have been standardised under the one differential category to be known as CGG Residential. Based on the 2014-15 proposed Rate in the Dollar (RID) of 10.9371c for the CGG Residential category this has resulted in 39.6% decrease in rates revenue from Vacant Residential properties compared to the RID applied in 2013-14. CGG Residential proposed RID of 10.9371c represents a 4.3% increase compared to 2013-14. Mullewa GRV proposed RID of 10.9795 represents a 0.3% decrease compared to 2013-14. This decrease is based on aligning both CGG Residential & Mullewa GRV residential properties into one rating category in 2015-16 as a further step towards rates alignment per the Governor's Orders for the amalgamation process of the two previous districts.

Geraldton Non-Residential proposed RID of 10.9385 represents a 3.6% increase compared to 2013-14. Similar to residential rates alignment, non-residential properties for the two previous districts are to be categorised into one in 2015-16.

Actual revenue collections in the financial year are affected after calculating Minimum Payments that do not require Ministerial approval (consistent with section 6.35 of the Act), payment of prior year rates during the year, and interim rates. Hence the objective of an overall increase in rates revenue does not necessarily translate to a 4.7% increase in overall revenue and Rates in the Dollar across all differential rating categories.

The Governor's Orders for the Councils amalgamation agreement provide for a 5 year period for alignment rates between previous Geraldton-Greenough and Mullewa areas. To achieve this, a rate in the dollar decrease from 0.8c to 0.8100c to 0.7800 (3.7% decrease) is recommended for 2014-15 on unimproved value (UV) properties in the previous Mullewa district, and a rate in the dollar increase from 0.6552c to 0.6794c (3.7% increase) is recommended for UV properties in the previous Geraldton-Greenough district. These rates in the dollar were calculated after having regard to the annual UV Valuation by the Valuer-General, which saw a *modest overall increase in aggregate UV Valuation* for the City.

Minimum payments increase has been limited to 3.2% except for Mullewa GRV as any increase would raise the number of properties on minimum values to over the legislative requirement (50:50 rule).

The specified area rate applicable to commercial properties within the Geraldton City Centre, Marina Mixed Use and Additional Use City Centre zones is to be increased by 4.7% (0.5199c).

The recommended Budget includes continuation of the differential rate on Un-occupiable properties in the City Centre Zone.

*Adoption of a rates model other than as proposed in the Executive Recommendation will require reassessment of the Budget result, and will depend amongst other matters on related Council determinations as to use of own-source funds or loan funds in the adjusted budget proposed to be adopted by Council.*

#### Rate Increase

2014/15 is the second year for which budget formulation is informed by a Long Term Financial Plan (LTFP), one of the mandatory elements required of all WA Councils, as part of the Integrated Planning Framework which was required to be in place from 1 July 2013. The Long Term Financial Plan has been framed with the view to achieving a positive accounting result from Ordinary Operating Activities (an effective operating surplus in accounting terms) within ten years.

This important reform in Local Government aims to shift the focus of Local Government budgets away from the cash-based rate setting statement, to the accrual-based operating statement and balance sheet (statement of financial position).

For some years, the annual Financial Statements of Councils have properly reported on this basis, with determination of the annual net operating result including non-cash expenses such as depreciation of fixed assets. However, in determining the 'budget deficit' required to be funded from rates, as defined in the Local Government Act 1995 and the Local Government (Financial Management) Regulations, a *cash-based* view has prevailed, with Councils able to *exclude* non-cash expenses such as depreciation of fixed assets. Consequently, rates and other revenue have not been determined to recover capital costs such as depreciation of fixed assets. In effect, while budgets may have shown a "surplus" in cash-based terms, the net result as reported in the Annual Financial Statements will have shown an operating deficit.

The increases in rate-in-the-dollar recommended by the Executive enables Council to set priorities within its resourcing capabilities to sustainably deliver the assets and services required by the community in a fiscally responsible manner.

As determined by the Department of Local Government, in relation to assets management by Councils in WA, a basic financial sustainability benchmark for Councils is that they should expend at least the equivalent of 90% of their annual asset depreciation expense on asset renewal. Failure to pursue achievement of that benchmark over a reasonable number of years, would expose the City to unacceptable risks from asset deterioration, lead to decline

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in asset functionality, safety and community amenity, compound the magnitude of the asset renewal funding problem in future years, attract criticism for failure to recognise the principle of intergenerational equity, and would be contrary to the interests of the City and the Community.

## 2. 2014/15 Capital Program

Capital Expenditure	Renewal	New Service	Program Total
<b>Buildings</b>	1,477,000	7,645,000	9,122,000
<b>Roads Infrastructure</b>	5,223,865	26,300,000	31,523,865
<b>Drainage</b>	1,534,405	165,000	1,699,405
<b>Parks, Gardens, Coastal &amp; Recreation</b>	1,215,000	9,009,000	10,224,000
<b>Pathways</b>	502,070	220,000	722,070
<b>Airports</b>	426,000	3,120,000	3,546,000
<b>Meru</b>	185,000	500,000	685,000
<b>Other Infrastructure</b>	2,824,190	810,000	3,634,190
<b>Total</b>	<b>\$13,387,530</b>	<b>\$47,769,000</b>	<b>\$61,156,530</b>

The City's planned Capital Budget for 2014/15 is \$61.2m. This expenditure will be funded from General Revenue, Reserves, Borrowings and funding provided by Federal and State Agencies as follows:

FUNDS SOURCE	Own Source	Own Source	External	Other		Capital Program
	Gen. Revenue	Reserves	Grants & Contributions	Borrowings	Proceeds of Sale	Total Funding
<b>Buildings</b>	(972,000)	(1,450,000)	(4,700,000)	(2,000,000)	-	(9,122,000)
<b>Roads Infrastructure</b>	(4,323,865)	(8,747,000)	(5,453,000)	(13,000,000)	-	(31,523,865)
<b>Drainage</b>	(1,699,405)	-	-	-	-	(1,699,405)
<b>Parks, Gardens, Coastal &amp; Recreation</b>	(2,325,667)	(1,000,000)	(5,258,333)	(1,640,000)	-	(10,224,000)
<b>Pathways</b>	(632,070)	-	(90,000)	-	-	(722,070)
<b>Airports</b>	(526,000)	-	-	(3,020,000)	-	(3,546,000)
<b>Meru</b>	(685,000)	-	-	-	-	(685,000)
<b>Other Infrastructure</b>	(2,544,190)	-	(440,000)	-	(650,000)	(3,634,190)
<b>Total</b>	<b>(13,708,197)</b>	<b>(11,197,000)</b>	<b>(15,941,333)</b>	<b>(19,660,000)</b>	<b>(650,000)</b>	<b>(\$61,156,530)</b>

### 3. Fees and Charges

The majority of the fees and charges have been proposed based on the existing LTFP assumption of 5.2% unit rate increase. Where appropriate, the actual cost of providing the service has been assessed, with provision for increases based on inflation and cost escalation where necessary. Benchmarking has been undertaken with other local governments for alike fees, where possible – but noting that not all Councils have yet determined their 14/15 budgets.

Fees and charges associated with town planning, health and building have been increased or remain unchanged as per relevant legislation that determines those fees and charges.

### 4. General Charges and Concessions

Consistent with Council's position in 2013-14, no service charges on land are proposed, and no additional concessions are proposed.

### 5. Allowances

Allowances proposed for the Mayor and Councillors for 2014-15 remain the same as per amendments authorised in 2013-14

Note that in late June 2014, after the Long Term Financial Plan preparation and proposed budget formulation process, the WA Salary and Allowances Tribunal determined a general increase in the range of allowances able to be paid to Mayors and Elected Members in WA. Council will consider this at a later date, with the prerogative to adjust allowances as part of standard budget review processes.

### 6. Borrowings

Borrowings in 2014-15 include projects previously approved by Council in the 2013-14 budget but have carried over into 2014-15. As per the Capital Plan \$19.66m of loans are proposed for major infrastructure projects to be financed over a longer term period and \$5.2m of loans are proposed for land development under short term finance facilities. Borrowings will include:

Project	Loan Amount	Purpose
Karloo/Wandina	\$13,000,000	Karloo/Wandina overpass connection, headworks & Verita Road stage 1 development
West End Project	\$1,690,000	Multi-Use Facility & Merry Go Round Precinct Development
St Georges & Greys Beach Stabilisation	\$1,200,000	Stabilisation works
Olive Street Development	\$4,200,000	Development & remediation works
Eastward Rd Development	\$1,000,000	Land acquisition and development
Airport Infrastructure & terminal	\$3,020,000	Finalise paid parking infrastructure, terminal extension and fire-fighting & water infrastructure
New Animal Facility	\$750,000	Construct new facility



## **7. Reserve Accounts**

As per the adopted budget of 2013-14 all discretionary reserve accounts have been closed. The minimum reserve accounts necessary for specific legal compliance obligations have been retained.

### **COMMUNITY CONSULTATION:**

In accordance with the requirements of section 6.36 of the *Local Government Act 1995*, a statement of intended differential rates and minimum payments was published, seeking public submissions, and a statement of objects and reasons for the intended rates and minimum payments was made available for download from the City website, with hardcopies provided at the City Offices in Geraldton, the City Library, and the Mullewa District Office.

Submissions closed at 5:00pm on 20 June 2014. In total 77 submissions were received. Copies of each and every submission received by that time were distributed to all Councillors. For gauging the level of community engagement, the City currently has about 24,020 Electors, and about 19,912 Rateable Properties.

A Council concept forum was held on Tuesday 24 June 2014 for the purposes of consideration by Council of the submissions received.

Noting the above, and culminating in the final deliberation and debate on the 2014-15 Budget, the Council – with all Councillors on 24th June 2014 having been provided with copies of all submissions received, to ensure ample time for study and consideration of every submission by Councillors - has demonstrably considered submissions from electors and ratepayers on proposed differential rates and minimum payments.

As part of its consultation process, the City convened two Community Panels, each comprising about 40 randomly selected members of the Community. The work of the panels was facilitated by a Curtin University CUSP Professor and associates.

One Community panel considered capital works proposals, all day, every Saturday for 6 weeks, examining long lists of prospective projects, and determined a set of criteria for determining priorities, from the community perspective, to capital project proposals. A capital works priorities list, and the suggested criteria for setting priorities for any future project proposals, were subsequently submitted to and adopted by Council.

The second Community panel worked all day, every Saturday, for 8 weeks, and considered the range and level of City services, developing a consensus view from the community perspective on City services that should be increased, decreased, or remain at current levels. A report on the recommendations and suggestions from the Community Panel was submitted to Council to inform the budget process, with the overwhelming majority of panel recommendations supported by Council. These panels each worked every Saturday with oversight by an audit committee that had as its role to

ensure that the panels received necessary information from officers, and that the consideration process was objective.

These Community panels represented an extraordinary degree of consultation and engagement with the Community on the budget process, and the City expresses its gratitude for the level of personal commitment from Community panel members.

**COUNCILLOR CONSULTATION:**

City of Greater Geraldton Councillors have been actively engaged in formulation of the 2014-15 Budget through a series of Budget Workshops conducted through April to June of 2014, enabling consideration of revenue and expenditure requirements, with extensive discussion on budget options. Particular workshops addressed the 10yr Capital Plan, Corporate Business Plan, Long Term Financial Plan, operational position in relation to level and range of services, fees and charges, and submissions received from electors and ratepayers.

**STATUTORY IMPLICATIONS:**

Section 6.2 of the Local Government Act 1995 refers.

*Section 6.2(2) of the Act requires that in preparing its annual budget the Council is to have regard to the contents of its plan for the future prepared in accordance with section 5.56. Under the Integrated Planning Framework for Local Government, that is the Community Strategic Plan. This section requires that the City must prepare detailed estimates of:*

- (a) Expenditure;*
- (b) Revenue and income, independent of general rates*
- (c) The amount required to make up the 'deficiency' if any shown by comparing the estimated expenditure with the estimated revenue and income.*

*Section 6.2(3) requires that all expenditure, revenue and income must be taken in account unless otherwise prescribed. Local Government (Financial Management) Regulation 32 prescribes amounts that may be excluded in calculating the 'budget deficiency'*

*Section 6.2(4) requires the annual budget to incorporate:*

- (a) Particulars of estimated expenditure proposed;*
- (b) Detailed information relating to the rates and service charges which will apply, including:*
  - i. Amount estimated to be yielded by the general rate*
  - ii. Rate of interest to be charge on unpaid rates and service charges;*
- (c) Fees and charges;*
- (d) Borrowings and other financial accommodations proposed;*
- (e) Reserve account allocations and uses;*
- (f) Any proposed land transactions or trading undertakings per section 3.59*

*Local Government (Financial Management Regulations) 22 through 31 prescribe requirements in relation to form and content of the Budget and required Notes to and forming part of the Budget.*

Local Government (Financial Management) Regulations 1996 states the maximum amount of interest that can be charged.

**Regulation 68. Maximum interest component prescribed (Act s. 6.45)**

*The maximum rate of interest to be imposed under section 6.45(3) is prescribed as 5.5%.*

**Regulation 70. Maximum rate of interest prescribed (Act s. 6.51)**

*The maximum rate of interest to be imposed under section 6.51(1) is prescribed as 11%.*

**Ministerial Approval Requirements**

For the 2012-13 Budget, Ministerial approvals were required and received under sections 6.33(3) and 6.35(5) of the Act. For 2014-15, those approval are not required having regard to the relative levels of both differential rates and minimum payments set out in the 2014-15 Budget per the Executive Recommendation in this report.

Should Council seek to adopt a rating and minimum payments model other than that set out in the Executive Recommendation, then such a determination should be deferred, to enable necessary assessment under the requirements of sections 6.33 and 6.35 of the Act, noting that if Ministerial approvals are required in respect of a different model of differential rates and minimum payments, such approvals must be obtained before Council can subsequently adopt a revised Budget.

**Change from Publicised Intended Rates**

Section 6.36(4) of the Act envisages that a Council may adopt differential rates or minimum payments different from those set out in its local public notice of intent to impose differential rates and minimum payments.

In accordance with *Local Government Financial Management Regulations* 23(b) and 56(4)(b), if Council adopts a differential rate or minimum payment that differs from that set out in its local public notice, then the change and reasons for the change need to be detailed in the budget, and in the rates notices or in information accompanying rates notices.

Council considerations leading to variation from the originally intended rates, as set out in the local public notice of intention to impose rates for 2014-15, and adopting instead the differential rates set out in the Budget proposed for adoption under the Executive Recommendation in this report included:

- Reduction from the general increase in aggregate rates revenue (including growth) originally considered, from 5.7% down to 4.7%, having regard to submissions invited per section 6.36(3)(b), received and considered by Council in accordance with section 6.36(4) of the Act,
- Consideration of the Long Term Financial Plan (Revised 2014/15 to 2023/24)
- Consideration of the Corporate Business Plan (Revised 2014-2018),
- Commitment to maintaining levels of service, consistent with the recommendations of the Community Panel

<b>DIFFERENTIAL GENERAL RATES</b>	<b>Rates per Local Public Notice (Cents in Dollar)</b>	<b>Rates Proposed for 2014-15 per Executive Recommendation (Cents in Dollar)</b>
CGG Residential (Previously Residential GRV & Vacant Residential GRV)	11.0286	10.9371
Non Residential GRV	11.1084	10.9385
GRV Un-occupiable City Centre Zone	19.9186	19.9186
UV Geraldton Rural Mining & Farming General	0.6892	0.6794
UV Mullewa Rural Mining & Agriculture	0.7699	0.7800
GRV Ex-Mullewa Shire District (Previously GRV Mullewa and Pindar Town Sites)	11.2706	10.9795

<b>MINIMUM PAYMENTS</b>	<b>Per Local Public Notice Minimum Per Assessment</b>	<b>Per Executive Recommendation 2014-15 Minimum Payment Per Assessment</b>
CGG Residential (Previously Residential GRV & Vacant Residential GRV)	\$1,010	\$1,010
Non Residential GRV	\$1,010	\$1,010
UV Geraldton (Rural Mining & Farming General)	\$1,010	\$1,010
UV Mullewa (Rural Mining & Agriculture)	\$857	\$705
GRV Mullewa (Ex-Mullewa Shire District - previously GRV Mullewa and Pindar Town Sites)	\$630	\$628

#### **POLICY IMPLICATIONS:**

A change to Council Policy CP033 Community Funding is included in the recommendations in this report.

The City's Corporate Business Plan 2014-18 has been updated and revised in accordance with Council Policy 005 (Integrated Strategic Planning Framework) and in consideration of the 2014-15 proposed Budget and the updated and revised Long Term Financial Plan 2014-15 to 2023-24.

**FINANCIAL AND BUDGET IMPLICATIONS:**

Details of the budget estimates for 2014-15 are contained in the attached documents.

**INTEGRATED PLANNING LINKS:**

Title: Governance	Planning and Policy
Strategy 5.2.7	Ensuring efficient and effective delivery of service.

**Regional Outcomes:**

Capital projects will deliver benefits for the broader region, for example the continuation of the Karloo-Wandina and West End Projects and the commencement of Foreshore stabilisation and protection work's for Beresford Foreshore, St Georges and Grey Beaches.

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

Various strategies and initiatives included in the budget will contribute to the Region's economy.

**Social:**

Various strategies and included in the budget will create and improve social outcomes in the community.

**Environmental:**

Various strategies and initiatives included in the budget will examine and support environmental programs and resourcing.

**Cultural & Heritage:**

Various strategies and included in the budget will create and improve cultural and heritage outcomes in the community.

**RELEVANT PRECEDENTS:**

Councils adopt a Budget including a rates model for every financial year.

**DELEGATED AUTHORITY:**

There is no delegated authority.

**VOTING REQUIREMENTS:**

Absolute Majority is required for adoption of an Annual Budget.

**OPTIONS:****Option 1:**

As per the Executive Recommendation in this report.

**Option 2:**

That Council by Absolute Majority pursuant to Section 6.2 of the Local Government Act 1995 RESOLVES to

1. ADOPT the Budget as set out in items 1 through 31 of the Executive Recommendation *but with the following changes:*
  - a. to be determined by Council.
2. MAKES the determination based on the following reason/s:
  - a. To be determined by Council.

**Option 3:**

That Council by Simple Majority pursuant to section 5.20 of the Local Government Act 1995 RESOLVES to:

1. DEFER consideration of the 2014-15 Budget;
2. MAKES the determination based on the following reason/s:
  - a. to be determined by Council.

**Consideration of Options**

Parts 'A' through 'F' (numbered items 1 through 29) of the Executive Recommendation address all of the elements covering imposition of rates and minimum payments, estimates of revenue and income other than rates, estimates of expenditure, charges, concessions and interest, the schedule of fees and charges, elected member allowances, the Statement of Objectives and Reasons on Proposed Rating and, in relation to Notes comprising part of the Budget, allocations to and use of funds from reserves, and proposed new loans. Parts 'A' through 'F' are inter-dependent and together produce the budget result, and thus they need to be considered and resolved together by Council, rather than separately.

Part 'G' of the Executive Recommendation seeks Council endorsement and adoption of the revised and updated Corporate Business Plan and Long Term Financial Plan both of which have been updated and revised, to reflect the budget proposed in this report, with 2014-15 now representing year 1 of the plans.

Any *significant/material* change to any of the revenue, income or expenditure elements of the recommended Budget (comprising parts 'A' through 'F' inclusive) would require re-casting of the budget and assessment of the consequent budget result, to ensure compliance with section 6.34 of the Local Government Act 1995. In effect this section requires prior Ministerial approval of a proposed budget if the amount estimated to be yielded by general rates does not fall within the range 90% to 110% of the 'budget deficiency' as envisaged in section 6.2 of the Act, and as calculated in the rate setting statement per Local Government (Financial Management) Regulation 32.

Council may choose to make changes to the recommended Budget via Option 2 – provided that those changes do not have such a significant/material effect on expenditure or revenue estimates that would require re-casting of the whole Budget. Should Council wish to make significant/material changes to

revenue, income or expenditure components of the proposed 2014-15 Budget, in effect delivering a result significantly different than contained within the Long Term Financial Plan, then Option 3 (Deferment) should be pursued, with determination reasons to include clear directions and an unambiguous indication of an alternative required budget outcome, to guide recasting of the Budget for re-presentation to Council at a later date.

### **CONCLUSION:**

Section 6.2 of the Local Government Act 1995 requires Council to prepare and adopt a Budget for 2014-15 by 31 August 2015, or by such extended time as the Minister allows. Having regard to cash flow requirements for ongoing City operations, it is in the best interests of all Councils for their budget to be adopted at the earliest practicable opportunity, to enable issue of rates notices and commencement of revenue flows as early as possible in the new financial year.

### **EXECUTIVE RECOMMENDATION:**

That Council by Absolute Majority pursuant to Section 6.2 of the Local Government Act 1995 RESOLVES to:

#### **A. RATES & MINIMUM PAYMENTS 2014-15**

- ADOPT the following Differential General Rates against the valuations supplied by Landgate (as amended) as at 1 July 2014 for 2014-15 in accordance with Sections 6.32 and 6.33 of the Act:

<b>DIFFERENTIAL GENERAL RATES</b>	<b>2014-15 Cents in Dollar</b>
CGG Residential (Previously Residential GRV & Vacant Residential GRV)	10.9371
Non Residential GRV	10.9385
GRV Un-occupiable City Centre Zone	19.9186
UV Geraldton (Rural Mining & Farming General)	0.6794
UV Mullewa (Rural Mining & Agriculture)	0.7800
GRV Mullewa (Previously GRV Mullewa and Pindar Town Sites in ex-Mullewa Shire District)	10.9795

- ADOPT the following **Minimum** Payments for the City of Greater Geraldton for 2014-15, in accordance with Section 6.35 of the Act:

<b>MINIMUM PAYMENTS</b>	<b>2014-15 Minimum Payment Per Assessment</b>
CGG Residential (Previously Residential GRV & Vacant Residential GRV)	\$1,010
Non Residential GRV	\$1,010
UV Geraldton (Rural Mining & Farming General)	\$1,010
UV Mullewa (Rural Mining & Agriculture)	\$705
GRV Mullewa (Previously GRV Mullewa and Pindar	

Town Sites in ex-Mullewa Shire District)	\$628
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3. ADOPT for 2014-15 the Specified Area Rate of 0.5199 cents in the dollar for City Centre, Marina Mixed Use, and Additional Use City Centre, against the valuations supplied by Landgate (as amended) as at 1 July 2014 in accordance with Section 6.37 of the Act.

**B. 2014-15 GENERAL CHARGES, CONCESSIONS, INTEREST**

4. IMPOSE no service charge on land for 2014-15;
5. RAISE a charge of \$10 per instalment for 2014-15 whereby the ratepayer has elected to pay their rates by instalments and in addition apply a 5.5% interest rate charge in accordance with Section 6.45(3) of the Act;
6. PROVIDE the option for ratepayers to pay their rates as a single payment or by 2 or 4 equal instalments in accordance with Section 6.45(1) of the Act;
7. NOT PROVIDE any discount for early payment of rates however endorse and acknowledge the rates incentive prize donors for their assistance in collecting the rates early;
8. NOTE the rates set by the State Government for the Emergency Services Levy (ESL) for Category 2, 4 and 5 regions for 2014-2015 and apply these rates on assessments against valuations from Landgate as at 1 July 2014;
9. NOTE that the City is not responsible for setting Emergency Services Levy rates and simply acts as a collection agent for the funds on behalf of the State Government;
10. NOT PROVIDE concessions or relief to:
  - a. any privately owned sporting or recreational grounds;
  - b. to any other ratepayer for their rates or service charges.
11. ISSUE rates instalment notices as soon as practicable with instalment due dates being no less than two months apart from the date of the first instalment becoming due in accordance with Section 6.50 of the Act;
12. CHARGE an interest rate of 11% on any outstanding rates and service charges that remain overdue as described in accordance with Section 6.51 of the Act;
13. PROVIDE a rates exemption for A61234 Geraldton Streetwork Aboriginal Corporation (Gunnado) by virtue of Section 6.26(2)(g) of the Act; and
14. CHARGE interest to be applied on outstanding debts exceeding 65 days after date of invoice at a rate of 11% per annum in accordance with section 6.13 of the Act.

**C. 2014-15 FEES AND CHARGES**

15. ADOPT the 2014-2015 Schedule of Fees and Charges.

**D. 2014-2015 CAPITAL WORKS & LOANS**

16. ADOPT the 2014-2015 Capital Works budget; and



17. ADOPT the new Loan debenture program in accordance with section 6.20(4) of the Act.

**E. 2014-15 ALLOWANCES**

18. NOTE that the proposed levels of allowances and fees for the Mayor, Deputy Mayor and elected members in the Budget estimates are the same as the amounts being paid as at 30th June 2014 and that June 2014 determinations on elected member allowances by the State Salary and Allowances Tribunal will be considered by Council during budget review processes;
19. APPROVE the Mayor's annual local government allowance of \$67,500 in accordance with section 5.98(5) of the Act;
20. APPROVE the Mayor's annual fees of \$31,000 in accordance with section 5.99 of the Act;
21. APPROVE the Deputy Mayor's annual local government allowance of \$16,875 in accordance with section 5.98A of the Act;
22. APPROVE the annual fees of \$24,000 for every other elected member (excluding the Mayor) in accordance with section 5.99 of the Act;
23. APPROVE an Information technology and telecommunication allowance of \$3,500 per year per elected member in accordance with section 5.99A of the Act;
24. APPROVE the reimbursement of expenses incurred by a council member in accordance with section 5.98 (2) (b) and (3) of the Act and regulation 32 of the Local Government (Administration) Regulations 1996;
25. APPROVE the reimbursement of childcare costs of up to \$25 per hour incurred by a council member in accordance with regulation 31 (1) (b) and regulation 32 (1) of the Local Government (Administration) Regulations 1996; and
26. APPROVE the reimbursement of travel costs incurred by a council member in accordance with regulation 31 (1)(b) of the Local Government (Administration) Regulation 1996.

**F. ADOPTION OF STATEMENT OF OBJECTIVES AND REASONS FOR PROPOSED RATES AND MINIMUM PAYMENTS AND THE 2014-15 BUDGET**

27. ADOPT a reporting variance of greater than \$50,000 or 10% as per AASB1031 and Local Government (Financial Management) Regulations 1996, Regulation 34;
28. ADOPT the Statement of Objectives and Reasons for Proposed Rates and Minimum Payments;
29. ADOPT the 2014-15 Budget for the City of Greater Geraldton; and
30. NOTE that Council considered all submissions received from electors and ratepayers before adopting the budget for 2014-15.

**G. ADOPTION OF LONG TERM FINANCIAL PLAN 2014-15 TO 2023-24 PROPOSED RATES AND CORPORATE BUSINESS PLAN 2014 TO 2018**

31. ADOPT the Long Term Financial Plan (including 10yr Capital Plan) revised for the 10 year period covering 2014-15 to 2023-24; and
32. ADOPT the Corporate Business Plan revised for the period covering 2014-18.

**H. AMENDMENT TO COUNCIL POLICY CP033 (COMMUNITY FUNDING)**

33. AMEND Council Policy CP033 (Community funding) from an annual allocation of 1% of rates revenue to a capped level of \$350,000 per annum.

**COUNCIL DECISION**

**MOVED CR BRICK, SECONDED CR HALL**

That Council by Absolute Majority pursuant to Section 6.2 of the Local Government Act 1995 RESOLVES to:

**A. RATES & MINIMUM PAYMENTS 2014-15**

1. ADOPT the following Differential General Rates against the valuations supplied by Landgate (as amended) as at 1 July 2014 for 2014-15 in accordance with Sections 6.32 and 6.33 of the Act:

<b>DIFFERENTIAL GENERAL RATES</b>	<b>2014-15 Cents in Dollar</b>
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<b>GRV Un-occupiable City Centre Zone</b>	<b>19.9186</b>
<b>UV Geraldton (Rural Mining &amp; Farming General)</b>	<b>0.6794</b>
<b>UV Mullewa (Rural Mining &amp; Agriculture)</b>	<b>0.7800</b>
<b>GRV Mullewa (Previously GRV Mullewa and Pindar Town Sites in ex-Mullewa Shire District)</b>	<b>10.9795</b>

2. ADOPT the following Minimum Payments for the City of Greater Geraldton for 2014-15, in accordance with Section 6.35 of the Act:

<b>MINIMUM PAYMENTS</b>	<b>2014-15 Minimum Payment Per Assessment</b>
<b>CGG Residential (Previously Residential GRV &amp; Vacant Residential GRV)</b>	<b>\$1,010</b>
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<b>UV Mullewa (Rural Mining &amp; Agriculture)</b>	<b>\$705</b>

<b>GRV Mullewa (Previously GRV Mullewa and Pindar Town Sites in ex-Mullewa Shire District)</b>	<b>\$628</b>
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34. **ADOPT** for 2014-15 the Specified Area Rate of 0.5199 cents in the dollar for City Centre, Marina Mixed Use, and Additional Use City Centre, against the valuations supplied by Landgate (as amended) as at 1 July 2014 in accordance with Section 6.37 of the Act.

**B. 2014-15 GENERAL CHARGES, CONCESSIONS, INTEREST**

35. **IMPOSE** no service charge on land for 2014-15;
36. **RAISE** a charge of \$10 per instalment for 2014-15 whereby the ratepayer has elected to pay their rates by instalments and in addition apply a 5.5% interest rate charge in accordance with Section 6.45(3) of the Act;
37. **PROVIDE** the option for ratepayers to pay their rates as a single payment or by 2 or 4 equal instalments in accordance with Section 6.45(1) of the Act;
38. **NOT PROVIDE** any discount for early payment of rates however endorse and acknowledge the rates incentive prize donors for their assistance in collecting the rates early;
39. **NOTE** the rates set by the State Government for the Emergency Services Levy (ESL) for Category 2, 4 and 5 regions for 2014-2015 and apply these rates on assessments against valuations from Landgate as at 1 July 2014;
40. **NOTE** that the City is not responsible for setting Emergency Services Levy rates and simply acts as a collection agent for the funds on behalf of the State Government;
41. **NOT PROVIDE** concessions or relief to:
- a. any privately owned sporting or recreational grounds;
  - b. to any other ratepayer for their rates or service charges.
42. **ISSUE** rates instalment notices as soon as practicable with instalment due dates being no less than two months apart from the date of the first instalment becoming due in accordance with Section 6.50 of the Act;
43. **CHARGE** an interest rate of 11% on any outstanding rates and service charges that remain overdue as described in accordance with Section 6.51 of the Act;
44. **PROVIDE** a rates exemption for A61234 Geraldton Streetwork Aboriginal Corporation (Gunnado) by virtue of Section 6.26(2)(g) of the Act; and
45. **CHARGE** interest to be applied on outstanding debts exceeding 65 days after date of invoice at a rate of 11% per annum in accordance with section 6.13 of the Act.

**C. 2014-15 FEES AND CHARGES**

46. **ADOPT** the 2014-2015 Schedule of Fees and Charges.

**D. 2014-2015 CAPITAL WORKS & LOANS**

- 47. **ADOPT** the 2014-2015 Capital Works budget; and
- 48. **ADOPT** the new Loan debenture program in accordance with section 6.20(4) of the Act.

**E. 2014-15 ALLOWANCES**

- 49. **NOTE** that the proposed levels of allowances and fees for the Mayor, Deputy Mayor and elected members in the Budget estimates are the same as the amounts being paid as at 30th June 2014 and that June 2014 determinations on elected member allowances by the State Salary and Allowances Tribunal will be considered by Council during budget review processes;
- 50. **APPROVE** the Mayor's annual local government allowance of \$67,500 in accordance with section 5.98(5) of the Act;
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- 54. **APPROVE** an Information technology and telecommunication allowance of \$3,500 per year per elected member in accordance with section 5.99A of the Act;
- 55. **APPROVE** the reimbursement of expenses incurred by a council member in accordance with section 5.98 (2) (b) and (3) of the Act and regulation 32 of the Local Government (Administration) Regulations 1996;
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**F. ADOPTION OF STATEMENT OF OBJECTIVES AND REASONS FOR PROPOSED RATES AND MINIMUM PAYMENTS AND THE 2014-15 BUDGET**

- 58. **ADOPT** a reporting variance of greater than \$50,000 or 10% as per AASB1031 and Local Government (Financial Management) Regulations 1996, Regulation 34;
- 59. **ADOPT** the Statement of Objectives and Reasons for Proposed Rates and Minimum Payments;
- 60. **ADOPT** the 2014-15 Budget for the City of Greater Geraldton; and
- 61. **NOTE** that Council considered all submissions received from electors and ratepayers before adopting the budget for 2014-15.

**G. ADOPTION OF LONG TERM FINANCIAL PLAN 2014-15 TO 2023-24 PROPOSED RATES AND CORPORATE BUSINESS PLAN 2014 TO 2018**

62. ADOPT the Long Term Financial Plan (including 10yr Capital Plan) revised for the 10 year period covering 2014-15 to 2023-24; and  
 63. ADOPT the Corporate Business Plan revised for the period covering 2014-18.

**H. AMENDMENT TO COUNCIL POLICY CP033 (COMMUNITY FUNDING)**

64. AMEND Council Policy CP033 (Community funding) from an annual allocation of 1% of rates revenue to a capped level of \$350,000 per annum.

**CARRIED BY ABSOLUTE MAJORITY 11/3**

**6:34:28 PM**

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

**9 ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil.

**10 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

Nil.

**11 CLOSURE**

There being no further business the Chairman closed the Council meeting at 6.35pm.

## **APPENDIX 1 – ATTACHMENTS**

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