



SPECIAL MEETING OF COUNCIL
MINUTES

11 JUNE 2013

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CITY OF GREATER GERALDTON
SPECIAL MEETING OF COUNCIL
HELD ON TUESDAY, 11 JUNE 2013 AT 5.30PM
CHAMBERS, CATHEDRAL AVENUE

M I N U T E S

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 the Council meet and pays respect to the Elders and to knowledge embedded forever within the Aboriginal Custodianship of Country.

2 DECLARATION OF OPENING

The Presiding Member declared the meeting open at 5.30pm.

3 ATTENDANCE

Present:

Mayor I Carpenter
Cr R Ashplant
Cr N Bennett
Cr D Brick
Cr C Gabelish
Cr J Clune
Cr P Fiorenza
Cr R D Hall
Cr N McIlwaine
Cr N Messina
Cr I Middleton
Cr R Ramage
Cr R deTrafford
Cr T Thomas
Cr S Van Styn

Officers:

K Diehm, Chief Executive Officer
P Melling, Director of Sustainable Communities
C Wood, Director of Organisational Performance
B Davis, Director of Treasury & Finance
A Selvey, Director of Creative Communities
N Arbuthnot, Director of Community Infrastructure
S Moulds, PA to the Chief Executive Officer *Meeting Secretary*

Others:

Members of Public: 22
Members of Press: 1

Apologies:

Nil.

Leave of Absence:

Nil.

4 PUBLIC QUESTION TIME

Questions provided in writing prior to the meeting, or at the meeting, will receive a formal response. Questions can only be received that relate to the item on the Agenda.

Mr Rob Jefferies, CEO, Mid West Chamber of Commerce & Industry, PO Box 738, Geraldton WA6531

Question

Would the City please advise of the process from tonight's Council meeting that the City and Council shall undertake prior to adoption of the 2013-14 Budget and rates, and advise of the dates, if they have been determined, of further Council forums and meetings on these matters.

Response

The purpose of the Special Meeting of Council is to formally receive and allow consideration of the submissions received, in accordance with the Local Government Act. Under the Local Government Act the Council does not have the power to make a determination on a rate increase outside of the formal adoption of the Councils Budget. Therefore, there can be no decision on the level of rate increase at tonight's meeting. However, immediately after the close of meeting, the Council will be holding a budget workshop with the Chief Executive Officer and senior staff where the submissions received will be considered in more detail and the potential impact that the matters raised in the submissions will have on the Council's long term financial sustainability will be closely analysed.

The deliberations from the workshop, and the submissions received by the community, will be taken into account by the Chief Executive Officer who will then develop a Long Term Financial Plan for the Council's consideration.

The Council Agenda Forum meeting to be held on 18th June will include an agenda item on the proposed Long Term Financial Plan developed by the Chief Executive Officer. This plan will provide details of future changes in rates, fees and charges, Labour and material costs, capital works, and borrowings. The Community will have the ability to review the Agenda item in advance, and make presentations and/or ask questions at the Agenda Forum meeting.

The final draft Budget will then be prepared by the Chief Executive Officer and be considered by the Council at its meeting to be held on 25th June 2013.

Max Correy, 51 Bayview Street, Geraldton

Mr Correy asked subsequent questions in reference to questions he submitted at the Ordinary Meeting of Council on 28 May 2013. He also handed Councillors a graph that relates to an article from the Guardian Page 3, Friday May 3 2013.

Question 1

This graph was placed in the Guardian about 3 weeks ago. Can someone on the Council please explain to me the meaning of that graph? How do we have rates dropping by 30% from 2007/08 to 2008/09.

Response

What this graph shows is that that what's happened with setting of rates in the dollar for properties with ranges of value. In 2008 when they had the re-evaluation, Council reduced the rates in the dollar by an average of 33%. If you look at the graph you can see that for properties in the GRV ranges of \$10,000-\$15,000 and so on, with the rates in the dollar subsequently adopted in each year, that is how much the properties in each of those GRV value ranges are actually paying in rates in each of those years. So the graph looks at relative rates for properties in a set range in values, each year since 2008.

Question

Mr Davis, are you suggesting that rates paid by ratepayer in 2007/08 were way above the 2008/09 rates. It clearly states rates, not rate in the dollar? You can't say that the rates for 2007/08 were much higher than last year?

Response

For a property of GRV \$30,000 for example, that is exactly what that graph says. You pay less rates today for a property in any of those value ranges than you paid in 2008. What has changed is the property values, as properties have migrated through the value ranges.

Question

Are you telling me that what this graph says is that the rates dropped roughly by 33% between 2007/08 and 2008/09. Is that what is says? The rates have never dropped in living memory?

Response

No. In 2008 Council at that time reduced the rates in the dollar by 33% and that was the effect. So in 2008/09 you can see that, for each of those ranges of GRV property values, what people actually paid in rates for the equivalent property values, and then what they paid in each subsequent year based on the rates in the dollar imposed in each year.

Question

It clearly says that there was a 10% rate increase in 08/09 as opposed to 07/08. You gave me those figures in your own email. What am I missing?

Response

You haven't missed anything. What you are saying is actually the case. In 2008 the rates in the dollar was reduced by 33%. In the following year, the rates increased in the dollar. In the following year they increased the rates in the dollar again and so on through to the current year.

Question

Not answering my question. The question is that the rates clearly went up from 2007/08 to 2008/09. Is that correct?

Response

If you have a look at the graph for the rates for 2008/09, for properties *in those value ranges* based on the rate in the dollar set by the Council, that's what people paid. Subsequent increases in rate in the dollar since 2008 took those levels up to where they were for 2012/13.

Question

There was a 33% rate in the dollar drop for 08/09 correct? But the amount of rates collected went up by 10.21%. These are your figures, we've made \$18.8M to \$20.7M, rates.

Response

You're talking about rates yield (aggregate rates revenue collected). What I'm talking about is rates payable on a property, in ranges of GRV valuation. Aggregate rates yield of course is going to go up when you increase rates in the dollar after the significant decrease in 2007/08.

Question

The rates went up in the year we had a 33% rate reduction. The year it reduced by 33% the rates went up, that the point I'm making.

Response

In aggregate yield yes you are correct. You seem to be missing the point, you're arguing one issue and I am pointing out the facts.

Question

I have the correct rate graph here where the rates went up from 07/08 to last year. That's the rate graph. As in, rates collected. At the end of the day that is the rate that actually happened.

Response

The City is not disagreeing with Mr Correy, we are simply at cross purposes, on different points. The rates yield (aggregate rates revenue collected) increased gradually from 2007/08 after Council had reduced its rate in the dollar with the 2008 revaluation. What this graph shows, is what people are paying in each year because of the rates in the dollar set each subsequent year, per property in each of the different GRV value ranges. The yields increased. The point you are missing is that some properties migrated between value ranges, when revaluations occurred. We're both correct.

Question

The rates increased in 08/09 which was the last time the re-evaluation took place. When you had a 33% rate in the dollar reduction, it was the second highest rates increase ever as far as I can go back. I have a list here going back to 2000 if you'd like me to read them out.

Response

I think that you're not considering that even if the rates weren't increased the rate income would increase based on an increase of properties, which means the expenses would be higher.

Question 2

A question I submitted for the Ordinary Meeting of Council on 28 May 2013 was:

A large number of ratepayers believe that the solution to the rare situation in 2012/13 and 2013/14 is to quash the rate increase of 2012/13 and use the \$29M starting point and increase rates by 7.6% in the year 2012/13 and 2013/14 as was the Council policy determined in 2009.

Is this a consideration by the Councillors? If not, why not? Can Council please explain why the rate policy of 2009 was not adhered to when there is evidence to support that this policy would achieve adequate funds to complete projects which are in the normal scope of Local Councils?

The answer I received was:

Attention is drawn to the minutes of the Council meeting of 9 July 2012, the Special meeting at which Council adopted the budget for 2012/13. In the final report to Council, Option 2 presented for Council deliberation and debate was based on 7.5% increase in aggregate rates, fees and charges revenue collections above 2011/12, with a calculated effect closely approximating the approach suggested in this question. That rates model was considered and was debated by Council on 9 July 2012 but did not receive support amongst Councillors and the Council, by Absolute Majority, resolved to adopt Option 1, which had an average 6.7% increase in GRV rates in the dollar, combined with 15% increase in minimum payments.

It sounds like you're mixing the two up, I am not sure who has authored this I would like to know?

Response

Option 2 (considered on 9 July 2012) as can be clearly seen from the Minutes proposed a reduction in the rate in the dollar, as I best recall, of minus 14.9%. That would have delivered an increase in aggregate yield of rates revenue collected of 7.5%. It is a rough approximation against the model you have subsequently suggested. You have subsequently suggested 7% increase in aggregate rates revenue yield. What we are clarifying in that response is that last year when Council considered adopting its budget, it actually considered six options and that was option 2. There was another option that had something like 3% increase in yield, another had a 0% change in the rate in the dollar, another with 6.7% increase in GRV Rate in the dollar, and one with 7.5% increase in GRV rate in the dollar. Six options were developed, including one closely approximate to the model you have subsequently suggested.

So the answer you received is saying that, in relation to what you are now proposing that Council *should* have done in 2012, a close approximation was actually developed for Councillors, included as an option in the report to Council, and was debated (but not adopted) on the night when Council adopted the 2012/13 budget last year.

Question 3

I believe there have been \$21M of funds borrowed by the Council for real estate development. These are loan funds I presume are required to be paid back. How do these funds get paid back in the event that these developments are a failure? One property in particular is in Olive street. I have never seen it before where it is marketed and then a large fence is put up stopping people from seeing it.

Where does the money come from the pay the loans back?

Response

In relation to all of the land development projects, we use loan funds and the repayment of both principal and interest for those loan funds come from the proceeds of land sales. In the meantime pending sales we carry servicing the loans against our working capital, fully reimbursed from subsequent sale proceeds. In relation to every project that we run we use the exactly the same modelling and feasibility systems that the private sector does for their projects. We retain the services of experts in land development and experts in marketing to advise us when we compile the feasibility studies. The initial feasibility study for every project are prepared for us by external specialists. So when we look at every project we undertake, we don't go near it if it's not going to be commercially feasible. We also take into account, just as the private sector does, worst case and best case sale pricing and time horizons for possible sale of the land. We only look at the low risk ones, just like the private sector does. As well, before Treasurycorp will approve a loan for a land project, they require submission of the feasibility study and business case, in exactly the same way Banks do.

Question

In the event it doesn't happen, who picks up the tab? Who picks up the tab when Council stuff up on subdivisions, the ratepayer must pick up the tab I presume. Or are the Councillors and executive's underwriting this for us?

Response

If the City had a major failure on a land development project, yes ratepayers would pick up the tab, but risk is mitigated by using external specialists. We have not had any failures with any projects to date. We use the same development engineers and development designers and feasibility study specialists as the private sector.

Question

Why are ratepayers funds being risked?

Response

The Mayor advised that we had just heard the risk management comments from Mr Davis.

Question

The Council should not be involved in development, why are the ratepayers funds being put at risk?

Response

The Local Government Act makes specific provisions for Councils in Western Australia to earn revenue from dealings in land and property and to undertake major land transactions. The reason those provisions are in the act is so Councils have the opportunities where they can to generate funds to put into community facilities and infrastructure. Those are the reasons why those provisions are put in place in the Local Government Act.

Yes there are risks involved in that, but as mentioned the City has a very strong risk mitigation processes and uses the best professionals from the private sector for design, engineering and project feasibility studies.

John Ward, Address not supplied

Question

There is enormous community angst with regard to the possible rate rise of 7.2%. The other option is that ratepayers don't pay their rates. What would the Council do if ratepayers refused to pay their rates?

Response

The Local Government Act includes specific provisions in the event that people don't pay their rates. The City would pursue any action available, as prescribed under the Act.

Sean Hickey, PO Box 2966, Geraldton WA 6531

Question 1

How does Council measure the efficiency and effectiveness of various works projects it undertakes in any financial year; how does the Council report on this in the budget?

Response

In terms of the adopted budget, there is no statutory requirement to report on efficiency measures. However this financial year we are adopting a Corporate Business Plan. This business plan will identify the key performance requirements of the Council across the whole range of our services and activities. These will be reported quarterly to the Council and to the community and will be available on the City's website.

In regards to other measures of the City's efficiency and productivity the City bench marks a number of services with other local governments where they are providing similar services. In this upcoming financial year the City is looking at improving our accountability in terms of reporting our efficacy and bench marking the City against other Councils.

If there is a specific efficiency measure you would like to ask about, I am happy to respond or refer that to a Director.

Question

With reference to efficiency and accountability I refer to the maintenance and repairs budget, I noticed a roadsweeper in Eastcott Way sweeping up a large pile of sand. Who is liable for this, the ratepayer or the developer?

Response

The City is not familiar with this particular incident that has been referred to. The City has a street sweeping program, but the City is not the only organisation that has street sweepers. The City street sweeping program is funded through the budget. If there is a particular area that is causing the problem, the City will address it. I am not familiar to this specific incident you are referring to.

Question

So the ratepayers are not paying for the developers who dump sand on their lots as they excavate their blocks?

Response

The Mayor asked for an address so the City can investigate this?

Response

Mr Hickey advised he was not sure, it would be around number 15, around the bend and it is a low lying block that is being developed.

Question 2

What is the reason for rock depositing near the electrical contractor, on a beach we used to be able to walk on, now there is a pile of rocks there and is now inaccessible? Where is the efficiency on the process you are using to eliminate erosion? Who is collecting data on this and at what cost?

Why at 2 weeks ago when we had heavy rainfall there was sand being deposited opposite the same retailer with the heavy rain the sand was being deposited straight out to sea?

Response

One question that can be answered is the question relating to the depositing of sand which the City believes that would have been a couple of weeks ago would have been work carried out by the GPA (Geraldton Port Authority) which they do twice a year, 12,500m³.

Question

Why did they deposit the sand while there was a storm on and the sand just gets washed out to sea?

Response

The City doesn't direct the GPA.

Question

So the Council does not financially contribute to that?

Response

Correct.

Response (Mayor)

The City has an agreement with the GPA to provide 12,500m³ per annum as a result of the erosion that occurs. This erosion resulted from work that was conducted by the GPA to deepen the channel and swell rebound off the Department of Transport's Batavia Marina. It is in the GPA's benefit to put the sand there because the sand is accumulating at the rear of the Department of Fishery's Office. If they don't take it away it just keeps building up and then blows all over the wharf.

The City has been working closely with the Minister for Transport in relation to the erosion that is being caused in that area. I have personally written to the Minister complaining that the issue wasn't being addressed properly. As a result of that, a Committee was formed between the State government, the City, the Geraldton Port Authority and the Department of Transport to come up with some solutions.

Question

Why was sand put there when it washed away immediately after being deposited? And why was this done while there was a storm?

Response

If the sand is not put there, there will be further erosion which will make the situation worse. From what has been advised it was a major issue that needed addressing immediately.

Question 3

Why is many \$100,00's being spent on water disposal points like the one in Olive Street? What survey is being undertaken in the City that quantifies the amount of water that is lost during a storm?

Response

Mr Arbuthnot assumed that Mr Hickey was referring to the Water Harvesting Project, which is funded 50% by the Federal government and 50% by the Council. When this was initially surveyed, one of the catchments recorded 77,000 kilolitres, from one storm.

Question

Will the City ever have a better water recovery method saving ratepayers money than what is happening now?

Response

Mr Arbuthnot advised he will not comment any further.

Question 4

Why do people have to travel all the way into the CBD for shopping and sporting facilities? Why are there no facilities out in the suburbs?

Response

P Melling advised that the question is topical as these very questions were discussed at the Community Planning Workshop at Sunset Beach precinct meeting, held on the 10 June, which Mr Hickey attended. The City has identified key activity centres and working with the community on future facilities to encourage future retrofitting into the suburbs. The City has supported the creation of a number of shopping centre sites across various suburbs where local shopping and services will be potentially available. The City is not in the shopping centre business and it is up to the private sector to determine when the market is ready to build these facilities, for example there is a zoned shopping centre site in Wandina (Seacrest) and in Strathalbyn also waiting for the proponent to commence.

Question

Are shopping centres the answer?

Response

Phil Melling advised that what we are trying to do for all of the new suburbs and our older suburbs is looking at the way those suburbs function and work to trying to improve the facilities that are there, and working in conjunction with the private sector in new areas so that a range of facilities are available on a local scale.

Question 5

In relation to the efficacy of the City's land development and real estate involvement, Olive Street is a waste of inefficient use of rate payers money. Olive Street was earmarked for recreation, but now there is a fence around it.

Is the real reason for the fence the fact that there are mounds of building material with asbestos in it? Is that the real reason?

Response

There is a portion of that large site where there used to be waste disposal and for the purposes of remediating that site, and undertaking geo-technical work, to ascertain need for removing any waste to Meru, the site was fenced for safety.

In the process of developing that site, a range of other things were done. For example, trenches were dug to capture snakes, lizards and goannas which was the best way to handle wildlife in a site like that, so when the machinery was on site the wildlife didn't run into neighbouring properties. Also, the fences were erected so children didn't go onto the site. It is only a small portion of this land that requires remediation.

Question

The area that we are referring to is a small area in the middle, there were mounds that were worked on for months during the summer and was fenced about six months ago, is there asbestos there?

Response

There may be a small amount, but the work being referred to was the geotech work that was used to survey the site. The geotech specialist took a long time to complete as they surveyed the entire site. As far as the City is aware there are minimal amounts of asbestos on the site which isn't a major issue on the site, according to the advice received.

Question

So you have a report on how much asbestos is on that site?

Response

The City has a geotech report advising what is on the site and where it is.

Question

So is that in the interest of the ratepayers?

Response

What was in the ratepayers interest is that the City commissioned thorough geo-tech survey work so that we could determine what was there and if there was a danger to the community.

Bert Lenane, 28 Swan Drive, Sunset Beach

Question

We are working around a problem that we created last year, are we going to go back to that point as we are talking about different percentages that we might do now. But are we going back to that point where the problem commenced?

The former Local Government Minister said that the calculations were somewhat irregular. Now if my Doctor said that my heartbeat is somewhat irregular I go back to that point for mediation to find out what's wrong. Are we going to go back to that point to find how we made that cash grab then start a new?

Response

The City would be happy to take this question on notice if someone can provide the City with a statement that the Minister said there was something irregular, because the Minister certainly has not indicated that to us and nor has the Department (of Local Government).

Max Correy, 51 Bayview Road, Geraldton

Question

At the time Mr Castrilli said that the rate increase was unacceptably high, correct?

Response

The Mayor responded that he may have said that, but he also said to me...

Question

I have it in writing, you have it in writing, Mr Ward has it in writing.

Did this Council employ a real estate agent to market property that they had not done a due diligence on, that they knew was a refuse site? Have you not done a preliminary site investigation?

Response

The City did the preliminary design based on the initial geotech reports.

Question

Are you offering land that is a contaminated site?

Response

The City is not offering contaminated land. The City will offer land when it is sub-divided that has been remediated in one section of the site.

Question

So why are there signs put on blocks of land now?

Response

Some people, in terms of marketing said that people might be interested in buying off-the plans. And that was advice the City received by real estate professionals in this town.

Sue Glasson, 7 Moffet Place, Tarcoola BeachQuestion 1

The Aquarena was closed for some time last year and again I see that it will again be closed this year for some months. As a person who has a disability and who has access to the hydrotherapy pool this is very difficult and I'm not a lone soldier there. Could there be something done about access to the hydrotherapy pool as there is nowhere else to go?

Response

The City has considered leaving that section of the centre open, but because work is required on the main pool all the inside of the centre becomes a site that is occupied by the contractors that also includes the toilet block so the facilities won't be available for use.

Question

But there is side access to the showers and toilets from the hydro pool.

Response

Correct, but there is also minor work that needs to be carried out to that whole section. That was wasn't completed and it was never intended that that work could have been completed all in the one year and was required to be spread out over the two year period. This was maintenance work that was required from a period of 10 years or so.

Question 2

In employment advertisements for the City it advises that superannuation is up to 18%. Do ratepayers support this extra superannuation payment as the minimum is 9%?

Response

The offer of 18% superannuation comes with some conditions attached and is not a free for all arrangement. These arrangements were brought in at the previous amalgamation between Geraldton and Greenough as a way of attracting staff. As I understand it there was difficulty in attracting staff and there were some benefits put in place such as this. This had been negotiated through the enterprise agreement and is still in the current enterprise agreement.

Question

Will that change with the super increasing as of next financial year?

Response

It will be a factor in the next EBA which will not happen for a couple of years, but at the moment the Council contribution will be increased as required by legislation. However the matching requirements will not increase.

John Ward, *address not supplied*Question

There seems to be a lot of talk about reintroducing paid parking into the CBD, is that being considered?

Response

Yes, that is in the City's Car Parking Strategy.

Question

Is that a decision that has been made or is it still being discussed?

Response

The decision has not been made but is a recommendation that has been made by the consultant.

Question

So after all the parking metres have been taking out, we are going back there again?

Response

One part of that report mentions that the City does not have a parking shortage problem, rather a parking management problem. An the management of parking, in terms of collecting reasonable revenue for parking would go a long way to solving the issue of turning over parking spaces and not having people who work in the CBD parking out the front of their workplaces to the detriment of community members.

The Midwest Chamber of Commerce has endorsed the Car parking report.

Richard Patterson, PO Box 1282, West Leederville 6901Question

I note that Mr Melling has mentioned that it is the role of private enterprise to undertake development of shopping centres and other like infrastructure but on the other hand it is the role of council to be involved in property developments, affordable housing, commercial and residential land developments. In your risk analysis of your property projects and affordable housing projects did you take into account the overhang of residential and commercial property that exists in Geraldton, there seems to be a surplus of 'fire-sales' on blocks and it would seem that you are adding to the issue.

Do you not see a conflict of interest between Council and ratepayers who are also developers of property and subdivided land? I make the point that I am not in the business of land subdivisions, so I don't have a self interest in this, but I know plenty of people that are and they're not happy.

Response

In the risk analysis process for any land project we access experts in the local industry and the people we use are the same people anyone in the

development industry would use, and they give us advice. Yes we are conscious of levels of property, both residential and non-residential. We are also conscious that there is a tendency of some people misinform the community in terms of the levels of available land.

For example, before the design stage of the Airport Technology Park, we have had a constant flow of requests asking when that land is going to be available. It's unique in that area as it is the only industrial site, light industrial commercial site in the City that has immediate direct access to broad band facilities through a number of arrangements that were made when the ASKAP fibre was connected and the NBN fibre. The options are that we don't develop it or we open it up and make the capability available to industries and businesses in the town that need it. It seemed to us that it was reasonable in relation to that particular development and those who have an interest in the aviation industry. The State government's State Aviation Strategy Issues Paper made it clear in the firmest terms that they expected Council's that own and operate airports to develop non-aviation revenue streams with the object to reduce the level of fees we charge to airlines so that they can keep airfares down. The only way we can do that is to deal with the land at the airport. So there are a range of issues that justify what we are doing in relation to commercial development at the airport.

In relation to residential land there is confusion by some people that, when you look at the number of vacant residential land sites in the City, that's an indication of the number of serviced and developed residential lots. It is not. The number of serviced residential lots is less than about 800 available are there are approximately 1800 or so undeveloped vacant residential lots in the City. People seem to think that it is all developed land that is available and that the City is competing in that context. The City is not.

Further the private sector does not have access to something that is unique to local government in Western Australia. There are certain kinds of reserves that local governments can acquire from the State, section 20A Reserves we can acquire for 5% of the market value of land. That gives us the opportunity to develop that land subdivide and sell the land or we can do super or mega lot development on those pieces of land and generate capital funding for the community.

In the context of needs identified by our Community, for example Sporting Futures report - this community has said to this Council they expect that somehow we are to find \$100-plus Million to invest in just sporting facilities before we get to this issue of social, cultural and other amenities. \$100-plus Million just for sport. This Council is confronted just like every other Council with how might we be able to fund community needs when we know the State and Federal government are winding down their capacity to supply grant funding. Is it the view of some sectors of land development industry that the Council should *not* pursue ways to find capital money to invest in infrastructure and facilities the Community has asked for?

The City is of the opinion that it is perfectly legitimate, and the Local Government Act gives us explicit powers to undertake land dealings and major land transactions for that purpose. So I would note that you are entitled to your view on that, but the City is entitled to its own properly informed view in order to pursue the raising of funds for all of the things the Community have said it wants.

Bert Lenane, 28 Swan Drive, Sunset Beach

Question

I am not satisfied with the answer. A brief outline of my situation I have paid rates for over 60 years and I believe due process has not been followed in this case. My question was 'do you intend to revisit the process that should have taken place in a more fair and reasonable manner in 2012/13?'

Response

That will depend on Council's advice it receives from the Officers.

Response

As you may be aware the Ratepayers Demand Change Group has referred this matter to SAT for review and determination. There is a mediation that is planned to take place this Thursday with the Ratepayers action group and that is on the agenda for mediation.

John Ward (on behalf of Simon Keemink), 6 Kane Street, Tarcoola

Question

Was the fencing erected around the Olive Street project at the request of the Council or was there any involvement or direction by the EPA or WorkSafe?

Response

No, it was done entirely as a direction from the City as a work-site safety issue.

5 APPLICATIONS FOR LEAVE OF ABSENCE

Existing Approved Leave

Councillor	From	To (<i>Inclusive</i>)
Cr N Bennett	26 June 2013	22 July 2013
Cr T Thomas	1 August 2013	2 September 2013

6 PETITIONS, DEPUTATIONS OR PRESENTATIONS

Nil

7 DECLARATIONS OF CONFLICTS OF INTEREST

Nil.

8 OPERATIONAL MATTERS

TF067	SUBMISSIONS ON RATES & MINIMUM PAYMENTS FOR 2013-14
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AGENDA REFERENCE:	D-13-38941
AUTHOR:	B Davis, Director of Treasury and Finance
EXECUTIVE:	B Davis, Director of Treasury and Finance
DATE OF REPORT:	4 June 2013
FILE REFERENCE:	FM/6/0019
APPLICANT / PROPONENT:	City of Greater Geraldton
ATTACHMENTS:	Yes

SUMMARY:

This report enables consideration by Council of submissions from electors and ratepayers in response to Council's local public notice of intention to impose differential rates and minimum payments for 2013-14.

PROponent:

The proponent is the City of Greater Geraldton.

BACKGROUND:

Each year, Council is obliged during May-June to give local public notice of its intent to impose proposed differential rates and minimum payments for the following financial year, and to invite submissions from electors and ratepayers on the proposed rates and minimum payments and related matters. The City published its local public notice on 1 May 2013 seeking submissions by 5:00pm on 29 May 2013.

The statutory compliance requirements for this process are detailed under the *Statutory Implications* section of this report.

For context, the City currently has a population of about 40,000 residents, and has in aggregate about 19,750 rateable properties with current valuations based on Gross Rental Value or Unimproved Value as appropriate.

As at 5:00pm on 29 May 2013, the City had received 254 submissions in response to the local public notice, including a submission from the Mid West Chamber of Commerce and Industry on behalf of its members. Thirty three late submissions were received on 5 June 2013 bringing the total to 288.

The public attachment to this report provides a précis of each submission received. It does not contain the names and addresses of submitters, in order to protect their privacy. Each submission listed in the public attachment has been allocated a sequence number for reference.

Separately, on Friday 31 May 2013 and Thursday 6 June 2013, under cover of a confidential briefing note (to protect the privacy of submitters), a full copy of each and every submission received, including the names and addresses of the submitters, was distributed to the Mayor and to each Councillor. Each

submission has a sequence number endorsed on it, enabling ease of reference by Councillors between the public attachment to this report, and the confidential copies of the actual submissions as received. Timing of distribution to elected members of copies of all submissions, well in advance of the Special Meeting of Council scheduled for 11 June 2013, was designed to ensure that elected members had ample time to consider the submissions before the meeting.

The Local Government Act 1995 and Regulations do not require the Council to make any determination or resolution in relation to either individual submissions or the submissions collectively. Section 6.36(4) of the Act simply requires that all submissions received be *considered* by Council. Councillors will thus appraise the merits and take into account the content of each submission received, prior to their deliberations on the 2013-14 Budget, along with consideration of any and all other information relevant to the process of framing and coming to a decision on the Budget. Accordingly, in the attachment, since no determination is required in relation to any or all submissions received, no commentary or advice is provided by officers in relation to the content of any submissions. Consideration of the submissions is a matter for Councillors and Council.

COMMUNITY CONSULTATION:

This report addresses Council consideration of the submissions received in response to Council's local public notice of intent to impose differential rates and minimum payments for 2013-14, first published in local newspapers and exhibited on the City's public notice boards on 1 May 2013, inviting submissions from electors and ratepayers. Submissions closed at 5:00pm on 29 May 2013.

The City notes that as well as receiving submissions from electors and ratepayers, submissions were received from incorporated bodies and organisations, as distinct from individual electors and ratepayers. Council is not obliged under legislation to consider submissions from persons or entities that are not electors or ratepayers. Regardless, those submissions *have been included in the attachments to this report*, consistent with Council's broader policy framework on community consultation, leaving Councillors with discretion to consider them.

COUNCILLOR CONSULTATION:

There was no consultation with Councillors on submissions received, prior to preparation of this report.

STATUTORY IMPLICATIONS:

Budget Timing Requirements

Section 6.2(1) of the *Local Government Act 1995* (the Act) requires in effect that a local government Budget for a financial year must be prepared and adopted by 31 August of the financial year to which it applies. Delay of budget adoption beyond 31 August requires approval of the Minister for Local Government.

Differential Rates

Section 6.33 of the Act empowers Councils to impose differential general rates and specifies the characteristics which may be applied alone *or in any combination* for categories of differential rates. The differential rating characteristics include:

- Purpose for which the land is Zoned; or
- A purpose for which the land is held or used - as determined by the local government; or
- Whether or not the land is vacant; or
- Any other characteristics or combination of characteristics as may be prescribed.

Local Government (Financial Management) Regulation (LGFMR) 52A prescribes two additional characteristics which may be applied alone or in combination with the characteristics in section 6.35 of the Act, but only for a period within 5 years of declaration of the local government district:

- Whether or not the land is situated in a Townsite; or
- Whether or not the land is situated in a particular part of the district of the local government.

Section 6.33(3) requires prior approval of the Minister to impose a differential rate that is more than double the lowest differential rate proposed to be imposed.

Minimum Payments

Section 6.35 of the Act empowers a Council to impose on any rateable land in its district a Minimum Payment which is greater than the general rate which would otherwise be payable on that land.

Under section 6.35(4), if a minimum payment exceeds \$200 [as prescribed in LGFMR 53], the minimum payment cannot be imposed on *more* than 50% [as prescribed in LGFMR 52] of the number of separately rated properties in the district, or more than 50% of the number of properties in each of the following categories:

- Land rated on Gross Rental Value (GRV);
- Land rated on Unimproved Value (UV); and
- Each differential rating category where a differential rate is imposed.

Section 6.35(2) requires a Minimum Payment to be a *general minimum*, but a lesser minimum may be imposed in respect of any portion of the district subject to particular conditions set out in section 6.35(3). In effect, if a lesser minimum payment is imposed on any portion of a local government district, the *general minimum* must be imposed on not less than 50% of the number of separately rated properties in the district, or not less than 50% of the number of properties in each of the following categories:

- Land rated on Gross Rental Value (GRV);
- Land rated on Unimproved Value (UV); and
- Each differential rating category where a differential rate is imposed.

Local Government Circular 8/2003 guides local governments on implementation of section 6.35 of the Act, effectively stipulating that a Council cannot impose a different minimum rate if the rate-in-the-dollar for one differential rating category is the same as that for another differential rating category. The circular requires that where differing minimum rates are proposed, local governments need to impose a different rate-in-the-dollar for each category.

Public Notice and Elector & Ratepayer Submissions

Section 6.36 of the Act requires that before imposing any differential rates or a minimum payment applying to a differential rate category, the local government is required to give local public notice of its intention to do so.

Section 6.32(2) requires that where a local government resolves to impose a rate it *must be expressed as a rate in the dollar* of the gross rental value or unimproved value of rateable land within its district, for land to be rated on gross rental value or unimproved value respectively.

Local public notice is defined in section 1.7 of the Act, requiring publishing of the notice in a newspaper circulating generally throughout the district, and exhibition of the notice on notice boards in the local government's offices and in every local government public library in the district.

Under section 6.36(3) in effect the local public notice must be published within the May–June period, and must contain:

- Details of each rate or minimum payment intended to be imposed;
- An invitation for submissions to be made by electors or ratepayers in respect of the proposed rate or minimum payment and any related matters, within 21 days (or such longer period as may be specified in the notice);
- Any further information which may be prescribed. (Currently, Local Government Regulations do not prescribe any further information requirements); and
- Advice to electors and ratepayers of the time and place where a document describing the objects of and reasons for each prescribed rate or minimum payment may be inspected.

Section 6.36(4) requires Council to consider any submissions received, before imposing the proposed rate or minimum payment, *with or without modification*.

That section empowers a Council to impose differential rates or minimum payments different from those published in the public notice. This provision is important because it allows Council to consider submissions made by electors and ratepayers, and to consider circumstances that may have changed since it first considered an initial estimate of budget cash deficiency required to be met by imposition of general rates. For example – if initial estimates of possible increases in cost of State Government electricity and water utilities for the local government are based on forward estimates published with the

current fiscal year State Budget and, before final consideration of the local government budget, the State Government brings down its State Budget for next year, including utility fees and charges at a level higher or lower than their prior year forward estimates, then Council would have legitimate reason to reassess its budget cash deficiency and rating requirements.

If a Council resolves to impose rates or minimum payments *different* from those proposed in the local public notice, LGFMR 23(b) requires that the Annual Budget of Council must include details of the rate or minimum payment set forth in the public notice, and provide reasons for the difference.

Section 6.36(2) of the Act requires that the local public notice of intention to impose differential rates and minimum payments must be published in sufficient time to allow compliance with the requirement in section 6.2(1) that a budget be adopted by 31 August (or such later time as the Minister may allow).

While the Act allows for later budget adoption, it is in the best interests of the City that the budget is adopted to enable issue of annual rates notices and subsequent commencement of inflow of revenue at the earliest practicable opportunity in July. To that end, the goal this year is for Council to adopt its budget and impose rates and minimum charges at its meeting scheduled for 25 June 2013. This required publishing the local public notice during the week ending Friday 3 May, with the public submission period closing on 29 May 2013, allowing a longer period for public submissions than the minimum 21 days specified in section 6.36(3) of the Act. This timeframe was adopted to allow sufficient time for preparation of reports within the June meeting agenda process timeframe.

POLICY IMPLICATIONS:

This report addresses a mandatory requirement under section 6.36 of the Local Government Act 1995 and of itself the process of consideration by Council of submissions from electors and ratepayers on proposed differential rates and minimum payments for 2013-14 and related matters has no specific policy implications. Policy implications that may arise from subsequent deliberations by Council, for the purposes of finalising and adopting a Budget for 2013-14, will be addressed at that time.

FINANCIAL AND BUDGET IMPLICATIONS:

This report addresses a mandatory step in the annual Budget process, related to identification of a preferred rating and minimum payments model for 2013-14. Before imposing rates and minimum payments as part of the process of adopting its budget for 2013-14, Council must consider submissions received. This report provides the submissions to Council for consideration. Following that process, at a separate scheduled meeting Council will finalise its budget formulation process and progress to adopt its budget.

STRATEGIC & REGIONAL OUTCOMES:**Strategic Community Plan Outcomes:**

This matter addresses the following sections of the Strategic Community Plan

Community Aspiration 5:	Inclusive civic and community engagement and Leadership.
Strategy 5.1:	Community Engagement
Outcome 5.1.2	Promoting community involvement in decision making so it is collaborative and transparent.
Strategy 5.2	Planning and policy.
Outcome 5.2.6:	Supporting decisions to create a long term Sustainable city.

The annual budget process provides opportunity for elector and ratepayer submissions on proposed rates and minimum payments and related matters.

The annual budget for 2013-14 is prepared for the first time in the context of a 10 year Long term Financial Plan which reflects the key themes of the Community Strategic Plan which was developed after extensive community consultation and engagement, and informs the City's first Corporate Business Plan, to be in place by 1 July 2013.

Regional Outcomes:

Regional outcomes are considered by Council in framing expenditure programs for every annual budget. General rates and minimum payments are elements of City income that, in combination with all other income and revenue streams, establish the fiscal capacity for annual expenditure programs designed to deliver particular regional outcomes. Such outcomes will be defined in the final detailed budget adopted by Council.

Economic:

Economic outcomes are considered by Council in framing expenditure programs for every annual budget. General rates and minimum payments are elements of City income that, in combination with all other income and revenue streams, establish the fiscal capacity for annual expenditure programs designed to deliver particular economic outcomes. Such outcomes will be defined in the final detailed budget adopted by Council.

Social:

Social outcomes are considered by Council in framing expenditure programs for every annual budget. General rates and minimum payments are elements of City income that, in combination with all other income and revenue streams, establish the fiscal capacity for annual expenditure programs designed to deliver particular social outcomes. Such outcomes will be defined in the final detailed budget adopted by Council.

Environmental:

Environmental outcomes are considered by Council in framing expenditure programs for every annual budget. General rates and minimum payments are elements of City income that, in combination with all other income and revenue streams, establish the fiscal capacity for annual expenditure programs designed to deliver particular environmental outcomes. Such outcomes will be defined in the final detailed budget adopted by Council.

Cultural & Heritage:

Cultural or heritage outcomes are considered by Council in framing expenditure programs for every annual budget. General rates and minimum payments are elements of City income that, in combination with all other income and revenue streams, establish the fiscal capacity for annual expenditure programs designed to deliver particular culture and heritage outcomes. Such outcomes will be defined in the final detailed budget adopted by Council.

RELEVANT PRECEDENTS:

Each year, the City gives local public notice of intention to impose differential rates and minimum payments, pursuant to section 6.36 of the *Local Government Act 1995*, and is required to consider any submissions received before imposing the proposed rates with or without modification.

DELEGATED AUTHORITY:

There is no delegated authority.

VOTING REQUIREMENTS:

Simple majority is required, pursuant to section 5.20 of the *Local Government Act 1995*.

OPTIONS:

Section 6.36(4) of the *Local Government Act 1995* requires Council to consider any submissions received (in response to its local public notice of intention to impose differential rates and minimum payments for the 2013-14 financial year), before imposing the proposed rates or minimum payments with or without modification. Council does not have available to it the option of *not* considering the submissions received.

Option 1 below, the Executive Recommendation, addresses receiving and consideration of the submissions. Option 2 defers consideration by Council of the submissions, and would require re-scheduling of submission to Council of a budget proposed for 2013-14, currently scheduled for inclusion in the agenda for the Ordinary Meeting of Council on 25 June 2013.

Option 1:

As per the Executive Recommendation in this report.

Option 2:

That Council by Simple Majority, in accordance with Section 5.20 of the Local Government Act 1995 RESOLVES to:

1. NOTE that on 1 May 2013 Council gave local public notice of its intention to impose differential rates and minimum payments for the 2013-14 financial year and invited submissions by 5pm on 29 May 2013 from electors and ratepayers in respect of the proposed rates and minimum payments and any related matters;
2. NOTE that copies of each and all submissions received by 5:00pm on 29 May 2013 and the late submissions received on the 5 June 2013, were provided to the Mayor and to individual Councillors;
3. RECEIVE the submissions;
4. DEFER consideration of the submissions; and
5. MAKES the determination for the following reasons:
 - a. To be determined by Council.

CONCLUSION

Differential rates and minimum payments represented about 55% of the budgeted annual revenues of the City in 2012-13. Deliberations on rate setting thus represent only one part of the broader deliberations required by Council when framing an annual budget.

Sections 6.36(4) of the Local Government Act 1995 requires Council to *consider* submissions received from electors and ratepayers, before imposing proposed differential rates and minimum payments, with or without modification of the rates and minimum payments set out in the local public notice, for a financial year. To that end, the Special Meeting of 11 June 2013 was scheduled for consideration of submissions, prior to the Ordinary Meeting scheduled for 25 June 2013 at which Council (subject to its resolution on this agenda item) will deliberate and debate adoption of a Budget and imposition of rates and minimum payments for 2013-14.

The final determination of rates and minimum payments for 2013-14 occurs with adoption of the full Budget by Council. It does not occur at the process stage of consideration of submissions from electors and ratepayers per section 6.36(4) of the Act.

The Mayor and each Councillor were provided with copies of each and every submission received, to ensure that each elected member has been able to examine and consider them.

The Act and Regulations do not require the Council to make any particular determination or resolution in relation to any individual submission or in relation to the submissions collectively.

Ultimately, the conclusions of individual elected members will be reflected in the position that they adopt after debate on the full budget, when formal motions are put to Council for vote in relation to adoption of the 2013-14 Budget. That is currently scheduled for 25 June 2013. As well, prior to

adopting a budget and imposing rates for 2013-14, consistent with accepted due diligence requirements, the Council may consider any other information relevant to budget determination that was not available to it when initially determining levels of *proposed* rates and minimum payments for the purposes of giving local public notice of intent to impose differential rates and minimum payments.

EXECUTIVE RECOMMENDATION:

That Council by Simple Majority, in accordance with Section 5.20 of the Local Government Act 1995 RESOLVES to:

1. NOTE that on 1 May 2013 Council gave local public notice of its intention to impose differential rates and minimum payments for the 2013-14 financial year and invited submissions by 5pm on 29 May 2013 from electors and ratepayers in respect of the proposed rates and minimum payments and any related matters;
2. NOTE that copies of each and all submissions received by 5:00pm on 29 May 2013 and the late submissions received on the 5 June 2013, were provided to the Mayor and to individual Councillors;
3. RECEIVE the submissions;
4. NOTE that Council has considered the submissions received from electors and ratepayers; and
5. REFER the submissions to the Chief Executive Officer for reference in framing budget related reports to Council.

COUNCIL DECISION**MOVED CR BRICK, SECONDED CR GABELISH**

That Council by Simple Majority, in accordance with Section 5.20 of the Local Government Act 1995 **RESOLVES** to:

1. **NOTE** that on 1 May 2013 Council gave local public notice of its intention to impose differential rates and minimum payments for the 2013-14 financial year and invited submissions by 5pm on 29 May 2013 from electors and ratepayers in respect of the proposed rates and minimum payments and any related matters;
2. **NOTE** that copies of each and all submissions received by 5:00pm on 29 May 2013 and the late submissions received on the 5 June 2013, were provided to the Mayor and to individual Councillors;
3. **RECEIVE** the submissions;
4. **NOTE** that Council will consider the submissions received from electors and ratepayers; and
5. **REFER** the submissions to the Chief Executive Officer for reference in framing budget related reports to Council.

CARRIED 15/0

6:49:47 PM

Mayor Carpenter	YES
Cr. Fiorenza	YES
Cr. Ramage	YES
Cr. Ashplant	YES
Cr. Brick	YES
Cr. Clune	YES
Cr. Middleton	YES
Cr. Messina	YES
Cr. Thomas	YES
Cr. Bennett	YES
Cr. Hall	YES
Cr. McIlwaine	YES
Cr. Van Styn	YES
Cr. Gabelish	YES
Cr. deTrafford	YES

9 CLOSURE

There being no further business the Chairman closed the Council meeting at 6.49pm.

APPENDIX 1 – ATTACHMENTS

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