



SPECIAL MEETING OF COUNCIL  
MINUTES

2 JULY 2013

**TABLE OF CONTENTS**

<b>1</b>	<b>ACKNOWLEDGEMENT OF COUNTRY .....</b>	<b>2</b>
<b>2</b>	<b>DECLARATION OF OPENING.....</b>	<b>2</b>
<b>3</b>	<b>ATTENDANCE.....</b>	<b>2</b>
<b>4</b>	<b>RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE.....</b>	<b>3</b>
<b>5</b>	<b>PUBLIC QUESTION TIME .....</b>	<b>3</b>
<b>6</b>	<b>APPLICATIONS FOR LEAVE OF ABSENCE .....</b>	<b>4</b>
<b>7</b>	<b>PETITIONS, DEPUTATIONS OR PRESENTATIONS.....</b>	<b>4</b>
<b>8</b>	<b>DECLARATIONS OF CONFLICTS OF INTEREST .....</b>	<b>4</b>
<b>9</b>	<b>SIGNIFICANT STRATEGIC MATTERS .....</b>	<b>5</b>
	<i>TF069 CITY OF GREATER GERALDTON BUDGET 2013-14 .....</i>	<i>5</i>
<b>10</b>	<b>CLOSURE .....</b>	<b>22</b>
	<b>APPENDIX 1 – ATTACHMENTS AND REPORTS TO BE RECEIVED .....</b>	<b>23</b>

**CITY OF GREATER GERALDTON**  
**SPECIAL MEETING OF COUNCIL**  
**HELD ON TUESDAY, 2 July 2013 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**

I would like to acknowledge 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 R Ashplant

Cr N Bennett – *Joining meeting by phone conference*

Cr D Brick

Cr C Gabelish

Cr J Clune

Cr P Fiorenza

Cr R D Hall

Cr N Messina

Cr I Middleton

Cr R deTrafford

Cr T Thomas

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  
A Seaman, Executive Support Secretary *Minute Secretary*  
S Moulds, PA to the Chief Executive Officer  
M Fates, Principal Project Manager  
K Chua, Manager Financial Services  
M Jones, Business Analyst  
M McGinity, Manager Communications, Marketing & Tourism  
A White, Development Compliance Coordinator  
R Smallwood, Manager Economy Innovation & Technology  
P Farraone, Manager Works  
B Robartson, Manager Commercial Property Development  
S Chiera, Coordinator Marketing & Media Communications  
J Felix, Community Engagement Officer  
C Budhan, Manager Arts, Culture & Events  
P Radalj, Manager Strategic Business Planning

Others:

Members of Public: 4  
Members of Press: 3

Apologies:

Nil.

Leave of Absence:

Cr N Bennett – *Joining the meeting by telephone*  
Cr S Van Styn  
Cr R Ramage  
Cr N McIlwaine

**4 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil.

**5 PUBLIC QUESTION TIME**

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

Nil.

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

<b>Councillor</b>	<b>From</b>	<b>To (Inclusive)</b>
Cr N Bennett	27 June 2013	22 July 2013
Cr S Van Styn	27 June 2013	15 September 2013
Cr R Ramage	27 June 2013	11 July 2013
Cr N McIlwaine	1 July 2013	17 July 2013
Cr C Gabelish	23 July 2013	23 July 2013
Cr T Thomas	1 August 2013	2 September 2013
Cr D Brick	7 August 2013	2 September 2013

**COUNCIL DECISION****MOVED CR Hall, SECONDED CR Brick**

**Cr deTrafford request for leave of absence for the period 5 August to 11 August 2013 be approved.**

**CARRIED 12/0****5:32:38 PM**

<b>Mayor Carpenter</b>	<b>YES</b>
<b>Cr. Fiorenza</b>	<b>YES</b>
<b>Cr. Ashplant</b>	<b>YES</b>
<b>Cr. Ramage</b>	<b>N/V</b>
<b>Cr. Brick</b>	<b>YES</b>
<b>Cr. Clune</b>	<b>YES</b>
<b>Cr. Middleton</b>	<b>YES</b>
<b>Cr. Messina</b>	<b>YES</b>
<b>Cr. Thomas</b>	<b>YES</b>
<b>Cr. Bennett</b>	<b>YES</b>
<b>Cr. Hall</b>	<b>YES</b>
<b>Cr. McIlwaine</b>	<b>N/V</b>
<b>Cr. Van Styn</b>	<b>N/V</b>
<b>Cr. Gabelish</b>	<b>YES</b>
<b>Cr. deTrafford</b>	<b>YES</b>

**7 PETITIONS, DEPUTATIONS OR PRESENTATIONS**

Nil.

**8 DECLARATIONS OF CONFLICTS OF INTEREST**

Nil.

## 9 SIGNIFICANT STRATEGIC MATTERS

TF069	CITY OF GREATER GERALDTON BUDGET 2013-14
<b>AGENDA REFERENCE:</b>	<b>D-13-45173</b>
<b>AUTHOR:</b>	<b>B Davis, Director Treasury and Finance</b>
<b>EXECUTIVE:</b>	<b>B Davis, Director Treasury and Finance</b>
<b>DATE OF REPORT:</b>	<b>13 June 2013</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>

### **SUMMARY:**

This report seeks adoption by Council of the 2013-14 Financial Budget for the City Greater Geraldton.

### **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 2013-14 Budget for the City of Greater Geraldton includes the following:

- Budget Principles, Rating and Minimum Payments
- Capital Works
- Fees and Charges
- General Charges and Concessions
- Allowances
- Borrowings
- Reserve Accounts
- Budget Estimates for Adoption

### **1. Budget Principles, Rating & Minimum Payments**

The Budget Principles & Rating statement attached to this report provides detail of budget principles applied in formulating the 2013-14 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 Long Term Financial Plan, delivery of necessary services, and prevailing economic circumstances.

2013-14 is the first year of budget preparation informed by a Ten Year Long Term Financial Plan (Council Agenda reference TF068). The recommended 2013-14 Budget reflects the first year of that Plan, and the following Table 1 provides an overview of the differences between the revised budget for the

2012-13 financial year adopted by Council as a result of the mid-year budget review, and the budget recommended in this report for 2013-14.

<b>BUDGET</b>	<b>Revised 12/13 Budget</b>	<b>Proposed 13/14 Budget</b>	<b>Increase on 12/13 Revised Budget</b>
<b>Revenue</b>	<b>\$000s</b>	<b>\$000s</b>	<b>%</b>
Rates	36,964	37,847	2.39%
Fees & Charges	16,796	17,417	3.70%
Interest Earnings	2,059	1,759	-14.57%
Other Revenues	1,353	2,030	50.03%
Operating Grants, Subsidies & Contributions	9,455	9,370	-0.90%
<b>Total Revenue</b>	<b>66,628</b>	<b>68,423</b>	<b>2.69%</b>
<b>Expenses</b>			
Employee Costs	26,587	28,595	7.55%
Interest Expenses	968	842	-12.98%
Materials & Contracts	21,866	20,813	-4.82%
Depreciation & Amortisation	18,065	18,042	-0.12%
Utilities	2,917	3,185	9.19%
Insurance	931	971	4.26%
Other Expenses	2,560	1,945	-24.03%
<b>Total Expenses</b>	<b>73,894</b>	<b>74,393</b>	<b>0.68%</b>
<b>NET RESULT FROM ORDINARY ACTIVITIES</b>	<b>(\$7,266)</b>	<b>(\$5,970)</b>	

**Table 1: Comparison 2012-13 and Recommended 2013-14 Budget**

### Budget Result

The 2013-14 Budget recommended for adoption incorporates an estimated operating deficit of about \$5.97 million for the period ending 30 June 2014.

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 2.25% increase in aggregate rates revenue is recommended for Gross Rental Valuation (GRV) residential and non-residential GRV properties, and Unimproved Value (UV) rural properties.

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 2.25% increase in 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 0.8974c to 0.8100c is recommended for 2013-14 on unimproved value (UV) properties in the previous Mullewa district, and a rate in the dollar increase from 0.6389c to 0.6552c 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 decline in aggregate UV Valuation* for the City.

The specified area rate applicable to commercial properties within the Geraldton City Centre, Marina Mixed Use and Additional Use City Centre zones is also increased by 2.25%.

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

2013/14 is the first year for which budget formulation is informed by a Long Term Financial Plan, one of the mandatory elements required of all WA Councils, as part of the Integrated Planning Framework 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

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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 broadly reflect requirements to cover inflation, necessary to maintain municipal service levels.

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 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. 2013/14 Capital Program

Capital Expenditure	Renewal	New Service	Expansion	Upgrade	Replace	Program Total
<b>Buildings</b>	4,314,500	120,000	15,000	3,825,000	-	8,274,500
<b>Roads Infrastructure</b>	5,287,771	32,180,000	-	1,411,922	-	38,879,693
<b>Drainage</b>	1,282,235	1,500,000	180,000	321,400	-	3,283,635
<b>Parks, Gardens, Coastal &amp; Recreation</b>	2,445,000	845,822	439,000	945,000	-	4,674,822
<b>Pathways</b>	392,782	-	228,250	23,000	-	644,032
<b>Airports</b>	601,000	-	1,210,000	960,000	-	2,771,000
<b>Meru</b>	225,000	-	2,460,000	-	-	2,685,000
<b>Other Infrastructure</b>	52,500	36,000	628,000	274,500	2,612,000	3,603,000
<b>Total</b>	<b>\$14,600,788</b>	<b>\$34,681,822</b>	<b>\$5,160,250</b>	<b>\$7,760,822</b>	<b>\$2,612,000</b>	<b>\$64,815,682</b>

The City's planned Capital Budget for 2013/14 is \$64.8m. This expenditure will be funded from General Revenue, Reserves, Borrowings and funding provided by Federal and State Agencies as follows:

FUNDS SOURCE	Own Source		External	Other		Capital Program
	Gen. Revenue	Reserves	Grants & Contributions	Borrowings	Proceeds of Sale	Total Funding
<b>Buildings</b>	(689,500)	(910,000)	(3,645,000)	(3,030,000)	-	(8,274,500)
<b>Roads Infrastructure</b>	(4,651,409)	(10,266,950)	(16,961,334)	(7,000,000)	-	(38,879,693)
<b>Drainage</b>	(1,551,266)	(282,369)	(1,450,000)	-	-	(3,283,635)
<b>Parks, Gardens, Coastal &amp; Recreation</b>	(1,779,000)	(350,000)	(2,545,822)	-	-	(4,674,822)
<b>Pathways</b>	(552,912)	-	(91,120)	-	-	(644,032)
<b>Airports</b>	-	(2,568,500)	(202,500)	-	-	(2,771,000)
<b>Meru</b>	-	(2,685,000)	-	-	-	(2,685,000)
<b>Other Infrastructure</b>	(2,748,000)	(194,000)	-	-	(661,000)	(3,603,000)
<b>Total</b>	<b>(11,972,087)</b>	<b>(17,256,819)</b>	<b>(24,895,776)</b>	<b>(10,030,000)</b>	<b>(661,000)</b>	<b>(\$64,815,682)</b>

### 3. Fees and Charges

The majority of the fees and charges have been proposed with a modest 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 13/14 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 2012-13, no service charges on land are proposed, and no additional concessions are proposed.

### 5. Allowances

Allowances proposed for the Mayor and Councillors for 2013-14 remain the same as 2012-13.

Note that in late June 2013, 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.

This matter will be brought to Council for deliberation, in a later budget review.

## 6. Borrowings

Borrowings in 2013-14 are confined to projects previously approved by Council in the 2012-13 budget, planned to commence during 2012-13 but not commenced due to timing of approval of various State and Federal grants upon which projects depend, in addition to City borrowings, and timing of subsequent provision of the grant funds. Borrowings will include:

Project	Loan Amount	Purpose
Karloo/Wandina	\$7,000,000	Karloo/Wandina overpass connection, headworks & Verita Road stage 1 development
Aquarena	\$2,000,000	Refurbishment and renewal
Old Railway Building	\$1,030,000	Refurbishment and renewal
Olive Street	\$4,000,000	Development to generate funds for Southern Sports Precinct development (short term facility)
Kempton Street	\$4,300,000	Reserve swap and land development (short term facility)
Airport Technology Park	\$2,700,000	Headworks – power and water upgrade - stage 1 development (short term facility)

## 7. Reserve Accounts

Consistent with the approach adopted by Council after amalgamations, the 2013-14 budget formulation process has included a review of all reserve accounts, with the view to reducing the number of reserve accounts to the minimum necessary for specific legal compliance obligations, and returning to unrestricted municipal account any funds not required to satisfy a specific statutory obligation. All discretionary reserve accounts have been reviewed accordingly. Discretionary reserve accounts not deemed essential after 2012-13 are to be closed. Allocations from discretionary reserve accounts, in accordance with the purposes of each reserve, have been made where necessary in the recommended budget for 2013-14, with any residual funds not required for those discretionary purposes in 2013-14 and beyond being returned to the municipal account.

### 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 29 May 2013. Copies of each and every submission received by that time were distributed to all Councillors on 31 May 2013. Submissions included one from the Mid West Chamber of Commerce and Industry. Copies of all *late* submissions received to 5 June 2013 were also distributed to all Councillors on 6 June 2013. For gauging the level of community engagement, the City currently has about 23,519 Electors, and about 19,759 Rateable Properties.

A Special Meeting of Council was held on Tuesday 11 June 2013 for the purposes of consideration by Council of the submissions received. (Council Agenda reference TF067).

Separate from that process, the City engaged in a Mediation process with the CGG Ratepayers Demand Change group, allowing representatives of that group to put forward their concerns, and their suggestions as to rate setting for 2013-14, in the context of the effects of the 2012-13 Budget. A mediated outcome was agreed and has been publicised.

Noting the above, and culminating in the final deliberation and debate on the 2013-14 Budget, the Council – with all Councillors on 31<sup>st</sup> May 2013 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.

**COUNCILLOR CONSULTATION:**

City of Greater Geraldton Councillors have been actively engaged in formulation of the 2013-14 Budget through a series of Budget Workshops conducted through May and June of 2013, enabling consideration of revenue and expenditure requirements, with extensive discussion of budget options. Particular workshops addressed the capital program, and fees and charges, and submissions received from electors and ratepayers.

Councillors have been consulted as follows:

- Provision of advice to all Councillors on 2013 UV property revaluations by Landgate, and analysis of options for UV rate alignment between the previous Geraldton-Greenough and Mullewa local government districts, for compliance with Governor's Orders on the amalgamation;
- Comprehensive analysis reports to all Councillors on the actual effects on rates payable across the Residential and Non-residential GRV categories, including specific analysis of effects on Non-residential properties in the CBD;
- Budget workshop on 14<sup>th</sup> May 2013 to discuss the proposed 2013/14 Operating Budget and draft proposed Schedule of Fees and Charges;
- Budget Workshop on 4<sup>th</sup> June 2013 to further discuss the proposed 2013/14 Schedule of Fees and Charges, and discussion of the draft proposed 2013/14 capital works program;
- Budget Workshop on 11<sup>th</sup> June 2013 to discuss the draft 2013 LTFP and further discuss the draft 2013/14 capital works program;
- Closed Concept Forum on 18<sup>th</sup> June 2013 to consider proposed amendments to the draft LTFP as a result of consideration of submissions received from electors and ratepayers in relation to the proposed 2013/14 rates and minimum payments.

**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.*

**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 2013-14, those approval are not required having regard to the relative levels of both differential rates and minimum payments set out in the 2013-14 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 adopt the 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 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 2013-14, and adopting instead the differential rates set out in the Budget proposed for adoption under the Executive Recommendation in this report include:

- Reduction from the general increase in rates revenue originally considered, from 7.2% down to 2.25%, 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;
- Commitment to maintaining levels of service; and
- Adjustment of Minimum Payments for compliance with section 6.35.

<b>DIFFERENTIAL GENERAL RATES</b>	<b>Rates per Local Public Notice (Cents in Dollar)</b>	<b>Rates Proposed for 2013-14 per Executive Recommendation (Cents in Dollar)</b>
GRV Vacant Residential	18.9366	18.1151
GRV Residential	10.9588	10.4835
GRV Non Residential	11.0382	10.5594
GRV Un-occupiable City Centre Zone	20.8219	19.9186
UV Geraldton Rural Mining & Farming General	0.6849	0.6552
UV Mullewa Rural Mining & Agriculture	0.8100	0.8100
GRV Ex-Mullewa Shire District (Previously GRV Mullewa and Pindar Town Sites)	11.5167	11.0172
<b>SPECIFIED AREA RATE</b>		
Specified Area Parking	0.5199	0.4965

<b>MINIMUM PAYMENTS</b>	<b>Per Local Public Notice Minimum Per Assessment</b>	<b>Per Executive Recommendation 2013-14 Minimum Payment Per Assessment</b>
GRV Vacant Residential	\$1,024	\$769
GRV Residential	\$1,024	\$979
GRV Non Residential	\$1,024	\$979
UV Geraldton (Rural Mining & Farming General)	\$1,024	\$979
UV Mullewa (Rural Mining & Agriculture)	\$682	\$683
GRV Mullewa (Ex-Mullewa Shire District - previously GRV Mullewa and Pindar Town Sites)	\$683	\$628

#### **POLICY IMPLICATIONS:**

Adoption of a reviewed version of Council Policy CP009 *Significant Accounting Policies*, with changes confined to technical alignment with Accounting Standards, and alignment and compliance with Local Government

(Financial Management) Regulations, is included in the recommendations in this report.

Previously adopted Council Policy CP014 *Financial Sustainability Policy*, due for annual review in 2013, lapses as it is no longer required, effectively replaced by the Long Term Financial Plan, obligatory on Council under the Local Government Integrated Planning Framework, effective from 1 July 2013.

### **FINANCIAL AND BUDGET IMPLICATIONS:**

Details of the budget estimates for 2013-14 are contained in the attached documents.

### **STRATEGIC & REGIONAL OUTCOMES:**

#### **Strategic Community Plan Outcomes:**

Goal 5	Governance.
Strategy 5.2	Planning and Policy.
Outcome 5.2.6	Supporting decisions to create a long term sustainable city.
Outcome 5.2.7	Ensuring efficient and effective delivery of service

#### **Regional Outcomes:**

Capital projects will deliver benefits for the broader region, for example the Building Better Regional Cities project in Karloo-Wandina, continued development of the Airport Technology Park, and Airport terminal departures lounge extension.

### **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 2013-14 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 31) 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 Budget Principles and, in relation to Notes comprising part of the Budget, allocations to and use of funds from reserves, and proposed new loans. Together, these inter-dependent parts produce the budget result, and thus they need to be considered together rather than separately.

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 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 2013-14 Budget, in effect delivering a result significantly different from Year 1 of the adopted 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 2013-14 by 31 August 2013, or by such extended time as the Minister allows. The recommended Budget reflects Year 1 of the Ten Year Long Term Financial Plan adopted by Council, and is recommended accordingly.

### **EXECUTIVE RECOMMENDATION:**

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

#### **A. RATES & MINIMUM PAYMENTS 2013-14**

1. ADOPT the following Differential General Rates against the valuations supplied by Landgate (as amended) as at 1 July 2013 for 2013-14 in accordance with Sections 6.32 and 6.33 of the Act:

<b>DIFFERENTIAL GENERAL RATES</b>	<b>2013-14 Cents in Dollar</b>
GRV Vacant Residential	18.1151c
GRV Residential	10.4835c
GRV Non Residential	10.5594c
GRV Un-occupiable City Centre Zone	19.9186c
UV Geraldton (Rural Mining & Farming General)	0.6552c
UV Mullewa (Rural Mining & Agriculture)	0.8100c
GRV Mullewa (Previously GRV Mullewa and Pindar Town Sites in ex-Mullewa Shire District)	11.0172c

2. ADOPT the following **Minimum** Payments for the City of Greater Geraldton for 2013-14, in accordance with Section 6.35 of the Act:

<b>MINIMUM PAYMENTS</b>	<b>2013-14 Minimum Payment Per Assessment</b>
GRV Vacant Residential	\$769
GRV Residential	\$979
GRV Non Residential	\$979
UV Geraldton (Rural Mining & Farming General)	\$979
UV Mullewa (Rural Mining & Agriculture)	\$683
GRV Mullewa (Previously GRV Mullewa and Pindar Town Sites, ex-Mullewa Shire district)	\$628

3. ADOPT for 2013-14 the Specified Area Rate of 0.4965 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 2013 in accordance with Section 6.37 of the Act.

**B. 2013-14 GENERAL CHARGES, CONCESSIONS, INTEREST**

4. IMPOSE no service charge on land for 2013-14;
5. RAISE a charge of \$10 per instalment for 2013-14 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(1) 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 and 5 regions for 2013-2014 and apply these rates on assessments against valuations from Landgate as at 1 July 2013;
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:
  - a. any privately owned sporting or recreational grounds;
  - b. To any other ratepayer for their rates or service charges.
11. PROVIDE a rates exemption for A61234 Geraldton Streetwork Aboriginal Corporation (Gunnado) by virtue of Section 6.26(2)(g) of the Act;
12. 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;
13. 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.

14. CHARGE interest to be applied on outstanding debts exceeding 35 days after date of invoice at a rate of 11% per annum in accordance with section 6.13 of the Act.

**C. 2013-14 FEES AND CHARGES**

15. ADOPT the 2013-2014 Schedule of Fees and Charges.

**D. 2013-2014 CAPITAL WORKS & LOANS**

16. ADOPT the 2013-2014 Capital Works budget; and  
17. ADOPT the new Loan debenture program in accordance with section 6.20(4) of the Act.

**E. 2013-14 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 2012-13 and that June 2013 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 \$60,000 in accordance with section 5.98(5) of the Act;
20. APPROVE the Mayor's annual fees of \$14,000 in accordance with section 5.99 of the Act;
21. APPROVE the Deputy Mayor's annual local government allowance of \$15,000 in accordance with section 5.98A of the Act;
22. APPROVE the annual fees of \$7,000 for every other elected member (excluding the Mayor) in accordance with section 5.99 of the Act;
23. APPROVE an Information technology allowance of \$1,000 per year per elected member in accordance with section 5.99A of the Act;
24. APPROVE a telecommunications allowance of \$2,400 per annum per elected member in accordance with section 5.99A of the Act;
25. 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;
26. APPROVE the reimbursement of childcare costs incurred by a council member in accordance with regulation 31 (1) (b) and regulation 32 (1) of the Local Government (Administration) Regulations 1996; and
27. 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 BUDGET PRINCIPLES AND THE 2013-14 BUDGET**

28. ADOPT a reporting variance of greater than \$50,000 or 10% as per AASB1031 and Local Government (Financial Management) Regulations 1996, Regulation 34;
29. ADOPT Council Policy CP009: *Significant Accounting Policies*;
30. ADOPT the Budget Principles attached;
31. ADOPT the 2013-14 Budget for the City of Greater Geraldton; and
32. NOTE that Council considered all submissions received from electors and ratepayers before adopting the budget for 2013-14.

**In accordance with Section 4.7 of the Meeting Procedures Local Law, Council adopted the following by exception resolution:**

**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 2013-14**

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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;
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15. **ADOPT** the 2013-2014 Schedule of Fees and Charges.

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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 2012-13 and that June 2013 determinations on elected member allowances by the State Salary and Allowances Tribunal will be considered by Council during budget review processes;
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  30. ADOPT the Budget Principles attached;
  31. ADOPT the 2013-14 Budget for the City of Greater Geraldton; and
-

- 32. NOTE that Council considered all submissions received from electors and ratepayers before adopting the budget for 2013-14.**

**CARRIED BY ABSOLUTE MAJORITY 11/1**

**5:50:42 PM**

<b>Mayor Carpenter</b>	<b>YES</b>
<b>Cr. Fiorenza</b>	<b>YES</b>
<b>Cr. Ashplant</b>	<b>YES</b>
<b>Cr. Ramage</b>	<b>N/V</b>
<b>Cr. Brick</b>	<b>YES</b>
<b>Cr. Clune</b>	<b>YES</b>
<b>Cr. Middleton</b>	<b>NO</b>
<b>Cr. Messina</b>	<b>YES</b>
<b>Cr. Thomas</b>	<b>YES</b>
<b>Cr. Bennett</b>	<b>YES</b>
<b>Cr. Hall</b>	<b>YES</b>
<b>Cr. McIlwaine</b>	<b>N/V</b>
<b>Cr. Van Styn</b>	<b>N/V</b>
<b>Cr. Gabelish</b>	<b>YES</b>
<b>Cr. deTrafford</b>	<b>YES</b>

Before the Chairman declared the meeting closed, he acknowledged the passing of Mrs Alisa Small. Alisa was a very well-known local artist in Geraldton. On behalf of the Mayor, Councillors and staff, the Chairman passed on condolences to her family.

**10 CLOSURE**

There being no further business the Chairman closed the Council meeting at 5.51pm.

## **APPENDIX 1 – ATTACHMENTS AND REPORTS TO BE RECEIVED**

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