

MINUTES OF COUNCIL MEETING

Meeting held in the Council Chamber, Civic Centre, 10 Watson Terrace, Mount Gambier
on Wednesday 21 June 2017 at 6.00 p.m.

PRESENT Mayor Andrew Lee
Cr Christian Greco
Cr Mark Lovett
Cr Hanna Persello
Cr Penny Richardson
Cr Ian Von Stanke
Cr Steven Perryman (arrived at 6:01 pm)

COUNCIL OFFICERS Chief Executive Officer - Mr M McShane
General Manager Community Wellbeing - Ms B Cernovskis
General Manager Council Business Services - Mrs P Lee
General Manager City Infrastructure - Mr N Serle
Administration Officer - Executive Support - Ms A Lavia

WE ACKNOWLEDGE THE BOANDIK PEOPLES AS THE TRADITIONAL CUSTODIANS OF THE LAND WHERE WE MEET TODAY. WE RESPECT THEIR SPIRITUAL RELATIONSHIP WITH THE LAND AND RECOGNISE THE DEEP FEELINGS OF ATTACHMENT OUR INDIGENOUS PEOPLES HAVE WITH THIS LAND.

1. APOLOGY(IES)

Apologies received from Cr Des Mutton, Cr Frank Morello, Cr Josh Lynagh and Cr Sonya Mezinec.

That the apologies from Cr Des Mutton, Cr Frank Morello, Cr Sonya Mezinec and Cr Josh Lynagh be received.

Moved: Cr Persello

Seconded: Cr Greco

Carried

Cr Steven Perryman entered the meeting at 6:01 pm

2. DEPUTATIONS

The following members of the community have requested to attend the Meeting of Council to present their submission:

Ms Trudy-Anne Doyle
Mr Mark Jones
Mr Brenton Telford
Mr D M Aston



That the presentation from Mr Mark Jones be incorporated into the minutes of this meeting.

Moved: Cr Perryman

Seconded: Cr Greco

Carried

3. COUNCIL REPORTS

3.1. 2017/2018 Draft Annual Business Plan and Budget – Community Consultation Outcomes - Report No. AR17/22896

REPORT RECOMMENDATION
(a) That Council Report No. AR17/22878 titled '2017/2018 Draft Annual Business Plan and Budget – Community Consultation Outcomes' dated 15 June 2017 with the attached submissions as presented to the Council on 21 June 2017 be noted.

Moved: Mayor Lee

Seconded: Cr Greco

Carried

3.2. 2017/2018 Draft Annual Budget Report - Report No. AR17/23306

REPORT RECOMMENDATION
(a) That Council Report No. AR17/23306 titled '2017/2018 Draft Annual Budget Report' dated 16 June 2017 as presented to the Council on 21 June 2017 be noted.
(b) That Council instructs the Chief Executive Officer to prepare the final Annual Business Plan and Budget for 2017/2018 for presentation, consideration and adoption at the meeting of Council scheduled on 5 July 2017.

Moved: Cr Perryman

Seconded: Cr Greco

Carried

The Mayor sought the approval of at least two-thirds of the members present at the meeting to suspend meeting procedures:

Purpose of the Suspension: Draft Budget Discussions



Carried by over two-thirds of the members present at the meeting.

Meeting Procedures were suspended at 6:40 p.m.

The Mayor determined that the period of suspension should be brought to an end.

Carried by over two-thirds of the members present at the meeting.

The Period of Suspension came to an end and Meeting Procedures resumed at 6:53 p.m.

3.3. Draft 2017/2018 Annual Business Plan and Budget – Updates

(a) That the following items as presented to Councillors be incorporated in the next Draft 2017/2018 Budget for consideration and adoption on the 5 July, 2017:

- (i) \$20,000 for the general sporting facilities for the community at Don McDonnell Reserve.
- (ii) the hard waste initiative as outlined by Trudy-Anne Doyle be referred to the Environmental Sustainability Sub-Committee for investigation and consideration.

for a total adjustment of \$20,000 to Council's operating result in the Draft 2017/2018 Budget.

Moved: Cr Richardson

Seconded: Cr Greco

Carried

Meeting closed at 6:55 pm

AL



2017/18 Budget Submission – Mt Gambier City Council

Prepared by Mark Jones
Wednesday 21st June 2017

Rates increases should be limited to no more than the annual Consumer Price Index (CPI).

To make this a realistic goal there needs to be a focus on cost control and cost recovery.

- a. In regard to cost control, the Council needs to monitor suppliers to ensure their price increases are no more than the CPI. Likewise, contract, salary and wage increments of Council employees should also be limited to no more than the CPI.
- b. There are two cost recovery options which are considered worthy of the Council's consideration.
 - i. The first option relates to the Council's active promotion of tourism. This is a worthy thing to do. Recent examples of ratepayers funds being used for this purpose are \$40 000 given to Tourism Mount Gambier to develop a website (and other things) and \$13 000 to the Creative City program.

The overall level of expenditure on tourism as indicated by the draft 2017/18 Budget shows a net \$1.146 m allocated to the two Tourism budget lines - Development, Events and Promotion and Visitor Services.

There is one clear winner with more tourists visiting the city and that is the accommodation sector. For example, according to media reports, during the Generations in Jazz festival – which the Council was a platinum sponsor - all the available accommodation was utilised within kilometres of Mount Gambier. So in essence, ratepayer funds are being used to boost the profitability of the accommodation providers. This is an observation not based on any negative bias towards this sector but on achieving an equitable outcome for all ratepayers.

This sector should be asked to make a contribution to a tourism fund run by the Council to improve the local tourism industry on an ongoing basis. A straightforward model is one based on the number of beds a motel or hotel has – a bed levy. Properties where rooms are rented via Airbnb and the like should also be included. The levy should not be excessive and it will help to provide an equitable outcome for ratepayers who are not involved with the tourism industry, ie who receive no benefit from it and yet whose rates are contributing to its profitability. The levy could be allocated to the above Tourism budget lines so ratepayer funds can then be re-allocated to other areas of need. And there is no need for a reminder to be given here that the continued

expansion of the local tourism industry aided by a bed levy only means greater profitability for the accommodation sector into the future.

There is a precedent for a bed levy with NSW having one when Bob Carr was premier.

The introduction of a bed levy restores fairness to Council finances and ensures that all ratepayers are the beneficiaries of ratepayer funds invested into local tourism.

- ii. The second option involves the many drainage bores operated by the Council which aid the replenishment of the aquifers.

Each year around 7 b L of water is diverted into the aquifers in Mount Gambier. If all of this water went into the Blue Lake, it would increase its height by about 10 m.

The main beneficiary of this increased volume of sub-surface water is SA Water which is then able to pump it out of the Blue Lake and sell it.

SA Water should be asked to financially contribute to the construction, maintenance and operation of these drainage bores.