

**MINUTES OF CITY OF MOUNT GAMBIER
SPECIAL COUNCIL MEETING
HELD AT THE MAYORAL RECEPTION AREA, CIVIC CENTRE, 10 WATSON TERRACE,
MOUNT GAMBIER
ON TUESDAY, 18 JUNE 2024 AT 5:00 P.M.**

PRESENT: Mayor Lynette Martin (OAM), Cr Frank Morello, Cr Josh Lynagh, Cr Kate Amoroso, Cr Mark Lovett, Cr Max Bruins, Cr Paul Jenner, Cr Sonya Mezinec, Cr Jason Virgo

OFFICERS IN ATTENDANCE:	Chief Executive Officer	- Mrs S Philpott
	General Manager City Infrastructure	- Ms B Cernovskis
	General Manager Corporate and Regulatory Services	- Mrs J Fetherstonhaugh
	Manager Governance and Property	- Mr M McCarthy
	Manager Financial Services	- Mrs J Scoggins
	Media and Communications Coordinator	- Ms S McLean
	Communications Officer	- Ms M Brookes
	CEO and Mayoral Executive Support	- Mrs K Gilmore
	Councillor Support Officer	- Mrs M Telford
	Manager Engineering, Design and Assets	- Mr A Mahmud
	Manager Operations Infrastructure	- Mr K Manarangi
	Manager Waste, ReUse and Environment	- Mr J Martin
	Manager Development Services	- Mrs T Tzioutziouklaris
	Para Planner	- Miss B Shaughnessy
	Strategic Engagement & Development Coordinator	- Mr B Kilsby
	Executive Administrator	- Mrs A Pasquazzi

1 ACKNOWLEDGEMENT OF COUNTRY

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 FIRST NATIONS PEOPLES HAVE WITH THE LAND.

2 APOLOGIES

Nil

3 LEAVE OF ABSENCE

Nil

4 COUNCIL REPORTS

The Mayor sought the approval of at least two-thirds of the members present at the meeting to suspend meeting procedures until 5:55 pm:

Purpose of the Suspension: to discuss the public submissions and allow verbal submissions.

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

Meeting Procedures were suspended at 5:06 pm.



Council received a verbal submission from Graham Walkom at 5:09 pm.

Council received a verbal submission from Vivian Hooper on behalf of Shayne Haggis at 5:15 pm.

Council received a verbal submission from Di Ind, President of the Mount Gambier and District Residents and Ratepayers Association at 5:20 pm.

Questions from the public were asked and answered.

Council received a further verbal submission from Graham Walkom at 5:37 pm.

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

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

The Period of Suspension came to an end and Meeting Procedures resumed at 5:40 pm.

4.1 2024/2025 DRAFT ANNUAL BUSINESS PLAN AND BUDGET - COMMUNITY CONSULTATION FEEDBACK

RESOLUTION 2024/104

Moved: Cr Mark Lovett

Seconded: Cr Josh Lynagh

1. That Council Report No. AR24/38805 titled '2024/2025 Draft Annual Business Plan and Budget - Community Consultation Feedback' as presented on 18 June 2024 be noted.
2. That Council notes the written submissions and questions received on the 2024/2025 Draft Annual Business Plan and Budget.
3. That an additional submission was late, received on 17 June, and has been circulated to members via email for their consideration.
4. That Council thanks the organisations and individuals for their written and verbal submissions as presented at the Special Council meeting on 18 June 2024 and notes:
 - The community interest in Wulanda's borrowings, operating costs and performance, and in addition to the information already provided, will provide a first full financial year report within the first quarter of 24/25 with financial and key performance outcomes.
 - Council further notes, that Wulanda attendances and memberships continue to exceed the targets set, with latest attendance figures of YTD 143,531 (annual target 120,000) and memberships of 1,188 (target 600).
 - The community feedback on rating affordability, hardship and capacity to pay, noting that Council's hardship approach is included within the Rating Policy.
 - Interest in further information on the breakdown of expenditure and notes that an additional functional breakdown will be included in the final version of the Annual Business Plan and Budget.
 - The community interest in Council's general operations, communication and transparency and notes that while much of the information requested is in the public arena, it can be difficult to navigate.



- The importance of waste management in the context both of Council’s future master planning, waste service planning but also sound environmental management in line with State Government requirements.
 - The importance of effective asset maintenance and careful management of depreciation, and further notes that there has been a significant effort on the conduct of independent valuations, useful lives and condition assessment for Council’s major asset classes.
 - The interest in how the various strategic documents fit together, and how Council reports against performance, noting that a more comprehensive explanation will be provided in the final version of the Annual Business Plan and Budget.
 - Further consideration to all feedback will be given at a workshop prior to the adoption of the final budget.
5. That the Chief Executive Officer be authorised to make minor textual changes to the 2024/2025 Draft Annual Business Plan and Budget to correct typos and errors of fact and to update the Mayoral Message if required in consultation with the Mayor.
- CARRIED**

Cr Mark Lovett left the meeting at 5:48 pm

Cr Mark Lovett returned to the meeting at 5:55 pm

Cr Mark Lovett left the meeting at 5:55 pm

Cr Mark Lovett returned to the meeting at 5:56 pm

5 MEETING CLOSE

The Meeting closed at 6:00 pm.

The minutes of this meeting were confirmed at the Ordinary Meeting of the City of Mount Gambier held on 18 June 2024.

.....
PRESIDING MEMBER



Verbal Submission from Graham Walkom

WALKOM - deposition to S.C,M. 18 June 2024

Mayor Martin, councillors and staff,

Executive Summary of my ABP and LTFP submission, May/June 2024

I absolutely appreciate the time you are putting into this council over these very difficult few years.

I do not soft soap my points and I will not start with these comments.

I have put to you a very detailed draft audit submission which you may or may not have considered. It is a very special councillor or manager who can constructively and objectively receive such input from those outside the organisation when substantial internal decisions have already been developed, The usual response is to "Shoot the Messenger" by whatever means can be mustered.

I hope you are reasoning what adjustments can be made to reduce rates back to the 6.2% you unequivocally promised. If you ask if I can see any minor changes for further efficiencies, I must answer no...not minor. but very significant ones.

Rivers of Gold in fact.

Missing from both the projects and services lists of the draft ABP is any justification - no R.O.I no payback period no assessed value to city, environment or people. All items lack a mini E.I.S. assessment if you like...

There are...

54 OpEx Projects for \$12.175m from total outgo of \$49.8m

60 Services uncosted and undefined, unjustified in any way. Just rolled-up headings.

70 CapEx Projects for \$11.275m - from \$49.8m

Justification is fundamental to ratepayer understanding and your own decision making. Your own staff are working in the dark without it - they are guessing, 151 staff costing \$16.3m without good guidance?

Other fundamentals needed to make decisions but also missing are

Q&A #5 not answered A value for money measure to confirm value to council and ratepayers across all three E.I.S. categories.(Social Environment and Economic)

Q&A #24, 25, 26, 27 no relevant response Periodic independent Services Reviews, both High End and Detailed. Indications are that we (C.o.M.G.) have Never had a total products and services review to check if we should keep doing the same; or if a service is provided well; and who benefits today - all ratepayers, some, few or none? Such reviews should not be done piecemeal as proposed in the ABP.

Most unfortunately your consultation program does not allow time for full and objective ratepayer input, council consideration and adjustment to the ABP. I am disappointed in that and hope you are too.



If I look at this ABP from another angle... assess the Goals, Objectives and KPI's against the universally used S.M.A.R.T. (Specific, Measurable, Achievable, Relevant and Time bound requirements) to ensure product and services targets are objective and not subjective (emotion based) there are 61 Subjective and 4 Objective tasks in the draft Annual Business Plan 2024/25

Such a dreadful ratio combined with a lack of a current strategic plan guarantees poor project, product and service outcomes...ratepayers do not believe you when you say we are getting good value. Where is the "lessons learnt" Report on Wulanda

Last year's promise to cap rate increase at 6.2%p.a. for three years was a serious lift in rates that many in this low socio-economic area could not afford without significant life changes to family outgo. They made those adjustments and paid their rates. And now you demand much more. Ratepayer's took your promise seriously, you did not. The Sheriff of Nottingham would be proud.

Q&A #41 Further, and very seriously, council made those promises knowing full well the need to meet the L.G.F.A. loan conditions of early payback and favourable financial ratios by 2027 but disregarded them last year. Again in this current 2024/25 ABP, there is no mention of these draconian finance conditions which effectively mean the L.G.F.A. is telling council what it can and cannot do.

If council really believes that it has to gain extra income via rates, why not impose a Wulanda levy for 2-3 years? Please do not lock in your proposed 18% base rate lift 24/25 + 25/26 permanently.

N.B. The references to the Financial Ratios targets are, throughout the ABP and answers to questions about it, always qualifying that they are targets and NOT mandatory, and this seems to be repeatedly disregarded by council.

I have drafted a motion that directs the CEO to stick to your 6.2% x 3years promise. I hope you as an oath bound councillor can see council has not got it right this time and make that very achievable adjustment.

The ABP omitted the reason why council is pursuing the quick loan repayments that are causing the cashflow and financial ratios issues: this is a very serious omission in the context of the ABP.

The L.G.F.A. seems to now have significant control of council - the tail wagging the dog.

"The C.E.O. is directed to adjust the draft 2024/25 Annual Business Plan and Budget to limit the rise in rates to the promised 6.2% cap made in the 2023/24 Annual Business Plan and Budget and similarly to year 2025/26 in the Draft 2025-2034 Long Term Financial Plan"



The current situation is yours to correct. Now. Not after ESCOSA whacks us with an adverse report and we forever are seen as bad credit risks. We have already ventured solidly into the areas ESCOSA is concerned about. According to their most recent report viz.

ESCOSA current focus (from their website report of the most recent 17 councils reviewed)

Fourth, future rate expectations need to take account of ratepayer affordability and minimise the impact on the community where possible, particularly where the current economic climate is putting more pressure on many communities' capacity to pay for further rate increases. It is prudent for councils to constantly review their internal costs with a view to finding efficiencies and savings to keep rates as low and affordable as possible over the long term, while demonstrating a commitment and ability to meet community needs and value. Again, while some councils have demonstrated good practices in this regard, it may be of value for the sector as a whole to focus on this area going forward.

Finally, the Commission further observed emerging risks across the sector that require further consideration. These include *(and reinforce many of my audit items)*

- Poorly drafted long-term financial plans, with little detail around the assumptions underlying the figures presented therein.
- Asset management plans either out of date or not regularly reviewed, causing uncertainty in the condition and useful lives of assets.
- Assets not revalued regularly or within the Commission's recommended timeframe (no later than every four years).
- Underspending on asset renewals leading to increased costs for future renewals, repairs and maintenance of assets (as they deteriorate more rapidly if not properly upkept).
- Over-estimated inflation forecasts which are not in line with the RBA-Based inflation figures, potentially leading to greater rate rise forecasts in the council's long-term financial plan.
- Unrealistic, under-estimated (based on historical experience), unjustified or optimistic forecast of expense growth, which may be difficult to realise in the current macro-economic environment.

Wow, does that look like The City of Mount Gambier or does it look like, well, The City of Mount Gambier?

Cllr Obligations to ratepayers.

59 – Roles of members of councils

Members of council – Chapter 5 Role of members – Part 3



- (x) to serve the overall public interest; and
- (b) as a person elected to the council—to represent the interests of residents and ratepayers of the council, to provide community leadership and guidance, and to facilitate communication between the community and the council.

Value for Money Measure Explained

value for money is not simply about minimising cost. To use the UK National Audit Office's definition: "Good value for money is the optimal use of resources to achieve the intended outcomes" where 'optimal' means "the most desirable possible given expressed or implied restrictions or constraints".

Value for Money challenges in public sector

Defining and measuring value for money is fraught with various challenges in the public sector such as.

- *The public good problem - not always easy to value a public good, because money (cost) is not the only measure.*
- *Cost accounting - how do you do cost accounting in the public sector?*
- *Multiple stakeholders with different and unclear expectations complicate the measurement of value for money.*

Essential: Start with a simple Strategic Plan

Social C value Rate and weight a task or project

Economic - \$ value Rate and weight a task or project e.g. energy study

Environmental G value Rate and weight a task or plan



S.M.A.R.T. explained

Without concrete goals, you are essentially shooting in the dark trying to improve. S.M.A.R.T. goals are useful because they contain five aspects that help you focus and reevaluate goals as needed. This framework can be helpful for any team trying to practice effective project management. The five aspects of S.M.A.R.T. goals are that they are specific, measurable, achievable, relevant and time-bound. We explore what S.M.A.R.T. goals are and how they can help your team.

S.M.A.R.T. Goals Defined

A S.M.A.R.T. goal is defined by its five key aspects or elements. Without all aspects, you might be goal setting but not effectively creating a plan for success. Let's look at the five elements of S.M.A.R.T. goals.

Specific

Specific goals have a desired outcome that is clearly understood. This might be a sales number or a product rollout goal. No matter what it is, the goal should be clearly articulated so that everyone is on the same page with the objective. Define what will be accomplished and the actions to be taken to accomplish the goal.

Measurable

These are the numbers used with the goal. You need to have a quantifiable objective so that you can track progress. Define what data will be used to measure the goal and set a method for collection.

Achievable

Goals need to be realistic to maintain the enthusiasm to try to achieve them. Setting lofty goals is good, but you may want to break them down into smaller, bite-sized chunks. If the goal is not doable, you may need to first ramp up resources to give yourself a shot at success. Ramping up resources would likely be its own S.M.A.R.T. goal.

Relevant

Goals should be aligned with the mission of the company. Don't set goals just as an exercise for something to do. One way to determine if the goal is relevant is to define the key benefit to the organization.

Time-Bound

Goals should have a deadline. A goal without a deadline doesn't do much. How can you identify success or failure? This is why S.M.A.R.T. goals set a final date. This doesn't mean that all the work is done, but it means that you can evaluate the success of the endeavor and set new goals.

Verbal Submission from Vivian Hooper on behalf of Shayne Haggis

UNOFFICIAL

Dear Council Members,

I am making this submission to express my opposition to the substantial rate rise proposed by the council. My concern lies in the deviation from the core responsibilities of council and instead towards what seems to be an expansion into welfare type services, reminiscent of a third tier of government. This trend, worsening over the decades, is now exacerbated by economic uncertainties and the erosion of the middle class, leading to an unsustainable reliance on government services.

Working-class families attempting to chase the ever-increasing dream of home ownership are being pressured by high interest rates, increasing inflation and taxation, including council rates. The proportion of household incomes dedicated to homeownership maintenance has surpassed wage growth, reflecting both governmental fiscal carelessness and overspending. This ongoing cycle of funding populist projects and services, coupled with an inefficient and costly bureaucracy, unfairly burdens ratepayers.

I advocate that the responsible thing to do is live within our means and work to align community expectations with the finite resources of ratepayers. Rather than resorting to significant rate hikes to finance expansive infrastructure projects and welfare programs, the council should prioritize efficiency and cost reduction especially during these times of economic uncertainty.

Regarding the rationale put forward of aligning our rates with other councils', it is important to consider the unique character of our town and how our vision is to be an affordable place to live. Our affordability, including housing costs, has traditionally been a distinguishing feature that has attracted people to our region. It would be detrimental to relinquish this advantage by substantially increasing rates, potentially signalling a lack of distinctiveness in our council's leadership.

While acknowledging the impact of COVID-19 on expenses, it's essential that the council commits to dissecting the underlying causes. It has been soundly argued that the financial burden stems not from the virus itself but from governmental responses. I urge the council to reflect on lessons learned from these responses to ensure prudent financial management in the future.

The ballooning bureaucracy, consuming over half of ratepayers' charges, demands scrutiny. What value for money do ratepayers receive from this sizable workforce? Are efficiency and user experience actively measured and improved?

Moreover, questions arise from the Annual Business Plan and Budget, indicating potential oversights and inefficiencies in project allocations. Transparency and accountability are paramount, especially concerning project costs and grant assumptions. I would be interested in understanding what measures are being implemented out of the budget to improve these areas? Does the \$80,000 for AV systems for council chambers provide the capacity for the livestreaming of council meetings? Does the allocation of \$60,000 for IT allow for the collection of customer feedback when accessing a service?

In summary, proposing a substantial rate rise amidst financial hardships necessitates a reassessment of priorities. Fiscal restraint and a focus on core responsibilities are imperative. Streamlining bureaucracy and fostering a conducive environment for community initiatives can achieve desired outcomes without overburdening ratepayers.

Thank you for considering my submission.

Yours Sincerely

UNOFFICIAL



Verbal Submission from the Mount Gambier Residents and Ratepayers Association

BRIEF FOR PRESENTATION TO COUNCIL ON 17 06 24 5.25pm

On behalf of the MGDRRA I would like to publicly thank the Council for this forum today and thank everyone who is present. We have already acknowledged and recognised the complexity of the issues and commend the staff in attempting to balance competing issues of the budget versus community expectations from their perspectives.

We also note and acknowledge the incredible amount of time & effort that Graham Walkolm has spent in putting in his submission. He has raised many complex issues in relation to the Budget and process. He is obviously far more experienced than myself in these matters. Thank you Graham.

I would like to set the stage for a more global response on behalf of the Association (reflecting the widespread community concern that has been communicated to us over many months)

Our Facebook stats that indicated approx 10,000 reach and engagements in 48 hours when we posted about the proposed draft business plan and budget for 2024/25. There were 3 core issues which were repeated themes which indicated to us about this document felt by members of the community.

1. TRUST
2. COMMUNICATION
3. OPEN AND TRANSPERANT GOVERNMENT

1. TRUST

Wulanda.

The community has expressed grave concerns about the impact of Wulanda on the financial stability of COMG for many years. Council has repeatedly stated that the building of Wulanda would not impact on rates. This would appear to be untrue in the communities eyes. Council has made many promises about maintaining rate increases, yet has broken them with abandon.

a. Mandate

Although the Council has repeated on many occasions that it had a mandate from the community to build Wulanda, the fact of the matter is that the initial advertised cost to the community was approx 9 million. The actual cost to the community was over 40 million.



It is a widely held belief in the community that the impact of this massive loan was hidden by confidentiality provisions applied by Council, and would not have garnered support from the community if the ever escalating cost were disclosed prior to the "breaking of soil".

This has formed a basis of mistrust.

It is inconceivable that the Council plan to pay down over 30 million dollars in loans over 2 years would not have an impact on rates and services. This does not take into account the operating losses, the interest payments or the depreciation on the facility which will further strain the operating budget.

It is our belief that the Wulanda debt and the upcoming ECOSA review is a significant contributory factor in the rate rises and construction of this budget.

Wulanda is built! There is no going back! Many financial decisions were done in secret. The massive debt must be shouldered by the community. The community has a right to know and understand the exact implications of this, the build, the cost shifting, the ongoing running expenses etc. Unfortunately a large part of the community has misgivings about the timeliness and information released by Council to date, and we would encourage the Council to engage an independent auditor to review the figures so that the community can understand the problem and how we need to deal with it. This will go a long way to restoring the trust in Council by the community.

We are also of the opinion that we must live within our means and all discretionary spending should be deferred until we are in a better financial position, rather than just impose a massive rate increase. One example would be the Beacon Art Project.

2. COMMUNICATION

We have stated that in our submission that communication with the community was an issue in this public consultation.

This concern was only partially addressed in the written answers.

We indeed did raise the issue of lack of clarity in the Have your Say page and this was addressed, but it was only a part of our concerns about the process that was undertaken by Council.



The process is flawed in that by Council only responding in writing as part of the agenda for this meeting it does not allow for clarification of issues/questions/responses by the author of the questions until this meeting, and then only for a very limited time and restricted to those who requested to make a submission. The mere timing of the meeting at 5 pm severely limits the members of the community who can attend.

We do not wish to labour the point but we find the process undertaken wanting and flawed. Our recommendation to Council is that this process needs to be reviewed and changes made. It is important that the community is "taken on the journey" so that there is broad understanding of the financial situation that the Council finds itself in and why they need to undertake measures to correct it. This would be a major step forward in eliminating community angst.

3. OPEN AND TRANSPERANT COUNCIL

The Association notes that we have raised this issue on multiple occasions.

We note that Council has conducted multiple information and briefing sessions in developing their plan.

In general we have raised the issue of lack of documents associated with these sessions being available to the public who attend these sessions so they can follow the discussions and arguments in the chamber.

This idea has been rebuffed on many occasions. This along, with lack of minutes with any detail, contributes to the community disquiet about the Council and its obligations for open and transparent local government.

We submit that it is totally within legislation (Council directed meeting procedures) to make the provision of these documents and to increase the detail of the minutes. To use the excuse that "we don't have to by Law" is arrogant and bullish. Just because you don't HAVE to is no justification as to why you shouldn't!

Once again, we wish to reiterate that the community needs to be taken along the journey with ready access to information and understanding of the issues which inform the decisions made. The community need to be part of the journey, not the victims of the journey

We also note previous motions at Council where there were attempts to increase the openness and transparency of Council which were defeated. We find this disturbing to say the least.

