

CITY OF JOONDALUP

MINUTES OF SPECIAL ELECTORS MEETING HELD IN COUNCIL CHAMBER, JOONDALUP CIVIC CENTRE BUILDING, BOAS AVENUE, JOONDALUP, ON MONDAY, 20 NOVEMBER 2000

ATTENDANCES

Mayor:

J BOMBAK, JP

Elected Members:

| | | |
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| CR P KADAK | Lakeside Ward | |
| Cr D S CARLOS | Marina Ward | <i>from 1915 hrs</i> |
| Cr S P MAGYAR | Marina Ward | |
| Cr A T NIXON | North Coastal Ward | |
| Cr J F HOLLYWOOD, JP | North Coastal Ward | |
| Cr P ROWLANDS | Pinnaroo Ward | <i>from 1945 hrs</i> |
| Cr T BARNETT | South Ward | |
| Cr A W WIGHT, JP | South Ward | |
| Cr A L PATTERSON | South Coastal Ward | |
| Cr G KENWORTHY | South Coastal Ward | |
| Cr J A HURST | Whitfords Ward | <i>absent from 1950 hrs to 1957 hrs</i> |
| Cr C MACKINTOSH | Whitfords Ward | |

Officers:

| | |
|--|----------------|
| Chief Executive Officer: | L O DELAHAUNTY |
| Director, Resource Management: | J TURKINGTON |
| Director, Planning & Development: | C HIGHAM |
| Director, Infrastructure Management: | D DJULBIC |
| Director, Community Development: | C HALL |
| Executive Manager, Strategic Planning: | R FISCHER |
| Manager, Council Support Services: | M SMITH |
| Manager, Leisure & Ranger Services: | M STANTON |
| Acting Committee Clerk: | L TAYLOR |

APOLOGIES

- Apologies - Cr Ewen-Chappell
- Mrs S Findlay, community member
- Mr B Welch, community member

Late Apology – Cr P Rowlands

There were 13 Electors (six of whom signed the attendance record) in attendance.

The Mayor declared the meeting open at 1903 hrs.

ITEM OF BUSINESS

The Mayor opened the meeting and welcomed members of the public and advised the Special Electors meeting was called as a result of a request from Crs Magyar, Hollywood, Carlos, Walker and Nixon.

PURPOSE OF MEETING

This meeting has been called in accordance with the provisions of Section 5.28 1 (b) of the Local Government Act 1995 to discuss the future directions of the management of the City of Joondalup's leisure services and to review reports CJ252-07/99 and CJ290-10/00.

This meeting has been advertised in The West Australian on Monday 6 November 2000

Mr Mark Stanton, Manager Leisure and Ranger Services, gave a presentation and overview in relation to the management of leisure services within the City of Joondalup and outlined the various scenarios that have been adopted by the City for the future directions of leisure services.

PUBLIC QUESTION TIME/MOTIONS

Mr N Gannon, Sorrento:

Q1 Does Council support local industry?

A1 Yes, all the City's dealings wherever possible are conducted with local business.

Q2 Why was this meeting only advertised in the West Australian newspaper, and not the local newspapers?

A2 An advertisement was placed in the West Australian due to the time factor involved, and I believe an editorial appeared in a recent edition of the Wanneroo Times.

- *Mr Gannon advised this was incorrect. The first notification many people received of this meeting was in their local recreation centres, when a notice was circulated to inform users of those centres.*

Director Community Development advised the advertisement was placed in the West Australian newspaper on the 6 November 2000 due to timing. Also an editorial article appeared in the local community newspaper last week advertising this evening's meeting.

Cr Carlos entered the Chamber at 1915 hrs.

Mr John Stephens, Sorrento

Mr Stephens stated he was a user of the Sorrento/Dun Craig Recreation Centre and expressed the view the centre was very well run.

Mr Stephens referred to possible projected savings referred to in the report amounting to \$2.5 million over the next 10 years. He questioned how the figures could be extrapolated out over the next 10 years to reflect a saving.

Mr Stephens advised he was against the outsourcing of the leisure centres and stated he had written to his local member of parliament in this regard.

He stated he was not convinced in regards to this whole issue, and remains unconvinced at this stage.

Mr V Harman, Ocean Reef:

Q1 One of the lines in the presentation stated “equity, efficiency and effectiveness”. Is not the most efficient and effective way for a Council to control the leisure centres is to be in ownership or control of those centres? I believe elected members have a duty to the community to see that control is undertaken by the City itself and is not put out to tender to an organisation, that basically Council would have no control over.

A1 Manager, Leisure and Ranger Services advised there were a range of management models available for managing leisure facilities. The model being proposed for the operational management and lease of the leisure centres is that the control Mr Harman is referring to is put in place via the lease conditions to ensure that there is effective control of the outcomes of the operations of the leisure centres.

Q2 Where will the answers to the questions that have been raised this evening appear?

A2 Chief Executive Officer advised this evening’s meeting was being recorded and stated it was a requirement of the Local Government Act that the minutes go forward to the next Council meeting where practicable for consideration.

Mr R De Gruchy, Sorrento:

Mr De Gruchy expressed his disappointment that this evening’s meeting was held in the Council Chamber and not at the Craigie Leisure Centre as he had anticipated it might be, and believed this was attributable to the small number of residents in attendance. He assumed residents would be addressing a group of people who were concerned about the privatisation of the leisure centres.

He raised concerns in relation to the lack of advertising of the Special Electors meeting.

Mr De Gruchy referred to Item CJ290-10/00 and believed the report focused primarily on financial aspects of the three leisure centres, ignoring the community and social aspects of the centres.

Mr De Gruchy referred to an analysis he had made of the financial aspect of the report and advised he had received support from the administration in an effort to better understand the issues involved.

He raised concerns in relation to the following issues:

- increase in expenditure for the Sorrento/Duncraig Recreation Centre, Ocean Ridge Leisure Centre and Craigie Leisure Centre;
- expenditure by RANS for improvements to the Craigie Leisure Centre;
- comparisons between RANS and City of Joondalup in relation to subsidies for juniors;
- additional costs sought by RANS from City of Joondalup;

- redundancy payments;
- increase in gymnasium fees;
- rental income from RANS

Director Community Development advised the expenditure increases relating to Sorrento/Duncraig and Ocean Ridge recreation centres as explained to Mr De Gruchy are due to a change in the treatment of overhead and corporate costs for these two centres which had previously been shown correctly for Craigie Leisure Centre, but in the particular years referred to were not shown to be treated correctly in accounting terms, necessitating adjustments to be made which accounted for the increases in expenditure.

In relation to the capital contribution by RANS of \$1.18 million, it was stated clearly in Report CJ290-10/00, page 30 as follows:

“RANS proposes to commit \$1.18 million inclusive of interest charges towards an extension of the gym and a soft toy play area”

In relation to the timing of this capital expenditure on the building as commented on in the report this evening, in exchange for phasing in of fees and charges, a guarantee arrangement has been locked in with RANS to introduce capital expenditure on the buildings to coincide with the phasing in and timing of those fees and charges.

Director, Community Development advised he was not clear on Mr De Gruchy’s comment in relation to additional costs sought by RANS. This may be in reference to a question asked at the last Council meeting in relation to the cost to Council of managing the lease and management arrangement with RANS. As previously indicated, this will be a cost, expected to be borne within current expenditure, but exact levels of that expenditure are unknown at this stage.

With regard to redundancy payments, there has been an amount of \$340,000 included in this year’s financial budget. This sum of money and the capital contribution by RANS were not taken into consideration in the market testing that was undertaken by Mr Casserly on behalf of the City to ensure that true comparisons were made.

In relation to increased fees, it is understood that the discounted gym fee referred to by Mr De Gruchy of \$401 was as a result of a special promotion. The proposal before Council for consideration is for a phasing in of fees. Presently fees will remain the same, with a phasing in of fees over a period of 18 months, in effect 24 months until such time as the fees meet market rates.

Manager, Leisure and Rangers Services referred to subsidies in relation to junior groups and advised it had been a policy of Council for many years not to charge junior community based sporting and recreation groups for the use of both the Sorrento/Duncraig Leisure Centre and Ocean Ridge Leisure Centre.

In the past, subsidies for junior fees have been transferred as income to the leisure centres on an on-going basis. This process forms part of the lease conditions to ensure that this is a clear and transparent process to ensure proper funds were accounted for.

Director Community Development reiterated the presentations given to elected members both at the Briefing Session and at the Council meeting by Mr Casserly clearly indicated the \$1.18 million included interest charges.

With regard to fees and charges, (in relation to the Craigie Leisure Centre only) would be introduced on 1 March 2002 to conform with the fees and charges submitted by RANS in its tender and any further increases would then come in for Sorrento/Duncraig and Ocean Ridge leisure centres by a maximum of 5% in accordance with the lease specification and tender submission. It is also important to realise that the agreement to introduce the higher fees and charges on 1 March 2002 is subject to the capital works being undertaken by RANS on the buildings.

Director Community Development advised it would be proposed to have the normal adjustment to fees and charges across all centres as per normal Council practice on 1 July 2001. Therefore the increase in fees and charges at March 2002 clearly needs to take into account the graduated increase at that time.

Mrs Cherie Wood, Craigie:

Mrs Wood referred to the fact that on calculations given, it equated to \$4.00 per year for each ratepayer to subsidise the leisure centre and felt this was not a large amount. She stated Craigie Leisure Centre was well utilised by a large number of groups.

She made reference to possible extensions to the gym area, as well as extensions to the skateboarding facility.

Cr Rowlands entered the Chamber at 1945 hrs.

Mrs Wood queried why the budgeted loss of \$200,000 was not mentioned.

She advised she lived in close proximity to the Craigie Leisure Centre and stated there had been no questionnaires distributed in her area to ascertain the thoughts/wishes of the nearby residents. Mrs Wood believed a questionnaire should be issued with rate notices next year canvassing the opinions of ratepayers.

Cr Hurst left the Chamber at 1950 hrs.

Director Community Development advised it was important to realise the issues relating to the skateboard facility and the establishment of further skateboard facilities throughout the City are currently the subject of a community consultation process. He advised it was critical for consultation to take place with residents living in close proximity to the Craigie Leisure Centre.

Mr V Harman, Ocean Reef:

Q1 Would the cost to the City to function all of the leisure centres for the current year be available?

A1 The total expenditure in 1999/2000 was \$3.7 million across the three centres. The figure of \$819,601 referred to by Mr Stanton is the deficit for the operation of the three centres.

Q2 How many cents does this represent on the rates?

A2 This question will be taken on notice.

Mr N Gannon, Sorrento:

Mr Gannon gave a brief history in relation to the creation recreation centres, by stating that in 1974 the then Shire of Wanneroo engaged the services of Professor Martin Web to investigate the setting up of “mini” Councils throughout the Shire of Wanneroo.

It was the suggestion of Professor Web that a mini Council be established in the various local regions. These became the recreation centres, which were run and controlled by the local community without remuneration.

Cr Hurst entered the Chamber at 1957 hrs.

Mrs Sandra Mata, Duncraig:

Mrs Mata advised she taught at Sorrento/Duncraig Recreation Centre and that her classes were attended by a number of elderly citizens, who enjoyed the atmosphere of the centre and the affordability it provided.

Mrs Mata requested that Council make a commitment this evening that prices will not increase.

She stated her classes ran for a period of eight weeks at a time, at a cost of \$45.00. Mrs Mata was of the opinion that this was affordable for many people, and felt she made a significant and sustainable difference to the quality of life of people attending her classes.

Mrs Mata urged elected members not to go ahead with the outsourcing of the Craigie Leisure Centre.

MOVED Mr R De Gruchy, SECONDED Mr V Harman that Council DEFERS any final decision on accepting the RANS tender and:

- (a) re-examines the financial aspects involved;
- (b) gives more consideration to the fact that the three centres are community facilities and should not necessarily be regarded as a commercial enterprise.

The Motion was Put and

CARRIED

CLOSE OF BUSINESS

The Mayor thanked the members of the public for their attendance and stated that the motions moved would be taken into consideration by elected members.

There being no further business, the Mayor declared the meeting closed at 2005 hrs.