

4.3: 2011-12 BUDGET ADOPTION**ALTERNATE MOTION BY COUNCILLOR D BOSTOCK**

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**ITEM 4.3: ALTERNATE MOTION BY COUNCILLOR D BOSTOCK
ABSOLUTE MAJORITY**

THAT prior to the adoption of the budget for financial year 2011-2012, Council DIRECTS the CEO to adopt the following:

- 1. Total salary cost for the year will be maintained at the same level as 2010-11, plus CPI.**
- 2. Salary increases, incurred as a result of negotiations, in excess of CPI will be matched by an equal reduction in the number of staff so that total salary levels will not be increased. Any reduction in expenditure in order to achieve these savings will be decided by the CEO, with the following proviso: Reduction in services will not be made at the expense of core City Activities, including roads, footpaths, drainage, ALAC or the library, without the specific approval of Council.**
- 3. Contracts for new Staff will not include the provision of any vehicle for private use without the specific approval of Council.**
- 4. Current Staff whose contract does not include private use of a vehicle will not be entitled to such use without specific approval of Council.**
- 5. The CEO will not appoint additional members of Staff, other than those required to fill existing positions which become vacant, without the specific approval of Council.**
- 6. No outside consultants will be appointed without specific approval of Council.**

Councillor's Reason:

We will not be able to support continued increases of rates above CPI indefinitely without incurring the wrath of our constituents. Indeed we should not do so, particularly when times are difficult and may deteriorate further. It is our role and duty to ensure that ratepayer funds are spend efficiently and that the burden of debt is reduced substantially, which will necessitate careful control over expenditure for the foreseeable future.

Officers Report (F James)

Section 2.7 (2) (a) of the Local Government Act 1995 (the Act) refers to the role of Council:

2.7. Role of council

(1) *The council —*

(a) **governs** *the local government's affairs; and*

CORPORATE SERVICES REPORTS

(b) *is responsible for the performance of the local government's functions.*

(2) *Without limiting subsection (1), the council is to (a) **oversee** the allocation of the local government's finances and resources*

Section 5.41(d) of the Local Government Act 1995 the functions of the CEO include:

- **manage** the day to day operations of the local government (management being separate to governance).
- be responsible for the employment, management supervision, direction and dismissal of other employees

A resolution that seeks to usurp the functions of the CEO would be contrary to legislation. Further, given Council is a governance body it, nor its individual members, are sufficiently "close" to the day to day operations of the City to fully appreciate the staffing and associated resource needs of "running the business" of the City.

Consistent with the CEO's legislative functions, the CEO has advised Council over several budget workshops of the staffing levels required for the day to day operations of the City, and the potential occupational health and safety problems that may arise if staffing is not of an adequate level to perform current City services and functions.

Should Council choose not to allocate an adequate budget amount for provision of those services and functions, Council must also resolve what priority services and functions it will provide, and what services and functions it will limit the provision of, or cease to provide. The Councillor's proposed motion intimates that the City has "core activities"; however, Council as a whole has not made any such resolution on what those activities are. For example, the Councillor makes no mention of the Vancouver Arts Centre, the City of Albany Daycare Centre, the City's Regional Airport, the City's responsibilities in respect of fire safety and local law enforcement, the City's obligations under Town Planning legislation, the maintenance and improvement of reserves, support of Community organisations, or the various Civic and Community functions and events the City supports, and so it is unclear if all or any of those services and functions would be considered "non-core" by the Councillor.

It is not operationally feasible, nor in line with societal occupational and health safety expectations, to expect a significant reduction in staffing numbers while at the same time not expecting any reduction in services or function.

Council has also been advised of the existing impact and potential impact of Collective Bargaining Agreement negotiations.

Council has already endorsed two Collective Bargaining Agreements that provide salary increases greater than CPI. The negotiation for one Agreement remains outstanding, which impacts 65% of the City's employees.

Considerable negotiation has occurred between the CEO and the Staff's Consultative Committee over the past five months to ensure the staff are fairly recompensed (compared to market rates) for their employment, while ensuring value for rate-payer funds. The CEO, on behalf of the City and Council, and employees have held those negotiations in the spirit of respect and fairness. For Council to resolve any decision that would make those negotiations now farcical would be contrary to all good employment practices, and seriously impact the reputation of the City. If such resolution was to be made, Council can expect significant backlash from employees, similar to that experienced by the City at the beginning of this year.

Under the draft budget, the City's proposed operating employee costs is in line with the Australian Bureau of Statistics, Government Finance Statistics, Western Australia Local General Government

CORPORATE SERVICES REPORTS

Operating Statement 2009-10 benchmark of 38%. The City's proposed operating employee costs as a percentage of Gross Operating Expenses are 38%.

The City routinely engages consultants or contractors where it does not have the internal expertise, or capacity to perform its functions. This includes routine engagement of civil engineering skills. To limit the capacity of the CEO to appropriately appoint such entities within allocated budgets will significantly impact the efficacy of the operations of the City.

The CEO is in the process of reviewing motor vehicle use across the City, both generally and personal employee-use. A revised policy on motor vehicle use will be developed in the near future, once further analysis has been undertaken, and legal advice received on employment law contract terms and employee policies that the City has previously committed to.

Good employment practices, including remuneration negotiations, commonly involve appropriate use by employees of employer-owned vehicles. To limit the CEO's capacity to fully negotiate and utilise that advantage (without additional cost to the City).would be detrimental to the City, and some employees