

SHIRE OF NUNGARIN



ORDINARY MEETING MINUTES

21st August 2019

Shire of Nungarin

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Ordinary Council Meeting Minutes 21 August 2019

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SHIRE OF NUNGARIN

Council Meeting Agenda

21 August 2019

1. DECLARATION OF OFFICIAL OPENING

At 3:00pm, the Shire President declared the meeting open and the Affirmation of Civic Duty and Responsibility was read aloud by Cr Coumbe. The Shire President also made acknowledgement of the Traditional Custodians of the land.

2. RECORDING OF ATTENDANCE, APOLOGIES & LEAVES OF ABSENCE

2.1 ATTENDANCE

Shire President	Cr RE O'Connell
Deputy Shire President	Cr G Coumbe
Elected Member	Cr B Palmer
Elected Member	Cr K Dayman
Elected Member	Cr P de Lacy

Chief Executive Officer	Mr A Majid
Manager Works and Services	Mr A Richardson

2.2 APOLOGIES

Elected Member	Cr J Davis
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2.3 LEAVES OF ABSENCE

Nil

2.4 NEW REQUESTS FOR LEAVES OF ABSENCE

Nil

3. DELEGATIONS & PETITIONS

Nil

3.1 DELEGATIONS

Nil

3.2 PETITIONS

Nil

4. PUBLIC QUESTION TIME

Rules for Council Meeting Public Question Time

- (a) *Public Question Time provides the public with an opportunity to put questions to the Council. Questions should only relate to the business of the Council and should not be a statement or personal opinion.*
- (b) *During the Council meeting, after Public Question Time no member of the public may interrupt the meeting's proceedings or enter into conversation.*
- (c) *Whenever possible, questions should be submitted in writing at least 48 hours prior to the start of the meeting.*
- (d) *All questions should be directed to the President and only questions relating to matters affecting Council may be answered at an Ordinary meeting, and at a Special meeting only questions that relate to the purpose of the meeting may be answered. Questions may be taken on notice and responded to after the meeting, at the discretion of the President.*
- (e) *The person presiding will control Public Question Time and ensure that each person wishing to ask a question should state his or her name and address before asking the question. If the question relates to an item on the agenda, the item number should also be stated. In general, persons seeking to ask a question will be given 2 minutes within which to address their question to the Council. The person presiding may shorten or lengthen this time in their discretion.*

4.1 RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE

Nil

4.2 QUESTIONS FROM MEMBERS OF THE PUBLIC

Nil

5. DECLARATIONS OF INTEREST

5.1 FINANCIAL & PROXIMITY INTERESTS

Cr Palmer declared a Financial Interest in Item 8.5.2 – Fees and Charges 2019/20 as she has a lease and pays rent as a tenant of a Shire owned aged pensioner unit.

5.2 DISCLOSURES OF INTEREST THAT MAY CAUSE A CONFLICT

Nil

6. ANNOUNCEMENTS BY THE PRESIDING MEMBER (WITHOUT DISCUSSION)

Written announcements by the Presiding Member or important forthcoming functions to be tabled at this point. The Presiding Member may, at their discretion, wish to make verbal announcements.

OFFICER RECOMMENDATION/S – ITEM NO 6

That the President's report be received.

COUNCIL DECISION – 6238

Moved: Cr Palmer, Seconded: Cr de Lacy

That the President's report be received.

CARRIED: 5/0

7. CONFIRMATION OF COUNCIL MINUTES AND RECEIVING OF MINUTES

7.1 ORDINARY COUNCIL MEETING 17 JULY 2019

OFFICER RECOMMENDATION/S – ITEM NO 7.1

That the Minutes of the Ordinary Meeting, of the Shire of Nungarin held on 17 July 2019 in Council Chambers be confirmed.

COUNCIL DECISION – 6239

Moved: Cr Dayman, Seconded: Cr Coumbe

That the Minutes of the Ordinary Meeting, of the Shire of Nungarin held on 17 July 2019 in Council Chambers be confirmed.

CARRIED: 5/0

7.2 MINUTES OF NEWROC EXECUTIVE MEETING 23 JULY 2019

OFFICER RECOMMENDATION/S – ITEM NO 7.2

That the Minutes of the NEWROC Executive Meeting held on 23 July 2019 be received.

COUNCIL DECISION – 6240

Moved: Cr Palmer, Seconded: Cr Dayman

That the Minutes of the NEWROC Executive Meeting held on 23 July 2019 be received.

CARRIED: 5/0

8. CHIEF EXECUTIVE OFFICER REPORTS

8.1 URBAN PLANNING

Nil

8.2 INFRASTRUCTURE

8.2.1 Recreation Grounds

INFRASTRUCTURE

ATTACHMENT DETAILS

<u>Attachment No</u>	<u>Details</u>
Nil	

Voting Requirement	:	Simple Majority
Subject Index	:	Parks and Gardens
Location / Property Index	:	Various
Application Index	:	N/A
Land Use	:	Parks and Gardens
Lot Area	:	N/A
Disclosure of any Interest	:	Nil
Previous Items	:	All Council Meetings
Applicant	:	N/A
Owner	:	N/A
Responsible Officer	:	Chief Executive Officer

COUNCIL ROLE

- Advocacy** *When Council advocates on its own behalf or on behalf of its community to another level of government / body / agency.*
- Executive** *The substantial direction setting and oversight role of the Council eg. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
- Legislative** *Includes adopting local laws, town planning schemes & policies.*
- Review** *When Council reviews decisions made by Officers.*
- Quasi-Judicial** *When Council determines an application / matter that directly affect a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of quasi-judicial authority include town planning applications, building licences, applications for other permits / licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*

PURPOSE OF REPORT

For Council to receive Recreation Grounds status report.

SUMMARY AND KEY ISSUES

See officer's comments.

LOCATION

All Recreation grounds

BACKGROUND

Council has traditionally asked for status reports concerning Recreation Grounds and Gardens generally and this report is provided accordingly.

CONSULTATION

There has been no specific consultation undertaken in respect to this matter.

STRATEGIC IMPLICATIONS

There are no Strategic Plan implications evident at this time.

POLICY IMPLICATIONS

There are no significant policy implications evident at this time.

STATUTORY IMPLICATIONS

There are no specific statutory requirements in respect to this matter.

FINANCIAL IMPLICATIONS

There are no financial implications evident at this time.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time.

SOCIAL IMPLICATIONS

There are no social implications at this time.

OFFICER COMMENT

Oval:

Retic has remained off although with rising temperatures and reducing rains, this will be considered on a weekly basis depending on evidential stress.

Winter weeds are being treated with Kamba M as required. Meridian, for the treatment of beetles will be purchased after the adoption of the budget for application in mid to late September.

Cricket Pitch:

Has good cover and minimal wear and tear. On adoption of the budget, required fertilisers will be purchased to commence spring activation treatments.

Tennis Courts:

Will be treated with Kamba M prior to being fertilised for spring activation. Will be treated with Meridian at same time as all other turf areas.

Hockey Ground:

Survived the remainder of the season thanks to good rains in previous months. Will now revert to summer care program by treating weeds and ants as required.

Bowling green:

Due to be treated with another round of Surrender for the treatment of mould. Weed programming and overall clean up to commence in time for bowls practice.

General:

Pavilion lawns continue to present well with ongoing fertilising and good rain. At time of reporting, dam was at 1.2m.

OFFICER RECOMMENDATION/S – ITEM NO 8.2.1

That the Recreation Grounds status report be received.

COUNCIL DECISION – 6241

Moved: Cr Dayman, Seconded: Cr de Lacy

That the Recreation Grounds status report be received.

CARRIED: 5/0

8.2.2 Works and Services Report

INFRASTRUCTURE

ATTACHMENT DETAILS

<u>Attachment No</u>	<u>Details</u>
Nil	

Voting Requirement	:	Simple Majority
Subject Index	:	N/A
Location / Property Index	:	N/A
Application Index	:	N/A
Land Use	:	N/A
Lot Area	:	N/A
Disclosure of any Interest	:	Nil
Previous Items	:	All Council Meetings
Applicant	:	N/A
Owner	:	N/A
Responsible Officer	:	Manager Works and Services

COUNCIL ROLE

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PURPOSE OF REPORT

For Council to receive the Manager Works and Services report.

SUMMARY AND KEY ISSUES

- Road counter is currently out on Nungarin North Road and the other is currently at the refuse site.
- Gravel has been pushed in the pit at the corner of Hodges and McGlenn Road and at English Road Pit.
- Maintenance on machines is continuing as required and small items of plant being repaired.
- Trailers have been attended to with lights and brakes repaired to bring them all up to a working standard.
- Graders have been grading on English Road, Johnson Road, Caridi Road, Chandler Nungarin Road, and Jolly Road.
- Road patching is ongoing with works on Nungarin North Road
- Signage is being improved on throughout the shire with new signs being installed as time permits.
- The refuse site is being cleaned up in the metal area, with a contractor removing any metal products of value for this service.

LOCATION

N/A

BACKGROUND

N/A

CONSULTATION

There has been no specific consultation undertaken in respect to this matter.

STRATEGIC IMPLICATIONS

There are no Strategic Plan implications evident at this time.

POLICY IMPLICATIONS

There are no significant policy implications evident at this time.

STATUTORY IMPLICATIONS

There are no specific statutory requirements in respect to this matter.

FINANCIAL IMPLICATIONS

There are no financial implications evident at this time.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time.

SOCIAL IMPLICATIONS

There are no social implications at this time.

OFFICER COMMENT

Refer to summary and key issues above.

OFFICER RECOMMENDATION/S – ITEM NO 8.2.2

That the Manager Works and Services report be received.

COUNCIL DECISION – 6242

Moved: Cr Coumbe, Seconded: Cr Palmer

That the Manager Works and Services report be received.

CARRIED: 5/0

8.3 COMMUNITY DEVELOPMENT

Nil

8.4 MANAGEMENT / GOVERNANCE / POLICY

Nil

8.5 CORPORATE

8.5.1 Investments Report as at 31 July 2019

CORPORATE

ATTACHMENT DETAILS

<u>Attachment No</u>	<u>Details</u>
Nil	

Voting Requirement	:	Simple Majority
Subject Index	:	N/A
Location / Property Index	:	N/A
Application Index	:	N/A
Land Use	:	N/A
Lot Area	:	N/A
Disclosure of any Interest	:	Nil
Previous Items	:	Nil
Applicant	:	N/A
Owner	:	N/A
Responsible Officer	:	Chief Executive Officer

COUNCIL ROLE

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PURPOSE OF REPORT

For Council to receive the investment Report as at 31 July 2019.

SUMMARY AND KEY ISSUES

- The Investment Report is presented for Council to receive.

LOCATION

N/A

BACKGROUND

Money held in the Municipal Fund of the Shire of Nungarin that is not required for the time being may be invested under the Trustee Act 1962 Part III.

CONSULTATION

There has been no specific consultation undertaken in respect to this matter.

STRATEGIC IMPLICATIONS

There are no Strategic Plan implications evident at this time.

POLICY IMPLICATIONS

Council Policy 3.07 applies to the investment of surplus funds.

STATUTORY IMPLICATIONS

Local Government Act 1995

6.14. Power to invest

- (1) Money held in the municipal fund or the trust fund of a local government that is not, for the time being, required by the local government for any other purpose may be invested as trust funds may be invested under the *Trustees Act 1962* Part III.
- (2A) A local government is to comply with the regulations when investing money referred to in subsection (1).
- (2) Regulations in relation to investments by local governments may —
 - (a) make provision in respect of the investment of money referred to in subsection (1); and
 - [(b) *deleted*]

- (c) prescribe circumstances in which a local government is required to invest money held by it; and
- (d) provide for the application of investment earnings; and
- (e) generally provide for the management of those investments.

Local Government (Financial Management) Regulations 1996

19. Investments, control procedures for

- (1) A local government is to establish and document internal control procedures to be followed by employees to ensure control over investments.
- (2) The control procedures are to enable the identification of —
 - (a) the nature and location of all investments; and
 - (b) the transactions related to each investment.

19C. Investment of money, restrictions on (Act s. 6.14(2)(a))

- (1) In this regulation —

authorised institution means —

- (a) an authorised deposit-taking institution as defined in the *Banking Act 1959 (Commonwealth)* section 5; or
- (b) the Western Australian Treasury Corporation established by the *Western Australian Treasury Corporation Act 1986*;

foreign currency means a currency except the currency of Australia.

- (2) When investing money under section 6.14(1), a local government may not do any of the following —
 - (a) deposit with an institution except an authorised institution;
 - (b) deposit for a fixed term of more than 12 months;
 - (c) invest in bonds that are not guaranteed by the Commonwealth Government, or a State or Territory government;
 - (d) invest in bonds with a term to maturity of more than 3 years;
 - (e) invest in a foreign currency.

FINANCIAL IMPLICATIONS

There are no financial implications evident at this time.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time.

SOCIAL IMPLICATIONS

There are no social implications at this time.

OFFICER COMMENT

The worksheet below details the investments held by the Shire as at 30 June 2019:

SHIRE OF NUNGARIN INVESTMENTS AS AT 31 JULY 2019								
INSTITUTION	SHORT TERM RATING	INVESTMENT TYPE	ACCOUNT N°	TERM	DATE OF TRANSACTION	DATE OF MATURITY	INTEREST RATE	PRINCIPAL
MUNICIPAL FUND								
CBA	N/A	Operating A/C	12481074	Ongoing	N/A	N/A	Variable	\$752,767.90
TOTAL								\$752,767.90

SHIRE OF NUNGARIN INVESTMENTS AS AT 31 JULY 2019								
INSTITUTION	SHORT TERM RATING	INVESTMENT TYPE	ACCOUNT N°	TERM	DATE OF TRANSACTION	DATE OF MATURITY	INTEREST RATE	PRINCIPAL
RESERVE FUNDS								
CBA	N/A	Interest Bearing Cheque A/C	12481082	Ongoing	N/A	N/A	Variable	\$501,910.51
TOTAL								\$501,910.51
TRUST								
CBA	N/A	Trust a/c	12481090	Ongoing	N/A	N/A	Variable	\$7,832.20
TOTAL								\$7,832.20

INVESTMENT REGISTER						
1 JULY 2019 TO 31 JULY 2019						
COMMONWEALTH BANK						
ACCOUNT N°	DATE OF MATURITY	INTEREST RATE	OPENING BALANCE	INTEREST EARNT TO 31.07.2019	INVESTMENT TRANSFERS	CLOSING BALANCE 31.07.2019
38132004	N/A	N/A	\$0.00	\$0.00	\$0.00	\$0.00

OFFICER RECOMMENDATION/S – ITEM NO 8.5.1

That the Investment Report as at 31 July 2019 be received.

COUNCIL DECISION – 6243

Moved: Cr Dayman, Seconded: Cr Palmer

That the Investment Report as at 31 July 2019 be received.

CARRIED: 5/0

8.5.2 Fees and Charges 2019/20

CORPORATE

Cr Palmer declared a Financial Interest in Item 8.5.2 – Fees and Charges 2019/20 as she has a lease and pays rent as a tenant of a Shire owned aged pensioner unit.

COUNCIL DECISION – 6244

Moved: Cr Coumbe, Seconded: Cr Dayman

That Cr Palmer be permitted to stay in Chambers to enable discussion on the proposed 2019/20 Fees and Charges but refrain from discussing those fees and charges relating to Aged Persons Accommodation.

CARRIED: 4/0

The basis for the above resolution was that the fees and charges for aged person's accommodation were not proposed to change from the previous year and therefore there was little risk associated given the declared financial interest.

ATTACHMENT DETAILS

<u>Attachment No</u>	<u>Details</u>
Attachment 1	Draft Fees and Charges 2018/19

Voting Requirement	:	Absolute Majority
Subject Index	:	N/A
Location / Property Index	:	N/A
Application Index	:	N/A
Land Use	:	N/A
Lot Area	:	N/A
Disclosure of any Interest	:	Nil
Previous Items	:	8.5.1 August 2018
Applicant	:	N/A
Owner	:	N/A
Responsible Officer	:	Chief Executive Officer

COUNCIL ROLE

- Advocacy** *When Council advocates on its own behalf or on behalf of its community to another level of government / body / agency.*
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PURPOSE OF REPORT

For Council to consider setting fees and charges for 2019/20 financial year.

SUMMARY AND KEY ISSUES

- Fees and Charges should be reviewed and imposed annually
- Given that the Shire rarely receives income from fees and charges, all have remained the same save for a few new inclusions and updates.

LOCATION

N/A

BACKGROUND

Pursuant to Section 6.16 of the Local Government Act 1995, a local government may impose fees and charges for any good or service it provides.

The CEO conducted an extensive review of all fees and charges for the 2018/19 year which was adopted by Council.

On review of the 2018/19 year, it is notable that generally the Shire has very minimal private use of facilities. The majority of facility use is related to sport and recreation which is already charged on an annual basis.

While the Shire does have good utilisation of the Caravan Park, one of the main draw cards is the competitive pricing which has resulted in a higher number of groups identifying Nungarin as a priority stop.

At the 2019/20 budget workshop, it was requested that the sporting club annual fees be amended to reflect "plus GST". This has been incorporated into the draft fees and charges.

It is also recommended that kerbside refuse collection remain at \$195 per annum per bin and that no pensioner discount be applied. This is based on the fact that waste management is expensive and significant upgrade works need to be undertaken at the refuse site.

Other draft additions/modifications are as follows:

- Septic system application Local Government Report – increased from \$56 to \$66 to reflect statutory charges and consistency within NEWROC
- Town Hall Chair Hire – new inclusion at \$3 per chair per day for offsite hire
- Town Hall Trestle Table – new inclusion at \$10 per table per day for offsite hire
- Recreation Centre Hire of Bain Marie – new inclusion at \$130 per day

As per previous discussions regarding housing rents, these are set to be increased on 2 September 2019 as a result of the review of all lease agreements. Council can consider further increases after six months from the current increase.

CONSULTATION

Manager Works and Services and Administration Staff

STRATEGIC IMPLICATIONS

There are no Strategic Plan implications evident at this time.

POLICY IMPLICATIONS

There are no significant policy implications evident at this time.

STATUTORY IMPLICATIONS

Pursuant to Section 6.16 of the Local Government Act 1995, a local government may impose fees and charges.

FINANCIAL IMPLICATIONS

It is important that fees and charges are realistically applied and applied across all of the Shire's facilities and services it provides. Failure to do will result in a situation of unsustainability and the inability to maintain Shire assets.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time.

SOCIAL IMPLICATIONS

There are no social implications at this time.

OFFICER COMMENT

As previously stated, there is very little private utilisation of Council facilities and therefore no feedback regarding appropriateness of fees and charges.

That being the case, the draft fees and charges are presented generally unchanged with the exception of minor new inclusions to cover gaps in services.

OFFICER RECOMMENDATION/S – ITEM NO 8.5.2

That Council:

- 1 Pursuant to Section 6.16 of the Local Government Act 1995, adopts the proposed 2019/20 Fees and Charges by Absolute Majority;
- 2 Request the Chief Executive Officer to give local public notice of the Fees and Charges and that the 2019/20 Fees and Charges come into effect on the date of the Public Notice.

Amended Motion – 6245

Moved: Cr Coumbe, Seconded: Cr Dayman

That Council:

- 1 Pursuant to Section 6.16 of the Local Government Act 1995, adopts the proposed 2019/20 Fees and Charges by Absolute Majority subject to the following modifications:
 - Recreation Centre – Main Building (including Kitchen)**
 - “Hire of Bain Marie – per day” be a “Bain Marie Bond” of \$100 only;
 - Pool & Gym Season Pass**
 - Adult – Ages 16+ from \$140 to \$120 only; and
 - **Pensioner from \$110 to \$100 only.
- 2 Request the Chief Executive Officer to give local public notice of the Fees and Charges and that the 2019/20 Fees and Charges come into effect on the date of the Public Notice.

CARRIED: 5/0

8.5.3 Accounts for Payment - July 2019

CORPORATE

ATTACHMENT DETAILS

<u>Attachment No</u>	<u>Details</u>
Attachment 1	Accounts Paid – July 2019

Voting Requirement	:	Simple Majority
Subject Index	:	Finance
Location / Property Index	:	N/A
Application Index	:	N/A
Land Use	:	N/A
Lot Area	:	N/A
Disclosure of any Interest	:	Nil
Previous Items	:	All Council Meetings
Applicant	:	N/A
Owner	:	N/A
Responsible Officer	:	Chief Executive Officer

COUNCIL ROLE

- Advocacy** *When Council advocates on its own behalf or on behalf of its community to another level of government / body / agency.*
- Executive** *The substantial direction setting and oversight role of the Council eg. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
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PURPOSE OF REPORT

That Council receives and note the payment of accounts for the month of July 2019.

SUMMARY AND KEY ISSUES

All payments relate to normal operational matters for the Shire.

LOCATION

N/A

BACKGROUND

Attachment 1 details all accounts paid since the last reporting period.

Payment Types for Municipal Account:

EFT	\$101632.67
Cheque	\$ 7666.17
Direct Debits	<u>\$ 8114.20</u>
TOTAL	\$117413.04

Payment Types for Trust Account:

TOTAL **\$ 0.00**

The total amount for all payments from all accounts is therefore **\$117,413.04**

CONSULTATION

There has been no specific consultation undertaken in respect to this matter.

STRATEGIC IMPLICATIONS

There are no Strategic Plan implications evident at this time.

POLICY IMPLICATIONS

There are no significant policy implications evident at this time.

STATUTORY IMPLICATIONS

There are no specific statutory requirements in respect to this matter.

FINANCIAL IMPLICATIONS

There are no financial implications at this time.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time.

SOCIAL IMPLICATIONS

There are no social implications at this time.

OFFICER COMMENT

Nil

OFFICER RECOMMENDATION/S – ITEM NO 8.5.3

That Council receives and notes the list of accounts paid for July 2019, totalling \$117,413.04, and that the list be recorded in the minutes.

COUNCIL DECISION – 6246

Moved: Cr Dayman, Seconded: Cr Palmer

That Council receives and notes the list of accounts paid for July 2019, totalling \$117,413.04, and that the list be recorded in the minutes.

CARRIED: 5/0

8.5.4 Financial report – July 2019

CORPORATE

ATTACHMENT DETAILS

<u>Attachment No</u>	<u>Details</u>
Attachment 1	Monthly Financial Report 31 July 2019

Voting Requirement	:	Simple Majority
Subject Index	:	N/A
Location / Property Index	:	N/A
Application Index	:	N/A
Land Use	:	N/A
Lot Area	:	N/A
Disclosure of any Interest	:	Nil
Previous Items	:	All Council Meetings
Applicant	:	N/A
Owner	:	N/A
Responsible Officer	:	Chief Executive Officer

COUNCIL ROLE

- Advocacy** *When Council advocates on its own behalf or on behalf of its community to another level of government / body / agency.*
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PURPOSE OF REPORT

To report on financial activity for the period 1 July 2019 to 31 July 2019.

SUMMARY AND KEY ISSUES

The Local Government Act and Regulations require local governments to prepare monthly reports containing the information that is prescribed.

LOCATION

N/A

BACKGROUND

Nil

CONSULTATION

Financial Consultant – Darren Long

STRATEGIC IMPLICATIONS

There are no Strategic Plan implications evident at this time.

POLICY IMPLICATIONS

There are no significant policy implications evident at this time.

STATUTORY IMPLICATIONS

Section 6.4 of the Local Government Act 1995 and Regulation 34 of the Local Government (Finance) Regulations 1996.

FINANCIAL IMPLICATIONS

There are no financial implications at this time.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time.

SOCIAL IMPLICATIONS

There are no social implications at this time.

OFFICER COMMENT

Nil

OFFICER RECOMMENDATION/S – ITEM NO 8.5.4

That the financial report for the period 1 July 2019 to 31 July 2019 be received.

COUNCIL DECISION – 6247

Moved: Cr de Lacy, Seconded: Cr Coumbe

That the financial report for the period 1 July 2019 to 31 July 2019 be received.

CARRIED: 5/0

8.5.5 Valuation and General Rates for 2019-2020 Annual Budget

CORPORATE

ATTACHMENT DETAILS

<u>Attachment No</u>	<u>Details</u>
Attachment 1	Proposed 2019-2020 Annual Budget – under separate cover

Voting Requirement	:	Absolute Majority
Subject Index	:	File Ref & File Title
Location / Property Index	:	Property Address
Application Index	:	Application File Reference or N/A
Land Use	:	Dwelling
Lot Area	:	M2
Disclosure of any Interest	:	Declare any officer interest
Previous Items	:	August 2018
Applicant	:	Name Of Applicant
Owner	:	Name of Owner
Report Author	:	Darren Long, Finance Consultant
Responsible Officer	:	Chief Executive Officer

COUNCIL ROLE

- Advocacy** *When Council advocates on its own behalf or on behalf of its community to another level of government / body / agency.*
- Executive** *The substantial direction setting and oversight role of the Council eg. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
- Legislative** *Includes adopting local laws, town planning schemes & policies.*
- Review** *When Council reviews decisions made by Officers.*
- Quasi-Judicial** *When Council determines an application / matter that directly affect a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of quasi-judicial authority include town planning applications, building licences, applications for other permits / licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*

PURPOSE OF REPORT

The purpose of this report is for Council to give consideration to the adoption of applicable valuations and the imposition of general rates on rateable property.

SUMMARY AND KEY ISSUES

- | |
|---|
| <ul style="list-style-type: none">• See officers comments |
|---|

LOCATION

N/A

BACKGROUND

Section 6.32 of the *Local Government Act 1995* states

6.32. Rates and service charges-

- (1) *When adopting the annual budget, a local government*
- (a) *in order to make up the budget deficiency, is to impose* a general rate on rateable land within its district, which rate may be imposed either:*
 - (i) *uniformly; or*
 - (ii) *differentially; and*
 - (b) *may impose* on rateable land within its district*
 - (i) *a specified area rate; or*
 - (ii) *a minimum payment; and*
 - (c) *may impose* a service charge on land within its district.*
- * Absolute majority required.*
- (2) *Where a local government resolves to impose a rate it is required to:*
- (a) *set a rate which is expressed as a rate in the dollar of the gross rental value of rateable land within its district to be rated on gross rental value; and*
 - (b) *set a rate which is expressed as a rate in the dollar of the unimproved value of rateable land within its district to be rated on unimproved value.*

CONSULTATION

Draft budget workshop with all Councillors on 31 July 2019.

STRATEGIC IMPLICATIONS

This report forms part of the 2019-20 Annual Budget. The 2019-2020 Annual Budget has taken into consideration the actions listed in the Corporate Business Plan, where fiscally possible.

POLICY IMPLICATIONS

There are no significant policy implications evident at this time.

STATUTORY IMPLICATIONS

Local Government Act 1995 s.6.32.

FINANCIAL IMPLICATIONS

This report forms part of the 2019-2020 Annual Budget and relevant information is disclosed in the Statement of Rating Information.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time.

SOCIAL IMPLICATIONS

There are no social implications at this time.

OFFICER COMMENT

Following the draft budget workshop held on 31 July 2019, the following general rates are presented for Councils consideration.

Every year, the unimproved value (UV) of each property is reassessed by the State's Valuer Generals Office. The gross rental valuation (GRV) of each property for country local governments is reassessed by the State's Valuer Generals Office every five (5) years, with the most recent valuation occurring in June 2017.

The following valuations are currently recorded in Council's rate book-

- (a) Unimproved Valuations (UV) - \$24,852,022, of which \$40,026 are minimum values;
- (b) Gross Rental Valuations (GRV) - \$431,526, of which \$112,298 are minimum values.

The Shire bases the determination of annual property rates payable upon the unimproved values (UV) for rural properties and the gross rental values (GRV) for non-rural properties; with the values set by the Valuer General. The Shire applies a rate in the dollar charge for each valuation category, which is multiplied against a property's valuation.

The rate in the dollar for the 2018-2019 financial year was set, for UV properties at 2.0646 cents, and for GRV properties at 11.28150 cents. This becomes the base rate in the dollar when determining the following year's rate in the dollar.

When properties are revalued, the previous year's rate in the dollar is adjusted in consideration of whether the valuation has increased or decreased. This allows for a revised base rate that would have generated the same amount of revenue using the revalued property valuations. The decrease in UV valuations necessitates an adjustment to the UV rate in the dollar as follows:

1. UV - from 2.0646 cents to 2.0609 cents to account for the valuation increment;

The rates in the dollar proposed in the draft budget are as follows-

- (a) Due to change in the number of rateable properties, the GRV rate in the dollar for 2019-2020 will increase from 11.2815 cents to 12.3105 cents to ensure the same amount of rates from GRV properties is generated, plus a 2.00% overall increase; and
- (b) UV rate in the dollar for 2019-2020 will increase from 2.0609 cents to 2.1021 cents, equating to a 2.00% increase.

OFFICER RECOMMENDATION/S – ITEM NO 8.5.5

- 1. That Council adopt the valuations, as supplied by the Valuer General’s Office and recorded in the Rate Book, for the 2019-2020 year-

Gross Rental Valuations	\$ 319,228
Unimproved Valuations	\$24,730,502

- 2. That Council, pursuant to Section 6.32 of the Local Government Act 1995, impose the following general rates for 2019-2020:

GRV properties	12.3105 cents in the dollar
UV properties	2.1021 cents in the dollar

COUNCIL DECISION – 6248

Moved: Cr Dayman, Seconded: Cr Coumbe

- 1. That Council adopt the valuations, as supplied by the Valuer General’s Office and recorded in the Rate Book, for the 2019-2020 year-

Gross Rental Valuations	\$ 319,228
Unimproved Valuations	\$24,730,502

- 2. That Council, pursuant to Section 6.32 of the Local Government Act 1995, impose the following general rates for 2019-2020:

GRV properties	12.3105 cents in the dollar
UV properties	2.1021 cents in the dollar

CARRIED: 5/0

8.5.6 Minimum Payment for 2019-2020 Annual Budget

CORPORATE

ATTACHMENT DETAILS

<u>Attachment No</u>	<u>Details</u>
Attachment	Proposed 2019-2020 Annual Budget – Under separate cover

Voting Requirement	:	Absolute Majority
Subject Index	:	161002
Location / Property Index	:	N/A
Application Index	:	N/A
Land Use	:	N/A
Lot Area	:	N/A
Disclosure of any Interest	:	Nil
Previous Items	:	August 2018
Applicant	:	N/A
Owner	:	N/A
Report Author	:	Darren Long, Finance Consultant
Responsible Officer	:	Chief Executive Officer

COUNCIL ROLE

- Advocacy** *When Council advocates on its own behalf or on behalf of its community to another level of government / body / agency.*
- Executive** *The substantial direction setting and oversight role of the Council eg. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
- Legislative** *Includes adopting local laws, town planning schemes & policies.*
- Review** *When Council reviews decisions made by Officers.*
- Quasi-Judicial** *When Council determines an application / matter that directly affect a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of quasi-judicial authority include town planning applications, building licences, applications for other permits / licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*

PURPOSE OF REPORT

The purpose of this report is for Council to give consideration to the imposition of the Minimum Payment on rateable property for 2019-2020.

SUMMARY AND KEY ISSUES

- | |
|---|
| <ul style="list-style-type: none">• See officers comments |
|---|

LOCATION

N/A

BACKGROUND

Section 6.35 of the *Local Government Act 1995* states-

6.35. Minimum payment

- (1) *Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.*
- (2) *A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.*
- (3) *In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —*
 - (a) *50% of the total number of separately rated properties in the district; or*
 - (b) *50% of the number of properties in each category referred to in subsection (6), on which a minimum payment is imposed.*
- (4) *A minimum payment is not to be imposed on more than the prescribed percentage of —*
 - (a) *the number of separately rated properties in the district; or*
 - (b) *the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.*
- (5) *If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.*
- (6) *For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —*
 - (a) *to land rated on gross rental value; and*
 - (b) *to land rated on unimproved value; and*
 - (c) *to each differential rating category where a differential general rate is imposed.*

CONSULTATION

Draft budget workshop with all Councillors on 31 July 2019.

STRATEGIC IMPLICATIONS

This report forms part of the 2019-2020 Annual Budget. The 2019-2020 Annual Budget has taken into consideration the actions listed in the Corporate Business Plan, where fiscally possible.

POLICY IMPLICATIONS

There are no significant policy implications evident at this time.

STATUTORY IMPLICATIONS

Local Government Act 1995 s.6.35.

The imposition of the proposed Minimum Payment complies with the percentage requirements of subclause (3) of Section 6.35.

FINANCIAL IMPLICATIONS

This report forms part of the 2019-2020 Annual Budget and relevant information is disclosed in the Statement of Rating Information.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time.

SOCIAL IMPLICATIONS

There are no social implications at this time.

OFFICER COMMENT

Following the last draft budget workshop held on 31 July 2019, the following minimum payments are presented for Councils consideration.

The Minimum Payment for both UV and GRV properties is proposed to increase from \$419 to \$427 representing a 2.00% increase on the 2018-2019 Minimum Rate levied.

The proposed 2019-2020 UV Minimum Payment will be imposed on 33 UV property assessments, being 22.6% of the total UV property assessments.

The proposed 2019-2020 GRV Minimum Payment will be imposed on 12 GRV property assessments, being 20.0% of the total GRV property assessments.

OFFICER RECOMMENDATION/S – ITEM NO 8.5.6

That Council, pursuant to Sections 6.32 and 6.35 of the Local Government Act 1995, impose the following Minimum Payment for 2019-2020:

GRV properties	\$427 per rateable assessment
UV properties	\$427 per rateable assessment

COUNCIL DECISION – 6249

Moved: Cr Dayman, Seconded: Cr Coumbe

That Council, pursuant to Sections 6.32 and 6.35 of the Local Government Act 1995, impose the following Minimum Payment for 2019-2020:

GRV properties	\$427 per rateable assessment
UV properties	\$427 per rateable assessment

CARRIED: 5/0

8.5.7 Payment of Rates Options and Interest Charges for 2019-2020 Annual Budget

CORPORATE

ATTACHMENT DETAILS

<u>Attachment No</u>	<u>Details</u>
Attachment	Nil

Voting Requirement	:	Absolute Majority
Subject Index	:	161002
Location / Property Index	:	N/A
Application Index	:	N/A
Land Use	:	N/A
Lot Area	:	N/A
Disclosure of any Interest	:	Nil
Previous Items	:	N/A
Applicant	:	N/A
Owner	:	N/A
Report Author	:	Darren Long, Finance Consultant
Responsible Officer	:	Chief Executive Officer

COUNCIL ROLE

- Advocacy** *When Council advocates on its own behalf or on behalf of its community to another level of government / body / agency.*
- Executive** *The substantial direction setting and oversight role of the Council eg. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
- Legislative** *Includes adopting local laws, town planning schemes & policies.*
- Review** *When Council reviews decisions made by Officers.*
- Quasi-Judicial** *When Council determines an application / matter that directly affect a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of quasi-judicial authority include town planning applications, building licences, applications for other permits / licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*

PURPOSE OF REPORT

The purpose of this report is for Council to give consideration to the-

1. Setting of options for the payment of rates and service charges for the 2019-2020 financial year;
2. Imposition of an administration fee and instalment interest charge for payments made by instalments; and
3. Imposition of a rate of interest on overdue rates and service charges for the 2019-2020 financial year.

SUMMARY AND KEY ISSUES

- See officers comments

LOCATION

N/A

BACKGROUND

Section 6.45 requires a local government to set the options for the payment of rates or service charges; as well as the ability to impose an administration fee and an instalment interest charge applicable to those payment options.

Section 6.45 of the *Local Government Act 1995* states-

6.45. Options for payment of rates or service charges

- (1) *A rate or service charge is ordinarily payable to a local government by a single payment but the person liable for the payment of a rate or service charge may elect to make that payment to a local government, subject to subsection (3), by —*
 - (a) *4 equal or nearly equal instalments; or*
 - (b) *such other method of payment by instalments as is set forth in the local government's annual budget.*
- (2) *Where, during a financial year, a rate notice is given after a reassessment of rates under section 6.40 the person to whom the notice is given may pay the rate or service charge —*
 - (a) *by a single payment; or*
 - (b) *by such instalments as are remaining under subsection (1)(a) or (b) for the remainder of that financial year.*
- (3) *A local government may impose an additional charge (including an amount by way of interest) where payment of a rate or service charge is made by instalments and that additional charge is, for the purpose of its recovery, taken to be a rate or service charge, as the case requires, that is due and payable.*
- (4) *Regulations may —*
 - (a) *provide for the manner of making an election to pay by instalments under subsection (1) or (2); and*
 - (b) *prescribe circumstances in which payments may or may not be made by instalments; and*
 - (c) *prohibit or regulate any matters relating to payments by instalments; and*

- (d) *provide for the time when, and manner in which, instalments are to be paid; and*
- (e) *prescribe the maximum amount (including the maximum interest component) which may be imposed under subsection (3) by way of an additional charge; and*
- (f) *provide for any other matter relating to the payment of rates or service charges.*

Section 6.51 provides for a local government to impose an interest charge on a rate of service charge that remains unpaid after becoming due and payable.

6.51. Accrual of interest on overdue rates or service charges

- (1) *A local government may at the time of imposing a rate or service charge resolve* to impose interest (at the rate set in its annual budget) on —*
 - (a) *a rate or service charge (or any instalment of a rate or service charge); and*
 - (b) *any costs of proceedings to recover any such charge, that remains unpaid after becoming due and payable.*

*** Absolute majority required.**

CONSULTATION

Draft budget workshop with all Councillors on 31 July 2019.

STRATEGIC IMPLICATIONS

This report forms part of the 2019-2020 Annual Budget. The 2019-2020 Annual Budget has taken into consideration the actions listed in the Corporate Business Plan, where fiscally possible.

POLICY IMPLICATIONS

There are no significant policy implications evident at this time.

STATUTORY IMPLICATIONS

Local Government Act 1995 s.6.45, 6.50, 6.51.

Local Government (Financial Management) Regulations 1996, Regulations 67, 68, 70 and 71.

FINANCIAL IMPLICATIONS

This report forms part of the 2019-2020 Annual Budget and relevant information is disclosed in the Notes to the Annual Budget.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time.

SOCIAL IMPLICATIONS

There are no social implications at this time.

OFFICER COMMENT

Payment options

The Shire has traditionally offered three payment options-

- Option 1 Payment in full by the due date.
- Option 2 Payment in two equal instalments, being-
- (a) Instalment 1 - 50% of the rates and service charges within 35 days of date of issue;
 - (b) Instalment 2 - 50% of the rates and service charges within 2 months of (a);
- Option 3 Payment in four equal instalments, being-
- (a) Instalment 1 - 25% of the rates and service charges within 35 days of date of issue;
 - (b) Instalment 2 - 25% of the rates and service charges within 2 months of (a);
 - (c) Instalment 3 - 25% of the rates and service charges within 2 months of (b); and
 - (d) Instalment 4 - 25% of the rates and service charges within 2 months of (c).

It is suggested that these payment options continue.

Administration fee and instalment interest charge

Section 6.45 of the Act permits Council to impose an administration charge where a payment of rate or service charge is made by instalments.

Regulations 67 and 68 of the *Local Government (Financial Management) Regulations 1996* limit how much can be imposed as an administration charge and as an instalment interest charge.

Traditionally the Shire has imposed an administration fee of \$5 on the second, third and fourth instalment payments.

It is suggested that a \$5 administration fee continue to apply to the second, third and fourth instalment payments.

The Shire has also previously imposed an instalment interest charge of 5.5% when option 2 or option 3 is selected by ratepayers.

Regulation 68 of the *Local Government (Financial Management) Regulations 1996* limits the maximum interest component to be imposed as an instalment interest charge to 5.5%.

It is suggested that Council continue to impose an instalment interest charge of 5.5%.

Accrual of interest on overdue rates or service charges

Section 6.51 of the Act permits Council to impose an interest charge on overdue rates or service charges.

Regulation 70 of *Local Government (Financial Management) Regulations 1996* limits the maximum rate of interest that can be imposed on overdue rates or service charges to 11%.

The Shire has previously imposed a late payment interest charge of 10% on overdue rates or service charges not paid by the due date.

It is suggested that Council continue to impose an interest charge of 10% on overdue rates or service charges not paid by the due date.

OFFICER RECOMMENDATION/S – ITEM NO 8.5.7

That Council:

- 1. Pursuant to Section 6.45 of the Local Government Act 1995, offer three payment options for rates and service charges for the 2019-20 financial year, being-**
 - (a) Option 1 – Payment in full by a single instalment by the due date, being 35 days from the date of issue of the rate notice;**
 - (b) Option 2 – Payment in two equal instalments, being**
 - (i) Instalment 1 - 50% of the rates and service charges within 35 days of date of issue of the rate notice;**
 - (ii) Instalment 2 - 50% of the rates and service charges within 2 months of (i);**
 - (c) Option 3 - Payment in four equal instalments, being**
 - (i) Instalment 1 - 25% of the rates and service charges within 35 days of date of issue of the rate notice;**
 - (ii) Instalment 2 - 25% of the rates and service charges within 2 months of (i);**
 - (iii) Instalment 3 - 25% of the rates and service charges within 2 months of (ii); and**
 - (iv) Instalment 4 - 25% of the rates and service charges within 2 months of (iii).**
- 2. Pursuant to Section 6.45 of the Local Government Act 1995, impose an instalment administration charge of \$5 (GST Free), which is to apply to Instalment 2 under payment option 2; and Instalment 2, 3 and 4 under payment option 3.**
- 3. Pursuant to Section 6.45 of the Local Government Act 1995, impose an instalment interest charge of 5.5%, which is to apply to Instalment 2 under payment option 2; and Instalments 2, 3 and 4 under payment option 3.**
- 4. Pursuant to Section 6.51 of the Local Government Act 1995, impose a 10% rate of penalty interest on overdue rates and service charges that remain unpaid after the due date.**

COUNCIL DECISION – 6250

Moved: Cr de Lacy, Seconded: Cr Palmer

That Council:

- 1. Pursuant to Section 6.45 of the Local Government Act 1995, offer three payment options for rates and service charges for the 2019-20 financial year, being-**
 - (a) Option 1 – Payment in full by a single instalment by the due date, being 35 days from the date of issue of the rate notice;**
 - (b) Option 2 – Payment in two equal instalments, being**
 - (i) Instalment 1 - 50% of the rates and service charges within 35 days of date of issue of the rate notice;**

- (ii) Instalment 2 - 50% of the rates and service charges within 2 months of (i);
- (c) Option 3 - Payment in four equal instalments, being
 - (i) Instalment 1 - 25% of the rates and service charges within 35 days of date of issue of the rate notice;
 - (ii) Instalment 2 - 25% of the rates and service charges within 2 months of (i);
 - (iii) Instalment 3 - 25% of the rates and service charges within 2 months of (ii); and
 - (iv) Instalment 4 - 25% of the rates and service charges within 2 months of (iii).
- 2. Pursuant to Section 6.45 of the Local Government Act 1995, impose an instalment administration charge of \$5 (GST Free), which is to apply to Instalment 2 under payment option 2; and Instalment 2, 3 and 4 under payment option 3.
- 3. Pursuant to Section 6.45 of the Local Government Act 1995, impose an instalment interest charge of 5.5%, which is to apply to Instalment 2 under payment option 2; and Instalments 2, 3 and 4 under payment option 3.
- 4. Pursuant to Section 6.51 of the Local Government Act 1995, impose a 10% rate of penalty interest on overdue rates and service charges that remain unpaid after the due date.

CARRIED: 5/0

**8.5.8 Budget Statement of Financial Activity and Materiality Threshold for 2019-2020
Annual Budget**

CORPORATE

ATTACHMENT DETAILS

<u>Attachment No</u>	<u>Details</u>
Attachment 1	Budget Statement of Financial Activity

Voting Requirement	:	Absolute Majority
Subject Index	:	161002
Location / Property Index	:	N/A
Application Index	:	N/A
Land Use	:	N/A
Lot Area	:	N/A
Disclosure of any Interest	:	Nil
Previous Items	:	August 2018
Applicant	:	N/A
Owner	:	N/A
Report Author	:	Darren Long, Finance Consultant
Responsible Officer	:	Chief Executive Officer

COUNCIL ROLE

- Advocacy** *When Council advocates on its own behalf or on behalf of its community to another level of government / body / agency.*
- Executive** *The substantial direction setting and oversight role of the Council eg. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
- Legislative** *Includes adopting local laws, town planning schemes & policies.*
- Review** *When Council reviews decisions made by Officers.*
- Quasi-Judicial** *When Council determines an application / matter that directly affect a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of quasi-judicial authority include town planning applications, building licences, applications for other permits / licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*

PURPOSE OF REPORT

The purpose of this report is for Council to give consideration to the adoption of the-

1. Budget Statement of Financial Activity for the period ending 30 June 2020; and
2. Materiality thresholds to apply when reporting material variances in the Statement of Financial Activity.

SUMMARY AND KEY ISSUES

- See officers comments

LOCATION

N/A

BACKGROUND

Regulation 34 of the *Local Government (Financial Management) Regulations 1996* requires Council to prepare a budget monthly Statement of Financial Activity.

Regulation 34 states-

34. Financial activity statement required each month (Act s. 6.4)

(1A) In this regulation —

committed assets means revenue unspent but set aside under the annual budget for a specific purpose.

- (1) A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail —
 - (a) annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c); and
 - (b) budget estimates to the end of the month to which the statement relates; and
 - (c) actual amounts of expenditure, revenue and income to the end of the month to which the statement relates; and
 - (d) material variances between the comparable amounts referred to in paragraphs (b) and (c); and
 - (e) the net current assets at the end of the month to which the statement relates.
- (2) Each statement of financial activity is to be accompanied by documents containing —
 - (a) an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets; and
 - (b) an explanation of each of the material variances referred to in subregulation (1)(d); and
 - (c) such other supporting information as is considered relevant by the local government.
- (3) The information in a statement of financial activity may be shown —
 - (a) according to nature and type classification; or
 - (b) by program; or

- (c) by business unit.
- (4) A statement of financial activity, and the accompanying documents referred to in subregulation (2), are to be —
 - (a) presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and
 - (b) recorded in the minutes of the meeting at which it is presented.
- (5) Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.

CONSULTATION

Draft budget workshop with all Councillors on 31 July 2019.

STRATEGIC IMPLICATIONS

This report forms part of the 2019-2020 Annual Budget. The 2019-2020 Annual Budget has taken into consideration the actions listed in the Corporate Business Plan, where fiscally possible. The actions in the Corporate Business Plan reflect the objectives and desired outcomes within Council's Strategic Community Plan.

POLICY IMPLICATIONS

There are no significant policy implications evident at this time.

STATUTORY IMPLICATIONS

Local Government (Financial Management) Regulations 1996, r34.

FINANCIAL IMPLICATIONS

This report forms part of the 2019-2020 Annual Budget and relevant information is disclosed in the Budget Statement of Financial Activity.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time.

SOCIAL IMPLICATIONS

There are no social implications at this time.

OFFICER COMMENT

In order to meet the reporting requirements of Regulation 34, a twelve month budget has been prepared for the 2019-2020 financial year in the required format and is attached for Councils consideration.

The suggested materiality threshold and percentage for reporting material variances in the Statement of Financial Activity are as follows-

10% or \$5,000, whichever is the greater.

OFFICER RECOMMENDATION/S – ITEM NO 8.5.8

That Council:

1. Pursuant to Regulation 34 of the Local Government (Financial Management) Regulations 1996, adopts the 2019-2020 Budget Statement of Financial Activity.
2. Pursuant to Regulation 34(5) of the Local Government (Financial Management) Regulations 1996, adopts the following as the materiality threshold for 2019-2020:
 - (a) \$5,000 or 10%, whichever is the greater.

COUNCIL DECISION – 6251

Moved: Cr Coumbe, Seconded: Cr Dayman

That Council:

1. Pursuant to Regulation 34 of the Local Government (Financial Management) Regulations 1996, adopts the 2019-2020 Budget Statement of Financial Activity.
2. Pursuant to Regulation 34(5) of the Local Government (Financial Management) Regulations 1996, adopts the following as the materiality threshold for 2019-2020:
 - (a) \$5,000 or 10%, whichever is the greater.

CARRIED: 5/0

8.5.9 Adoption of 2019-2020 Annual Budget

CORPORATE

ATTACHMENT DETAILS

<u>Attachment No</u>	<u>Details</u>
Attachment 1	Proposed 2019-2020 Annual Budget – Under separate cover

Voting Requirement	:	Absolute Majority
Subject Index	:	161002
Location / Property Index	:	N/A
Application Index	:	N/A
Land Use	:	N/A
Lot Area	:	N/A
Disclosure of any Interest	:	Nil
Previous Items	:	August 2018
Applicant	:	N/A
Owner	:	N/A
Report Author	:	Darren Long, Finance Consultant
Responsible Officer	:	Chief Executive Officer

COUNCIL ROLE

- Advocacy** *When Council advocates on its own behalf or on behalf of its community to another level of government / body / agency.*
- Executive** *The substantial direction setting and oversight role of the Council eg. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
- Legislative** *Includes adopting local laws, town planning schemes & policies.*
- Review** *When Council reviews decisions made by Officers.*
- Quasi-Judicial** *When Council determines an application / matter that directly affect a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of quasi-judicial authority include town planning applications, building licences, applications for other permits / licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*

PURPOSE OF REPORT

The purpose of this report is for Council to consider and adopt the 2019-2020 Annual Budget.

SUMMARY AND KEY ISSUES

- See officers comments

LOCATION

N/A

BACKGROUND

The draft budget has been prepared in accordance with the presentations made to Councillors at the workshop held on 31 July 2019. The following draft Annual Budget is presented to Council, as a balanced budget, for consideration and adoption.

The 2019-2020 Annual Budget has been prepared in accordance with Section 6.2 of the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations* Part 3, Regulations 22 to 33.

CONSULTATION

Draft budget workshop with all Councillors on 31 July 2019.

STRATEGIC IMPLICATIONS

The adoption of the annual budget provides the strategic direction of Council for the next twelve months.

POLICY IMPLICATIONS

There are no significant policy implications evident at this time.

STATUTORY IMPLICATIONS

Local Government Act (1995) s.6.2. (1) states that each Local Government is to prepare an annual budget prior to 31 August, unless an extension from the Minister is granted.

FINANCIAL IMPLICATIONS

The 2019-20 budget is presented as a balanced budget.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time.

SOCIAL IMPLICATIONS

There are no social implications at this time.

OFFICER COMMENT

The 2019-2020 Annual Budget comprises the following information-

1. Budget Statement of Comprehensive Income By Nature/Type for the Year Ending 30 June 2020
2. Budget Statement of Comprehensive Income By Program for the Year Ending 30 June 2020
3. Budget Statement of Cash Flows for the Year Ending 30 June 2020
4. Budget Rate Setting Statement by Program for the Year Ending 30 June 2020
5. Budget Rate Setting Statement by Nature or Type for the Year Ending 30 June 2020
6. Budget Statement of Financial Activity for the Year Ending 30 June 2020
7. Notes to the Budget
8. Detailed Operating & Non-Operating Statements

Budget Highlights

Governance

An allocation of \$23,000 has be set aside in the budget to review and update Integrated Planning documents.

Community Amenities

An allocation of \$25,961 has be set aside in the budget for NRM projects. These costs will be offset by a Landcare grant of \$25,961.

Recreation & Culture

An allocation of \$22,500 has be set aside in the budget for the recreation development program.

Significant maintenance programs will be carried out with \$13,323 allocated for the Museum, \$9,817 for McCorry's Hotel and \$14,958 for the Memorial Building.

Transport

An allocation of \$644,469 has been set aside for road maintenance.

Economic Services

An allocation of \$66,581 has be set aside in the budget for the control of noxious weeds/pest plants. These costs will be offset by a grant of \$66,000.

Capital Expenditure Program

\$43,282 has been set aside for Transfer to the Plant Reserve to assist fund future plant purchases.

\$7,200 has be set aside in the budget to replace Councillor tablets.

\$16,000 has be set aside in the budget to replace furniture and equipment at the recreation centre.

\$120,000 has be set aside in the budget to upgrade the effluent drainage system at the Grangarin units. This will be funded by a loan of \$85,000 and the remainder from General Funds.

\$8,000 has be set aside in the budget for renewal works to Council housing stock.

Provision has been made in the budget for renewal works to the Hall of \$10,000, the Museum of \$10,000 and to McCorry's Hotel for \$10,000.

\$79,000 has been set aside for the replacement of light vehicles.

\$25,000 has been set aside in the budget for concrete and sand renewal works to the Swimming Pool.

\$289,190 will be spent on the Chandler-Nungarin Road, with \$181,122 of grant funding coming from the Regional Road Group funding pool.

Provision has been made in the budget for \$194,009 of Roads to Recovery projects, with \$194,009 of grant funding coming from the Commonwealth Government.

\$75,000 will be spent on Councils own road construction projects.

OFFICER RECOMMENDATION/S – ITEM NO 8.5.9

That Council Pursuant to Section 6.2 of the Local Government Act 1995 and the Local Government (Financial Management) Regulations Part 3, Regulations 22 to 33, adopt the 2019-20 Annual Budget (as contained in Attachment 1) for the Shire of Nungarin, including the following-

- (a) Budget Statement of Comprehensive Income by Nature/Type for the year ending 30 June 2020 showing a net result of (\$1,073,518);**
- (b) Budget Statement of Comprehensive Income by Program for the year ending 30 June 2020 showing a net result of (\$1,073,518);**
- (c) Budget Statement of Cash Flows for the year ending 30 June 2020;**
- (d) Budget Rate Setting Statement by Program for the year ending 30 June 2020 showing an amount required to be raised from general rates of \$580,085;**
- (e) Budget Rate Setting Statement by Nature or Type for the year ending 30 June 2020 showing an amount required to be raised from general rates of \$580,085;**
- (f) Budget Statement of Financial Activity for the year ending 30 June 2020;**
- (g) Rates and Services Charges;**
- (h) Net Current Assets;**
- (i) Reconciliation of Cash;**
- (j) Fixed Assets;**
- (k) Asset Depreciation;**
- (l) Borrowings;**

- (m) Cash Backed Reserves;
- (n) Fees and Charges;
- (o) Grant Revenue;
- (p) Other Information;
- (q) Major Land Transactions;
- (r) Trust information;
- (s) Significant Accounting Policies;
- (t) Detailed Operating and Capital Budget papers;
- (u) Schedule of Fees and Charges for 2019-2020

COUNCIL DECISION – 6252

Moved: Cr Palmer, Seconded: Cr Coumbe

That Council Pursuant to Section 6.2 of the Local Government Act 1995 and the Local Government (Financial Management) Regulations Part 3, Regulations 22 to 33, adopt the 2019-20 Annual Budget (as contained in Attachment 1) for the Shire of Nungarin, including the following-

- (a) Budget Statement of Comprehensive Income by Nature/Type for the year ending 30 June 2020 showing a net result of (\$1,073,518);
- (b) Budget Statement of Comprehensive Income by Program for the year ending 30 June 2020 showing a net result of (\$1,073,518);
- (c) Budget Statement of Cash Flows for the year ending 30 June 2020;
- (d) Budget Rate Setting Statement by Program for the year ending 30 June 2020 showing an amount required to be raised from general rates of \$580,085;
- (e) Budget Rate Setting Statement by Nature or Type for the year ending 30 June 2020 showing an amount required to be raised from general rates of \$580,085;
- (f) Budget Statement of Financial Activity for the year ending 30 June 2020;
- (g) Rates and Services Charges;
- (h) Net Current Assets;
- (i) Reconciliation of Cash;
- (j) Fixed Assets;
- (k) Asset Depreciation;
- (l) Borrowings;
- (m) Cash Backed Reserves;
- (n) Fees and Charges;
- (o) Grant Revenue;
- (p) Other Information;
- (q) Major Land Transactions;
- (r) Trust information;
- (s) Significant Accounting Policies;
- (t) Detailed Operating and Capital Budget papers;
- (u) Schedule of Fees and Charges for 2019-2020

CARRIED: 5/0

9. DELEGATES REPORTS

(Elected members who are delegates to other Forums may present a verbal or written report)

Nil

10. NEW BUSINESS OF AN URGENT NATURE

Nil

11. MOTIONS ON NOTICE

Nil

12. CONFIDENTIAL ITEMS OF BUSINESS

The Shire President requested that the meeting go behind closed doors to enable discussion on an ongoing legal matter.

COUNCIL DECISION – 6253

Moved: Cr de Lacy, Seconded: Cr Palmer

That Council move into confidence.

CARRIED: 5/0

COUNCIL DECISION – 6254

Moved: Cr Palmer, Seconded: Cr Coumbe

That Council move out of confidence.

CARRIED: 5/0

13. CLOSURE

There being no further business the meeting closed at 4:58pm.

REO'Connell
Presiding Member

18-09-19.
Date