



Shire of
Wongan-Ballidu

Agenda

Special Budget Meeting of
Council

Wednesday, 13 July 2022





NOTICE OF SPECIAL MEETING OF COUNCIL (BUDGET MEETING)

Dear Elected Members

I advise that the Special Council Meeting (Budget Meeting) of the Shire of Wongan-Ballidu will be held on Wednesday, 13th July 2022 at 3.00pm at the Council Chambers, Administration Centre, Cnr Elphin Crescent and Quinlan Street, Wongan Hills.

STUART TAYLOR
CHIEF EXECUTIVE OFFICER

Disclaimer

The recommendations contained in the Agenda are subject to confirmation by Council. The Shire of Wongan-Ballidu warns that any person(s) who has an application lodged with Council should rely only on written confirmation of the decision made at the Council meeting. No responsibility whatsoever is implied or accepted by the Shire of Wongan-Ballidu for any act, omission, statement or intimation taking place during a Council meeting.

AGENDA INDEX

Item 1. ACKNOWLEDGEMENT OF COUNTRY/DECLARATION OF OPENING	3
Item 2. ATTENDANCE, APOLOGIES, LEAVE OF ABSENCE PREVIOUSLY GRANTED	3
Item 3. DECLARATION OF INTEREST	3
Item 4. ANNOUNCEMENTS FROM THE PRESIDING MEMBER.....	3
Item 5. 2022/2023 ANNUAL BUDGET - ADOPTION	3
5.1 ANNUAL BUDGET – ADOPTION.....	3
Item 6. GENERAL BUSINESS	13
Item 7. CLOSURE.....	13

ITEM 1. ACKNOWLEDGEMENT OF COUNTRY/DECLARATION OF OPENING

Acknowledgement of Country:-

"I'd like to begin by acknowledging the First Nation People of the land on which we meet today. I would also like to pay my respects to Elders past, present and emerging."

Item 2. ATTENDANCE, APOLOGIES, LEAVE OF ABSENCE PREVIOUSLY GRANTED

Item 3. DECLARATION OF INTEREST

Item 4. ANNOUNCEMENTS FROM THE PRESIDING MEMBER

Item 5. 2022/2023 ANNUAL BUDGET - ADOPTION

5.1 ANNUAL BUDGET – ADOPTION

FILE REFERENCE:	F1.2.1
REPORT DATE:	11 July 2022
APPLICANT/PROPONENT:	N/A
OFFICER DISCLOSURE OF INTEREST:	Nil
PREVIOUS MEETING REFERENCES:	Nil
AUTHOR:	Sam Dolzadelli, Deputy Chief Executive Officer
ATTACHMENTS:	5.1. Draft Budget 2022-2023

PURPOSE OF REPORT:

To consider and adopt the Budget for the 2022/23 financial year together with supporting schedules, including the striking of general rates and minimum payments, adoption of fees and charges, and other consequential matters arising from the budget papers.

EXECUTIVE SUMMARY:

Section 6.32 (1) of the *Local Government Act 1995 (Act)* states that when adopting the annual budget, a Local Government, in order to make up the budget deficiency, is to impose a general rate and minimum payment on rateable land. In adopting its annual budget, the Council must also consider its Strategic Community Plan and Corporate Business Plan under section 5.56 of the Act.

Divisions 5 and 6 of Part 6 of the *Local Government Act 1995* refer to the setting of budgets and raising of rates and charges. The *Local Government (Financial Management) Regulations 1996* details the form and content of the budget.

The 2022/23 Budget as presented is considered to meet statutory requirements and is commended to Council for adoption.

BACKGROUND:

The Budget is prepared based on presentations made to elected members at the budget workshops over the last few months. These workshops included discussion of the capital works program and other priorities for inclusion in the 22/23 annual budget.

Council provided support for the proposed increase to general rates and minimum payments at the budget workshop of 29 June 2022 of 5%, as well as the removal of the rates early payment discount. Council also provided support for an increase in non-statutory fees and charges by 5%.

COMMENT:

Estimated Surplus Brought Forward 1 July 2022

The 2022/23 Budget is framed on an estimated surplus brought forward from the 2021/22 financial year of \$2.5m. This estimate is derived as follows:

Description	Amount
Mid-Year Budget Review – Estimated Surplus 30 June 2022	\$22,000
Adjusted for:	
Advance payment of Financial Assistance Grants	\$1,988,000
Reduction in operating grants	(\$43,000)
Increase in fees and charges	\$71,000
Increase in interest/other revenue	\$28,000
Savings in Employee Costs	\$188,000
Savings in other expenses	\$6,000
Reduction in non-operating grants received (timing)	(\$1,426,000)
Unspent Capital Works	\$2,406,000
Reduction in net transfers from reserves	(\$739,000)
Estimated Surplus Brought Forward 1 July 2022	\$2,501,000

2022/23 Budget Details

The 2022/23 Budget has been prepared to include information required by the Local Government Act 1995, Local Government (Financial Management) Regulations 1996 and Australian Accounting Standards. The key features of the Budget are:

- Net rate revenue of \$3,257,356. The general rates and minimum payments rate yield has increase by 6%, this includes the 5% rate increase and the removal of the early payment discount, which equates to 1% of rates annually. The rates increase is due to a hyper-inflation environment with cost increases at its highest peak since 2008.
- The schedule of fees and charges is attached for adoption by Council, fees and charges income is budgeted at \$677,560. All non-statutory fees and charges (excluding waste charges) have been increased by 5% to ensure at minimum, cost recovery is maintained.
- Waste charges have been increased by 7.6% to match the increase imposed on the Shire from the Shire's waste collection contractor.
- A capital works program of circa \$8.04m is included in the attached. This includes \$1.43m of capital works carryovers from the 21/22 financial year. The capital works program is largely

funded by grants and reserves, with the Shire own-source municipal contribution to the program being circa \$1.14m.

- Council has established various reserve accounts to which monies are set aside at the discretion of Council to fund future service delivery requirements. These reserve accounts are itemised in the attached budget notes and include provision for a total transfer to reserve of \$1,778,673 and total transfer from reserve of \$1,441,320. This will provide the Shire with a forecast closing reserves balance at 30 June 2023 of \$2.96m
- Whilst not explicitly included in the draft Budget, as it is a balance sheet item only, the Shire does administer the collection of the Emergency Services Levy on behalf of the Government of Western Australia. The Shire has been advised of the new rates as follows; ESL rates have generally been increased by 4.6% - 4.9%.

POLICY REQUIREMENTS:

There are no known policy requirements related to this item

LEGISLATIVE REQUIREMENTS:

Section 6.2 of the *Local Government Act 1995* requires, that no later than 31 August in each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt by ABSOLUTE MAJORITY, in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next following 30 June.

Divisions 5 and 6 of Part 6 of the *Local Government Act 1995* refer to the setting of budgets and raising of rates and charges. The *Local Government (Financial Management) Regulations 1996* details the form and content of the budget. The draft 2022/23 Budget as presented is considered to meet statutory requirements.

Section 5.63 (1) of the *Local Government Act 1995* specifically excludes the need to declare a financial interest where matters; have an interest in common to a significant number of ratepayers/electors; relate to the imposition of any rate, charge or fee; relate to a fee, reimbursement of an expense or an allowance payable to elected members.

Sections 5.98, 5.98A, 5.99 and 5.99A of the *Local Government Act 1995* prescribe the fees and allowances applicable to Elected Members, Mayor or President and Deputy Mayor or President. The *Local Government (Administration) Regulations 1996* prescribe further details on limits and extent of fees, allowances and expenses for reimbursement:

- Regulation 30 Meeting Attendance Fees
- Regulation 31 Expenses to be reimbursed
- Regulation 32 Expenses that may be approved for reimbursement
- Regulation 33 Annual local government allowance for mayors or presidents
- Regulation 33A Annual local government allowance for deputies
- Regulation 34 Annual attendance fees

Section 6.33 and 6.36 of the *Local Government Act 1995* reads:

6.33. *Differential general rates*

- (1) A local government may impose differential general rates according to any, or a combination, of the following characteristics —
 - (a) the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005;
 - (b) a purpose for which the land is held or used as determined by the local government;
 - (c) whether or not the land is vacant land; or
 - (d) any other characteristic or combination of characteristics prescribed.
- (2) A local government is required to ensure that a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).
- (3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

6.36. Local government to give notice of certain rates

- (1) Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so.
- (2) A local government is required to ensure that a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).
- (3) A notice referred to in subsection (1) —
 - (a) may be published within the period of 2 months preceding the commencement of the financial year to which the proposed rates are to apply on the basis of the local government's estimate of the budget deficiency;
 - (b) is to contain —
 - (i) details of each rate or minimum payment the local government intends to impose;
 - (ii) an invitation for submissions to be made by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters within 21 days (or such longer period as is specified in the notice) of the notice; and
 - (iii) any further information in relation to the matters specified in subparagraphs (i) and (ii) which may be prescribed; and
 - (c) is to advise electors and ratepayers of the time and place where a document describing the objects of, and reasons for, each proposed rate and minimum payment may be inspected.
- (4) The local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.
- (5) Where a local government —
 - (a) in an emergency, proposes to impose a supplementary general rate or specified area rate under section 6.32(3)(a); or
 - (b) proposes to modify the proposed rates or minimum payments after considering any submissions under subsection (4),
 it is not required to give local public notice of that proposed supplementary general rate, specified area rate, modified rate or minimum payment.

The Shire has complied with sections 6.33 and 6.36 of the Local Government Act 1995.

STRATEGIC IMPLICATIONS:

There are no known strategic implications related to this item

SUSTAINABILITY IMPLICATIONS:

➤ **Environment**

There are no known Environmental implications associated with this policy.

➤ **Economic**

There are no known Economic implications associated with this policy.

➤ **Social**

There are no known social implications associated with this policy.

FINANCIAL IMPLICATIONS:

The 2022/23 Budget is a balanced budget. The annual budget is informed by all existing strategic planning documents.

VOTING REQUIREMENTS:

ABSOLUTE MAJORITY REQUIRED: Yes

OFFICER RECOMMENDATION:

PART A – MUNICIPAL FUND BUDGET FOR 2022/23

That Council:

1. Pursuant to the provisions of section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*, the Council **ADOPTS** the Municipal Fund Budget as contained as attachment 1 of this agenda and the minutes, for the Shire of Wongan-Ballidu for the 2022/23 financial year which includes the following:
 - a. Rate Setting Statement by Nature & Type on page 2 showing amounts to be raised from general rates of \$3,257,356
 - b. Transfers to/from reserve accounts on page 3
 - c. Capital works program (including plant replacement) on page 4
 - d. Other supplementary information

2. Council instructs the Chief Executive Officer to complete the Statutory Budget based upon the adopted budget as presented at this meeting of Council and lodge it with the Department by no later than 31 August 2022, as per section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*.

PART B – GENERAL AND MINIMUM RATES, INSTALMENT PAYMENTS, PAYMENT ARRANGEMENTS AND CONCESSIONS

That Council

1. For the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted as Part A above, Council pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995* IMPOSES the following differential general rates and minimum payments on Gross Rental Values:

1.1 General Rates

UV – Mining	0.008926 cents in the dollar
UV – Rural	0.008926 cents in the dollar
GRV – Wongan Hills	0.105714 cents in the dollar
GRV – Ballidu and Cadoux	0.105714 cents in the dollar

1.2 Minimum Payments

UV – Mining	\$386
UV - Rural	\$386
GRV – Wongan Hills	\$717
GRV – Ballidu and Cadoux	\$386

2. pursuant to section 6.45 of the *Local Government Act 1995* and regulation 64 (2) of the *Local Government (Financial Management) Regulations 1996*, Council OFFERS the following due dates for the payment of rates in full by single payment and over four instalments:

Four Instalments:

Full Payment and first instalment due date	29 August 2022
2 nd instalment date	31 October 2022
3 rd instalment date	9 January 2023
4 th instalment date	13 March 2023

1. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 67 of the *Local Government (Financial Management) Regulations 1996*, Council IMPOSES an instalment administration charge where the owner has elected to pay rates and service charges through an instalment option of \$12.00 for each instalment after the initial instalment is paid (excluding eligible pensioners).

2. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 68 of the *Local Government (Financial Management) Regulations 1996*, Council IMPOSES an interest rate of 5.5% where the owner has elected to pay rates and service charges through an instalment option (excluding eligible pensioners).

3. Pursuant to section 6.51 (1) and subject to section 6.51 (4) of the *Local Government Act 1995* and regulation 70 of the *Local Government (Financial Management) Regulations 1996*, Council IMPOSES an interest rate of 7% for rates and service charges and costs of proceedings to recover such charges that remains unpaid after becoming due and payable (excluding eligible pensioners), with 7% being the maximum rate pursuant to the *Local Government Amendment (COVID-19 Response) Act 2020*.

4. In accordance with the provisions of section 6.49 of the *Local Government Act 1995*, AUTHORISES the Chief Executive Officer to enter into special payment arrangements with ratepayers for the payment of general rates, emergency services levy, refuse charges and private swimming pool inspection fees during the 2022/23 financial year.

5. Pursuant to section 6.45 and 6.49 of the *Local Government Act 1995*, where a person is able to demonstrate financial hardship as defined under Council Policy, a special payment arrangement will be provided, and Council resolves to WAIVE the administration charge and all penalty interest.

ABSOLUTE MAJORITY REQUIRED

PART C – EMERGENCY SERVICES LEVY

That Council:

1. In accordance with the provisions of sections 36B and 36L of the *Fire and Emergency Services Authority of Western Australia Act 1998*, IMPOSES the 2022/23 Emergency Services Levy Rates and Minimum and Maximum Payments on land as follows:

ESL Category	ESL Rate (Per \$GRV)	Minimum and Maximum ESL Charges By Property Use			
		Residential, Farming and Vacant Land		Commercial, Industrial and Miscellaneous	
		Minimum	Maximum	Minimum	Maximum
1	0.016213	\$93	\$468	\$93	\$267,000
2	0.012160	\$93	\$351	\$93	\$200,000
3	0.008106	\$93	\$234	\$93	\$134,000
4	0.005675	\$93	\$164	\$93	\$93,000
5	Fixed Charge \$93				
Mining Tenements	Fixed Charge \$93				

2. In accordance with the provisions of section 36S of the *Fire and Emergency Services Authority of Western Australia 1998*, IMPOSES interest on all current and arrears amounts of emergency services levy at the rate of 7% per annum which remain unpaid after the due date (excluding eligible pensioners).

SIMPLE MAJORITY REQUIRED

PART D – RESERVE FUNDS

That Council:

1. Pursuant to section 6.11 of the *Local Government Act 1995*, that Council establish and maintain the Reserves as detailed on page 3 of the 2022/23 Budget, with \$1,778,673 budgeted to be transferred to Reserves and \$1,441,320 budgeted to be transferred from Reserves.

2. Pursuant to section 6.11 of the *Local Government Act 1995*, Council establishes a new reserve titled 'Building Asset Management Reserve' for the purpose of ensuring the Shire can effectively maintain and renew its building assets in future years.

3. Resolve to transfer 100% of interest earnings from the investment of Reserves into the Special Projects Reserve, with the exception of any interest earned on the developer contribution reserves which must be applied to those Reserves under section 154 of the Planning and Development Act 2005.

ABSOLUTE MAJORITY REQUIRED

PART E – GENERAL FEES AND CHARGES FOR 2022/23

That Council pursuant to section 6.16 of the *Local Government Act 1995*, Council ADOPTS the Schedule of Fees and Charges as included in the Supplementary Information of the 2022/23 Budget as contained as attachment 1 of this agenda and the minutes.

ABSOLUTE MAJORITY REQUIRED

PART F – OTHER STATUTORY FEES AND CHARGES FOR 2022/23

That Council:

1. Pursuant to section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, Council IMPOSES the following charges for the removal and deposit of waste and additional receptacle services:

Description	Fee
Rubbish and Recycling charges per bin – Wongan Hills Domestic	\$273.30 per annum
Rubbish and Recycling charges per bin – Ballidu Domestic	\$273.30 per annum
Rubbish and Recycling charges per bin – Wongan Hills Commercial	\$273.30 per annum
Rubbish and Recycling charges per bin – Ballidu Commercial	\$273.30 per annum
Additional Service charge per bin	\$273.30 per annum

2. Pursuant to section 6.16 of the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996*, Council resolves to adopt the fees and charges as detailed in the 2022/23 Schedule of Fees and Charges, as presented and incorporated into the 2022/23 annual budget.

ABSOLUTE MAJORITY REQUIRED

PART G – MATERIAL VARIANCE REPORTING FOR 2022/23

That Council:

1. In accordance with regulation 34 (5) of the *Local Government (Financial Management) Regulations 1996*, and AASB 1031 Materiality, the level to be used in statements of financial activity in 2022/23 for reporting material variances shall be:

- a) 10% of the amended budget

In addition, that the material variance limit be applied to total revenue and expenditure for each Nature and Type classification and capital income and expenditure in the Statement of Financial Activity.

SIMPLE MAJORITY REQUIRED

PART H – ELECTED MEMBER FEES AND ALLOWANCES

That Council, pursuant to sections 5.98, 5.99, 5.99A of the *Local Government Act 1995* and regulations 33, 33A 34, 34A and 34AA of the *Local Government (Administration) Regulations 1996* adopts the following annual amounts for elected member fees and allowances for the 2022/23 financial year:

Fee/Allowance	Proposed Amount 2022/23
Annual Meeting Attendance Fee – President	\$1,440
Annual Meeting Attendance Fee – Elected Members	\$1,200
Annual Allowance - President	\$1,000
Annual Allowance – Deputy President	\$250
Annual Information Communication and Technology Allowance	\$1,000

SIMPLE MAJORITY REQUIRED

Item 6. GENERAL BUSINESS

Item 7. CLOSURE