



SHIRE OF WYNDHAM | EAST KIMBERLEY

AGENDA
ORDINARY COUNCIL
MEETING

25 June 2019

DISCLAIMER

Members of the Public are advised that recommendations to Council contained within this Agenda and decisions arising from the Council meeting can be subject to alteration.

Applicants and other interested parties should refrain from taking any action until such time as written advice is received confirming Council's decision with respect to any particular issue.

An audio and/or video record will be made of these proceedings to assist in the taking of minutes.

Signed on behalf of Council



CARL ASKEW

CHIEF EXECUTIVE OFFICER

NOTES

- 1. Councillors wishing to make alternate motions to officer recommendations are requested to provide notice of such motions electronically to the minute taker prior to the Council Meeting.**
- 2. Councillors needing clarification on reports to Council are requested to seek this from relevant Officers prior to the Council meetings.**

C O N T E N T S

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS	4
2. RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE (PREVIOUSLY APPROVED)	4
3. DECLARATION OF INTEREST	4
4. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE	4
5. PUBLIC QUESTION TIME	4
6. APPLICATIONS FOR LEAVE OF ABSENCE	4
7. PETITIONS	4
8. CONFIRMATION OF MINUTES	4
9. ANNOUNCEMENTS BY THE PERSON PRESIDING WITHOUT DISCUSSION	4
10. MATTERS FOR WHICH THE MEETING MAY BE CLOSED	4
11. DEPUTATIONS / PRESENTATIONS / SUBMISSIONS	4
12. REPORTS	4
12.1. MATTERS ARISING FROM COMMITTEES OF COUNCIL	5
12.2. CHIEF EXECUTIVE OFFICER	5
12.2.1. Standing Item - Outstanding Actions from Previous Council Resolutions ..	5
12.2.2. Standing Item - Use of the Common Seal	7
12.3. PLANNING AND COMMUNITY DEVELOPMENT	10
12.3.1. Kununurra Agricultural Society Temporary Caravan Park Licence	10
12.3.2. Assemblies Of God Temporary Caravan Park Licence	14
12.4. CORPORATE SERVICES	18
12.4.1. List of Accounts Paid From Municipal Fund and Trust Fund	18
12.4.2. Annual Budget 2019/20	21
12.4.3. Monthly Financial Report May 2019	63
12.5. INFRASTRUCTURE	66
13. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN	66
14. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN	66
15. URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION	66
16. MATTERS BEHIND CLOSED DOORS	66
16.1. REQUEST FOR TENDER T05-18/19 COMMERCIAL CLEANING SERVICES – SHIRE FACILITIES	66
16.2. REQUEST TO WRITE OFF RATES AND INTEREST CHARGES	68
17. CLOSURE	69

**SHIRE OF WYNDHAM EAST KIMBERLEY
ORDINARY COUNCIL MEETING AGENDA
KUNUNURRA COUNCIL CHAMBERS
TO BE HELD ON 25 JUNE 2019 AT 5:00PM**

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

**2. RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE
(PREVIOUSLY APPROVED)**

3. DECLARATION OF INTEREST

- Financial Interest
- Impartiality Interest
- Proximity Interest

4. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Chris McLachlan, Wyndham Resident

Question 1

Could you please itemise the work that will be carried out by THINKWATER in the next month, in relation to: [ID 419] Wyndham parks and Gardens Reticulation Upgrade

THINKWATER have been engaged to upgrade the existing irrigation system in Wyndham. The works involve the installation of 22 new radio controlled irrigation valves which will run along the Great Northern Highway from the bore at Bonaparte Street to Kangaroo Drive.

Wyndham is situated in a declared cyclone region, which means all buildings and building applications need to meet engineering restrictions for areas with certain anticipated wind speeds. Because of this Thinkwater have completed a Wind region C certification for the radio antenna, along with submitting a building permit application to SWEK.

The remaining works to be completed include the installation of a new irrigation pump at the bore tank, the construction of a 9.7metre tall radio antenna at the Shire depot, installation of a wireless irrigation controller, and supply and installation of a 24 station wireless, cloud based, irrigation system.

Once the radio mast is installed on the depot site, it will be used to transmit open and close signals to the radio controlled valves. This, in tandem with a cloud based operating system, will allow for a fully automated irrigation system within Wyndham town that can be set according to the weather, operated from anywhere in the country if needed, and in turn free up valuable staff hours of manual operation to concentrate on more meaningful town maintenance tasks.

The works scheduled are due for completion by the end of July 2019

Simone Rushby, Kununurra Resident

Question 5

I am aware that there was more information provided to SWEK (both administration and Council) regarding the community concerns over Governance and Internal management, yet this has not been mentioned adequately in the survey and community comments have been left out of the report. Could the Council please request further drill down on these specific issues from Catalyse. In reference to cost, I am aware this information has been offered as “pro-bono”.

Shire President D Menzel provided the following response at Ordinary Council Meeting 28 May:

The information in the report and attachment is what has been provided to the Shire. The Survey highlighted healthy improvements in a number of areas with some better improvements in governance and specifically “leadership” “within the community” and “as a governing organisation.”

Five priority areas were noted in the Strategic Summary and these did not include Governance or Internal Management.

The CEO confirmed that typically Catalyse highlight areas over 10% and Governance and Internal Management were listed at 7.9% and ranked 10th equal with two other areas. All documents have been made available to Council and the key concerns have been discussed.

In reference to the second part of your question and request for further drill down on specific issues the Shire President agreed to take the question on notice.

A further response was sent in writing responding to the second half of the question:

This question was in response to the Shire’s Markyt Community Scorecard for 2019 and in particular additional information related to governance and internal management.

As the Shire President outlined at the meeting the Shire has improved from our 2017 results in 35 Performance measures and specifically (as shown on page 6) an improvement of 18 index points for ‘leadership’ and an improvement of 13 index points for ‘governing organisation’ which, in the Consultant’s opinion, was outstanding and that they don’t typically see this level of improvement in a Council’s performance between studies. This was their basis for concluding that the Shire “has seen healthy improvements”. In addition I recall Councillors at the meeting referring to other governance related matters including our most recent Audit reports as further examples of how we are improving in the area of “governance”.

As you would be aware from the full report to Council there are a number of priority areas for Council to focus on and nine of the higher rating areas (over 10%) were recommended by the Consultants, with the top 5 being a focus for Council. Internal Management was rated at 7.9% along with two other areas (Kununurra Town Centre and Street Lighting).

After the Council Meeting the Shire President and I raised your concerns and question with the Elected Members and there was a unanimous view that our priority

was to focus on the higher ranked areas as recommended by the Consultant and that there was general support for the improvements being made by the Administration in the areas of governance and internal management. However this is not to say that the Shire Administration will not have this issue as one we need to continue to strive to improve in, even if it is not one of the higher listed priority areas of Council.

In relation to your request for further detailed data related just to this particular issue, the view of the Council Members on the night, and supported by the Consultant, was that there was no need to further investigate this matter. In addition the Consultant advised that they “do not recommend sharing the full database of responses with external parties as there is greater risk that respondent comments may be manipulated or misrepresented”.

Council was of the opinion that we need to be careful that the discussion about ‘governance’ does not become a distraction to the bigger issue of safety and security, vandalism and anti-social behaviour, value for money from rates, youth services and infrastructure (sealed roads, playgrounds, parks and reserves and footpaths). Ideally Council wants to direct available resources and energy towards tackling the problems that are affecting the community the most.

5. PUBLIC QUESTION TIME

6. APPLICATIONS FOR LEAVE OF ABSENCE

7. PETITIONS

8. CONFIRMATION OF MINUTES

OFFICER’S RECOMMENDATION

That Council confirms the Minutes of the Special Council Meeting held on 16 April 2019

Note: The Minutes of the Ordinary Council Meeting held on 28/05/19 are provided under separate cover via www.swek.wa.gov.au

That Council confirms the Minutes of the Ordinary Council Meeting held on 28 May 2019

Note: The Minutes of the Ordinary Council Meeting held on 25/06/19 are provided under separate cover via www.swek.wa.gov.au

9. ANNOUNCEMENTS BY THE PERSON PRESIDING WITHOUT DISCUSSION

10. MATTERS FOR WHICH THE MEETING MAY BE CLOSED

11. DEPUTATIONS / PRESENTATIONS / SUBMISSIONS

12. REPORTS

12.1. MATTERS ARISING FROM COMMITTEES OF COUNCIL

12.2. CHIEF EXECUTIVE OFFICER

12.2.1. Standing Item - Outstanding Actions from Previous Council Resolutions

DATE:	25 June 2019
AUTHOR:	Executive Assistant
RESPONSIBLE OFFICER:	Carl Askew, Chief Executive Officer
DISCLOSURE OF INTERESTS:	Nil

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council notes the report - Outstanding Actions from Previous Council Resolutions.

PURPOSE

To report to the Council on the progress of and provide comment on outstanding actions from Council resolutions.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Leader - plan and provide direction through policy and practices

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

At each meeting of Council, resolutions are made which require actions to be taken by officers to implement those resolutions. This monthly update advises the Council as to the status of the implementation of resolutions.

STATUTORY IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Not applicable as referenced in individual reports presented to the Council.

STRATEGIC IMPLICATIONS

Focus Area 4: Civic Leadership

Goal 4.2: Good decision making through engagement with the community

Strategy 4.2.2: Ensure community input informs planning and decision making

Goal 4.3: Ensure a strong and progressive organisation delivering customer focused services

Strategy 4.3.2: Create a culture that encourages innovation, collaboration, best practice and organisational discipline to improve efficiency, effectiveness and productivity

RISK IMPLICATIONS

Nil

COMMUNITY ENGAGEMENT

No community engagement is required.

COMMENTS

This report includes actions from the May 2019 Council resolutions (attachment 1).

Attachment 2 summarises all other actions that are outstanding from previous Council resolutions.

ATTACHMENTS

Attachment 1 - Council Action Register - May 2019

Attachment 2 - Council Action Register - Outstanding Actions from Previous Council Resolutions

12.2.2. Standing Item - Use of the Common Seal

DATE:	26 June 2018
AUTHOR:	Communications & Marketing Officer
RESPONSIBLE OFFICER:	Carl Askew, Chief Executive Officer
DISCLOSURE OF INTERESTS:	Nil

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council receives the report on the application of the Shire of Wyndham East Kimberley Common Seal for the period 23 May 2019 to 20 June 2019

PURPOSE

For Council to receive this report on the application of the Shire of East Kimberley Common Seal for the period 23 May 2018 to 20 June 2018

NATURE OF COUNCIL'S ROLE IN THE MATTER

Regulator - enforce state legislation and local laws

STATUTORY IMPLICATIONS

Local Government Act 1995

9.49A. Execution of documents

- (1) *A document is duly executed by a local government if —*
 - (a) *the common seal of the local government is affixed to it in accordance with subsections (2) and (3); or*
 - (b) *it is signed on behalf of the local government by a person or persons authorised under subsection (4) to do so.*
- (2) *The common seal of a local government is not to be affixed to any document except as authorised by the local government.*
- (3) *The common seal of the local government is to be affixed to a document in the presence of —*
 - (a) *the mayor or president; and*

- (b) the chief executive officer or a senior employee authorised by the chief executive officer, each of whom is to sign the document to attest that the common seal was so affixed.*
- (4) A local government may, by resolution, authorise the chief executive officer, another employee or an agent of the local government to sign documents on behalf of the local government, either generally or subject to conditions or restrictions specified in the authorisation.*
- (5) A document executed by a person under an authority under subsection (4) is not to be regarded as a deed unless the person executes it as a deed and is permitted to do so by the authorisation.*
- (6) A document purporting to be executed in accordance with this section is to be presumed to be duly executed unless the contrary is shown.*
- (7) When a document is produced bearing a seal purporting to be the common seal of the local government, it is to be presumed that the seal is the common seal of the local government unless the contrary is shown.*

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Focus Area 4: Civic Leadership

Goal 3.1: To deliver the critical infrastructure that will create the conditions for economic growth across the Shire

RISK IMPLICATIONS

Nil

COMMUNITY ENGAGEMENT

No community engagement is required.

COMMENTS

There were four documents for the time period of 23 May 2018 to 20 June 2018 with the Shire of Wyndham East Kimberley Common Seal applied.

The following documents have had the Shire of Wyndham East Kimberley Common Seal applied:

Date of Use	Document
30/05/2018	Transfer of Land – Lots 401 & 402 on Deposited Plan 223234 (Pearse Street Wyndham)
30/05/2018	Letter of Offer – Wyndham Land Exchange – Lot 826 and 828 on Deposited Plan 208835 (Koolama Street, Wyndham)
30/05/2018	Deed of Land Exchange – Wyndham Land Exchange – Lot 826 and 828 on Deposited Plan 208835 (Koolama Street, Wyndham)
30/05/2018	Transfer of Land – Lot 826 on Deposited Plan 208835 (Koolama Street, Wyndham)

ATTACHMENTS

Nil

12.3. PLANNING AND COMMUNITY DEVELOPMENT

12.3.1. Kununurra Agricultural Society Temporary Caravan Park Licence

DATE:	25 June 2019
AUTHOR:	Environmental Health Officer
RESPONSIBLE OFFICER:	Nick Kearns, Director Planning and Community Development
ASSESSMENT NO:	A7620
FILE NO:	PH.12.5
DISCLOSURE OF INTERESTS:	Nil

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council:

- 1. Authorises the Chief Executive Officer to sign the application form for the Temporary Caravan Park and Camping Ground Licence for the Kununurra Agricultural Society at R29799, 199 (Lot 504) Coolibah Drive, Kununurra**
- 2. Grants a temporary caravan park licence to Kununurra Agricultural Society for 35 short stay sites and 5 campsites at the Kununurra Agricultural Grounds from 5 July 2019 to 15 July 2019 subject to the following conditions:**
 - 1. The existing licence for a Caravan Park and Camping Ground located at the site will be suspended for the duration of the Kununurra Agricultural Show.**
 - 2. Only event staff associated with the Kununurra Agricultural Show are to be accommodated in the park.**
 - 3. The following minimum ablution facilities are to be available for the duration of the licence: 4 toilets, 2 hand basins, and 2 showers.**
 - 4. All wastewater (including sullage water) must be collected and removed from site to be disposed of at an approved wastewater dump point.**
 - 5. Rubbish bins are to be sealed and provided within 90 metres of every site. All rubbish to be removed from site.**
 - 6. Fire extinguisher/s are to be located within 90 metres of every site.**

PURPOSE

For Council to consider an application made by the Kununurra Agricultural Society for a Temporary Caravan Park and Camping Ground Licence at the Kununurra Agricultural Grounds.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Regulator - enforce state legislation and local laws

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

The Kununurra Agricultural Society hosts the Kununurra Agricultural Show as an annual event in July. This year, the event will run on 12 and 13 July.

The Kununurra Agricultural Society has applied for a temporary caravan park and camping ground licence from Friday 5 July 2019 to Monday 15 July 2019 at the Kununurra Agricultural Grounds in order to meet the accommodation needs of site holders. A copy of this application and confirmation of proposed site numbers is provided as Attachment 1.

This extended period around the actual event dates is to allow amusement vendors and staff to arrive in Kununurra from other venues, as well as the set up and dismantling of their amusement rides and stalls after event. The need for the temporary camping onsite is to allow amusement vendors to stay in proximity to their equipment for security reasons.

The Kununurra Agricultural Society already holds a caravan and camping ground licence for the site which will be temporarily suspended for the duration of the event as the site plan will be significantly altered for this purpose and only staff associated with the event will be permitted to be accommodated on site.

STATUTORY IMPLICATIONS

Caravan Parks and Camping Grounds Act 1995 (the Act)

s. 7(5) Before granting a licence a local government must ensure that —

- (a) the applicant has complied with the requirements of this Act;*
- (b) the applicant is the owner of the land on which the facility is situated, or is to be situated, or has the written approval of the owner of that land to apply for a licence.*

Caravan Parks and Camping Grounds Regulations 1997 (the Regulations)

r. 47. Applications not dealt with within time are taken to be refused

(1) If within —

- (a) 63 days of receiving an application for a licence; or*
- (b) 35 days of receiving an application for a renewal of a licence, the local government to which the application was made has not informed the applicant whether or not the application has been granted, the applicant may give the chief*

executive officer of the local government a notice requiring the local government to inform the applicant, within 14 days, whether or not the application is granted.

(2) If within 14 days after receiving a notice referred to in subregulation (1), the local government has not informed the applicant whether or not the application is granted, the local government is to be taken to have refused the application and the applicant may make an application for review to the State Administrative Tribunal under section 27 of the Act.

r. 54 Temporary licence

(1) A local government may, on payment of the fee set out in item 3 of Schedule 3, grant a temporary licence for a facility which is to remain in force for such period of less than one year, as is provided in the licence.

(2) A local government is to endorse on a temporary licence for a facility as conditions of the licence —

(a) the maximum number of sites that may be used at the facility;

(b) the maximum number of sites of particular types that may be used at the facility and

(c) the services and facilities that are to be provided.

POLICY IMPLICATIONS

Council Policy *CP/HTH-3762 Licensing of Temporary Caravan Parks and Camping Grounds* provides guidelines for the approval of temporary licences. The Policy allows for a reduction in amenity and requirements of the Regulations which is considered appropriate as temporary licences are usually issued only for a short time.

FINANCIAL IMPLICATIONS

If the Kununurra Agricultural Society is granted a temporary licence they will be invoiced for a licence fee to be calculated in accordance with Schedule 3 of the Regulations. For 35 short stay sites and 5 campsites for 11 days a minimum fee of \$100 will be applicable.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017-2027

Focus Area 2: Enhancing the environment

Goal 2.3: Make towns safe and inviting for locals and visitors

Strategy 2.3.5: Enforce effective public health and safety

Corporate Business Plan

CBP Action: #340 Manage and provide environmental health services

RISK IMPLICATIONS

Risk: Failure to comply with minimum health and safety standards resulting in illness or injury to members of the public.

Control: Inspection by Shire officer and compliance with minimum requirements based on legislative requirements for Nature Based Parks.

COMMUNITY ENGAGEMENT

No community engagement is required.

COMMENTS

The proposed licence meets the requirements and intentions of *Council Policy CP/HTH-3762 Licensing of Temporary Caravan Parks and Camping Grounds*. The area will be occupied only by event staff/amusement vendors who will stay on site with their equipment and is recommended for approval.

Ablution facilities that are to be provided for the temporary camping onsite are in accordance with the Nature Based Parks minimum requirements detailed in the regulations for the proposed number of sites (40). Other conditions are also recommended with regard to waste water disposal, rubbish bins and fire extinguishers, in accordance with the regulations.

ATTACHMENTS

Attachment 1 - Kununurra Agricultural Society - Temporary Caravan Park Application

12.3.2. Assemblies Of God Temporary Caravan Park Licence

DATE:	25 June 2019
AUTHOR:	Environmental Health Officer
RESPONSIBLE OFFICER:	Nick Kearns, Director Planning and Community Development
ASSESSMENT NO:	A285
FILE NO:	PH.12.5
DISCLOSURE OF INTERESTS:	Nil

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council grants a temporary camping ground licence to Assemblies of God Church for 20 campsites at the Church Grounds from 26 June 2019 to 30 June 2019 subject to the following conditions:

- 1. Only church convention attendees and people associated with the Church are to be accommodated in the park.**
- 2. The following minimum ablution facilities are to be available for the duration of the licence: 2 toilets, 2 hand basins, and 2 showers in line with Schedule 7 of the Caravan Parks and Camping Grounds Regulations 1997.**
- 3. All wastewater (including sullage water) is to be collected and removed from site to be disposed of at an approved wastewater dump point.**
- 4. Rubbish bins are to be sealed and provided within 90 metres of every site. All rubbish to be removed from site.**
- 5. Fire extinguisher/s are to be located within 90 metres of every site.**

PURPOSE

For Council to consider an application made by Assemblies of God for a Temporary Caravan Park and Camping Ground Licence at the Assemblies of God Church Grounds in Wyndham.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Regulator - enforce state legislation and local laws

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

Assemblies of God Church have applied for a temporary camping ground licence from Wednesday 26 June to Sunday 30 June 2019 at their church grounds on Lot 1757 Civic Way in Wyndham. The theme of the church convention is “Empowering Indigenous Leaders in the 21st Century”, and the convention is an initiative aimed at bringing to light issues that can assist indigenous people in the East Kimberley to be stronger leaders and mentors.

A temporary camping ground licence will assist with accommodating people travelling from communities to attend the Convention. While there is a local caravan park nearby, the applicant has advised that due to historical issues camping enquiries with the owner/manager were met with refusal, and therefore the applicant proposes to host some campers on their church ground for the 4 days.

The applicant has only applied for camping in tents to occur at the church grounds, with delegates with caravans, or staying in cabins, to be booked at the Wyndham Caravan Park. It is acknowledged that some travelling delegates may stay with family.

The applicant has indicated that a maximum of 100 people will attend the convention, of which 30 are regular church members already based in Wyndham, with another approximately 30 - 40 of the attendees anticipated to be accommodated by friends or at the Wyndham Caravan Park. This leaves between approximately 30 - 40 attendees that may seek to camp at the church grounds.

STATUTORY IMPLICATIONS

r. 47. Applications not dealt with within time are taken to be refused

(1) If within —

- (a) 63 days of receiving an application for a licence; or*
- (b) 35 days of receiving an application for a renewal of a licence, the local government to which the application was made has not informed the applicant whether or not the application has been granted, the applicant may give the chief executive officer of the local government a notice requiring the local government to inform the applicant, within 14 days, whether or not the application is granted.*

(2) If within 14 days after receiving a notice referred to in subregulation (1), the local government has not informed the applicant whether or not the application is granted, the local government is to be taken to have refused the application and the applicant may make an application for review to the State Administrative Tribunal under section 27 of the Act.

r. 54 Temporary licence

(1) A local government may, on payment of the fee set out in item 3 of Schedule 3, grant a temporary licence for a facility which is to remain in force for such period of less than one year, as is provided in the licence.

(2) A local government is to endorse on a temporary licence for a facility as conditions of the licence —

- (a) the maximum number of sites that may be used at the facility;*
- (b) the maximum number of sites of particular types that may be used at the facility and*

(c) the services and facilities that are to be provided.

POLICY IMPLICATIONS

Council Policy CP/HTH-3762 Licensing of Temporary Caravan Parks and Camping Grounds provides guidelines for the approval of temporary licences. The Policy allows for reduction in amenity and requirements of the Regulations which is considered appropriate as temporary licences are usually issued only for a short time.

FINANCIAL IMPLICATIONS

If Assemblies of God Church are granted a temporary licence they will be invoiced for a licence fee to be calculated in accordance with Schedule 3 of the Regulations.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017-2027

Focus Area 1: Healthy vibrant active communities

Goal 1.1: Bring community together and promote our rich culture and heritage

Strategy 2.3.5: Enforce effective public health and safety

Strategy 3.3.3: Support greater participation of local Aboriginal people in the workforce and to undertake business ventures

RISK IMPLICATIONS

Risk: Failure to comply with minimum health and safety standards resulting in illness or injury to members of the public.

Control: Inspection by Shire officer and compliance with minimum requirements based on legislative requirements for Nature Based Parks

COMMUNITY ENGAGEMENT

No community engagement is required.

COMMENTS

The proposed licence meets the requirements and intentions of Council Policy CP/HTH-3762 Licensing of temporary caravan parks and camping grounds. The licenced area will be occupied only by church members and invited speakers who stay on site with their equipment and is recommended for approval.

The regulations allow for several people to camp on one campsite, so based on approximately 30 - 40 people camping at the church site, 20 campsites would allow for an average of 2 people per campsite.

Ablution facilities that are to be provided for the temporary camping onsite are in accordance with the Nature Based Parks minimum requirements detailed in the regulations for the proposed number of sites (20). Other conditions are also recommended with regard to waste water disposal, rubbish bins and fire extinguishers, in accordance with the regulations.

ATTACHMENTS

Attachment 1 - Assemblies of God (AOG) - Temporary Caravan Park and Camping Application

Attachment 2 - AOG further information

12.4. CORPORATE SERVICES

12.4.1. List of Accounts Paid From Municipal Fund and Trust Fund

DATE:	25 June 2019
AUTHOR:	Creditors Officer
RESPONSIBLE OFFICER:	Vernon Lawrence, Director Corporate Services
FILE NO:	FM.09.20
DISCLOSURE OF INTERESTS:	Nil

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council receives the listing of accounts paid from the Municipal and Trust funds, being:		
Municipal EFT 134892 - EFT 135150 (02/05/2019 - 30/05/2019)	\$	1,199,249.52
Municipal Cheques 51946 - 51966 (02/05/2019 - 31/05/2019)	\$	123,842.54
Trust Cheque 1210 - 1213 (02/05/2019 - 31/05/2019)	\$	800.00
Trust EFT 501799 - 501814 (01/5/2019 - 27/05/2019)	\$	5,181.35
Payroll (08/05/2019 - 22/05/2019)	\$	490,105.15
Direct bank debits (01/05/2019 - 23/05/2019)	\$	101,152.95
Total	\$	1,920,331.51

PURPOSE

To present the listing of accounts paid from the Municipal Fund and Trust Fund in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996*.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Regulator - enforce state legislation and local laws.

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

In accordance with Councils Delegations Register 2018/19 which was adopted by the Council on the 28 August 2018, the Council has delegated to the CEO the exercise of its power under regulations 12 and 13 of the *Local Government (Financial Management) Regulations 1996* to make payments from Municipal Fund and Trust Fund.

STATUTORY IMPLICATIONS

Local Government Act 1995 – Section 5.42

Local Government (Financial Management) Regulations 1996 – Regulations 5, 11, 12, 12(1)(a) and 13.

POLICY IMPLICATIONS

Sub-delegation 12 “Payments from the Municipal Fund and Trust Fund” applies subject to compliance with *Council Policy CP/FIN-3204 Purchasing*.

FINANCIAL IMPLICATIONS

There are no financial implications arising out of the preparation of this report. The financial implications arising from the payments made from the Municipal and Trust funds have been provided for in the 2018/19 Adopted Budget and any subsequent amendments thereto. This report provides for the ongoing management of the Shire’s funds by providing the Council with sufficient information to monitor and review payments made.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017-2027.

Focus Area 4: Civic Leadership

Goal 4.4: Sustainably maintain the Shire’s financial viability

Strategy 4: Apply best practice financial management to ensure long term sustainability.

RISK IMPLICATIONS

Risk: Failure to comply with legislative requirements leading to damage of reputation and/or financial loss.

Controls: Annual Financial Audit. Annual Compliance Return to Department of Local Government, Sport and Cultural Industries.

COMMUNITY ENGAGEMENT

No community engagement is required.

COMMENTS

In accordance with statutory requirements, each payment from the Municipal Fund or the Trust Fund is to be noted on a list compiled each month showing: the payee's name, amount of payment, date of payment and sufficient information to identify the transaction. The list is to be presented to the Council at the next ordinary meeting of the Council following the preparation of the list and is to be recorded in the minutes of the meeting at which it is presented.

ATTACHMENTS - Item 12.4.1

Attachment 1 - List of Accounts Paid May 2019

12.4.2. Annual Budget 2019/20

DATE:	25 June 2019
AUTHOR:	Director Corporate Services
RESPONSIBLE OFFICER:	Director Corporate Services, Vernon Lawrence
FILE NO:	FM.02.16
DISCLOSURE OF INTERESTS:	NIL

VOTING REQUIREMENT 1

Absolute Majority

OFFICER'S RECOMMENDATION 1

That Council notes the following categories for 2019/20 rating purposes have been incorporated into the revised *Council Policy CP/FIN-3200 Strategic Rating* endorsed at the 28 May 2019 Ordinary Council Meeting (Minute No: 28/05/2019 - 118025):

GRV Residential

Includes all GRV valued land within the town site which is used primarily for residential purposes with the exception of Transient Accommodation and as outlined in Appendix A of *Council Policy CP/FIN-3200 Strategic Rating*.

GRV Other Vacant

Includes all GRV valued land within the town site which is deemed to be vacant land (unimproved land).

GRV Commercial

Includes all GRV land which is used primarily for commercial purposes, and may include land uses such as caravan parks, fast food outlets, hotels, restaurants, or veterinary centres as outlined in Appendix A of *Council Policy CP/FIN-3200 Strategic Rating*.

GRV Industrial

Includes all GRV valued land which is used primarily for industrial purposes and as outlined in Appendix A of the *Council Policy CP/FIN-3200 Strategic Rating*.

GRV Rural Residential

A differential rate is applied to GRV valued land that is zoned Rural Residential and Rural Smallholdings which is used primarily for or capable of being used primarily for rural residential purposes.

UV Rural Residential

Includes all UV valued land located outside the gazetted town site that is zoned Rural Residential or Rural Smallholding which is used primarily for or capable of being used primarily for rural residential purposes.

UV Pastoral

Includes all UV valued land located outside the gazetted town site which is used or capable of use primarily for pastoral purposes. Properties such as these have the characteristics of a commercial operation in an undeveloped and sparsely populated area.

UV Commercial/Industrial

Includes all UV valued land located outside the gazetted town site that is used primarily for, or capable of being used primarily for commercial, industrial and/or tourism purposes.

UV Agriculture

Includes all UV valued land located outside the gazetted town site which is zoned Agriculture – State or Regional Significance or Rural which is used or capable of being used primarily for extensive agriculture, agroforestry and/or horticultural purposes.

UV Horticulture

Includes all UV valued land located outside the gazetted town site which is zoned Local Horticulture which is used primarily for, or is capable of use primarily for intensive agriculture and/or horticultural purposes.

UV Mining

Includes all UV valued land located outside the gazetted town site which is used primarily for mining purposes and encompasses mining leases, petroleum exploration permits and general purpose mining leases.

UV Mining Exploration and Prospecting

Includes all UV valued land located outside the gazetted town site which is used primarily for mining purposes and encompasses exploration and prospecting licences.

UV Other

Includes all UV valued land located outside the gazetted town site which is not otherwise rated as UV Rural Residential, UV Pastoral, UV Commercial/Industrial, UV Agriculture, UV Horticulture, UV Mining, or UV Mining Exploration and Prospecting.

VOTING REQUIREMENT 2

Absolute Majority

OFFICER'S RECOMMENDATION 2

That Council, pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the Local Government Act 1995 and the revised *Council Policy CP/FIN-3200 Strategic Rating*, imposes differential general rates and minimum payments on Gross Rental Value properties and Unimproved Value properties for the 2019/20 financial year as follows:

As per Ordinary Council Meeting 28 May 2019 (Minute No: 28/05/2019 - 118025):

Rating Category	General Rate in the Dollar \$	Minimum Payments
GRV - Residential	0.1449	\$1,112
GRV - Other Vacant	0.2247	\$1,112
GRV - Commercial	0.1429	\$1,112
GRV - Industrial	0.1389	\$1,112
GRV - Rural Residential	0.1449	\$1,112
UV - Rural Residential	0.0110	\$1,112
UV - Pastoral	0.0570	\$1,112
UV - Commercial/Industrial	0.0077	\$1,112
UV - Agriculture	0.0116	\$1,112
UV - Horticulture	0.0101	\$1,112
UV - Mining	0.2740	\$1,112
UV - Mining Exploration and Prospecting	0.1369	\$310
UV - Other	0.0065	\$1,112

VOTING REQUIREMENT 3

Absolute Majority

OFFICER'S RECOMMENDATION 3

That Council, pursuant to section 66 of the *Waste Avoidance and Resource Recovery Act 2007*, adopts a general rate for the Waste Management Charge to be imposed on all rated properties for the 2019/20 financial year at a rate in the dollar of:

Rating Category	Cent in the Dollar
GRV - Residential	0.0001
GRV - Other Vacant	0.0001
GRV - Commercial	0.0001
GRV - Industrial	0.0001
GRV - Rural Residential	0.0001
UV - Rural Residential	0.0001
UV - Pastoral	0.0001
UV - Commercial/Industrial	0.0001
UV - Agriculture	0.0001
UV - Horticulture	0.0001
UV - Mining	0.0001
UV - Mining Exploration and Prospecting	0.0001
UV - Other	0.0001

VOTING REQUIREMENT 4

Absolute Majority

OFFICER'S RECOMMENDATION 4

That Council adopt a minimum payment to apply to the Waste Management Charge imposed on all rated properties in accordance with section 66 of the *Waste Avoidance and Resource Recovery Act 2007* and Part 5 of the *Local Government (Financial Management) Regulations 1996* for the 2019/20 financial year of:

Rating Category	Minimum Payment
GRV - Residential	\$200
GRV - Other Vacant	\$200
GRV - Commercial	\$200
GRV - Industrial	\$200
GRV - Rural Residential	\$200

UV - Rural Residential	\$200
UV - Pastoral	\$200
UV - Commercial/Industrial	\$200
UV - Agriculture	\$200
UV - Horticulture	\$200
UV - Mining	\$200
UV - Mining Exploration and Prospecting	\$200
UV - Other	\$200

VOTING REQUIREMENT 5

Absolute Majority

OFFICER'S RECOMMENDATION 5

That Council pursuant to section 6.45 of the *Local Government Act 1995* and in accordance with Regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, nominates the following due dates for the payment of rates and service charges for the 2019/20 financial year:

- a. **23 August 2019 or to pay in full within 35 days of the issue of the rates notice;**
- b. **To pay by 2 equal instalments being:**
 - i. **50% of the rates: 23 August 2019 or within 35 days of the issue of the rates notice;**
 - ii. **50% of the rates: 10 January 2020 or within 4 months of (i);**
- c. **To pay by 4 (25%) equal instalments being:**
 - i. **23 August 2019 or within 35 days of the issue of the rates notice;**
 - ii. **25 October 2019 or within 2 months of (i);**
 - iii. **10 January 2020 or within 2 months of (ii);**
 - iiii. **13 March 2020 or within 2 months of (iii) being 6 months from the expiration of the initial 35 day period and 6 months and 35 days from the date of issue of the rates notice.**

VOTING REQUIREMENT 6

Absolute Majority

OFFICER'S RECOMMENDATION 6

That Council:

1. Pursuant to section 6.16 of the Local Government Act 1995, adopts the amended Schedule of Fees and Charges for 2019/20 outlined in Attachment 2 to be effective from either 1 July 2019 or 1 January 2020, whichever date is indicated in Attachment 2.
2. Pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 68 of the *Local Government (Financial Management) Regulations 1996*, 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 and seniors).
3. Pursuant to Section 6.45 of the *Local Government Act 1995* and Regulation 67 of the *Local Government (Financial Management) Regulations 1996*, imposes an instalment administration charge where the owner has elected to pay rates and service charges through an instalment option of \$12.00 per instalment after the initial instalment is paid.
4. Pursuant to Section 6.16 of the *Local Government Act 1995* and Regulation 67 of the *Local Government (Financial Management) Regulations 1996*, impose an administration fee of \$61.30 on any ratepayer who wishes to negotiate a rates special payment arrangement.

VOTING REQUIREMENT 7

Absolute Majority

OFFICER'S RECOMMENDATION 7

That Council:

1. 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*, imposes an interest rate of 9.0% per annum for rates (and charges) and costs of proceedings to recover such charges that remain unpaid after becoming due and payable (excluding eligible pensioners and seniors).

VOTING REQUIREMENT 8

Absolute Majority

OFFICER'S RECOMMENDATION 8

That Council:

1. Pursuant to Section 6.13 of the *Local Government Act 1995*, impose interest at 9.0% per annum on any amount of money (other than rates and service charges which is owed to Shire and has been owed for a period of 35 days in accordance with *Council Policy CP/FIN-3214-Sundry Debt Collection*.

VOTING REQUIREMENT 9

Absolute Majority

OFFICER'S RECOMMENDATION 9

That Council:

1. Notes that the Elected Members annual attendance fees and annual allowances have been determined with reference to the revised *Council Policy CP/CNC-3141 Elected Member Allowances and Entitlements* adopted at the 30 April 2019 Ordinary Meeting of Council (Minute No. 26/03/2019 - 115960) to be incorporated into the 2019/20 Municipal Fund Budget.
2. Notes the revised *Council Policy CP/CNC-3141 Elected Member Allowances and Entitlements* adopted at the 30 April 2019 Ordinary Meeting of Council (Minute No. 26/03/2019 - 115960) provide for the maximum Salaries and Allowances Tribunal (SAT) determination levels so that:
 - a. The President's Annual Meeting Attendance Fee is 70% of the yearly maximum Salaries and Allowances Tribunal (SAT) determination.
 - b. The Elected Members Annual Meeting Attendance Fee is 70% of the yearly maximum Salaries and Allowances Tribunal (SAT) determination.
 - c. The President's Annual Allowance is 70% of the yearly maximum Salaries and Allowances Tribunal (SAT) determination.
 - d. The Deputy President's Annual Allowance is 25% of the President's Allowance.
 - e. The Elected Members will receive an ICT Allowance of \$2,400 per annum.
3. Pursuant to section 5.99 of the *Local Government Act 1995*, adopts the following annual fees for payment of elected members in lieu of individual meeting attendance fees:
 - a. President \$21,804
 - b. Councillors \$16,211
4. Pursuant to section 5.98(5) of the *Local Government Act 1995*, adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:
 - a. President \$44,341
5. Pursuant to section 5.98(5) of the *Local Government Act 1995*, adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:

a. Deputy President \$11,085

VOTING REQUIREMENT 10

Absolute Majority

OFFICER'S RECOMMENDATION 10

That Council, in accordance with Regulation 34(5) of the Local Government (Financial Management) Regulations 1996, approves the materiality level for monthly reporting to be set at +/- 10% and +/- \$20,000 at account level and +/- 10% and +/- \$100,000 at financial statement level.

VOTING REQUIREMENT 11

Absolute Majority

OFFICER'S RECOMMENDATION 11

That Council adopts the revised Council Policy CP/FIN-3201 Significant Accounting Policies provided in Attachment 3.

VOTING REQUIREMENT 12

Absolute Majority

OFFICER'S RECOMMENDATION 12

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, that Council adopt the Municipal Fund Budget as contained in Attachment 1 of this agenda, for the Shire of Wyndham East Kimberley for the 2019/20 financial year which includes the following:

- 1. Statement of Comprehensive Income by Nature and Type**
- 2. Statement of Comprehensive Income by Program**
- 3. Statement of Cash Flows;**
- 4. Rate Setting Statement showing a net amount required to be raised from rates of \$10,428,335;**
- 5. Notes to and forming Part of the Budget;**
- 6. Fees and Charges Schedule.**

PURPOSE

The purpose of this report is to consider the Municipal Fund Budget for the 2019/20 Financial Year together with the supporting schedules, including imposition of rates and

minimum payments, adoption of the fees and charges, setting of Elected Members fees for the year and other consequential matters arising from the Budget papers.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Advocator - advocate and support initiatives on behalf of the community and the Kimberley

Facilitator - bring stakeholders together

Funder - provide funds or other resources

Leader - plan and provide direction through policy and practices

Provider - provide physical infrastructure and essential services

Regulator - enforce state legislation and local laws

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

The 2019/20 Budget has been prepared in accordance with the requirements of the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*.

The 2019/20 Budget process commenced in January 2019. The process is a comprehensive one involving Council, the CEO, Directors, Managers and Responsible Officers in all departments of the Shire. It includes a detailed analysis of the current year revenue and expenditure for both operating and capital items, forecasting the 30 June 2019 budget position and determining the funding requirements to maintain service levels and asset renewal obligations for the 2019/20 financial year. The contents of the budget have been developed on an iterative process since January. The data has been reviewed by the CEO, Directors and workshopped with Council.

The draft 2019/20 Budget has been developed within a strategic financial planning framework after due consideration of Council priorities and the resource allocation requirements of these priorities.

The process for the development of the draft 2019/20 Budget is in alignment with both the *Corporate Business Plan 2018/19 - 2021/22* and the Shire's *Strategic Community Plan 2017-2027*, to ensure the Shire is delivering on the strategic vision in an achievable and sustainable manner.

Council is being requested to re-adopt the Schedule of Fees and Charges for the 2019/20 financial year as there have been minor changes made since the previous adoption. In accordance with *section 6.16(1)* of the *Local Government Act 1995*, the Council may impose and recover a fee or charge for any goods or services it provides or proposes to provide, other than a service for which a service charge is imposed.

The Council has a number of charges, which are applicable from 1 July 2019, and therefore in keeping with past practice the proposed Schedule of Fees and Charges was adopted prior to the adoption of the annual budget so that necessary steps could be taken to ensure that all fees can apply from 1 July 2019.

Decisions of Council relevant to the 2019/20 budget process are as follows:

Council Decision

Minute Number: 26/02/2019 - 115935

Moved: Cr T Chafer

Seconded: Cr M Dear

That Council:

- 1. Receives the 2018/19 Mid Year Budget Review Report for the period ended 31 December 2018;**
- 2. Approves the budget amendments as detailed in attachment 1;**
- 3. Approves a transfer of funds to the Asset Management Reserve of \$63,000 for the purpose of future capital works at the Kununurra and Wyndham Depots;**
- 4. Approves an allocation of \$33,000 from the East Kimberley Tourism Reserve for renewal works associated with Tourism House;**
- 5. Approves an allocation of \$9,000 from the Foreshore Reserve for survey work associated with leases on the Kununurra Lake foreshore;**
- 6. Approves an allocation of \$9,000 from the Kununurra Youth Hub Reserve for the purpose of installing an air conditioning system and associated works in the Kununurra Youth Hub building; and**
- 7. Authorises the budget savings of \$65,400 be carried over and dealt with in the 2019/20 budget process.**

Carried: 8/0

COUNCIL DECISION

Minute Number: 26/03/2019 - 115959

Moved: Cr J Farquhar

Seconded: Cr N Brook

That Council adopts the revised Council Policy CP-FIN 3211 Fees and Charges Pricing.

Carried:8/0

COUNCIL DECISION

Minute Number: 26/03/2019 - 115960

Moved: Cr D Pearce

Seconded: Cr G Lodge

That Council adopts the revised Council Policy CP/CNC-3141 Elected Member Allowances and Entitlements as attached to this report.

Carried:8/0

COUNCIL DECISION

Minute Number: 30/04/2019 - 118009

Moved: Cr T Chafer

Seconded: Cr N Brook

That Council:

- 1. Pursuant to section 6.16 and 6.18 of the Local Government Act 1995, adopts the proposed Schedule of Fees and Charges for 2019/20 outlined in attachment 1 to be effective from either 1 July 2019 or 1 January 2020, whichever date is applicable as indicated in the attachment; and**
- 2. Requests the Chief Executive Officer to give local public notice of Council's intention to impose the Schedule of Fees and Charges 2019/20, to apply from 1 July 2019 or 1 January 2020 as applicable, in accordance with section 6.19 of the Local Government Act 1995; and**
- 3. Pursuant to Section 6.13 of the Local Government Act 1995, impose interest at 9% on any amount of money (other than rates and service charges) which is owed to Shire and has been owed for a period of 35 days in accordance with Council Policy CP/FIN-3214-Sundry Debt Collection.**

Carried

8/0

COUNCIL DECISION

Minute Number: 16/04/2019 - 118000

Moved: Cr J Farquhar

Seconded: Cr G Lodge

That Council:

- 1. Endorse the revised Council Policy CP/FIN-3200 Strategic Rating;**

2. Endorse the 2019/20 Rating Model as follows, with the intention of seeking public submissions thereon and thereafter reporting to Council before striking the rates as part of the 2019/20 Budget adoption, subject to receiving Ministerial approval where required by legislation;

Differential Rating Category	Total Properties	Total Rateable Value of Properties \$	Proposed Minimum Payment \$	Proposed Rate in the Dollar	% of Properties on Minimum Payments	Proposed Rates Revenue Budget 2019/20 \$
GRV - Residential	1693	32,305,398	1,129	0.1471	1.00%	4,758,332
GRV - Other Vacant	121	506,041	1,129	0.2281	78.51%	174,294
GRV - Commercial	186	12,906,041	1,129	0.1450	8.06%	1,877,105
GRV - Industrial	177	7,481,770	1,129	0.1410	5.08%	1,060,822
GRV - Rural Residential	26	270,656	1,129	0.1471	15.38%	41,638
UV - Rural Residential	200	49,776,000	1,129	0.0112	0.00%	557,491
UV - Pastoral	21	5,473,151	1,129	0.0579	4.76%	317,013
UV - Commercial/Industrial	65	13,048,780	1,129	0.0078	30.77%	121,863
UV - Agriculture	81	60,742,309	1,129	0.0118	1.23%	717,770
UV - Horticulture	93	29,703,000	1,129	0.0103	0.00%	305,941
UV - Mining	69	1,786,064	1,129	0.2781	46.38%	518,350
UV - Mining Exploration and Prospecting	44	464,114	315	0.1390	43.18%	67,410
UV - Other	5	8,975,000	1,129	0.0066	20.00%	59,374
TOTALS	2,781	223,438,324				10,577,402

3. Endorses for advertising for a minimum of twenty-one (21) days and seeks public submissions on:

- a. Council Policy *CP/FIN-3200 Strategic Rating (Attachment 2)* that outlines the principles which underpin the proposed 2019/20 rating model, including the Object of and Reasons for Differential Rates;
- b. The 2019/20 Rating Model (Attachment 3) which incorporates the Object of and Reasons for Differential Rates, along with the proposed differential rates and minimum payments to be applied from 1 July 2019 for the 2019/20 financial year in accordance with section 6.36 of the *Local Government Act 1995*.

Carried: 7/0

COUNCIL DECISION

Amendment

Minute Number: 28/05/2019 - 118025

Moved: Cr T Chafer

Seconded: Cr A Petherick

That Council:

3. Endorses revised Council Policy *CP/FIN-3200 Strategic Rating* including the 2019/20 Rating Model as follows and amended by reducing the proposed 1.5% increase to a 0% increase, with the intention of striking the rates as part of the 2019/20 Budget adoption, subject to receiving Ministerial approval where required by legislation;

Differential Rating Category	Total Properties	Total Rateable Value of Properties \$	Proposed Minimum Payment \$	Proposed Rate in the Dollar	% of Properties on Minimum Payments	Proposed Rates Revenue Budget 2019/20 \$
GRV - Residential	1,694	32,337,638	1,112	0.1449	1.00%	4,691,836
GRV - Other Vacant	120	504,736	1,112	0.2247	78.33%	170,567
GRV - Commercial	186	12,906,041	1,112	0.1429	8.06%	1,849,909
GRV - Industrial	177	7,481,770	1,112	0.1389	5.08%	1,045,021

GRV - Rural Residential	26	270,656	1,112	0.1449	15.38%	41,014
UV - Rural Residential	200	49,776,000	1,112	0.0110	0.00%	547,536
UV - Pastoral	21	5,481,449	1,112	0.0570	4.76%	312,559
UV - Commercial/Industrial	65	13,048,780	1,112	0.0077	30.77%	120,250
UV - Agriculture	81	60,742,309	1,112	0.0116	1.23%	705,607
UV - Horticulture	94	29,978,000	1,112	0.0101	0.00%	302,778
UV - Mining	69	1,786,064	1,112	0.2740	46.38%	510,697
UV - Mining Exploration and Prospecting	44	464,114	310	0.1369	43.18%	66,387
UV - Other	5	8,975,000	1,112	0.0065	20.00%	58,475
TOTALS	2,782	223,752,557				10,422,636

Carried:6/3

Shire President D Menzel moved an amendment to decrease the 1.5% rate rise to 0.75%.

COUNCIL DECISION

Minute Number: 28/05/2019 - 118026

Moved: Cr D Menzel

Seconded: Cr J Farquhar

That Council:

3. Endorses revised Council Policy CP/FIN-3200 Strategic Rating including the 2019/20 Rating Model as follows and amended by increasing the proposed 0% to a 0.75% increase, with the intention of striking the rates as part of the 2019/20 Budget adoption, subject to receiving Ministerial approval where required by legislation;

Differential Rating Category	Total Properties	Total Rateable Value of Properties \$	Proposed Minimum Payment \$	Proposed Rate in the Dollar	% of Properties on Minimum Payments	Proposed Rates Revenue Budget 2019/20 \$
GRV - Residential	1,694	32,337,638	1,120	0.1460	1.00%	4,727,444
GRV - Other Vacant	120	504,736	1,120	0.2264	78.33%	171,819
GRV - Commercial	186	12,906,041	1,120	0.1440	8.06%	1,864,141
GRV - Industrial	177	7,481,770	1,120	0.1399	5.08%	1,052,544
GRV - Rural Residential	26	270,656	1,120	0.1460	15.38%	41,324
UV - Rural Residential	200	49,776,000	1,120	0.0111	0.00%	552,514
UV - Pastoral	21	5,481,449	1,120	0.0574	4.76%	314,752
UV - Commercial/Industrial	65	13,048,780	1,120	0.0078	30.77%	121,683

UV - Agriculture	81	60,74 2,309	1,12 0	0.01 17	1.23%	711,688
UV - Horticulture	94	29,97 8,000	1,12 0	0.01 02	0.00%	305,776
UV - Mining	69	1,786, 064	1,12 0	0.27 61	46.38%	514,594
UV - Mining Exploration and Prospecting	44	464,1 14	312	0.13 79	43.18%	66,867
UV - Other	5	8,975, 000	1,12 0	0.00 65	20.00%	58,483
TOTALS	2,78 2	223,7 52,557				10,503,629

Lost: 3/6

Councillor T Chafer moved the amended substantive motion

COUNCIL DECISION

Minute Number: 28/05/2019 - 118025

Moved: Cr T Chafer

Seconded: Cr D Pearce

That Council:

1. Notes the submission received in relation to the proposed Differential General Rates and Minimum Payments and Strategic Rating Policy, and thanks the respondent for their input;
2. Notes that Budget efficiencies have been identified as part of the budget process and these efficiencies will be included in the Annual Budget presented to Council for adoption;
3. Endorses revised Council Policy CP/FIN-3200 Strategic Rating including the 2019/20 Rating Model as follows and amended by reducing the proposed 1.5% increase to a 0% increase, with the intention of striking the rates as part of the 2019/20 Budget adoption, subject to receiving Ministerial approval where required by legislation;

Differential Rating Category	Total Properties	Total Rateable Value of Properties \$	Proposed Minimum Payment \$	Proposed Rate in the Dollar	% of Properties on Minimum Payments	Proposed Rates Revenue Budget 2019/20 \$
GRV - Residential	1,694	32,337,638	1,112	0.1449	1.00%	4,691,836
GRV - Other Vacant	120	504,736	1,112	0.2247	78.33%	170,567
GRV - Commercial	186	12,906,041	1,112	0.1429	8.06%	1,849,909
GRV - Industrial	177	7,481,770	1,112	0.1389	5.08%	1,045,021
GRV - Rural Residential	26	270,656	1,112	0.1449	15.38%	41,014
UV - Rural Residential	200	49,776,000	1,112	0.0110	0.00%	547,536
UV - Pastoral	21	5,481,449	1,112	0.0570	4.76%	312,559
UV - Commercial/Industrial	65	13,048,780	1,112	0.0077	30.77%	120,250
UV - Agriculture	81	60,742,309	1,112	0.0116	1.23%	705,607
UV - Horticulture	94	29,978,000	1,112	0.0101	0.00%	302,778
UV - Mining	69	1,786,064	1,112	0.2740	46.38%	510,697
UV - Mining Exploration and Prospecting	44	464,114	310	0.1369	43.18%	66,387

UV - Other	5	8,975,000	1,112	0.0065	20.00%	58,475
TOTALS	2,782	223,752,557				10,422,636

4. Requests the CEO, or their delegate to seek approval from the Minister for Local Government; Heritage; Culture and the Arts to approve the Shire of Wyndham East Kimberley applications to:

- a. Impose minimum payments for vacant land which will result in more than 50% of the properties in the GRV Other Vacant rating category subject to minimum payments in accordance with section 6.35(5) of the Local Government Act 1995; and
- b. Impose a rate in the dollar which will result in it being more than twice the lowest differential general rate imposed for UV Mining, UV Mining Exploration and Prospecting and UV Pastoral rating categories, in accordance with section 6.33(3) of the Local Government Act 1995.

Carried 6/3

STATUTORY IMPLICATIONS

Local Government Act 1995

Part 5 Administration

Division 5 - Annual reports and planning

5.56. Planning for the future

(1) A local government is to plan for the future of the district.

(2) A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.

Local Government (Administration) Regulations 1996

Part 5 - Annual reports and planning Division 3 - Planning for the future 19DA.

Corporate business plans, requirements for (Act s. 5.56)

(1) A local government is to ensure that a corporate business plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.

(2) A corporate business plan for a district is to cover the period specified in the plan, which is to be at least 4 financial years.

(3) A corporate business plan for a district is to —

(a) set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and

- (b) govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and*
- (c) develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.*
- (4) A local government is to review the current corporate business plan for its district every year.*
- (5) A local government may modify a corporate business plan, including extending the period the plan is made in respect of and modifying the plan if required because of modification of the local government's strategic community plan.*
- (6) A council is to consider a corporate business plan, or modifications of such a plan, submitted to it and is to determine* whether or not to adopt the plan or the modifications.*
- *Absolute majority required.*
- (7) If a corporate business plan is, or modifications of a corporate business plan are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.*

5.63. Some interests need not be disclosed

- (1) Sections 5.65, 5.70 and 5.71 do not apply to a relevant person who has any of the following interests in a matter —*
- (a) an interest common to a significant number of electors or ratepayers; or*
- (b) an interest in the imposition of any rate, charge or fee by the local government; or*
- (c) an interest relating to (i) a fee, reimbursement of an expense or an allowance to which section 5.98, 5.98A, 5.99, 5.99A, 5.100 or 5.101(2) refers;*

Local Government Act 1995

Part 2 – Constitution of local government

Division 2 – Local governments and councils of local government

2.7. Role of council

- (1) The council —*
- (a) governs the local government's affairs; and*
- (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; and*
- (b) determine the local government's policies.*

Local Government Act 1995

Part 6, Division 2 – Annual Budget

6.2. Local government to prepare annual budget

- (1) During the period from 1 June in a financial year to 31 August in the next financial year, or such extended time as the Minister allows, each local government is to prepare and adopt*, in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the 30 June next following that 31 August.*

** Absolute majority required.*

- (4) *The annual budget is to incorporate —*
(c) *the fees and charges proposed to be imposed by the local government...*

Local Government Act 1995

Part 6 - Financial management

Division 4 - General financial provisions Division

6.11. Reserve accounts

- (1) *Subject to subsection (5), where a local government wishes to set aside money for use for a purpose in a future financial year, it is to establish and maintain a reserve account for each such purpose.*
- (2) *Subject to subsection*
(3), *before a local government —*
- (a) *changes* the purpose of a reserve account; or*
(b) *uses* the money in a reserve account for another purpose, it must give one month's local public notice of the proposed change of purpose or proposed use. * Absolute majority required.*
- (3) *A local government is not required to give local public notice under subsection (2) —*
- (a) *where the change of purpose or of proposed use of money has been disclosed in the annual budget of the local government for that financial year; or*
(b) *in such other circumstances as are prescribed.*
- (4) *A change of purpose of, or use of money in, a reserve account is to be disclosed in the annual financial report for the year in which the change occurs.*
- (5) *Regulations may prescribe the circumstances and the manner in which a local government may set aside money for use for a purpose in a future financial year without the requirement to establish and maintain a reserve account.*

6.12. Power to defer, grant discounts, waive or write off debts

- (1) *Subject to subsection (2) and any other written law, a local government may —*
- (a) *when adopting the annual budget, grant* a discount or other incentive for the early payment of any amount of money; or*
(b) *waive or grant concessions in relation to any amount of money; or*
(c) *write off any amount of money, which is owed to the local government.*
- * Absolute majority required.*
- (2) *Subsection (1)(a) and (b) do not apply to an amount of money owing in respect of rates and service charges.*
- (3) *The grant of a concession under subsection (1)(b) may be subject to any conditions determined by the local government.*
- (4) *Regulations may prescribe circumstances in which a local government is not to exercise a power under subsection (1) or regulate the exercise of that power.*

6.13. Interest on money owing to local governments

- (1) *Subject to any other written law, a local government may resolve* to require a person to pay interest at the rate set in its annual budget on any amount of money (other than rates and service charges) which —*
- (a) *that person owes to the local government; and*

(b) has been owed for the period of time referred to in subsection (6).

** Absolute majority required.*

(2) A resolution under subsection (1) is to be included in the annual budget.

(3) The rate of interest that may be set by the local government under this section is not to exceed the rate for the time being prescribed as the maximum rate of interest that may be set for the purposes of this section.

(4) Where a local government imposes interest under subsection (1) on any outstanding amount of money the local government is not to also impose an additional charge in relation to that amount.

(5) Accrued interest is, for the purpose of its recovery, taken to form part of the money owed to the local government on which it is charged.

(6) A local government is not to impose interest on any amount of money under subsection (1) until the money has been owed to the local government for the period of time set by the local government in its annual budget (not being less than 35 days) after the date which is stated on the relevant account for payment as being the date the account was issued.

(7) Regulations may provide for the method of calculation of interest.

Local Government Act 1995

Part 6, Division 5 – Financing local government activities

6.16 Imposition of fees and charges

(1) A local government may impose and recover a fee or charge for any goods and service it provides or proposed to provide, other than a service for which a service charge is imposed.*

** Absolute majority required.*

(2) A fee or charge may be imposed for the following —

(a) providing the use of, or allowing admission to, any property or facility wholly or partly owned, controlled, managed or maintained by the local government;

(b) supplying a service or carrying out work at the request of a person;

(c) subject to section 5.94, providing information from local government records;

(d) receiving an application for approval, granting an approval, making an inspection and issuing a licence, permit, authorisation or certificate;

(e) supplying goods;

(f) such other service as may be prescribed.

(3) Fees and charges are to be imposed when adopting the annual budget but may be —

(a) imposed during a financial year; and*

(b) amended from time to time during a financial year.*

** Absolute majority required.*

6.17 Setting level of fees and charges

(1) In determining the amount of a fee or charge for a service or for goods a local government is required to take into consideration the following factors —

(a) the cost to the local government of providing the service or goods; and

(b) the importance of the service or goods to the community; and

- (c) the price at which the service or goods could be provided by an alternative provider.
- (2) A higher fee or charge or additional fee or charge may be imposed for an expedited service or supply of goods if it is requested that the service or goods be provided urgently.
- (3) The basis for determining a fee or charge is not to be limited to the cost of providing the service or goods other than a service —
- (a) under section 5.96; or
- (b) under section 6.16(2)(d); or
- (c) prescribed under section 6.16(2)(f), where the regulation prescribing the service also specifies that such a limit is to apply to the fee or charge for the service.
- (4) Regulations may —
- (a) prohibit the imposition of a fee or charge in prescribed circumstances; or
- (b) limit the amount of a fee or charge in prescribed circumstances.

6.18. Effect of other written laws

- (1) If the amount of a fee or charge for a service or for goods is determined under another written law a local government may not —
- (a) determine an amount that is inconsistent with the amount determined under the other written law; or
- (b) charge a fee or charge in addition to the amount determined by or under the other written law.
- (2) A local government is not to impose a fee or charge for a service or goods under this Act if the imposition of a fee or charge for the service or goods is prohibited under another written law.

6.19. Local government to give notice of fees and charges

If a local government wishes to impose any fees or charges under this Subdivision after the annual budget has been adopted it must, before introducing the fees or charges, give local public notice of —

- (a) its intention to do so; and
- (b) the date from which it is proposed the fees or charges will be imposed.

6.2. Local government to prepare annual budget

(1) During the period from 1 June in a financial year to 31 August in the next financial year, or such extended time as the Minister allows, each local government is to prepare and adopt*, in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the 30 June next following that 31 August.

* Absolute majority required.

- (2) In the preparation of the annual budget the local government is to have regard to the contents of the plan for the future of the district made in accordance with section 5.56 and to prepare a detailed estimate for the current year of —
- (a) the expenditure by the local government; and
- (b) the revenue and income, independent of general rates, of the local government; and
- (c) the amount required to make up the deficiency, if any, shown by comparing the estimated expenditure with the estimated revenue and income.
- (3) For the purposes of subsections (2)(a) and (b) all expenditure, revenue and income of the local government is to be taken into account unless otherwise prescribed.

- (4) *The annual budget is to incorporate —*
- (a) *particulars of the estimated expenditure proposed to be incurred by the local government; and*
 - (b) *detailed information relating to the rates and service charges which will apply to land within the district including —*
 - (i) *the amount it is estimated will be yielded by the general rate; and*
 - (ii) *the rate of interest (if any) to be charged by the local government on unpaid rates and service charges; and*
 - (c) *the fees and charges proposed to be imposed by the local government; and*
 - (d) *the particulars of borrowings and other financial accommodation proposed to be entered into by the local government; and*
 - (e) *details of the amounts to be set aside in, or used from, reserve accounts and of the purpose for which they are to be set aside or used; and*
 - (f) *particulars of proposed land transactions and trading undertakings (as those terms are defined in and for the purpose of section 3.59) of the local government; and*
 - (g) *such other matters as are prescribed.*
- (5) *Regulations may provide for —*
- (a) *the form of the annual budget; and*
 - (b) *the contents of the annual budget; and*
 - (c) *the information to be contained in or to accompany the annual budget.*

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; or*
 - (b) *a purpose for which the land is held or used as determined by the local government; or*
 - (c) *whether or not the land is vacant land; or*
 - (d) *any other characteristic or combination of characteristics prescribed.*
- (2) *Regulations may —*
- (a) *specify the characteristics under subsection (1) which a local government is to use; or*
 - (b) *limit the characteristics under subsection (1) which a local government is permitted to use.*
- (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.*
- (4) *If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.*
- (5) *A differential general rate that a local government purported to impose under this Act before the Local Government Amendment Act 2009 section 39(1)(a) came into operation 1 is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.*

6.34. Limit on revenue or income from general rates

Unless the Minister otherwise approves, the amount shown in the annual budget as being the amount it is estimated will be yielded by the general rate is not to —

- (a) be more than 110% of the amount of the budget deficiency; or
- (b) be less than 90% of the amount of the budget deficiency.

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.

[Section 6.35 amended by No. 49 of 2004 s. 61.]

6.50. Rates or service charges due and payable

(1) Subject to —

- (a) subsections (2) and (3); and
- (b) any concession granted under section 6.47; and
- (c) the Rates and Charges (Rebates and Deferments) Act 1992, a rate or service charge becomes due and payable on such date as is determined by the local government.

(2) The date determined by a local government under subsection (1) is not to be earlier than 35 days after the date noted on the rate notice as the date the rate notice was issued.

(3) Where a person elects to pay a rate or service charge by instalments the second and each subsequent instalment does not become due and payable at intervals of less than 2 months.

Local Government (Financial Management) Regulations 1996

Part 2 – General financial management

5. CEO's duties as to financial management

(1) Efficient systems and procedures are to be established by the CEO of a local government —

(g) to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.

(2) The CEO is to —

(b) assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year).

Local Government (Financial Management) Regulations 1996

Part 5 – Rates and service charges

53. Amount prescribed for minimum payment (Act s. 6.35(4))

The amount prescribed for the purposes of section 6.35(4) is \$200.

Waste Avoidance and Resource Recovery Act 2007

Part 6, Division 3 – Local laws and local government rates, fees and charges

66. Local government may impose waste collection rate

(1) A local government may impose on rateable land within its district, and cause to be collected, an annual rate for the purpose of providing for the proper performance of all or any of the waste services it provides

(2) The annual rate must not exceed —

(a) 12 cents in the dollar on the gross rental value; or

(b) where the system of valuation on the basis of the unimproved value is adopted, 3 cents in the dollar on the unimproved value of the land in fee simple.

(3) The provisions of the Local Government Act 1995 relating to the making, payment and recovery of general rates apply with respect to rates referred to in subsection(1).

67. Local government may impose receptacle charge

(1) A local government may, in lieu of, or in addition to a rate under section 66, provide for the proper disposal of waste, whether within its district or not, by making an annual charge per waste receptacle, payable in one sum or by equal monthly or other instalments in advance, in respect of premises provided with a waste service by the local government.

(2) The charge is to be imposed on the owner (as defined in section 64(1)) or occupier, as the local government may decide, of any premises provided with a waste service by the local government.

(3) The provisions of the Local Government Act 1995 relating to the recovery of general rates apply with respect to a charge referred to in subsection (1).

(4) In the case of premises being erected and becoming occupied during the year for which payment is to be made, the charge for the service provided is to be the sum that proportionately represents the period between the occupation of the premises and the end of the year for which payment is made.

(5) Notice of any charge made under this section may be included in any notice of rates imposed under section 66 or the Local Government Act 1995, but the omission to give notice of a charge does not affect the validity of the charge or the power of the local government to recover the charge.

(6) A charge may be limited to premises in a particular portion of the area under the control of the local government.

(7) Charges under this section may be imposed in respect of and are to be payable for all premises in respect of which a waste service is provided, whether such premises are rateable or not.

(8) A local government may make different charges for waste services rendered in different portions of its district.

68. Fees and charges fixed by local government Nothing in this Part prevents or restricts a local government from imposing or recovering a fee or charge in respect of waste services under the Local Government Act 1995 section 6.16.

Cemeteries Act 1986

Part II – Cemeteries

Part VIII – Local laws, by-laws and regulations

53. Fees and charges

There are also numerous other sections of the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996* that deal with specific parts of the Annual Budget. Where relevant the sections and/or regulations have been specifically mentioned in the officer's recommendations.

POLICY IMPLICATIONS

Each of the Council Policies outlined below are relevant in the adoption of the annual budget:

- CP/FIN-3201 – Significant Accounting Policies
- CP/FIN-3200 – Strategic Rating
- CP/FIN-3208 – Rates Exemptions for Charitable Organisations (Non Rateable Land)
- CP/FIN-3211 – Fees and Charges Pricing
- CP/CNC-3141 – Elected Member Allowances and Entitlements
- CP/COM-3582 - Community Grants Scheme

FINANCIAL IMPLICATIONS

The annual Municipal Fund Budget is the primary means for a local government to manage and allocate its financial resources. The budget also provides the ability to impose rates, which is one of the primary means for a local government to raise income to fund the services the Shire is required to deliver.

The proposed budget aims to raise \$22,273 million in operating revenue and \$3,698 million in capital grants and other capital income. A net amount of \$511k will be transferred from the Shires Reserves mainly in support of the capital works program. This revenue together with existing cash resources will fund \$21,426 million in operating expenses, \$8,827 million in capital works and \$779k of debt repayments.

Should the Council adopt the budget at this time, it will permit the issuing of rates notices in July which will facilitate the cash flow management of the Shire and ensure the continued delivery of services.

More detailed financial implications are outlined in the Comments section of this Report and in the 2019/20 Budget in Attachment 1 to this report.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017 to 2027

Focus Area: 4: Civic Leadership

Goal 4.4: Sustainably maintain the Shire's financial viability

Strategy 4.4.1: Diversifying and strengthening funding streams and pursue non-rates revenue opportunities

Strategy 4.4.2: Secure the maximum grant assistance available, whilst ensuring the greatest relevant benefit to the community

Strategy 4.4.3: Adequately plan for and fund asset maintenance and renewal to deliver planned services

Strategy 4.4.4: Apply best practice financial management to ensure long term sustainability

RISK IMPLICATIONS

Risk: Failure to comply with legislative requirements leading to damage of reputation and/or financial loss.

Control: Review policies and procedures in accordance with the review schedule.

Risk: Inability to deliver levels of service expected by the community.

Control: Current budget and service levels.

COMMUNITY ENGAGEMENT

Engagement has taken place in accordance with the Shire's Community Engagement Guidelines.

The following outlines the consultation processes that have been undertaken in order to provide the opportunity for both the community and Council to contribute to the Corporate Business Plan for 2019/20 to 2022/23, the 2019/20 Annual Budget process, Rates Modelling process and the determination of Fees and Charges:

26 March 2019 - Ordinary Council Meeting - A report to Council to adopt the revised Council Policy CP/FIN-3211 – Fees and Charges Pricing (Minute Number: 26/03/2019 -

115959) and the revised Council Policy *CP/CNC-3141 Elected Member Allowances and Entitlements (Minute Number: 26/03/2019 - 115960)*.

16 April 2019 - Special Council Meeting - Council endorsed the Rates Modelling that determined the proposed rate in the dollar, adoption of the revised Council Policy *CP/FIN-3200 Strategic Rating* and community engagement plan for the purposes of seeking public submissions (**Minute Number: 16/04/2019 - 118000**). Local public notice for submission to Impose Differential General Rates and Minimum Payments was endorsed to advertise for comment from 2 May 2019.

30 April 2019 - Ordinary Council Meeting - Council adopted the Schedule of Fees and Charges for 2019/20. Along with local public notice, the Shire also distributed general notices to current debtors to ensure that they take any change into account in their future planning. (**Minute Number: 30/04/2019 - 118009**)

28 May 2019 - Ordinary Council Meeting - Community Consultation - In accordance with the Community Engagement Plan, advertising occurred in the following manner in order to seek public submissions on the proposed rate in the dollar;

- Local public notice in the Kimberley Echo on 2 May;
- Local public notice in the May issue of the Bastion Bulletin;
- A copy of the Notice to Impose Differential General Rates and Minimum Payments for 2019/20 placed on the Coles noticeboard on 2 May;
- A copy of the Notice to Impose Differential General Rates and Minimum Payments for 2019/20 placed on the IGA noticeboard on 2 May;
- A copy of the Notice to Impose Differential General Rates and Minimum Payments for 2019/20 placed on the Wyndham Post Office noticeboard on 2 May
- The Shire's Facebook page and website on 2 May;
- Media Release on 2 May;
- A copy of the Notice to Impose Differential General Rates and Minimum Payments for 2019/20, including Council Policy *CP/FIN-3200 Strategic Rating* placed on the Shire's website, public notice boards at the Civic Centres and Libraries in both Kununurra and Wyndham on 2 May.

The Council considered the single public submission and adopted an amended rating model reflecting a 0% rate increase for inclusion in the 2019/20 Budget subject to Ministerial approval. Council authorised the CEO to apply to the Minister for Local Government; Heritage; Culture and the Arts for approval to impose the proposed minimum payment for the GRV Other Vacant rating category and impose the proposed differential rate for UV Mining, UV Mining Exploration and Prospecting and UV Pastoral rating categories.

19 June 2019 - Ministerial approval was received in relation to differential rates and minimum payments applications.

COMMENTS

Introduction

The Annual Municipal Fund Budget is arguably the most important document that Council produces in any one year. The document has an impact on the Community in that it not only raises funds from them but also uses those funds to provide services for the benefit of the Community as a whole. The Budget sets out the financial resources that the Shire can rely on to fund the expenditure necessary to meet the service obligations that the Community expect. It is evident that the supply of funds is never sufficient to meet all the needs of the Community. Priorities need to be established and difficult decisions need to be made. These decisions need to be made in the context of what the Shire's legal obligations for service delivery are, what its asset management responsibilities are, what the Council and the Community regards is important and what is the ability of the Shire to fund these various matters in a sustainable manner.

The proposed budget has been prepared to ensure that there is sufficient cash flow to meet all its operational and capital asset commitments as set out in the budget. Sufficient cash is budgeted for to ensure that all reserves are supported by cash resources.

To compile the Annual Budget, Shire Officers access and refer to financial information, commentary and forecasts that may have an impact, such as the State and Federal Budgets. Both of these Budgets include items that impact the Shire budget preparations. For example from a Federal perspective the Commonwealth Financial Assistance Grants indexation was frozen for a number of years and this had an impact on the available funds to the Shire. The current State Government has, as a priority, placed an emphasis on reducing debt. Local Government has seen that the opportunities for grant funding have been reduced in comparison to previous financial years as the State Government implements its financial management policies. The implication for the Shire is that we have to rely on our own resources more and accept that capital grant money may not be readily available for projects we consider important as Councils compete for a smaller pool of funding. This increased competition means that the Shire has to invest more resources when it bids for funding with a diminished expectation of a return. This is particularly relevant to the Shire when one considers the critical infrastructure that is needed for economic development.

Budget Timing

The Shire is adopting its budget prior to it having audited financial information for the 2018/19 year. This is to ensure that at the start of the financial year there is a budget in place and that the priorities for the full financial year can be addressed from the start of the year. It is therefore necessary to estimate the financial position at 30 June 2019 as the starting point for the 2019/20 Municipal Fund Budget. In estimating the forecast data Shire staff have monitored the financial performance throughout the financial year and documented significant departures from the budget position. A rigorous process has also been performed by finance staff to assess this data and project end of year balances and consequently the opening funding requirements and funding capacity for 2019/20 year.

These projections, however, remain estimates and are subject to change as actual data is captured. Since the results for 2018/19 end of year will only be finalised in September 2019 with the annual audit, it is likely that there will be differences between the actual audited results reported and the projected data. This may impact the final end of year surplus (or deficit) identified in the Rate Setting Statement. The differences between the actual data and

the budget data will be determined and the 2019/20 budget data amended to reflect the necessary changes if material. This will be reported to Council at the appropriate time.

Application was made to the Minister to impose a minimum payment on the GRV Other Vacant rating category that will result in more than 50% of the properties being subject to the minimum payment and to impose a rate in the dollar on the UV Mining, UV Mining and Exploration and UV Pastoral rating categories that is more than twice the lowest differential UV rate. The approval from the Minister is contained in **Attachment 4** and **Attachment 5** to this report.

Budget Analysis

General

The documents contained in **Attachment 1** provide the details for the Statutory Annual Budget. They include a Statement of Comprehensive Income (by Nature and Type) reflecting the following totals in respect to the Operating position, a Statement of Comprehensive Income (by Program), a Cash Flow Statement, the Rate Setting Statement and the required notes to these statements. These documents reflect the overall picture of the proposed budget. The details supporting the data have been presented to Council in working papers presented at budget briefings. The commentary below refers mainly to the data contained in the Statement of Comprehensive Income (by Nature and Type) as it is the highest level summary of financial data.

In considering the Statement of Comprehensive Income by Nature and Type there are some general comments that need to be made.

- Firstly, the budgeted Operating Income for 2018/19 was \$21.7m and the proposed budget for 2019/20 is \$22.3m. This is only marginally higher (600k) than the prior budget and the movement can be explained by the additional revenue that the trial flights to Melbourne are expected to generate in the 2019/20 year. As the Shire is adopting a 0% rate increase, own source revenue remains static for the forecast budget period.
- Budgeted Operating Expenditure is expected to increase from \$26.7m in 2018/19 to \$27.8m in 2019/20. This is an increase of \$1.1m. This is also mainly due to the impact of the trial flights to Melbourne and the additional funding for economic development programs.
- The budget does not include the allocation of employee and related overhead costs incurred in developing and delivering its capital works program as a cost of those capital works. These are still reflected as costs of employment. The reason for this is to provide the Council and the Shire with a budget that reflects the actual cash flow of transactions. This is preferred over presenting data that has been adjusted to conform with a number of accepted accounting conventions. These adjustments are better implemented when the Annual Financial Statements are produced. The impact of this is that the Comprehensive Income Statement reflects an operating deficit that includes items that need to be allocated into capital works and does not include items affected by timing issues such as the advance payment of Commonwealth Federal Assistance Grants (FAG's).
- The difference between budgeted Operating Income and budgeted Operating Expenditure for the two years shows that the "operating deficit" has increased by \$601k. The movement over the prior year can be substantially explained by

depreciation increasing by \$256k which is a non cash item, the underwriting of the trial flights to Melbourne in the amount of \$160k and an increase in utility costs of \$118k.

- The forecast actual performance of the Shire is that it will achieve an operating deficit of \$2,189 million which is \$2,750 million ahead of the 2018/19 budget position.
- Both the 2018/19 budget and the 2019/20 budget have been affected by the advance payment of the Commonwealth Federal Assistance Grants (FAG's). The Federal Government has decided to pay approximately 50% of the 2018/19 grant in the 2017/18 financial year. A similar situation has occurred for the 2019/20 financial year. The Shire is required to account for this income in the 2018/19 year and cannot reflect it as income for the 2019/20 year. This was the same for the 2018/19 year. This impacts on both the total revenue and the operating difference. As this is the same for both years the budgeted operating revenue is understated by \$1,700 million in 2018/19 and \$1,850 million in 2019/20.
- Non-operating income has reduced significantly due to the West Australian Natural Disaster Relief and Recovery Arrangements (WANDRRA) works in the 2018/19 year being substantially completed.

Operating Income

Comments relating to the changes in each operating income category, comparing the 2019/20 Municipal Fund Budget to the 2018/19 budget and the forecast actuals are provided below;

Operating Revenue By Category	2018/19 Adopted Budget \$ 000	2018/19 Forecast \$ 000	2019/20 Proposed Budget \$ 000
Rates	10,427	10,409	10,428
Operating Grants	2,374	4,142	2,230
Fees and Charges	7,957	7,694	8,646
Interest Earnings	514	619	591
Other Revenue	433	451	378
Total	21,705	23,315	22,273

Rates Revenue (including ex-gratia rates) \$10,428 million (2018/19 - \$10,427 million)

The proposed Rates for the budget process were modelled within the guidelines in the Council Policy *CP/FIN-3200 – Strategic Rating*. In determining the amount of rates to be

raised the Shire applied the principles set out in the policy by ensuring that the setting of the Minimum Rate and calculation of the General Rate (Rate-in-the-Dollar) only recovers an amount (referred to as the Budget Deficiency), which is considered essential to the running of Shire's activities and ensuring the Shire's long term financial sustainability.

The Council determined at the May Ordinary Council Meetings (**Minute No: 28/05/2019 - 118025**) that it would implement a 0% rate increase for the 2019/20 financial year. This means that any increase in rate revenue for the 2019/20 year will have to come from natural growth in the rates base. The total amount reflected as rate income of \$10.428 million includes ex-gratia rates of \$5,700.

It should be noted that properties rated on an Unimproved Value (UV) basis are revalued annually, whereas Gross Rental Values (GRV) are revalued every four years. The Shire has had its UV rated properties revalued and this has had a minor impact on the rates modelling. What has had some impact on a relative few ratepayers is the implementation of the Shire of Wyndham East Kimberley Local Planning Scheme No. 9 (LPS9) which was gazetted on 19 February 2019. The effects of this have been reported to Council at previous meetings.

The Shire does not budget for interim rates received. While the Shire expects to receive some interim rates it cannot predict with any certainty the timing and extent of any amounts that may be received.

Operating Grants, Contributions & Subsidies \$2,230 million (2018/19 - \$2,374 million)

The majority of Operating Grants and Subsidies remain basically constant. The budget amount for 2019/20 has decreased by \$144k over the prior year budget. The major difference is due to the receipt of "one-off grants". In 2018/19 the budget provided for the receipt of a grant for Strategic and Land Use Planning of \$72k. There is no matching grant in the current year as the project is substantially complete. Furthermore, the amount budgeted for Federal Assistance Grants (FAG's) in the 2018/19 year was estimated to be \$1.882 million. When the Local Government Grants Commission provided the Shire with its FAG's grant the actual amount received was \$1.8 million. The budget forecast for 2019/20 has been reduced to \$1.850 million to better match the actual cash flows.

As stated previously both budget years are affected by the advance payments of FAG's revenue from the Local Government Grants Commission. The accounting standards require the Shire to recognise the FAG's revenue in the year in which it is received. The budget for both years therefore excludes the advance payments of FAG's. When comparing the 2018/19 budget amount to the forecast, the forecast amount includes the estimate of the advance receipt for the 2019/20 financial year.

Interest Earnings \$0,582 million (2018/19 - \$0,514 million)

Despite the cash rate remaining at historic lows, the Shire is estimating an increase in the interest earning from investments. The Shire is anticipating an increase in interest due to better management of its cash resources and an increase from interest on overdue accounts.

Fees and Charges \$ 8,646 million (2018/19 - \$7,957 million)

Each year all fees and charges imposed by Council are reviewed as part of the budget process to ensure compliance requirements are met, cost recoveries are in place and market rates are comparable. The Schedule of Fees and Charges as amended for 2019/20 is included as **Attachment 2**. The Fees and Charges was previously adopted by Council (**Minute No: 30/04/2019 - 118009**). This allowed staff the opportunity to do the preparatory work necessary for changes in fees. The Fees and Charges become effective from 1 July 2019 or from 1 January 2020 where it relates to Aerodromes.

The Shire currently has approximately 700 fees and charges (including statutory fees) generating projected revenue of \$8.646 million in 2018/19, compared to rating income of \$10.428 million for the same period. It is clear that revenue from fees and charges is significant and therefore the process of setting the fees and charges and the monitoring of revenue performance needs to be reviewed on a regular basis.

The setting of the Fees and Charges was completed in accordance with the Council Policy *CP/FIN-3211 Fees and Charges Pricing*. The intent of the Policy acknowledges that there are competing priorities between community service obligations, full cost recovery in a “user pays’ environment and ensuring that the community is not unduly burdened. Where there is not a full cost recovery fee in place, the shortfall is made up by the ratepayers in general from municipal funds. Therefore, the Policy seeks to ensure that the Shire’s fees and charges are determined utilising key principles that ensure fair and reasonable charging to the community for the goods and services that the Shire provides, thereby achieving an appropriate balance between these competing principles.

A major factor in determining the increase to fees and charges was centred on what basis to use as the Index. The most common of these is the Consumer Price Index. The Australian Bureau of Statistics (ABS) when calculating the Consumer Price Index (CPI) uses a basket of goods base that is not reflective of the mix of business activities of a local government. The Perth CPI change for the year March 2018 to March 2019 was 1.1%. The Local Government Cost Index (LGCI) is the most appropriate measure of price changes over time for the Shire as it takes into account expenditure items like road construction, machinery and equipment, and street lighting. The forecast LGCI for 2019/20 by the West Australian Local Government Association is 1.8%.

In 2016/17 the Council adopted a 2.55% average increase to Fees and Charges, in 2017/18 it adopted a 1% average increase and in the 2018/19 financial year it adopted a 1.2% increase. Council has in determining Fees and Charges for the 2019/20 adopted an increase of 1.5% for fees and charges where appropriate. The total cumulative percentage increase from 2016/17 is 6.25% over the 4 years. The comparative increase in the LGCI for the same period is 6.4%. Fees and charges have therefore been increased in line substantially with the cost of providing those services.

The majority of Recreation and Culture fees and charges have remained unchanged to ensure access and affordability for the community.

Waste Vouchers

The Shire introduced the provision of waste vouchers with the distribution of Rates Notices for the 2013/14 financial year as a result of no longer accepting 'free' domestic waste from 1 October 2013. In the initial budget process for 2019/20 Shire Officers put forward a proposal to once more accept free domestic waste in part return for a 1.5% rate increase which would fund the approximate lost revenue of \$100k. This was well accepted by Council and the Community at the time. Despite Council having voted for a 0% rate increase Shire Officers consider that there is a legitimate expectation in the Community for domestic waste to be free in the 2019/20 financial year and therefore have prepared the budget on this basis. Both yellow and red vouchers will be discontinued from 1 July 2019.

Other Revenue \$0,378 million (2018/19 - \$0,433 million)

Majority of the revenue estimated for the Other Revenue category and the movement between the proposed budget and the 2018/19 budget relates to Emergency Services Levy (ESL) of \$0.340 million (2018/19 - \$0.393 million). Local Governments are required to collect the Emergency Services Levy (ESL) on behalf of the Department of Fire and Emergency Services (DFES). This is billed to all ratepayers as part of the Annual Rates notices and there is a matching expense when this amount is paid over to DFES.

Operational Expenditure

The table details the summarised operational expenditure in proposed for 2019/20.

Operating Expenditure By Category	2018/19 Adopted Budget \$ 000	2018/19 Forecast \$ 000	2019/20 Proposed Budget \$ 000
Employee Costs	11,428	10,462	11,478
Materials and contracts	6,120	5,606	5,871
Utility Charges	979	1,062	1,098
Depreciation	6,145	6,621	6,401
Interest Expenses	204	204	157
Insurance Expenses	463	455	456
Other Expenditure	1,306	1,094	2,351
Total	26,644	25,505	27,813

Employee Costs \$ 11,478 million (2018/19 - \$11,428 million)

The staffing Full Time Equivalents (FTE's) are forecast to be 98.70 for the 2019/20 year (2017/18 - 98.94). This represents a small reduction over the prior year of 0.24 FTE's. The budgeted amount for 2019/20 of \$11.478 million (2018/19 - \$11,428 million) has made provision for the Enterprise Agreement (EA) increase of 1.5%. The net effect of the reduction in FTE's, the EA increases and re-examining all positions and their associated allowances means that there is only a 0.4% (\$50k) increase in staff costs for the 2019/20 year. It should be noted that the employee costs incorporate not only salaries and allowances, but also superannuation, workers compensation insurance, safety and protective clothing, training, fringe benefits tax and other employee costs associated with recruitment and reallocation.

The FTE's can be further broken down as follows:

	<u>2018/19</u>	<u>2019/20</u>	<u>Difference</u>
● Office of the CEO	7	7	0
● Corporate Services	19.1	19.4	0.3
● Community Development	24.5	23.79	(0.71)
● Infrastructure	33.14	32.44	(0.70)
● Airport	15.19	16.03	0.84
● Total	98.93	98.66	(0.27)

The forecast actuals for 2018/19 are lower than budgeted for. This is a result of vacancies carried by the Shire during the year. The 2018/19 budget has not allowed for vacancy savings given their unpredictability but the Shire anticipates that the vacancy rates will be reduced for the 2018/19 year. The Shire is confident that the amount provided in the budget is adequate to meet its needs for 2019/20.

The budget for Employee Costs includes an amount of \$70k to fund a trainee program for local students leaving school at the end of the 2019 calendar year. Shire Officers anticipate being able to offer a number of traineeships across the organisation and expect to be able to roll out the program in time for the end of the school year.

Materials and Contracts \$ 5,871 million (2018/19 - \$6,120 million)

The amount budgeted to be spent on Materials and Contracts has decreased by \$249k (4.07%) over the budget for 2018/19. One would expect this to increase by the anticipated LGCI of 1.8% if the same services and the same service levels were to be delivered. As with previous years the mix of projects undertaken has changed with some new projects being undertaken for the first time. The major new item is an increase in funding for economic development of \$95k to \$140k for the 2019/20 financial year. Shire Officers consider that this expenditure is critical to ensure that the potential of the region is properly exploited. Savings have come from either funding being reduced to projects or projects that are not being continued in the 2019/20 year. The provision of street light infrastructure has fallen from a budget of \$250k in 2018/19 to \$120k. Land Use Planning has reduced to nil from a budget of \$92k as this project is forecast to be completed by financial year end. The capping of the Kununurra Landfill site for \$200k which was budgeted for in 2018/19 is not expected to occur in the 2019/20 year.

Listed below is a broad summary of the expenditure types and a brief description of the nature of the expenditure:

Materials & Contracts		
Description	Budget 2019/20	Comments
Other Governance	275,500	Subscriptions for governance software, Kimberley Zone and WALGA fees, Lobbying expenditure, Members travel and training, expenditure associated with Citizenship Ceremonies, Australia Day and Volunteer Programs.
Audit Fees	61,500	Conduct interim and annual audit including statutory reviews required by the Local Government Act.
Software licensing costs	281,000	Costs of enterprise software solution and associated software for the Shire IT network.
ICT Network maintenance and support costs	111,200	Costs of support, maintenance, system development and telecommunications.
Environmental health costs	29,021	Costs associated with water sampling, health promotion and mosquito control
Economic Development	140,000	Development of economic development strategy, Wyndham Port study and associated documents
Library	208,500	Cost of library including the Joint Use contribution toward running of library, writers festival and visiting author program.
Recreation facilities in both Kununurra and Wyndham	309,600	Costs associated with the leisure centres, pools, maintenance of gym equipment, building operating expenses, hardcourt maintenance etc.
Kununurra Leisure Centre Planning	50,000	Planning for the future upgrade of the KLC.
TAMS Program	25,000	Shire contribution towards takeaway Alcohol Management System.
Youth Community Safety (KWAC)	85,000	Address youth issues and Community Safety for the Shire
Stormwater Management Strategy	40,000	Funding to begin to address the outcomes of the Cardno report on stormwater and drainage matters in the Shire.
Streetlight upgrades	120,000	Improvement of street lighting

Property maintenance	580,950	Costs of maintaining Shire owned buildings and structures including Shire housing, public conveniences, administration centres, club rooms, recreation centres etc.
Landfill maintenance	188,500	Operational costs for Kununurra and Wyndham
Refuse Collection	491,000	Cost of refuse collection service
Litter Control	178,000	Material and contract cost of litter control
Rural Road maintenance	400,000	Material and contract cost of rural road maintenance
Urban Road maintenance	330,000	Material and contract cost of urban road maintenance
Plant Operating Costs	430,000	Costs of fuel, maintenance, repair, licensing and tyres
Parks and Gardens	140,000	Material and contract cost of parks and gardens maintenance for both Kununurra and Wyndham
Ranger Services	86,924	Material and contract cost of ranger services
Airport Operating Costs	709,772	Material and contract cost of airport operations
Balance of Materials and Contract Costs	599,868	All other Material and Contract costs.
	5,871,335	

Utility Charges \$ 1,071 million (2018/19 - \$0,979 million)

Utility charges comprise Water, Electricity and Gas are based on forecast unit charges together with any growth in usage. Costs have increased significantly over the prior year (9.3%) based on movement in actual costs in 2018/19. The Street Lighting component is the most substantial portion of this expense category with a forecast cost of \$241k which is an increase of 12.6% over the budget amount for 2018/19. As the Shire is a “price taker” and can not materially impact the cost profile in the manner this service is currently delivered, it has to investigate other means of reducing costs. Shire Officers have started to do some preliminary work on how these costs and other electricity costs can be better managed with investment in alternate sources of power and technology. Further monitoring of utility costs by responsible officers will continue but significant additional cost reductions from this action are not expected.

Depreciation \$ 6,401 million (2018/19 - \$6,145 million)

Depreciation is an accounting process which recognises the consumption of the Shire's property, plant and equipment including infrastructure assets such as roads, drains and footpaths that has occurred during the financial year. The depreciation charge is also a reflection of what the Shire should be spending on renewing our asset base annually in order to preserve the service potential of our asset base.

The calculation of the depreciation charge is determined by establishing the "fair value" of the asset then estimating what its useful life and its remaining useful life is. An analysis of in particular the useful lives and remaining useful lives have been made by Shire Officers and adjustments to the fixed asset register are proposed for vetting by the auditors. The depreciation charge for 2019/20 has been calculated to be \$6,401m (2018/19 - \$6,145m) which is \$256k more than the prior year. Shire Officers are still not convinced that this amount represents what the true commitment to asset renewals should be. Data to be gathered over the next financial year from capital works on roads will inform our ongoing assessment of the fair value of our asset base and the amount needed to provide for the renewal of the asset base.

Insurance Expenses \$ 0,457 million (2018/19 - \$0,464 million)

It is expected that insurance rates will remain effectively static for the 2019/20 year. It is anticipated that the sums insured between the different categories will change and that market conditions will affect the premiums. The Shire's claims history in the past two years has been very good so it is not anticipated that we present a bigger risk than normal to the insurers. The insurance market has been relatively soft in prior years but it appears to be firming with respect to some insurable risks. The Shire will continue to look for value in its risk mitigation processes. It should be noted that the workers compensation insurance premiums are reported as part of the employee costs. Please note that this amount is not the entire insurance cost for the year as some insurance costs have been included in the cost of providing the services and workers compensation insurance has been included in Employee Costs.

Interest Expenses \$ 0,157 million (2018/19 - \$0,204 million)

The Interest Expense relates to loan agreements with Western Australian Treasury Corporation (WATC). Note 6 of the 2019/20 Budget details the ongoing loan commitments. No new borrowings are anticipated for the 2019/20 financial year. Loan principal outstanding is expected to decrease from \$3,378 million at 30 June 2019 to \$2,599 million at 30 June 2020.

Other expenses \$ 2,351 million (2018/19 - \$1,306 million)

Other expenses relate to a number of items the more significant of which are in the table below. The main difference for the change is for the trial flights to Melbourne which will cost \$960k in next financial year.

Other expenses

Description	Budget 2019/20	Comments
Members Allowances, Fees and Expenses	291,119	This amount includes the members meeting allowances, Shire Presidents fee, the Shire Deputy Presidents fee, Members travel expenses, conferences and training.
Emergency Services Levy payment	340,000	This is the payment of the Emergency Levy to Department of Fire and Emergency Services that is collected as part of the rates process.
Community Grants	300,000	This is the amount provided for the granting of community annual grants, quick grants and rates assistance grants.
Trial Flights to Melbourne	960,000	This amount represents the costs of undertaking the trial flights from the time they commence until the end of the 2019/20 financial year. It is anticipated \$780k of revenue will off set these coast with the balance to be funded from the Airport Reserve.
Marketing Tourism	265,000	This is an amount that supports tourism marketing to the Shire, support for the direct flights to Melbourne and support for the Visitor Information Centre.
Balance of Other Expenses	195,300	All the remaining Other Expenses.
TOTAL	2,351,419	

Reserves

In accordance with section 6.11 of the *Local Government Act 1995*, a local government is required to establish and maintain a reserve account where it wishes to set aside money for use for a specific purpose in a future financial year. The local government is also required to disclose where a change of the purpose of the use of money is proposed. During the budget discussions with Council, officers and senior staff no new reserves are required and no further changes to the purpose of reserves is needed.

Reserves that have been created that have ongoing balances are fully backed by cash resources and earn an equitable share of investment income for the year. The Shire is budgeting for a net transfer from reserves of \$511k. This transfer is primarily to support the Shires capital works program, especially the renewal of its asset base. Of note is the Shire is budgeting to transfer an additional \$100k into the Drainage Reserve and \$307k to the Waste Management Reserve. The Airport Reserve is forecast to decrease by \$105k and that includes funding its entire capital works program and the 2019/20 portion of the trial flights to Melbourne.

Capital Works Program

The Capital Works Program is developed with the aim of primarily ensuring that the Shire renews its assets as they fall due in order that they continue to maintain the current service levels being delivered. The priority for these works is determined by the condition of the assets and the amount of funds both internal and external grant funds that are available to the Shire. Forward capital works programs continue to be developed to be included in the Asset Management Plans that will assist with the programming of maintenance, renew, upgrade and replacement of existing assets in future periods. The current works program has been determined based on the condition of assets, risk of asset failure and obsolescence, community input and the availability of grant funding.

In order to meet the Asset Management obligations under the benchmarks set out by the Department of Local Government Guidelines, the majority of expenditure is focused on renewals rather than upgrade and new assets. The Shire is expected to meet its asset sustainability and consumption benchmarks for the 2019/20 financial year based on these estimates. The revised Asset Management Plan based on forward capital works programs is due to be presented to Council after the end of the 2018/19 financial year. As it has not been fully developed yet, the Asset Renewal Funding Ratio cannot be determined at this time. This means the Shire cannot accurately demonstrate to what extent the forward capital works program is funded under the Long Term Financial Plan. However, in the interim as long as the Shire has committed to spend an amount that is at least as much as the depreciation on its renewals then the assets will tend to be managed in a sustainable manner.

The Capital Works Program for 2019/20 will cost \$8,827 million. The total renewal expenditure in this amount is \$6,950 million which compares favourably with the current estimate of depreciation of \$6,401 million. This means for the budget period the Shire will renew assets faster than the expected use of those assets. The Shire further expects to construct or acquire \$1,341 million new assets in the forecast period. The remaining costs of \$535k relates to design costs that will ultimately form part of the cost of construction for new or renewed assets.

The funding of the capital works program is from a combination of current municipal funds, reserves and grant funding (see table below). The reserve amount of \$883k in the table refers only to those reserves that have been funded from municipal funds. Amounts transferred from reserves created from unspent grant funding are shown as being funded from grants. Approximately 45% or \$3,985 million of the capital works program is funded from grant funding. Of this amount \$2,775 million comes from funding sources that are consistent and regular. The Shire has contributed \$4,842 million of its own funds to the capital works program.

	Renewal	New	Other	Total
Grants	3,100,942	598,667	285,250	3,984,859
Reserves	553,471	230,000	100,000	883,471
Municipal Funds	3,295,230	513,160	150,000	3,958,390
Total	6,949,643	1,341,827	535,250	8,826,720

Included in the Capital Works Program is the Plant Replacement Program. The plant replacement program was significantly reviewed during the 2018/19 budget process. For the current year the Shire has budgeted to replace 10 items of plant. The nature of the items to be replaced are utility vehicles, landfill plant, mowers, fire fighting equipment, a tipper truck and an excavator. The gross replacement cost of the plant is \$685k with a net cost to the Shire of \$580k.

The plant replacement program will continue to be reviewed to ensure that the optimum replacement times for plant are achieved that deliver the best financial outcome for the Shire. The Plant Replacement Program is determined from the forward replacement program which is reviewed on an annual basis to ensure that it meets with the needs of the Shire operations. This forward replacement program is incorporated into the overall Asset Management Plan.

The following items are some of the more significant projects for 2019/20:

- ICT equipment totalling \$50k is being replaced. System development of \$80k will be spent on two projects - the renewal of ICT infrastructure equipment in the Kununurra and Wyndham Chambers and improving the connectivity in Wyndham.
- Hardcourt resurfacing - \$300k. This is for the resurfacing of all the basketball, tennis and netball courts in Kununurra. It will also provide for new hoop systems for basketball that will allow for the height to be adjusted to suit all ages using the facility.
- Implementation of the Trails Master Plan - \$415k. These works will connect the Lakeside footbridge to Celebrity Tree Park and will include the construction of new footpaths and renewing existing footpaths where necessary.
- CCTV Infrastructure works - \$135k. This project commenced in the 2018/19 year for a total cost of \$968k. The amount in the 2019/20 budget is the estimate of the cost of that part of the project that will roll over into the 2019/20 financial year.
- Kalumburu Road - \$767k. These works are funded entirely by State and Federal grants. It is anticipated that these funds will be held over until the next dry season to ensure we have a bigger pool of funds to ensure better value for money for the amount of mobilisation we pay.
- Footpaths - \$453k. An amount of \$202k of matching funding has been secured for the construction of a new 2.5 to 3 m wide shared path along Ironwood Drive and Chestnut Ave connecting the existing shared path on Weaber Plain Road (linking Lakeside residential suburb and Red Ridge) with the educational and health facilities and Aboriginal communities on Ironwood Drive. The path location and route minimises the number of road crossings in reaching the schools. An amount of \$50k has been provided for general footpath renewals based on condition reports.
- Lake Argyle Road - \$2,044m. This amount is the combination of two years Regional Road Group funding together with the required municipal funds. Council has already authorised expenditure relating to the first years works at an Ordinary Council Meeting. Funding for the second year is proposed to be included so that the Shire can benefit from economies of scale.
- Road and Drainage Upgrade design - \$100k. This is an amount provided for the design work that will be needed following on from the Cardno Report to address drainage issues and provide the Shire with a reasonable estimate of the scope of works and related costs for drainage works.

- Resurfacing and reseal program - \$400k. Infrastructure has developed a list of reseals that are required to be done totalling \$2,501m. Shire Officers are still considering which are priorities and how the reseal works can be linked to other work to be conducted in the Shire.
- A late addition to the budget is the Beefwood Laneway fence that has been quoted at \$21k. This work is as a result of community concern over anti-social behavior affecting the residents in the vicinity of the Laneway.
- A further late addition in the budget process was to include \$50k for essential renewal works at the Wyndham Community Club. Council has recognised that this a critical piece of community infrastructure that needs Shire assistance to be maintained. The funds for this have been accessed from the asset management reserve.
- Road and Drainage upgrades - \$697k. This is for the continuation of the necessary works in the Nutwood and Rosewood precinct. The funds are to reseal, provide curb and channel and link into the drainage system.
- Bandicoot Drive - \$631k. This is the amount provided for the Stage 2 of the drainage works for the Bandicoot precinct. The exact scope of works to be conducted with these funds is yet to be finalised.
- Anthon's Landing - \$320k is for cathodic protection to be installed.
- Weaber Plain Road Black Spot - \$210k is funded \$140 by grant funds for the improvements to the intersections at Ironwood, Leichhardt and Erythrina Streets.
- Carlton Hill Road - \$280k is for design work necessary for the sealing of the road.
- Carpark at East Kimberley Regional Airport (EKRA) - \$300k is for the upgrade to the carpark. There was \$465k provided for in the 2018/19 year and both amounts will be consolidated to get a bigger parcel of work which will deliver better value for money.
- Geotechnical Testing - \$100k - this is the continuation of work relating to the treatment of gilgai holes appearing near the runway at EKRA.

Setting of materiality for monthly reporting

The Local Government Act 1995 and associated regulations require the Council to set the materiality level at which explanations are required for variations between year to date budget and year to date actual figures. The materiality level established for 2018/19 was +/- 10% and +/- \$20,000 at account level (this is general ledger account number level), and +/- \$100,000 at a financial statement level (equivalent to the program level). It is recommended that these materiality levels remain for 2019/20 as the overall turnover and related operating expenses have not changed significantly.

ATTACHMENTS

Attachment 1 - Statutory Budget 2019-20

Attachment 2 - Schedule of Fees and Charges for 2019-20

Attachment 3 - CP/FIN-3201 Significant Accounting Policy May 2019

Attachment 4 - Ministerial Approval of Minimum Payments 2019-20

Attachment 5 - Ministerial Approval of Differential Rating 2019-20

12.4.3. Monthly Financial Report May 2019

DATE:	25 June 2019
AUTHOR:	Coordinator Financial Operations
RESPONSIBLE OFFICER:	Vernon Lawrence, Director Corporate Services
FILE NO:	FM.09.5
DISCLOSURE OF INTERESTS:	Nil

VOTING REQUIREMENT

Simple Majority

OFFICER'S RECOMMENDATION

That Council receives the monthly financial report for the period ending 31 May 2019.

PURPOSE

For Council to receive the monthly financial report for the period ended 31 May 2019.

NATURE OF COUNCIL'S ROLE IN THE MATTER

Regulator - enforce state legislation and local laws

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

Council is to prepare monthly financial reports as required by section 34 of the *Local Government (Financial Management Regulations) 1996*.

At the 26 June 2018 Ordinary Council Meeting, the Council resolved the following:

COUNCIL DECISION

Minute Number: 26/06/2018-115800

Moved: Cr M Mckittrick

Seconded: Cr M Dear

That Council, in accordance with Regulation 34(5) of the Local Government (Financial Management) Regulations 1996, approves the materiality level for monthly reporting to be set at +/- 10% and +/- \$20,000 at account level and +/- 10% and +/- \$100,000 at financial statement level.

These materiality levels have been applied in the preparation of this report.

STATUTORY IMPLICATIONS

Local Government Act 1995, Section 6.4.

Local Government (Financial Management) Regulations 1996, Regulation 34.

POLICY IMPLICATIONS

CP/FIN-3201 Significant Accounting Policies has been applied in the preparation of the report.

FINANCIAL IMPLICATIONS

There are no additional costs associated with the preparation of this report. Monthly financial reporting is a primary financial management and control process. This report provides the Council with the ability to oversee the Shire's financial performance against budgeted targets.

STRATEGIC IMPLICATIONS

Strategic Community Plan 2017-2027

Focus Area 4: Civic Leadership

Goal 4.4: Sustainably maintain the Shire's financial viability

Strategy 4.4.4: Apply best practice financial management to ensure long term sustainability

RISK IMPLICATIONS

Risk: Failure to comply with legislative requirements leading to damage of reputation and/or financial loss.

Control: Annual audit performed.

COMMUNITY ENGAGEMENT

The Shire of Wyndham East Kimberley's *CP/GOV-3100 Community Engagement Policy* has been considered in relation to this item.

No community engagement is required.

COMMENTS

Comments in relation to budget to actual variances are included as notes in the Financial Report attached.

ATTACHMENTS

Attachment 1 - Monthly Financial Report for the period to 31 May 2019.

12.5. INFRASTRUCTURE

NIL

13. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

NIL

14. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN

NIL

15. URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION

16. MATTERS BEHIND CLOSED DOORS

16.1. REQUEST FOR TENDER T05-18/19 COMMERCIAL CLEANING SERVICES – SHIRE FACILITIES

DATE:	25 June 2019
AUTHOR:	Senior Procurement and Contracts Officer
RESPONSIBLE OFFICER:	Director Corporate Services
DISCLOSURE OF INTERESTS:	Nil

This item is to be considered behind closed doors as per the *Local Government Act 1995*:

5.23. *Meetings generally open to public*

(2) *If a meeting is being held by a council or by a committee referred to in subsection (1)(b), the council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following —*

- (a) *a matter affecting an employee or employees; and*
- (b) *the personal affairs of any person; and*
- (c) *a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting; and*
- (d) *legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting; and*
- (e) *a matter that if disclosed, would reveal —*
 - (i) *a trade secret; or*
 - (ii) *information that has a commercial value to a person; or*
 - (iii) *information about the business, professional, commercial or financial affairs of a person, where the trade secret or information is held by, or is about, a person other than the local government; and*
- (f) *a matter that if disclosed, could be reasonably expected to —*

- (i) impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law; or*
 - (ii) endanger the security of the local government's property; or*
 - (iii) prejudice the maintenance or enforcement of a lawful measure for protecting public safety; and*
 - (g) information which is the subject of a direction given under section 23(1a) of the Parliamentary Commissioner Act 1971; and*
 - (h) such other matters as may be prescribed.*
- (3) A decision to close a meeting or part of a meeting and the reason for the decision are to be recorded in the minutes of the meeting.*

VOTING REQUIREMENT

Simple Majority

PURPOSE

To consider the tenders received for T05-18/19 and make recommendations for award of tender.

16.2. REQUEST TO WRITE OFF RATES AND INTEREST CHARGES

DATE:	25 June 2019
AUTHOR:	Coordinator Financial Operations
RESPONSIBLE OFFICER:	Vernon Lawrence, Director Corporate Services
ASSESSMENT NO:	A501
FILE NO:	A501D
DISCLOSURE OF INTERESTS:	Nil

This item is to be considered behind closed doors as per the Local Government Act 1995: 5.23 (2)(c)

5.23. *Meetings generally open to public*

(2) *If a meeting is being held by a council or by a committee referred to in subsection (1)(b), the council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following —*

- (a) *a matter affecting an employee or employees; and*
 - (b) *the personal affairs of any person; and*
 - (c) *a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting; and*
 - (d) *legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting; and*
 - (e) *a matter that if disclosed, would reveal —*
 - (i) *a trade secret; or*
 - (ii) *information that has a commercial value to a person; or*
 - (iii) *information about the business, professional, commercial or financial affairs of a person, where the trade secret or information is held by, or is about, a person other than the local government; and*
 - (f) *a matter that if disclosed, could be reasonably expected to —*
 - (i) *impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law; or*
 - (ii) *endanger the security of the local government's property; or*
 - (iii) *prejudice the maintenance or enforcement of a lawful measure for protecting public safety; and*
 - (g) *information which is the subject of a direction given under section 23(1a) of the Parliamentary Commissioner Act 1971; and*
 - (h) *such other matters as may be prescribed.*
- (3) *A decision to close a meeting or part of a meeting and the reason for the decision are to be recorded in the minutes of the meeting.*

VOTING REQUIREMENT

Simple Majority

PURPOSE

For Council to consider a request to write off outstanding penalty interest and outstanding rates for Rates Assessment A501.

17. CLOSURE