



SHIRE OF WYNDHAM | EAST KIMBERLEY

AGENDA
ORDINARY COUNCIL
MEETING

27 June 2023

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



VERNON LAWRENCE

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.**

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**SHIRE OF WYNDHAM EAST KIMBERLEY
ORDINARY COUNCIL MEETING AGENDA
KUNUNURRA COUNCIL CHAMBERS
TO BE HELD ON TUESDAY 27 JUNE 2023 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**
- 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 Ordinary Council Meeting held on 30 May 2023.

Note: The Minutes of the Ordinary Council Meeting held on 30 May 2023 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**

12.1.1. Consideration of Recommendations Contained Within the Minutes of the Audit (Finance and Risk) Committee of 12 June 2023

DATE:	27 June 2023
AUTHOR:	Director Corporate Services
RESPONSIBLE OFFICER:	Vernon Lawrence, Chief Executive Officer
ASSESSMENT NO:	Various - As Detailed in the Minutes of the 12 June 2023 Audit (Finance and Risk) Committee meeting
FILE NO:	Various - As Detailed in the Minutes of the 12 June 2023 Audit (Finance and Risk) Committee meeting
DISCLOSURE OF INTERESTS:	Nil
COUNCILS ROLE IN THE MATTER:	Leader - Planning and providing direction through policy and practices Regulator - Undertaking responsibility for the enforcement of statutory requirements
VOTING REQUIREMENT:	Simple Majority

COMMITTEE RECOMMENDATION 1

That Council, with reference to Item 7.1 “*Standing Item - Rates Debtors*” as detailed in the 12 June 2023 Audit (Finance and Risk) Committee Agenda/Minutes, accept the report that the actions being undertaken by the administration in regard to rates debtors including rates debts in legal process are sufficient and appropriate.

COMMITTEE RECOMMENDATION 2

That Council, with reference to Item 7.2 “*Standing Item - Sundry Debtors*” as detailed in the 12 June 2023 Audit (Finance and Risk) Committee Agenda/Minutes, accept the report that the actions being undertaken by the administration in regard to sundry debtors including sundry debts in legal process are sufficient and appropriate.

COMMITTEE RECOMMENDATION 3

That Council, with reference to Item 7.3 “*Standing Item - Insurance Claims*” as detailed in the 12 June 2023 Audit (Finance and Risk) Committee Agenda/Minutes, note the Insurance Claims Report and associated attachments to the Agenda/Minutes of the 12 June 2023 Audit (Finance and Risk) Committee meeting.

COMMITTEE RECOMMENDATION 4

That Council, with reference to Item 7.4 “*Standing Item - Leases*” as detailed in the 12 June 2023 Audit (Finance and Risk) Committee Agenda/Minutes, note the Confidential Lease Schedule and the New and Renewal Lease Schedule attached to the Agenda/Minutes of the 12 June 2023 Audit (Finance and Risk) Committee Meeting.

COMMITTEE RECOMMENDATION 5

That Council, with reference to Item 7.5 “*Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls*” as detailed in the 12 June 2023 Audit (Finance and Risk) Committee Agenda/Minutes:

Note the progress report contained within the Confidential Attachments to the 12 June 2023 Audit (Finance and Risk) Committee Agenda/Minutes arising from the Chief Executive Officer’s review on the appropriateness and effectiveness of the Shire’s systems and procedures in relation to risk management, internal control and legislative compliance as required by Regulation 17 of the Local Government (Audit) Regulations 1996 and the review of the appropriateness and effectiveness of the financial management systems and procedures of the Shire as required by Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996.

PURPOSE

To consider the recommendations from the Audit (Finance and Risk) Committee made at its meeting held on 12 June 2023.

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

The background and details supporting the recommendations are contained within the Minutes of the 12 June 2023 Audit (Finance and Risk) Committee meeting and confidential attachments to the Agenda/Minutes.

STATUTORY IMPLICATIONS

Various - detailed within the Minutes of the 12 June 2023 Audit (Finance and Risk) Committee meeting and confidential attachments to the Agenda/Minutes.

POLICY IMPLICATIONS

Various - detailed within the Minutes of the 12 June 2023 Audit (Finance and Risk) Committee meeting and confidential attachments to the Agenda/Minutes.

FINANCIAL IMPLICATIONS

Various - detailed within the Minutes of the 12 June 2023 Audit (Finance and Risk) Committee meeting and confidential attachments to the Agenda/Minutes.

STRATEGIC IMPLICATIONS

This matter relates to the following sections of the *Strategic Community Plan 2023-2033*:

Focus Area: SUSTAINABILITY

GOAL OUTCOME 10.4: Innovation - Embrace technology, creativity and innovation to solve complex problems

STRATEGY 10.4: Integrate all planning and resource management to drive continuous improvement and innovation

RISK IMPLICATIONS

Various - detailed within the Minutes of the 12 June 2023 Audit (Finance and Risk) Committee meeting and confidential attachments to the Agenda/Minutes.

COMMUNITY ENGAGEMENT

Various - detailed within the Minutes of the 12 June 2023 Audit (Finance and Risk) Committee meeting and confidential attachments to the Agenda/Minutes.

COMMENTS

Various - detailed within the Minutes of the 12 June 2023 Audit (Finance and Risk) Committee meeting and confidential attachments to the Agenda/Minutes.

ATTACHMENTS

Nil

12.2. OFFICE OF THE CEO

12.2.1. Standing Item - Outstanding Actions from Previous Council Resolutions

DATE:	27 June 2023
AUTHOR:	Executive Officer to the CEO
RESPONSIBLE OFFICER:	Vernon Lawrence, Chief Executive Officer
DISCLOSURE OF INTERESTS:	NIL
COUNCIL'S ROLE IN THE MATTER:	Leader - plan and provide direction through policy and practices
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.

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

STRATEGIC IMPLICATIONS

Various, as referenced in individual reports presented to the Council.

FINANCIAL IMPLICATIONS

Various, as referenced in individual reports presented to the Council.

COMMUNITY ENGAGEMENT

No community engagement is required.

COMMENTS

Completed actions from Council resolutions are detailed in Attachment 1.

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

ATTACHMENTS

Attachment 1 - Council Action Register - Completed June 2023
Attachment 2 - Council Action Register - In Progress June 2023

12.2.2. Minutes and Recommendations from the Kimberley Zone and Kimberley Regional Group of 15 June 2023

DATE:	27 June 2023
AUTHOR:	Chief Executive Officer
RESPONSIBLE OFFICER:	Vernon Lawrence, Chief Executive Officer
DISCLOSURE OF INTERESTS:	Nil
COUNCIL'S ROLE IN THE MATTER:	Advocator, Facilitator and Leader
VOTING REQUIREMENT:	Simple Majority

OFFICER'S RECOMMENDATION

That Council receives and endorses the resolutions of the Kimberley Zone of WALGA and the Kimberley Regional Group as attached in the Kimberley Zone of WALGA and Kimberley Regional Group joint meeting Minutes of 15 June 2023 as provided at Attachments 1 and 2 to this report.

PURPOSE

This report, presents for Council's endorsement, the Minutes from the last joint meeting of the Kimberley Zone of WALGA and Kimberley Regional Group (KRG).

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

The Kimberley Zone is a group established to represent regional issues to the State Council of the Western Australian Local Government Association (WALGA). This group includes the four Kimberley Shires in addition to the Shires of Christmas Island and Cocos Keeling Islands.

The KRG is a group defined through a Memorandum of Understanding between the four Kimberley Shires and a Governance agreement, which has recently been updated.

The Shire of Wyndham East Kimberley is the Secretariat for both groups and all meetings are held jointly.

STATUTORY IMPLICATIONS

Nil

POLICY IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

The work of the KRG and Kimberley Zone strongly reinforces the strategy of the Shire as that relates to improvements to local and regional programs and policy and for the initiation of major projects that promote economic investment and which maximise community benefit. The KRG and Kimberley Zone also promote strong collaboration around common issues and strengthen the Shire's ability to advocate around matters of interest to the community.

RISK IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

A Financial Report was tabled at the meeting and is included in the Minutes of the KRG meeting (Attachment 2) at pages 19 to 21.

COMMUNITY ENGAGEMENT

Nil

COMMENTS

The Minutes of the Kimberley Zone provide positions relevant to the WALGA State Council. The matter that generated the greatest level of interest and discussion was with respect to the new Aboriginal Cultural Heritage Act and more particularly, its practical application. Councillors will note also, within the vast number of matters discussed by the State Council, that abandoned shopping trolleys are also being considered; for Shire's to have greater enforcement powers with respect to abandoned shopping trolleys.

The KRG received a formal presentation from the Hon. Stephen Dawson with regard to disaster management arrangements and as that is applying to the rectification works in Fitzroy Crossing. The KRG Minutes also provide a number of updates, including with respect to the new Liquor Control Amendment for the Banned Drinkers Register and a summary of Kimberley Crime Statistics for this financial year to date. A new KRG website is also nearing completion and is hoped to be online from July this year (refer page 76 of the KRG Minutes).

The Minutes and respective background information are at Attachments 1 and 2.

ATTACHMENTS

Attachment 1 - Minutes Kimberley Country Zone 15 June 2023

Attachment 2 - Minutes Kimberley Regional Group 15 June 2023

12.3. PLANNING AND COMMUNITY DEVELOPMENT

12.3.1. Temporary Caravan Park and Camping Ground Application - Kununurra Campdraft & Rodeo Association

DATE:	27 June 2023
AUTHOR:	Senior Environmental Health Officer
RESPONSIBLE OFFICER:	Nick Kearns, Director Planning and Community Development
ASSESSMENT NO:	A8072
FILE NO:	PH.12.5
DISCLOSURE OF INTERESTS:	Nil
COUNCIL'S ROLE IN THE MATTER:	Regulator - enforce state legislation and local laws
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 Campdraft and Rodeo Association at R30290, Lot 707 Drovers Road, Kununurra**
- 2. Grants a temporary caravan park licence to the Kununurra Campdraft and Rodeo Association for 60 camp sites at the Kununurra Rodeo Grounds from 31 July 2023 to 7 August 2023 subject to the following conditions:**
 - a. Only event staff/competitors associated with the Kununurra Rodeo and Campdraft are to be accommodated;**
 - b. The following minimum ablution facilities are to be available for the duration of the licence: 6 toilets, 3 hand basins and 3 showers;**
 - c. All wastewater (including sullage water) is to be collected and removed from the site to be disposed of at an approved wastewater dump point;**
 - d. Rubbish bins are to be sealed and provided within 90 metres of every site. All rubbish is to be removed from site, and**
 - e. Fire extinguishers are to be located within 90 metres of every site.**

PURPOSE

For Council to consider an application made for a Temporary Caravan Park and Camping Ground Licence.

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

The Kununurra Campdraft and Rodeo is an annual event held at the Kununurra Rodeo Grounds, with the Kununurra Campdraft and Rodeo Association having applied for a temporary caravan park and camping ground licence from 31 July 2023 to 7 August 2023. The intent of the temporary caravan park and camping ground licence at the rodeo grounds is for the accommodation needs of event staff and campdraft competitors and is similar to previous years.

Event staff and participants camping will have access to and able to use the ablution facilities within the licence area and within the rodeo grounds.

The campsites would mainly be located on a licence area referred to as "campground" adjoining (to the west and north west of) the Kununurra Campdraft and Rodeo Association lease area, with seventeen of the campsites proposed to be located on the Kununurra Race Club lease area, being along the river to the south west.

A copy of the Temporary Caravan Park and Camping Ground application form, proposed site plans for the camping layout located around the Kununurra Rodeo grounds and Kununurra Race Club, and event evacuation plan, are provided at Attachment 1. Authorisation is required from the Chief Executive Officer on this form.

The Kununurra Race Club has provided support for the proposal, which is at Attachment 2.

STATUTORY IMPLICATIONS

Caravan Park 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 Ground Regulations 1997 (the Regulations)

r. 47 Applications not dealt with within the 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 of particular types that may be used at the facility and
- (b) the services and facilities that are to be provided.

POLICY IMPLICATIONS

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

STRATEGIC IMPLICATIONS

This matter relates to the following sections of the *Strategic Community Plan 2023-2033*:

FOCUS AREA: LIVEABILITY

GOAL OUTCOME 2.3: Access to community groups and clubs - Access to strong supportive community groups and clubs

STRATEGY 2.3: Shire will support and build the capacity of community groups and clubs through community grants programs, advice and management of Shire reserves and facilities

RISK IMPLICATIONS

RISK: Failure to make Council decisions which allow for efficient and effective use of operational resources to deliver services which meet the needs of the community and region, comply with statutory requirements and promote economic and social development.

CONTROL: Inspection by Shire officers and compliance with minimum requirements based on legislative requirements for Nature Based and temporary caravan parks.

FINANCIAL IMPLICATIONS

There are no financial implications in relation to this matter and normal fees will apply

COMMUNITY ENGAGEMENT

No community engagement is required.

COMMENTS

The proposed licence meets the requirements and intentions of Council Policy CP-HTH-3762 Licencing of Temporary Caravan Parks and Camping Grounds. The area will be occupied only by event staff/campdraft participants who will stay on site with their animals 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, being for 60 sites. Other conditions are also recommended within regards to waste water disposal, rubbish bins and fire extinguishers in accordance with the regulations.

It is recommended that Council approve the application, with conditions, and authorise the Chief Executive Officer to sign the application form.

ATTACHMENTS

Attachment 1 – Temporary Caravan Park and Camping Ground Application - Kununurra Campdraft and Rodeo

Attachment 2 - Support letter from Kununurra Race Club Inc

12.4. CORPORATE SERVICES

12.4.1. Annual Budget 2023/24

DATE:	27 June 2023
AUTHOR:	Director Corporate Services
RESPONSIBLE OFFICER:	Felicity Heading, Director Corporate Services
FILE NO:	FM.05.24
DISCLOSURE OF INTERESTS:	Nil
COUNCIL'S ROLE IN THE MATTER:	Leader - Planning and providing direction through policy and practices. Provider - Providing physical infrastructure and essential services. Funder - Providing funds or other resources Regulator - Undertaking responsibility for the enforcement of statutory requirements.
VOTING REQUIREMENT:	Absolute Majority

VOTING REQUIREMENT 1

Absolute Majority

OFFICER'S RECOMMENDATION 1

That Council adopt the revised *Council Policy CP/FIN-3200 Strategic Rating (Attachment 1)* incorporating the following rating categories for 2023/24 rating purposes:

GRV Residential

Includes all GRV valued land within the town site, other than land zoned Rural Residential or Rural Smallholdings, which is used primarily for residential purposes with the exception of Workforce Accommodation (Transient Accommodation in previous scheme), 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

Includes all 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 2023/24 financial year as follows:

As per Ordinary Council Meeting 30 May 2023 (Minute No: 30/05/2023-118838):

Rating Category	General Rate in the Dollar \$	Minimum Payments
GRV - Residential	0.1539	\$1,500
GRV - Other Vacant	0.2387	\$1,500
GRV - Commercial	0.1518	\$1,500
GRV - Industrial	0.1476	\$1,500
GRV - Rural Residential	0.1539	\$1,500
UV - Rural Residential	0.0139	\$1,500
UV - Pastoral	0.0590	\$1,500
UV - Commercial/Industrial	0.0082	\$1,500
UV - Agriculture	0.0123	\$1,500
UV - Horticulture	0.0108	\$1,500
UV - Mining	0.2911	\$1,500
UV - Mining Exploration and Prospecting	0.1455	\$750
UV - Other	0.0070	\$1,500

VOTING REQUIREMENT 3

Absolute Majority

OFFICER'S RECOMMENDATION 3

That Council, pursuant to section 66 of the *Waste Avoidance and Resource Recovery Act 2007*, adopt a general rate for the Waste Management Charge to be imposed on all rated properties for the 2023/24 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, pursuant to section 66 of the *Waste Avoidance and Resource Recovery Act 2007* and Part 5 of the *Local Government (Financial Management) Regulations 1996*, adopt a minimum payment to apply to the Waste Management Charge imposed on all rated properties in accordance with for the 2023/24 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 instalment options for the payment of rates and service charges for the 2023/24 financial year:

1. **Option 1 (Full Payment)**
Full amount of rates and charges including all arrears, to be paid on or before 1 September 2023, or 35 days after the date of issue appearing on the rate notice, whichever is the later.
2. **Option 2 (Two Instalments)**
 - i. First instalment to be made on or before 1 September 2023, or 35 days after the date of issue appearing on the rate notice whichever is later including all arrears and half of the current rates and service charges; and
 - ii. Second instalment to be made on or before 9 February 2024, or 4 months after the due date of the first instalment, whichever is later.
3. **Option 3 (Four Instalments)**
 - i. First instalment to be made on or before 1 September 2023, or 35 days after the date of issue appearing on the rate notice whichever is later including all arrears and a quarter of the current rates and service charges;
 - ii. Second instalment to be made on or before 3 November 2023, or 2 months after the due date of the first instalment, whichever is later;
 - iii. Third instalment to be made on or before 9 February 2024, or 2 months after the due date of the second instalment, whichever is later; and
 - iv. Fourth instalment to be made on or before 12 April 2024, or 2 months after the due date of the third instalment, whichever is later.

VOTING REQUIREMENT 6

Absolute Majority

OFFICER'S RECOMMENDATION 6

That Council, pursuant to section 6.46 of the *Local Government Act 1995* and Regulation 26 of the *Local Government (Financial Management) Regulations 1996*, adopt the following Rates Payment Incentive Scheme prize draws for the 2023/24 financial year with a total value of \$9,000 budgeted for and provided from municipal funds, noting that government departments and agencies, elected members, and employees of the Shire are ineligible and will be excluded from the draw:

1. Prize Draw A of \$6,000 - Open to all rate assessments paid in full, including all arrears and outstanding interest charges, by 4:00pm on 1 September 2023 or within 35 days of the issue of the rates notice.
 - i. First Prize - \$3,000
 - ii. Second Prize - \$1,500
 - iii. Third Prize - \$500
 - iv. Fourth - Seventh Prizes - \$250

2. Prize Draw B of \$3,000 - Open to;
 - a. All rate assessments paid via two instalments that are paid in full, including all arrears and outstanding interest charges, by 4:00 pm on 9 February 2024 or within 4 months of the first instalment due date, whichever is the later;
 - b. All rate assessments paid via four instalments that are paid in full, including all arrears and outstanding interest charges, by 4:00 pm on 12 April 2024 or within 6 months of the first instalment due date, whichever is later; and
 - c. All rate assessments on an approved payment arrangement with all payments up to date as at 4:00 pm on 12 April 2024 or within 6 months of the first instalment due date, whichever is later.
 - i. First Prize - \$1,500
 - ii. Second Prize - \$750
 - iii. Third Prize - \$250
 - iv. Fourth - Seventh Prizes - \$125

3. Payment to be made by purchase order issued to businesses operating within the Shire of Wyndham East Kimberley.

VOTING REQUIREMENT 7

Absolute Majority

OFFICER'S RECOMMENDATION 7

That Council:

1. Pursuant to section 6.16 of the *Local Government Act 1995*, adopt the amended Schedule of Fees and Charges for 2023/24 outlined in Attachment 2 to be effective from either 1 July 2023 or 1 January 2024, whichever date is indicated in Attachment 2.

VOTING REQUIREMENT 8

Absolute Majority

OFFICER'S RECOMMENDATION 8

That Council:

1. Pursuant to section 6.45 of the *Local Government Act 1995* and Regulation 68 of the *Local Government (Financial Management) Regulations 1996*, impose 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).
2. Pursuant to section 6.45 of the *Local Government Act 1995* and Regulation 67 of the *Local Government (Financial Management) Regulations 1996*, impose 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.
3. Resolve that the requirement to pay an additional charge (including an amount by way of interest) where payment of a rate or service charge is made by instalments does not apply to a person who is considered to be suffering financial hardship in accordance with *Council Policy CP/FIN-3220 Financial Hardship - Rates and Sundry Debtors*.

VOTING REQUIREMENT 9

Absolute Majority

OFFICER'S RECOMMENDATION 9

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*, impose an interest rate of 9.0% per annum for rates and service

charges and costs of proceedings to recover such charges that remain unpaid after becoming due and payable (excluding eligible pensioners and seniors); and

2. Resolve that the requirement to pay interest on overdue rates and services charges does not apply to a person who is considered to be suffering financial hardship in accordance with *Council Policy CP/FIN-3220 Financial Hardship - Rates and Sundry Debtors*.

VOTING REQUIREMENT 10

Absolute Majority

OFFICER'S RECOMMENDATION 10

That Council:

1. Pursuant to section 6.13 of the *Local Government Act 1995* impose an interest rate of 9.0% per annum to be applied to 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*.
2. Resolve that the requirement to pay interest on any amount of money (other than rates and services charges) which is owed to the Shire does not apply to a person who is considered to be suffering financial hardship in accordance with *Council Policy CP/FIN-3220 Financial Hardship - Rates and Sundry Debtors*.

VOTING REQUIREMENT 11

Absolute Majority

OFFICER'S RECOMMENDATION 11

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 18 April 2023 Ordinary Meeting of Council (Minute No. 18/04/2023 - 118817) to be incorporated into the 2023/24 Municipal Fund Budget.
2. Notes that the revised *Council Policy CP/CNC-3141 Elected Member Allowances and Entitlements* adopted at the 18 April 2023 Ordinary Meeting of Council (Minute No. 18/04/2023 - 118817) provides for the maximum Salaries and Allowances Tribunal (SAT) determination levels so that:
 - a. The President's Annual Meeting Attendance Fee is 75% of the yearly maximum Salaries and Allowances Tribunal (SAT) determination.
 - b. The Elected Members Annual Meeting Attendance Fee is 75% of the yearly

- maximum Salaries and Allowances Tribunal (SAT) determination.
- c. The President's Annual Allowance is 100% 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 Annual ICT Allowance of 75% of the maximum Salaries and Allowances Tribunal (SAT) determination.
3. Pursuant to section 5.99 of the *Local Government Act 1995*, adopt the following annual fees for payment of elected members in lieu of individual meeting attendance fees:
- a. President \$24,307.50
 - b. Councillors \$18,127.50
4. Pursuant to section 5.98(5) of the *Local Government Act 1995*, adopt the following annual local government allowance to be paid in addition to the annual meeting allowance:
- a. President \$65,915.00
5. Pursuant to section 5.98A(1) of the *Local Government Act 1995*, adopt the following annual local government allowance to be paid in addition to the annual meeting allowance:
- a. Deputy President \$16,478.75

VOTING REQUIREMENT 12

Absolute Majority

OFFICER'S RECOMMENDATION 12

That Council, pursuant to Regulation 34(5) of the *Local Government (Financial Management) Regulations 1996*, approves the materiality level for monthly reporting to be set at +/- 10% and +/- \$50,000 at financial statement level.

VOTING REQUIREMENT 13

Absolute Majority

OFFICER'S RECOMMENDATION 13

That Council adopt the Significant Accounting Policies contained within the Municipal Fund Budget for 2023/24 as contained in Attachment 3 to this agenda, subject to any changes to relevant Regulations or Accounting Standards.

VOTING REQUIREMENT 14

Absolute Majority

OFFICER'S RECOMMENDATION 14

That Council, 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*, adopt the Municipal Fund Budget as contained in Attachment 3 of this agenda, for the Shire of Wyndham East Kimberley for the 2023/24 financial year which includes the following:

1. Statement of Comprehensive Income by Nature and Type;
2. Statement of Cash Flows;
3. Statement of Financial Activity showing a net amount raised from rates of \$11,627,504;
4. Notes to and forming Part of the Budget.

PURPOSE

The purpose of this report is to consider the Municipal Fund Budget for the 2023/24 Financial Year together with the supporting schedules, including the imposition of Differential 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.

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

Introduction

The Shire of Wyndham East Kimberley has developed an Integrated Planning and Reporting Framework to guide its strategic direction and resource allocation for delivering services and projects that align with the community's needs and aspirations. The Framework consists of four key documents: the Strategic Community Plan, the Corporate Business Plan, the Asset Management Plan and the Long Term Financial Plan.

The Annual Municipal Fund Budget (Annual Budget) is a crucial part of the Framework that shows how the Shire will use its financial resources to implement the actions and outcomes identified in the Corporate Business Plan that support the community vision and goals of the new Strategic Community Plan 2023-2033. The Annual Budget is prepared through a comprehensive process of consultation and review with the Council, staff and community stakeholders to ensure that the Shire funds these services and projects in a financially sustainable manner.

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 expects. 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 as important and the ability of the Shire to fund these various matters in a sustainable manner.

The 2023/24 Budget process commenced in February 2023. The process is a comprehensive one involving 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 2023 budget position, and determining the funding requirements to maintain service levels and asset renewal obligations for the 2023/24 financial year where possible.

Decisions of Council relevant to the 2023/24 budget process

Council Decision

Minute Number: 2103/2023 – 118803

That Council adopt the reviewed CP-FIN-3211 Fees and Charges Pricing Policy.

Moved: Cr McNeil

Seconded: Cr Dear

Decision: 8/0

Council Decision

Minute Number: 18/04/2023 – 118816

That Council:

- 1. Rescinds Council Policy CP/FIN-3219 COVID-19 Financial Hardship - Rates and Sundry Debtors.**
- 2. Adopts the new Council Policy CP/FIN-3220 Financial Hardship - Rates and Sundry Debtors.**

Moved: Cr T Chafer

Seconded: Cr N Brook

Decision: 8/0

Council Decision

Minute Number: 18/04/2023 - 118817

That Council adopts the amended Council policy CP/CNC-3141 Elected Member Allowances and Entitlements.

Moved: Cr T Chafer

Seconded: Cr M Dear

Decision: 8/0

At the 18 April 2023 Ordinary Council Meeting the proposed Fees and Charges, Strategic Rating Policy and Rating Model were adopted for advertising. The Fees and Charges incorporated an average increase of 3.0%, and the Strategic Rating Policy and Rating Model incorporated an increase of 3.5% in the Rate in the Dollar and an increase in Minimum Payments for most rate categories from \$1,400 to \$1,500.

Council Decision

Minute Number: 18/04/2023 - 118818

That Council:

- 1. Pursuant to section 6.16 and 6.18 of the Local Government Act 1995, adopt the proposed Schedule of Fees and Charges for 2023/24 outlined in attachment 1 to be effective from either 1 July 2023 or 1 January 2024, whichever date is applicable as indicated in the attachment; and**

2. **Request the Chief Executive Officer to give local public notice of Council's intention to impose the Schedule of Fees and Charges 2023/24, to apply from 1 July 2023 or 1 January 2024 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, adopt an interest rate of 9% to be applied to 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, subject to:**
 - a. **This interest rate cannot be applied to a person who is considered to be suffering financial hardship in accordance with Council Policy CP/FIN-3220 Financial Hardship - Rates and Sundry Debtors.**

Moved: Cr T Chafer

Seconded: Cr J Farquhar

Decision: 8/0

Council Decision

Minute Number: 18/04/2023 - 118819

That Council:

1. **Endorse the revised Council Policy CP/FIN-3200 Strategic Rating;**
2. **Endorse the 2023/24 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 2023/24 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 2023/24 \$
GRV - Residential	1,712	32,900,407	1,500	0.1561	7.13%	5,160,699
GRV - Other Vacant	122	531,256	1,500	0.2421	81.15%	219,920
GRV - Commercial	194	13,312,674	1,500	0.1540	31.96%	2,066,546
GRV - Industrial	178	7,536,886	1,500	0.1497	8.43%	1,138,062
GRV - Rural Residential	26	272,424	1,500	0.1561	34.62%	45,880
UV - Rural Residential	200	32,401,500	1,500	0.0141	26.00%	464,241
UV - Pastoral	21	9,773,238	1,500	0.0599	0.00%	588,417
UV - Commercial/Industrial	68	12,307,500	1,500	0.0083	39.71%	129,448
UV - Agriculture	81	60,935,109	1,500	0.0125	1.23%	762,151
UV - Horticulture	93	27,404,000	1,500	0.0109	0.00%	298,704
UV - Mining	65	2,010,583	1,500	0.2954	46.15%	621,004

<i>UV - Mining Exploration and Prospecting</i>	48	535,154	750	0.1476	37.50%	85,421
<i>UV - Other</i>	5	8,960,000	1,500	0.0071	40.00%	64,415
TOTALS	2,813	208,880,731				11,641,948

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

- a. *Council Policy CP/FIN-3200 Strategic Rating (Attachment 1) that outlines the principles which underpin the proposed 2023/24 rating model, including the Object of and Reasons for Differential Rates;*
- b. *The 2023/24 Rating Model (Attachment 2) which incorporates the Objects of and Reasons for Differential Rates, along with the proposed differential rates and minimum payments to be applied from 1 July 2023 for the 2023/24 financial year in accordance with section 6.36 of the Local Government Act 1995.*

Moved: Cr T Chafer

Seconded: Cr J Farquhar

Carried: 8/0

Council Decision

Minute Number: 30/05/2023 - 118839

That Council

1. ***Endorse the 2023/24 Rating Model as follows, with the intention of striking the rates as part of the 2023/24 Budget adoption, subject to receiving Ministerial approval where required by legislation.***

<i>Differential Rating Category</i>	<i>Total Properties</i>	<i>Total Rateable Value of Properties \$</i>	<i>Proposed Minimum Payment \$</i>	<i>Proposed Rate in the Dollar</i>	<i>% of Properties on Minimum Payments</i>	<i>Proposed Rates Revenue Budget 2023/24 \$</i>
<i>GRV - Residential</i>	1,712	32,905,867	1,500	0.1539	7.77%	5,091,512
<i>GRV - Other Vacant</i>	123	532,396	1,500	0.2387	81.20%	220,417
<i>GRV - Commercial</i>	193	13,251,799	1,500	0.1518	32.64%	2,029,128
<i>GRV - Industrial</i>	178	7,536,886	1,500	0.1476	8.99%	1,122,417
<i>GRV - Rural Residential</i>	26	272,424	1,500	0.1539	34.61%	45,423
<i>UV - Rural Residential</i>	200	35,397,000	1,500	0.0139	1.00%	492,155
<i>UV - Pastoral</i>	21	9,788,238	1,500	0.0590	0.00%	577,506
<i>UV - Commercial/Industrial</i>	68	12,503,000	1,500	0.0082	41.18%	130,031

UV - Agriculture	82	64,916,237	1,500	0.0123	2.44%	799,059
UV - Horticulture	93	28,772,000	1,500	0.0108	0.00%	310,738
UV - Mining	65	2,180,844	1,500	0.2911	46.15%	660,509
UV - Mining Exploration and Prospecting	48	493,311	750	0.1455	41.67%	78,413
UV - Other	5	9,548,000	1,500	0.0070	40.00%	67,470
TOTALS	2,814	218,098,002				11,624,778

2. **Requests the CEO, or their delegate to seek approval from the Minister for Local Government 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.**

Moved: Cr D Hearty

Seconded: Cr J Farquhar

Decision: 9/0

STATUTORY IMPLICATIONS

The 2023/24 Budget has been prepared in accordance with the requirements of the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996*, and other relevant legislation detailed below:

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 - Financial management

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.

(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.

6.11. 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

Subdivision 2 - Fees and Charges

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.

Division 6 - Rates and service charges

Subdivision 2 - Categories of rates and service charges

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 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.

6.36. Local government to give notice of certain rates

(1) Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so.

(2) A local government is required to ensure that a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).

(3) A notice referred to in subsection (1)

(a) may be published within the period of 2 months preceding the commencement of the financial year to which the proposed rates are to apply on the basis of the local government's estimate of the budget deficiency;

(b) is to contain -

(i) details of each rate or minimum payment the local government intends to impose;

(ii) an invitation for submissions to be made by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters within 21 days (or such longer period as is specified in the notice) of the notice; and

(iii) any further information in relation to the matters specified in subparagraphs (i) and (ii) which may be prescribed; and

(c) is to advise electors and ratepayers that the document referred to in subsection (3A) —

(i) may be inspected at a time and place specified in the notice; and

(ii) is published on the local government's official website.

(3A) The local government is required to prepare a document describing the objects of, and reasons for, each proposed rate and minimum payment and to publish the document on the local government's official website.

(4) The local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.

(5) Where a local government -

(a) in an emergency, proposes to impose a supplementary general rate or specified area rate under section 6.32(3)(a); or

(b) proposes to modify the proposed rates or minimum payments after considering any submissions under subsection (4),

it is not required to give local public notice of that proposed supplementary general rate, specified area rate, modified rate or minimum payment.

6.45. Options for payment of rates or service charges

(1) A rate or service charge is ordinarily payable to a local government by a single payment but the person liable for the payment of a rate or service charge may elect to make that payment to a local government, subject to subsection (3), by —

(a) 4 equal or nearly equal instalments; or

(b) such other method of payment by instalments as is set forth in the local government's annual budget.

(2) Where, during a financial year, a rate notice is given after a reassessment of rates under section 6.40 the person to whom the notice is given may pay the rate or service charge (a) by a single payment; or

(b) by such instalments as are remaining under subsection (1)(a) or (b) for the remainder of that financial year.

(3) A local government may impose an additional charge (including an amount by way of interest) where payment of a rate or service charge is made by instalments and that additional charge is, for the purpose of its recovery, taken to be a rate or service charge, as the case requires, that is due and payable.

(4) Regulations may —

(a) provide for the manner of making an election to pay by instalments under subsection (1) or (2); and

(b) prescribe circumstances in which payments may or may not be made by instalments; and

(c) prohibit or regulate any matters relating to payments by instalments; and

(d) provide for the time when, and manner in which, instalments are to be paid; and

(e) prescribe the maximum amount (including the maximum interest component) which may be imposed under subsection (3) by way of an additional charge; and

(f) provide for any other matter relating to the payment of rates or service charges.

6.46. Discounts

Subject to the Rates and Charges (Rebates and Deferments) Act 1992, a local government may, when imposing a rate or service charge, resolve* to grant a discount or other incentive for the early payment of any rate or service charge.

* Absolute majority required

6.47. Concessions

Subject to the Rates and Charges (Rebates and Deferments) Act 1992, a local government may at the time of imposing a rate or service charge or at a later date resolve to waive a rate or service charge or resolve to grant other concessions in relation to a rate or service charge.*

** Absolute majority required.*

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.

6.51. Accrual of interest on overdue rates or service charges

(1) A local government may at the time of imposing a rate or service charge resolve to impose interest (at the rate set in its annual budget) on —*

(a) a rate or service charge (or any instalment of a rate or service charge); and

(b) any costs of proceedings to recover any such charge, that remains unpaid after becoming due and payable.

** Absolute majority required.*

(2) 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.

(3) Accrued interest is, for the purpose of its recovery, taken to be a rate or service charge, as the case requires, that is due and payable.

(4) If a person is entitled under the Rates and Charges (Rebates and Deferments) Act 1992 or under this Act (if the local government in a particular case so resolves) to a rebate or deferment in respect of a rate or service charge —

(a) no interest is to accrue in respect of that rate or service charge payable by that person; and

(b) no additional charge is to be imposed under section 6.45(3) on that person.

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).

Part 3 - Annual Budget

26. Discounts for early payment etc., information about required

(1) The annual budget is to include for each discount or other incentive proposed to be granted for early payment of any money and in respect of each waiver or concession proposed in relation to any money —

(a) in respect of a discount —

(i) the amount of the discount, or the percentage discount, to be allowed; and

(ii) the circumstances in which the discount will be granted; and

[(b) deleted]

(c) in relation to a waiver or concession —

(i) a brief description of the waiver or concession; and

(ii) a statement of the circumstances in which it will be granted; and

(iii) details of the persons or class of persons to whom it is available; and

(iv) the objects of, and reasons for, the waiver or concession.

(2) The annual budget is to include, separately in relation to all general rates, each specified area rate, each service charge and all fees and charges imposed under the Act or any other written law an estimate of —

(a) the total amount of the discounts which may be granted; and

(b) the total cost to the local government of each incentive scheme; and

(c) the total cost, or reduction of revenue, to the local government of a waiver or grant of a concession; and

(d) the total amount of money to be written off.

Part 5 – Rates and service charges

52A. Differential general rates - s. 6.33(1)(d)

6.33 (1)(d) For the purposes of section 6.33(1)(d), the following are prescribed characteristics —

(a) whether or not the land is situated in a townsite as defined in the Land Administration Act 1997 section 3(1);

(b) whether or not the land is situated in a particular part of the district of the local government.

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 VII – Financial provisions

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

The following Council Policies are relevant in the adoption of the annual budget and have been reviewed as required as part of the budget process:

- *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/FIN-3220 - Financial Hardship - Rates and Sundry Debtors*
- *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 \$22,753,297 in operating revenue and \$24,009,054 in capital grants and other capital income. A net amount of \$9,899,215 will be transferred from the Shire's Reserves in support of both the capital works program and operations. This revenue together with existing cash resources and new loans will fund \$33,191,626 in operating expenses, \$34,275,623 in capital works and \$825,318 in debt repayments.

Detailed financial implications are outlined in the Comments section of this report and in the 2023/24 Budget at Attachment 3 to this report.

STRATEGIC IMPLICATIONS

The Annual Budget is a crucial part of the Framework that shows how the Shire will use its financial resources to implement the actions and outcomes identified in the Corporate Business Plan that support the community vision and goals of the new Strategic Community Plan 2023-2033.

RISK IMPLICATIONS

RISK: Failure to adequately resource and manage funding requirements which meet the needs of the Shire's service delivery requirements and strategic objectives.

CONTROL: Implementation of LTFP and Annual Budget.

RISK: Failure to manage and implement an effective, forward planned capital works program which meets the safety and functional requirements of the community.

CONTROL: Long Term Financial Plan, Asset Management Strategy, Asset Management Policy and Forward Capital Works Programs.

RISK: Failure to manage the disbursement of funds to meet the needs of the Shires forward planning requirements, including the Strategic Community Plan, Corporate Business Plan, Long Term Financial Plans and Annual Budget.

CONTROL: Corporate Business Plan Review, Mid Year Budget Review, Monthly Management accounts, Monthly Financial Report to Council.

COMMUNITY ENGAGEMENT

Engagement has taken place in accordance with the Shire's Community Engagement Guidelines and includes the following:

18 April 2023 - Ordinary Council Meeting

Council endorsed the Rates Model that determined the proposed Rate In the Dollar, endorsed the revised Council Policy *CP/FIN-3200 Strategic Rating* and Community Engagement Plan for the purposes of seeking public submissions (Minute Number: 18/04/2023 - 118819). Local Public Notice to Impose Differential General Rates and Minimum Payments was endorsed to advertise seeking Public Submissions from 1 May 2023. The closing date for Public Submissions was 26 May 2023.

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 newspaper on 4 May 2023;

- A copy of the Notice to Impose Differential General Rates and Minimum Payments for 2023/24 placed on the Coles Kununurra noticeboard on 1 May 2023;
- A copy of the Notice to Impose Differential General Rates and Minimum Payments for 2023/24 placed on the IGA Kununurra noticeboard on 1 May 2023;
- A copy of the Notice to Impose Differential General Rates and Minimum Payments for 2023/24 placed on the Wyndham Post Office noticeboard on 1 May 2023;
- A copy of the Notice to Impose Differential General Rates and Minimum Payments posted on the Shire's Facebook page and website on 1 May 2023;
- A copy of the Notice to Impose Differential General Rates and Minimum Payments for 2023/24, including Council Policy *CP/FIN-3200 Strategic Rating* placed on the Shire's website, public notice boards at the Libraries in both Kununurra and Wyndham on 1 May 2023.

30 May 2023 - Ordinary Council Meeting

Council considered one public submission received and endorsed a rating model incorporating a 3.5% rate in the dollar increase on all rate categories, and a minimum payment of \$1,500 on all rate categories, excluding UV Mining Exploration and Prospecting for which the minimum payment is \$750 at the 30 May 2023 Ordinary Council meeting for inclusion in the 2023/24 Budget (Minute Numbers: 30/05/2023 - 118836 and 30/05/2023 - 118838).

COMMENTS

General

As outlined in the Background section of this report, in preparing the Annual Budget there are many factors that the Shire needs to take into consideration. The Budget must align with the Shire's Strategic Community Plan and Corporate Business Plan to ensure the Shire is delivering on the strategic vision in an achievable and sustainable manner. Priorities need to be established and decisions 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 as important and the ability of the Shire to fund these various matters in a sustainable manner.

Economic Indicators

Rates and Fees and Charges combined make up approximately 75% of the Shire's operating revenue. In determining likely increases to the cost of operations and the required increases in Rates and Fees and Charges to fund these operations, as part of the Budget process the Shire takes into consideration the current economic conditions and uses historical data, forecasts and economic indicators to determine appropriate increases.

Consumer Price Index

There are a number of economic indicators that can be used. The most commonly used one is the Consumer Price Index (CPI). The CPI is an index determined by the Australian Bureau of Statistics that is the rate of change in prices on a 'basket of goods' measured on a quarterly basis. This index is not a good measure of the change in the cost of doing business for local governments. The CPI is an index determined by the Australian Bureau of Statistics that is the rate of change in prices on a 'basket of goods' measured on a quarterly basis. This basket of goods does not generally reflect the components of costs that the Shire incur in delivering our services. This index does however provide an indication of the impact of rising prices on

household income and the state of the economy in broad terms. The Perth CPI increase for the 12 months to December 2022 was 8.3%.

Local Government Cost Index

A more accurate measure of the Shire's cost profile is the Local Government Cost Index (LGCI). This index is based on the 'bundle of goods' relating to local government incorporating ten cost components which provide an accurate indicator of cost movements affecting local governments. The LGCI therefore provides an indication of those changes in costs that relate more closely to the function of local government. The Shire utilises the LGCI forecasts in the WALGA Local Government Economic Briefings. The March 2023 Briefing reports an actual increase for 2021-22 of 6.4%, and forecasts a full year increase for 2022-23 of 4.5% with the biggest increases occurring in Machinery and Equipment (10.7%), Road and bridge construction (5.1%) and Materials and Contracts (4.8%). The forecast increases for 2023-24 and 2024-25 are 2.9% and 2.4% respectively.

Budget Efficiencies

The increasing cost of maintaining Shire infrastructure and providing services without a corresponding increase in rates revenue over several years has required Shire officers, as part of the annual budget process, to critically evaluate the expenditure estimates for efficiencies and possible savings, and to prioritise expenditure. The process of identifying efficiency gains is ongoing and Shire officers continue to seek to provide better value for money for the rates the community pays. The current economic environment and rapidly increasing costs makes this even more important and officers have worked diligently to ensure that the 2023-24 budget when finalised will reflect efficiency gains that have been identified which include:

- Capping CPI salary increases at 2%
- Reviewing all staff positions when they become vacant to ensure they still meet operational and service delivery requirements.
- Reviewing the condition and replacement cost of all assets to ensure accurate asset management planning occurs, that replacements are prioritised according to need, and that depreciation expenses are accurately calculated.
- Updating Asset Management Plans in line with the above.
- Identifying works that can be undertaken in house and revising works programs accordingly.
- Reviewing and updating work schedules to ensure the best utilisation of resources.
- Acquiring plant to self perform works previously contracted out. This includes the acquisition of a Street Sweeper and Excavator.
- Reviewing customer service processes and systems to ensure that services are provided in the most efficient and effective manner thereby reducing costs.
- Reviewing procurement policies and processes to ensure that goods and services procured continue to provide the best value for money possible for the community
- Using local suppliers where possible to reduce mobilisation and freight costs.

Other Factors

The Shire recognises that the Shire does have relatively high rates. Some of the factors that lead to having higher rates are unavoidable, however the Shire needs to continue to address

the cost of service delivery aspects of the operation thoroughly to ensure that rate increases continue to be moderate. Matters that continue to be addressed include Officers compiling detailed forward capital works programs to determine the timing and extent of funds needed to renew our asset base and how we deliver those works. The Shire also needs to establish and document the services that the community value, the service levels required and the ongoing cost of providing those services. The financial strategies as set out in the Long Term Financial Plan are being implemented to ensure that the Shire progresses to a sustainable and consistently moderately rated Shire.

Budget Timing

The Shire is adopting its budget prior to it having audited financial information for the 2022/23 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 2023 as the starting point for the 2023/24 Municipal Fund Budget. In estimating the 30 June forecasts Shire Officers have monitored the financial performance throughout the financial year and documented any significant variances from the budget position and used this data to project end of year balances and consequently the opening funding requirements and funding capacity for 2023/24 year.

These projections remain estimates and are subject to change as actual data is captured. The results for the 2022/23 financial year end will be finalised in November 2023 with the annual audit. It is likely that there will be differences between the actual audited results reported and the projected data used in the 2023/24 Budget which may impact the final end of year surplus (or deficit) identified in the Statement of Financial Activity. Once the Annual Financial Report is finalised, differences between the actual data and the budget data will be determined and the 2023/24 budget data amended to reflect the necessary changes if material. This will be reported to Council at the appropriate time.

Budget Analysis

The documents contained in Attachment 3 provide the details for the Statutory Annual Budget. They include the following:

- Statement of Comprehensive Income by Nature and Type
- Statement of Cash Flows
- Statement of Financial Activity
- Notes to the financial statements

Attachment 4 details the Capital Works Budget including the following:

- Forecasts for 2022/23
- Carry forward amounts
- New and total budgeted expenditure
- Works type
- Funding sources

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.

Statement of Comprehensive Income

The Statement of Comprehensive Income shows budgeted Operating Revenue of \$22,753,397, Operating Expenditure of \$33,150,126, Non Operating Grants of \$24,009,064 resulting in a Net result of \$13,570,835. This is an increase on the prior years Net result mainly due to an increase in Non-Operating Grants (Capital Grants) to fund the capital works program.

Statement of Cash Flows

The Cash Flow Budget for 2023/24 shows net cash used in operations of \$2,477,444 and a reduction in cash at the end of the financial year of \$10,242,659. This is a reduction of \$8,404,215 and is mainly as a result of cash held at 30 June 2023 being used for capital works during 2023/24.

Statement of Financial Activity

The Statement of Financial Activity shows a forecast surplus for the 2022/23 financial year of \$3,314,908 which represents an increase in the surplus from 2021/22 of \$469,444. This is mainly due to the advance payment of Financial Assistance Grants in 2022/23 and an increase in interest revenue offset by a reduction in fees and charges revenue.

Operating Budget

Operating Revenue

Comments relating to the changes in each operating revenue category, comparing the 2023/24 Municipal Fund Budget to the 2022/23 and budgets and 2022/23 forecast actuals are provided below.

Operating Revenue By Category	2023/24 Proposed Budget \$	2022/23 Forecast \$	2022/23 Adopted Budget \$
Rates	11,627,504	11,071,714	11,026,368
Operating Grants	1,036,380	6,411,603	1,743,019
Fees and Charges	8,959,310	8,345,194	7,977,780
Interest Earnings	704,000	710,662	181,000
Other Revenue	426,203	441,826	420,090
Total	22,753,397	26,980,999	21,348,257

Rates Revenue

Council is being requested to adopt the rating model for 2023/24 as endorsed at the 30 May 2023 Ordinary Council Meeting following the receipt of Ministerial approval of the Differential Rates and Minimum Payments where required.

The proposed Rates for the budget process were modelled within the guidelines in Council's Strategic Rating Policy. 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 budgeted rate revenue of \$11,627,504 consists of gross rate revenue of \$11,624,778 plus ex-gratia rates of \$2,726. This will result in an overall increase in rate revenue of \$601,043 or 5.45% over the 2022/23 budget. 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.

Financial assistance

Over the past three years Council introduced several measures to assist ratepayers and members of the community affected by the financial impacts of the COVID-19 pandemic including the following:

- Adoption of Council policy CP/FIN-3219 COVID-19 Financial Hardship-Rates and Sundry Debtors
- Extended payment arrangement terms
- Waiving of some Fees and Charges
- Reduction in penalty interest for outstanding rates and fees and charges
- A Rates Incentive Prize draw
- A reduction in penalty interest for outstanding rates and fees
- Reduction in interest rate for rates instalments
- Reduction in the Instalment Administration Fee
- Removal of the Special Payment Arrangement Administration fee

In the 2023/24 budget the penalty interest rates and Instalment Administration Fees have reverted to the pre-pandemic charges, however the Shire continues to provide assistance through the adoption of a new general financial hardship policy CP/FIN-3220 Financial Hardship - Rates and Sundry Debtors, which includes extended payment arrangement terms and the waiving of interest for ratepayers and sundry debtors assessed as being in financial hardship in accordance with the policy.

Rates Incentive Prizes

The rates incentive prizes will be split into two prize draws pools, one of \$6,000 for those that pay their rates in full on or before the 1st instalment date, and one of \$3,000 for those that pay their rates in full via an instalment option or are up to date with their agreed payment plan. Each prize will be drawn individually and only one prize will be available per rate assessment. Where more than one ratepayer is listed on the rates assessment the prize will be awarded in the name of the first listed ratepayer. The Chief Executive Officer and Director Corporate

Services will conduct the draw, using the dedicated software program within the rating system. Shire Councillors and Shire employees will be ineligible and will be excluded from the draw.

Operating Grants, Contributions & Subsidies

The majority of Operating Grants and Subsidies remain fairly constant, however the Federal Government has advised that the Shire will be receiving 100% of its 2023/24 allocation of Financial Assistance Grants (FAGs) prior to 30 June 2023. The accounting standards require the Shire to recognise FAGs revenue in the year in which they are received and an amount of \$3,889,970 has been included in the 2022/23 forecast based on the 2022/23 grant allocation. This has resulted in the forecast revenue for 2022/23 being higher and budgeted revenue for 2023/24 being reduced. As the grants carry forward there will be no impact on the budgeted result for 2023/24.

Fees and Charges

The setting of the Fees and Charges is completed in accordance with the Council Policy *CP/FIN-3211 Fees and Charges Pricing*.

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. At the April 2023 Ordinary Council Meeting Council resolved to apply a 3.0% average increase to fees and charges for 2023/24 and this is reflected in the Schedule of Fees and Charges. In keeping with past practice the proposed Schedule of Fees and Charges was adopted prior to the adoption of the annual budget so that the amended Fees and Charges could be advertised and affected parties advised.

The fees and charges become effective from 1 July 2023 or from 1 January 2024 where it relates to Aerodromes. Council is being requested to re-adopt the Schedule of Fees and Charges for the 2023/24 financial year as there have been minor changes made since the previous adoption.

The Shire currently has approximately 700 fees and charges (including statutory fees). The projected fees and charges revenue for 2023/24 is \$8,959,310 or 39% of total operating revenue. This is an increase of \$981,530 over the 2022/23 budget. This is due in part to the 3.0% increase in Fees and Charges but is mainly due to higher projected Aircraft Landing and Passenger Handling Fees.

The setting of the Fees and Charges was completed in accordance with 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.

Interest Earnings

Budgeted interest earnings for 2023/24 are \$704,000, an increase of \$523,000 from the 2022/23 budget and similar to the 2022/23 forecast of \$710,662. This is a reflection of cash rates increasing significantly during 2022/23.

Other Revenue

The majority of the revenue for the Other Revenue category relates to the Emergency Services Levy (ESL). Local Governments are required to collect 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 to DFES.

Operational Expenditure

The table below details the summarised operational expenditure proposed for 2023/24.

Operating Expenditure By Category	2023/24 Proposed Budget \$	2022/23 Forecast \$	2022/23 Adopted Budget \$
Employee Costs	14,433,018	11,381,317	12,292,485
Materials and contracts	6,565,061	5,775,182	7,001,960
Utility Charges	1,422,900	1,223,771	1,326,807
Depreciation	8,169,943	7,545,976	7,116,240
Finance Costs	183,272	218,882	216,930
Insurance	712,090	647,279	590,958
Other Expenditure	1,663,842	1,330,882	1,617,106
Total	33,150,126	28,123,289	30,162,486

Employee Costs

Employee Costs incorporate salaries and allowances, superannuation, workers compensation insurance, safety and protective clothing, training, fringe benefits tax, and other employee costs associated with recruitment and reallocation.

The 2023/24 Employee Costs budget of \$14,443,018 is based on FTEs and incorporates a 2% CPI wage increase for employees covered by the Shire's Enterprise Agreement. When compared to the 2022/23 budget this reflects an increase in total 8.6 FTEs. This increase

follows a review of operational staffing requirements across all departments and consists of 2.6 FTEs at the East Kimberley Regional Airport funded from the airport reserve, 3 FTEs in operations to increase the number of trained operators for the self performing of works, 1 FTE at the Kununurra Leisure centre due to increased staffing requirements with the completion of the water playground and proposed redevelopment of the aquatic facility, and and 2 FTEs required for operational requirements relating to community and staff safety.

Materials and Contracts

Materials and Contracts expenditure incorporates the majority of operating costs for the Shire other than employee costs. The total budgeted amount for 2023/24 of \$6,565,061 has decreased by \$436,899 from the 2022/23 budget. This is mainly due to an increase in self performing of works and a corresponding reduction in contractor costs for operational works.

Utility Charges

Utility charges comprising Electricity, Water and Gas are based on forecast unit charges together with any growth in usage. The budget for 2023/24 is \$1,422,900, an increase of \$96,093 or 7.2 % over the 2022/23 budget.

Shire Officers have continued investigations into the development of an Energy Strategy focused on energy supply and use and reducing the Shire's energy costs through investment in alternative sources of power and technology. Initial investigations have focused on the East Kimberley Regional Airport, the Kununurra Administration Centre and the Kununurra Leisure Centre as the facilities with the highest electricity consumption and costs. The Shire has recently made an application to Horizon Power for an allocation under the latest release of capacity for the installation of solar power.

Depreciation

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 have occurred during the financial year. The depreciation charge is also a reflection of what the Shire should be spending on renewing its asset base annually in order to preserve the service potential of that 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.

The depreciation charge for 2023/24 has been calculated to be \$8,169,943, an increase of \$1,053,703 over the 2022/23 budget amount. This is due to the addition of new assets and the revaluation of Road infrastructure and Land and Buildings at 30 June 2022 reflecting increases in unit rates used in determining the replacement cost, as well as increases in values for buildings valued at market value.

Shire Officers continue to work on the asset data to determine what the true commitment to asset renewals should be and consequently the depreciation charge. Data to be gathered from the capital works program and condition reports will inform ongoing assessments of the fair value of the Shire's asset base and the amount needed to provide for the renewal of those assets. The Shire is required to conduct a revaluation of assets every 5 years with this process being undertaken for road infrastructure and land and building assets in 2021/22 and for all

other classes of infrastructure in 2022/23. Any changes to depreciation estimates resulting from these revaluations will be incorporated into the mid year budget process.

Insurance Expenses

Insurance rates increased by an average of 10% for the 2023/24 financial year. The Shire's claims history in the past four years has been good and the Shire continues to look for value in its risk mitigation processes. It should be noted that the 2023/24 budgeted amount of \$712,090 is not the entire insurance cost for the year as some insurance costs have been included in the cost of providing services and workers compensation insurance budgeted at \$230,846 has been included in Employee Costs.

Interest Expenses

Interest expenses relate to loan agreements with Western Australian Treasury Corporation (WATC). Note 7 of the 2023/24 Statutory Budget (refer Attachment 3) details the Shire's ongoing loan commitments. New borrowings of \$4,700,000 were taken out in the 2021/22 financial year, \$3,000,000 being for the Kununurra Leisure Centre Aquatic Pool Renewal, \$1,400,000 for Stage 1 of the East Kimberley Regional Airport Infrastructure Upgrade, and \$300,000 for the Kununurra Water Playground. Loan principal outstanding at 30 June 2023 is forecast to be \$4,931,739 and is expected to decrease to \$4,106,421 at 30 June 2024. Total Interest expenses budgeted for 2023/24 is \$183,272, a decrease of \$35,395 from 2022/23. There are no new loans budgeted for 2023/24.

Other Expenses

Other Expenses relate to a number of items the more significant of which are:

- Members Allowances and Entitlements \$275,350
- Annual Community Grants Scheme \$365,000
- Marketing Tourism \$260,000
- Emergency Services Levy Payment to DFES \$403,203

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.

The 2023/24 Budget includes transfers to Reserves of \$1,209,627 and transfers from Reserves of \$11,108,842 giving a budgeted total Reserves closing balance of \$12,002,616.

In 2020 in response to the COVID-19 pandemic the Department of Local Government Sport and Cultural Industries urged local governments to repurpose their reserves in support of local business. To this end Council passed a resolution at its 26 May 2020 Ordinary Council Meeting to create a COVID-19 Response Reserve. At the end of the 2019/20 financial year \$1,438,228 was repurposed from existing reserves into the COVID-19 Response Reserve for the express purpose of supporting the local economy in delivering capital works programs based on consultation with the community. The balance in the COVID-19 Response Reserve at 30 June 2022 was \$276,764. The forecast for the 2022/23 financial year is for \$219,272 to be transferred from the COVID-19 Response Reserve for works undertaken to date and the 2023/24 budget includes the transfer of a further \$98,484 for projects funded from this reserve

during the 2023/24 financial year leaving a budgeted balance of \$151,072 at 30 June 2024. These funds will continue to be allocated to projects in support of local businesses and the community.

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, renewal, upgrade and replacement of existing assets in future periods. The current works program has been determined in part based on the condition of assets, risk of asset failure and obsolescence, community input and the availability of grant funding. It has also been determined by the availability of funding for specific projects to construct or upgrade assets.

During the 2022/23 financial year Shire Officers have continued to provide input to the Asset Management Plan and the 10 year Capital Works Plan. Every asset category has now been documented and condition assessments completed for major items. This work has been critical to provide input to the Shire's asset and renewal needs. The Capital Works Plan includes recommendations for strategic capital investments over the next 10 years to address the Shire's portfolio of ageing infrastructure and amenities and ensure the Shire remains in a financially sustainable and resilient position. The 10 year Capital Works Plan is a living document and will be reviewed and updated regularly at the following points:

- Annually;
- As changes occur and new priorities and risks emerge;
- As and when grants and funding are secured; and
- To address Council and Community priorities.

Capital works expenditure is classified into three types being renewal, upgrade and new:

Renewal - The replacement or refurbishment of an existing asset with a new asset capable of delivering the same level of service;

Upgrade - Expenditure carried out on an existing asset to provide a higher level of service;

New - Expenditure on new assets that provides a service that does not currently exist.

In order to meet the Asset Management obligations under the benchmarks set out by the Department of Local Government, Sport and Cultural Industries Guidelines, the majority of expenditure is focused on renewals rather than upgrading and constructing new assets. However, the Shire does recognise that it is important to "future proof" its asset base that in the process of renewal consideration must be given to ensure that future cost are kept to a minimum. The Shire is expected to meet its asset sustainability and consumption benchmarks for the 2023/24 financial year based on these estimates. The Shire has committed in this budget to spend an amount that is well in excess of the amount its asset base depreciates by, and thereby is renewing its asset base as required and managing it in a sustainable manner.

The planned Capital Works Program for 2023/24 will cost \$34,275,623. This includes \$27,247,745 of works brought forward from 2022/23, the majority of which relates to two major

projects being the East Kimberley Regional Airport Infrastructure Upgrade and the Kununurra Leisure Centre Pool Upgrade. The total renewal expenditure in this amount is \$14,679,271 which compares favourably with the current estimate of depreciation of \$8,169,943. This means for the budget period the Shire will renew assets faster than the expected use of those assets. The Shire further expects to spend \$18,787,121 on upgrading assets and \$797,232 to construct or acquire new assets during 2023/24. The remaining costs of \$12,000 relate to design and inspection 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, loans, grant funding and reserves. \$21,657,946 or 63% of the Capital Works Program is funded from grant funding, \$4,400,000 from loans and \$4,596,596 from reserves. The municipal funds of \$3,621,082 includes \$2,074,467 carried forward from 2022/23 and \$1,546,615 of new municipal funds for new projects in 2023/24.

The Capital Works Program for 2023/24 is guided by Council and community priorities with the focus on completing existing projects with the only new works being undertaken where grant funding is available. Proposed investments will focus on the following areas:

- Renewal and expansion of transport infrastructure including East Kimberley Regional Airport, roads and drainage.
- Replacement and Upgrade of the Kununurra Leisure Centre Swimming Pool
- Town centre connectivity with a key focus on footpaths and landscaping.
- Emergency works as a result of wet season damage, with funding from the Disaster Recovery Funding Arrangements Western Australia (DRFAWA).

Details of the Capital Works Program are provided in Attachment 4. The following are some of the more significant projects for 2023/24:

Recreation Facilities

- Kununurra Leisure Centre Aquatic Pool Upgrade \$9,018,747
- Wyndham (Clarrie Cassidy) Oval Change rooms \$900,000
- Wyndham (Clarrie Cassidy) Oval Surface Upgrade \$60,000

Airports

- East Kimberley Regional Airport Infrastructure Upgrade \$10,090,634
- East Kimberley Regional Airport - Cabin Baggage CT machine \$521,133
- East Kimberley Regional Airport - Eastern General Aviation Apron Reseal \$400,000
- East Kimberley Regional Airport Pavement Rejuvenation \$220,000
- East Kimberley Regional Airport - General Aviation In Ground Tie Down Points \$150,000

Roads and Drainage Infrastructure

- Carlton Hill Road Road Construction \$5,000,000
- Lake Argyle Road Stage 4 \$651,000
- Weaber Plain Rd/Ironwood Drive intersection Reconstruction \$629,418
- Lakeview Drive Kununurra Safety Improvements, Widening and lighting \$640,870
- Bandicoot Drive Renewal works Stage 3 \$276,248

- Nutwood and Rosewood Kerbing \$276,248
- Weaber Plain Rd RRG Project \$350,000
- Weaber Plain Rd/Mulligans Lagoon Rd Intersection \$241,477
- St Peter Way Wyndham \$255,839
- Barytes Road Upgrade Design \$300,000

Footpaths

- Footpath Renewal Kununurra to Swim Beach \$85,000
- Kununurra Streetscape Coolibah Dr/Chestnut Ave Footpath Lighting, Landscaping and Reticulation \$93,178
- Kununurra Streetscape Footpath/Parking adjacent to Waterpark \$100,000

Other

- Kununurra Leisure Centre Squash Courts Air Conditioners \$150,000
- Kununurra Childcare Security and Fencing upgrades \$70,000
- Kununurra Pound Access Road Upgrade \$50,000

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 variances between year to date budget and year to date actual figures. The materiality level established for 2022/23 was +/- 10% and +/- \$20,000 at account level (this is general ledger account number level), and +/- \$100,000 at a financial statement level. There is no statutory requirement to report variances at the general ledger account level and it is the officer's recommendation that the materiality level at general ledger account level be removed and that a materiality level of +/-10% or \$50,000 at statement level be adopted for 2023/24.

Summary

Council is being requested to adopt the 2023/24 Annual Budget and attached schedules as provided at Attachment 3. In addition to this separate Officer recommendations are included relating to the following:

1. Strategic Rating Policy and rating categories incorporated in the rate model for adoption
2. Differential Rates and Minimum Payments
3. Waste Management Charges
4. Waste Management Minimum Charges
5. Dates for payment of rates in full or by instalments
6. Rates Incentive Scheme prizes
7. Schedule of Fees and Charges
8. Rates instalment interest and administration charges
9. Interest on outstanding rates and service charges
10. Interest on monies other than rates or service charges
11. Elected Member annual fees and allowances
12. Materiality levels for Monthly Financial Reporting
13. Significant Accounting Policies

ATTACHMENTS

Attachment 1 - CP/FIN-3200 Strategic Rating Policy 2023-34

Attachment 2 - Schedule of Fees and Charges 2023-24

Attachment 3 - Statutory Budget 2023-24

Attachment 4 - Capital Works Schedule 2023-24

Attachment 5 - Ministerial Approval Differential Rates and Minimum Payments

(Note: Attachment 5 - this document has not been received from the Minister's Office as yet and it will be provided at the meeting).

12.4.2. Plant and Equipment - Purchase of Plant

DATE:	27 June 2023
AUTHOR:	Senior Procurement and Contracts Officer
RESPONSIBLE OFFICER:	Felicity Heading, Director Corporate Services
FILE NO:	FM.05.26
DISCLOSURE OF INTERESTS:	Nil
COUNCIL'S ROLE IN THE MATTER:	Provider - provide physical infrastructure and essential services
VOTING REQUIREMENT:	Absolute Majority

OFFICER'S RECOMMENDATION

That Council:

- 1. Endorses the acquisition of replacement plant for items P224, P225 and P391 up to a total combined amount of \$220,000;**
- 2. Endorses the acquisition of a footpath sweeper at auction in the amount of \$31,200; and**
- 3. Endorses that the acquisition of the plant is funded from available funds in the Plant and Equipment budget and municipal funds.**

PURPOSE

For Council to firstly endorse the purchase of plant to replace P224, P225 and P391 up to a total combined amount of \$220,000 to be acquired at auction or through second-hand retailers and secondly to endorse the acquisition of a second hand footpath sweeper acquired at auction in the amount of \$31,200.

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

There are no previous direct Council decisions on this matter relating to part one of the Officer Recommendation. The Council approved the 2022/23 Annual Budget which included an amount for the acquisition of Heavy Plant and Equipment of \$793,382 and \$168,000 for Medium Plant and equipment. The amount spent against these budget lines was \$755,675 leaving an amount of \$205,707. An additional amount of \$14,293 of municipal funds will be needed to fund the acquisition of all three of these vehicles.

P391 - Tipper/Truck, Fuso Tipper 2013 (Canter 815), 3 tonne [Kununurra Depot]

This item went through the relevant procurement process for replacement in accordance with the plant replacement schedule. Since the order was placed in October 2022, the suppliers have advised of lengthy delays to the production timelines resulting in significant delays to

product delivery. As of June 2023, the supplier is still unable to confirm an estimated timeframe for delivery or confirmed production month for the vehicles.

The break-down of P224 has highlighted the need for expediting the process for replacing the above listed plant which is now overdue. A possible solution is to purchase suitable second-hand plant from auction or second-hand providers. The estimated cap for these items is \$220,000 consisting of \$70,000 each for P224 and P225, and \$80,000 for P391.

P224 - Tipper/Truck, Fuso Tipper 2016 (Canter 615), 3 tonne [Wyndham Depot]

This plant item is scheduled for replacement in January 2024. In June 2023, the truck malfunctioned due to a damaged air filter and estimates for repair exceed the value of the truck. It is proposed that the replacement schedule for this item be brought forward to meet operational needs of the Shire. An insurance claim is being progressed regarding this item however it is believed that the outcome if successful will be a payout rather than replacement item, which would offset any expenditure on replacing the plant.

P225 - Tipper/Truck, Fuso Tipper 2016 (Canter 615), 3 tonne [Kununurra Depot]

This item was scheduled for replacement mid-2024, however it is advised that the timeline is brought forward due to the general deterioration of the vehicle. Due to ongoing production delays and uncertainty on delivery timeframes, approval is sought for procuring suitable second-hand plant alongside replacements for P224 and P391 to potentially create more competitive pricing based on economies of scale.

New Plant - Footpath Sweeper

The Shire Administration has been looking for a second hand footpath sweeper during this financial year. The acquisition of the second hand street sweeper has been a great success and has allowed us to bring a service in house at a significantly lower cost. The footpath sweeper will compliment this service and provide a much needed additional service on our infrastructure.

The Shire located a footpath sweeper on an auction site and has managed to secure a 2018 HAKO CM 2200 City Master which was previously owned by a local government. The cost of this equipment new was approximately \$185,000. The Shire has acquired the equipment for \$31,200 excluding GST. These funds can be allocated from municipal funds that are unspent at the financial year end.

A previous decision of Council relating to ratifying the purchase of an item of plant at auction was at the 28 June 2022 Ordinary Council Meeting:

Council Decision

Minute Number: 28/06/2022 - 118669

That Council endorses the acquisition of a Street Sweeper acquired at auction on 26 May 2022 in the amount of \$37,505 funded from available funds in the Plant and Equipment budget.

Moved: Cr J Farquhar

Seconded: Cr T Chafer

Decision: 7/0

STATUTORY IMPLICATIONS

As the funds that are being used for the acquisition of the identified plant have been allocated for the purposes of purchasing Plant and Equipment when approving the Annual Budget and the Mid Year Budget Review, the allocation of the funds does not require an additional Council decision as the funds are already set aside in that program for the trucks. However, Shire Officers consider that due to the nature of the items being purchased and the implications for the ongoing operations, this expenditure should be considered by Council separately as good governance.

With respect to the footpath sweeper the item did not form part of the 2022-23 Annual Budget. A resolution endorsing the transaction that has been made is required by an absolute majority.

POLICY IMPLICATIONS

The Procurement Policy is relevant for this item. It should be noted that the Policy does not contemplate the acquisition of goods for the Shire by auction. Officers therefore have regarded it as prudent that Council be properly briefed on this item and that the transaction be ratified by Council in a formal report.

FINANCIAL IMPLICATIONS

There are no adverse financial implications for the purchase of these items of plant. The acquisition of the plant is covered by having approximately \$207,707 funds for unspent capital budget for plant and the remaining funds of \$45,493 will be allocated from unspent municipal funds. Costs related to the transport and any potential minor modifications that the equipment needs to be fully functional will be allocated from budget items in the 2023/24 financial year..

STRATEGIC IMPLICATIONS

This matter relates to the following sections of the *Strategic Community Plan 2023-2033*:

FOCUS AREA: LIVEABILITY

GOAL OUTCOME 10.2: Collaborative partnerships - Collaborative partnerships that build capacity and increase opportunities

STRATEGY 10.2: Support collaboration and partnerships to deliver key outcomes for our community

RISK IMPLICATIONS

RISK: Failure to adequately resource and manage funding requirements which meet the needs of the Shire's service delivery requirements and strategic objectives.

CONTROL: Ensure procurement practices meet relevant legislation and compliance standards.

COMMUNITY ENGAGEMENT

No community engagement is required.

COMMENTS

Officers are seeking Council approval to spend up to a total amount of \$220,000 to secure replacement of up to three trucks. Purchasing of plant is subject to the availability of suitable plant, the outcome of current insurance processes (for P224) and any further updates provided by suppliers on production timelines (for P225 and P391). Based on these factors Officers may need to only purchase one or two of the above items but approval is sought for all three to create operational flexibility for the changing circumstances and to ensure Council can deliver on key functions.

Due diligence will be undertaken by relevant officers to ensure suitable plant is sourced and spending does not exceed:

- \$70,000 for P224
- \$70,000 for P225
- \$80,000 for P391

Regarding the existing truck order for P391, this order will only be cancelled if suitable alternative plant is secured so as not to revert to the back of the queue in the production schedule. The supplier has advised they are understanding of the Shire seeking alternate options if required, and note they are also a supplier of second-hand vehicles so it is feasible that the existing contract could proceed if a suitable truck becomes available through this supplier.

With regard to the footpath sweeper Officers are seeking that Council approve of the purchase on auction of the second hand footpath sweeper. The plant has been acquired at a significant discount to the cost of new equipment. It was previously owned by an inner city local government in Victoria and the full service history is being made available to the Shire. The sweeper is a much needed addition to the Shire as it progresses the organisation further down the path of being able to self perform tasks. Currently the Shire does not have equipment to sweep footpaths and thus this is an improvement to our ability to provide services to our community.

ATTACHMENTS

Nil

12.5. INFRASTRUCTURE

12.5.1. CP/OPS-3659 Asset Management Policy

DATE:	27 June 2023
AUTHOR:	Director Infrastructure and Strategic Projects
RESPONSIBLE OFFICER:	Paul Webb, Director Infrastructure and Strategic Projects
ASSESSMENT NO:	Nil
FILE NO:	CM.11.2
DISCLOSURE OF INTERESTS:	Nil
COUNCIL'S ROLE IN THE MATTER:	Leader - plan and provide direction through policy and practices
VOTING REQUIREMENT:	Simple Majority

OFFICER'S RECOMMENDATION

That Council adopts CP-OPS-3659 Asset Management policy as per Attachment 2.

PURPOSE

That the Council adopt the revised CP-OPS-3659 Asset Management Policy.

BACKGROUND/ PREVIOUS CONSIDERATIONS BY COUNCIL/ COMMITTEE

The objective of good asset management is to ensure that the asset provides the required level of service over the useful life and that sufficient funds are accumulated to ensure that the asset can be renewed or replaced at the end of its useful life. The Shire has been working diligently in the asset management space evaluating its asset stock and condition. It is at the point now where the overarching policy documents need to be put in place so that best practice can be implemented as far as funds reasonably permit.

Previously CP-OPS-3659 Asset Management Policy was adopted on 25 August 2015, and reviewed and adopted 18 July 2017.

COUNCIL DECISION

Minute No: 18/07/2017-11751

Commissioner resolved:

That Council:

1. ***Adopts, in principle, the draft PS/OPS-3641 Asset Management Plan as per Attachment 3 and the draft PS/OPS-3642 Asset Management Strategy as per Attachment 2;***
2. ***Requests the Chief Executive Officer to advertise the draft PS/OPS-3641 Asset Management Plan as per Attachment 3 and the draft PS/OPS-3642 Asset Management Strategy as per Attachment 2 for 14 days for public comment, and;***
3. ***Adopts the draft Asset Management Policy CP/OPS-3659 which replaces CP/FIN-3216 as per Attachment 1.***

Carried 1/0

STATUTORY IMPLICATIONS

Local Government Act 1995, Section 5.56

Local Government (Administration) Regulations 1996 Section 19DA

POLICY IMPLICATIONS

Revision of existing Asset Management Policy CP/OPS - 3659

STRATEGIC IMPLICATIONS

This matter relates to the following sections of the *Strategic Community Plan 2023-2033*:

Focus Area: SUSTAINABILITY

GOAL OUTCOME 10.4: Innovation - Embrace technology, creativity and innovation to solve complex problems

STRATEGY 10.4: Integrate all planning and resource management to drive continuous improvement and innovation

RISK IMPLICATIONS

RISK: Failure to manage and implement a Council wide framework for sustainable whole of life Asset management which provides the desired level of service to the community.

CONTROL: Council to implement an Asset Management Policy, that provides direction to staff to sustainably manage all Council assets.

FINANCIAL IMPLICATIONS

The implementation of an Asset Management Policy, will determine how the Councils funds are used to responsibly report and manage asset growth or retraction. A greater focus will be placed on the ability to look after the Shires current stock of assets. This will include the possible rationalisation of assets that cannot be maintained by the Shire or are surplus to the needs of the Shire and the community.

COMMUNITY ENGAGEMENT

No community engagement is required for the purposes of this Policy.

COMMENTS

The existing Council Policy CP-OPS-3659 Asset Management is a competent and workable document, but has been updated to include Institute of Public Works Engineers Australia (IPWEA), National Asset Management System (NAMS) policy document revision 20.1. The IPWEA standards and processes are regarded as the benchmark for good asset management in Australia.

Upon Council endorsement of this document, the Executive Management Team (EMT) will need to engage the document in a flow through process to management and operational staff (where required).

Initially, where Council would expect to see a change is in the header of Agenda and Briefing documents, where any *new* asset, would need to be reported in such a way that Council is informed of:

- the estimated new asset cost
- the whole of life and annual cost of that new asset
- the total maintenance cost, plus addition of maintenance of that asset
- what Council is currently committed to spending on maintenance or replacement on an annual basis

The overall outcome is to connect Asset Management plans and strategies to the Long Term Financial Plan.

Items to follow will be the Strategic Asset Management Plan, and the Asset Management Strategy.

ATTACHMENTS

Attachment 1 – CP-OPS-3659 Asset Management Policy (Existing)

Attachment 2 - CP-OPS-3659 Asset Management Policy (Proposed)

13. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

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

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

16. MATTERS BEHIND CLOSED DOORS

17. CLOSURE