

SHIRE OF WYNDHAM EAST KIMBERLEY

# **Special Council Meeting: Agenda**

10 July 2025



## **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

A handwritten signature in black ink, appearing to read 'V. E. Lawrence', written in a cursive style.

**VERNON LAWRENCE**

**ACTING 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  
SPECIAL COUNCIL MEETING AGENDA  
KUNUNURRA COUNCIL CHAMBERS  
TO BE HELD ON THURSDAY 10 JULY 2025 AT 5:00PM**

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**1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

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

**3. DECLARATION OF INTEREST**

- Financial Interest  

Item	Councillor/Officer	Description of Interest
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- Impartiality Interest  

Item	Councillor/Officer	Description of Interest
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- Proximity Interest  

Item	Councillor/Officer	Description of Interest
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**4. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil

**5. PUBLIC QUESTION TIME**

**6. APPLICATIONS FOR LEAVE OF ABSENCE**

**7. PETITIONS**

**8. ANNOUNCEMENTS BY THE PERSON PRESIDING WITHOUT DISCUSSION**

**9. DEPUTATIONS / PRESENTATIONS / SUBMISSIONS**

**10. MATTERS FOR WHICH THE MEETING MAY BE CLOSED**

## 11. REPORTS

### 11.1. ANNUAL BUDGET 2025-26

<b>DATE:</b>	10 July 2025
<b>AUTHOR:</b>	Chief Executive Officer
<b>RESPONSIBLE OFFICER:</b>	Vernon Lawrence, Chief Executive Officer
<b>FILE NO:</b>	FM.05.24
<b>DISCLOSURE OF INTERESTS:</b>	Nil
<b>COUNCIL'S ROLE IN THE MATTER:</b>	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.
<b>VOTING REQUIREMENT:</b>	Absolute Majority for all recommendations

#### OFFICER'S RECOMMENDATION 1

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That Council notes *Council Policy POL-2018 Strategic Rating (Attachment 1)* and further notes the following rating categories for 2025/26 rating and budgeting purposes:

1. GRV - Includes all GRV valued land within the town site.
2. UV Rural - Includes all UV valued land located outside the gazetted town site other than land that is zoned Pastoral or land that is used mainly for farming purposes and encompasses mining leases, petroleum exploration permits and general purpose mining leases.
3. 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.
4. UV Mining and Exploration - Includes all UV valued land located outside the gazetted town site which is used primarily for mining, exploration and prospecting purposes, and encompasses mining leases, petroleum exploration permits, prospecting licences and general purpose mining leases.

#### OFFICER'S RECOMMENDATION 2

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**That Council:**

1. Notes that one submission was received in relation to the proposed Differential General Rates and Minimum Payments after the agenda was closed for May Ordinary Council Meeting, refer Attachment 7; and
2. Has considered the submission and agrees that no changes are made to the rate in the dollar for the UV Mining and Exploration rating category; and
3. Note the contents of the Ministerial Approval letter in Attachment 8
4. Pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995* and the revised *Council Policy POL-2018 Strategic Rating*, imposes differential general rates and minimum payments on Gross Rental Value properties and Unimproved Value properties for the 2025/26 financial year as follows:

As per Ordinary Council Meeting 27 May 2025 (Minute No: 27/05/2025-119205):

Rating Category	General Rate in the Dollar \$	Minimum Payments
GRV	0.1297	\$1,606.80
UV - Rural	0.0115	\$1,606.80
UV - Pastoral	0.0993	\$1,606.80
UV - Mining and Exploration	0.2751	\$1,606.80

### 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 2025/26 financial year at a rate in the dollar of:

Rating Category	Cent in the Dollar
GRV	0.0001
UV - Rural	0.0001
UV - Pastoral	0.0001
UV - Mining and Exploration	0.0001

### 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 2025/26 financial year of:

Rating Category	Minimum Payment
GRV	\$200
UV - Rural	\$200
UV - Pastoral	\$200
UV - Mining and Exploration	\$200

## OFFICER'S RECOMMENDATION 5

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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 2025/26 financial year:

1. Option 1 (Full Payment)  
Full amount of rates and charges including all arrears, to be paid on or before 11 September 2025, 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 11 September 2025, 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 13 January 2026, 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 11 September 2025, 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 12 November 2025, or 2 months after the due date of the first instalment, whichever is later;
  - iii. Third instalment to be made on or before 13 January 2026, or 2 months after the due date of the second instalment, whichever is later; and
  - iv. Fourth instalment to be made on or before 23 March 2026, or 2 months after the due date of the third instalment, whichever is later.

## OFFICER'S RECOMMENDATION 6

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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 2025/26 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 11 September 2025 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 13 January 2026 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 16 March 2026 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 16 March 2026 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.**

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#### **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 2025/26 outlined in Attachment 2 to be effective from either 1 July 2025 or 1 January 2026, whichever date is indicated in Attachment 2.

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#### **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 \$13.00 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 POL-2018 Financial Hardship - Rates and Sundry Debtors*.

#### **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 POL-2016 Financial Hardship - Rates and Sundry Debtors*.

#### **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 POL-2009 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 POL-2016 Financial Hardship - Rates and Sundry Debtors*.

#### **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 *POL-1001 Elected Member Allowances and Entitlements* (version 12.0) was adopted at the 25 March 2025 Ordinary Meeting of Council (Minute No.

25/05/2025 - 119171, current version is 14.0) to be incorporated into the 2025/26 Municipal Fund Budget.

2. Notes that the revised *Council Policy POL-1001 Elected Member Allowances and Entitlements* (version 14.0) adopted at the 25 March 2025 Ordinary Meeting of Council (Minute No. 25/05/2025 - 119171, current version is 14.0) provides for the maximum Salaries and Allowances Tribunal (SAT) determination levels so that:
  - a. The President's Annual Meeting Attendance Fee is 100% of the yearly maximum Salaries and Allowances Tribunal (SAT) determination.
  - b. The Elected Members Annual Meeting Attendance Fee is 100% 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 100% 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 \$34,890
  - b. Councillors \$26,020
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 \$70,951
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 \$17,738.00
6. Notes Council Policy *POL-1001 Elected Member Allowances and Entitlements V14.0* at Attachment 6 which provides for the payment of a superannuation contributions on Elected Member Fees and that Council further notes that a provision of \$39,080 has been made in the budget in line with this Council Policy *POL-1001 Elected Member Allowances and Entitlements*.

#### **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.

#### **OFFICER'S RECOMMENDATION 13**

That Council adopt the Significant Accounting Policies contained within the Municipal Fund Budget for 2025/26 as contained in Attachment 3 to this agenda, subject to any changes to relevant Regulations or Accounting Standards.

#### **OFFICER'S RECOMMENDATION 14**

That Council pursuant to section 6.2(4)(d) of the *Local Government Act 1995*, approve as part of the Annual Budget, the Shire to secure loan finance in the amount of \$1.5 million from the Western Australian Treasury Commission for the purposes of supporting the construction of affordable accommodation at Water Lily Place.

#### **OFFICER'S RECOMMENDATION 15**

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 2025/26 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 \$12,672,051;
4. Notes to and forming Part of the Budget.

#### **PURPOSE**

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The purpose of this report is to consider the Municipal Fund Budget for the 2025/26 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**

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##### **Introduction**

The Shire of Wyndham East Kimberley uses 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 which is partially implemented consists of four key documents: the Strategic Community Plan, the Corporate Business Plan, the Asset Management Plan and the Long Term Financial Plan. The Asset Management Plan and the Long Term Financial Plan have not been formalised through Council as yet but Shire Officers have a good working knowledge of the material and have implemented the principles that underly these documents.

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 review process of current service levels and obligations under funding agreements. Input from the community and Council have been considered in forming the Annual Budget. The budget also considers items that are raised in the bi-annual community survey and allocates funds accordingly where appropriate.

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 2025/26 Budget process commenced in February 2025. 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 2025 budget position, and determining the funding requirements to maintain service levels and asset renewal obligations for the 2025/26 financial year where possible.

### **Decisions of Council relevant to the 2025/26 budget process**

Council has passed several decisions relating to the preparation of the Annual Budget 2025/26. These can be found at the links below:

#### **[Ordinary Council Meeting – Tuesday, May 27, 2025](#)**

12.4.1. Schedule of Fees and Charges 2025-2026

12.4.2. 2025/26 Budget - Differential General Rates and Minimum Payments and Consideration of Public Submissions

#### **[Ordinary Council Meeting - Tuesday, April 15, 2025](#)**

12.4.1. 2025-26 Budget - Rating Strategy and Rate Model

## **STATUTORY IMPLICATIONS**

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The 2025/26 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 in the links below:

*Local Government Act 1995, Part 5 Administration, Division 5 - Annual reports and planning*

[5.56. Planning for the future](#)

*Local Government (Administration) Regulations 1996*

*Part 5 - Annual reports and planning Division 3 - Planning for the future*

[19DA. Corporate business plans, requirements for \(Act s. 5.56\)](#)

*Local Government Act 1995*

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[5.63. Some interests need not be disclosed](#)

*Part 2 – Constitution of local government, Division 2 – Local governments and councils of local government*

[2.7. Role of council](#)

*Part 6 - Financial management, Division 2 - Annual Budget*

[6.2. Local government to prepare annual budget](#)

[6.11. Reserve accounts](#)

[6.12. Power to defer, grant discounts, waive or write off debts](#)

[6.13. Interest on money owing to local governments](#)

*Local Government Act 1995*

*Part 6, Division 5 – Financing local government activities*

*Subdivision 2 - Fees and Charges*

[6.16 Imposition of fees and charges](#)

[6.17 Setting level of fees and charges](#)

[6.18. Effect of other written laws](#)

[6.19. Local government to give notice of fees and charges](#)

*Division 6 - Rates and service charges*

*Subdivision 2 - Categories of rates and service charges*

[6.33. Differential general rates](#)

[6.34. Limit on revenue or income from general rates](#)

[6.35. Minimum payment](#)

[6.36. Local government to give notice of certain rates](#)

[6.45. Options for payment of rates or service charges](#)

[6.46. Discounts](#)

[6.47. Concessions](#)

[6.50. Rates or service charges due and payable](#)

[6.51. Accrual of interest on overdue rates or service charges](#)

*Local Government (Financial Management) Regulations 1996*

*Part 2 – General financial management*

[5. CEO's duties as to financial management](#)

*Part 3 - Annual Budget*

[26. Discounts for early payment etc., information about required](#)

*Part 5 – Rates and service charges*

[52A. Characteristics prescribed for differential general rates \(Act s. 6.33\)](#)

[53. Amount prescribed for minimum payment \(Act s. 6.35\(4\)\)](#)

*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](#)

[67. Local government may impose receptacle charge](#)

[68. Fees and charges fixed by local government](#)

*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**

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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:

- *POL-2018 Strategic Rating*
- *POL-2005 Rates Exemptions for Charitable Organisations (Non Rateable Land)*
- *POL-2006 Fees and Charges Pricing*
- *POL-1001 Elected Member Allowances and Entitlements*
- *POL-2016 Financial Hardship - Rates and Sundry Debtors*
- *POL-3002 Community Grants Program*

## **FINANCIAL IMPLICATIONS**

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The Annual Municipal Fund Budget is the mechanism by which the Shire allocates resources to fulfil its service level obligations. The budget identifies the sources of revenue, which include the ability to impose rates, and how those funds are allocated to its operations and capital works program.

The proposed budget aims to raise \$29,136,251 in operating revenue and \$70,667,828 in capital grants, contract liabilities and other capital income. A net amount of \$10,569,807 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 of \$1,500,000 will fund \$37,215,937 in operating expenses, \$95,843,097 in capital works and \$772,530 in debt repayments. The loan the Shire proposes to raise of \$1.5 million is to support the affordable accommodation project planned for Water Lily Place.

Detailed financial implications are outlined in the Comments section of this report and in the 2025/26 Budget at Attachment 3 to this report.

## **STRATEGIC IMPLICATIONS**

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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**

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**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.

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**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**

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

### 15 April 2025 - Ordinary Council Meeting

Council endorsed the Rates Model that determined the proposed Rate In the Dollar, endorsed the revised Council Policy *POL-2018 Strategic Rating* and Community Engagement Plan for the purposes of seeking public submissions (Minute Number: 15/04/2025 - 119178). Local Public Notice to Impose Differential General Rates and Minimum Payments was endorsed to advertise seeking Public Submissions from 1 May 2025. The closing date for Public Submissions was 23 May 2025.

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 1 May 2025;
- A copy of the Notice to Impose Differential General Rates and Minimum Payments for 2025/26 placed on the Coles Kununurra noticeboard on 1 May 2025;
- A copy of the Notice to Impose Differential General Rates and Minimum Payments for 2025/26 placed on the IGA Kununurra noticeboard on 1 May 2025;
- A copy of the Notice to Impose Differential General Rates and Minimum Payments for 2025/26 placed on the Wyndham Post Office noticeboard on 1 May 2025;
- 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 2025;
- A copy of the Notice to Impose Differential General Rates and Minimum Payments for 2025/26, including Council Policy *POL-2018 Strategic Rating* placed on the Shire's website, public notice boards at the Libraries in both Kununurra and Wyndham on 1 May 2025.

### 27 May 2025 - Ordinary Council Meeting

Council considered one public submission received and endorsed a rating model incorporating a 2.79% average yield rate in the dollar increase on all rate categories, and a minimum payment of \$1,606.80 on all rate categories at the 27 May 2025 Ordinary Council meeting for inclusion in the 2025/26 Budget (Minute Number: 27/05/2025 - 119205).

## COMMENTS

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### **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. This includes aligning with strategic documents, economic considerations, opportunities for improvement, our legislative responsibilities, community feedback and aligning with other regional local governments.

With respect to the economic considerations the Shire considered data from both the Consumer Price Index (2.8%) as well as the Local Government Cost Index (3.3%) at the time the rate in the dollar was determined. Council determined that an average yield of 2.79% was appropriate in the circumstances.

### **Budget Efficiencies**

There is an increasing cost of maintaining Shire infrastructure and providing services. This cannot be offset by having rate increases alone. It is essential to evaluate Shire expenditure and processes to ensure that there are budget efficiencies. Shire officers 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 funding environment for local governments makes this even more important and officers have worked diligently to ensure that the 2025/26 budget when finalised will reflect efficiency gains that have been identified which include:

- Capping CPI salary increases at 2% subject to a new Enterprise Agreement
- 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. Similarly evaluating whether tasks can be performed more cost effectively by contracting the work out.
- 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, Footpath Sweeper, Jet Patcher, Multi Wheel Roller 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 and taking advantage of contractors in town to perform planned works.

### **Budget Timing**

The Shire is adopting its budget prior to it having audited financial information for the 2024/25 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 2025 as the starting point for the 2025/26 Municipal Fund Budget. In estimating the 30 June 2025 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 2025/26 year. Council should note that in estimating the forecast data a conservative approach has been taken.

These projections remain estimates and are subject to change as actual data is captured. The results for the 2024/25 financial year end is estimated to be finalised in November 2025 with the finalisation of the annual audit. It is likely that there will be differences between the actual audited results reported and the projected data used in the 2024/25 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 2025/26 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 2024/25
- 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 \$29,136,251; Operating Expenditure of \$37,215,937; Non Operating Grants of \$69,836,301 resulting in a Net result of \$61,756,616. This is an increase on the prior year 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 2025/26 shows net cash used in operations of \$3,315,426 and a cash balance at the end of the financial year of \$7,836,745. This is a reduction of \$21,132,373 over the brought forward cash balance. This is mainly as a result of the timing of capital expenditure relating to major project works that is estimated to be delivered during 2025/26.

### **Statement of Financial Activity**

The Statement of Financial Activity shows a forecast surplus for the 2024/25 financial year of \$1,376,754. This represents in the main differences in the budget timing on both operational and capital transactions. Items include the early receipt of Financial Assistance grants, not receiving all

the capital grants, the capital works program not all being completed and the consequential net movement out of reserves.

## **Operating Budget**

### **Operating Revenue**

Comments relating to the changes in each operating revenue category, comparing the 2025/26 Municipal Fund Budget to the 2024/25 and budgets and 2024/25 forecast actuals are provided below.

<b>Operating Revenue By Category</b>	<b>2025/26 Proposed Budget \$</b>	<b>2024/25 Forecast \$</b>	<b>2024/25 Adopted Budget \$</b>
<b>Rates</b>	<b>12,672,051</b>	<b>12,378,124</b>	<b>12,102,067</b>
<b>Operating Grants</b>	<b>5,434,000</b>	<b>2,065,826</b>	<b>5,321,000</b>
<b>Fees and Charges</b>	<b>9,732,000</b>	<b>9,190,963</b>	<b>9,728,050</b>
<b>Interest Earnings</b>	<b>829,000</b>	<b>853,947</b>	<b>784,000</b>
<b>Other Revenue</b>	<b>469,200</b>	<b>458,500</b>	<b>444,700</b>
<b>Total</b>	<b>29,136,251</b>	<b>24,947,360</b>	<b>28,379,817</b>

### **Rates Revenue**

Council is being requested to adopt the rating model for 2025/26 as endorsed at the 27 May 2024 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 \$12,672,051 consists of gross rate revenue only. This amount of rate revenue is an overall increase in rate revenue of \$293,927 over 2024/25 actual rate total rate revenue or 2.37% over the 2024/25 budget including interim rates received. 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.

The Ministerial approval letter notes that the rate in the dollar for UV Pastoral has increased by 61.7%. While recognising that there has been a decrease in the valuations, the letter states that there is a significant impact on ratepayers. We disagree with this as the yield for the category is an additional 2.37% or \$17,950 for the whole category. The Shire has always as a matter of practice attempted to not have large fluctuations in rates due to changes in valuations and have consequently adjusted the rate in the dollar either up or down to achieve a smooth rate yield pattern.

Also, for Council to note that a different rate in the dollar was approved to what was advertised. The reasons for this were outlined in the May Ordinary Council Meeting. A note will accompany the rates notices when they are sent out setting out the reasons for the change in the rates.

#### Rates Incentive Prizes

The propose to continue to provide for the rates incentive prizes which are 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. The Budget has been framed on the basis that the 2025/26 allocation of Financial Assistance Grants (FA Grants) will be in even payments during the financial year and no advance payments will be received prior to 30 June 2025. The amount forecast for the 2025/26 financial year is \$4,7 million. Because the accounting standards require the Shire to recognise FA Grants revenue in the year in which they are received, the amount reflected for the 2024/25 financial year is only \$974,044 as the majority of the FA Grant was received as an advance payment in the 2023/24 financial year.

#### Fees and Charges

The setting of the Fees and Charges is completed in accordance with the Council Policy *POL-2006 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 2024 Ordinary Council Meeting Council resolved to apply a 4.0% average increase to fees and charges for 2025/26 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 2025 or from 1 January 2026 where it relates to Aerodromes. Council is being requested to re-adopt the Schedule of Fees and Charges for the 2025/26 financial year as there have been minor changes made since the previous adoption.

The setting of the Fees and Charges was completed in accordance with Council Policy *POL-2006 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 2025/26 are \$829,000, an increase of \$45,000 from the 2024/25 budget. The 2024/25 forecast of \$853,947 is a reflection of relatively high cash investment rates being maintained during the financial year. The estimate for the 2025/26 financial year is a conservative one that recognises higher reserve balances because of our grant funding and projected lower future interest rates.

#### 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 2025/26.

Operating Expenditure By Category	2025/26 Proposed Budget \$	2024/25 Forecast \$	2024/25 Adopted Budget \$
Employee Costs	15,176,428	12,841,040	13,902,338
Materials and contracts	8,217,018	7,747,545	7,889,796
Utility Charges	1,524,200	1,434,200	1,428,650
Depreciation	9,189,530	9,189,530	9,189,530
Finance Costs	301,774	244,148	241,015
Insurance	677,117	594,284	731,439
Other Expenditure	2,129,869	1,548,323	1,809,550
<b>Total</b>	<b>37,215,937</b>	<b>33,599,070</b>	<b>35,192,318</b>

### 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 2025/26 Employee Costs budget of \$15,176,428 is based on 116 FTEs (2024/25 - 108 FTE's) and incorporates a 4% CPI wage increase for employees. The Shire's Enterprise Agreement expires on 30 June 2025 and a new one is being negotiated. As the amount of the increase has not been determined a conservative amount has been budgeted for. When compared to the 2024/25 budget this reflects a significant increase in both FTE's and amount being expended. The reason for this is that the Shire is progressing towards undertaking works in house as opposed to contracting works out. Four additional FTE's have been added to the Shire's depot work staff, one to the Kununurra landfill operation to ensure we are meeting regulatory requirements, a club development officer and procurement staff which reflects the additional burden on the organisation with the expanded capital works.

### 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 2025/26 of \$8,217,018 has increased by \$327,222 (4.15%) from the 2024/25 budget. This is broadly in line with our current service levels and expected increase in costs.

### Utility Charges

Utility charges comprising Electricity, Water and Gas are based on forecast unit charges together with any growth in usage. The budget for 2025/26 is \$1,524,500, an increase of \$95,550 (6.7%). This is based on an analysis of the actual expenditure for the 2024/25 financial year and allowing for a 6 % increase over the 2024/25 forecast expenditure.

### 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 2025/26 has been calculated to be \$9,189,530, which is the same as the prior year. No major additions to assets have been made in the last financial year and consequently the estimate for the 2025/26 financial year is not expected to be materially different. As this item does not have a cash impact any changes to the depreciation amount will not have an impact on the budget bottom line.

### Insurance Expenses

Insurance rates increased by an average of 11% over the forecast for the 2024/25 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 2025/26 budgeted amount of \$677,117 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 \$338,438 has been included in Employee Costs.

### Interest Expenses

Interest expenses relate to loan agreements with Western Australian Treasury Corporation (WATC). Note 7 of the 2025/26 Statutory Budget (refer Attachment 3) details the Shire's ongoing loan commitments. New borrowings of \$4,200,000 were taken out in the 2024/25 financial year in support of a road capital works program and the purchase of a property. A new loan for the development of affordable accommodation at Water Lily Place in the amount of \$1,500,000 has been budgeted for. This loan will be able to be supported from the cash flows arising from the development.

### Other Expenses

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

- Members Allowances and Entitlements including superannuation \$404,087
- Annual Community Grants Scheme \$430,000
- Marketing Tourism \$320,000
- Emergency Services Levy Payment to DFES \$445,000

### Reserves and Contract Liabilities

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 Shire is required to quarantine grant funding received but not expended into Contract Liabilities. The movement from Contract Liabilities during the 2024/25 year was \$1,095,919 and the net movement into contract liabilities is \$11,079,877. For the 2025/26 financial year no funds are estimated to move into Contracts Liabilities and \$11,391,394 will be transferred from contract Liabilities in support of the capital works program. The balance on Contract Liabilities for the 2024/25 and 2025/26 are \$12,411,410 and \$1,020,015 respectively.

The 2025/26 Budget includes transfers to Reserves of \$547,002 and transfers from Reserves of \$11,116,809 giving a budgeted total Reserves closing balance of \$10,637,508.

### Capital Works Program

The Capital Works Program is the largest capital works program undertaken by the Shire. In a normal year 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. There is another aspect to our capital works program which is the construction of infrastructure that underpins liveability and economic development.

With respect to the renewal process the Shire cannot maintain a renewal program that sustainably manages its assets until such time it is generating operating surpluses. Generating operating surpluses will need to have a combination of significant economic growth in the Shire as well as a change to the funding model provided by State and Federal Governments. With respect to the construction of new infrastructure the Shire relies heavily on grant, reserve and loan funds to deliver the projects. This capital works program is contingent on all of these factors.

The planned Capital Works Program for 2025/26 will cost \$95,843,097. Significant assets form part of our capital works program such as the swimming pool in Kununurra, the Kununurra Leisure Centre, Celebrity Tree Park and the floating pontoon in Wyndham. All of these projects have

elements of renewal works, upgrade works and new works. The total renewal expenditure in the 2025/26 capital works program is \$23,013,913. While this meets the theoretical amount required to preserve our asset base, the actual works do not reflect a balanced renewal program across all of our asset categories. Upgrade works comprise \$17,092,360 and new assets to be constructed are estimated at \$55,736,824.

The funding of the Capital Works Program is from a combination of current municipal funds, loans, grant funding and reserves. The capital works program will be supported by \$81,227,695 or 85% is funded from grant funding, \$1,500,000 (1.6%) from loans, \$10,569,807 (11%) from reserves and the remainder of the capital works program is funded by municipal funds.

The Capital Works Program for 2024/25 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 runway extension, road resealing and upgrades and drainage;
- Replacement and Upgrade of the Kununurra Leisure Centre and Swimming Pool;
- Replacement of the Celebrity Tree Park Playground with an all abilities playground;
- Replacement of the floating pontoon, boat ramps and associated infrastructure at the Wyndham foreshore;
- The construction of the Community Hub in Wyndham;
- The development of the required plans and documentation for the revitalisation of the town centre in Kununurra and the Kununurra foreshore area;
- Re-establishing the tree canopy in both the Wyndham and Kununurra town sites;
- Road and footpath upgrades

Details of the Capital Works Program are provided in Attachment 4. The following are some of the more significant projects for 2025/26:

#### Recreation and Community Facilities

- Kununurra Leisure Centre Aquatic Pool Upgrade - \$9,895,154
- Kununurra Leisure Centre – Evacuation Centre upgrade - \$15,697,220
- Celebrity Tree Park - All Abilities Playground - \$3,114,592
- Wyndham Floating Pontoon and Boat Launching Facility - \$14,741,252
- Wyndham Multi Purpose Community Hub - \$19,579,871

#### Airports

- East Kimberley Regional Airport - runway extension - \$10,460,331
- East Kimberley Regional Airport - Laine Jones Drive extension - \$500,000
- East Kimberley Regional Airport - Cabin Baggage Screening - \$1,000,000

#### Roads and Drainage Infrastructure

- Various road works including resealing - \$9,287,415

#### Footpaths

- Footpath Renewal Wyndham - \$250,000

#### Other

- Plant, furniture and equipment - \$920,000

- Reticulation upgrades - \$250,000
- Water Lily Place development - \$6,945,000

### **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 2024/25 was +/- 10% and +/- \$50,000 at a financial statement level. It is the officer's recommendation that the materiality level of +/-10% or \$50,000 at statement level be retained and adopted for 2025/26 financial year.

### **Summary**

Council is being requested to adopt the 2025/26 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**

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[Attachment 1 - POL-2018 Strategic Rating V2.0 N-53844](#)

[Attachment 2 - Schedule of Fees and Charges Proposed for 2025-26](#)

[Attachment 3 - 2025-26 Statutory Budget](#)

[Attachment 4 - Capital Works Program 2025-2026](#)

[Attachment 5 - POL-1001 Elected Member Allowances and Entitlements V14.0 N-53841](#)

[Attachment 6 - Submission received on the proposed Differential General Rates and Minimum Payments](#)

[Attachment 7 - Shire of Wyndham East Kimberley - Ministerial Approval letter](#)



**12. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

**13. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

**14. URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION**

**15. MATTERS BEHIND CLOSED DOORS**

**16. CLOSURE**