



Shire of Mukinbudin

AGENDA

Special Meeting of Council

Meeting to be held in Council Chambers at
15 Maddock Street, Mukinbudin
Commencing at 9.00am Thursday 24th August 2023

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No responsibility whatsoever is implied or accepted by the Shire of Mukinbudin for any act, omission or statement or intimation occurring during Council or Committee meetings. The Shire of Mukinbudin disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee meetings. Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or Committee meeting does so at that person's or legal entity's own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or intimation of approval made by a member or officer of the Shire of Mukinbudin during the course of any meeting is not intended to be and is not to be taken as notice of approval from the Shire of Mukinbudin. The Shire of Mukinbudin warns that anyone who has any application lodged with the Shire of Mukinbudin must obtain and should only rely on written confirmation of the outcome of the application, and any conditions attaching to the decision made by the Shire of Mukinbudin in respect of the application.

ETHICAL DECISION MAKING AND CONFLICTS OF INTEREST

Council is committed to a code of conduct and all decisions are based on an honest assessment of the issue, ethical decision-making and personal integrity. Councillors and staff adhere to the statutory requirements to declare financial, proximity and impartiality interests and once declared follow the legislation as required.



Dirk Sellenger
CHIEF EXECUTIVE OFFICER

Vision Statement

To assist our community towards a prosperous future by providing a positive environment in which to work and live.

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AGENDA

Agenda of the Special Meeting of Council to be held in Council Chambers, Maddock Street, Mukinbudin on 24th August 2023.

1. Declaration of Opening

The Shire President to declare the Meeting open at 9.____am

2. Record of attendance, apologies, and approved leave of absence

2.1 Present:

Cr G Shadbolt	Shire President
Cr R Nicoletti	Deputy President
Cr G Bent	
Cr A Farina	
Cr C McGlashan	
Cr S Ventris	

2.2 Staff:

Dirk Sellenger	Chief Executive Officer
Renee Jenkin	Manager of Corporate & Community Services
Ed Nind	Finance Manager

2.3 Visitors:

2.4 Apologies:

Cr A Walker
Cr J Seaby
Cr S Paterson

2.5 On leave of absence:

2.6 Applications for leave of absence:

3. Public Question Time (min 15 minutes)

3.1 Response to previous questions taken on notice.
Nil

3.2 Declaration of public question time opened (minimum 15 mins)

The Shire President to declare public question time open at ____pm.

3.3 Declaration of public question time closed

The Shire President to declare public question time closed at ____pm.

4. Declarations of Interest

- 5. Petitions, deputations, and presentations**
 - 5.1 Petitions
 - 5.2 Deputations
 - 5.3 Presentations
- 6. Announcements by the Presiding person without discussion**
- 7. Confirmation of the Minutes of previous meetings**
- 8. Committee Meetings**
 - 8.1 Receipt of Minutes of Committee Meetings**
 - 8.2 Recommendations from Committee Meeting for Council Consideration**
- 9. Reports**
 - 9.1 Monthly Information Report**
Nil

9.2 Finance Reports

9.2.1 Rates for the Period 1 July 2023 to 30 June 2024	
Location:	Mukinbudin
File Ref:	ADM 016
Applicant:	Edward Nind – Finance Manager
Date:	22 nd August 2023
Disclosure of Interest:	Nil
Responsible Officer	Edward Nind – Finance Manager
Author:	Edward Nind – Finance Manager
Voting Requirements	Absolute Majority
Documents Attached	Nil
Documents Tabled	Nil

If a Councillor has any questions regarding this agenda item, please contact the Finance Manager prior to the meeting so that a researched answer may be provided.

Summary

Council is requested to consider adopting Rates and confirming the associated Fees and Charges (Initially adopted in June 2023) plus amendments since for 2023-2024 in compliance with the Local Government Act 1995 (LGA) and Local Government (Financial Management) Regulations 1996.

Background Information

Due to COVID-19 changes were made by legislation that limited the interest charged on outstanding rates to 7%. This requirement is now removed and the interest charged on outstanding rates will be 11%. Our instalment interest rate has remained unchanged at 5.5%.

Our Long Term Financial Plan provides for a 0% increase in GRV rates income and a 7.5% increase in UV rates.

This year overall GRV valuations increased by 0.28% due to changes in land use and overall UV valuations increased by 20.89% largely due to revaluations.

GRV properties are revalued every 5 years and UV properties are revalued annually. The next GRV revaluation will be effective 1 July 2024.

Officer Comment

Overall Rates income is budgeted to increase from \$1,489,109 to \$1,585,270 including Ex Gratia Rates but excluding budgeted Interim & Back Rates.

The GRV rate in the dollar has been set to achieve a 3% increase in GRV rate income. This is 4% more than what was provided for in the Long Term Financial Plan. Due to a change of use on one property, that became non rateable, and despite land sales and house construction the average increase for a GRV ratepayer will be about 4%.

The UV rate in the dollar has been set to achieve a 7% increase in UV rate income. This is 0.5% less than what was provided for in the Long Term Financial Plan. The average increase for a UV ratepayer will be about 7%, however due to subdivisions and the revaluations individual rate payers will be paying differing increases.

The Long-Term Financial Plan (LTFP) provided a 0.00% GRV increase and 7.5% UV rate increase. The differential in these increased were to correct the disparity between the total of GRV and UV rates raised initiated in the 2008-2009 financial year when the GRV rates raised increased by 44.9% whilst UV rates effectively remained unchanged, this has been continued this year however the differential is been reduced from 7.5 % to 3%. The differential in rate increases are intended to continue until full 44.9% differential has been corrected.

At the end of 2022-2023 the remaining differential is 14.4%. After the 3% UV to GRV differential in 2023-2024 11.5% of the differential remains uncorrected.

Consideration was given to introducing a differential UV rate for mining and commercial activities up to twice the UV Rural rate as allowed without ministerial approval. However we have only few properties that fall into what would be the UV rate for mining and commercial category and most are of low value and all currently minimum rated.

Legislation limits the number of minimum rated properties with a specific rate in the dollar to 50% of the total properties rated the specific rate in the dollar. As a result without applying a rate dollar differential UV rate for mining and commercial properties greater than twice the UV Rural rate it would have been necessary to reduce the minimum payment amount to the extent that less income would be raised if differential rating was applied.

Strategic & Social Implications

Affordable services and initiatives to meet community requirements including the maintenance and improvement of roads whilst limiting the financial impact on the community

Consultation

Previous decisions of council.

Statutory Environment

Local Government Act 1995, Local Government (Financial Management) Regulations 1996, Rates and Charges (Rebates and Deferments) Act 1992 and Local Government (COVID-19 Response) Orders.

Local Government Act 1995

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.*

Local Government (Financial Management) Regulations 1996

5A. Local governments to comply with AAS

Subject to regulation 4, the annual budget, annual financial report and other financial reports of a local government must comply with the AAS.

Accounting Standards

Changes to the Australian Accounting Standards have been implemented.

Policy Implications

Nil

Financial Implications

Financing of the budget for the period 1 July 2023 to 30 June 2024

OFFICER RECOMMENDATION

Council Decision Number –

Moved: Cr

Seconded: Cr

Rates to be Levied

That the Rates and Minimum Rates to be levied on all rateable property be as follows:

Valuation	Rate in \$	Minimum Rate \$
Gross Rental Value		
Residential	0.191780	455.00
Vacant	0.191780	455.00
Unimproved Value		
Agricultural/Rural	0.019769	635.00
Mining	0.019769	635.00

Carried /

OFFICER RECOMMENDATION

Council Decision Number –

Moved: Cr

Seconded: Cr

Instalment Administration Charge

That an administration charge of \$20.00 per instalment be levied, excluding the first instalment payment (required within 35 days from the date of issue of the rates notice) be applied to rates and rubbish removal charges.

Carried /

OFFICER RECOMMENDATION

Council Decision Number –

Moved: Cr

Seconded: Cr

Instalment Plan Interest Rate

That a charge be levied at 5.5% per annum calculated by simple interest method be applied to rates and rubbish removal charges to be paid by instalments, after the first payment is made from the due date of the first instalment, Deferred Pensioners Rates' excluded.

That a charge be levied at 11% per annum calculated by simple interest method be applied where the instalment option is not in place, (35 days after the date of issue of the rate notice), to all overdue rates, service and rubbish charges, Deferred Pensioners Rates' excluded.

Carried /

OFFICER RECOMMENDATION

Council Decision Number –

Moved: Cr

Seconded: Cr

Due Date For Instalments

That ratepayers be offered the options of paying rates in one or four instalments and that the due date for instalments of rates payments be set with the date of issue of the rate notice being 1 September 2023 is as follows;

Instalment Options	Date due
Option one - Single full instalment	9 October 2023
Option two - Four instalments	
1st Instalment	9 October 2023
2nd Instalment	11 December 2023
3rd Instalment	12 February 2024
4th Instalment	12 April 2024

Carried /

9.2.2 2023-2024 Annual Budget	
Location:	Mukinbudin
File Ref:	ADM 016
Applicant:	Edward Nind – Manager of Finance
Date:	22 nd August 2023
Disclosure of Interest:	Nil
Responsible Officer	Edward Nind – Finance Manager
Author:	Edward Nind – Finance Manager
Voting Requirements	Absolute Majority
Documents Attached	2023-2024 Annual Statutory Budget incorporating Fees & Charges 2023-2024 (40 Pages)
Documents Tabled	Nil

If a Councillor has any questions regarding this agenda item, please contact the Manager of Finance prior to the meeting so that a researched answer may be provided.

Summary

Council is requested to consider adopting the 2023-2024 Annual Budget for the Period 1 July 2023 to 30 June 2024 in compliance with the Local Government Act 1995 (LGA) and Local Government (Financial Management) Regulations 1996.

Council is requested to consider adopting the following in support of the 2023-2024 Annual Budget and subsequent reporting:

- Levels Of Materiality
- Changing the name and purpose of the Roadworks Reserve.
- Allocation of part of the Financial Assistance Grant (FAG) Local Roads Grant component to fund all Footpath construction.
- Forwarding of the Statutory Budget to the Department of Local Government.

Background Information

Monthly Statement of Financial Activity Report – 30 June 2023

The Draft Budget by Schedule for the Period Ended 30 June 2023 showing a surplus of \$274,580.00 was reviewed by council on 15 August 2023 and as a result of that review the following specific requested changes have been included;

- \$30K to be transferred to the Building & Residential Land Reserve for the Bowling Club Roof.
- \$3.5K additional Medical Practice expenses to reflect the new contractual arrangements.
- \$500K income from the sale of a council residential property and \$500K expenditure to build a new one.
- \$20K additional expenditure to improve and modernise the Memorial Hall including the Public Toilets.
- \$5K additional Swimming Pool Building Maintenance expenditure.
- \$5K less Swimming Pool Grounds Maintenance expenditure.
- \$100K expenditure to install a roof over the Swimming Pool changerooms.
- \$50K expenditure to upgrade Oval Lighting.
- \$50K expenditure to upgrade the Lions Park barbeques and shelters.
- \$11.8K additional expenditure on road signs.
- \$70K reduction in Transfer from the Plant Reserve to purchase the DAF Truck replacement.
- \$50K additional transfer to the Community Hub Reserve.
- \$50K Subdivision & related expenses for a potential new Subdivision.

In addition to the specific account related changes above as part of the review the overall salaries budget was reduced by approximately \$170K. This change impacted almost every account that included wages or salaries including building and road operating and capital expenditure budgets. The magnitude of this change is approximately 2% to 4% dependent on the works wages and overhead content.

In order to achieve the overall \$170K savings required as part of the review this change was implemented after the above specific requested changes resulting in some slight reductions to the Memorial Hall, Swimming pool Building & Grounds Maintenance expenditure budgets.

The most significant changes in dollar terms were reductions to road related activities, with a budget reductions of:

- \$29,069.00 across all road capital expenditure jobs.
- \$27,015.00 to the total of rural and townsite road maintenance

Subsequent to review by council on 15 August 2023 and the incorporation of the changes resulting from that review, several other minor adjustments at account level were made to reflect the latest information available and the estimated brought forward balance at 1 July 2023 adjusted to achieve a predicted surplus at 30 June 2024 of \$0:

Meeting attendance fees shown in Note 12 reflect the average attendance fee in anticipation of a reduction in the number of councillors over the course of the year.

Officer Comment

The Budget makes provision for increases in fees charges by our service providers.

The budget document had been compiled using an estimated brought forward surplus of \$2,360,166 including a small reducing adjustment.

The brought forward amount includes an advance payment of the Annual General Purpose Grant from WA Local Government Grants Commission received in June 2023. We received \$1,927,705 as Advance Grants for 2023-2024, \$1,254,521 was General Purpose Funding and \$673,184 was Road funding. Without these advance payments of \$1,927,705 the brought forward amount would have been \$432,461.

The effective estimated brought forward amount surplus of \$2,360,166 is not final and will change due to additional June transactions and end of year accounting adjustments.

Strategic & Social Implications

Affordable services and initiatives to meet community requirements including the maintenance and improvement of roads whilst limiting the financial impact on the community.

Consultation

Dirk Sellenger – Chief Executive Officer

Councillors at:

- Fees & Charges Considerations on 20 June 2023
- Fees & Charges Considerations on 25 August 2023
- Draft Budget by Schedule Review on 15 August 2023
- Change in name and purpose of the “Roadworks Reserve” on 20 June 2023.

Renee Jenkin – Manager of Corporate & Community Services

Statutory Environment

Local Government Act 1995, Local Government (Financial Management) Regulations 1996.

Local Government Act 1995

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** 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*
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Local Government (Financial Management) Regulations 1996

5A. Local governments to comply with AAS

Subject to regulation 4, the annual budget, annual financial report and other financial reports of a local government must comply with the AAS.

Policy Implications

Significant Accounting Policies

Financial Implications

The Budget is the primary financial plan for the 2023-2024 financial year. The Budget has considered all relevant factors, including brought forward surplus, income and required expenditure so that the budget brought forward into 2024-2025 financial year is to be \$0.

OFFICER RECOMMENDATION

Council Decision Number –

Moved: Cr

Seconded: Cr

2023-2024 Annual Budget

That Council adopt the 2023-2024 Annual Budget for the Period 1 July 2023 to 30 June 2024 showing rates to be levied of \$1,587,770 including Ex Gratia Rates.

Carried /

OFFICER RECOMMENDATION

Council Decision Number –

Moved: Cr

Seconded: Cr

Levels Of Materiality

That Council sets its levels of material variances that need to be reported on at 10% and greater than \$11,000.

Carried /

OFFICER RECOMMENDATION

Council Decision Number –

Moved: Cr

Seconded: Cr

Change the name and purpose of the Roadworks Reserve

That Council changes the name of the “Roadworks Reserve” to “Transport Infrastructure Reserve” and defines the purpose of the Transport Infrastructure Reserve to be “To fund Transport Infrastructure and associated drainage construction and maintenance works”

Carried /

OFFICER RECOMMENDATION**Council Decision Number –****Moved: Cr****Seconded: Cr****Fund Footpath construction from FAG - Local Roads Grant Component****That Council allocates of part of the Financial Assistance Grant Local Roads Grant component to fund all Footpath Construction.****Carried /****OFFICER RECOMMENDATION****Council Decision Number –****Moved: Cr****Seconded: Cr****Forwarding of the Statutory Budget****That the Statutory Budget be sent to the Department of Local Government within 30 days of Council Adoption as required by the Local Government Act 1995.****Carried /**

10. Elected Members Motions of which previous notice has been given

10.1 Nil

11. Urgent Business Approved by Person Presiding or by Decision

11.1 Nil

12. Closure of Meeting**12.1** The Chairperson thanked Elected Members and Staff for attending and declared the meeting closed at ____pm.