

SHIRE OF KOJONUP

Kojonup



MINUTES

Special Council Meeting

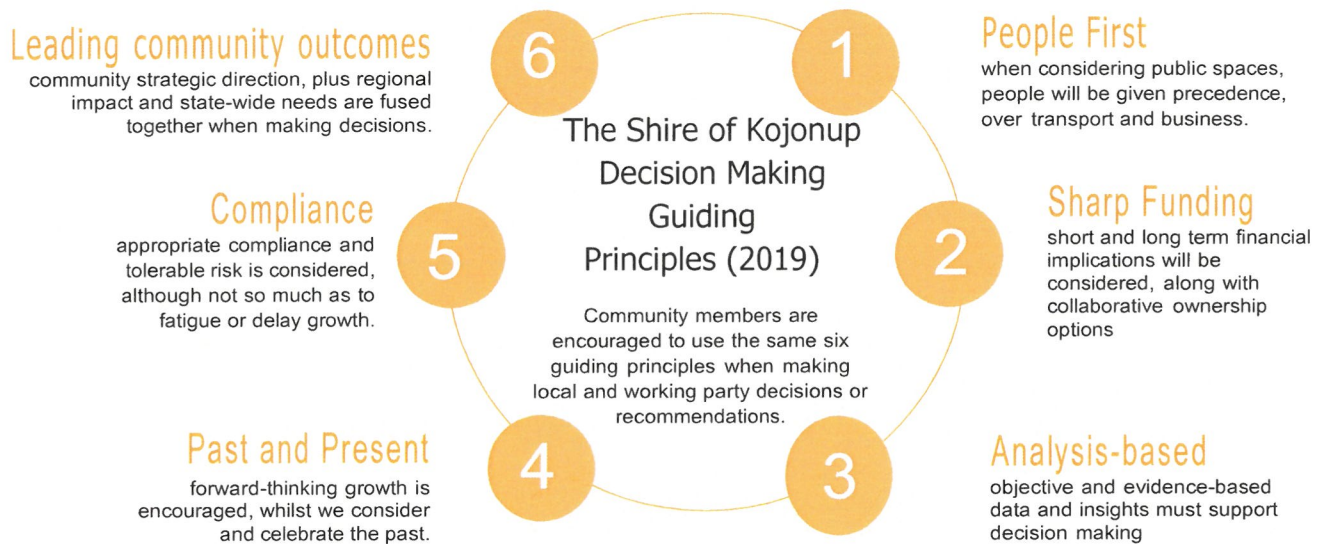
2 August 2022

MINUTES OF THE SPECIAL COUNCIL MEETING HELD ON 2 AUGUST 2022

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The Shire of Kojonup has a set of six guiding principles it uses when making decisions. These principles are checked and enhanced every two years in line with the Strategic Community Plan review schedule.



MINUTES

1 DECLARATION OF OPENING AND ANNOUNCEMENT OF GUESTS

The Shire President declared the meeting open at 3.01pm and drew the meeting's attention to the disclaimer below:

Disclaimer

No person should rely on or act on the basis of any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting.

The Shire of Kojonup expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any advice or information provided by a member or officer, or the content of any discussion occurring, during the course of the meeting.

Where an application for an approval, a license or the like is discussed or determined during the meeting, the Shire warns that neither the applicant, nor any other person or body, should rely upon that discussion or determination until written notice of either an approval and the conditions which relate to it, or the refusal of the application has been issued by the Shire.

Acknowledgement of Country

The Shire of Kojonup acknowledges the first nations people of Australia as the Traditional custodians of this land and in particular the Keneang people of the Noongar nation upon whose land we meet.

We pay our respect to their Elders past, present and emerging.

Prayer – Cr Gale

Gracious Father, we acknowledge you as our Maker and Judge. We ask for wisdom for our reigning monarch Queen Elizabeth. Grant to her good health and strength in the executing of her duties.

We pray for all Ministers and Cabinet members of the Australian Federal and State Government. Grant to them wisdom in the welfare of Australia, so that truth and justice is established for all Australians.

Lastly Gracious Father, we pray for ourselves. We ask that you might grant to us the ability to speak with integrity and to work with uncompromising diligence. Grant to us the wisdom to make good decisions, remembering that we are one community. Grant to us the good humour to keep things in perspective in a community that is a diverse population.

We ask that we might always be mindful of the safety and welfare of the people of Kojonup. Grant to all who serve on public committees the ability to listen and work together with mutual respect for one another. Bless us with the personal joy of knowing that we have done our best.

2 **ANNOUNCEMENTS FROM THE PRESIDING MEMBER**

Nil

3 **ATTENDANCE**

COUNCILLORS

Cr N Radford

Shire President

Cr P Webb

Deputy Shire President

Cr F Webb

Cr Wieringa

Cr Gale

Cr Singh

Cr R Bilney

Cr A Egerton-Warburton

STAFF

Grant Thompson

Chief Executive Officer

Heather Marland

Senior Finance Officer

Emily Sleight

Sport and Recreation Officer

Ciara O'Regan

Manager Springhaven

3.1 **APOLOGIES**

Robert Jehu

Manager Regulatory Services

Craig McVee

Manager Works and Services

3.2 **APPROVED LEAVE OF ABSENCE**

Nil

4 **DECLARATION OF INTEREST**

Nil

5 **PUBLIC QUESTION TIME**

Questions may be submitted using the special email address for Council Meeting Public Question Time being cmpqt@kojonup.wa.gov.au

The Chief Executive Officer will table all correspondence received.

5.1 **RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Not applicable

5.2 **PUBLIC QUESTION TIME**

Nil

6 CONFIRMATION OF MINUTES

Nil

7 PRESENTATIONS

7.1 PETITIONS

Nil

7.2 PRESENTATIONS

Nil

7.3 DEPUTATIONS

Nil

7.4 DELEGATES' REPORTS

Nil

8 METHOD OF DEALING WITH AGENDA BUSINESS

There were nil changes to the order of the meeting.

9 REPORTS

9.1 KEY PILLAR 1 – 'PLACE' REPORTS

Nil

9.2 KEY PILLAR 2 – 'CONNECTED' REPORTS

Nil

9.3 KEY PILLAR 3 – ‘PERFORMANCE’ REPORTS

9.3.1 BUDGET ADOPTION – 2022/2023 FEES & CHARGES

AUTHOR	Heather Marland – Senior Finance Officer
DATE	Monday, 18 July 2022
FILE NO	FM.FEE.1
ATTACHMENT(S)	9.3.1.1 – Draft 2022/2023 List of Fees & Charges

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2021 +”
Key Pillar	Community Outcomes	Corporate Actions
KP 3 - Performance	3.4 – Be organised and transparent with our financial management.	3.4.1 - Increase regularity of readable financial reporting to the community. 3.4.2 – Act with sound long-term and transparent financial management and deliver residents considered value for money.

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to adopt the list of fees and charges for the 2022/2023 financial year.

BACKGROUND

The Council is required by the *Local Government Act 1995 (Act)* to adopt a list of fees and charges annually.

The draft list of fees and charges has undergone a review by all relevant staff, as well as Councillors at the 17 May 2022 Councillors’ Briefing Session.

COMMENT

Comparative figures are shown in the list of fees and charges with the previous two financial years to enable changes to be easily identified; a contents page has been included to improve navigation within the document.

CONSULTATION

All relevant staff have been given the opportunity to provide input. A review was also conducted by Councillors at the 17 May 2022 Briefing Session.

STATUTORY REQUIREMENTS

Section 6.15 to 6.19 of the *Local Government Act 1995* legislates the imposition of fees and charges for a local government. Section 6.19 of this *Act* requires a local government to advertise the imposition of fees and charges that are not included in the annual budget. This item is being completed in conjunction with the adoption of the annual budget and, therefore, advertising is not required.

Some fees are adopted under, or provided by, other legislation, such as:

- *Dog Act 1976*
- *Health (Miscellaneous Provisions) Act 1911*
- *Cemeteries Act 1986*
- *Waste Avoidance and Resources Recovery Act 2007*
- *Building Act 2011*

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

The list of fees and charges, when adopted, sets the level of many revenue items contained within the budget. Significant consideration needs to be given when setting each fee and charge and the effect that it will have on the usage of that facility and, therefore, the total revenue level obtained. For example, simply doubling a fee may not double the revenue, as the number of 'sales' may be affected by increased prices.

RISK MANAGEMENT IMPLICATIONS

RISK MANAGEMENT FRAMEWORK			
Risk Profile	Risk Description/Cause	Key Control	Current Action
1. Asset Sustainability	Insufficient budget to maintain or replace assets	Routine Maintenance Schedule - Buildings	Nil
6. Engagement	Relationship breakdown with community groups. Budget/Funding issues	Support local community volunteer groups. Community engagement/networking	Review and assess community engagement strategy / plan
Risk rating - Moderate			

IMPLICATIONS

Inadequate income from Fees and Charges and Rent affects the budget position regarding building maintenance and renewal as costs are continually increasing. This will in turn affect the Shire of Kojonup's ability to continue with any planned maintenance or upgrades to the facilities the income would have supported.

A thorough and complete list of fees and charges assists with legislative compliance and ensures the generation of adequate revenue.

ASSET MANAGEMENT IMPLICATIONS

An appropriate list of fees and charges can assist to fund the required asset management activities.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Absolute Majority

OFFICER RECOMMENDATION/COUNCIL DECISION

67/22 Moved Cr Egerton-Warburton Seconded Cr Gale
That the 2022/2023 List of Fees and Charges, as attached, be adopted.

CARRIED BY ABSOLUTE MAJORITY 8/0

9.3.2 BUDGET ADOPTION – 2022/2023 PROPERTY RATES

AUTHOR	Heather Marland – Senior Finance Officer
DATE	Tuesday, 25 July 2022
FILE NO	FM.BUD.2
ATTACHMENT(S)	Nil

STRATEGIC/CORPORATE IMPLICATIONS		
Community Strategic Plan 2017 – 2027 “Smart Possibilities – Kojonup 2027+”		Corporate Business Plan 2017 – 2021 “Smart Implementation – Kojonup 2021 +”
Key Pillar	Community Outcomes	Corporate Actions
KP – 3 Performance	3.4 – Be organised and transparent with our financial management.	3.4.1 - Increase regularity of readable financial reporting to the community. 3.4.2 – Act with sound long-term and transparent financial management and deliver residents considered value for money.

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to set the property rates and associated conditions for the 2022/2023 financial year.

BACKGROUND

Property rates are the primary income source for most local governments in WA. This agenda item sets the rating levels and associated parameters based on the *Local Government Act 1995 (Act)* and the Shire of Kojonup’s previous practices.

All recommendations contained within this report are consistent with previous years’ practices, with the exception of:

- The maximum penalty interest charge allowable under the *Act* for the non-payment of rates has been reduced by the State Government from 8% to 7%.; and
- It is proposed that the rates incentive prize draw that was introduced in 2021/2022 to encourage timely payment and, therefore, assist with the debtor collections requirements and cash flow (refer to item 9.3.9 in this agenda) be continued.

COMMENT

Level of Rates/Calculation

There are several different methods available for rating within local government in WA. These include:

- General – based on valuation type;
- Differential - based on different land uses or zoning;
- Specified Area rates – definable area for facilities such as sewerage rates;
- Service Charges – As defined by the *Act*; or

- Voluntary levies – such as a landcare levy

The Shire of Kojonup rates are based on the first dot point 'General' rates and a rate in the dollar is set for both valuation types. In the 2022/2023 financial year, 23% of rates raised were from properties on a gross rental valuation (GRV) (predominately within the townsite), and 77% unimproved valuation (UV) (rural).

The draft 2022/2023 Annual Budget has been prepared based on a 5% proposed rate increase for GRV and a 7% increase on UV, following on from a 5% change in the 2021/2022 draft budget and a 0% in 2020/2021 due to COVID-19 recovery efforts. As a reference point, 1.0%, of rates represents an additional \$42,411 of revenue which is minimal when comparing the additional cost of doing business with the rising costs. Management has, therefore, worked hard to find additional operating efficiencies elsewhere to balance the budget.

All unimproved values (UV) and gross rental values (GRV) have been revalued by the Valuer General's Office in accordance with relevant statutory legislation and have increased approximately 16% in total. As always, individual properties are likely to receive a greater variance (both increased and decreased) than the 16% average, creating unavoidable inequities between properties. This is beyond the Shire's control and anyone in this situation is encouraged by Shire staff to contact the Valuer General's Office.

It is proposed that the minimum rate of \$750 from last year be increased to \$780 to ensure all rate payers contribute equitably.

Instalments:

It is recommended that the Council continue to offer the following three (3) payment options as in previous years:

1. To pay the total rates and charges included on the rate notice in full by the 35th day after the date of issue of the rates notice (this option defined by legislation); or
2. To pay by two equal instalments. The first instalment will be due on the 35th day after the date of issue of the rates notice and the second instalment four calendar months after this date; or
3. To pay by four equal instalments. The first instalment will be due on the 35th day after the date of issue of the rates notice and the remainder at two calendar month intervals after this date.

Instalment Fee:

It is recommended that an instalment fee of \$9.00 be charged for each instalment reminder issued after the first instalment is paid. This is the same as that charged in at least the ten previous financial years and covers postage, printing and handling of reminder notices.

Interest on Instalments:

It is recommended that the maximum allowable interest rate of 5.5% per annum be applied to instalment payments, unless deemed to be suffering financial hardship in accordance with Council Policy 2.1.12. Again, this is consistent with the previous year's charges and statutory requirements, with the exception of the Financial Hardship Policy 2.1.12 which was adopted in 2020 as a response to the COVID-19 pandemic.

Late Payment Penalty Interest:

It is recommended that the Council adopt a late payment penalty interest of 7% per annum. It is proposed that the late payment penalty interest will apply to rates that remain unpaid where no election was made to pay the rate by instalments and on overdue instalment payments where an election was made to pay by instalments. This charge has been reduced from 8% and 11% due to changes to legislation.

CONSULTATION

Setting the rating levels for 2022/2023 has been discussed at Council briefing sessions and senior management team meetings. All other rating parameters are as per previous years except where indicated above.

STATUTORY REQUIREMENTS

Section 6.25 to 6.82 of the *Local Government Act 1995* and Sections 52 to 78 of the *Local Government (Financial Management) Regulations 1996* relate to property rating requirements and procedures.

Clause 7-14 of the *Local Government (COVID-19 Response) Ministerial Order 2020* has modified sections 6.2, 6.13, 6.33, 6.34, 6.35, 6.36, 6.45 and 6.51 of the *Act* which relate to adopting the budget and/or setting rates.

POLICY IMPLICATIONS

Policy 2.1.12 Financial Hardship relates to the setting of instalment interest and was adopted as a result of the Shire's COVID-19 recovery efforts.

FINANCIAL IMPLICATIONS

The property rates proposed have been established on the basis of delivering a balanced budget and in accordance with the goals set in *SMART Implementation* and the adopted Long Term Financial Plan of the Shire. The rate set considers the limiting revenue options encountered last financial year due to the Council's COVID-19 stimulus programs.

RISK MANAGEMENT IMPLICATIONS

A control measure to raise rate revenue to offset budget expenditure as listed in the 2022/2023 budget, whilst ensuring compliance with applicable legislation.

ASSET MANAGEMENT IMPLICATIONS

Rating revenue assists to fund the required asset management activities in accordance with the Asset Management Plan 2017.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Absolute Majority

OFFICER RECOMMENDATION/COUNCIL DECISION

68/22 Moved Cr F Webb

Seconded Cr Egerton-Warburton

That:

1. The following rate levels be adopted for the 2022/2023 financial year:
 - a) For all rateable properties where Gross Rental Valuations are applied a rate of 13.815 cents in the dollar with a Minimum Rate of \$780 is to apply.
 - b) For all rateable properties where Unimproved Valuations are applied, a rate of 0.7420 cents in the dollar with a Minimum Rate of \$780 is to apply.
2. Where payments are received after the due date, penalty interest at a rate of seven percent (7%) per annum, to be calculated on a daily basis will be imposed on all outstanding rates and service charges. Pensioners who are registered in accordance with the *Rates Rebates and Deferments Act 1993* are to be exempt from this provision.
3. The following rate instalment payment options be offered:

Option 1 - Payment in full.

Total amount of rates and charges included on the rate notice to be paid in full by 9 September 2022.

Option 2 - Payments to be made by two (2) instalments as detailed on the rates notice, with the following dates:

First Instalment	9 September 2022
Second Instalment	16 January 2023

Option 3 - Payments to be made by four (4) instalments, as detailed on the rate notice, with the following dates:

First Instalment	9 September 2022
Second Instalment	11 November 2022
Third Instalment	16 January 2023
Fourth Instalment	22 March 2023

CARRIED BY ABSOLUTE MAJORITY 8/0

9.3.3 BUDGET ADOPTION – 2022/2023 RATES INCENTIVE PRIZE DRAW

AUTHOR	Heather Marland – Senior Finance Officer
DATE	Monday, 18 July 2022
FILE NO	RV.RTP.3
ATTACHMENT(S)	9.3.3.1 - Rates Incentive Prize Draw - Terms and Conditions 2022-2023

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2018-2022”
Key Pillar	Community Outcomes	Corporate Actions
KP 3– Performance	3.4 – Be organised and transparent with our financial management	3.4.2 – Act with sound long-term and transparent financial management and deliver residents considered value for money
KP 4 – Prosperity	4.4 – Have collaborated to enhance and attract diverse retail to ensure a successful and renewed Main Street	4.4.2 – Further develop Council policies and business incentives to enhance a ‘shop local’ philosophy

DECLARATION OF INTEREST

As a ratepayer, the author may win the draw as the selection of winners is random and all ratepayers who qualify are eligible.

SUMMARY

The purpose of this report is to consider conducting a Rates Incentive Prize Draw and set the terms and conditions of such a draw.

BACKGROUND

The Shire has previously offered a discount for the early payment of rates in full. This discount was removed for the 2020/2021 financial year with the financial constraints incurred via COVID-19 legislative changes.

In the 2021/2022 financial year *Kojonup Dollars* were introduced.

COMMENT

The Rates Incentive Prize draw is aimed at increasing the percentage of rate accounts paid by the due date. This year those rate payers who elect to pay by instalments and have paid the 1st instalment by the due date will also be eligible. This will improve debtor collection and the Shire’s cashflow.

Implementing a prize draw through the creation of *Kojonup Dollars*, which can only be redeemed at participating local businesses, will also benefit local businesses by ensuring the prize money is spent within the Kojonup economy.

Although *Kojonup Dollars* were initially created for the Rates Incentive Prize Draw, there is no reason they can’t be used for other applications as well.

Kojonup Dollars will require the agreement of local businesses to honour them as a form of payment. Businesses will then redeem the vouchers for payment. Each *Kojonup Dollar* will be numbered individually to ensure they cannot be used multiple times. *Kojonup Dollars* will be printed in small denominations, giving recipients the ability to pay for small or large purchases as required. An expiration date of 1 June 2023 will ensure the winner has adequate time to spend the prize while ensuring they are accounted for within the 2022/2023 financial year.

CONSULTATION

Council Briefing Session

Chief Executive Officer

STATUTORY REQUIREMENTS

Section 6.46 (Discounts) of the *Local Government Act 1995* states:

'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.'*

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

It is anticipated that the Rates Incentive Prize draw will increase the percentage of rates received prior to the due date, thereby greatly assisting with cash flow and collection efforts.

The provision of ten (10) \$500 *Kojonup Dollars* prizes will cost the Shire an additional \$5,000 for the financial year. This provision has been included in the draft budget.

RISK MANAGEMENT IMPLICATIONS

RISK MANAGEMENT FRAMEWORK			
Risk Profile	Risk Description/Cause	Key Control	Current Action
6. Engagement	Inadequate documentation or procedures	Public notices, local papers, website communication	Nil
7. Errors, Omissions, Delays	Human Error Inadequate formal procedures or training	Staff training Policies and procedures	Nil
12. Misconduct	Lack of internal checks Poor enforcement of policies and procedures	Strong management culture	Nil
Risk rating: Moderate			

IMPLICATIONS

With the implementation of Terms and Conditions as per the attachment, the risks associated with errors or staff misconduct are reduced significantly. Information regarding the incentive program will be mailed to all ratepayers with their rates notice, and included as an attachment for those ratepayers who receive their rates notices via email.

The Terms and Conditions will be published on the Shire website. Each Kojonup Dollar will be individually numbered to reduce the risk of counterfeiting.

ASSET MANAGEMENT IMPLICATIONS

Nil

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Absolute Majority

OFFICER RECOMMENDATION/COUNCIL DECISION

69/22 Moved Cr Gale

Seconded Cr Wieringa

That a Rates Incentive Prize Draw Program be conducted for 2022/2023 financial year to encourage the payment of rate accounts in full or by instalment by the due date and the Terms and Conditions, as attached, be adopted.

CARRIED BY ABSOLUTE MAJORITY 8/0

9.3.4 BUDGET ADOPTION – 2022/2023 ANNUAL BUDGET

AUTHOR	Grant Thompson – Chief Executive Officer
DATE	Wednesday, 20 July 2022
FILE NO	FM.BUD.2
ATTACHMENT(S)	9.3.4.1 – Draft 2022/2023 Annual Budget

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2021 +”
Key Pillar	Community Outcomes	Corporate Actions
KP – 3 Performance	3.4 – Be organised and transparent with our financial management.	3.4.1 - Increase regularity of readable financial reporting to the community. 3.4.2 – Act with sound long-term and transparent financial management and deliver residents considered value for money.

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to consider adopting the 2022/2023 Annual Budget, with or without modification.

BACKGROUND

The *Local Government Act 1995 (Act)* requires each Local Government to prepare a budget each financial year. The form, manner and content of the budget are prescribed in the *Act* and the *Local Government (Financial Management) Regulations 1996*. The Council must adopt its budget by an Absolute Majority no later than 31 August in the budget year unless the Minister for Local Government has granted an extension.

The Council and its staff have been working on the components of the 2022/2023 Annual Budget since March 2022, including the consideration of the plant replacement program, road construction program, fees and charges, and property rating details. The Council briefing sessions have enabled a detailed analysis of the draft budget by Senior Management and elected members.

The previous items in this agenda have dealt with the major components in the budget and have been adopted individually to simplify the requirements of the *Local Government Act 1995*. These included the List of Fees & Charges and Property Rates.

COMMENT

The budget has been prepared to include information required by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996*, *Australian Accounting Standards* and *International Financial Reporting Standards*.

The Chief Executive Officer (CEO) has prepared the following introduction to the budget:

“The 2022/23 Budget reflects a period of planning and prudent financial consolidation for the Shire of Kojonup. The Community Strategic Plan – “SMART Possibilities”, with 5 Key Pillars being PLACE, CONNECTED, PERFORMANCE, PROSPERITY and DIGITAL requires a significant review and will commence in July 2022.

The Corporate Business Plan – “SMART Implementation” has come to the end of its four year period and, as a part of the aforementioned review, will be refined to reflect a new strategic pathway for the Shire of Kojonup and its communities.

Through Community consultation the Shire will focus on a new operational plan reflecting what the Shire can realistically achieve over the next four years. Sustainable growth will have to be a key feature of this new plan.

The current economic environment post COVID-19 means the Shire must now consider inflationary pressures, increases in the cost of borrowing future money and the general cost increase pressures that are materialising. The current rate setting in this budget is a fiscally responsible approach to buffer the Shire’s and Community’s financial volatility and sustainability through the next uncertain phase.

The economic environment we have all now entered will place pressure on the Shire both economically and socially. The Shire will undertake analysis on ‘self-funding’ and sustainable expenditure, the allocation of overheads and the depreciation impact on the relevant areas of the organisation.

With Federal and State governments incurring higher debt levels, it is likely that grants will be less available to fund major infrastructure projects like we have seen over the past few years.

Moving forward it is critical that we understand our workforce and Team Members requirements to work and live in a rural and regional community. Workforce & Diversity Planning is essential to Kojonup’s growth.

This will form a key component of the Strategic review and allow the Council and CEO to attract the right skills and people for the future roles required to operate the Shire.

Additionally, in the current labour market, getting access to skilled workers is causing disruption and stress within the workplace. The requirement to focus on operating a 22 Bed Aged Care Facility 365 days 24/7, essential services, undertake material road maintenance and other property management and ensure compliance to regulations is essential in how the Shire creates value for the Community through a ‘Community Return on Capital’ (CROC). That is, the efficient use of capital the residents entrust with us to provide those services required to build a thriving community.

Contracting and supply chain interruptions have caused us to take a pause when considering which projects we follow through on over the next 12 – 24 months.

Therefore, this budget has taken a balanced approach. With minimal grant funded projects it was important to take a frugal approach to expenditure, with minimal infrastructure build and

a focus on cost management, reducing the amount of cash the Shire will transfer to reserves in the short term to be utilised on improving operations, and an increase in rates to keep ahead of inflation.

The 2022/23 Budget focuses on:

- *Base road construction and maintenance;*
- *Finishing off the heavy capital works program from the previous year, complete Netball Courts and Harrison Place Toilets;*
- *Focusing on investing in marketing the Kojonup 'brand' and the new Trails program, both for tourists and also as an option for people to move to and live in Kojonup;*
- *One Community, One Team will be a key focus in the next 12 months. As such, we will have a major focus on internal business improvement including Work Health and Safety, Management Operating Systems to improve the way we do things at the Shire, work smarter not harder, and improved performance on asset management;*
- *Build capability for our Team utilising technology;*
- *Build the Emergency Services Communication Tower; and,*
- *A rates increase of 5% on GRV & 7% on UV properties, taking into consideration inflation, cost of operating and the elasticity to support this increase.*

Reserve Accounts

Reserve accounts are utilised to set aside funds for use in a future financial year for a specific use. This year's budgeted movement in reserve accounts sees the reserves reduced with nominal funds being transferred into the accounts. Along with the Plant and Equipment and Natural Resource Management reserves, a few reserves will be utilised for projects and the transfer back into the reserve accounts will be materially decreased from last year.

The main reserves withdrawn are for Plant Replacement and planning the Spring Design, Streetscape design and other major projects to ensure we have the cashflow to be "shovel ready" for future funding and any available grants.

Some reserves are expected to increase slightly but, overall, most will either remain the same or reduce in whole:

- *Opening balance (1 July 2022) - \$4,019,916*
- *Closing budgeted balance (30 June 2023) - \$3,375,004*

The figures above include regulatory reserves such as \$2,440,886 of cash-backed bonds paid by residents of Springhaven Lodge and Employee accrued benefits. As such, 30 June 2022 reserve accounts available for future Shire projects and statutory obligations only total \$934,118.

Loans

The Council currently has several low interest bearing instruments totalling approximately \$5,262,542 at an average interest rate of 3.15%. The Council is conscious of its current debt level and managing this for a balanced approach to growth and investments. The focus for this year is to borrow prudently to fund the bushfire tower, but to reduce the overall principal over the next 12 months.

This budget 2022/23 includes the raising and servicing of new loans as follows:

- *Bushfire Communications Tower (\$400K)*
- *Harrison Place Toilets (\$200K)*

Following the raising of new loans, it is budgeted that the loan balance outstanding as at 30 June 2023 will be \$5,449,408. Further information on these loans can be seen at Note 6 of this budget.

Councillors continue to assess, review and evaluate the strategic direction and financial management of the Shire on behalf of the Community.

By the Shire listening to the Community and implementing the Community vision for Kojonup everyone will begin to grow both socially, physically and spiritually adding to the many voices in the Shire.

As CEO, I recommend this budget to Council for adoption for the 2022/23 Financial Year.

*Grant Thompson
Chief Executive Officer
20 July 2022*

What is in this Budget?

General Purpose Funding:

- *Rates increase – 5% GRV and 7% UV (5% last year)*
- *Rates Incentive Prize Draw - \$5,000*

Governance:

- *Payroll, Integrated Safety Management system and ICT Review - \$70,000*
- *Integrated Planning Major Strategic Review, Security, Spring Plan Design and Costing, Streetscape Plan Design and Costing, Designated Area Migration Agreement application - \$135,000*

Law, Order & Public Safety:

- *Bush Fire Communications Tower - \$500,000 (reserves and loan funded)*

Education & Welfare

- *New Shade Sails at Old School Site - \$13,500 (Playgroup contributing 50%)*

Housing:

- *13 - 15 Loton Close – Fix retaining wall and retain, new shed - \$50,000*
- *Jean Sullivan/Independent Living Units – \$10,000*

Springhaven Lodge:

- *Furniture - \$10,000*
- *ACAR Grant - Vinyl Flooring & Handrails - \$285,000 (\$282,000 Grant)*
- *Operating deficit slightly higher this year through additional expenditure & non growth of revenue. A new funding Model being introduced this year from Federal Government*

may help support additional revenue and reduce the deficit – Budgeted Deficit (-\$102,378).

Community Amenities:

- Refuse Site - \$50,000
- Town Furniture - \$40,000
- Men's Shed - \$1,000,000

Recreation & Culture:

- Historical Buildings – Repairs to The Barracks - \$30,000
- Sub-division - Harness Display Shed - \$12,000
- Finish Harrison Place Toilets & Park - \$200,000
- Showgrounds Retaining Wall - \$6000
- Newstead Park Shade Sail – \$10,000
- Apex Park Maintenance and replace play equipment – \$27,330
- Sporting Complex:
 - Netball Courts Resurface & Roof - \$100,000
- Trails & Hub Construction - \$73,886
- Project Development:
 - New Bowling Green Support - \$114,500

Transport:

- Radio & ICT Communication upgrades – \$40,000
- New Traffic Counters - \$21,500
- Road Maintenance budget \$1,297,940
- Plant (as per 12 year plan)
 - Net Cost \$105,530
 - Gross \$380,000 / Trade-In \$72,00 / Reserve Transfer \$202,470)
- Signage Upgrades - \$10,000
- Drainage & Culverts - \$50,000
- A Solid Road Construction program:
 - Widening – Shamrock Road - \$600,000
 - Maintenance Kojonup-Frankland Road - \$19,374
 - Widening - Shamrock Road - \$111,229
 - Widening – Broomehill-Kojonup Road - \$154,681
 - Widening – Tambellup West Road - \$300,000
 - Bitumen Reseal - Kojonup-Frankland Road – \$150,000
 - Bitumen Reseal - Kojonup Darkan Road - \$120,000
 - Bitumen Reseal - Broomehill-Kojonup Road - \$120,000
 - Bitumen Reseal - Boscabel Road (western end) – \$21,000
 - Bitumen Reseal - Boscabel Road (town) - \$65,000
 - Seal - Riverdale Road - \$413,000
 - Seal - Balgarup Road - \$176,500
 - Seal - Samson Road - \$120,000
 - Spring Street - \$55,000

Economic Services:

- Kodja Place - Rose Maze - \$19,000

- *Kodja Place - Equipment Upgrade - \$60,000*
- *EV Charger Parking Bay \$15,000*
- *Promotional Signage at Airstrip - \$30,000*
- *Finish Muradup Standpipe - \$55,000*

Regulatory Property & Services:

- *Upgraded Town Parking and line marking - \$50,000*
- *Land Survey & Leasing Costs (Industrial Properties and other developments) - \$94,000*
- *Chemical Shed Upgrade - \$34,647*

CONSULTATION

All required Managers and Team Members have had input into the respective components of the budget.

The Council has been consulted during three (3) budget workshops (at Briefing Sessions) to assess the priorities of proposed capital works, plant replacement, abnormal operating items, reserve transfers and property rate parameters.

STATUTORY REQUIREMENTS

Section 6.2 of the *Local Government Act 1995* and regulations 22-33 of the *Local Government (Financial Management Regulations) 1996* legislate the requirements of the annual budget.

Section 6.2(1) of the *Local Government Act 1995* requires that prior to 31 August each year, the Council adopt a budget for its municipal fund for the proceeding financial year.

The annual budget is to incorporate:

- a) particulars of the estimated expenditure proposed to be incurred by the local government;
- 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.
- c) the fees and charges proposed to be imposed by the local government;
- d) the particulars of borrowings and other financial accommodation proposed to be entered into by the local government;
- 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;
- 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 such other matters as are prescribed.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

The adopted budget of the Shire sets the financial direction for the proceeding financial year.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications for the adoption of the budget, apart from minimizing exposure to risks (particularly financial) through a thoroughly prepared and legislative compliant annual budget process.

ASSET MANAGEMENT IMPLICATIONS

The 2022/23 budget makes provision for numerous asset purchases, asset renewal and upgrades and major maintenance items for the coming financial year.

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Absolute Majority

OFFICER RECOMMENDATION

That the 2022/2023 Annual Budget, as attached, be adopted.

OFFICER RECOMMENDATION/COUNCIL DECISION

70/22 Moved Cr Gale

Seconded Cr Bilney

That the 2022/2023 Annual Budget, as attached, be adopted with the following amendments:

1. average interest rate in the Chief Executive Officer (CEO) report be reviewed and reflect a weighted average interest rate based on the value of each loan;
2. the term of all current loans to be included in the CEO report;
3. in *Section 6. Unspent Borrowings*, in the Budget document, adjust dates in the statement line from 2021 to 2023; and
4. adjustments as required in the CEO report and budget document updating identified dates from 2021/22 to 2022/23 year.

CARRIED BY ABSOLUTE MAJORITY 8/0

Reason for change to Officer Recommendation: to provide further information and correction of budget dates.

9.4 KEY PILLAR 5 – ‘PROSPERITY’ REPORTS

Nil

9.5 KEY PILLAR 5 – ‘DIGITAL’ REPORTS

Nil

10 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

11 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

12 QUESTIONS FROM MEMBERS WITHOUT NOTICE

Nil

13 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

Nil

14 MEETING CLOSED TO THE PUBLIC

14.1 MATTERS FOR WHICH THE MEETING MAY BE CLOSED

Nil

14.2 PUBLIC READING OF RESOLUTIONS THAT MAY BE MADE PUBLIC

Nil

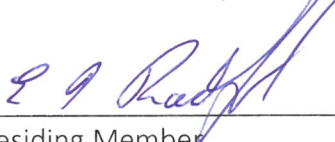
15 CLOSURE

There being no further business to discuss, the President thanked the members for their attendance and declared the meeting closed at 3.25pm.

16 ATTACHMENTS (SEPARATE)

9.3.1	9.3.1.1	Draft 2022/2023 List of Fees & Charges
9.3.3	9.3.3.1	Rates Incentive Prize Draw - Terms and Conditions 2022-2023
9.3.4	9.3.4.1	Draft 2022/2023 Annual Budget

Confirmed on 20 September 2022 as a true record –



Presiding Member

20/9/2022
Date