



# **A G E N D A**

## **INTEGRATED PLANNING COMMITTEE MEETING**

To Be Held

**Wednesday, 11 March 2020  
Commencing at 1.00pm**

At

**Shire of Dardanup  
ADMINISTRATION CENTRE EATON  
1 Council Drive – EATON**

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## NOTICE OF AN INTEGRATED PLANNING COMMITTEE MEETING

Dear Committee Member

The next Integrated Planning Committee Meeting of the Shire of Dardanup will be held on Wednesday, 11 March 2020 in the Council Chambers, Shire of Dardanup - Administration Centre Eaton, 1 Council Drive, Eaton - commencing at 1.00pm.



**MR ANDRÉ SCHÖNFELDT**

Chief Executive Officer

Date: 5 March 2020

**Note:** If interested persons would like to make comment on any items in this agenda, please email [records@dardanup.wa.gov.au](mailto:records@dardanup.wa.gov.au) or hand deliver written comment to the Shire of Dardanup – Administration Centre Eaton, 1 Council Drive, Eaton. To be included in the meeting comments are to be delivered no later than 48 hours prior to the meeting.

The Chief Executive Officer will use his discretion as to whether the written comments are relevant and applicable to the meeting before approving their inclusion in the meeting.

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## MISSION STATEMENT

“Provide effective leadership in encouraging balanced growth and development of the Shire while recognizing the diverse needs of our communities.”

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### **Members of Integrated Planning Committee**

- Cr MT Bennett
- Cr PS Robinson
- Cr L Davies
- Cr TG Gardiner
- Cr CN Boyce
- Cr PR Perks
- Cr SL Gillespie
- Cr MR Hutchinson
- Cr J Dow

### **Terms of Reference**

The Terms of Reference for this Committee are located in the Tardis records system – refer to the following link:  
[2019 - ToR - Integrated Planning Committee](#)

## COUNCIL ROLE

<b>Advocacy</b>	When Council advocates on its own behalf or on behalf of its community to another level of government / body /agency.
<b>Executive/Strategic</b>	The substantial direction setting and oversight role of the Council eg. Adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
<b>Legislative</b>	Includes adopting local laws, town planning schemes and policies.
<b>Review</b>	When Council reviews decisions made by Officers.
<b>Quasi-Judicial</b>	When Council determines an application/matter that directly affects a person's rights and interests. The Judicial character arises from the obligations to abide by the principles of natural justice.  Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg: under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.

## DISCLAIMER

“Any statement, comment or decision made at a Council or Committee meeting regarding any application for an approval, consent or licence, including a resolution of approval, is not effective as an approval of any application and must not be relied upon as such.

Any person or entity that has an application before the Shire must obtain, and should only rely on, written notice of the Shire's decision and any conditions attaching to the decision, and cannot treat as an approval anything said or done at a Council or Committee meeting.

Any advice provided by an employee of the Shire on the operation of a written law, or the performance of a function by the Shire, is provided in the capacity of an employee, and to the best of that person's knowledge and ability. It does not constitute, and should not be relied upon, as a legal advice or representation by the Shire. Any advice on a matter of law, or anything sought to be relied upon as a representation by the Shire should be sought in writing and should make clear the purpose of the request.”

## RISK ASSESSMENT

<b>Inherent Risk</b>	The level of risk in place in order to achieve the objectives of the Council and before actions are taken to alter the risk's impact or likelihood.
<b>Residual Risk</b>	The remaining level of risk following the development and implementation of Council's response.
<b>Strategic Context</b>	These risks are associated with achieving Council's long term objectives.
<b>Operational Context</b>	These risks are associated with the day-to-day activities of the Council.
<b>Project Context</b>	Project risk has two main components: <ul style="list-style-type: none"> <li>• Direct refers to the risks that may arise as a result of project, which may prevent the Council from meeting its objectives.</li> <li>• Indirect refers to the risks which threaten the delivery of project outcomes.</li> </ul>

**RISK CATEGORY CONSEQUENCE TABLE - GUIDELINE**

Rating (Level)	Health	Financial Impact	Service Interruption	Legal and Compliance	Reputational	Environment
<b>Insignificant (1)</b>	Near miss Minor first aid injuries	Less than \$10,000	No material service interruption - backlog cleared < 6 hours	<b>Compliance</b> - No noticeable regulatory or statutory impact. <b>Legal</b> - Threat of litigation requiring small compensation. <b>Contract</b> - No effect on contract performance.	Unsubstantiated, low impact, low profile or 'no news' item	Contained, reversible impact managed by on site response
<b>Minor (2)</b>	Medical type injuries	\$10,001 - \$50,000	Short term temporary interruption – backlog cleared < 1 day	<b>Compliance</b> - Some temporary non compliances. <b>Legal</b> - Single minor litigation. <b>Contract</b> - Results in meeting between two parties in which one party expresses concern.	Substantiated, low impact, low news item	Contained, reversible impact managed by internal response
<b>Moderate (3)</b>	Lost time injury <30 days	\$50,001 - \$300,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	<b>Compliance</b> - Short term non-compliance but with significant regulatory requirements imposed. <b>Legal</b> - Single moderate litigation or numerous minor litigations. <b>Contract</b> - Receive verbal advice that, if breaches continue, a default notice may be issued.	Substantiated, public embarrassment, moderate impact, moderate news profile	Contained, reversible impact managed by external agencies
<b>Major (4)</b>	Lost time injury >30 days	\$300,001 - \$1.5 million	Prolonged interruption of services – additional resources; performance affected < 1 month	<b>Compliance</b> - Non-compliance results in termination of services or imposed penalties. <b>Legal</b> - Single major litigation or numerous moderate litigations. <b>Contract</b> - Receive/issue written notice threatening termination if not rectified.	Substantiated, public embarrassment, high impact, high news profile, third party actions	Uncontained, reversible impact managed by a coordinated response from external agencies
<b>Catastrophic (5)</b>	Fatality, permanent disability	More than \$1.5 million	Indeterminate prolonged interruption of services – non-performance > 1 month	<b>Compliance</b> - Non-compliance results in litigation, criminal charges or significant damages or penalties. <b>Legal</b> - Numerous major litigations. <b>Contract</b> - Termination of contract for default.	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions	Uncontained, irreversible impact

**RISK - LIKELIHOOD TABLE**

LEVEL	RATING	DESCRIPTION	FREQUENCY
5	<b>Almost Certain</b>	The event is expected to occur in most circumstances	The event is expected to occur more than once per year
4	<b>Likely</b>	The event will probably occur in most circumstances	The event will probably occur at least once per year
3	<b>Possible</b>	The event should occur at some time	The event should occur at least once in 3 years
2	<b>Unlikely</b>	The event could occur at some time	The event could occur at least once in 10 years
1	<b>Rare</b>	The event may only occur in exceptional circumstances	The event is not expected to occur more than once in 15 years

**LEVEL OF RISK GUIDE**

CONSEQUENCE		Insignificant	Minor	Moderate	Major	Catastrophic
LIKELIHOOD		1	2	3	4	5
Almost Certain	5	Moderate (5)	Moderate (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	Moderate (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

## SHIRE OF DARDANUP

### **AGENDA FOR THE SHIRE OF DARDANUP INTEGRATED PLANNING COMMITTEE MEETING TO BE HELD ON WEDNESDAY, 11 MARCH 2020, AT SHIRE OF DARDANUP - ADMINISTRATION CENTRE EATON, COMMENCING AT 1.00PM.**

#### **1 DECLARATION OF OPENING/ANNOUNCEMENTS OF VISITORS**

The Presiding Officer, Mr André Schönfeldt to declare the meeting open, welcome those in attendance and refer to the Disclaimer, Acknowledgement of Country, Emergency Procedure and the Affirmation of Civic Duty and Responsibility on behalf of Councillors and Officers:

##### *Acknowledgement of Country*

*The Shire of Dardanup wishes to acknowledge that this meeting is being held on the traditional lands of the Noongar people. In doing this, we recognise and respect their continuing culture and the contribution they make to the life of this region and pay our respects to their elders, past, present and emerging.*

##### *Affirmation of Civic Duty and Responsibility*

*Councillors and Officers of the Shire of Dardanup collectively declare that we will duly, faithfully, honestly and with integrity fulfil the duties of our respective office and positions for all the people in the district according to the best of our judgement and ability. We will observe the Shire's Code of Conduct and Standing Orders to ensure efficient, effective and orderly decision making within this forum.*

*Committee members acknowledge that only the Chief Executive Officer or a member of the Shire of Dardanup staff appointed by the Chief Executive Officer is to have contact with consultants and suppliers that are appointed under contract to undertake the development and implementation of projects.*

*The exception to this Policy is when there is a meeting of the committee or working group with the consultant and the Chief Executive Officer or the Chief Executive Officer's representative is present.*

*Members of committees acknowledge that a breach of this Policy may result in a request to Council to have them removed from the committee.*

##### *Emergency Procedure*

*In the event of an emergency, please follow the instructions of the Chairperson who will direct you to the safest exit route. Once outside, please proceed to the muster point located at the front of the building where we will meet (and complete a roll call).*

## **2 RECORD OF ATTENDANCE/APOLOGIES**

### *2.1 Attendance*

### *2.2 Apologies*

## **3 ELECTION OF CHAIRPERSON & DEPUTY CHAIRPERSON**

### *3.1 Election of Chairperson*

Nominations for the position of Chairperson are to be given to Mr André Schönfeldt who will be the Presiding Officer for the election. Nominations should be in writing [forms available from the Presiding Officer].

The position of Chairperson will expire in October 2021 being the date of the next ordinary election Local Government Act 1995 2.28(2).

The nominee is to accept the nomination in writing to the position of Chairperson.

If more than one person is nominated, voting is to be conducted by secret ballot, with the candidate that receives the greater number of votes being elected.

### *3.2 Election of Deputy Chairperson*

Nominations for the position of Deputy Chairperson were given to the Chairperson, in writing.

The position of Deputy Chairperson will expire in October 2021 being the date of the next ordinary election Local Government Act 1995 2.28(2).

The nominee is to accept the nomination in writing to the position of Deputy Chairperson.

If more than one person is nominated, voting is to be conducted by secret ballot, with the candidate that receives the greater number of votes being elected.

## **4 PRESENTATIONS**

None.



**5 CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

None.

**6 ANNOUNCEMENTS OF MATTERS FOR WHICH MEETING MAY BE CLOSED**

None.

**7 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

None.

**8 DECLARATION OF INTEREST**

“Committee Members should fill in Disclosure of Interest forms for items in which they have a financial, proximity or impartiality interest and forward these to the Presiding Member before the meeting commences.”

Key Management Personnel (which includes Elected Members, CEO and Directors) are reminded of their requirement to disclose biannually transactions between Council and related parties in accordance with Council Policy CP039.

## 9 REPORTS OF OFFICERS

### 9.1 Title: Rating Strategy for Long Term Financial Plan

*Reporting Department:* Corporate & Governance  
*Reporting Officer:* Mr Phil Anastasakis – Deputy Chief Executive Officer  
*Legislation:* Local Government Act 1995

#### Overview

The Committee is requested to consider and endorse the Rating Strategy which is incorporated within the 2020/21 Budget, four year Corporate Business Plan and 15 year Long Term Financial Plan.

#### Background

As part of the Department of Local Government, Sport & Cultural Industries Integrated Planning and Reporting Framework and legislative requirements, Council is to develop a Long Term Financial Plan for a minimum period of 10 years. The Long Term Financial Plan is a ten year rolling plan (Council staff have projected the LTFP to 15 years) that incorporates the four-year financial projections accompanying the Corporate Business Plan. It is a key tool for prioritisation and ensuring the financial sustainability of the Local Government. The LTFP identifies key assumptions such as demographic projections, rating base growth, consumer price index or local government cost index, interest rates and projected rate increases.

The Annual Budget is directly aligned to year one of the Corporate Business Plan and Long Term Financial Plan.

Under Section 6.2 of the *Local Government Act 1995*, Council is required to prepare and adopt an Annual Budget each year. Part of Council's process includes reviewing the Rating Strategy that has been included in the previous year's Long Term Financial Plan, with these forecast rate increases forming the basis of financial projections associated with the final Long Term Financial Plan, four year Corporate Business Plan and annual Budget.

#### Legal Implications

*Local Government Act 1995*  
*Local Government (Financial Management) 1996*

Section 6.2 (4) of the *Local Government Act 1995* states:

- 6.2. *Local government to prepare annual budget*
- (4) *The annual budget is to incorporate —*
- (a) *particulars of the estimated expenditure proposed to be incurred by the local government;*

#### 6.32. Rates and service charges

- (1) *When adopting the annual budget, a local government —*
- (a) *in order to make up the budget deficiency, is to impose\* a general rate on rateable land within its district, which rate may be imposed either —*

- (i) *uniformly; or*
- (ii) *differentially;*
- and*
- (b) *may impose\* on rateable land within its district —*
  - (i) *a specified area rate; or*
  - (ii) *a minimum payment;*
- and*
- (c) *may impose\* a service charge on land within its district.*

*\* Absolute majority required.*

- (2) *Where a local government resolves to impose a rate it is required to —*
  - (a) *set a rate which is expressed as a rate in the dollar of the gross rental value of rateable land within its district to be rated on gross rental value; and*
  - (b) *set a rate which is expressed as a rate in the dollar of the unimproved value of rateable land within its district to be rated on unimproved value.*

#### 6.34. Limit on revenue or income from general rates

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

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

#### 6.37. Specified area rates

- (1) *A local government may impose a specified area rate on rateable land within a portion of its district for the purpose of meeting the cost of the provision by it of a specific work, service or facility if the local government considers that the ratepayers or residents within that area —*
  - (a) *have benefited or will benefit from; or*
  - (b) *have access to or will have access to; or*
  - (c) *have contributed or will contribute to the need for,**that work, service or facility.*
- (2) *A local government is required to —*
  - (a) *use the money from a specified area rate for the purpose for which the rate is imposed in the financial year in which the rate is imposed; or*
  - (b) *to place it in a reserve account established under section 6.11 for that purpose.*

#### Local Government (Administration) Regulations 1996:

##### 19C. Strategic community plans, requirements for (Acts. 5.56)

##### 19DA. Corporate business plans, requirements for (Acts. 5.56)

- (1) *A local government is to ensure that a corporate business plan is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.*
- (2) *A corporate business plan for a district is to cover the period specified in the plan, which is to be at least 4 financial years.*
- (3) *A corporate business plan for a district is to —*

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

### Strategic Community Plan

Strategy 1.3.1 - Implement the Integrated Planning and Reporting Framework including the Long Term Financial Plan, Workforce Plan, Asset Management Plans and Corporate Business Plan. (Service Priority: High)

Strategy 1.3.2 - Monitor and produce statutory budgetary and financial reporting requirements applicable to local government operations. (Service Priority: High)

Strategy 1.3.5 - Review rating strategies. (Service Priority: High)

Environment - None.

### Precedents

Each year as part of the Strategic Financial Plan review and development process, Council has adopted a Rating Strategy which establishes the basis of rate increases for the next 15 years. These forecast rate increases are reflected in the interrelated Annual Budget / Corporate Business Plan / Long Term Financial Plan.

On 29 January 2020, Council considered a Differential and Specified Area Rate Review report and resolved [OCM 04-20] the following:

*THAT Council:*

- 1. Receive the Differential Rating Strategy Report;*
- 2. Workshop the concept further seeking to get closer to a consensus;*
- 3. Return the item to an Ordinary Council Meeting by May 2020;*
- 4. If approved, seek Public Comment on the outcome; and*
- 5. Acknowledge that this would mean Differential Rates will not be able to be applied to the 2020/2021 Annual Budget.*

*CARRIED*  
*6/3*



Forecast Annual Surplus / (-Deficit) based on different rate increase percentages – 4% from year 5 for all scenarios.										
\$360,875 forecast surplus from 2019/20 to be brought forward as an opening balance										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
1% increase	-\$149,320	-\$635,320	-\$1,151,642	-\$1,875,642	-\$2,014,573	-\$2,133,040	-\$2,771,093	-\$2,299,187	-\$2,432,351	-\$2,568,422
2% increase	-\$15,638	-\$362,730	-\$733,581	-\$1,306,430	-\$1,418,342	-\$1,507,513	-\$2,112,949	-\$1,606,774	-\$1,702,571	-\$1,798,455
3% increase	\$118,043	-\$86,876	-\$307,128	-\$720,330	-\$804,420	-\$863,427	-\$1,435,278	-\$893,817	-\$951,138	-\$1,005,642
4% increase	\$251,724	\$191,652	\$127,635	-\$117,011	-\$172,462	-\$200,418	-\$737,698	-\$159,913	-\$177,628	-\$189,538
5% increase	\$385,406	\$472,854	\$570,790	\$503,861	\$477,883	\$481,881	-\$19,822	\$595,342	\$618,386	\$650,311
6% increase	\$519,087	\$756,729	\$1,022,416	\$1,142,624	\$1,146,967	\$1,183,841	\$718,740	\$1,372,361	\$1,437,338	\$1,154,360

It should be noted from the above that the projected rate increase for years 5 onwards also only includes a 4% increase, even though Council’s resolution only required the 4% increase for the next 4 years. The Council Executive have reviewed and substantially reduced the projected Full-time Equivalents (FTE’s) employee numbers in the Workforce Plan in an effort to balance expenditure against the forecast reduced rate increases. This will have an impact on service levels and maintenance of existing and new services and facilities across the Shire of Dardanup, which Council will need to consider and resolve to accept or not accept as part of the annual budget development process for 2020/21, and the annual review and update of the Corporate Business Plan, Long Term Financial Plan, Workforce Plan and Asset Management Plans.

As can be noted from the above, even with FTE numbers kept the same for the next 4 years, at a 4% rate increase, the Shire is likely to have an annual deficit from year 4 onwards. At a 5% rate increase the Shire would be able to sustain the current levels of service and continue with improvements, upgrades and expansions as set out in the current asset management plans. If Council decides to reduce the rate increases further below 4%, then Council will need to consider reducing the transfers to asset reserves, which will in turn slow down the rate of asset expansion and upgrades.

- *Eaton Landscaping Specified Area Rate*

The Eaton Landscaping Specified Area Rate was the subject of a report to Council in May 2019, where an overview of the funds raised and expenditure incurred since its inception in 2009/10 was provided. This identified that the Specified Area Rate was raised against 4,321 properties in 2018/19 at an average cost of \$55.38 per property. This average is distorted to some degree as 11.5% of the Specified Area Rate is raised by Eaton Fair Shopping Centre. If this one large contributor is removed, the average cost per household is \$48.95. This generated a total of \$241,677 in revenue in 2018/19. The average contribution per household in 2019/20 is \$49.65 (excluding Eaton Fair).

In May 2019 Council resolved that the Chief Executive Officer undertake a review of how the Eaton Landscaping Specified Area Rate is applied based on the ovals and Eaton Foreshore being considered as regional open space, with improvements and maintenance of regional open space to be funded out of General Revenue. This has been considered as part of a report to Council on the 29 January 2020.

Following an evaluation of Eaton Landscaping Specified Area Rate and the original intention of the rate, together with the amount of capital upgrade works that have occurred since 2009 in Eaton and Millbridge, it is considered that in the future the Eaton Landscaping Specified Area Rate could be simplified and reduced to solely reflect increased landscaping maintenance works undertaken in both the Millbridge and Eaton areas.

Based on this approach, the total funds to be raised under the Specified Area Rate would reduce from \$249,696 in 2020/21 to approximately \$150,000, a reduction of \$99,696. This would have the effect of reducing the Specified Area Rate from an average of \$49.65 (excluding Eaton Fair) to around \$28.23 per property.

While Council is yet to resolve a change in this Specified Area Rate, the modelling has forecast this change based on previous deliberations of Council. The projected overall rate income increase combined with the loss of a portion of the Landscaping Specified Area Rate would provide a total income increase of \$435,029.

- *Annual Percentage Rate Increases*

Factors such as the growth of the Shire, need for additional resources to meet growth demands, the rising cost of labour and materials, previous rate increases approved and a perception of the affordability of a reasonable rate increase are some of the factors taken into account when considering the percentage by which rates in the dollar and minimum rates have to be increased.

It has also been widely recognised that increasing rates solely based on a factor equivalent to the increase in the Consumer Price Index (CPI) is not prudent financial management, as the CPI provides a good estimate of a household's expectation of the price changes (increases) to the goods and services they consume but it does not provide a good estimate of all of the cost pressures faced by Local Government.

In the past, indices such as the Local Government Cost Index (LGCI), together with other cost factors, have also been used as a guide for rate increases as the use of this index has been advocated by the Western Australian Local Government Association (WALGA).

#### Budget – Whole of Life Cost

As no new assets have been created, there are no direct whole of life or ongoing cost implications. The cost associated with no longer raising part or all of the Eaton Landscaping Specified Area Rate will need to be incorporated into and offset by general rate increases or by reduced expenditure against Capital works for Parks and Reserves in Eaton / Millbridge.

The rating strategy deployed by Council in the 2020/21 financial year will form part of a long term financial planning strategy to maintain the sustainable operations of Council. If Council is not able to adequately fund operations in the 2020/21 financial year, then the financial position of Council will potentially deteriorate in future years as assets age further and demand for services increase with projected population growth.

#### Council Policy Compliance

The budget is based on the principles contained in the Strategic Community Plan and Corporate Business Plan. *Policy 2.7 – Preparation of Integrated Financial Plan and Annual Budget* applies.

#### Risk Assessment

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix IPC: 9.1A) for full assessment document.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.							
Risk Event	Rating Strategy for Long Term Financial Plan						
Inherent Risk Rating (prior to treatment or control)	Moderate (5 - 11)						
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.						
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.						
Risk Category Assessed Against	<table border="0"> <tr> <td>Financial</td> <td>Financial sustainability impacted through inadequate rating.</td> </tr> <tr> <td>Legal and Compliance</td> <td>Compliance with budget, rating and integrated planning review and development process.</td> </tr> <tr> <td>Reputational</td> <td>Shire reputation can be negatively impacted if rate increases are considered excessive by the community.</td> </tr> </table>	Financial	Financial sustainability impacted through inadequate rating.	Legal and Compliance	Compliance with budget, rating and integrated planning review and development process.	Reputational	Shire reputation can be negatively impacted if rate increases are considered excessive by the community.
Financial	Financial sustainability impacted through inadequate rating.						
Legal and Compliance	Compliance with budget, rating and integrated planning review and development process.						
Reputational	Shire reputation can be negatively impacted if rate increases are considered excessive by the community.						

Officer Comment

As part of preparing the annual budget, Corporate Business Plan and Long Term Financial Plan, Council considers community needs in relation to its available income requirements for the coming years before deciding how much it should raise in general rates. Council will also consider the extent of the rate burden on rate payers and may decide to forgo some activities and services in order to avoid high rate rises.

The Rating Strategy for 2020/21 requires Council to strike a balance between competing principles to come up with a mixture of rates and charges that provides the income needed for its annual budget while meeting the tests of equity, efficiency and simplicity.

- *Purpose of the Rating Strategy*

The purpose of the Rating Strategy is to provide Council’s preferred position on the following:

- i.) Method of Rates Calculation;
- ii.) Annual percentage rate increase; and
- iii.) Minimum rates.

**Method of Rates Calculation**

In broad terms the total amount of money to be raised in general rates is divided by the total value of all rateable properties. The resulting figure is called the “rate in the dollar”. Council determines the amount to be paid in rates by applying a rate in the dollar to the assessed value of each property. When that total value of all properties increases, the Council reduces the rate in the dollar to compensate. There is no windfall gain.

- *How a “Rate in the Dollar” is calculated?*

For a Council using only a general rate, the rate in the dollar is calculated as follows:



If Council plans to raise the total GRV rate revenue of \$10 million, and the total Gross Rental Value of all rateable properties in the municipality is \$2.38 billion, then the rate in the dollar is calculated by dividing \$10 million by \$2.38 billion = 0.42 cents in the dollar.

- *How are Property's Rates calculated?*

The basis for calculating property rates are the gross rental values (GRV) or unimproved values (UV) for individual properties provided by Landgate's Property and Valuations area multiplied by the relevant rate in the dollar.

A property's GRV represents the amount of the gross annual rental the land might obtain if it is let on a tenancy basis from year to year. A property's UV means the amount the land may reasonably be expected to obtain if it was sold and assuming no improvements to the land had been made.

For example if the Gross Rental Value of a property is \$16,000 and the Council rate in the dollar is set at 10.0662 cents, the rate bill would be \$1,610.59 (\$16,000 x 0.100662).

- *Property Valuations.*

Property values affect the amount paid in municipal rates. State legislation requires that all properties in every municipality are revalued every 3-5 years. Dardanup is required to revalue its GRV properties every 3 years and its UV properties every year.

Changes in property values will vary across a municipality. These will be reflected in each property's rate bill. A general revaluation may result in the rates for some properties going up while others go down. If a property's value increases by less than the average increase across the municipality, the rates for that property will be relatively lower. Rates will be relatively higher if a property's value increases by more than the average increase in valuation.

Councils do not collect extra revenue as a result of the revaluation process. Valuations are simply used as an apportioning tool to assess the rates payable for each individual property.

Information about a property's value is included on the rate notice issued by the Council.

**Minimum Rates**

Minimum rates are imposed when the calculation of rates for a property (based on GRV or UV) are lower than the minimum rate set by Council.

Minimum rates for all of the GRV and UV rating categories will need to increase by the same percentage as the overall rate revenue target percentage increase, in order to apply the same percentage increase to all ratepayers. This has been the approach used for many years, in order to ensure that all ratepayers pay the same percentage increase being applied by Council.

For example: if Council determines that they want to increase total rate revenue by 4.0%, then the minimum rate would need to increase by 4.0%. If the minimum rate only increases by 2.0%, then general calculated rates (those properties that are not on minimum rates) would need to have rates increase by more than 4.0% to offset the 2.0% increase in minimums and achieve the overall 4.0% rate revenue increase.

At the Differential Rating Strategy workshop held with Councillors there was discussion around whether the minimum rate paid (\$1,547.50 in 2019/20) is appropriate or too high when compared to other similar local governments. Please refer to (Appendix IPC: 9.1B) for comparison of Minimum rates for other Council's in the region.

Voting Requirements - Simple Majority.

Officer Recommendation

No Change. **OR:**

As per Local Government (Administration) Regulations 1996 11(da) Council records the following reasons for amending the Officer Recommended Resolution.

**OFFICER RECOMMENDED RESOLUTION TO THE  
INTEGRATED PLANNING COMMITTEE MEETING**

**THAT the Integrated Planning Committee recommends that in addition to forecast growth, Council:**

- 1. Endorse a projected rate revenue increase of \_\_\_% for the 2020/21 budget, with \_\_\_% increase in minimum rates;**
- 2. Endorse a projected rate revenue increase of \_\_%, \_\_%, \_\_% and \_\_% for the four year Corporate Business Plan;**
- 3. Endorse a projected rate revenue increase of \_\_\_% for years five to fifteen of the Long Term Financial Plan; and**
- 4. Endorse the reduction of the Eaton Landscaping Specified Area Rate to approximately \$150,000 per annum to cover the increased cost of maintaining parks within Eaton and Millbridge.**

9.2 Title: Elected Member & Staff Budget Requests

<i>Reporting Department:</i>	<i>Corporate &amp; Governance</i>
<i>Reporting Officer:</i>	<i>Mr Phil Anastasakis – Deputy Chief Executive Officer</i>
<i>Legislation:</i>	<i>Local Government Act 1995 and Local Government (Audit) Regulations</i>

Overview

This report summarises the 2020/21 budget requests that have been received from elected members and staff.

The Integrated Planning Committee is tasked with considering these requests and recommending the inclusion of specific items in the 2020/21 budget or Long Term Financial Plan.

Background

Each year as part of the annual budget development process, elected members, community members and staff are invited to put forward requests for consideration in the draft budget. The requests are considered well before the budget is drafted, to avoid any late changes which may cause delays in the annual budget adoption process.

Requests from elected members, community members and staff were received up to the end of 14 February 2020. Community budget requests are considered as part of a separate Integrated Planning Committee Agenda report. The elected member requests, and staff requests endorsed by the Executive Management Team, are outlined under the section “Budget Implications” below, with the Executive Management Team’s comment and recommendation provided for each item.

Legal Implications

*Local Government Act 1995*

*Local Government (Financial Management) 1996*

Section 6.2 (4) of the *Local Government Act 1995* states:

- 6.2. *Local government to prepare annual budget*
- (4) *The annual budget is to incorporate —*
  - (a) *particulars of the estimated expenditure proposed to be incurred by the local government;*

Part 2, Regulation 5 (1) (g) of the *Local Government (Financial Management) 1996* Regulation states:

- 5. *CEO’s duties as to financial management*
- (1) *Efficient systems and procedures are to be established by the CEO of a local government —*
  - (g) *to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.*

Strategic Community Plan

Strategy 1.1.1 - To be equitable, inclusive and transparent in decision making. (Service Priority: High)

Strategy 1.3.1 Implement the Integrated Planning and Reporting Framework including the Long Term Financial Plan, Workforce Plan, Asset Management Plans and Corporate Business Plan. (Service Priority: High)

Strategy 1.3.2 - Monitor and produce statutory budgetary and financial reporting requirements applicable to local government operations. (Service Priority: High)

Environment - None.

Precedents

Each year as part of the budget / LTFP development process Councillors, community and staff are provided the opportunity to put forward budget requests for consideration.

Budget Implications

Please refer to the following tables; Table 1 – Councillor Budget Requests and Table 2 – Staff Budget Requests.

**TABLE ONE - COUNCILLOR BUDGET REQUESTS**

PROJECTS		EXECUTIVE MANAGEMENT TEAM COMMENT	ESTIMATED COST
<b>Cr Mick Bennett</b>			
1.	Duelling of Eaton Drive at Peninsula Lakes end	Included in the draft program for 2020-2021. It is identified as being fully funded from JTPS funds. This will require agreement from the developers and also the JTPS Committee. IFC drawing and specifications are available.	\$1,750,000
2.	Eaton Junior Football Club rooms (I am a life member and declare that) shovel ready.	Budget Item will be put in for the design of the facility and related infrastructure including, ground water bore into the Yarragadee, filtration system and water storage. The facility design will consider the outcomes of the Sport and Recreation Plan. Construction will then likely only occur in 2021/22.	\$50,000
3.	Limestone path from Clarke Street to Crampton Road on Road reserve	Is not currently included in the 10 Year Program. Can be constructed as an interim pathway, until such time in future that the road is constructed and further subdivision provides land for a permanent solution.	\$60,000
4.	Shovel ready plans for Dardanup upgrades	Budget Item will be put in for the design of the facilities and related landscaping. The facilities designs will consider the outcomes of the Bus trip and further discussions with relevant groups. Construction will then likely be able to occur in 2021/22 as is currently scheduled.	\$50,000
5.	Sports pavilion at Burekup Oval.	Recommend this be included in the 10 year expansion and upgrade programme for Buildings under the BAMP.	\$1,600,000

<b>Cr Carmel Boyce</b>			
1.	A facility / function room for the Pratt Rd oval. Currently there are over 250 children who play jnr footie, with the inclusion of two girl's teams. The facility now there was built by the club members and is seriously substandard, particularly with female teams playing. That's not mentioning the jnr and snr cricket. These sporting groups share well and have an amicable relationship	Recommend this be included in the 10 year expansion and upgrade programme for Buildings under the BAMP.	Currently listed as \$453,017 (2020-2021 value).  1/3rd Shire, 1/3rd Grants, 1/3rd Contribution.  No grants currently secured. Club contribution not confirmed.

PROJECTS		EXECUTIVE MANAGEMENT TEAM COMMENT	ESTIMATED COST
2.	The second item is the completion of a limestone wall and maintenance of the fishing platform at the scout camp. This area is used by lots of people and is a beautiful, quiet spot. The scout camp warden - Noel, has also requested some signage to indicate the path continues up the cul de sac. Chris, the scout hall leader has requested a bin near the fishing platform.	Limestone wall project is already included in the 10 Year Program in the PAMP. Fishing platform options to be investigated and costed, then considered for inclusion into forward plans. Signage can be installed under current budget. Bin can be installed but will incur additional costs through the waste collection contract.	Limestone wall project- \$12,000. Signage can be added from current budget.
3.	I would also like to nominate an environmental project - \$5,000 per year over say 5 years to put a dent into the exotics in the Watson St reserve.	MOU with DBCA will put this responsibility on DBCA for Watson Street reserve.	To be included in the proposed Environment budget.
<b>Cr Luke Davies</b>			
1.	If I can could we see if we can get both side of Castieau Street in Burekup with a path	It is recommended that the footpath along Hutchinson Road be extended from Money Street to Castieau Street and then continued along Castieau to Clarke Street. Additionally it is proposed that the footpath along Shenton Road be extended from Shier Reserve to Crampton, and then along Crampton Road to the southern part of Shier Reserve and connecting through Shier Reserve. At this point based on LOS more than one footpath on these roads would not be warranted.	<ul style="list-style-type: none"> <li>• Castieau St (NW Side from Clarke St to Hutchinson St) \$38,000</li> <li>• Hutchinson Rd (From Castieau St to Money St) \$10,000</li> <li>• Castieau St (SE Side from Gardiner St to Hutchinson St) \$52,000</li> </ul> <p>TOTAL - \$100,000</p> <ul style="list-style-type: none"> <li>• Hutchinson Rd (from Castieau St to Money St) \$10,000</li> </ul>

PROJECTS		EXECUTIVE MANAGEMENT TEAM COMMENT	ESTIMATED COST
			<ul style="list-style-type: none"> <li>Hutchinson Rd (from Crampton Rd to Money St) \$142,000</li> <li>Extension along Castieau St - \$38,000</li> </ul>
2.	Also can we see if we can look at getting lights in Burekup looked at few of the residents have asked to get some fixed but was not told where	The Shire has surplus funds remaining in the 2019-2020 Budget allocation for lighting in Burekup (approximately \$11,000 as some of lights were installed at WPC cost). The surplus funds could be utilised to undertake further installation of lights (on existing poles) or upgrades to existing lights. This could be done in 2019-2020 FY if specific problem areas are identified.	TBA - actual locations to be advised to Shire staff.
3.	Also can we look at the entrance of Burekup going past the school? It was to do with the bend going around and then over to rail line	The shoulders around this bend were widened in 2019. Further widening could be looked at as part of a Black Spot Program funding application. If successful under the program the project would be undertaken in 2021-2022 FY.	No concepts or designs are available at this time. For programming purposes, assume \$50,000 total project, funded 2/3rds SBS Program. Net cost to Council \$17,000.

Cr Janice Dow			
1.	Bring forward the public toilets for Dardanup townsite & planning for the old shire depot	Budget Item will be put in for the design of the facilities and related landscaping. The facilities designs will consider the outcomes of the Bus trip and further discussions with relevant groups. Construction will then likely be able to occur in 2021/22 as is currently scheduled.	Toilets - \$74,260 Landscaping \$126,000
2.	Upgrade the toilet & disable facilities at the Waterloo Hall	The building upgrades would need to be considered along with the future use of the building.	Scope to be determined - Allow \$35,000
3.	Upgrade the road in Clarke St Burekup	Approximately 230m of Clarke Street (measured from Castieau Street) will be upgraded to asphalt sealed, kerbed and piped drained as part of the adjoining subdivision. Costs of this are divided between the Shire and the developer based on SAT advice. The Shire is holding funds in Reserve for its portion. It was proposed to construct the remainder of Clarke Street, through to Crampton Road, when the surrounding rural land is subdivided in accordance with the townsite expansion strategy.	There is no estimation available for the section of Clarke Street beyond that of the current subdivision approval. Guesstimate is \$225,000.

PROJECTS		EXECUTIVE MANAGEMENT TEAM COMMENT	ESTIMATED COST
4.	Continue the pathway down Hutchinson Rd Burekup	As per Item 1 Cr Davies request above.	<ul style="list-style-type: none"> <li>Hutchinson Rd (from Castieau St to Money St) \$10,000</li> <li>Hutchinson Rd (from Crampton Rd to Money St) \$142,000</li> <li>Extension along Castieau St - \$38,000</li> </ul>
5.	Verges in areas such as Wellington Mill & West Dardanup have more attention paid to them to reduce fire risks	Shire staff will be planning fire mitigation programming and maintenance activities based on the level of risk identified through the bushfire mitigation process. This will yield better and more consistent results in regards to roadside maintenance. Programmed works will be communicated to the community in due course. An increase in maintenance funds could assist under the circumstances.	Additional \$25,000 in Goods & Services allocation for contracted works.
6.	Entrance sign to Burekup-money was allocated (\$20,000) yet nothing has been done to implement it	This is being incorporated into the Burekup Community Facilities Plan public consultation and will be undertaken based on feedback to be received. It is anticipated that arrangements will be made in the 2019-2020 FY to purchase and install the entry statement. If payment is not made in 2019-2020 the funds will be carried forward into the next financial year.	\$20,000 already allocated in 2019-2020 FY
7.	Letter to be sent to ARC requesting boom gates at the railway crossings at both entrances to Burekup	Shire has requested ARC infrastructure to consider safer design including a tunnel / grade separation when duplicating the rail in this area in lieu of boom gates.	N/A
8.	More effort to go into obtaining Grant money: for example cycle ways-Augusta Margaret River were recently successful in obtaining 3 grants. \$250,000 for cycle ways in the area over a couple of years. Did our shire apply?	Shire Officers are developing concept designs for projects included in Council's AMPs. These concepts will be used to seek grant funding and formal funding applications will continue to be pursued when available.	N/A



PROJECTS		EXECUTIVE MANAGEMENT TEAM COMMENT	ESTIMATED COST
9.	Very little Rate money has been allocated in the way of forward planning for paths, parks & gardens to either Dardanup or Burekup. I request more rates be spent in these locations and less in perhaps areas such as Watson Reserve & Millers Creek as these are now developed and should be just maintained.	10 Year Expansion & Upgrade Programs in the draft AMPs were provided to Councillors and workshopped on 19 February 2020. Adjustments to these programs can be made by Council should they wish to do so.	N/A

**Cr Mark Hutchinson**

1.	Upgrade of Skate Park at Burekup. Aware it is on the Long Term Financial Plan.	Currently there is an allocation for its upgrade in the draft 10 Year Program in the BAMP for the 2021-2022 FY at \$34,030. The Burekup Community Facilities Plan, once adopted, will provide guidance on the size of project and timing. The Shire's 10 Year Program will be adjusted to suit.	N/A
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**Cr Patricia Perks**

1.	Luke, Just checking in on the Hands Ave/Cudliss/Watson intersection lights? Has there been any movement on getting that intersection improved?	Analysis and design work is currently part of the 2019-2020 Budget. Currently waiting on in-principle support from MRWA due to difficulties and costs required to address MRWA requirements. It is scheduled for construction in 2020-2021 FY with Regional Road Group funding allocated.	\$750,000 scheduled in draft 2020-2021 Program (\$500,000 to be funded from RRG)
2.	Can we get the last bit of the path along Cudliss on the Wishlist to? I thought what we did would suffice but the bus stop to the end of Cudliss is still quite dangerous particularly at night as it's dark with no close lighting in that whole section & awkward combinations of intersections. If we get traffic lights at Watson, I feel this will still be a path well utilised as it seems to be a natural pathway that people use to get across Eaton drive.	This pathway is not identified on the Pathway Master Plan, but would link the existing pathway on Cudliss Street to the existing pathway on Hands Avenue.	\$17,500

PROJECTS		EXECUTIVE MANAGEMENT TEAM COMMENT	ESTIMATED COST
3.	Installation of Bus Shelter on the vacant land on the corner of Harold Douglas Drive and Maher Place. Request has come through from a resident - Ms Jacqueline Smith	Shire staff will be preparing bus shelter criteria which will determine and guide where bus shelters are to be provided. This will need to be undertaken in consultation with the bus operators. The Shire has good data for urban areas but none for rural. Staff will also look at relocating unused shelters to where they are needed. This will be discussed with bus operators for rural areas.	\$10,000 per shelter if a new one is required.
<b>Cr Tyrrell Gardiner – NO ITEMS REQUESTED</b>			
<b>Cr Peter Robinson – NO ITEMS REQUESTED</b>			
<b>Cr Stacey Gillespie – NO ITEMS REQUESTED</b>			

**TABLE TWO - STAFF BUDGET REQUESTS**

<b>SUSTAINABLE DEVELOPMENT DIRECTORATE</b>	
<b>PROJECT</b>	<b>AMOUNT</b>
CHARMAP contribution to Leschenault Partnership. Membership Fee and CHARMAP process for Collie River	\$30,000
Review Local Policy Framework (additional technical studies required to support policies)	\$10,000
Rezoning of Council land (Charter House, etc)	\$8,000
Rural residential Strategy & Rezoning Ferguson Valley	\$8,000
Housing Strategy	\$25,000
FMP/BMP Peer Review required for Planning & Development Approvals	\$10,000
Preparation of the Shire's Public Health Plan	\$30,000

  

<b>INFRASTRUCTURE DIRECTORATE</b>	
<b>PROJECT</b>	<b>AMOUNT</b>
Expansion of laydown area at the Martin-Pelusey depot	\$15,000
Increase building maintenance budget	\$25,000

*Budget – Whole of Life Cost*

Subject to the projects and timeframes, each would be incorporated in future budgets if approved.

*Council Policy Compliance*

Council Policy CP018 – *Corporate Business Plan & Long Term Financial Plan* outlines the objective and requirements to enable the annual budget to be adopted by the end of June each year.

All requests from community groups, elected members and staff to be included in the annual Corporate Business Plan shall be lodged with the Chief Executive Officer no later than the 31 March in each year.

*Risk Assessment*

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix IPC: 9.2) for full assessment document.

<b>Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.</b>	
Risk Event	Elected Member and Staff Budget Requests
Inherent Risk Rating (prior to treatment or control)	Moderate (5 - 11)
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.
Risk Category Assessed Against	Financial Elected Member & Staff Budget requests form part of the Annual Budget Process

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.		
	Legal and Compliance	Failure to comply with Council policy CP 018 – Corporate Business Plan & Long Term Financial Plan could result in non-compliance

Officer Comment

Refer to the Executive Management Team comments provided above.

Voting Requirements - Simple Majority.

Change to Officer Recommendation

No Change. **OR:**

As per Local Government (Administration) Regulations 1996 11(da) Council records the following reasons for amending the Officer Recommended Resolution.

**OFFICER RECOMMENDED RESOLUTION TO THE INTEGRATED PLANNING COMMITTEE MEETING**

**THAT the Integrated Planning Committee recommend to Council that the following projects be included for consideration in the Draft LTFP, Draft Corporate Business Plan and Draft 2020/21 Budget:**

- 1. Councillor Budget Requests:**
  - a. ....
  - b. ....
  - c. ....
  - d. ....
  
- 2. Staff Budget Requests:**
  - a. ....
  - b. ....
  - c. ....
  - d. ....

9.3 Title: Proposed 2020/21 Fees & Charges

<i>Reporting Department:</i>	<i>Corporate &amp; Governance</i>
<i>Reporting Officer:</i>	<i>Mrs Natalie Hopkins - Manager Financial Services</i>
<i>Legislation:</i>	<i>Local Government Act 1995</i>

Overview

This report presents Council with the draft 2020/21 Fees and Charges, which form part of the 2020/21 budget development process. The final Fees and Charges will be included in the budget adoption report presented to Council in late June 2020.

Background

Section of 6.16 to 6.19 of the Local Government Act 1995 contains the provisions for local governments to set Fees and Charges annually. Historically Council has adopted its annual Fees and Charges later in the financial year, through the Annual Budget adoption process.

Reviewing the draft 2020/21 Fees and Charges early in the financial year will allow Council to prioritise and implement budget forecast revenue streams into the 2020/21 Annual Budget from the 1 July 2020.

Legal Implications

Section 6.16 to 6.19 of the Local Government Act 1995 states:

6.16. *Imposition of fees and charges*

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

*\* Absolute majority required.*

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

- (a) providing the use of, or allowing admission to, any property or facility wholly or partly owned, controlled, managed or maintained by the local government;*
- (b) supplying a service or carrying out work at the request of a person;*
- (c) subject to section 5.94, providing information from local government records;*
- (d) receiving an application for approval, granting an approval, making an inspection and issuing a licence, permit, authorisation or certificate;*
- (e) supplying goods;*
- (f) such other service as may be prescribed.*

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

- (a) imposed\* during a financial year; and*
- (b) amended\* from time to time during a financial year.*

*\* Absolute majority required.*

6.17. *Setting level of fees and charges*

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

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

- (b) *the importance of the service or goods to the community; and*
  - (c) *the price at which the service or goods could be provided by an alternative provider.*
  - (2) *A higher fee or charge or additional fee or charge may be imposed for an expedited service or supply of goods if it is requested that the service or goods be provided urgently.*
  - (3) *The basis for determining a fee or charge is not to be limited to the cost of providing the service or goods other than a service —*
    - (a) *under section 5.96(copy of various registers, reports, plans, local laws, etc); or*
    - (b) *under section 6.16(2)(d)(copy of licenses, permits, certificates, etc); or*
    - (c) *prescribed under section 6.16(2)(f), where the regulation prescribing the service also specifies that such a limit is to apply to the fee or charge for the service.*
  - (4) *Regulations may —*
    - (a) *prohibit the imposition of a fee or charge in prescribed circumstances; or*
    - (b) *limit the amount of a fee or charge in prescribed circumstances.*
- 6.18. *Effect of other written laws*
- (1) *If the amount of a fee or charge for a service or for goods is determined under another written law a local government may not —*
    - (a) *determine an amount that is inconsistent with the amount determined under the other written law; or*
    - (b) *charge a fee or charge in addition to the amount determined by or under the other written law.*
  - (2) *A local government is not to impose a fee or charge for a service or goods under this Act if the imposition of a fee or charge for the service or goods is prohibited under another written law.*
- 6.19. *Local government to give notice of fees and charges*
- If a local government wishes to impose any fees or charges under this Subdivision after the annual budget has been adopted it must, before introducing the fees or charges, give local public notice of—*
- (a) *its intention to do so; and*
  - (b) *the date from which it is proposed the fees or charges will be imposed.*

### Strategic Community Plan

Strategy 1.3.2 - Monitor and produce statutory budgetary and financial reporting requirements applicable to local government operations. (Service Priority: High)

Environment - None.

### Precedents

Each year, setting of the Fees and Charges forms part of the budget / LTFP development process.

### Budget Implications

Revenue associated with the adoption of the 2020/21 Fees and Charges will be included in Council's four-year 2020/21 – 2023/24 Corporate Business Plan, 15 year Long Term Financial Plan, and the 2020/21 Annual Budget.

Budget – Whole of Life Cost - None.

Council Policy Compliance

Council Policy CP018 – *Corporate Business Plan & Long Term Financial Plan* outlines the objective and requirements to enable the annual budget to be adopted by the end of June each year

Risk Assessment

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix IPC: 9.3A) for full assessment document.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.		
Risk Event	Proposed 2019/20 Fees & Charges	
Inherent Risk Rating (prior to treatment or control)	Low (1 - 4)	
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.	
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.	
Risk Category Assessed Against	Financial	Inadequate fees and charges will impact on the revenue generating capacity of Council.
	Reputational	Inappropriate charging of fees may impact negatively on Council.
	Legal and Compliance	Fees and Charges must be raised in accordance with relevant legislation

Officer Comment

Council is requested to consider and endorse the draft Fees & Charges for the 2020/21 financial year. (Appendix IPC: 9.3B). The endorsed Fees and Charges will form part of the 2020/21 Annual Budget. Any further adjustments to the Fees and Charges for 2020/21 will be included as part of the Budget adoption meeting scheduled for the 3 June 2020.

The proposed fees and charges have been reviewed not only on the basis of cost recovery, but to also allow for a clear application by staff and not be cost prohibitive. Input has been sought from all Managers and key members of staff. There has not been any increase proposed for a majority of the Fees and Charges, except where cost increases have been clearly identified or statutory increases have applied.

It is proposed that in 2020/21 Council will utilise a new cloud based software platform that incorporates a fee justification matrix which will enable a systematic review of Council’s Fees and Charges. This suite ensures accountability, transparency, and efficiency through an online approval process (for example Authorised Officers to Administrators) which will assist Council in developing a price setting statement to reflect the true cost of services provided, and the subsidy (if any) absorbed by Council.

The list of proposed Fees and Charges includes several new Fees as follows:

- *Item 10.2.11 - Town Planning Fees & Charges - Pedestrian Access Way and Road Closure*

At present if a request is received by Council for a permanent road closure, or to close a portion of a public access way, there currently is no fee for this service; no cost recovery by Council. The decision making process, to support or not support the application, consumes a significant amount of Council’s resources from various departments within the organisation; all applications require a report to Council.

It is anticipated that by introducing a fee for this service, Council will be able to recover part of the costs associated with each application for Pedestrian Access Way and/or Road Closures.

- *Item 11.3.1 - Eaton Recreation Centre*

As Eaton Recreation Centre Officers continually strive and reassess their marketing strategy to increase gym membership, there are several new initiatives proposed for the 2020/21 financial year.

- FIFO (Fly In Fly Out) Membership – discounted membership rate on upfront paid membership.
  - FIFO - 1 week on, 1 week off = 50% discount on 12 or 6 month upfront membership;
  - FIFO - 2 weeks on, 1 week off = 70% discount on 12 or 6 month upfront membership;
  - FIFO - 3 weeks on, 1 week off = 77% discount on 12 or 6 month upfront membership;
  - FIFO - 4 weeks on, 1 week off = 80% discount on 12 or 6 month upfront membership

In order to create a fair and equitable membership system for FIFO workers, ERC staff seek to provide new members with a discounted gym membership (6 or 12 month paid upfront) option based on the hours worked away from their residential location. It should be noted that this type of membership is conditional - based on evidence of FIFO work roster.

- Group Discount for Memberships
  - Double Up - Waive joining fee for both when two people join up at the same time on a 12 month or direct debit membership;
  - Corporate - 10% discount when 5 or more people join at the same time on a 12 month or direct debit membership.
- New Structure for Teen Fit/Youth Casual Attendance Options to encourage physical activity in the Shire's youth population.
- Personal Training – 5, 10 & 20 Pass Sessions.
- Indoor Tennis – Casual Game Fee.

The Eaton Recreation Centre aims to provide competitive gym memberships to the community by offering a large range of membership options.

- *Item 11.4.6 - Library Programs/Workshops – New Fees charged for various Library Workshops*

Library Programs and workshops have proven to be a successful addition to the Community Services portfolio enabling the community to participate in varying workshops for all ages and demographics. Recent research into several Local Governments revealed that the Shire of Dardanup is one of a few Local Governments that offer a large number of free workshops, events and activities for the community. At present all of Council's library workshops and programs are free to the community.

It is proposed that Council consider charging a small fee for some of the workshops, whilst still providing some free workshops throughout the 2020/21 financial year. Free workshops may include, but are not limited to, Technical Workshops, Seniors Workshops, Early Learning Programs and Health and Wellness Activities. The new fee structure Workshops incurring a fee is summarised as follows:

- School Holiday Workshops – External (held outside of the Eaton Community Library) - \$2.00 per participant;
- Library Programs Workshops - Weekends/After Hours/Specialised Workshops - \$5.00 per participant;



- Library Programs Workshops - Full Day/Multiple Day Workshops/Courses - \$15.00 per participant.

Whilst the forecast revenue is not expected to have a significant impact on Council's forthcoming budget, by charging a 'fee for service' it is predicted that the participants' will commit to the attendance of each workshop, and reduce the number of 'no shows' at the 'full capacity' workshops.

Voting Requirements - Simple Majority.

Change to Officer Recommendation

No Change. **OR:**

As per Local Government (Administration) Regulations 1996 11(da) Council records the following reasons for amending the Officer Recommended Resolution

**OFFICER RECOMMENDED RESOLUTION TO THE  
INTERGRATED PLANNING COMMITTEE MEETING**

**THAT the Integrated Planning Committee recommend to Council that Council:**

- 1. Endorse the proposed 2020/21 Schedule of Fees and Charges included as (Appendix IPC: 9.3B), to become effective 1 July 2020; and**
- 2. Give local public notice of the applicable Fees and Charges.**

#### 9.4 Title: Community Budget Requests

<i>Reporting Department:</i>	<i>Corporate &amp; Governance</i>
<i>Reporting Officer:</i>	<i>Mr Phil Anastasakis – Director Corporate &amp; Community Services</i>
<i>Legislation:</i>	<i>Local Government Act 1995</i>

#### Overview

Council is to consider the community budget requests received as part of the development of the 2020/21 Annual Budget.

#### Background

Under Section 6.2 of the *Local Government Act 1995*, Council is required to prepare and adopt an Annual Budget each year. Part of Council's process includes considering budget submissions from Community Groups to the Chief Executive Officer, which are to be received no later than 31 March annually (*refer Council Policy CP018 – Corporate Business Plan & Long Term Financial Plan*).

Council advertised in the Bunbury Mail on the 22 January 2020 seeking submissions from community and not-for-profit community groups for the 2020/21 Budget. Council staff also notified previous years' recipients of the calling of funding requests.

Council has received a number of submissions for funding in the 2020/21 financial year:

1. Dardanup & Districts Residents Association, to construct public toilets in the Dardanup townsite, plus funding set aside for community consultation and detailed design of the Depot site, incorporating the Hall and Carramar Park - (Refer to Councillor Request – Cr Dow Item 1)
2. Ferguson Valley Marketing Inc – requested operating grant of \$25,000 for 2020/21, with \$10,000 allocated for dollar for dollar grant matching - refer (Appendix IPC: 9.4A).
3. Bunbury Geographe Gift Inc – request for event funding of \$20,000 to hold the running race - refer (Appendix IPC: 9.4B).
4. South West Academy of Sport – request for ongoing funding of \$2,600 (\$100 increase) to support the operations of the academy - refer (Appendix IPC: 9.4C).
5. Bull and Barrel Festival – request for ongoing funding of \$5,000 plus in-kind support to support the operations of the annual Bull & Barrel Festival - refer (Appendix IPC: 9.4D).
6. Ferguson Hall Management Committee – request for ongoing funding of \$2,891 (\$1,109 increase) to support the payment of insurance, electricity and water filter for the hall. Other building leases do not include a specific contribution towards the electricity costs. Refer (Appendix IPC: 9.4E).
7. Millbridge Lions Club – request to increase the funding of \$1,250 for the Seniors Christmas Dinner for Eaton to \$1,500 - refer (Appendix IPC: 9.4F).
8. Eaton Primary School P&C - request to increase the cash funding of \$2,040 for the Eaton Foreshore Festival to \$3,000 - refer (Appendix IPC: 9.4G).

9. Dardanup Lions Club - request to increase the cash funding of \$2,893 for the Australia Day breakfast to \$3,225 - refer (Appendix IPC: 9.4H).
10. Dardanup Seniors Citizens – request to increase the funding of \$2,000 for the Seniors Christmas Dinner for Dardanup to \$2,500 - refer (Appendix IPC:9.4I).
11. Dardanup Arts Inc – Ongoing request for financial contribution of \$4,000 and \$5,200 in-kind (representing hall hire) the annual Dardanup Art Spectacular - refer (Appendix IPC: 8.4J).
12. Dardanup and Districts Residents Association – Request to increase the cash funding from \$1,000 to \$1,100. (Appendices IPC: 8.4K).

While no formal request for funding has been received, Council has for many years supported the City of Bunbury's Australia Day celebrations which many Shire of Dardanup residents attend. In March 2016, Council resolved [OCM 40-16] to support for a further 5 years annual contribution of \$5,500 towards the City of Bunbury Australia Day celebrations, which ends in 2019/20.

### Legal Implications

*Local Government Act 1995*

*Local Government (Financial Management) 1996*

Section 6.2 (4) of the *Local Government Act 1995* states:

- 6.2. *Local government to prepare annual budget*
  - (4) *The annual budget is to incorporate —*
    - (a) *particulars of the estimated expenditure proposed to be incurred by the local government;*

Part 2, Regulation 5 (1) (g) of the *Local Government (Financial Management) 1996* Regulation states:

5. *CEO's duties as to financial management*
  - (1) *Efficient systems and procedures are to be established by the CEO of a local government —*
    - (g) *to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.*

### Strategic Community Plan

Strategy 1.1.1 - To be equitable, inclusive and transparent in decision making. (Service Priority: High)

Strategy 1.3.1 - Implement the Integrated Planning and Reporting Framework including the Long Term Financial Plan, Workforce Plan, Asset Management Plans and Corporate Business Plan. (Service Priority: High)

Strategy 1.3.2 - Monitor and produce statutory budgetary and financial reporting requirements applicable to local government operations. (Service Priority: High)

Strategy 4.2.3 - Foster and promote the Ferguson Valley as a tourism destination. (Service Priority: Very High)

Strategy 4.1.3 - To encourage business to develop: Support the capacity of local firms and industry to establish, grow and employ. (Service priority: Moderate)

Environment - None.

### Precedents

Each year as part of the budget / LTFP development process Councillors, community and staff are provided the opportunity to put forward budget requests for consideration. The 2019/20 budget and Long Term Financial Plan adopted by Council included specific allocations to community groups, including Ferguson Valley Marketing.

On 30 May 2018, Council resolved the following:

*THAT the Corporate & Community Services Committee recommend to Council that:*

1. *Continue to financially support Business South West, acknowledging that the 2018/19 annual financial contribution of \$7,000 (GST Exclusive) is Year 2 contribution of a four year commitment to Business South West; up to and including 2020/21.*
2. *Allocate and approve total funding of \$30,000 (GST Exclusive) to the Ferguson Valley Marketing Inc; distributed as an operational grant of \$20,000 and matching funds of \$10,000 to be included in the 2018/19 Annual Budget.*
3. *Include the following contributions into the draft Corporate Business Plan 2018/19 to 2021/22:*

	2018/19	2019/20	2020/21	2021-22
<i>Business South West</i>	\$7,000	\$7,000	\$7,000	\$7,000
<i>Ferguson Valley Marketing Inc – Operational Grant</i>	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
<i>Ferguson Valley Marketing Inc – Matching Grant Funds</i>	\$ 10,000	\$ 20,000	\$ 20,000	\$ 20,000
<i>Bunbury Wellington &amp; Boyup Brook Tourism Strategy</i>	\$10,000	\$0	\$0	\$0
<i>TOTAL</i>	\$ 47,000	\$ 47,000	\$ 47,000	\$ 47,000

*CARRIED  
6/1*

In March 2016, Council resolved [OCM 40-16] to support for a further 5 years an annual contribution of \$5,500 towards the City of Bunbury Australia Day celebrations, which ends in 2019/20.

On the 8 March 2017, Council resolved [OCM 47-17] to support funding of \$2,500 per annum (indexed by CPI) to the South West Sports Academy commencing in the 2017/18 budget. Council has previously declined a request for funding in 2012/13 based on funding already being provided to support local athletes through the Personal Development grant. The SWAS programs provide talented athletes with access to specialised coaching, sport science, sport medicine services, sports psychology, strength and conditioning and rehabilitation support.

On the 17 April 2019, Council resolved [OCM 68-19] to provide \$5,000 in financial support and \$12,952 in in-kind support for the Bull and Barrel Festival.

Council has previously allocated an annual amount (\$2,827 in 2019/20) to financially support the Ferguson Hall Management Committee as per the terms of the current Lease Agreement.

Council has previously resolved [OCM 140-18] to allocate \$1,250 to the Eaton and Burekup Seniors Christmas Dinner, with \$2,000 allocated to Dardanup. The Millbridge Lions Club has requested the allocation for Eaton be increased to \$1,500. The Dardanup Senior Citizens has requested an increase for Dardanup to \$2,500.

Council has previously resolved to allocated in 2019/20 \$2,040 in cash plus \$7,871 in in-kind support towards the Eaton Foreshore Festival.

Council has previously resolved to allocated in 2019/20 \$2,893 in cash for the Dardanup Lions Club Australia Day breakfast, with future CPI increases for later years. The LTFP has an allocation of \$2,987 for 2020/21 which is an increase over the previous year, compared to their requested increase to \$3,225.

Council has previously resolved [OCM 140-18] to allocate \$1,000 to the Lions Club of Eaton and Millbridge towards the Christmas Hampers.

Council has previously provided \$4,000 cash and in-kind support to the Dardanup Arts Spectacular though the waiving of hall hire fees.

Council has previously provided financial support of \$1,000 to the Dardanup & Districts Residents Association for the production of the Dardanup Times Newsletter.

### Budget Implications

Any approved Community Budget requests will be included in Council's four-year 2020/21 – 2022/23 Corporate Business Plan, and the 2020/21 Annual Budget.

Council's adopted Corporate Business Plan 2019/20 to 2022/23 includes the following contributions relating to tourism, small business support, tourism related festivals and specific activity support:

	2019/20	2020/21	2021/22	2022/23
Small Business Support	\$7,000	\$7,000	\$7,000	\$7,000
Ferguson Valley Marketing Inc – Operational Grant	\$20,000	\$20,000	\$20,000	\$20,000
Ferguson Valley Marketing Inc – Matching Grant Funds	\$20,000	\$20,000	\$20,000	\$20,000
Bunbury Wellington & Boyup Brook Tourism Strategy	\$12,000	\$20,000	\$20,400	\$20,910
Bull & Barrel Festival	\$5,000	\$5,100	\$5,202	\$5,332
Bunbury Geographe Gift	\$5,000	\$0	\$0	\$0
City of Bunbury – Skyfest Australia Day event	\$5,500	\$5,500	\$5,500	\$5,500
SW Academy of Sport	\$2,550	\$2,601	\$2,653	\$2,719
Ferguson Hall Management Committee	\$2,827	\$2,884	\$2,942	\$3,015
Eaton Foreshore Festival	\$2,081	\$2,122	\$2,165	\$2,219
<b>TOTAL</b>	<b>\$81,958</b>	<b>\$85,207</b>	<b>\$85,862</b>	<b>\$86,695</b>

One of the submissions has been raised as a Councillor Budget request, and can therefore be considered by Council as part of that report.

### Budget – Whole of Life Cost

The Small Business support (previously Business South West) is estimated as an ongoing commitment of \$7,000 per annum. While Business South West no longer retain the government contract to provide free small business advice, the funding is still allocated within the budget under the broader title of Small Business support.

The Ferguson Valley Marketing Inc (FVM) group has received financial support from Council for many years. Based on the success of the FVM in growing membership and attracting grants from other agencies and sources, other requests may be forthcoming from the Board in the future.

Council Policy Compliance

The funding application from Ferguson Valley Marketing Inc complies with Council Policy CP011 Tourism Policy.

*Policy CP018 – Corporate Business Plan & Long Term Financial Plan.*

Risk Assessment

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix IPC: 9.4L) for full assessment document.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Risk Event	Community Budget Requests
Inherent Risk Rating (prior to treatment or control)	Moderate (5 - 11)
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.
Risk Category Assessed Against	Financial                      Community Budget requests form part of the Annual Budget Process. Reputational                      Shire brand can be impacted if Community requests are not provided Legal & Compliance              Failure to comply with Council policy <i>CP 018 – Corporate Business Plan &amp; Long Term Financial Plan</i> could result in non-compliance

Officer Comment

Based on the previous decisions of Council and level of financial support included in the Corporate Business Plan 2019/20 to 2022/23, it is recommended to continue to provide financial support for:

- Small Business of \$7,000 per annum;
- \$250 towards the South West Group of Affiliated Agricultural Associations;
- \$20,000 towards the regional tourism strategy;
- \$5,100 towards the Bull and Barrel festival;
- \$5,500 towards the City of Bunbury Skyfest Australia Day event;
- \$1,500 towards the Millbridge Lions Club Seniors Christmas Dinner;
- \$2,000 towards the Dardanup Senior Citizens Seniors Christmas Dinner;
- \$1,000 towards the Lions Christmas Hampers;
- \$2,600 towards the South West Academy of Sport;
- \$2,987 towards the Dardanup Lions Club Australia Day breakfast;
- \$4,000 towards the Dardanup Arts Spectacular; and
- \$2,891 towards the Ferguson Hall Management Committee

An increase in the annual Eaton Foreshore Festival Committee allocation to \$3,000 is proposed (from \$2,040 in 2019/20), plus in-kind support to reflect increased operating costs.

An increase in the annual Dardanup & Districts Residents Association allocation to \$1,100 is proposed (from \$1,000 in 2019/20) to reflect increased operating costs.

Council's previous three year financial support of \$5,000 towards the Bunbury Geographe Gift finished in 2019/20. While a funding request of \$20,000 has been submitted by this group, continued funding is not recommended due to the following reasons: the Shire of Dardanup has not been recognised as a sponsor over the last 3 years it has sponsored the event, and two of the key objectives include – To contribute to the vibrancy of Bunbury's CBD and the Bunbury Geographe region by promoting the region and hinterland focussing on the CBD and region's facilities and lifestyle; - To contribute to the economic development of Bunbury's CBD in general and hospitality, accommodation and retail sectors in particular.

The community request received from the Dardanup & Districts Residents Association to construct public toilets in the Dardanup townsite, plus funding set aside for community consultation and detailed design of the Depot site, incorporating the Hall and Carramar Park, has been noted as a Councillor Budget request.

The community request received from Ferguson Valley Marketing Inc advises that the group does not anticipate using the \$20,000 matching grant in 2019/20, and they suggest that it may be utilised for the Gnomesville toilet project. The FVM group has requested a \$5,000 increase in their annual operating grant of \$20,000 to \$25,000 for 2020/21, with \$10,000 being allocated for dollar for dollar grant matching instead of the previous \$20,000 amount.

Voting Requirements - Simple Majority.

Officer Recommendation

No Change. **OR:**

As per Local Government (Administration) Regulations 1996 11(da) Council records the following reasons for amending the Officer Recommended Resolution.

**OFFICER RECOMMENDED RESOLUTION TO THE  
INTEGRATED PLANNING COMMITTEE MEETING**

**THAT the Integrated Planning Committee recommend to Council that:**

- 1. Council continue to financially support the Bull & Barrel Festival through an annual budget allocation of \$5,100 indexed plus in-kind support.**
- 2. Council continue to financially support Small Business through an annual budget allocation of \$7,000.**
- 3. Council continue to financially support the South West Group of Affiliated Agricultural Associations through an annual budget allocation of \$250.**
- 4. Council continue to financially support the City of Bunbury Skyfest Australia Day event through an annual budget allocation of \$5,500.**
- 5. Council continue to financially support the South West Academy of Sport through an annual budget allocation of \$2,600.**
- 6. Council continue to financially support the Ferguson Hall Management Committee through an annual budget allocation of \$2,891 indexed.**
- 7. Council continue to financially support the Millbridge Lions Club Seniors Christmas Dinner through an annual allocation of \$1,500.**

8. Council continue to financially support the Eaton and Millbridge Lions Club Christmas hamper through an annual allocation of \$1,000.
9. Council continue to financially support the Dardanup Senior Citizens Seniors Christmas Dinner through an annual allocation of \$2,000.
10. Council continue to financially support the Dardanup Arts Spectacular through an annual budget allocation of \$4,000 plus in-kind support through the waiving of hall hire fees valued at \$5,200.
11. Council continue to financially support the Eaton Foreshore Festival Committee through an annual budget allocation of \$3,000 indexed plus in-kind support.
12. Council continue to financially support the Dardanup & Districts and Residents Association through an annual budget allocation of \$1,100.
13. Allocate and approve total funding of \$35,000 (GST Exclusive) to Ferguson Valley Marketing Inc; distributed as an operational grant of \$25,000 and a conditional matching funds of \$10,000 to be included in the 2020/21 Annual Budget.
14. Council continue to financially support a regional tourism strategy through an annual budget allocation of \$20,000 indexed.
15. Include the following contributions into the draft Corporate Business Plan 2020/21 to 2023/24:

	2020/21	2021/22	2022/23	2023/24
Bull & Barrel Festival	\$5,100	\$5,215	\$5,345	\$5,479
Small Business support	\$7,000	\$7,000	\$7,000	\$7,000
South West Group of Affiliated Agricultural Associations	\$250	\$250	\$250	\$250
City of Bunbury Skyfest Australia Day event	\$5,500	\$5,500	\$5,500	\$5,500
South West Academy of Sport	\$2,600	\$2,600	\$2,600	\$2,600
Ferguson Hall Management Committee	\$2,891	\$2,956	\$3,030	\$3,105
Millbridge Lions Club – Seniors Christmas Dinner in Eaton	\$1,500	\$1,500	\$1,500	\$1,500
Dardanup Senior Citizens – Seniors Christmas Dinner in Eaton	\$2,000	\$2,000	\$2,000	\$2,000
Eaton Millbridge Lions Club – Christmas hamper	\$1,000	\$1,000	\$1,000	\$1,000
Eaton Foreshore Festival Committee	\$3,000	\$3,000	\$3,000	\$3,000
Dardanup & District Residents Association – Dardanup Times	\$1,100	\$1,100	\$1,100	\$1,100
Ferguson Valley Marketing Inc – Operational Grant	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Ferguson Valley Marketing Inc – Matching Grant Funds	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Regional Tourism Strategy	\$20,000	\$20,450	\$20,961	\$21,485
<b>TOTAL</b>	<b>\$ 86,941</b>	<b>\$87,571</b>	<b>\$ 88,286</b>	<b>\$ 89,019</b>



9.5 Title: Events, Festivals & Community Services Programs for 2020/21

*Reporting Department:* Corporate & Governance  
*Reporting Officer:* Mrs Susan Oosthuizen – Director Sustainable Development  
 Mr Phil Anastasakis – Deputy Chief Executive Officer  
*Legislation:* Local Government Act 1995

Overview

Council is requested to consider and endorse the 2020/21 Events and Activities program.

Background -

Under Section 6.2 of the *Local Government Act 1995*, Council is required to prepare and adopt an Annual Budget each year.

In an effort to provide greater information and transparency to Council in allocating funds towards community events and programs, a report has been developed which provides an overview of all of the proposed events and programs that will be implemented by the Community Services staff.

To ensure that there isn't any further impact on rates the key events and programs of 2019/20 have been retained for the new financial year going forward.

Legal Implications

Local Government Act 1995  
 Local Government (Financial Management) 1996

Section 6.2 (4) of the Local Government Act 1995 states:

6.2 *Local government to prepare annual budget*

(4) *The annual budget is to incorporate –*

(a) *Particulars of the estimated expenditure proposed to be incurred by the local government;*

Part 2, Regulation 5 (1) (g) of the Local Government (Financial Management) 1996 Regulation states:

5. *CEO's duties as to financial management*

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

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

Strategic Community Plan -

Strategy 1.6.1 - Provide opportunities for the community to engage with Councillors and Staff. (Service Priority: High)

Strategy 3.2.1 - To encourage social connectedness in our community through participation in positive social networks, interaction and events. (Service Priority: Very High)

Strategy 5.2.1 - To encourage physical activity by providing services and recreational facilities that encourage our community towards an active and healthy lifestyle. (Service Priority: Very High)

Environment - None.

Precedents

The Event program has been running annually for a number of years.

Budget Implications

Any approved events and programs will be included in the Council's four-year Corporate Business Plan, and the 2020/2021 Annual Budget.

GL or Job #	Event or Program	2019/20 Budget	2020/21 Proposed Budget
0817010	Personal Development Grants	\$10,000	\$10,000
0817011	Events Support Expenditure – J11912	\$2,000	\$2,000
1017003	Disability Services Expenditure	\$5,000	\$5,000
J11901	Events & Festivals	\$60,000	\$60,000
J11902	Public Art Projects	\$12,000	\$15,000
J11905	SW Group of Affiliated Agricultural Assoc.	\$250	\$250
J11909	Citizenship Awards	\$500	\$2,000
J11910	Thank a Volunteer	\$2,000	\$2,000
J11913	Banners in the Terrace	\$1,000	\$1,000
J08712	Leeuwin Scholarships	\$5,000	\$5,000
J08713	Skateboard/Scooter/BMX clinics	\$4,000	\$4,000
J08714	Minor/Community Event Assistance	\$25,000	\$25,000
J08719	Minor Community Activities	\$5,000	\$5,000
	Community Events - Seniors Workshop & Activities		\$4,000
	Community Events - Youth Workshops & Activities		\$4,000
	Creative Workshops		\$4,000
1116012	Library Programs	\$73,409	\$37,000
	<b>Early Learning</b>		
	• Jo Jingles		
	• Stem Workshops		
	• Code Club		
	<b>School Holidays</b>		
	• Holiday Storytime		
	• Children's Activities		
	<b>Adult Programming</b>		
	• Gardening		
	• Social Activities		
	• eResources		
	• BeConnected		
	<b>Authors &amp; Events</b>		
	• Author Visits		
	• Children's Book week		
	• Summer Reading Challenge		
	• Better Beginnings Program		
	• Easter Book Hunt		
	• Travelling Story Time		
	• Stop Motion Animation		
	• On-line safety program		
	• National Simultaneous Story Time		
	• Tech 20 & Tech Thursdays		

GL or Job #	Event or Program	2019/20 Budget	2020/21 Proposed Budget
	<ul style="list-style-type: none"> <li>Paint the Shire REaD</li> </ul>		
	Place-making activities & Engagement for each place (Burekup/Dardanup/Eaton/Ferguson) within the Shire (cultural/recreation/health/leisure & social programs and workshops) <ul style="list-style-type: none"> <li>Summer Sounds in the Park</li> <li>Outdoor Yoga/Tai Chi/Self Defence</li> <li>African Drumming workshops</li> <li>Night Stalks at Watson Reserve and Crooked Brook Forest</li> <li>Kids water/laser tag</li> <li>Bubble Soccer</li> <li>Scitech visits</li> <li>Seed and plant swaps</li> </ul>		\$20,000
1119504	Community Grants Scheme – \$8.31 per rateable assessment	\$49,880	\$49,880
	<b>TOTAL</b>	<b>\$255,039</b>	<b>\$255,130</b>

### Budget – Whole of Life Cost

As no assets are created, there are no whole of life costs to Council.

### Council Policy Compliance

*Policy CP018 – Corporate Business Plan & Long Term Financial Plan.*

Risk Assessment - Medium.

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix IPC: 9.5) for full assessment document.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Risk Event	Events, Festivals & Community Services Programs for 2020/21
Inherent Risk Rating (prior to treatment or control)	Moderate (5 - 11)
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.
Risk Category Assessed Against	Financial  Reputational  The draft 2020/2021 Community Services program and the 2020/2021 Library programs are a mixture of ongoing events and workshops that are developed in line with the Strategic Community Plan and any changes outside of this plan will have a positive or negative impact on budget. Shire brand can be impacted if community programs and events are not provided for

Officer Comment

The draft 2020/2021 Community Services program and the 2020/2021 Library programs are outlined in the table above. Both programs are a mixture of ongoing events and workshops that are developed in line with the Strategic Community Plan.

Input and feedback from residents and tutors is also sought verbally as well as through surveys and feedback forms.

The events program for 2020/2021 will be implemented across a diverse range of events and opportunities. These provide opportunities to work with and promote other community groups, internal departments, education opportunities and health, including but not limited to:

- Walk on the Wild side is an opportunity for the events team to work with the Rangers on promoting good animal health and ownership, including microchipping, sterilisation and registration;
- Buy it back Fair is an opportunity to educate the community on the benefits of recycling and upcycling, as well as an opportunity for the community to gain a greater understanding of what they can and should not put in the collection bins; and
- Night stalks held at Watson Reserve and Crooked Brook provide an education component to young children about the preservation of our wildlife, how to help protect their environments, as well as gaining an understanding of what lives in our natural environment.

Council Role - Review

Voting Requirements - Simple Majority

Change to Officer Recommendation

No Change. **OR:**

As per Local Government (Administration) Regulations 1996 11(da) Council records the following reasons for amending the Officer Recommended Resolution:

**OFFICER RECOMMENDED RESOLUTION TO THE  
INTEGRATED PLANNING COMMITTEE MEETING**

**THAT the Integrated Planning Committee recommend that Council endorse the 2020/2021 Community Events and Library program and allocate funds within the 2020/21 draft budget and Long Term Financial Plan for these activities:**

GL or Job #	Event or Program	2020/21 Proposed Budget
0817010	Personal Development Grants	\$10,000
0817011	Events Support Expenditure – J11912	\$2,000
1017003	Disability Services Expenditure	\$5,000
J11901	Events & Festivals	\$60,000
J11902	Public Art Projects	\$15,000
J11905	SW Group of Affiliated Agricultural Assoc.	\$250
J11909	Citizenship Awards	\$2,000
J11910	Thank a Volunteer	\$2,000
J11913	Banners in the Terrace	\$1,000
J08712	Leeuwin Scholarships	\$5,000
J08713	Skateboard/Scooter/BMX clinics	\$4,000

GL or Job #	Event or Program	2020/21 Proposed Budget
J08714	Minor/Community Event Assistance	\$25,000
J08719	Minor Community Activities	\$5,000
	Community Events - Seniors Workshop & Activities	\$4,000
	Community Events - Youth Workshops & Activities	\$4,000
	Creative Workshops	\$4,000
1116012	<p>Library Programs</p> <p>Early Learning</p> <ul style="list-style-type: none"> <li>• Jo Jingles</li> <li>• Stem Workshops</li> <li>• Code Club</li> </ul> <p>School Holidays</p> <ul style="list-style-type: none"> <li>• Holiday Storytime</li> <li>• Children's Activities</li> </ul> <p>Adult Programming</p> <ul style="list-style-type: none"> <li>• Gardening</li> <li>• Social Activities</li> <li>• eResources</li> <li>• BeConnected</li> </ul> <p>Authors &amp; Events</p> <ul style="list-style-type: none"> <li>• Author Visits</li> <li>• Children's Book week</li> <li>• Summer Reading Challenge</li> <li>• Better Beginnings Program</li> <li>• Easter Book Hunt</li> <li>• Travelling Story Time</li> <li>• Stop Motion Animation</li> <li>• On-line safety program</li> <li>• National Simultaneous Story Time</li> <li>• Tech 20 &amp; Tech Thursdays</li> <li>• Paint the Shire REaD</li> </ul>	\$37,000
	<p>Place-making activities &amp; Engagement for each place (Burekup/Dardanup/Eaton/Ferguson) within the Shire (cultural/recreation/health/leisure &amp; social programs and workshops)</p> <ul style="list-style-type: none"> <li>• Summer Sounds in the Park</li> <li>• Outdoor Yoga/Tai Chi/Self Defence</li> <li>• African Drumming workshops</li> <li>• Night Stalks at Watson Reserve and Crooked Brook Forest</li> <li>• Kids water/laser tag</li> <li>• Bubble Soccer</li> <li>• Scitech visits</li> <li>• Seed and plant swaps</li> </ul>	\$20,000
1119504	Community Grants Scheme – \$8.31 per rateable assessment	\$49,880
	<b>TOTAL</b>	<b>\$255,130</b>

9.6 Title: Mid-Year Budget Review

<i>Reporting Department:</i>	<i>Corporate &amp; Governance</i>
<i>Reporting Officer:</i>	<i>Mrs Natalie Hopkins – Manager Financial Services</i>
<i>Legislation:</i>	<i>Local Government Act 1995</i>

Overview

To consider and adopt the 2019/20 Budget Review as presented in the Statement of Financial Activity for the period 1 July 2019 to 31 December 2019.

Background

A Statement of Budget Review incorporating year to date budget variations and forecasts to 30 June 2020 for the period ending 31 December 2019 is presented for Council to consider. (Appendix IPC: 9.6A).

The Local Government (Financial Management) Regulations 1996, Regulation 33A, requires that a Local Government conduct a budget review between 1 January and 31 March each financial year. The intention of the legislation is to ensure Local Governments conduct at least one budget review between six and nine months into a financial year. A copy of the review and determination is to be provided to the Department of Local Government within 30 days of the adoption of the review.

The budget review is a detailed comparison of the year to date actual results with the adopted or proposed amended budget. It establishes whether a Local Government is able to continue to meet its budget commitments, and is in receipt of income and incurs expenditure in accordance with the adopted budget.

Council management completed a comprehensive review of the 2019/20 Annual Budget during January 2020. The budget review document has been prepared to include information required by the Local Government Act 1995, Local Government (Financial Management) Regulations 1996 and Australian Accounting Standards. Council adopted a 10% or a \$50,000 minimum for the reporting of material variances to be used in the statements of financial activity and the annual budget review, however, the full variance listing is detailed at Note 6 of the 2019/20 mid-year Budget Review .

This review generally consisted of the following:

- a) Comparison of the actual year to date (YTD) amounts to the budget for each line item of operating and capital revenue and expenditure.
- b) Projected the actual YTD to the end of the financial year and compared this with the Annual Budget to determine if the line item remains within budget.
- c) Identified any material events or changes that may impact on Council finances.
- e) Flagged incomplete projects and unspent grants to be carried forward into future budgets.
- f) Identified any offsetting increases in revenue or reduction in expenditure that will reduce major variations.
- g) Included any unbudgeted expenditure or budget amendment items adopted by Council during the 1 July to 31 December period.

- h) Identified whether there is sufficient cash flow to 30 June to meet budget commitments.

The amended budget cash position prior to the completion of the mid-year budget review was an estimated year-end surplus of \$298,379. As a result of a detailed and comprehensive budget review process involving Management and the Executive team, the forecast year end surplus is estimated at \$360,875. This compared favourably against the original adopted budget carried forward surplus of \$132,227. Full details of budget review variances can be found in the Budget Review Report (Appendix IPC: 9.6A).

#### Legal Implications

Regulation 33A of the Local Government (Financial Management) Regulations requires a review of the budget to be conducted.

*(1) Between 1 January and 31 March in each year a local government is to carry out a review of its annual budget for that year.*

*(2) Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.*

*(3) A council is to consider a review submitted to it and is to determine\* whether or not to adopt the review, any parts of the review or any recommendations made in the review.*

*\*Absolute majority required.*

*(4) Within 30 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.*

#### Strategic Community Plan

Strategy 1.3.1 - Implement the Integrated Planning and Reporting Framework including the Long Term Financial Plan, Workforce Plan, Asset Management Plans and Corporate Business Plan. (Service Priority: High)

Strategy 1.3.2 Monitor and produce statutory budgetary and financial reporting requirements applicable to local government operations. (Service Priority: High)

Environment - None.

Precedents - None.

A mid-year budget review is conducted each year.

Budget Implications -

Note 6 of the Budget Review Report details material variances from the Adopted Budget. As a result of the review, staff forecast a surplus of \$360,875 at 30 June 2020.

Budget – Whole of Life Cost - None.

Council Policy Compliance - None.

Risk Assessment -

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix IPC: 9.6B) for full assessment document.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Risk Event	2019/20 Mid-Year Budget Review
Inherent Risk Rating (prior to treatment or control)	Low (1 - 4)
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.
Risk Category Assessed Against	<p>Legal and Compliance</p> <p>Financial</p> <p>Risk of Council breaching the Local Government Act 1995 – Risk that the 2019/20 Mid-Year Budget Review is not received by Council; or within two months of the review period Risk that the mid-year budget review amendments are not updating into Council’s Revised Budget, resulting in an incorrect end of year budget forecast. Risk under or over budget expenditure is not reflected in Council’s Revised Budget.</p>

#### Officer Comment

The 2019/20 budget remains within overall original estimates. Management forecasts an end of year surplus of \$360,875. It is recommended that Council retain the entire \$360,875 estimated surplus and carry it forward to the 2020/21 Annual Budget. A copy of the full revised 2019-20 Annual Budget is provided for in (Appendix IPC: 9.6C – under separate cover).

- *Items for Budget Review Consideration*

Projects referred to the Mid-year budget review for consideration: -

➤ *Bethanie Guard Rail*

At the Council meeting dated 16 October 2019 [294-19] Council resolved to defer a decision on the installation of a guard rail on Recreation Drive until the mid-year budget review. A road safety report was presented to Council which included the recommended guard railing treatment.

The cost of the guard rail is estimated at \$7,200 with Bethanie Esprit to contribute 50% of the cost being \$3,600, and the balance to be funded by Council. The proposed project is not included in the mid-year budget review amendments, however, if Council wish to support this project, Council’s contribution can be funded from the forecast budget surplus.

➤ *Dardanup Hall LED Lighting Upgrade*

A request has been received by the Dardanup Art Spectacular Committee for Council to improve the lighting for the 2020 Art Spectacular to be held on the 1– 3 May 2020.



The Art Spectacular Committee has provided the following information with the request to Council:-

*Each year we look at how we can improve the Art Spectacular and as a direct result it continues to grow as an event and attract more people to this beautiful region.*

*There is one issue that causes some difficulty in displaying the works at their best and that is the lighting. The main and lesser halls are dark and have very old fluorescent strip lights that are quite dull and inefficient. Last year we hired, at considerable cost, strong lights to light up the dark corners and reflect light from the ceiling. This worked but was not totally satisfactory as we were limited by availability of power points.*

*If the existing fluorescent lights were replaced with efficient and brighter (warm light) LED lights the running costs would be significantly reduced and the hall would be better lit. This would also make the hall a more desirable venue for seminars and functions throughout the year.*

*We therefore request that your engineers look at upgrading the lighting in the main and lesser halls. We look forward to your response and ongoing support of this iconic event in the Dardanup calendar.*

*On behalf of the Dardanup Art Spectacular Committee I would like to thank you for arranging to have your maintenance person meet with us at the Dardanup Hall to discuss hanging arrangements for the upcoming Art Spectacular. We will consult with him again once we have more display boards made up.*

The Committee has also advised that the Art Spectacular has grown into a significant event in the Shire and the South West region. Entries are received from around the state and interstate. In 2019 there were 281 individual art works representing 160 artists. This number does not include the works of approximately 20 student artists from the local schools. The exhibition has grown from a humble country show to a significant event on the artists' calendar of events.

Council has an amount of \$4,000 allocated to the Art Spectacular within the 2019-2020 budget and as mentioned in the email above Shire staff have also provided assistance to the Art Spectacular Committee with hanging arrangements.

Indicative quotes have been sought for appropriate replacement of lighting to be supplied and installed and the projected cost is \$3,262.00 (ex GST).

There is the option to hire in lights for the event at \$750 per event until such time as the hall is refurbished and new lights are installed then. Based on the current 10 Year Building Program, the lights would be replaced in 2023-2024 which means that approximately \$3,000 would be spent on lighting hire.

Installing new LED lights has been estimated to generate annual savings of \$300 based on current electricity bills and assuming that the lights form approximately 50% of the bill. Over four years this equates to \$1,200. When considering the possible savings in power consumption with new LED lighting, the preferred option would be to install the new lights. The net savings over four years are estimated to be \$1,462.

- *Director Infrastructure Comment*

An assessment of the Dardanup Hall lighting has been made by Shire staff and quotations have been received for the supply and replacement of LED lighting at the Dardanup Hall. It should be brought to the attention of the Council that the current lighting has been deemed to be satisfactory for general use of the Dardanup Hall throughout the year however the request is for an upgrade of the lighting to satisfy the requirements of an art event.

Advice from both electrical contractors indicates that the light fittings should be replaced along with the LED tubes as the existing lighting is greater than ten years old and the new LED technology may fail due to the old iron chokes in the existing lights. Due to this a warranty would not be supplied for the tubes.

The benefits of the installation includes:-

- Improved lighting than tubes;
- less maintenance;
- similar cost to replace lights as to replace tube;
- warranty provided by supplier;
- Reduced Power costs for hall lighting;
- Approximate increase of 1,000 lumens per tube; and
- Light distribution directed downwards instead of 360 degrees

Should Council choose not to support the request for a lighting upgrade the alternative option would be for the committee to hire in lights as they did in 2019 at a cost of approximately \$750. As mentioned earlier in this report the hire cost would equate to approximately \$3,000 for the four years until the building is refurbished. When considering the possible savings in power consumption with new LED lighting, the preferred option would be to replace the lights. There is also benefit in improved lighting not just for the Dardanup Art Spectacular but for other users of the hall as the lighting would be brighter than currently exists.

It should be noted that the cost comparison is based on the understanding that the hall would be refurbished in 2023-2024. If this timing is changed then the cost comparison will change. If changed to sooner, then the hiring of lights may be the best option. If later, then the upgrade would still be the better option.

A provision of \$3,262 is included in the Budget Review Report to upgrade the Dardanup Hall lighting which is forecast to be funded from the forecast budget surplus.

➤ *Don Hewison Centre – Additional Works for DA Approval and Heritage Compliance*

The Don Hewison Centre project has several components of work, external wall repairs and drainage scheduled for the 2019/20 financial year at an adopted budget of \$14,420. The repairs to the walls and floor of the toilet block were scheduled in the previous year as part of previous Development Application (DA).

Installation of the drainage down pipes to drainage system and upgrading existing system is necessary to comply with Council standards and to meet Conservation Plan requirements.

As part of the upgrade, repointing of existing walls with limestone mortar to comply with DA approval and Heritage provisions for the building is required.

The repair of the toilet walls and floor were undertaken in August 2019 at a cost of \$3,594. Drainage and downpipes works undertaken in November 2019 were completed at a cost of \$786 and \$1,634 respectively. Consulting advice for the repointing works was received August 2019 of \$786.20

Council has obtained a quote for repointing works of \$22,724.00. This was more than originally expected but is required to be done as part of the preservation plan for the Don Hewison centre. The revised budget includes an additional provision of \$15,054 to complete the repointing work for the Don Hewison Centre which is forecast to be funded by the forecast budget surplus.

- *Material Variances from the Budget*

- *Rates and Charges*

General Rates Levied for the 2019/20 financial year are within budget estimates; \$13,278,132 rates raised against an adopted budget of \$13,278,132.

Interim rates revenue estimates have been revised down from an adopted budget of \$124,249 to a revised budget of \$90,000.

Collection of outstanding rates is on target and forecast to achieve less than 4% of collectable rates outstanding as at 30 June.

- *Salaries and Wages*

Gross salaries and wages remain under budget primarily due to staff vacancies through-out the year. Gross Salaries and Wages including Superannuation have been amended from an adopted Budget of \$10,425,536 to a revised budget of \$10,263,524, a saving of \$162,012. A portion of the savings has also been attributed to staff being on workers compensation, which is excluded from the total salaries and wages budget as it is funded through LGIS.

- *Interest Revenue – Municipal Fund*

Interest Revenue for the Municipal Fund remains within the adopted budget estimate of \$60,000.

- *Interest Revenue – Reserve Fund*

Interest Revenue for the Reserve Fund remains within the adopted budget estimate of \$312,957 and is earned on Council's Reserve Fund Term Deposits and Cash at Bank. Council's Investment Policy CP036 provides flexible options for short term cash investments whilst ensuring Council's liquidity needs can be met.

As per the adopted budget, Council will allocate 50% of the Interest received on Reserve Fund investments across Council's various Reserve Accounts, with the remaining 50% to be utilised in the year end surplus.

- *WA Local Government Grants Commission (LGGC) Grants*

The 2019/20 LGGC Financial Assistance and Local Roads grant revenue has increased from a combined original budget of \$1,391,530 to a revised budget of \$1,442,976, a favourable variance of \$51,446.

- *Household Sanitation*

There are forecast savings estimated at \$15,320 spread across the Recycling, Greenwaste Processing and Refuse Site Expenditures which is partially offset by a reduction of \$5,000 in Levy Fees collected.

- *Recreation Centre*

The forecast net subsidised cost of the Eaton Recreation Centre for 2019/20 has a favourable variance; amended from an adopted budget estimate of \$108,048 to a revised forecast estimate of \$73,824. *The net subsidised cost incorporates Total Recurrent Operating Expenditure less Revenue.*

As a result of the Eaton Recreation Centre restructure during 2019/20, there are forecast savings of approximately \$25,933 in the ERC Administration - Salaries and Wages budget.

– *Parks and Gardens*

The 2019/20 Parks and Gardens Maintenance budget remains within a 2% variance of the overall forecast estimates. Under budget expenditure of \$69,122 is predominantly due to the reduced salaries and wages component through vacant Parks and Gardens positions and prolonged leave during the financial year.

– *Transport*

The total Road Maintenance & Construction budget has been amended from an adopted budget of \$7,289,975 to a revised budget of \$7,040,801.

There have been some changes that have been made to the capital works program. The following changes are noted:

*Pile Road:*

Job No.	Original Budget			Revised Budget		
	Expend	RRG	Net	Expend	RRG	Net
J12589	268,725	211,957	56,768	120,054	211,957	-91,903
J12804	498,012	220,000	278,012	360,000	220,000	140,000
J12807	92,882	68,043	24,839	87,747	68,043	19,904
	<b>859,619</b>	<b>500,000</b>	<b>359,619</b>	<b>567,801</b>	<b>500,000</b>	<b>67,801</b>

The expenditure projection for Pile Road has been reduced in recognition of the additional expenditure undertaken in the previous financial year. By reducing the forecast expenditure it will enable the Shire to still receive its Regional Road Group (RRG) allocation and meet its one-third cost obligation to the project over the 2018-2019 and 2019-2020 financial years. If the original budget remained the Shire's commitment to the project would be at 45% of the total project cost over the two financial years.

*Harris Road:*

Job No.	Original Budget			Revised Budget		
	Expend	RRG	Net	Expend	RRG	Net
J12805	758,320	500,000	258,320	608,000	405,000	203,000

Designs for the reconstruction, widening and strengthening of Harris Road have been complete and the Shire is currently waiting on final approvals (heritage approval) to be received to commence construction works. As a result of the BORR interface with Harris Road being over a longer distance than originally anticipated and the methodology adopted for the staged delivery of the project over the 2019-2020 and 2020-2021 financial years, the forecast expenditure for the project in 2019-2020 has been reduced. This results in a \$95,000 reduction in RRG funds required for the project. Shire staff will be seeking transfer of these funds to the Ferguson Road project for the purposes as described below.

*Ferguson Road:*

Job No.	Original Budget			Revised Budget		
	Expend	RRG	Net	Expend	RRG	Net
J12590	341,466	131,241	210,225	478,000	334,307	143,693
J12664	112,938	80,903	32,035	112,938	80,903	32,035
J12806	111,084	61,856	49,228	197,000	61,856	135,144
	<b>565,488</b>	<b>274,000</b>	<b>291,488</b>	<b>787,938</b>	<b>477,066</b>	<b>310,872</b>

The Ferguson Road Project is currently in its final stages. During its construction, the Shire encountered subgrade conditions that required additional subsoil drainage to be installed and increased pavement thicknesses that were constructed in various thicknesses along the road (instead of the original uniform layer). This was also impacted by services which would have otherwise been simply bridged across. The Shire also removed and transplanted the trees in the centre median which was not originally included in the budget.

The forecast final project cost is higher than originally budgeted. Staff are proposing to seek approval from the RRG to transfer \$95,000 from the Harris Road Project cover the increased expenditure as well as an additional \$108,000 from the RRG to the project. It is expected that the additional funds can be sourced from surplus and carry-forward funds generated from other Councils that make up the South West RRG. By obtaining the additional funds, the forecast net cost to Council for the Ferguson Road Project is expected to be less than the original budget.

– *Staff Training*

The budget for staff training is forecast to decrease from an adopted budget of \$247,720 to a revised budget of \$198,451. The projected decrease of \$49,269 is spread across the organisation, however, a large factor included in this variance relates to Parks and Gardens, and Works staff of which their labour costs and overheads are included in this figure.

– *Fees and Charges*

Cat and Dog Registration revenue remain within budget revenue estimates of \$6,500 and \$52,000 respectively. It is anticipated that more 'Lifetime' dog registrations may impact future Dog Registration revenue budgets.

Health Fees and Charges remain within budget estimates of \$20,000 whilst Town Planning Application Fees have been increased from an adopted budget of \$55,000 to a revised budget of \$75,000. Building Licence revenue remains within budget estimates of the adopted \$80,000.

– *New Borrowings and Loans*

As per the adopted 2019/20 annual budget, a provision was made for Council to obtain new borrowings of \$750,000 for the Wanju Developer Contribution Plan. It is forecast this loan will be taken out towards the end of the financial year. Any unspent funds will be returned to the Wanju Developer Contribution Plan Reserve at year end.

Council Role - Executive/Strategic.

Voting Requirements - Absolute Majority.

Change to Officer Recommendation

No Change. **OR:**

As per Local Government (Administration) Regulations 1996 11(da) Council records the following reasons for amending the Officer Recommended Resolution:

**OFFICER RECOMMENDED RESOLUTION**

**THAT the Integrated Planning Committee recommends that Council: -**

- 1. Adopt the 2019/20 Mid-Year Budget Review inclusive of the noted budget amendments contained within the report;**
- 2. Receive and acknowledge the 2019/20 Mid-Year Budget Review report and associated documents (Appendix IPC: 9.6A);**
- 3. Includes the installation Guard Rail on Recreation Drive at a cost of \$7,200 to be funded by 50% contribution of \$3,600 from Bethanie Esprit, and the 50% remaining balance of \$3,600 to be funded from the forecast carried forward surplus; and**
- 4. Retains the 2019/20 Forecast Budget Surplus as a carried forward surplus to the next budget period.**

*By Absolute Majority*

9.7 Title: 2020/21 Elected Members Fees, Expenses & Allowances

<i>Reporting Department:</i>	<i>Corporate &amp; Governance</i>
<i>Reporting Officer:</i>	<i>Mr Phil Anastasakis – Deputy Chief Executive Officer</i>
<i>Legislation:</i>	<i>Local Government Act 1995</i>

Overview

Council is requested to review elected member fees and allowances as part of the formulation of the 2020/21 Corporate Business Plan and Annual Budget.

Background

The Salaries and Allowances Tribunal (SAT) is empowered to determine certain payments that are to be made or reimbursed to elected council members.

Where the SAT has chosen to determine minimum and maximum amounts for fees, expenses or allowances, there is an obligation on Local Governments to set the amounts to be paid or reimbursed within the range determined.

s5.98 Local Government Act 1995 (LGA) permits the reimbursement of prescribed expenses and the payment for Councillors to attend meetings and committees.

Meeting Attendance Fees are payable for the attendance at each meeting. SAT determines minimum and maximum fees.

SAT has determined four categories (or bands) and has assessed each Local Government to be categorised from Band 1 (largest Councils) through to Band 4 (smallest). Shire of Dardanup has been categorised as Band 3.

Council is anticipating the 2020/21 Salaries and Allowances Determination will be released mid-April with an effective date of 1 July 2020.

The following table sets out the current minimum and maximum Meeting Attendance Fees as determined by the SAT on 9 April 2019 for the 2019/20 financial year.

<b>MINIMUM &amp; MAXIMUM MEETING ATTENDANCE FEES – 2019/20</b>		
<b>BAND 3</b>		
	<b>Members other than President or Mayor</b>	<b>President or Mayor</b>
Council Meeting (per meeting)	Minimum Fee - \$193 Maximum Fee - \$410	Minimum Fee - \$193 Maximum Fee - \$634
Committee Meeting (per meeting)	Minimum Fee - \$97 Maximum Fee - \$205	Minimum Fee - \$97 Maximum Fee - \$205
<b>Annual Fee in Lieu of fees for attending meeting per s5.99 LGA</b>	<b>Minimum Fee - \$7,688 Maximum Fee - \$16,367</b>	<b>Minimum Fee - \$7,688 Maximum Fee - \$25,342</b>

It has been the practice of Council to pay elected members an Annual Fee in lieu of an attendance fee for each Council meeting under s5.99 LGA.

<b>MEETING ATTENDANCE FEES TO SHIRE OF DARDANUP ELECTED MEMBERS – 2019/20</b>		
<b>CURRENTLY PAID</b>		
	<b>Members other than the President</b>	<b>President</b>
Annual Fee in Lieu of fees for attending meeting per s5.99 LGA	\$11,457 Equates to 70.0% of the Maximum Fee	\$17,739 Equates to 70.0% of the Maximum Fee

**5.99. Annual fee for council members in lieu of fees for attending meetings**

A local government may decide\* that instead of paying council members a fee referred to in section 5.98(1), it will instead pay all council members who attend council or committee meetings —

- (a) the annual fee determined by the Salaries and Allowances Tribunal under the Salaries and Allowances Act 1975 section 7B; or
- (b) where the local government has set a fee within the range for annual fees determined by that Tribunal under that section, that fee.

\* Absolute majority required.

In addition to the Meeting Attendance Fee, a President or Mayor may be paid an Annual Allowance per s5.98(5) & s5.98A of the LGA.

Deputies may also be paid an Annual Allowance being up to 25% of that payable to Presidents or Mayors. The following tables' set out the Annual Allowance for Band 3 as per the Salaries and Allowances Tribunal, and the Annual Allowance (Local Government Allowance) as adopted by Council for the 2019/20 financial year calculated as 70% of the Maximum Fee.

<b>ANNUAL ALLOWANCE FOR PRESIDENT OR DEPUTY PRESIDENT – 2019/20</b>		
<b>BAND 3</b>		
	<b>President or Mayor</b>	<b>Deputy President or Mayor (up to 25% of President or Mayor)</b>
Band 3 Allowance	Minimum Fee = \$1,025 Maximum Fee = \$36,957	Minimum Fee = \$256 Maximum Fee = \$9,239

<b>ANNUAL ALLOWANCE FOR PRESIDENT OR DEPUTY PRESIDENT – 2019/20</b>		
<b>CURRENTLY PAID</b>		
	<b>President or Mayor</b>	<b>Deputy President or Mayor (up to 25% of President or Mayor)</b>
Local Government Allowance	\$25,870 Equates to 70.0% of the Maximum Fee	\$6,467 Equates to 70.0% of the Maximum Fee

Members are entitled to be reimbursed for prescribed expenses per s5.98 LGA. In addition, Council may resolve to reimburse additional prescribed expenses.

Expenses that are required to be reimbursed are regulated as follows.

*Expenses that are to be reimbursed — s. 5.98(2)(a) and (3)*

*(1) For the purposes of section 5.98(2)(a), the kinds of expenses that are to be reimbursed by all local governments are —*

- (a) rental charges incurred by a Council member in relation to one telephone and one facsimile machine; and*



*(b) child care and travel costs incurred by a Council member because of the member's attendance at a Council meeting or a meeting of a committee of which he or she is also a member*

The extent to which a telephone & fax line rentals referred to in sub regulation (1)(a) can be reimbursed is the actual amount.

The extent to which child care costs referred to in sub regulation (1)(b) can be reimbursed is the actual cost per hour or \$30.00 per hour, whichever is the lesser amount.

The extent to which travel costs referred to in sub regulation (1)(b) can be reimbursed:

- (a) if the person lives or works in the local government district or an adjoining local government district, is the actual cost for the person to travel from the person's place of residence or work to the meeting and back; or*
- (b) if the person does not live or work in the local government district or an adjoining local government district, is the actual cost, in relation to a journey from the person's place of residence or work and back —*
  - (i) for the person to travel from the person's place of residence or work to the meeting and back; or*
  - (ii) if the distance travelled referred to in subparagraph (i) is more than 100 km, for the person to travel from the outer boundary of an adjoining local government district to the meeting and back to that boundary.*

Instead of reimbursing a particular type of expenses, Council may resolve to pay an annual allowance that is within the prescribed range.

- *Allowances in lieu of reimbursement of telecommunications expenses:*

Elected Members are paid an annual Information and Communications Technology (ICT) Allowance of \$2,450pa which is 70% of the prevailing maximum band value. The ICT allowance shall be paid in accordance with Section 5.99A of the Act. This allowance validates all costs relating to telephone usage including plans and contracts, rentals, mobile phones, mobile devices, extra telephone lines, call costs, internet service provider fees, and consumables incurred while performing the functions of a Councillor.

The minimum ICT annual allowance determined by SAT is \$500pa; the maximum being \$3,500pa (2019/20).

- *Allowances in lieu of reimbursement of travelling and accommodation expenses:*

The maximum annual allowance for travelling and accommodation expenses is the same amount as the amount to which a person would be entitled for those expenses in the same circumstances under the Public Service Award.

Council currently pays the following allowances and expense reimbursements.

- *Reimbursements*
  - Travel / Accommodation - \$0.68 per km or actual cost incurred.
  - Child Care – Maximum \$30 per hour.

### Legal Implications

Only reimbursement of permissible expenditure and allowances up to prescribed amounts are payable per Section 5.98, 5.98A, 5.99 and 5.99A Local Government Act 1995.

Part 8 of the Local Government (Administration) Regulations 1996 includes the provisions on which local government payments are made to elected members, refer Regulation 30, 31, and 32.

Strategic Community Plan -

Strategy 1.1.1 - To be equitable, inclusive and transparent in decision making. (Service Priority: High)

Strategy 1.2.1 - Provide elected member training and development. (Service Priority: Very High)

Environment - None.

Precedents

Council currently pays the following Elected Member fees:

ANNUAL ATTENDANCE FEE	
Shire President	\$17,739
Elected Members other than Shire President	\$11,457
ANNUAL LOCAL GOVERNMENT ALLOWANCE	
Shire President	\$25,870
Deputy Shire President	\$6,467
ALLOWANCES PER ANNUM	
Information and Communications Technology	\$2,450

REIMBURSEMENTS	
Travel / Accommodation	\$0.68 km or actual expense incurred
Child Care	Reimburse expenses up to a maximum of \$30 per hour

SAT undertakes an annual review of fees and allowances and publishes the new rates in April each year. At the Corporate & Community Services Committee meeting held on the 20 March 2019, and subsequent Council meeting on the 27 March 2019, Council resolved [66-19] to move the setting of Elected Members fees and allowances at a fixed 70 percentage of the prevailing published rate. This therefore enables allowances to increase in line with SAT percentage increases automatically.

*THAT Council:*

1. *Adopts Annual Attendance Fees effective from 1 July 2019:*

ANNUAL ATTENDANCE FEE		
	FEE PER ANNUM	Current
<i>Shire President</i>	<i>\$ 17,739</i>	<i>70% of the maximum band value (Band 3)</i>
<i>Councillors other than Shire President</i>	<i>\$ 11,457</i>	<i>70% of the maximum band value (Band 3)</i>

2. *Sets the Annual Attendance Fee at 70% of the prevailing maximum band value for the Shire of Dardanup as determined by the Salaries and Allowances Tribunal.*
3. *Adopts the Annual Local Government Allowance for the President and Deputy President effective from 1 July 2019:*

<i>LOCAL GOVERNMENT ALLOWANCE</i>		
	<i>PER ANNUM</i>	<i>Current</i>
<i>Shire President</i>	<i>\$ 25,870</i>	<i>70% of the maximum band value (Band 3)</i>
<i>Deputy Shire President</i>	<i>\$ 6,467</i>	<i>70% of the maximum band value (Band 3 = calculated at 25% of Annual Allowance payable to the Shire President)</i>

4. *Sets the Annual Local Government Allowance at 70% of the prevailing maximum band value for the Shire of Dardanup as determined by the Salaries and Allowances Tribunal.*
5. *Adopts an Annual Information and Communications Technology (ICT) Allowance at 70% of the prevailing maximum band value for the Shire of Dardanup as determined by the Salaries and Allowances Tribunal, in lieu of expense reimbursements effective from 1 July 2019 of \$2,450 pa per elected member.*
6. *Reimburse child care expenses at the lesser of actual cost or \$25 per hour. Reimbursement shall be made upon submission of documentary evidence that the expense has been incurred for.*
7. *Reimburse travel expenses upon documentary evidence of km travelled or expense incurred in accordance with the Local Government (Administration) Regulations 1996.*
8. *Investigate ways to process child care claims to ensure they are more applicable to our meeting times and made easier to claim from the Shire.*

#### Budget Implications

Per annual increase as determined by SAT.

#### Budget – Whole of Life Cost

Per annual increase as determined by SAT.

#### Council Policy Compliance

CP042 Councillor Fees, Expenses & Allowances Policy was reviewed and amended in July 2018.

#### Risk Assessment - Low.

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to (Appendix IPC: 9.7) for full assessment document.

<b>Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.</b>		
Risk Event	Elected Member Fees, Expenses and Allowance 2020-21	
Inherent Risk Rating (prior to treatment or control)	Moderate (5 - 11)	
Risk Action Plan (treatment or controls proposed)	As the Inherent Risk Rating is below 12, this is not applicable.	
Residual Risk Rating (after treatment or controls)	As the Inherent Risk Rating is below 12, this is not applicable.	
Risk Category Assessed Against	Financial	Elected Member & Staff Budget requests form part of the Annual Budget Process
	Legal and Compliance	Risk of Council breaching the Local Government Act 1995 – Risk that the Member Fees, Expenses and Allowances is not adopted

Officer Comment

Elected Member remuneration is reviewed annually by the Salaries and Allowances Tribunal. As at reporting date, the SAT had not released the determination for Local Government Elected Members for payments and allowances effective 1 July 2020.

In line with Council's decision, it is proposed that Council adopts the following set percentages for the Annual Attendance Fee and the Local Government Allowance for the 2020/21 financial year:

ANNUAL ATTENDANCE FEE		
	Current 2019/20	Proposed 2020/21
<b>Shire President</b>	\$17,739 equates to 70% of maximum band value (Band 3)	70% of the maximum band value (Band 3)
<b>Councillors other than Shire President</b>	\$11,457 equates to 70% of the maximum band value (Band 3)	70% of the maximum band value (Band 3)

LOCAL GOVERNMENT ALLOWANCE		
	Current 2019/20	Proposed 2020/21
<b>Shire President</b>	\$25,870 equates to 70% of maximum band value (Band 3)	70% of the maximum band value (Band 3)
<b>Deputy Shire President</b>	\$6,467 equates to 70% of maximum band value (Band 3 up to 25% of Shire President)	70% of the maximum band value (Band 3 = up to 25% of Shire President)*

\* Deputies may also be paid an Annual Allowance being up to 25% of that payable to Presidents or Mayors.

At the Ordinary Council meeting dated 26 July 2018, Council resolved to adopt *Council Policy CP042 - Councillor Fees, Expenses and Allowances Policy*. This policy reflects the changes which removed the reimbursement upon presentation of receipts of ICT expenses, and subsequently replaced this with an ICT allowance paid per annum.

ANNUAL INFORMATION & COMMUNICATIONS TECHNOLOGY (ICT) ALLOWANCE		
	Current 2019/20	Proposed 2020/21
<b>All Councillors</b>	\$2,450 per annum equates to 70% of maximum band value (Band 3)	70% of the maximum band value (Band 3)

The minimum ICT annual allowance for determined by SAT is \$500pa; the maximum being \$3,500pa (2019/20).

Council Role - Legislative / Executive.

Voting Requirements - Absolute Majority.

Officer Recommendation

No Change. **OR:**

As per Local Government (Administration) Regulations 1996 11(da) Council records the following reasons for amending the Officer Recommended Resolution.

**OFFICER RECOMMENDED RESOLUTION TO THE  
INTEGRATED PLANNING COMMITTEE MEETING**

**THAT the Integrated Planning Committee recommends that Council:**

- 1. Sets the Shire President and Elected Member 2020/21 Annual Attendance Fee at 70% of the prevailing maximum band 3 value for the Shire of Dardanup applying from 1 July 2020, as determined by the Salaries and Allowances Tribunal.**
- 2. Sets the Shire President and Deputy Shire President 2020/21 Annual Local Government Allowance at 70% of the prevailing maximum band 3 value for the Shire of Dardanup applying from 1 July 2020, as determined by the Salaries and Allowances Tribunal.**
- 3. Sets the Elected Member 2020/21 Annual Information and Communications Technology (ICT) Allowance in lieu of expense reimbursements, at 70% of the prevailing maximum band 3 value for the Shire of Dardanup applying from 1 July 2020, as determined by the Salaries and Allowances Tribunal.**
- 4. Reimburse child care expenses at the lesser of actual cost or \$30 per hour. Reimbursement shall be made upon submission of documentary evidence that the expense has been incurred for.**
- 5. Reimburse travel expenses upon documentary evidence of km's travelled or expense incurred in accordance with the Local Government (Administration) Regulations 1996 and Council Policy.**

*By Absolute Majority*

<b>10      MATTERS BEHIND CLOSED DOORS</b>
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None.

<b>11      CLOSURE OF MEETING</b>
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The Chairperson advises that the date of the next Integrated Planning Committee Meeting will be Wednesday, 8 April 2020 commencing at 1.00pm at the Shire of Dardanup - Administration Centre Eaton.

There being no further business the Chairperson to declare the meeting closed.