



# **A G E N D A**

## **SPECIAL COUNCIL MEETING**

To Be Held

Wednesday, 27th of July 2022

Commencing at 7.00pm

At

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

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## NOTICE OF A SPECIAL COUNCIL MEETING

Dear Council Member

The next Special Meeting of the Shire of Dardanup Council will be held on Wednesday, the 27th of July 2022 in the Council Chambers, Shire of Dardanup – Administration Centre Eaton, 1 Council Drive, Eaton – Commencing at 7.00pm to consider the Municipal Fund Budget for 2022/23 – Land and Buildings Capital Expenditure.

**MR ANDRÉ SCHÖNFELDT**  
Chief Executive Officer

Date: 27<sup>th</sup> of July 2022

**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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## VISION 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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## 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 e.g. 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>	<p>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.</p> <p>Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (e.g.: under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</p>

## 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>	<p>Project risk has two main components:</p> <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	Almost Certain	The event is expected to occur in most circumstances	The event is expected to occur more than once per year
4	Likely	The event will probably occur in most circumstances	The event will probably occur at least once per year
3	Possible	The event should occur at some time	The event should occur at least once in 3 years
2	Unlikely	The event could occur at some time	The event could occur at least once in 10 years
1	Rare	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 SPECIAL COUNCIL MEETING TO BE HELD ON WEDNESDAY, THE 27TH OF JULY 2022, AT SHIRE OF DARDANUP – ADMINISTRATION CENTRE EATON, COMMENCING AT 7.00PM.**

<b>1      DECLARATION OF OPENING/ANNOUNCEMENTS OF VISITORS</b>
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The Presiding Member, Cr. M T Bennett to declare the meeting open, welcome those in attendance, 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. The Shire of Dardanup also respects and celebrates all cultures of all our residents and visitors to our Shire.*

*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, you will be directed to an appropriate Assembly Area where we will meet (and complete a roll call).*

*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.*

<b>2      RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE PREVIOUSLY APPROVED</b>
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2.1 Attendance

Cr. Michael Bennett	-	Shire President
Cr. Tyrrell Gardiner	-	Deputy Shire President
Cr. Peter Robinson	-	Elected Member
Cr. Janice Dow	-	Elected Member
Cr. Stacey Gillespie	-	Elected Member
Cr. Mark Hutchinson	-	Elected Member
Cr. Ellen Lilly	-	Elected Member
Cr. Patricia Perks	-	Elected Member
Cr. Luke Davies	-	Elected Member

Mr André Schönfeldt	-	Chief Executive Officer
Mr Phil Anastasakis	-	Deputy Chief Executive Officer
Ms Susan Oosthuizen	-	Director Sustainable Development
Mr Theo Naudé	-	Director Infrastructure
Ms Cathy Lee	-	Manager Governance & HR
Mrs Gabriella Hayward	-	Acting Executive Support Officer
Mrs Natalie Hopkins	-	Manager Financial Services (ATTENDED VIA MICROSOFT TEAMS)

## 2.2 Apologies

None.

## 2.3 Leave of Absence

None.

# 3 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

None.

# 4 PUBLIC QUESTION TIME

# 5 APPLICATIONS FOR LEAVE OF ABSENCE

None.

# 6 PETITIONS/DEPUTATIONS/PRESENTATIONS

None.

# 7 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

None.



**8 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION**

None.

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

None.

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

None.

**11 DECLARATION OF INTEREST**

"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 CnG CP039.

*Note: Chairperson to ask Councillors and Staff if there are any Declarations of Interest to be declared.*

- *Chief Executive Officer, Mr André Schönfeldt declared an Impartiality Interest in Item '12.1 – 2022/23 Budget Adoption' - The resolution refers to the Eaton Family Centre. Mr André Schönfeldt wife and sons are members of the Eaton Combined Playgroup Association Incorporated - Eaton Family Centre and therefore he has an Impartiality Interest.*
- *Shire President – Cr. M T Bennett declared an Impartiality Interest in Item '12.1 - 2022/23 Budget Adoption' - The resolution refers to the Eaton Bowling Club. Cr. M T Bennett is a member of the Eaton Bowling and Social Club and therefore has an Impartiality Interest.*
- *Shire President – Cr. M T Bennett declared an Impartiality Interest in Item '12.1 - 2022/23 Budget Adoption' - The resolution refers to the Eaton Football Clubrooms (Pratt Road). Cr. M T Bennett is a life member of the Eaton Junior Football Club and therefore has an Impartiality Interest.*
- *Cr. S L Gillespie declared a Proximity Interest in Item '12.1 - 2022/23 Budget Adoption' - The resolution refers to Eaton Bowling Club. Cr. S L Gillespie's place of residence is on Pratt Road and therefore she has a Proximity Interest.*

- *Cr. L Davies declared a Financial Interest in 'Item 12.1 – 2022/23 Budget Adoption' - The resolution refers to the New Admin / Library Stage 2 – Detailed Design. Cr. L Davies is employed by Coles Pty Ltd that is housed within the Eaton Fair Shopping Centre and therefore has a Financial Interest.*

## 12 REPORTS OF OFFICERS AND COMMITTEES

### 12.1 Title: 2022/23 Budget Adoption - Land and Buildings Capital Expenditure

<i>Reporting Department:</i>	<i>Corporate &amp; Governance Directorate</i>
<i>Reporting Officer:</i>	<i>Mr Phil Anastasakis – Deputy Chief Executive officer</i> <i>Mrs Natalie Hopkins – Manager Financial Services</i>
<i>Legislation:</i>	<i>Local Government Act 1995</i>
<i>Attachments:</i>	<i>Appendix ORD: 12.4.1A – 2022/23 Annual Budget - Under Separate Cover</i> <i>Appendix ORD: 12.4.1B – Risk Assessment</i>

### DECLARATIONS OF INTEREST

Please refer to Part 11 'Declaration of Interest' for full details of Declarations of Interest made at the beginning of the meeting.

Elected Members and Staff will leave the room at the appropriate time (if required) during the voting.

### **Overview**

This report presents the "Land & Buildings Capital Expenditure" section of the final 2022/23 Annual Budget for Council adoption. The 2022/23 Annual Budget papers have been formulated and presented to Council in the statutory format following endorsement of the draft 2022/23 Annual Budget at the 22<sup>nd</sup> of June 2022 Ordinary Council Meeting.

### **Background**

The 2022/23 budget has been compiled based on the strategic objectives, strategies and actions contained in the Strategic Community Plan and Corporate Business Plan, which together form Council's current "Plan for the Future". As part of the Integrated Planning and Reporting cycle, Council has reviewed and updated its Strategic Community Plan, Corporate Business Plan, Long Term Financial Plan, Workforce Plan and various Asset Management Plans. This has resulted in the developed of a new "Council Plan 2022-2032", incorporating both the 10 year Strategic Community Plan and four year Corporate Business Plan.

Year one of the Corporate Business Plan formed the basis of the draft annual budget, with further deliberations and resolutions of Council occurring at the Integrated Planning Committee and Council meetings during March, April, May and June 2022.

The 2022/23 Annual Budget has been prepared taking into consideration these preceding reviews and incorporates relevant elements of the various strategies, plans and resolutions adopted by Council. The culmination of these strategic reviews resulted in Council considering and resolving to endorse the draft 2022/23 Annual Budget at the 22<sup>nd</sup> of June 2022 Ordinary Council meeting (Res: 154-22).

Council adopted the final Shire of Dardanup 2022/23 Annual Budget, together with the supporting schedules, including the imposition of rates and minimum payments, and related matters arising from the budget [Appendix ORD: 12.4.1A – Under Separate Cover] at the Ordinary Council Meeting held 27<sup>th</sup> of July 2022. Council dealt with all other aspects of the 2022/23 Annual Budget Officer Recommended Resolutions “A” to “L” .

Officer Recommended Resolution B was not carried by absolute majority:

#### OFFICER RECOMMENDED RESOLUTION ‘B’

##### MUNICIPAL FUND BUDGET FOR 2022/23 – LAND & BUILDINGS CAPITAL EXPENDITURE

THAT Council pursuant to Section 6.2 of the *Local Government Act 1995* and *Part 3 of the Local Government (Financial Management) Regulations 1996*, adopts the Land Development & Building Construction Capital Works Expenditure detailed on pages 95-97, and the Building Maintenance and Minor Work expenditure detailed in Appendix C pages 115-116, , and the Building Major Maintenance detailed in Appendix D on page 117, within the 2022/23 Municipal Fund Budget as contained in [Appendix ORD: 12.4.1A – Under Separate Cover] of this Agenda and the Minutes, for the Shire of Dardanup for the 2022/23 financial year.

\* (Absolute Majority required)

#### **Legal Implications**

##### *Local Government Act 1995*

#### **5.56. Planning for the future**

- (1) *A local government is to plan for the future of the district.*
- (2) *A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.*

##### *Division 2 — Annual budget*

#### **6.2. Local government to prepare annual budget**

- (1) *During the period from 1 June in a financial year to 31 August in the next financial year, or such extended time as the Minister allows, each local government is to prepare and adopt\*, in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the 30 June next following that 31 August.*

*\* Absolute majority required.*

- (2) *In the preparation of the annual budget the local government is to have regard to the contents of the plan for the future of the district made in accordance with section 5.56 and to prepare a detailed estimate for the current year of —*

- (a) *the expenditure by the local government; and*
  - (b) *the revenue and income, independent of general rates, of the local government; and*
  - (c) *the amount required to make up the deficiency, if any, shown by comparing the estimated expenditure with the estimated revenue and income.*
- (3) *For the purposes of subsections (2)(a) and (b) all expenditure, revenue and income of the local government is to be taken into account unless otherwise prescribed.*
- (4) *The annual budget is to incorporate —*
- (a) *particulars of the estimated expenditure proposed to be incurred by the local government; and*
  - (b) *detailed information relating to the rates and service charges which will apply to land within the district including —*
    - (i) *the amount it is estimated will be yielded by the general rate; and*
    - (ii) *the rate of interest (if any) to be charged by the local government on unpaid rates and service charges;*

*and*
  - (c) *the fees and charges proposed to be imposed by the local government; and*
  - (d) *the particulars of borrowings and other financial accommodation proposed to be entered into by the local government; and*
  - (e) *details of the amounts to be set aside in, or used from, reserve accounts and of the purpose for which they are to be set aside or used; and*
  - (f) *particulars of proposed land transactions and trading undertakings (as those terms are defined in and for the purpose of section 3.59) of the local government; and*
  - (g) *such other matters as are prescribed.*
- (5) *Regulations may provide for —*
- (a) *the form of the annual budget; and*
  - (b) *the contents of the annual budget; and*
  - (c) *the information to be contained in or to accompany the annual budget.*

#### **Local Government (Financial Management) Regulations 1996**

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

- (1) *The annual budget is to include for each discount or other incentive proposed to be granted for early payment of any money and in respect of each waiver or concession proposed in relation to any money —*
- (a) *in respect of a discount —*
    - (i) *the amount of the discount, or the percentage discount, to be allowed; and*
    - (ii) *the circumstances in which the discount will be granted;*

*and*
  - [(b) *deleted*]

- (c) *in relation to a waiver or concession —*
- (i) *a brief description of the waiver or concession; and*
  - (ii) *a statement of the circumstances in which it will be granted; and*
  - (iii) *details of the persons or class of persons to whom it is available; and*
  - (iv) *the objects of, and reasons for, the waiver or concession.*
- (2) *The annual budget is to include, separately in relation to all general rates, each specified area rate, each service charge and all fees and charges imposed under the Act or any other written law an estimate of —*
- (a) *the total amount of the discounts which may be granted; and*
  - (b) *the total cost to the local government of each incentive scheme; and*
  - (c) *the total cost, or reduction of revenue, to the local government of a waiver or grant of a concession; and*
  - (d) *the total amount of money to be written off.*
- [Regulation 26 amended: Gazette 20 Jun 1997 p. 2840.]*

#### **Local Government Act 1995**

#### **6.12. Power to defer, grant discounts, waive or write off debts**

- (1) *Subject to subsection (2) and any other written law, a local government may —*
- (a) *when adopting the annual budget, grant\* a discount or other incentive for the early payment of any amount of money; or*
  - (b) *wave or grant concessions in relation to any amount of money; or*
  - (c) *write off any amount of money,*  
*which is owed to the local government.*
- \* Absolute majority required.*
- (2) *Subsection (1)(a) and (b) do not apply to an amount of money owing in respect of rates and service charges.*
- (3) *The grant of a concession under subsection (1)(b) may be subject to any conditions determined by the local government.*
- (4) *Regulations may prescribe circumstances in which a local government is not to exercise a power under subsection (1) or regulate the exercise of that power.*

*[Section 6.12 amended: No. 64 of 1998 s. 39.]*

#### **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.*

#### **6.20. Power to borrow**

#### **6.28. Basis of rates**

- (2) *In determining the method of valuation of land to be used by a local government the Minister is to have regard to the general principle that the basis for a rate on any land is to be —*
- (a) *where the land is used predominantly for rural purposes, the unimproved value of the land; and*
  - (b) *where the land is used predominantly for non-rural purposes, the gross rental value of the land.*

- (4) *Subject to subsection (5), for the purposes of this section the valuation to be used by a local government is to be the valuation in force under the Valuation of Land Act 1978 as at 1 July in each financial year.*

### **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.*

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

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

*(a) be more than 110% of the amount of the budget deficiency; or*

*(b) be less than 90% of the amount of the budget deficiency.*

### **6.35. Minimum payment**

### **6.37. Specified Area Rates**

### **6.45. Options for Payment of Rates or Service Charges**

### **6.47. Concessions**

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

*\* Absolute majority required.*

Section 67 of the *Waste Avoidance and Resource Recovery Act 2007* enables local government to impose an annual charge in respect of premises provided with a waste service by the local government.

Section 5.98 and 5.98A of the *Local Government Act 1995* sets out fees and allowances payable to Council members, Presidents and Deputy Presidents.

### **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.*

### **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 To monitor and produce statutory budgetary and financial reporting requirements applicable to local government operations. (Service Priority: High)

**Environment** - None.

### **Precedents**

Each year Council prepares an annual budget for the forthcoming financial year. The annual budget is formed from year one of the Shire of Dardanup Council Plan 2022-2032 and the Long Term Financial Plan 2022/23 – 31/32.

### **Budget Implications**

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

The budget outlines planned expenditure and revenue and determines the financial parameters for the Shire of Dardanup to operate within for the 2022/23 financial year. Specific budget implications are as outlined in the Schedules and Notes that form part of the budget document.

### **Capital Works:**

\$22,625,364 is to be spent in 2022/23 on the acquisition and/or construction of furniture, equipment, vehicles, plant, buildings, parks and infrastructure assets. Council will allocate \$9,612,251 from Reserves to fund this expenditure, with \$7,000,000 loan funds for the new Council Administration/Library building (\$6m), Eaton Oval Clubrooms (\$700,000) and Glen Huon Reserve Lighting (\$300,000).

It is anticipated that \$5,805,863 will be sourced from external grants and contributions, which if unsuccessful, may not enable the capital works to proceed as planned. The funding balance of \$207,250 which includes wages for asset design staff, will be contributed from Council's Municipal Fund. \$5,025,000 is budgeted to be received as proceeds from disposals (\$5.0m Council Admin/Library building land disposal) with \$5m transferred to the Building Maintenance Reserve.

Of the \$22,625,364 capital expenditure budget, the following is the breakdown based on Asset Category:

- Asset Renewal \$2,844,778 (12.6%);
- Asset Upgrade \$1,992,574 (8.8%); and
- New Assets \$17,788,012 (78.6%).

The capital works program for 2022/23 includes a high number of carried forward projects ranging from Capital Road Upgrades and Renewals, Pathways, Building Construction and Parks and Reserves Upgrades and Renewals. All carried forward projects are listed in their respective budget sections: Transport Construction (from page 91), Building Construction (from page 95), and Parks & Reserves Construction (from page 98), and budgeted through either the Carried Forward Projects Reserve, Unspent Grants Reserve or Grant Revenue.

In addition to the carried forward construction works, the final 2022/23 budget incorporates two vehicle changeovers that were budgeted in 2021/22 which are listed from page 100 of the budget document. Due to unavailability of stock, which is outside of Council's control, these utility vehicles are

now scheduled for delivery in the 2022/23 financial year. Vehicle and Plant Disposal is included at Appendix H – Disposal of Assets on (page 123) of the budget document. All carried forward net Vehicle and Plant changeovers are budgeted from Council's Plant & Engineering Equipment Reserve.

**Loans:**

The 2022/23 budget includes the raising of three new loans during the year totalling \$7,000,000. These loans will be utilised to partly fund the following capital works:

1. \$6,000,000 towards the new Council Administration/Library building. An additional loan of \$1.5m is proposed in 2023/24 as part of the total project cost.
2. \$700,000 towards the new Eaton Oval Clubrooms (R&J Fishwick Pavilion); and
3. \$300,000 towards the installation of improved lighting at the Glen Huon Reserve for the Eaton Boomers Football Club and Bunbury & Districts Softball Association.

Most building loans are taken out to fund the project over 20 years. The Shire of Dardanup has a Master Lending Agreement in place with WA Treasury Corporation (WATC), enabling quotes to be obtained on projected future loan interest rates. In addition to interest charges, raising loans through WATC incurs an additional Government Guarantee Fee. The forecast interest rate and charges included in the draft and final budget have been based on interest rates incurred by Council for the most recent FOGO bins loan and a quoted rate of 2.09%. However, it is noted that there has been a number of recent significant interest rate increases that will impact future repayments which are significantly higher than budgeted and forecast in the LTFP. The full cost implications will not be known until the time that the loan is drawn down, either in the first or second half of 2022/23. The estimated cost increase will be incorporated into the Monthly Financial Statement forecasts when determined, the mid-year budget review, and future financial years within the Long Term Financial Plan.

While any interest rate increases will have a negative impact on future loan costs, increased interest income will be earned on cash backed reserves during 2022/23, with 50% of the interest earned to be returned to the municipal fund. The estimated increased interest earnings will be incorporated into the Monthly Financial Statement forecasts when determined, and the mid-year budget review. The expected balance of reserves at 30 June 2023 will be \$12,603,415.

It is expected that Council will receive Local Government Grants Commission General Purpose Grant revenue of \$984,091 and Local Roads Grant revenue of \$538,187, noting that 75% of these grant funds have been received in June 2022, and will be transferred to the Unspent Grants Reserve.

The Commonwealth Roads to Recovery (R2R) Grant program was allocated over 5 years to all Local Governments in Australia; the program was completed in 2018/19 financial year. During this time Council received \$2,020,891. A new round of R2R funding commenced in 2019/20 with a stronger focus on road safety for Roads to Recovery projects. \$316,017 is allocated in 2022/23 from this funding program.

Council has continued to receive grants related to infrastructure with the following grants anticipated for 2022/23:

- \$140,000 for Black Spot works,
- \$1,080,000 from Regional Road Group, and
- \$45,000 for Bridge works.

There have been a number of minor changes made to the draft budget to reflect some of the areas noted above, which are detailed in the Officer Comment section.



After taking into consideration all other sources of income, Council is required to raise sufficient rates to meet its total expenditure. However, it is allowed to adopt a budget that has a deficit or surplus that does not exceed 10% of its rate revenue.

The current forecast end of year surplus for 2021/22 is \$184,453, which is reflected in the opening surplus at the start of the 2022/23 financial year. This forecast will vary when the final annual financial report is produced for 2021/22 with the final result reflected in the Monthly Financial Statements and when the 2022/23 mid-year budget review is conducted in February/March 2023.

A modest end of year surplus of \$137,167 has been forecast in the 2022/23 budget. The net result for the 12 month period of the 2022/23 is therefore a small deficit of \$47,286. The modest surplus as at the 30<sup>th</sup> of June 2023 is indicative of a tightly constrained budget for the 2022/23 financial year.

**Budget – Whole of Life Cost**

While the budget contains new assets and infrastructure, this report does not deal directly with the whole of life costs of those items. Consideration of the whole of life costs relevant to those items forms part of the individual project or asset evaluation and justification.

**Council Policy Compliance**

Council Policy CP018 – Corporate Business Plan & Long term Financial Plan notes that each year, with the best endeavours, Council aims to consider a draft budget for adoption by the end of June. This goal will not be achieved this year based on Council’s endorsement to adopt the 2022/23 Budget at the 27<sup>th</sup> of July 2022 Ordinary Council meeting.

**Risk Assessment**

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to [Appendix ORD: 12.4.1B] for full assessment document.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Risk Event	Annual Budget 2022/23 – Land and Buildings Capital Expenditure
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	Legal and Compliance Legislative requirements and compliance determine the need for the production of the Annual Budget.
	Financial The financial implications associated within the elements of the Annual Budget can affect the financial sustainability of Council.
	Reputational The inclusion of projects and works within the various plans within the Annual Budget build community expectation.

**Officer Comment****Changes from Draft 2022/23 Budget**

1. Local Roads & Community Infrastructure (LRCI) Round 3 grant funding of \$45,000 was allocated in the draft budget to the Charlotte Street toilet project (total carried over cost of \$107,036). This did not meet the grant funding criteria, therefore the \$45,000 LRCI 3 funding has been allocated against Job12307 – “Ironstone Road Bridge” works of \$100,000. This has resulted in a change in the funding sources for these two projects and in the draw down from the Building Reserve and Road reserve, however overall there is nil effect on the final End of Year Surplus.
2. The final budget incorporates part of the carried forward artworks to be completed for the Gnomesville Public Toilet. The additional increase of \$5,802 is funded from the Carried Forward Projects Reserve.

**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:

**DECLARATION OF INTEREST – RESOLUTION A**

Cr. M T Bennett declared Impartiality Interests relating to this budget item.  
Cr. M T Bennett to remain in the room.

Cr. L W Davies declared a Financial Interest relating to this budget item. Cr. L W Davies to leave the room at the time of discussion and voting on items relating to this matter.

Chief Executive Officer, Mr André Schönfeldt declared an Impartiality Interest in budget this item.  
Mr Schönfeldt to remain in the room.

Please refer to Part 11 ‘Declaration of Interest’ for full details.

**OFFICER RECOMMENDED RESOLUTION 'A'****MUNICIPAL FUND BUDGET FOR 2022/23 – LAND & BUILDINGS CAPITAL EXPENDITURE**

THAT Council pursuant to Section 6.2 of the *Local Government Act 1995* and *Part 3 of the Local Government (Financial Management) Regulations 1996*, adopts the Land Development & Building Construction Capital Works Expenditure detailed on pages 95-97, and the Building Maintenance and Minor Work expenditure detailed in Appendix C pages 115-116, , and the Building Major Maintenance detailed in Appendix D on page 117, within the 2022/23 Municipal Fund Budget as contained in [Appendix ORD: 12.4.1A – Under Separate Cover] **excluding expenditure relating to the Eaton Bowling Club Building** of the Ordinary Council Meeting Agenda and the Minutes held on 27<sup>th</sup> of July 2022, for the Shire of Dardanup for the 2022/23 financial year.

\* (Absolute Majority required)

**DECLARATION OF INTEREST – RESOLUTION B**

Cr. M T Bennett declared Impartiality Interests relating to this budget item.  
Cr. M T Bennett to remain in the room.

Cr. S L Gillespie declared a Proximity Interest relating to this budget item. Cr. S L Gillespie to leave the room at the time of discussion and voting on items relating to this matter.

Chief Executive Officer, Mr André Schönfeldt declared an Impartiality Interest in budget this item.  
Mr Schönfeldt to remain in the room.

Please refer to Part 11 'Declaration of Interest' for full details.

**OFFICER RECOMMENDED RESOLUTION 'B'****MUNICIPAL FUND BUDGET FOR 2022/23 – LAND & BUILDINGS CAPITAL EXPENDITURE**

THAT Council pursuant to Section 6.2 of the *Local Government Act 1995* and *Part 3 of the Local Government (Financial Management) Regulations 1996*, adopts the **expenditure relating to the Eaton Bowling Club Building** detailed within the Land Development & Building Construction Capital Works Expenditure detailed on pages 95-97, and the Building Maintenance and Minor Work expenditure detailed in Appendix C pages 115-116, , and the Building Major Maintenance detailed in Appendix D on page 117, within the 2022/23 Municipal Fund Budget as contained in [Appendix ORD: 12.4.1A – Under Separate Cover] of the Ordinary Council Meeting Agenda and the Minutes held on 27<sup>th</sup> of July 2022, for the Shire of Dardanup for the 2022/23 financial year.

\* (Absolute Majority required)

**13 ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

None.

**14 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING**

None.

**15 PUBLIC QUESTION TIME**

**16 MATTERS BEHIND CLOSED DOORS**

None.

**17 CLOSURE OF MEETING**

The Presiding Officer advises that the date of the next:

- Ordinary Meeting of Council will be Wednesday, the 24<sup>th</sup> of August 2022, commencing at 5.00pm.

There being no further business the Presiding Officer to declare the meeting closed.