



Shire of Dardanup

# **A G E N D A**

FOR THE

# **SPECIAL COUNCIL MEETING**

To Be Held

Wednesday, 31<sup>st</sup> May 2023  
Commencing at 3.30pm

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 31<sup>st</sup> of May 2023 in the Council Chambers, Shire of Dardanup – Administration Centre Eaton, 1 Council Drive, Eaton – Commencing at 3.30pm. The purpose of the Special meeting is for Council to consider and endorse the 2023/24 Draft Budget.

**MR ANDRÉ SCHÖNFELDT**  
Chief Executive Officer

Date: 26<sup>th</sup> of May 2023

**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

“The Shire of Dardanup is a healthy, self-sufficient and sustainable community, that is connected and inclusive, and where our culture and innovation are celebrated.”

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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>	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 (e.g.: 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 SPECIAL COUNCIL MEETING TO BE HELD ON WEDNESDAY, THE 31<sup>ST</sup> MAY 2023, AT SHIRE OF DARDANUP - ADMINISTRATION CENTRE EATON, COMMENCING AT 3.30PM.**

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

The Presiding Member 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.*



## 2 RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE PREVIOUSLY APPROVED

### 2.1 Attendance

### 2.2 Apologies

### 2.3 Leave of Absence

Cr L W Davies – Elected Member [Res: 78-23]

### 2.4 Previous Meetings

DATE	TYPE	Cr. M T BENNETT	Cr. L W DAVIES	Cr. J DOW	Cr. T G GARDINER	Cr. S L GILLESPIE	Cr. M R HUTCHINSON	Cr. E P LILLY	Cr. P R PERKS	Cr. P S ROBINSON
<b>NOVEMBER 2022</b>										
16/11/22	WS Rating	✓	NA	✓	Ap	Ap	✓	✓	Ap	LoA
16/11/22	AF	✓	NA	✓	Ap	✓	✓	✓	Ap	LoA
23/11/22	CF	✓	✓	✓	✓	✓	✓	✓	Ap	LoA
23/11/22	OCM	✓	✓	✓	✓	✓	✓	✓	Ap	LoA
30/11/22	WS REVIEW OF POLICIES CP034, CP128, CP070 & CP044	✓	NA	✓	✓	Ap	✓	✓	Ap	LoA
30/11/22	WS EATON AND DARDANUP PLACE PLANS	✓	NA	✓	✓	Ap	✓	✓	Ap	LoA
<b>DECEMBER 2022</b>										
7/12/22	WS GLEN HUON OVAL - TICKET FENCING	✓	NA	✓	✓	Ap	✓	✓	✓	✓R
7/12/22	AF	✓	NA	✓	✓	✓	✓	✓	✓	✓R
14/12/22	CF	✓	NA	✓	✓	✓	✓	✓	✓	✓
14/12/22	OCM	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>JANUARY 2023</b>										
18/01/23	AF	✓	LoA	Ap	✓	✓	✓	✓	LoA	✓R
25/01/23	CF	✓	LoA	✓	✓	✓	✓	✓	LoA	✓
25/01/23	OCM	✓	LoA	✓	✓	✓	✓	✓	LoA	✓
25/01/23	SCM ANNUAL ELECTORS MEETING	✓	LoA	✓	✓	✓	✓	✓	LoA	✓
<b>FEBRUARY 2023</b>										
1/02/23	WS CHRMAP DRAFT REPORT PRESENTATION	✓	NA	Ap	✓	✓	✓	✓	✓	Ap
1/02/23	WS	✓	NA	✓	✓	✓	✓	✓	✓	Ap

DATE	TYPE	Cr. M T BENNETT	Cr. L W DAVIES	Cr. J DOW	Cr. T G GARDINER	Cr. S L GILLESPIE	Cr. M R HUTCHINSON	Cr. E P LILLY	Cr. P R PERKS	Cr. P S ROBINSON
	DIFFERENTIAL RATES									
8/02/23	WS REVIEW OF DRAFT MEMORIALS POLICY	✓	NA	Ap	✓	LoA	✓	✓	✓	Ap
13/02/23	BUREKUP COMMUNITY MEETING	✓		✓	✓		✓			Ap
14/02/23	DARDANUP COMMUNITY MEETING	✓			✓		✓	✓	✓	Ap
15/02/23	AF	✓	NA	Ap	✓	LoA	✓	✓	Ap	Ap
15/02/23	EATON COMMUNITY MEETING	✓			✓	✓		✓	✓	Ap
16/02/23	FERGUSON COMMUNITY MEETING	✓			✓			✓	✓	Ap
22/02/23	CF	✓	Ap	✓	✓	LoA	✓	✓	✓	✓
22/02/23	OCM	✓	Ap	✓	✓	LoA	✓	✓	✓	✓
24/02/23	WS FRAUD AWARENESS TRAINING			-			✓		✓	
<b>MARCH 2023</b>										
1/03/23	WS SHIRE OF DARDANUP LOCAL BIKE PLAN	✓	NA	-	✓	Ap	✓	✓	✓	Ap
1/03/23	WS REVIEW OF HERITAGE SURVEY	✓	NA	-	✓	✓	✓	✓	✓	Ap
8/03/23	WS INTEGRATED PLANNING COMMITTEE MEETING	✓	✓	-	✓	✓	✓	✓R	✓	✓
8/03/23	SCM	✓	✓	-	✓	✓	✓	✓R	✓	✓
15/03/23	AF	✓	NA	-	✓	✓	✓	✓	✓	✓R
22/03/23	CF	✓	NA		✓	✓	✓	✓	✓	✓
22/03/23	OCM	✓	✓		✓	✓	✓	✓	✓	✓
29/03/23	WS MARKYT COMMUNITY SCORECARD REPORT	✓			✓		✓	Ap	✓	
30/03/23	WS PROJECT CONNECT	✓	NA	~	✓	Ap	Ap	✓	✓	✓R
<b>APRIL 2023</b>										
19/04/23	AF	✓	NA	~	✓	✓	LoA	✓	✓	✓R
26/04/23	CF	✓	✓	~	✓	✓	LoA	✓	✓	✓
26/04/23	OCM	✓	✓	~	✓	✓	LoA	✓	✓	✓
<b>MAY 2023</b>										
02/05/23	STRATEGIC WS	✓	N/A	~	✓	✓	✓	✓	✓	✓
3/05/23	WS – PRAMP	✓	N/A	~	✓	Ap	✓	✓	✓	Ap
17/05/23	WS – MRWA PRESENTATION	✓	LoA	~	✓	✓	✓	✓	✓R	✓R

DATE	TYPE	Cr. M T BENNETT	Cr. L W DAVIES	Cr. J DOW	Cr. T G GARDINER	Cr. S L GILLESPIE	Cr. M R HUTCHINSON	Cr. E P LILLY	Cr. P R PERKS	Cr. P S ROBINSON
17/05/23	AF	✓	LoA	~	✓	✓	✓	✓	✓R	✓R
24/05/23	CF		LoA	~						
24/05/23	SCM		LoA							
24/05/23	OCM		LoA	~						

TYPE LEGEND	
AF	Agenda Forum
CF	Concept Forum
OCM	Ordinary Council Meeting
SCM	Special Council Meeting
WS	Workshop

ATTENDANCE LEGEND	
✓	Attendance
✓R	Remote Attendance
Ap	Apology
LoA	Leave of Absence
NA	Non Attendance

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

*Note: Responses from any Public Questions taken at the Ordinary Council Meeting of 24<sup>th</sup> May 2023 will be responded to at the Ordinary Council Meeting of 28<sup>th</sup> of June 2023.*

**4      PUBLIC QUESTION TIME**

**5      APPLICATIONS FOR LEAVE OF ABSENCE**

**COUNCIL RESOLUTION**

**THAT ..... be granted leave of absence for the Ordinary Council Meeting to be held on the 28<sup>th</sup> June 2023.**

**6      PETITIONS/DEPUTATIONS/PRESENTATIONS**

None.

**7 CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

Note: The Minutes of the Special Council Meeting and the Ordinary Council Meeting [OCM] held 24<sup>th</sup> May 2023 will be presented to the OCM to be held on 28<sup>th</sup> June 2023 for confirmation.

**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 '12.1.1 –Draft Annual Budget 2023/24. Resolution "C" refers the adoption of the Land and Building Capital Expenditure which 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.*
- *Chief Executive Officer, Mr André Schönfeldt declared a Proximity Interest in Item '12.1.1 – Draft Annual Budget 2023/24. Resolution "B" refers the adoption of the Parks & Reserves Capital Expenditure which refers to maintenance and minor expenditure at Garry Engel Park. Mr André Schönfeldt owns property adjacent to the Park and therefore has a Proximity Interest.*

## 12 REPORTS OF OFFICERS AND COMMITTEES

### 12.1 CORPORATE & GOVERNANCE DIRECTORATE REPORTS

#### 12.1.1 Draft Annual Budget 2023/24

<b>Reporting Department</b>	<i>Corporate &amp; Governance Directorate</i>
<b>Responsible Officer</b>	<i>Mr Phil Anastasakis - Deputy CEO</i>
<b>Reporting Officer</b>	<i>Mr Phil Anastasakis - Deputy CEO</i>
<b>Legislation</b>	<i>Local Government Act 1995</i>
<b>Council Role</b>	<i>Executive/Strategic.</i>
<b>Voting Requirement</b>	<i>Simple Majority / Absolute Majority for final adoption</i>
<b>Attachments</b>	<i>Appendix ORD: 12.1.1A – Draft Shire of Dardanup Budget Appendix ORD: 12.1.1B – 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 draft 2023/24 Annual Budget for Council consideration, deliberation and endorsement. Following the endorsement of the draft Budget, the final 2023/24 Annual Budget papers will be formulated and presented to Council in the statutory format for final adoption at the 28<sup>th</sup> of June 2023 Ordinary Council meeting.

#### **OFFICER RECOMMENDED RESOLUTION "A"**

##### DRAFT BUDGET FOR 2023/24 – TRANSPORT ASSETS

**THAT Council endorse the Transport Assets capital acquisition/works as contained in the 2023/24 Draft Budget [Appendix SCM: 12.1.1A ].**

#### **OFFICER RECOMMENDED RESOLUTION "B"**

##### DRAFT BUDGET FOR 2023/24 – PARKS & RESERVES ASSETS

**THAT Council endorse the Parks & Reserves Assets capital acquisition/works as contained in the 2023/24 Draft Budget [Appendix SCM: 12.1.1A ].**

#### **OFFICER RECOMMENDED RESOLUTION "C"**

##### DRAFT BUDGET FOR 2023/24 – LAND & BUILDING ASSETS

THAT Council endorse the Land & Buildings Assets capital acquisition/works/disposals as contained in the 2023/24 Draft Budget [Appendix SCM: 12.1.1A].

**OFFICER RECOMMENDED RESOLUTION “D”**

**DRAFT BUDGET FOR 2023/24 – OTHER ASSETS**

THAT Council endorse the Plant & Equipment, Motor Vehicles, Furniture & Fittings capital acquisition/works/disposals as contained in the 2023/24 Draft Budget [Appendix SCM: 12.1.1A].

**OFFICER RECOMMENDED RESOLUTION “E”**

**DRAFT BUDGET FOR 2023/24 – RESERVE TRANSFERS & LOANS**

THAT Council endorse the Reserve Transfers and Loans as contained in the 2023/24 Draft Budget [Appendix SCM: 12.1.1A].

**OFFICER RECOMMENDED RESOLUTION “F”**

**DRAFT BUDGET FOR 2023/24 – OPERATING INCOME & EXPENDITURE**

THAT Council endorse the ‘Operating Income and Expenditure presented in Schedules 3 to 14’ as contained in the 2023/24 Draft Budget [Appendix SCM: 12.1.1A], which includes the following:

- Statement of Comprehensive Income by Nature or Type;
- Rate Setting Statement showing an amount required to be raised from rates for 2023/24 of \$15,674,162;
- Revenue generated from the Schedule of Fees and Charges for 2023/24;
- Notes to and Forming Part of the Budget; and
- Budget Program Schedules.

**OFFICER RECOMMENDED RESOLUTION “G”**

**GENERAL AND MINIMUM RATES**

THAT Council:

1. For the purposes of yielding the deficiency disclosed by the Draft Budget for 2023/24 adopted as Part F above, endorse the imposition of the following general rates and minimum rates on Gross Rental and Unimproved Values to generate a general rate revenue increase of 6.0% (excluding interim rates with a 0% increase in GRV and a 6.0% increase in UV minimum rates):
  - a) General Rates
    - Gross Rental Value (GRV) Rated Properties = \$0.109420
    - Unimproved Value (UV) Rated Properties = \$0.005974

- b) **Minimum Payments**
- **Gross Rental Value (GRV) Rated Properties = \$1,547.50**
  - **Unimproved Value (UV) Rated Properties = \$1,640.35**
2. **Endorse the raising of the following Specified Area Rates:**
- a) **“Bulk Waste Collection Levy” on developed residential properties within (and adjoining to) the townsites of Eaton, Dardanup and Burekup that are serviced with Council’s bulk and green waste kerbside pickup to meet the cost of the service and to contribute to the refuse site.**
- **Residential GRV = \$0.001315 per specified assessment to yield \$112,447.**
- b) **“Eaton Landscaping” levy on properties within the townsite of Eaton for the purpose of upgrading and maintaining parks and reserves in Eaton townsite.**
- **Residential GRV = \$0.002925 per specified assessment to yield \$276,345.**
3. **Endorse an instalment administration charge where the owner has elected to pay rates (and service charges) through an instalment option of \$14.00 for each instalment after the initial instalment is paid (\$42.00 for four (4) instalment option).**
4. **Endorse an interest rate of 5.50% where the owner has elected to pay rates (and service charges) through an instalment option.**
5. **Endorse an interest rate of 11.0% for rates (and service charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable.**

***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:

## **Background**

As part of the Integrated Planning and Reporting cycle, Council has recently reviewed and updated its Council Plan (incorporating the 10 year Strategic Community Plan and four year Corporate Business Plan), and ten year Long Term Financial Plan.

The Corporate Business Plan and Long Term Financial Plan are reviewed annually, with the first year of the Long Term Financial Plan being ‘sliced off’ to form the basis of the draft annual budget.

The draft 2023/24 Annual Budget has therefore been prepared taking into consideration the preceding reviews and incorporates relevant elements of the various strategies, plans and resolutions adopted by Council.

This report recommends Council endorse the draft Shire of Dardanup 2023/24 Annual Budget, inclusive of the proposed 6.0% rate revenue increase (excluding interim rate income), Reserve transfers, workforce changes, loans, capital works and operational expenditure. [refer to Appendix SCM: 12.1.1A].

## **Legal Implications**

Local Government Act 1995

### **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.*



## **Council Plan**

13.1 - Adopt best practice governance.

**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 Long Term Financial Plan 2023/24 – 2032/33.

## **Budget Implications**

The budget outlines planned expenditure and revenue and determines the financial parameters for the Council to operate within for the 2023/24 financial year.

The draft budget for the year has been prepared on the basis of a 6.0% rate revenue increase (excluding interim rate income), which is forecast to produce an end of year surplus of \$179,736. The small surplus enables Council to withstand any unforeseen financial costs or revenue reductions that may occur during the year.

The current forecast end of year surplus for 2022/23 is \$332,558, which is reflected in the opening surplus at the start of the 2023/24 financial year. This forecast will vary when the final annual financial report is produced for 2022/23, with the final result reflected in the financial statements when the 2023/24 mid-year budget review is conducted in February/March 2024.

The fees and charges when adopted will determine the amount of revenue to be received during the 2023/24 financial year for certain areas. The fees and charges revenue has been forecast in the draft budget income projections and is based on the recent decisions of Council at the Ordinary Council Meeting dated 22<sup>nd</sup> of March 2023, Resolution [61-23] to adopt draft Fees and Charges for the 2023/24 period.

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 that does not exceed 10% of its rate revenue.

For the 2023/24 budget it is proposed a total of \$15,579,834 be raised from general property rates, \$276,345 for the Eaton Landscaping Specified Area Rate, and \$112,447 for the Annual Bulk Waste Collection Specified Area Rate. In addition, Council forecast Interim Rate revenue of \$100,359 for the 2023/24 financial year. The expected yield from rates will be sufficient to balance the 2023/24 budget after some adjustments have been made to increase other sources of revenue, reduce operating expenditure and to adjust the amount transferred to or from reserves.

## **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 *CnG 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. To achieve this aim the draft Corporate Business Plan and Long Term Financial Plan (budget) needs to be compiled within the last weeks of May or early June.

**Risk Assessment**

The Risk Management Governance Framework has been considered in arriving at the officer recommendation. Please refer to [Appendix ORD: 12.1.1B] for full assessment document.

Tier 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Risk Event	Draft Annual Budget 2023/24
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	<p>Legal and Compliance      Legislative requirements and compliance determine the need for the production of the Annual Budget.</p> <p>Financial                      The financial implications associated within the elements of the Annual Budget can affect the financial sustainability of Council.</p> <p>Reputational                  The inclusion of projects and works within the various plans within the Annual Budget build community expectation.</p>

**Officer Comment**

The draft budget document follows a similar format to that intended for the final document and includes the following information:

- Financial statements including the Statement of Comprehensive Income (by Nature or Type), Budget Summary and Rate Setting Statement;
- Notes to and forming part of the budget including notes on operating expenditure and revenue, loan borrowings, transfers to and from reserves, rating information and grants (to be provided with the final budget document); and
- Detailed Financial Information for each Schedule at account level, with Sundry Notes providing a greater level of detail for each account. This information is formatted with the account number, description and totals for the 2023/24 Budget.

The 2023/24 draft budget has been prepared utilising the various elements that Council has previously resolved to adopt. These include:

- Strategic Community Plan;
- Corporate Business Plan;
- Long Term Financial Plan;
  - Debt Management Plan;
  - Reserve Funds;
  - Rating Strategy;
- Workforce Plan;
- Asset Management Plans;

- Pathways;
- Roads;
- Parks & Reserves;
- Buildings;
- Stormwater Drainage;
- Plant & Vehicles;
- Compliance & Executive Vehicles;
- Information Technology;
- Eaton Recreation Centre Equipment;
- Elected Member Fees, Expenses & Allowances;
- Community Budget Requests;
- Events, Festivals & Community Services Programs;
- Community Funding Applications;
- Minor & Community Grants;
- Elected Member Budget Requests; and
- Fees & Charges Schedule.

While the 2022/23 financial year has not yet ended, the draft 2023/24 Budget document presented to Council represents the current forecast closing surplus on the 30<sup>th</sup> of June 2023.

The final 2023/24 Budget document is scheduled to be presented to Council and adopted at the Ordinary Council Meeting on the 28<sup>th</sup> of June 2023. It is not anticipated that the final budget document will vary from the current draft budget, unless Council resolves to vary any of the revenue or expenditure items presented in the draft budget.

- *Rate Setting Statement*

This statement shows the proposed financial position for the year, after including all operating revenue and expenditure, capital expenditure, loan repayments, transfers to and from reserves, income from sale of assets and rates (refer to page 2 of the draft budget). The statement is designed to show how much must be raised from rates to record a breakeven result.

The draft Budget for 2023/24 as presented produces a surplus of \$179,736 at the end of the financial year. There is effectively a deficit of \$152,822 for the 12 month period, as the forecast opening surplus of \$332,558 is taken into consideration when calculating the end of year position.

If grants, revenue and the estimated brought forward surplus do not meet expectations or there are requests to increase or add expenditure items, this position will not be achievable. The other factor to be taken into account is the value of projects and items that have not been completed in 2022/23 and need to be brought forward to 2023/24 through the Carried Forward Projects Reserve.

- *Rates*

The draft 2023/24 Budget includes a 6.0% rate revenue increase (excluding interim rate income) for UV and GRV properties, and 0% increase in GRV minimum rates and a 6.0% increase in UV minimum rates. This in accordance with Council's previous resolution through the adoption of the Long Term Financial Plan.

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 that does not exceed 10% of its rate revenue.

For the 2023/24 budget it is proposed a total of \$15,579,834 be raised from general property rates, \$276,345 for the Eaton Landscaping Specified Area Rate, and \$112,447 for the Annual Bulk Waste Collection Specified Area Rate. In addition, Council forecast Interim Rate revenue of \$100,359 for the 2023/24 financial year. The expected yield from rates will be sufficient to balance the 2023/24 budget after some adjustments have been made to increase other sources of revenue, reduce operating expenditure and to adjust the amount transferred to or from reserves.

Based on a 6.0% rate revenue increase, the Gross Rental Valuation (GRV), Unimproved Valuation (UV) and Minimum Rates are included as follows:

	Unimproved Value Rate in Dollar	Gross Rental Value Rate in Dollar	GRV Minimum Rate	UV Minimum Rate
2022/23 – Current	\$0.006362	\$0.103260	\$1,547.50	\$1,547.50
2023/24 – Proposed	\$0.005974	\$0.109420	\$1,547.50	\$1,640.35

	Specified Area Rate Bulk Waste	Specified Area Rate Eaton Landscaping
2022/23 – Current	\$0.001315	\$0.002925
2023/24 – Proposed	\$0.001315	\$0.002925

The increase applied to GRV and UV properties represents Council’s endorsement of a 6.0% rate revenue increase for the 2023/24 budget, with a 0% increase in GRV minimum rates and a 6.0% increase in UV minimum rates (OCM 22nd March 2023 CR 62-23). The outcome of the rates modelling required to produce an overall 6.0% rate revenue increase results in an average 6.5% increase in GRV and UV properties not on the minimum rate, with a 0% increase in GRV minimum rates and a 6.0% increase in UV minimum rates. This 6.5% increase is primarily due to the 0% increase in minimum rates, resulting in the overall 6.0% increased income being generated solely from properties not on GRV minimum rates, with 306 properties moving from a minimum rate in 2022/23 to a GRV rate in 2023/24. The impact of this rate increase will be softened through the 0% increase in the Bulk Waste and Eaton Landscaping Specified Area Rates.

The following table provides a summary of the rates modelling produced, which reflects the percentage increase and shows the mean (average), median (midpoint) and mode (most common) rate for each rating category (excludes Specified Area Rates, Waste Charges and ESL Levy):

General Rate Category	Value	Number on Minimum Rate	Number on General Rate	Mean Rate	Mean Increase / (Decrease)	Median Rate	Mode Rate Range
Residential	GRV	523	4,429	\$1,943.24	\$99.40	\$1,934.55	\$1,902 - \$2,001
Commercial	GRV	9	62	\$23,083.60	\$1,316.54	\$3,900.82	\$1,501 - \$1,601
Industrial	GRV	43	71	\$9,646.28	\$851.24	\$3,951.81	\$1,501 - \$1,601
Small Holdings	GRV	76	387	\$2,396.15	\$109.03	\$2,418.18	\$1,501 - \$1,601
Rural	UV	101	202	\$3,015.30	\$211.30	\$2,120.77	\$1,602 - \$1,701

General Rate Category	Value	Number on Minimum Rate	Number on General Rate	Mean Rate	Mean Increase / (Decrease)	Median Rate	Mode Rate Range
Farmland	UV	20	291	\$3,758.80	\$240.83	\$3,166.22	\$1,602 - \$1,701
Mining	UV	16	0	\$1,640.35	\$92.85	\$1,640.35	\$1,602 - \$1,701
<b>TOTAL</b>		<b>788</b>	<b>5,442</b>	<b>\$2,276.42</b>	<b>\$129.17</b>	<b>\$1,934.55</b>	<b>\$1,902 - \$2,001</b>

It should be noted that some GRV and UV properties will receive either an increase or decrease in their rates due to recent Landgate GRV and UV revaluations. Valuation methodologies and revaluations are effectively outside of Council's control, however, property owners are entitled to appeal valuations issued by Landgate should they believe their UV valuation is not correct.

At the Ordinary Council Meeting dated 25<sup>th</sup> of March 2020 Resolution [67-20], Council endorsed to continue with the Eaton Specified Area Rate. In line with Council's decision for a 0% increase in GRV minimum rates, and to abide by the principle where Specified Area Rates are based on the recovery of costs, there is no increase forecast for Specified Area Rates Eaton Landscaping or Specified Area Rate Bulk Waste in the 2023/24 financial year.

Household waste collection charges have been increased 6.1% from \$246.00 to \$261.00 to predominantly reflect the forecast increase in kerbside recycling contract costs associated with the waste contract and the introduction of the three bin FOGO system from 2021/22.

- *Brought Forward Position*

The draft 2023/24 Budget includes an estimated brought forward surplus from 30<sup>th</sup> of June 2023 of \$332,558. The surplus compares favourably with the amended budget position of \$232,213. This is primarily attributed to some revenue items exceeding budget forecasts, some expenditure items being lower than budget and the carrying forward of some capital works projects.

- *Staffing*

A concerted effort has been made in this budget to contain staff costs in the 2023/24 budget and future years, however the Council is growing, and additional staff may be required to maintain and develop Council's facilities and services to the community. Provision has been made in the 2023/24 Budget for a Fair Work Australia minimum wage increase. As Council pays over the award an overall increase of 3.0% is forecast for 2023/24 with an allocation of \$198,778 or 2.0% for performance increases, which are advancing employees to a higher level due to promotion, new qualifications or responsibilities, or above standard performance.

At the Special Council Meeting held on the 26<sup>th</sup> of April 2023 Resolution [100-23], Council endorsed the draft Workforce Plan for the 2023/24 – 2032/33. The Workforce Plan identifies the full time equivalent staff required for Council's operations.

Based on the Workforce Plan, the total number of full-time equivalent (FTE) staff at the end of 2023/24 will be 120.18 FTE. The total salaries and wages cost (including superannuation) associated with the employment of 120.18 FTE's is \$11,816,555, which is a small decrease of less than 0.1% in full-time equivalent staff from the adopted 2022/23 budget of 120.27 FTE.

Employee costs consist of direct salary and wages, annual and long service leave provisions, workers compensation insurance, training costs, superannuation contributions, uniforms and protective clothing, professional development, fringe benefits tax and any other costs related to the employment of staff.

Total insurance costs for Council, incorporating Workers Compensation and General Insurances has increased from the 2022/23 forecast of \$520,843 to \$555,073 in 2023/24. This is due largely to the high number of natural disasters that have occurred over the last 12 months and projected increased risk from insurance underwriters.

Fringe Benefits Tax is incurred by Council for benefits provided to Council employees. The primary area of benefit provided is the private use of Council motor vehicles, with very minor costs for phone and entertainment. Fringe benefits tax is estimated continue to remain within overall forward budget estimates from an adopted budget of \$139,712 in 2022/23 to \$134,264 in 2023/24.

- *(Profit)/Loss on Asset Disposals*

The forecast profit and loss on disposal for the 2023/24 financial year is nil, implying that the budgeted trade in values of Council vehicles is in line with the written down value contained within Council's asset management plans. The majority of vehicle/plant disposals (12) scheduled to be carried out in 23/24 primarily relate to the moratorium in place during 21/22 and 22/23 financial years, and the timing of carried forward vehicle deliveries. The actual profit or loss on asset disposal on all other plant and vehicle disposals will be calculated during the year based on the sale price and written down asset value.

- *Capital Works Programme*

A total of \$18,132,063 is to be spent in 2023/24 on the acquisition and/or construction of furniture, equipment, vehicles, plant, buildings and infrastructure assets, including carried forward projects. Council will allocate \$16,341,090 from Reserves to fund this expenditure, with the balance of funding sourced from external grants and contributions and proceeds from the sale of assets. Refer to pages 85 to 104 of the draft budget for a detailed list of asset acquisitions, works and disposal.

Council has established Asset Management Plans for its various classes of assets, which project over a 10+ year period the required capital upgrade, expansion and renewal requirements. These Asset Management Plans include the regular transfer of funds to Reserves to ensure the Council's cash flow requirements can be met each year.

These Asset Management Plans were considered and adopted by Council at the Ordinary Council Meeting on 22<sup>nd</sup> of March 2023, or at the following Ordinary Council Meeting on the 26<sup>th</sup> of April 2023.

Of the \$18,132,063 capital expenditure budget, the following is the breakdown based on Asset Category:

- Asset Renewal \$3,564,634 (19.7%);
- Asset Upgrade \$2,232,803 (12.3%); and
- New Assets \$12,334,626 (68.0%).

- *Carried Forward Projects*

The 2023/24 draft budget includes a number of carried forward projects that were not able to be completed during the 2022/23 financial year due to a number of factors. These projects are predominantly capital Transport Construction, Building Construction and Parks & Reserves Construction and are identified in their respective sections of the budget.

Whilst there remains a number of carried forward projects for 2023/24, with careful consideration by the Executive and Management, Council Officers have reduced the number of projects considerably including:

Carried Forward Project	Job Ref	Expenditure \$	Funding Source
<b>Transport Construction</b>			
Pratt Road Modifications	J12904	463,163	Carried Forward Projects Reserve
Ferguson road 13.56 – 19.56 SLK	J12397	38,301	Carried Forward Projects Reserve; Grant Revenue (RRG)
Pile Road 5.66 – 6.56 SLK	J12832	309,545	Carried Forward Projects Reserve; Grant Revenue (RRG)
Hynes Road Bridge 3660	J12304	324,000	Grant Revenue (LGGC)
Recreation Road Bridge 3665A	J12300	254,000	Grant Revenue (LGGC)
Pile Road Bridge 3678	J12306	39,000	Carried Forward Projects Reserve
Old Coast Road Bridge – Fishing Platform	J12687	40,000	Carried Forward Projects Reserve
Millars Creek Pathway	J12689	7,438	Carried Forward Projects Reserve
<b>Building Construction</b>			
Eaton Oval Club Rooms R&J Fishwick Pavilion	J11607	1,293,954	Carried Forward Projects Reserve; Grant Revenue; Unspent Loan Reserve
<b>Parks &amp; Reserves Construction</b>			
East Millbridge POS – Stage 1	J11650	163,466	Carried Forward Projects Reserve; Grant Revenue: Capital Contribution
Eaton Foreshore Bore & Landscaping Improvements	J11661	67,893	Carried Forward Projects Reserve
Carramar Park – Park Bench & Picnic Set	J11521	14,936	Carried Forward Projects Reserve

- *Loan Borrowings*

The 2023/24 budget includes the raising of one new loan during the year of \$1,500,000 (refer to page 85 of the draft budget). The \$1,500,000 loan will be utilised to fund the remaining costs associated with the new Council Administration/Library building which is budgeted at \$9,584,975 in the Building Construction (refer to page 96 of the draft budget).

Council will continue to repay existing loans during the year, with total Principal payments of \$478,810 and Interest/Government Guarantee Fee payments of \$455,523.

- *Reserves*

Transfers to reserves are expected to total \$4,569,168 for the 2023/24 year. Reserve Interest of \$378,052 is forecast to be earned on cash backed reserves during 2023/24, with 50% returned to the municipal fund. This compares with the forecast interest for 2022/23 of \$400,000. This increased earnings forecast is attributed to higher forecast interest rates, despite having reduced cash reserves.

Transfers from reserves (including carried forward projects) totalling \$16,341,090 are primarily used for capital projects.

Reserve transfers are detailed in the explanatory information of the draft budget document (refer to page 105 to 110 of the draft budget), together with the various Reserve balances.

The 2023/24 Budget expects less funds to be transferred to reserves than is in from reserves. If the reserve transfers proceed as budgeted the expected balance of reserves at 30<sup>th</sup> June 2024 will be \$6,702,308 and is a decrease on the expected balance at the start of the year of \$11,771,922.

- *Revenue and Expenditure Explanatory Information*

This area of the budget primarily represents the operating expenditure and revenue for the coming year.

- *Schedule 3 - General Purpose Funding*

In accordance with Council's previous resolution through the adoption of the Long Term Financial Plan and draft Corporate Business Plan, the draft budget has been formulated on a 6.0% increase in overall rate revenue, with minimum rate for all GRV properties continuing to be levied at \$1,547.50. The minimum rate for UV properties have increased by 6.0% to \$1,640.35.

The WA Local Government Grants Commission (WALGGC) has not yet finalised the grants for 2023/24. Interim advice received from the Department Local Government, Sport and Cultural Industries (DLGSCI) indicate that the 2023/24 grant allocation will reflect the 2022/23 grant funds received. Management has undertaken a conservative approach and forecast of estimated 3.0% increase in the Financial Assistance Grants revenue as per the actual 2022/23 figures, which reflects the forecast National (All Groups) CPI increase.

It is expected that Council will receive General Purpose Grant revenue of \$977,261 and Local Roads Grant revenue of \$588,929, noting that approximately 75% of these grant funds have been received in May 2023, and subsequently will be transferred to the Unspent Grants Reserve.

Interest earned on investments is expected to be as per 2023/24 budget estimates. Investments are placed in accordance with Council's investment policy and are limited to secure and liquid investment options such as term deposits. The 2023/24 budget forecasts Municipal Fund interest of \$109,935, and Reserve Fund interest of \$378,052. Reserve Fund interest is accumulated throughout the year with 50% distributed across all of Council's Reserve Accounts at year-end, and the balance returned to the municipal fund.

Total interest earnings for the Council, inclusive of interest charged on instalments and overdue rates, is budgeted to be \$626,059, which is an increase on the budget estimate for 2022/23 of \$269,350. Increasing interest rates on investments (term deposits) and an increase of interest on rates are significant factors in this estimate.

- *Schedule 4 – Governance*

Schedule 4 contains the provision for Members of Council expenditure which includes the President/Councillor Meeting Attendance Fees combined budget of \$121,962. This includes a 1.5% increase applied to the SAT Band, and application of Council's Policy in relation to Councillor fees to reflect 75% of the SAT Band fee. In addition, Councillors are entitled to an annual Telecommunications allowance of \$2,625 per Councillor as adopted by Council. Councillor training and conference expenditure is budgeted at \$27,037.

Forecast expenditure of \$33,000 is budgeted for Council Refreshments/Receptions which includes Council meeting meals, regional meetings plus general refreshments (sundry items for both Council and staff kitchen areas). Total Audit Fees expenditure is forecast at \$54,302 and comprises of Council's audit contract \$39,434, plus grant acquittals scheduled for 2023/24.

- *Schedule 5 – Law, Order & Public Safety*

Emergency Services Levy (ESL) expenditure and revenue is recorded in the Fire Prevention section of the draft annual budget. Council estimates ESL expenditure across all eight brigades of \$228,000 which is funded through DFES's (Department Fire Emergency Services) ESL program. ESL levies are raised through Council's rating system and subsequently the funds collected are remitted to DFES.



Although the timing of Bushfire Vehicles is at the discretion of DFES, the draft budget also includes a budget provision for three (3) Bushfire Brigade vehicle appliance changeovers which are fully funded from DFES.

Ranger Services and Emergency Services staff are contained within Law, Order & Public Safety. Budgeted salaries and wages are spread over Animal Control and Other Law, Order and Public Safety to a combined salaries including superannuation budget of \$486,613. Animal Management Program expenditure includes a budget allocation of \$5,250 in the draft budget. Dog and Cat Registration revenue is budgeted at \$52,671 and \$8,103 respectively, whilst Animal Infringement fines is forecast at \$10,000 for 2023/24.

- *Schedule 7 - Health*

The Health program covers maternal and infant health expenditure which incorporates Council's building maintenance costs for the Eaton Family Centre.

Preventative Services contains all expenditure relating to Health Administration and Inspections. Health fees and charges are forecast at \$25,000 for the 2023/24 budget year reflecting an increase in these fees.

Pest Control expenditure is budgeted at \$3,500 for Mosquito Control, and \$5,000 contribution towards the 2023/24 Leschenault CLAG contribution scheme administered by the City of Bunbury.

- *Schedule 8 – Education & Welfare*

Education and Welfare comprises of operational expenditure and revenue attributed to Education, Aged & Disabled Care, and Other Welfare. Annual School Awards are a budgeted donation totalling \$1,350 where Council contributes towards both primary and secondary school awards. In addition Council donates \$6,227 towards the Chaplaincy Program at Eaton Community College and Eaton Primary School.

Other Welfare expenditure and revenues pertains to costs relating to Culture & Community Services. The Community Services Programs expenditure, as listed on page 29 of the draft budget, is forecast at \$34,500 and includes the Youth Development Programs, Skateboard Competitions, Minor and Community Event Assistance, and Minor Community Activities.

Donation expenses is budgeted at \$28,350 which includes donations to various community groups and projects, Seniors Christmas Dinners, and Council's Personal Development Scheme.

- *Schedule 10 – Community Amenities*

Community Amenities encompasses Sanitation, Refuse, Protection of Environment, Town Planning and Regional Development, and Other Community Amenities expenditure and revenue.

The total provision for all Sanitation Household expenditure including kerbside refuse and recycling removal and disposal, processing and operational Refuse Site expenditure is budgeted at \$1,774,043.

Domestic Refuse, Recycling and FOGO levies are budgeted at a combined \$1,459,748 in the 2023/24 draft budget. In addition to the rubbish, recycling and FOGO levies, Council has forecast Specified Area Rate (SAR) - Bulk Waste Collection revenue of \$112,447 of which \$80,447 is allocated to the Bulk Waste Collection, and \$32,000 contribution to the Transfer Station.

Revenue for Refuse Site Fees and Charges is budgeted at \$110,077 for 2023/24 financial year, which is a small increase on the previous year's forecast.

Environmental Expenditure is budgeted at \$35,000 and incorporates expenditures on projects including declared weeds management, revegetation projects, grant seed funding (match funding grant

expenditure) and other projects as determined by management. The full extent of works is further defined in the Environmental Management Plan.

Town Planning expenditure items include \$370,000 for Consultancy, consisting of \$350,000 for Wanju and Waterloo Consultancy for the Development Contribution Plan which is funded from the Wanju Loan Funds, and \$20,000 for various Town Planning projects. A sundry provision of \$5,000 is allocated for Land Development Expenses.

Town Planning Application revenue is budgeted at \$95,000 in 2023/24, which is a decrease from the previous year's forecast of \$134,000 that reflected several high value planning applications received during the 22/23 financial year. Town Planning applications revenue is primarily due to an increase in the market economy and planning activities within the Shire.

Other Community Amenities includes operational expenditure on Dardanup and Ferguson cemeteries' maintenance, disability services expenditure, public toilets maintenance and street furniture maintenance.

- *Schedule 11 – Recreation & Culture*

Recreation and Culture includes Public Halls, Parks Gardens and Reserves, Eaton Recreation Centre, Eaton and Dardanup Libraries and Other Culture.

As detailed on page 115 of the draft budget, Appendix C – Building Maintenance and Minor Works Program includes public hall budget maintenance of \$96,784. Included in this figure is the estimated 2023/24 operational expenditure of \$44,859 on the Dardanup Hall, which is partly offset by budgeted Dardanup Hall hire revenue of \$11,000.

The adopted 10 year Building Asset Management Plan 2023/24 – 2032/33 includes building capital expenditure projects, including Wells Recreation Sporting Hard Courts, Wells Recreation Reserve Club Rooms/Change Rooms, Burekup Pavilion, Burekup Sporting Hard Courts, and the carried forward project Eaton Oval Club Rooms (R&J Fishwick Pavilion). Preservation and Renewals capital works are also included in the draft budget for the Dardanup Hall, Ferguson Hall, CWA Hall, Dardanup Community Centre and the Dardanup Office (refer page 95 of the draft budget).

Parks, Gardens and Reserves operational expenditure is budgeted at \$3,494,901 for Reserves detailed on page 118 'Appendix E – Parks & Reserves Maintenance and Minor Works Expenditure'.

Parks and Reserves capital expenditure is listed on page 98 and budgeted at \$995,345 and is part funded by Reserve transfers, grants and the Specified Area Rate (SAR) for Eaton Landscaping. The SAR collected through Council's rating function has been partly allocated to the Unspent Eaton Landscaping Reserve to be used in future projects.

Operating Revenue includes a budget provision of \$276,345 for Specified Area Rate for Eaton Landscaping allocated to Millbridge Public Open Space Maintenance \$176,345 and Eaton Parks and Reserves Upgrades of \$100,000.

The Eaton Recreation Centre (ERC) operating deficit for 2023/24 is forecast to be \$180,619, excluding depreciation and administration overhead costs. Operational expenditure including building maintenance, plus lease repayments and capital equipment, is budgeted at \$1,688,480. A full breakdown of ERC 2023/24 draft budget is included on pages 50 and 51, and by cost centre on page 60.

- *Schedule 12 - Transport*

Road Maintenance expenditure is budgeted at \$2,152,362, Bridges Maintenance \$147,061 and Ancillary Maintenance of \$439,869.

Capital Transport Projects are forecast at a total \$3,989,299 for Road Upgrades, Renewals, Pathway and Drainage projects. Transport Grant Revenue is budgeted at \$793,333 in Black Spot Funding, \$663,764 in Regional Road Group Funding and \$316,017 for Roads to Recovery projects.

Transport Construction Expenditure also includes several carried forward capital road upgrade and renewal projects which are funded from the Carried Forward Projects reserve or the Unspent Grants Reserve.

- *Schedule 13 – Economic Services*

Economic Services contains expenditures and revenues for Tourism and Area Promotion, Building Control and Other Economic Services. Budgeted Tourism donations totalling \$78,500 and Economic Development contributions of \$42,000 are included in the draft annual budget.

Building Licence revenue is budgeted at \$140,000 for 2023/24 financial year, and Swimming Pool levies is forecast at \$24,000 in 2023/24.

- *Schedule 14 – Other Property & Services*

Administration Overheads, Public Works Overheads, Plant Operation and Salaries and Wages are reported in the Other Property & Services Function. Recent changes over the last two financial years have impacted how the Public Works Overheads (PWOH) are allocated to capital works projects, to ensure compliance with the Australia Accounting Standards where administration overheads are not capitalised. Administration overheads can still be applied to maintenance works.

The changes resulted in a PWOH rate of 122% being applied to capital works and 286% for maintenance works for the 2023/24 budget, in addition to several engineering staff's salary costs being applied directly to capital works. This reallocation of PWOH from capital works to maintenance works has required a corresponding reduction in the transfer to the Road Reserve to maintain the same end of year surplus.

Other significant budget forecasts include workers compensation insurance budget of \$192,684, Interest Expense of \$262,822 for the Eaton Administration Centre loan, IT Equipment Leasing Expenditure of \$77,405 which includes IT Equipment leased as per IT Asset Management Plan, and Software Licencing Expenses \$643,192.

- *Summary*

The draft budget for 2023/24 is balanced and Councillors are encouraged to examine the document thoroughly. Councillors are welcome to contact the Deputy Chief Executive Officer or Manager Financial Services prior to the Council meeting to discuss any questions.

**Council Role** - Executive/Strategic.

**Voting Requirements** - Simple Majority/.

END REPORT

**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 28<sup>th</sup> June 2023, commencing at 5.00pm at the Shire of Dardanup - Administration Centre Eaton.

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