



SHIRE OF

Chapman Valley

love the rural life!

SPECIAL COUNCIL MEETING

Notice is hereby given that a Special Meeting
of Council will be held on 25th July 2019
at the Council Chambers, Nabawa, commencing at 9:00am.

Maurice Battilana
CHIEF EXECUTIVE OFFICER

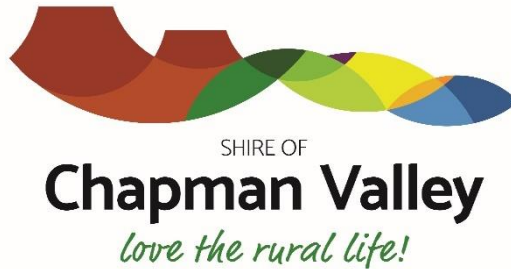
AGENDA

25th JULY 2019

Shire's Vision

'A thriving community, making the most of our coastline, ranges and rural settings to support us to grow and prosper'

DISCLAIMER



No responsibility whatsoever is implied or accepted by the Shire of Chapman Valley for any act, omission or statement or intimation occurring during Council Meeting. The Shire of Chapman Valley disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee Meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council Meeting does so at that person's or legal entity's own risk.

The Shire of Chapman Valley warns that anyone who has any application or request with the Shire of Chapman Valley must obtain and should rely on **WRITTEN CONFIRMATION** of the outcome of the application or request of the decision made by the Shire of Chapman Valley.

A handwritten signature in black ink, appearing to read "M. Battilana", is written over a large, faint, circular watermark or background mark.

Maurice Battilana
CHIEF EXECUTIVE OFFICER

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2.0 ANNOUNCEMENTS FROM THE PRESIDING MEMBER

3.0 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

(Note: Quorum = 4 Elected Members)

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4.0 PUBLIC QUESTION TIME

4.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

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5.0 DISCLOSURE 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.

Section 5.60A:

*"a person has a **financial interest** in a matter if it is reasonable to expect that the matter will, if dealt with by the local government, or an employee or committee of the local government or member of the council of the local government, in a particular way, result in a financial gain, loss, benefit or detriment for the person."*

Section 5.60B:

*"a person has a **proximity interest** in a matter if the matter concerns –
(a) a proposed change to a planning scheme affecting land that adjoins the person's land; or
(b) a proposed change to the zoning or use of land that adjoins the person's land; or
(c) a proposed development (as defined in section 5.63(5)) of land that adjoins the person's land."*

Regulation 34C (Impartiality):

*"**interest** means an interest that could, or could reasonably be perceived to, adversely affect the **impartiality** of the person having the interest and includes an interest arising from kinship, friendship or membership of an association."*

Item No.	Member/Officers	Type of Interest	Nature of Interest

6.0 PETITIONS/DEPUTATIONS/PRESENTATIONS

6.1 PETITIONS NIL

6.2 PRESENTATIONS NIL

6.3 DEPUTATIONS NIL

7.0 ITEMS TO BE DEALT WITH EN BLOC

8.0 OFFICERS REPORTS

8.1 FORMAL ADOPTION OF 2019/2020 ANNUAL BUDGET

9.0 ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

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

11.0 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

12.0 MATTERS FOR WHICH MEETING TO BE CLOSED TO MEMBERS OF THE PUBLIC

Nil

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AGENDA ITEM:	8.1
SUBJECT:	FORMAL ADOPTION OF 2019/2020 ANNUAL BUDGET
PROPONENT:	SHIRE OF CHAPMAN VALLEY
SITE:	SHIRE OF CHAPMAN VALLEY
FILE REFERENCE:	306.08
PREVIOUS REFERENCE:	NIL
DATE:	25 JULY 2019
AUTHOR:	DIANNE RAYMOND, MANAGER FINANCE & CORPORATE SERVICES

SUPPORTING DOCUMENTS:

Ref	Title	Attached to Report	Under Separate Cover
8.1 (a)	Statutory Budget		√
8.1 (b)	Schedule of Fees and Charges		√

DISCLOSURE OF INTEREST

Nil

BACKGROUND

This report seeks Council adoption of the Shire of Chapman Valley 2019/2020 Annual Budget, which has been compiled with regard to the principles contained in the Integrated Planning & Reporting documents below:

- Shire of Chapman Valley Strategic Community Plan 2017-2027
- Shire of Chapman Valley Corporate Business Plan 2018-2022
- Shire of Chapman Valley Long Term Financial Plan 2018-2028
- Shire of Chapman Valley Asset Management Plan 2018; and
- Shire of Chapman Valley Workforce Plan 2013 – 2017 (Updated 2015)

The Draft 2019/2020 Annual Budget was presented to Councillors at a Budget Workshop on 27 June 2019. The attached 2019/2020 Annual Budget has been prepared to include information required by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards.

(1) Amendments to the draft Budget document

All changes as directed by Council at the Budget Workshop on the 27th June 2019 and the Concept Forum on the 17th July 2019 have been incorporated into the final budget document. (Please refer to Draft 2019/2020 Annual Budget working documents submitted under a separate cover).

(2) Monthly Reporting Variances

Each financial year Council is required to adopt a value or percentage, calculated in accordance with Australian Accounting Standard (AAS) 5, to be used in the statements of financial activity for reporting material variances between the budget allocations and the actual revenue and expenditure incurred for the month under review. A reporting variance with an amount of \$10,000 or 10% whichever is the greater is recommended for the 2019/2020 financial year.

(3) Rates

At the Ordinary Council Meeting of the 15 May 2019 Item 10.2.2 Council agreed to advertise differential Unimproved Rates incorporating 5.0% rate revenue increase as per the Long-Term Financial Plan. The proposed differential rates were advertised 17 May 2019 with no submissions received during the public comment period. The Final draft of the Annual 2019/2020 Budget presented incorporates an overall 4.80% rate revenue increase as directed at the Budget Workshop 27 June 2019.

(4) Schedule of Fees & Charges

The Draft 2019/2020 Schedule of Fees and Charges, **refer attachment 8.1(b)**, were presented at the Ordinary Council Meeting 15 May 2019 with the following amendments:

“COUNCIL RESOLUTION

MOVED: CR FORTH

SECONDED: CR WARR

The Draft Fees and Charges as presented with the following amendments to Council are adopted and included into the 2019/2020 Budget in accordance with the requirements of the Local Government Act, 1995.

- Reduce community member venue hires from \$88 to \$50
- Set all venue hires for non-community members to \$150
- List hire fees for each venue individually in the list of Fees and Charges.
- Increase camping fee for Coronation Beach to \$10 per person per night (non-pensioner) and \$8 per person per night (pensioner) with children under 16 years of age to remain free.

**Voting 5/0
CARRIED**

Minute Reference: 05/19-7”

The Draft 2019/2020 Annual Budget incorporates these amendments to the Draft 2019/2020 Schedule of Fees and Charges.

(5) Elected Members Remuneration

Council endorsed Elected Member Remunerations as resolved at the Ordinary Council Meeting 17th April 2019 (Minute Reference 04/19-11):

	<i>Annual Attendance fees in lieu of Council meeting fees</i>	<i>Annual Allowance (President)</i>	<i>Annual Allowance (Deputy President) - 25% of Pres.</i>	<i>Telecom Annual Allowance</i>	<i>Annual Travel Reimb.</i>
<i>President</i>	<i>Maximum set by WASAT</i>	<i>\$10,000</i>		<i>\$500</i>	<i>\$50</i>
<i>Deputy President</i>		<i>NA</i>	<i>\$2,500</i>	<i>\$500</i>	<i>\$50</i>
<i>Other Elected Members</i>		<i>NA</i>		<i>\$500</i>	<i>\$50</i>

Note: That payments be made in arrears December and June.

(6) Plant and Light Vehicle Reserve Fund Change of Permitted Use

The current Plant and Light Vehicle Reserve Fund permitted use is considered restrictive and it would be desirable in the event of plant requiring major repair as opposed to only for disposing of and purchasing a replacement item to amend the permitted use as below:

Previous Purpose: *To be used for the purchase of major plant and light vehicles.*

New Purpose: *To be used for the purchase of and/or major repair of major plant and light vehicles*

A change of use for funds held in reserve is permitted under the Local government Act 1995 Section 6.11(3) Reserve Accounts as prescribed:

- (3) *A local government is not required to give local public notice under subsection (2) —*
 - (a) *where the change of purpose or of proposed use of money has been disclosed in the annual budget of the local government for that financial year; or*
 - (b) *in such other circumstances as are prescribed.*
- (4) *A change of purpose of, or use of money in, a reserve account is to be disclosed in the annual financial report for the year in which the change occurs.*
- (5) *Regulations may prescribe the circumstances and the manner in which a local government may set aside money for use for a purpose in a future financial year without the requirement to establish and maintain a reserve account.*

COMMENT

Shire staff has prepared a balanced Draft 2019/2020 Annual Budget for consideration by Council for formal adoption. The draft budget continues to deliver on strategies adopted by council with a view to maintain the level of service delivered and a focus on road infrastructure.

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

POLICY/PROCEDURE IMPLICATIONS

The budget is based on the principles contained in the Plan for the Future

FINANCIAL IMPLICATIONS

Specific financial implications are as outlined in the Draft 2019/2020 Annual Budget attached for adoption.

- **Long Term Financial Plan (LTFP):**
LTFP has been taken into consideration.

STRATEGIC IMPLICATIONS

- **Strategic Community Plan/Corporate Business Plan:**

All Integrated Strategic Plans have been taken into consideration.

CONSULTATION

While no specific community consultation has occurred on the Draft 2019/2020 Budget, community consultation and engagement has previously occurred during development of the Building Capital Works Program and Strategic Community Plan from which the Corporate Business Plan has been formulated.

In accordance with the requirements of section 6.36 of the Local Government Act 1995, a statement of intended differential rates and minimum payments was advertised seeking public submissions, and a statement of objects and reasons for the intended rates and minimum payments was made available from the Shire website, with hardcopies provided at the administration office. Submissions closed 14th June 2019 with no public comment received.

Councillors have been actively engaged in formulation of the 2019/2020 Budget through an invitation extended to submit items for budget consideration and the Draft Budget Workshop conducted in June 2019, enabling consideration of revenue and expenditure requirements, with wide-ranging discussion on efficiency measures throughout the budget options.

Extensive internal consultation has occurred across the organisation.

RISK ASSESSMENT

There is an associated low-level risk should council not comply with legislation and adopt the Budget prior to the 31st August.

Measures of Consequence							
Rating (Level)	Health	Financial Impact	Service Interruption	Compliance	Reputational	Property	Environment
Insignificant (1)	Negligible injuries	Less than \$1,000	No material service interruption	No noticeable regulatory or statutory impact	Unsubstantiated, low impact, low profile or 'no news' item	Inconsequential or no damage.	Contained, reversible impact managed by on site response

VOTING REQUIREMENTS

- Absolute Majority Vote Required - Recommendations 1 to 14

STAFF RECOMMENDATION

Recommendation 1:

That Council adopt the Statutory Budget for the Shire of Chapman Valley for the financial year ending 30th June 2019 pursuant to Section 6.2 of the Local Government Act 1995 and relevant prescribed Local Government Financial Management Regulations and incorporating the following:

1. *Statement of Comprehensive Income by Nature or Type;*
2. *Basis of Preparation*
3. *Statement of Comprehensive Income by Program;*
4. *Statement of Cash Flow;*
5. *Rate Setting Statement by Program*

6. *Notes to and Forming Part of the Budget including:*
 - a. *Rates and Service Charges;*
 - b. *Net Current Assets;*
 - c. *Reconciliation of Cash*
 - d. *Fixed Assets;*
 - e. *Asset Depreciation;*
 - f. *Information on Borrowings;*
 - g. *Cash Backed Reserves;*
 - h. *Reserve Fund Statement;*
 - i. *Grant Revenue;*
 - j. *Other Information;*
 - k. *Trust Information*
 - l. *Significant Accounting Policies*
- 7 *Schedule of Fees and Charges*

Recommendation 2:

That Council, in accordance with Section 6.32, 6.33, 6.34, 6.35, 6.36 and 6.37 of the Local Government Act 1995, imposes the following general & differential rates and minimum rates within the Shire of Chapman Valley boundaries in respect of the 2019/2020 financial year based upon current valuations:

Rating Category	Rate in the Dollar C: \$	Minimum Rate \$
Gross Rental Value	9.500	700
Unimproved Value		
UV Rural General	1.142	400
UV Oakajee Industrial Estate	2.280	400

Recommendation 3:

INSTALMENT PLAN INTEREST RATE

- *That as prescribed under the Local Government Act council impose an interest rate of 5.5% on rates paid by instalments (pensioner rates excluded);*

Recommendation 4:

LATE PAYMENT INTEREST RATE

- *That as prescribed under the Financial Management Regulation clause 70 and section 6.51 of the Local Government Act 1995 council impose an interest rate of 11% per annum calculated by simple interest method and be applied where the instalment option is not in place, (35 days after the date of issue of the rate notice), to all overdue rates and charges (pensioner rates excluded);*

- **Recommendation 5:**

INSTALMENT PLAN ADMINISTRATION CHARGE

- That an administration charge of \$9.00 per instalment be levied, excluding the first instalment payment (required within 35 days from the date of issue of the rates notice);

Recommendation 6:

INSTALMENT PLAN DATES

- That council provide the option for ratepayers to pay their rates as a single payment or by 2 or 4 equal instalments in accordance with section 6.45(1) of the Act;
- The due date for instalments of rates payments be set as follows:

(Date of issue – 2nd August 2019)

Two Instalment Option

1 st Instalment due	6 th September 2019
2 nd Instalment due	5 th November 2019

Four Instalment Option

1 st Instalment due	6 th September 2019
2 nd Instalment due	5 th November 2019
3 rd Instalment due	7 th January 2020
4 th Instalment due	10 th March 2020

Recommendation 7:

WAIVER OF RATES

That Council grants a waiver of shire rates for 2019/2020 financial year to the following non-profit organisations holding property within the Shire of Chapman Valley. (NB: These properties will still be required to pay the Emergency Services Levy)

(a) The Yuna CWA

Recommendation 8:

ADOPTION OF 2019/2020 SCHEDULE OF FEES AND CHARGES

That Council confirm the adoption of the 2019/2020 Schedule of Fees and Charges effective 1 July 2019 as per Minute Reference 05/19-7 with the following amendments:

- Reduce community member venue hires from \$88 to \$50
- Set all venue hires for non-community members to \$150
- List hire fees for each venue individually in the list of Fees and Charges.
- Increase camping fee for Coronation Beach to \$10 per person per night (non-pensioner) and \$8 per person per night (pensioner) with children under 16 years of age to remain free.

Recommendation 9:

ADOPTION OF 2019/2020 RUBBISH REMOVAL SERVICE CHARGES

- i. That Council adopt the 2019/2020 Domestic Rubbish Removal Service Charges

\$363.00* for a weekly service 240 Litre MGB

*indicates GST free service

ii. That Council adopt the 2019/2020 Commercial Rubbish Removal Service Charges

\$380.00 for a weekly service of 1 - 5 240 Litre MGB

\$318.00 for a weekly service of 6 - 15 240 Litre MGB

\$280.00 for a weekly service of 15 or more 240 Litre MGB

Recommendation 10:

Endorse the rates set by FESA for Category 5 regions for 2019/2020 and apply these rates against valuations from Landgate on all rateable assessments;

Recommendation 11:

ELECTED MEMBERS FEES AND ALLOWANCES FOR 2019/2020

As per Council Resolution Min Ref 04/19-11 the following Elected Members allowances are adopted for inclusion into the 2019/2020 Budget:

	Annual Attendance fees in lieu of Council meeting fees	Annual Allowance (President)	Annual Allowance (Deputy President) - 25% of Pres.	Telecom Annual Allowance	Annual Travel Reimb.
President	Maximum set by WASAT	\$10,000		\$500	\$50
Deputy President		NA	\$2,500	\$500	\$50
Other Elected Members		NA		\$500	\$50

Recommendation 12:

That Council adopt the Revenue and Expenditure as detailed in the 2019/2020 Annual Budget.

Recommendation 13:

MATERIAL VARIANCE REPORTING 2019/2020

In accordance with Clause 34A(5) of the Local Government (Financial Management) Regulations, 1996 Council adopt its levels of material variances that need to be reported on amounts of \$10,000 or 10% whichever is the greater.

Recommendation 14:

PLANT AND LIGHT VEHICLE RESERVE FUND CHANGE OF PERMITTED USE

Endorse the Plant and Light Vehicle Reserve Fund purpose from the current use to the following purpose:

“To be used for the purchase of and/or major repair of major plant and light vehicles”