



# **Agenda**

**Special Council Meeting to be held Wednesday 2 November 2022**

**3.00pm in Council Chambers, 15 Adam Street, Nannup**

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**SHIRE OF NANNUP**  
**NOTICE OF SPECIAL COUNCIL MEETING**

To be held at the Council Chambers – Wednesday 2 November 2022 at 3.00 pm

**1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS/ACKNOWLEDGEMENT OF COUNTRY:**

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Shire President to declare the meeting open and welcome the public gallery.

Shire President to acknowledge the traditional custodians of the land, the Wardandi and Bibbulmun people; paying respects to Elders past, present and emerging.

**2. ATTENDANCE/APOLOGIES:**

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**3. PUBLIC QUESTION TIME:**

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**4. MEMBERS ON LEAVE OF ABSENCE AND APPLICATIONS FOR LEAVE OF ABSENCE:**

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Nil.

**5. CONFIRMATION OF MINUTES:**

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Nil.

**6. ANNOUNCEMENTS FROM PRESIDING MEMBER:**

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**7. DISCLOSURE OF INTEREST:**

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Division 6: Sub-Division 1 of the *Local Government Act 1995*. Care should be taken by all Councillors to ensure that a financial/impartiality interest is declared and that they refrain from voting on any matter, which is considered to come within the ambit of the Act.

Where a member has disclosed a financial or proximity interest in an item, they must leave the Chamber for consideration of that item.

Where a member has disclosed an impartiality interest in an item, they may remain in the Chamber. The member is required to bring an independent mind to the item and decide impartially on behalf of the Shire of Nannup and its community.

The Shire of Nannup Declaration Register is on our website [here](#).

**8. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN:**

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Nil.

**9. PRESENTATIONS/DEPUTATIONS/PETITIONS:**

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Nil.

**10. REPORTS BY MEMBERS ATTENDING COMMITTEES:**

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Nil.

## 11. REPORTS OF OFFICERS:

AGENDA NUMBER & SUBJECT:	11.1 – Adoption of 2022/23 Annual Budget
LOCATION/ADDRESS:	Nannup
NAME OF APPLICANT:	Shire of Nannup
FILE REFERENCE:	FNC 15
AUTHOR:	Kellie Jenkins – Deputy Chief Executive Officer/Manager Corporate Services
REPORTING OFFICER:	Kellie Jenkins – Deputy Chief Executive Officer/Manager Corporate Services
DISCLOSURE OF INTEREST:	Nil
DATE OF REPORT:	1 November 2022
PREVIOUS MEETING REFERENCE:	28 October 2022 SCM – Resolution 22162
ATTACHMENT:	11.1.1 – Proposed 2022/23 Annual Budget.

### BACKGROUND:

The 2022/23 Budget has been compiled in accordance with presentations made to Councillors at Budget workshops held on 7 July and 25 October 2022.

### COMMENT:

The draft Budget includes information required by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards.

The 2022/23 Annual Budget is structured in the following format:

- 2022/23 Statutory Statements and Notes
- Capital, Carry Forwards and Non Recurrent Project Budget
- Fees and Charges.

### Rate Setting Statement

On 13 June 2022, the Department of Local Government, Sport and Cultural Industries (the Department) advised local governments of amendments made to the *Local Government (Financial Management) Regulations 1996*. The amendments require local governments to adopt a Rate Setting Statement (Statement) by nature or type for the 2022/23 financial year instead of a Statement by program.

### Capital and Non-Recurrent Expenditure

The budget proposes new capital and non-recurrent expenditure totalling \$4,111,165. Of this sum, \$777,200 is proposed to be funded through rates with the remaining \$3,333,965 funded through reserves, sale of assets, Government grants and contributions and borrowings.

### Community Grants and Donations

The 2022/23 Budget makes allowance for the Community Grants and Donations Program totalling \$33,500. Round 1 funding includes the following community groups:

Community Group/ Agency	Grant requested	Description of funding request	Value requested
Auskick	Waiver of Fees	Nannup Sports Oval and change rooms, 2022 Auskick Season and start of 2023 season (July - September 2022 & April – June 2023)	\$623
South West Food Bowl	Waiver of Fees	Recreation Precinct including the Sports Hall, Centre Community and Hockey Oval	\$514
	Large Grant	Funds to pay for the buses to enable all the Children from the Nannup District High School to attend education days	\$3,000
Nannup Garden Village Inc.	Waiver of Fees	The Town Hall, Village Green, Main Roads Building Park - market stalls	\$4,833
Nannup Markets	Waiver of fees	Use of the Town Hall for the markets during the wet months	\$518
Nannup Men's Shed Inc.	Large Grant	Purchase oars for Skiff for competition	\$3,000
Nannup Chamber of Commerce and Industry	Large Grant	The purchase of new community sound equipment for community hire	\$2,000
Friends of Community House	Large Grant	Community House Centenary on November 5, expenses to support the afternoon tea and Old Time Supper Dance at the Town Hall	\$1,500
Nannup Community Cinema Incorporated	Medium Grant	A discount of 50% for the hire of the Town Hall for general screenings and free hall hire for youth and children's events	\$920
Nannup Lions Club	Medium Grant	To assist in the operational fit out / consumables for the new BBQ Trailer	\$1,000
St Thomas More Catholic Church	Small Grant	Painting of the toilet block and create a garden	\$500
Friends of the Foreshore	Small Grant	Purchase of plant species and extra equipment to manage weeds	\$500

## Waste Collection Charges

At the Budget Workshop on 7 July and 31 October 2022, Councillors were advised of a proposal to not increase the Rubbish and Recycling Charges for the 2022/23 financial year. Rubbish Collection Service fee will be \$315 and Recycling Collection Service fee will be \$190.

## Waste Management Levy

In accordance with Section 66 of the *Waste Avoidance and Resource Recovery Act 2007*, applies the minimum payment provisions of Section 6.35 of the *Local Government Act 1995*, and adopts a Waste Infrastructure rate to cover costs associated with management of the Waste Management Facility for 2022/23:

	Rate in the \$	Minimum Rate
Gross Rental Valuation Properties (GRV)	0.00032	\$118
Unimproved Valuation Properties (UV)	0.000075	\$118

## Differential Rates

At the Ordinary Council Meeting held on 23 June 2022 Council resolved to publish the following proposed differential rates and minimum rate for 2022/23.

<u>Differential Rate</u>	Rate in the \$	Minimum Payment
<b>GROSS RENTAL VALUATION PROPERTIES</b>		
GRV General	0.093450	1,118
GRV Industrial	0.100125	1,198
GRV Short Term	0.100125	1,198
<b>UNIMPROVED VALUATION PROPERTIES</b>		
UV General	0.004529	1,050
UV Plantations	0.004794	1,398

The proposed differential rates were advertised for public comment on 27 June 2022 for a period of 21 days. Submissions were received Council resolved at the Ordinary Council Meeting held on 11 August 2022 to:

1. Consider the submissions relating to proposed differential rating category Gross Rental Valuation – Short Term.
2. Consider the submissions relating to proposed differential rating category Unimproved Valuation – Plantation.
3. Notes nil submissions received for proposed differential rating category Gross Rental Valuation – Industrial.



4. Offer a concession of 3% off the Gross Rental Valuation – Short Term rate to owners of Short Term properties who complete a statutory declaration that their property is also their primary place of residence.
5. Offer a concession off the Unimproved Value – Plantation rate to owners of Plantation properties who complete a statutory declaration and demonstrate a portion of their properties arable land (excludes bush and undeveloped land) is not used for plantation as per below;
  - a. Offer a concession of 4% to owners who demonstrate 75%+ of the arable area is not used for plantation.
  - b. Offer a concession of 2.5% to owners who demonstrate between 50% to 75% of the arable area is not used for plantation.
  - c. Offer a concession of 1% to owners who demonstrate between 25% - 50% of the arable land is not used for plantation.
6. To be eligible for a concession relating to Part 4 and Part 5 of this motion owners of properties need to apply within 35 days of the rates being raised.

#### **Gross Rental Valuation – Short Term Concession**

A concession of 3% off the Gross Rental Valuation – Short Term rate to owners of Short Term properties who complete a statutory declaration that their property is also their primary place of residence.

To be eligible for concession owners of properties need to apply within 35 days of the rates being raised.

#### **Unimproved Value – Plantation Concession**

Offer a concession off the Unimproved Value – Plantation rate to owners of Plantation properties who complete a statutory declaration and demonstrate a portion of their properties arable land (excludes bush and undeveloped land) is not used for plantation as per below;

- Offer a concession of 4% to owners who demonstrate 75%+ of the arable area is not used for plantation.
- Offer a concession of 2.5% to owners who demonstrate between 50% to 75% of the arable area is not used for plantation.
- Offer a concession of 1% to owners who demonstrate between 25% - 50% of the arable land is not used for plantation.

To be eligible for concession owners of properties need to apply within 35 days of the rates being raised.

### **Rate Interests – late payment and four instalment payment plan**

In accordance with Sections 6.13 and 6.45 of the *Local Government Act 1995*, the Shire is able to charge up to 11% interest on overdue rates and 5.5% interest on instalments.

The Shire proposes for the late penalty interest and interest on four instalment payment plans to remain the same as 2021/22 at 7% and 5.5%, respectively.

### **Materiality**

Regulation 34 of the *Local Government (Financial Management) Regulations 1996* requires that a Statement of Financial Activity be prepared each month reporting on the sources and application of funds as set out in the Annual Budget.

Further, the statement is to report material variances between the amended Budget and actual sources and application of funds.

Each financial year, a local government is required to adopt a percentage or value, calculated in accordance with Australian Accounting Standards, to be used for reporting material variances.

In reference to Australian Accounting Standards Board (AASB) 101 Presentation of Financial Statements, and in consideration of the special characteristics of the finances of the Shire, it appears reasonable to continue to apply a level of materiality at Variances +/- 10% or \$30,000, whichever is greater.

### **STATUTORY ENVIRONMENT:**

Section 6.2 of the *Local Government Act 1995* requires that not later than 31 August in each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt, (Absolute Majority required) in the form and manner prescribed, a Budget for its municipal fund for the financial year ending on the following 30 June.

On 30 August 2022, the Shire was approved for an extension of time to 28 October 2022 to prepare and adopt the Annual Budget for 2022/23.

Divisions 5 and 6 of Part 6 of the *Local Government Act 1995* refer to the setting of Budgets and raising of rates and charges. The *Local Government (Financial Management) Regulations 1996* detail the form and content of the Budget. The 2022/23 Budget as presented meets statutory requirements.

### **POLICY IMPLICATIONS:**

Nil

**FINANCIAL IMPLICATIONS:**

Specific financial implications are as outlined in the discussion section of this report and as itemised in the 2022/23 draft Budget attached for adoption.

To finance the expenditure and capital works in the draft Budget after allowing for all other sources of income such as grants, fees and charges and interest on investments, the Shire will require \$1,976,378 from rates.

**STRATEGIC IMPLICATIONS:**

The adoption of the proposed 2022/23 budget is the cornerstone of developing the long term financial sustainability of the Shire.

**VOTING REQUIREMENTS:**

Absolute Majority required for officer recommendation 1, 2, and 3 of 4  
Simple Majority required for officer recommendation 4 of 4.

**OFFICER RECOMMENDATION 1 OF 4:**

That Council revoke the decision made at the Special Council Meeting on 28 October 2022, resolution 22162.

**OFFICER RECOMMENDATION 2 OF 4:**

That Council adopts the 2022/23 Annual Budget as detailed in Attachment 11.1.1.

**OFFICER RECOMMENDATION 3 OF 4:**

That Council, In accordance with Section 66 of the *Waste Avoidance and Resource Recovery Act 2007*, applies the minimum payment provisions of Section 6.35 of the *Local Government Act 1995*, and adopts a Waste Infrastructure rate to cover costs associated with management of the Waste Management Facility for 2022/23:

- a. GRV Properties – Rate in the dollar: 0.00032 Cents, minimum \$118
- b. UV Properties – Rate in the dollar: 0.000075 Cents, minimum \$118.

**OFFICER RECOMMENDATION 4 OF 4:**

That Council, in accordance with regulation 34(5) of the Local Government (Financial Management) Regulations 1996, and AASB 101 Presentation of Financial Statements, endorses the application of a materiality level for the reporting of variances in the Statement of Financial Activity at Variances +/- 10% or \$30,000, whichever is greater for the 2022/23 financial year.

**12 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN:**

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**13. MEETING MAY BE CLOSED:**

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**14. CLOSURE OF MEETING:**

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## Attachments

Item #	Attach	Title
11.1	1	Proposed 2022/23 Annual Budget