



Shire of  
**Nannup**  
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# Agenda

Special Council Meeting to be held  
on Thursday 15 June 2017  
Commencing at 4.00 pm

# Agenda

1. **DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**
2. **RECORD OF ATTENDANCE**
3. **APOLOGIES**
4. **LEAVE OF ABSENCE**  
(Previously Approved)
5. **PUBLIC QUESTION TIME**
6. **REPORTS OF OFFICERS**
  - 6.1 Rate in the Dollar 2017/18
  - 6.2 Budget 2017/18
7. **CLOSURE OF MEETING**

AGENDA NUMBER:	6.1
SUBJECT:	Rate in the Dollar 2018/19
LOCATION/ADDRESS:	Nannup
NAME OF APPLICANT:	Shire of Nannup
FILE REFERENCE:	FNC3
AUTHOR:	Tracie Bishop – Manager Corporate Services
REPORTING OFFICER:	Tracie Bishop – Manager Corporate Services
DISCLOSURE OF INTEREST:	Nil
DATE OF REPORT:	18 June 2018
ATTACHMENTS:	6.1.1 - Chart Showing Rate Increases – All Properties 6.1.2 - Chart Showing Rate Increases – UV Properties 6.1.3 - Chart Showing Rate Increases – GRV Properties

## **BACKGROUND:**

Section 6.32 of the Local Government Act 1995 requires that:

*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;*
- (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.*

A minimum rate can only be imposed in conjunction with a general rate and if the minimum rate is more than \$200 it cannot be imposed on more than 50% of rated properties. This limit applies separately to those properties classed as Gross Rental Value (GRV) or Unimproved Value (UV).

The draft budget is included elsewhere on today's agenda. The proposed budget requires a sum of \$1,695,348 to be raised from rates, giving an average increase of 6.50%. If Council changes the total required yield from rates as a result of the adoption of the 2018/19 budget, then the recommendation in this report will need to be amended in line with that resolution.

## COMMENT:

Council's rating model for 2017/18 was:

	Rate in the Dollar	Minimum Rate	Yield	Minimums
GRV	0.08360	\$870	\$820,440	42.05%
UV	0.004284	\$1,050	\$780,994	49.88%
			\$1,509,754	

## Principles for Rate Modelling

The rating methodology to be followed is set out in Council resolution 8946 from the meeting of 18 April 2013.

This states:

*In preparing rate models for Council consideration officers should:*

- 1. adopt the principle that future rate increases should be at or above CPI and more closely linked to the LGCI (Local Government Cost Index) given that the latter has more relevance to local governments' costs; and*
- 2. the current balance of payment between UV and GRV properties be maintained; and*
- 3. the rate in the dollar for UV and GRV properties be adjusted up or down, as the case may be, to compensate for general increases or reductions in rateable values for each class of property before applying new rate models.*

## Revaluation

### Unimproved Valuations (UV):

UV Valuations are adjusted annually to reflect what the current market price of land within the local government. In making these valuations different trends are analysed to arrive at the final valuation figure for a locality. According to Mr John Benson, a former local Landgate Valuer, for this land type these trends vary from soil type, land usage and market value.

For the upcoming 2018/19 financial year this assessment is that overall land values within the Shire have fallen by 0.042% overall. Upon analysis of the UV roll issued for 2018/19, valuation changes have only effected 35 properties all of which are currently rated within our minimum classification. From a gross valuation standpoint, values within the UV class have fallen by \$661,500 to new valuation of 155,064,560, however, as all effected properties are currently rated within our minimum rated category there is

no adjustment required to the base rate in the dollar figure prior to calculating the 2018/19 rate in the dollar required for this class.

For the upcoming 2017/18 financial year this annual assessment shows that overall land values within the shire have dropped by 0.43% overall. In monetary terms a drop of \$661,500.

All Valuations	
UV Valuations 2017/18	155,726,060.00
UV Valuations 2018/19	155,064,560.00
Percentage Change	-0.43%

### Gross Rental Valuations (GRV):

GRV valuations are only completed within the Shire of Nannup on a three yearly basis. For the upcoming 2018/19 year this means that there is no increase shown as land values within this class were last valued within the 16/17 financial year. Within this upcoming financial year, properties within this class will be revalued which will require adjusting for once modelling for the 2019/20 financial year is undertaken.

### Workshop Outcomes

During workshops completed this year, three models were submitted for Councillor consideration. After looking at the merits of each of these models the following was considered by Council to demonstrate the most equitable to the majority of land owners while also addressing Council's rating methodology above.

<i>Model</i>	<b>GRV</b>	<b>UV</b>	<b>GRV</b>	<b>UV</b>	<b>GRV</b>	<b>UV</b>
	<b>Up to 5%</b>		<b>5 - 7%</b>		<b>7% +</b>	
<b>Model 1</b>	0.00%	0.005%	99.998%	99.995%	0.0014%	0.00%
<b>Model 2</b>	41.33%	0.005%	58.67%	99.995%	0.00%	0.00%
<b>Model 3</b>	50.00%	100.00%	3.50%	0.00%	46.50%	0.00%

The three models considered by Council within the workshops were:

1. Model 1 – Equal rate increase per category;
2. Model 2 – Equal dollar increase per category;
3. Model 3 – Ensuring that 50% of all properties were within the minimum category.

Based on the three models the first model was considered to be the 'best fit' in terms of the overall rate increase. In this model, no assessment has a rate increase above

7% and all classes, both those on general rates and those within the minimum classes, have similar rate increases. This is unusual for rates modelling. In most years there is a higher percentage change to the valuation dollar figure which then results in a need to firstly adjust the rate in the dollar base figure used in the previous period to ensure that the same dollar amount could be achieved using current valuations and then have the increase applied to both categories. As mentioned above this was not required this year due to an almost nil effect on movement within the categories.

The following observations are made in regards to the preferred model:

1. The Shire of Nannup has 1145 rateable properties;
2. Of these rateable properties, 1001 properties which will have a rate increase between \$0 - \$100;
3. All ratepayers have a rate increases of between 6.48% to 6.68% regardless of which rating class their property is in;
4. Minimum ratepayers in both classes will have dollar increases of between \$58-\$68 per assessment.

Based on the summary above the following proposed model is put forward for adoption.

Model 1 - Equal Increase per class and minimum							
Rate in Dollar	Budget Increase		6.50%			%	Previous Yr
	2018/19	GRV	0.086979		0.08167	Inc	
		UV	0.004534		0.00426	6.50%	0.00426%
Minimum Rate	2018/19	GRV	928	43.36%	OK	6.67%	\$ 870.00
		UV	1118	49.14%	OK	6.48%	\$ 1,050.00
Target Yield	1,695,348						1,695,049
Actual Yield GRV	887,553						832,935
Actual Yield UV	807,872						758,689
Actual Yield	1,695,425						
Variance	77	Surplus					

The impact of these proposals on rate bills has been modelled and is shown graphically in Attachments 1-3.

## **Waste Avoidance and Resource Recovery Act**

2014/15 saw the introduction of the Waste Avoidance and Resource Recovery Act 2007 (WARR Act) as a way of recouping costs associated with running our Waste Management Facility. This has been well accepted by the community at large and officer recommendation is for this to continue.

It is proposed that for the 2018/19 year the WARR Act levy imposed should be \$77 per applicable assessment. This will see the burden imposed on rates income as a result of expenses relating to waste management reduced. Officer recommendation is that this levy be increased by 20% annually until such time as full recovery is achieved.

For all waste management users who do not reside within the Shire of Nannup the option to purchase an out of town Waste Management Pass applies for their domestic waste disposal.

## **Conclusion**

It is noted that the increase in rates each year is a burden felt by the whole community however as costs increase it is inevitable that the Rate in the Dollar must also rise. Council needs to show that wherever possible it is taking steps to be sustainable.

The following observations are noted as impacting on the rate requirement this year:

- An additional impost as a result of cut to Capital Grants overall. Budgeted Capital Grants for 2018/19 are down \$800,000 from the previous period. The impact that this has on Council's overall budget can be lessened, to a degree, by less capital works being scheduled. However, a portion of Council's employee costs are accounted for within this program and as such, regardless of whether works completed by staff are operational or capital, these employee costs are incurred. Where capital funding is not available for our infrastructure network, these costs are transferred to operational which inevitably results in a higher portion of own source (i.e. rating) funding being required to cover this shortfall.
- Utility increases introduced within the State budget have been noted as including a 7% increase in electricity expenses. For local governments this not only increases overall administration and running costs but also is impacted heavily with street lighting provision.
- Costs associated with compliance continue to increase. As at 2018/19 auditing requirements will be completed by the Office of the Auditor General. This is in an effort to ensure greater transparency within the industry. Actual cost implications for the change in auditors is yet to be disclosed however it has been an industry suggestion that all Council's double their current costs. For Nannup this represents a budget percent increase of approximately 1%.

**STATUTORY ENVIRONMENT:** Local Government Act 1995 Section 6.32.

Waste Avoidance and Resource Recovery Act 2007

**POLICY IMPLICATIONS:** Nil.

**FINANCIAL IMPLICATIONS:**

The resolution on the rate in the dollar is required to fund the 2018/19 budget.

**STRATEGIC IMPLICATIONS:** Nil.

**NOTE:**

No recommendation provided as included in Item 6.2



AGENDA NUMBER:	6.2
SUBJECT:	Draft Budget 2018/19
LOCATION/ADDRESS:	Nannup
NAME OF APPLICANT:	Shire of Nannup
FILE REFERENCE:	FNC 3
AUTHOR:	Tracie Bishop – Manager Corporate Services
REPORTING OFFICER:	Tracie Bishop – Manager Corporate Services
DISCLOSURE OF INTEREST:	Nil
DATE OF REPORT:	18 June 2018
ATTACHMENTS:	6.2.1 – Draft Budget Statements 2018/19 6.2.2 – Budgeted Reserves 6.2.3 – Community Requests 6.2.4 – Budgetary Considerations 2018/19 6.2.5 – Anticipated Surplus carried forward 6.2.6 – Fees & Charges

**BACKGROUND:**

This recommended draft budget is the product of numerous budget workshops completed by both Councillors and staff members. These workshops have examined all areas of committed and uncommitted income and expenditure and the output from this process provided guidance to officers on which items should be included or excluded from the draft budget. The result of the process described above is the draft budget presented to Council today as summarised at Attachment 1.

A model of the projected budgetary position over the next 10 years has been developed as part of the Integrated Planning process, annual consideration of the budget can take into account cost pressures that will arise over the medium and long term. The updated projections in the Long Term Financial Plan were presented to Council during the first budget workshop for the 2018/19 financial year.

The budget format classifies income and expenditure into three groups:

1. Base income/expenditure – the cost of carrying out the same level of activity in the new financial year as was undertaken in the old financial year.
2. Committed income/expenditure – unavoidable changes to the base, such as contracts entered into in the old financial year which will have a cost impact on the new financial year.
3. Uncommitted income/expenditure – items of income or expenditure where there is a choice over whether it should be included in the draft budget.

## **COMMENT:**

### **Budget Assumptions**

In compiling the base budget an assessment of probable levels of inflation and interest rates has been taken. Reasonable account has been taken of known or anticipated price increases and other committed expenditure. Inflation of 2.0% has been added to the base level of expenditure where confirmed price increases are not known.

Council has a degree of control over the main areas of uncertainty in the budget and should therefore be able to moderate its exposure to significant variations through the decisions taken during the budget process. However, the unpredictability of many of the factors influencing the Council's budget remains a risk and this is addressed through prudent estimates.

There are three major factors affecting the revenue budget:

- (a) The base budget for 2018/19 includes income from fees and charges of approximately \$421,204 however these are not guaranteed revenue streams.
- (b) Council receives income from investment interest. Interest rates are fluid and can fluctuate. In this regard Council has no control over actual income received through investment interest. For the 2018/19 period, an analysis has been undertaken based on current year interest received. As it is proposed that 50% of Federal Assistance Grants will be received within the current year it is feasible to assume that the following year interest will be similar. Included within the current budget is an amount of \$16,000 based on this analogy.
- (c) Council does not maintain a general level of working balances which can absorb unexpected fluctuations in its income and expenditure. In the event that there are significant adverse variations during the year money would need to be released from other earmarked reserves to cover any shortfall.

In the light of the assumptions made in compiling these estimates and reflected in the recommendation it is considered that the budget as presented is sufficient to meet the liabilities facing the Council during 2018/19.

### **Changes to the Base Budget**

Initially, at the beginning of the budgeting workshops Council looked at the cost of carrying out the same level of activity as in 2017/18. After taking into account the costs associated with the removal of capital grant income and including inflationary increases for this financial year the base budget income required increased significantly to an increase that could not be considered feasible. As a result, there have been considerable cuts to the operational budget in order to arrive at a more palatable budget increase from previous year.

Significantly, Reserve contributions for the upcoming year have been withheld from the draft budget.

Overall, within the budget for 2018/19 there have been savings made wherever possible. Taking all factors into consideration there is a net committed increase of 6.50% All items that have been considered within the budgetary workshops for inclusion as well as items considered but not included are summarised in Attachment 4.

## **Reserves**

The budget process provides an opportunity for Council to assess the adequacy of its reserves. Council maintains a number of Reserves set up for specific purposes. The table in Attachment 2 details the Reserve position as reflected in the recommended budget.

While it is always considered important to be including Reserve contributions within a financial budget, given the particularly tight income streams currently available to the Shire of Nannup it is considered that a 12-month hiatus from these contributions is sustainable. The issue for Council will be in ensuring that this does not become the norm. If Reserve contributions are not resumed in upcoming financial periods, there is a danger that when contributions are required from these reserves (to ensure our Assets are well maintained and capital projects completed) there will be insufficient funds to proceed.

## **Funding Corporate Priorities**

Funding priorities for the 2018/19 year were analysed within the budget workshops. Priorities identified during this process include:

Increased legislative requirements have been included within this budget the following amounts will be used for this purpose:

- Annual Auditing Costs - \$25,000
- Other auditing requirements - \$ 8,500
- Integrated Planning requirements - \$12,000
- Regulation 17 Review - \$ 8,500
- \$54,000

Biosecurity was an area that was again considered within the 2018/19 budget. This was particularly relevant with the recent request for the Shire of Nannup to be included within the State Government's Declared Pest Rate Levy. While the consensus from ratepayers who responded to Council's survey was that overall respondents did not wish to be included in this initiative, there still is a need to look at Biosecurity for our local government. Council has included a figure of \$3,000 for this purpose to go towards the Feral Pig Eradication Program.

The refurbishment of the Recreation Centre change rooms has been included in this budget. The current change rooms are dated and detract from groups using these facilities. Funding opportunities are currently being explored to help source the funding required to complete these works. Should this funding not be available the refurbishment will be held over until funding can be sourced. Council contribution will be from an Asset Management contribution of \$50,000.

There were numerous Community group requests for contributions to ensure that their service could be continued these have all been considered on a case by case basis and wherever possible funding to continue to support these groups has been included within the budget. These are shown within Attachment 3.

There was also a request from the Nannup Music Club for a Self-Supporting Loan to enable this club to purchase their own premises. Council considered this request and at the April 2018 Ordinary Council Meeting and endorsed the following:

### **18073 STEVENSON/LONGMORE**

***That Council endorse and pursue the application for a self-supporting loan on behalf of the Nannup Music Festival Inc. for the sum of \$350,000 on the following conditions:***

- 1. The loan period is for a 10-year period;***
- 2. All costs associated with the setup of both the loan and legal agreement surrounding this loan are recoverable expenses recoverable from the Nannup Music Festival Inc.;***
- 3. That a condition of the loan be that a term deposit be held and proof of this term deposit be given to the Shire of Nannup for the amount of \$22,000 or total amount of 6 months' repayments of the loan, whichever is the greater;***
- 4. That the implications of this loan application be included within the Annual Budget for the 2018/19 financial year.***
- 5. That Council authorise the CEO to implement necessary conditions to ensure security for the loan over assets owned by NMF.***

**CARRIED BY ABSOLUTE MAJORITY (7/0)**

On the proviso that all of the conditions shown above are met, there is a budgetary item to support this loan. Actual impact of this loan on Council will be nil as a result of Point 2 above.

Waste management is a topic that is particularly relevant both nationally and globally in today's climate. There continues to be a lot of concern about how waste management is conducted and what will happen in the future with this waste material. The Shire of Nannup has, for a number of years, sub-contracted out the provision of this service provided at the waste management facility. This contract is due for review and/or renewal as at 1 October 2018. After considerable debate, Council has decided that for the 2018/19 year this service will be taken back to become an internally run facility. It is hoped that by doing this Council will be better placed to understand the true costs associated with providing this service as well as having a better understanding of the site lifespan and the maintenance costs and income streams.

An Economic Feasibility Study of the Scott River area is being commissioned as a joint project between Augusta Margaret River and the Shire of Nannup. The aim of this project is to gain a better understanding of the infrastructure requirements of this region moving forward. Within the 2018/19 budget an amount of \$5,000 has been included as Council's contribution.

A number of smaller items are included in the proposed budget to support existing council services and details of all the proposed changes to the budget are set out in the attachment. After taking these requests into account the overall increase in the budget is 6.50%.

### **Prospects for the Future**

The revised model underpinning the Long Term Financial Plan (LTFP) demonstrated that rates would need to increase by 6.50% in 2018/19. It is anticipated that further increases will be required annually if the Shire of Nannup is to become fully sustainable without the dependence on external capital grant funding. The actual level of increase will continue to be monitored and adjusted wherever possible. All projections are made with the assumption that current levels of Federal and State funding for our Roads Programs and Financial Assistance Grants remain as expected.

### **Conclusion**

The proposed rate requirement is \$1,695,348, an increase of 6.50% on 2017/18. The budget presented for adoption overall assumes a balanced budget, with a surplus brought forward of approximately \$799,634. This surplus has been included within the budget for 2018/19 to offset total budgetary requirements. It is made up of budgeted items brought forward (to be completed within the upcoming period), savings made wherever possible and the early payment of grant funding. A full breakdown of this surplus is included within Attachment 5.

Current predictions of actual outcomes for the current year suggest that there may be modest savings above that currently shown within our draft budget. The final surplus

figure brought forward will not be known until the Annual Financial Statements have been completed and audited by our external auditors. The reason for the uncertainty is as a result of actual spending for the current year still occurring and outstanding purchase orders that will be completed within this timeframe. As with all other unknown outcomes at this point, any savings identified will be included within the budget review process. It is Officer recommendation that should savings above those known come to fruition that these savings be placed in to our Reserve accounts.

The proposed 2018/19 budget is considered, after taking all the above factors into account, sufficient to meet the liabilities facing the Council during 2018/19.

**STATUTORY ENVIRONMENT:**

Local Government Act 1995 and Local Government (Financial Management) Regulations 1996.

Section 6.2 of the Local Government Act 1995 stipulates that no later than 31 August each financial year or such extended time as the Minister allows each local government is to prepare and adopt by absolute majority in the form and manner prescribed a budget for its municipal fund for the financial year ending on the next following 30 June.

**POLICY IMPLICATIONS:**

None.

**FINANCIAL IMPLICATIONS:** A rate requirement for 2018/19 of \$1,695,348.

**STRATEGIC IMPLICATIONS:**

The adoption of the proposed 2018/19 budget is the cornerstone of developing the long term financial sustainability of the Shire.

**VOTING REQUIREMENTS:** Simple Majority

**RECOMMENDATION:**

That the following proposed recommendations be endorsed by Council at its Ordinary Meeting of Council on the 28 June 2018.

**Recommendation One – Rate in the Dollar and Minimum rates applied:**

That Council impose the following Rates & Charges

Rate Type	Minimum Rate in \$	Rate in \$	Yield
GRV	\$928	0.086979	887,553
UV	\$1,118	0.004534	807,872
			\$1,695,425

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### **Recommendation Two – Dates for payments in full and by instalments**

Pursuant to Section 6.45 of the Local Government Act 1995 and regulations 64(2) of the Local Government (Financial Management) Regulations 1996, Council nominates the following due dates for payment in full by instalments:

Instalment options	Date due
<b>Option one</b>	
Single Full Payment	18/08/2017
<b>Option two</b>	
First Instalment	18/08/2017
Second Instalment	18/10/2017
Third Instalment	18/12/2017
Fourth Instalment	19/02/2018

### **Recommendation Three – Interest and Penalties**

- Council charge an 11% penalty charge per annum, calculated by simple interest on rates paid after the 35th day of service of the rates notice in accordance with the Local Government Act 1995;
- Council charge a \$5 Administration Fee per remittance notice, per instalment, for rates levied in the 2018/19 financial year in accordance with the Local Government Act 1995;
- Council charge a 5.5% interest charge per annum, calculated by simple interest on instalment payments for rates levied in the 2018/19 financial year in accordance with the Local Government Act 1995;
- Council charge a 5.4% interest charge per annum, calculated by simple interest on deferred rates held after 1 July 2018 in accordance with the requirements stipulated by the Office of State revenue.

### **Recommendation Four – Waste Management Levy**

1. That Council set the following rate under S66 of the Waste Avoidance and Resource Recovery Act 2007 to cover costs associated with management of the Waste Management Facility for 2018/19:

	Rate in the Dollar	Minimum Rate
GRV	0.000324	\$77
UV	0.000082	\$77



**Recommendation Five – Rubbish Service Charges:**

That Council set rubbish service charges at \$250.00 per service for the 2018/19 year and recycling service charge at \$150.00 per service for the 2018/19 year for all users within the Shire of Nannup. This represents a 10% increase for waste recycling services.

**Recommendation Six – Fees & Charges:**

That Council adopts the 2018/19 Shire of Nannup Schedule of Fees and Charges as per Attachment 6.

**Recommendation Seven – Reserve Fund Name Change:**

That Council changes the current long Service Leave Reserve name to Leave Reserve Fund. This will then better reflect the use of this fund to cover any leave requirements of Council going forward.

**Recommendation Eight – Elected Members Fees and Allowances for 2018/19**

1. Pursuant to Section 5.99 of the Local Government Act 1995 and Regulations 34 of the Local Government (Administration) Regulations 1996, Council adopts the following sitting fees for individual meeting attendance:
  - a. Shire President \$150 per Council meeting
  - b. Shire President \$65 per Committee meeting
  - c. Councillors \$130 per Council meeting
  - d. Councillors \$65 per Committee meeting
  
2. Pursuant to Section 5.99A of the Local Government Act 1995 and regulation 34A and 34AA of the Local Government (Administration) Regulations 1996, Council adopts the following annual allowances for elected members:
  - a. Travel Allowance

<b>Regular Car</b>	<b>Cents / Km</b>
Up To 1600cc	0.51
1601cc – 2600cc	0.654
Over 2600 Cc	0.91

b. IT Allowance

\$1,300 per annum

3. Pursuant to Section 5.98(5) of the Local Government Act 1995 and Regulation 33 of the Local Government (Administration) Regulations 1996, Council adopts the following annual Local Government Allowance to be paid in addition to the meeting attendance fees:

- |                           |         |
|---------------------------|---------|
| a. Shire President        | \$8,000 |
| b. Deputy Shire President | \$2,000 |

**Recommendation Nine – Statutory Compliance:**

That Council confirms that it is well satisfied with the services and facilities it provides. Council will continue to:

- a) Integrate and co-ordinate, as far as practicable, with any provided by the Commonwealth, State or any other public body;
- b) Will not duplicate, to an extent that the Local Government considers inappropriate, services or facilities provided by the Commonwealth, the State or any other body or person, whether public or private and;
- c) Be managed efficiently and effectively.

In accordance with Section 3.18(3) of the Local Government Act 1995.

**Recommendation Ten – Material Variance Reporting 2018/19:**

In accordance with Regulation 34(5) of the Local Government Financial Management Regulations 1996 and AASB 1031 Materiality, the level to be used in statements of financial activity in 2018/19 for reporting material variances shall be +/- 10% or \$30,000, whichever is greater.

**Recommendation Eleven – Budget Document:**

That Council adopt the 2018/19 Shire of Nannup budget as presented. Financial implications being a cash budget inflow of \$1,695,425 and represents a 6.50% increase from previous year.

**Voting Requirements:** Simple Majority



## Reserve Transfers – Proposed 18/19

## Attachment 2

Reserve	Opening Balance 2017/18 \$	Transfers In *includes interest \$	Transfers Out \$	Closing Balance \$
Long Service Leave Reserve	195,500	1,500	0	197,000
Office Equipment Reserve	67,300	1,000	(18,000)	50,300
Asset Management Reserve	504,000	6,000	(100,000)	410,000
Infrastructure Asset Reserve	75,000	31,000*	(37,500)	68,500
Emergency Management Reserve	55,700	1,000	0	56,700
Aged Housing Reserve	370,600	1,000	0	371,600
Land Fill Site Reserve	93,000	1,000		94,000
Recreation Centre Upgrade Reserve	0	0	0	0
Plant & Machinery Reserve	431,000	5,000	(138,000)	298,000
Gravel Pit Reserve	60,000	1,000	0	61,000
Main Street Upgrade Reserve	0	0	0	0
Community Bus	23,700	6,000	0	29,700
Youth Reserve	10,000			10,000
<b>Totals:</b>	<b>1,885,800</b>	<b>54,500</b>	<b>(293,500)</b>	<b>1,646,800</b>

Specific Community/Agency Requests built into draft budget

Attachment 3

These tables represent Community groups based on annual v one-off requests Council have committed to within the current budget.

*Annual Commitments*

Community Group/Agency	Description of funding request	Annual Contribution
Nannup Music Festival	Annual contribution towards Music Festival	\$23,000 grant funding included in 17/18 budget
Flower & Garden Festival	Annual grant towards event	\$6,000
Warren Blackwood Vertebrate Pest Management Group	Annual grant request – Wild Pig eradication	\$3,000

*2018/19 Community Grants*

Community Group/Agency	Description of funding request	Amount requested	Community Grant approved
Friends of Donnelly River	Donation towards oral history video collection	\$3,000	\$500
Nannup District High School	Graduation Prizes	\$200	\$200
Save Donnelly Mill 2018	Donation towards conservation of Donnelly Mill	\$3,000	\$1,000
Nannup Historical Society	Donation towards purchase of computer and software to catalogue collections held.	\$1,000	\$500
Tour of Margaret River	Sponsorship towards hosting of Pro Am Tour in Nannup – November 2017	\$3,000	\$2,000
Nannup Auskick	Use of facilities	\$500	Waiving of hire fees
Nannup Playgroup	Donation towards refurbishment of play area	\$500	\$500
South west Foodbowl Festival	Donation towards costs associated with Festival to be held 18 & 19 October 2018	\$3,000	\$500

	Current	Proposed	Increase	Decrease	Accepted	Rejected	
<b>Governance</b>							
WALGA Conference Expenses	12,000	6,000		(6,000)	X		Council representation at WALGA State Conference reduced to two Councillors..
Legislative commitments		54,000	22,600		X		Increased costs of complying with regulatory requirements.
Reserve contributions to Asset Management, Leave, and Equipment Reserves	178,000	0		(178,000)	X		Budgetary position does not allow for this expenditure
<b>Law &amp; Order</b>							
Firebreak Inspections	0	0	0	(12,500)	X		This will now be completed in house in an effort to reduce costs..
Bushfire Mitigation works		20,000 (20,000)	20,000 (20,000)		X		Subject to grant funding being received.
<b>Education &amp; Welfare</b>							
DSR Flagship program	0	20,000 (10,000)	20,000 (10,000)		X		Flagship program carried forward Dept. Sport & Rec. funding matched.
<b>Community Amenities</b>							
SSL – Fully recoverable by Nannup Music Festival	0	33,000 (33,000)	33,000 (33,000)		X		New Loan for a Self-Supporting Loan to Nannup Music Festival. Nil impact to ratepayers.
Landfill Reserve Contribution	20,000	0	0	(20,000)	X		Budgetary position does not allow for this expenditure
<b>Recreation &amp; Culture</b>							
CCTV Installation	14,000	14,000			X		Installation of CCTV for Recreation Centre. Grant funded 2107/18.
Refurbishment of Change rooms	150,000 (50,000)	150,000 (50,000)			X		Subject to grant funding. Balance made up of Reserve Contribution

Transport							
	Current	Proposed	Increase	Decrease	Accepted	Rejected	
Main Roads contribution Requests		68,500	68,500			X	Contribution towards resealing of partial section of Warren Road
Reserve Contributions to Gravel Pit and Plant Reserve Funds	20,000	70,000	50,000		X		Maintenance costs associated with MRWA specifications for bridge maintenance
	170,000	0	0	(170,000)	X		Budgetary position does not allow for this expenditure .
Economic Services							
Quannup LTO	10,000	0	0	(10,000)		X	Budgetary position does not allow for this expenditure
	0	20,000	20,000				WBAC tourism initiative
Scott River Economic Study	0	5,000	5,000		X		Joint project with AMRC and SoN looking at Economic Feasibility of the Scott River Region.

Surplus Carried Forward (estimated)	\$	
	<b>813,456</b>	
Grant funding received in advance	-\$ 648,938	<i>50% of Financial Assistance Grants 18/19</i>
CTV Grant	-\$      14,000	<i>grant received 17/18 for implementation 18/19</i>
DSR - Activation grant	-\$ 20,000	<i>grant received 17/18 for implementation 18/20</i>
Replacement of NPO	-\$ 14,000	<i>carried forward expenses</i>
Niche Wall - carried forward	-\$ 10,000	<i>carried forward expenses</i>
Town Planning Scheme expenses and additional income	-\$ 27,000	<i>carried forward expenses</i>
Licensing Fees - Health	-\$      7,560	<i>Increased fees &amp; Charges income</i>
Waste Management Fees - increase in usage	-\$ 36,000	<i>Increased fees &amp; Charges income</i>
Interest on investments	-\$ 22,000	<i>Increased revenue</i>
Administration Savings	-\$ 13,959	<i>Savings to all areas</i>
	-\$      0.00	