



Shire of  
**Nannup**  
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# Minutes

## **PUBLIC COPY**

### **Special Council Meeting**

**Thursday 21 June 2018**

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# Minutes

## 1. **DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

Shire President declared the meeting open at 4.00pm.

## 2. **RECORD OF ATTENDANCE**

Councillors: Dean, Stevenson, Buckland, Fraser, Hansen and Steer

David Taylor – Chief Executive Officer

Tracie Bishop – Manager Corporate Services

Robin Lorkiewicz – Corporate Services Officer

## 3. **APOLOGIES**

Councillors Mellema and Longmore

## 4. **LEAVE OF ABSENCE**

Nil

## 5. **PUBLIC QUESTION TIME**

**Len Gilchrist - 150 Blackwood River Drive**

**Q1.** Has Council considered what will happen if The Nannup Music Club are unable to meet repayments for the proposed Self Supporting Loan included within the 2018/19 Budget?

**Q2.** Will Ratepayers be required to cover these repayments and if so will they be reimbursed these amounts once the property is sold?

**A1 & A2. The Chief Executive responded:**

There have been put in place certain mitigating factors that should result in any default of loan repayments being covered. Prior to the funds being released for the purchase of the property, a legal agreement will be drawn up which details that if repayments cannot be made by the Nannup Music Club then the property will be

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placed on the market. There is also within the endorsed Item taken to Council in April this year 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. Council considers that these two components should result in no financial pressure applied to the ratepayers of Nannup in regards to this self-supporting loan.

**Q3.** Was the Chief Executive Officer aware of what the loan was for when he initially started at this Council?

**A3.**The Chief Executive Officer responded to Mr Gilbert that he was aware of what the loan was for when he initially started employment at the Council.

## **6. REPORTS OF OFFICERS**

6.1 Rate in the Dollar 2017/18

6.2 Budget 2017/18

## **SUSPENSION OF STANDING ORDERS**

### **18087 STEVENSON/BUCKLAND**

***That Council suspend Standing Orders to allow Manager Corporate Services to present an overview of the budgetary process completed in the lead up to this draft budget.***

***CARRIED (6/0)***

The Manager Corporate Services then presented a Power Point Presentation to allow Councillors and any community members in attendance an opportunity to understand everything that had been considered within this Budgetary process for 2018/19.

## **RESUMPTION OF STANDING ORDERS**

### **18088 STEER/STEVENSON**

***That Council resume Standing Orders.***

***CARRIED (6/0)***

## **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<br>6.1.2 - Chart Showing Rate Increases – UV Properties<br>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:*

- *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*
- *the current balance of payment between UV and GRV properties be maintained; and*
- *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:

- Model 1 – Equal rate increase per category;
- Model 2 – Equal dollar increase per category;
- 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:

- The Shire of Nannup has 1145 rateable properties;
- Of these rateable properties, 1001 properties which will have a rate increase between \$0 - \$100;
- All ratepayers have a rate increases of between 6.48% to 6.68% regardless of which rating class their property is in;
- 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 |                  |                |                 |               |                |              |             |
|--|------------------|----------------|-----------------|---------------|----------------|--------------|-------------|
|  | Budget Increase  |                | 6.50%           |               |                | %            | Previous Yr |
|  |                  |                |                 |               |                | Inc          |             |
| Rate in Dollar                                 | <b>2018/19</b>   | <b>GRV</b>     | <b>0.086979</b> |               | <b>0.08167</b> | <b>6.50%</b> | 0.8167%     |
|  |                  | <b>UV</b>      | <b>0.004534</b> |               | <b>0.00426</b> | <b>6.50%</b> | 0.00426%    |
| Minimum Rate                                   | <b>2018/19</b>   | <b>GRV</b>     | <b>928</b>      | <b>43.36%</b> | <b>OK</b>      | <b>6.67%</b> | \$ 870.00   |
|  |                  | <b>UV</b>      | <b>1118</b>     | <b>49.14%</b> | <b>OK</b>      | <b>6.48%</b> | \$ 1,050.00 |
| Target Yield                                   | <b>1,695,348</b> |                |                 |               |                |              | 1,695,049   |
| Actual Yield GRV                               | <b>887,553</b>   |                |                 |               |                |              | 832,935     |
| Actual Yield UV                                | <b>807,872</b>   |                |                 |               |                |              | 758,689     |
| Actual Yield                                   | <b>1,695,425</b> |                |                 |               |                |              |             |
| Variance                                       | <b>77</b>        | <b>Surplus</b> |                 |               |                |              |             |

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<br>6.2.2 – Budgeted Reserves<br>6.2.3 – Community Requests<br>6.2.4 – Budgetary Considerations 2018/19<br>6.2.5 – Anticipated Surplus carried forward<br>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:

- 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.
- 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.
- 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:

- The base budget for 2018/19 includes income from fees and charges of approximately \$421,204 however these are not guaranteed revenue streams.
- 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.
- 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:***

- ***The loan period is for a 10-year period;***
- ***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.;***
- ***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;***
- ***That the implications of this loan application be included within the Annual Budget for the 2018/19 financial year.***
- ***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 |

**18089 STEVENSON/BUCKLAND**

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

**CARRIED (6/0)**

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

**That Council impose the following Rates & Charges**

| <b>Rate Type</b> | <b>Minimum Rate in \$</b> | <b>Rate in \$</b> | <b>Yield</b>       |
|------------------|---------------------------|-------------------|--------------------|
| <b>GRV</b>       | <b>\$928</b>              | <b>0.086979</b>   | <b>887,553</b>     |
| <b>UV</b>        | <b>\$1,118</b>            | <b>0.004534</b>   | <b>807,872</b>     |
|                  |                           |                   | <b>\$1,695,425</b> |

**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 |

**18090 STEER/FRASER**



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

***CARRIED (6/0)***

***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:***

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

**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.

**18091 STEVENSON/STEER**

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

***CARRIED (6/0)***

***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**

- 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         |

**18092 HANSEN/BUCKLAND**

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

**CARRIED (6/0)**

**Recommendation Four – Waste Management Levy**

- *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:*

|            | <i>Rate in the Dollar</i> | <i>Minimum Rate</i> |
|------------|---------------------------|---------------------|
| <i>GRV</i> | <i>0.000324</i>           | <i>\$77</i>         |
| <i>UV</i>  | <i>0.000082</i>           | <i>\$77</i>         |

**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.

**18093 HANSEN/STEER**

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

**CARRIED (6/0)**

**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.

**18094 STEVENSON/FRASER**

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

***CARRIED (6/0)***

***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.

**18095 HANSEN/BUCKLAND**

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

***CARRIED (6/0)***

**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**

- 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:

- Shire President \$150 per Council meeting
- Shire President \$65 per Committee meeting
- Councillors \$130 per Council meeting
- Councillors \$65 per Committee meeting

- 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:

- Travel Allowance

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

- IT Allowance \$1,300 per annum

- 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:

- Shire President \$8,000
- 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.

**18097 STEVENSON/STEER**

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

***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.***

**CARRIED (6/0)**

**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.

**18098 HANSEN/BUCKLAND**

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

***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.***

***CARRIED (6/0)***

***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.***

***18099 DEAN/BUCKLAND***

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

***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.***

***CARRIED (6/0)***

**7. CLOSURE OF MEETING**

There being no further business to discuss the Shire President declared the meeting closed at 4:54 pm.