



**Shire of Ashburton**  
**Special Council Meeting**  
**Confirmed Minutes**  
**(Public)**

**Council Chambers, Onslow Shire Complex, Second Avenue**  
**Onslow**  
**(and via electronic means)**

**28 July 2022**

**6:30pm**



**Shire of Ashburton  
Special Council Meeting**

The Chief Executive Officer recommends the endorsement of these minutes at the next Ordinary Council Meeting.

K Donohoe  
Chief Executive Officer  
3 August 2022

These minutes were confirmed by Council as a true and accurate record of proceedings at the Special Council Meeting held on Thursday 28 July 2022.

Presiding Member

Date

**Disclaimer**

*The Shire of Ashburton warns anyone who has an application lodged with Council must obtain, and should only rely on, written confirmation of the outcomes of the application following the Council meeting, and any conditions attaching to the decision made by Council in respect of the application. No responsibility whatsoever is implied, or accepted, by the Shire of Ashburton for any act, omission, statement, or intimation occurring during a Council meeting.*

## Contents

1	Declaration of opening .....	4
1.1	Acknowledgement of country .....	4
2	Announcement of visitors.....	5
3	Attendance.....	5
3.1	Present.....	5
3.2	Apologies .....	5
3.3	Approved leave of absence.....	6
4	Question time.....	6
4.1	Response to previous questions taken on notice .....	6
4.2	Public question time .....	6
5	Declaration by members .....	6
5.1	Due consideration by Councillors to the agenda .....	6
5.2	Declarations of interest .....	6
6	Items for Consideration.....	7
6.1	2022-2023 Annual Budget.....	7
7	Closure of meeting.....	31

## 1 Declaration of opening

The Presiding Member declared the meeting open at 6:30pm and moved the following recommendation –

### Shire President Recommendation

That with regards to the attendance requirements for the meeting to be conducted, in accordance with regulation 14A of the *Local Government (Administration) Regulations 1996*, Council, by an absolute majority –

- a Approves the attendance by attendees via telephone or electronic means, noting each attendee is in instantaneous communication with each person present at the meeting, and
- b Approves the locations, as chosen by each of the attendees, as being suitable to conduct the business of the meeting.

<b>Council Decision</b>	<b>098/2022</b>
<b>Moved</b>	<b>Cr L Rumble</b>
<b>Second</b>	<b>Cr M Gallanagh</b>
<p>That with regards to the attendance requirements for the meeting to be conducted, in accordance with regulation 14A of the <i>Local Government (Administration) Regulations 1996</i>, Council, by an absolute majority –</p> <ul style="list-style-type: none"><li>a Approves the attendance by attendees via telephone or electronic means, noting each attendee is in instantaneous communication with each person present at the meeting, and</li><li>b Approves the locations, as chosen by each of the attendees, as being suitable to conduct the business of the meeting.</li></ul> <p style="text-align: right;"><b>Carried 8/0</b></p>	

### 1.1 Acknowledgement of country

As representatives of the Shire of Ashburton Council, we respectfully acknowledge the local Indigenous people, the traditional custodians of this land where we are meeting upon today and pay our respects to them and their elders past, present and emerging.

## **2 Announcement of visitors**

Nil

## **3 Attendance**

### **3.1 Present**

#### Elected members

Cr K White	Shire President (Presiding Member) Onslow Ward
Cr M Lynch	Deputy Shire President, Tom Price Ward
Cr R De Pledge	Ashburton Ward
Cr A Smith	Tom Price Ward
Cr T Mladenovic	Tom Price Ward
Cr L Rumble	Paraburdoo Ward
Cr A Sullivan	Paraburdoo Ward
Cr M Gallanagh	Pannawonica Ward

#### Employees

K Donohoe	Chief Executive Officer
N Cain	Director Corporate Services
T Matson	Director People and Place
M Fanning	Director Infrastructure Services
C McGurk	Director Projects and Procurement
T Dayman	Manager Finance and Administration
J Bray	Manager Governance
A Furfaro	Governance Officer
M Connop	ICT Coordinator

#### Guests

Nil

#### Members of the public

Nil

#### Members of the media

Nil

### **3.2 Apologies**

Nil

### **3.3 Approved leave of absence**

Cr J Richardson

Tableland Ward

9 August 2022

## **4 Question time**

### **4.1 Response to previous questions taken on notice**

Nil

### **4.2 Public question time**

Nil

## **5 Declaration by members**

### **5.1 Due consideration by Councillors to the agenda**

Councillors noted they have given due consideration to all matters contained in this agenda.

### **5.2 Declarations of interest**

A member who has an Impartiality, Proximity or Financial interest in any matter to be discussed at this meeting must disclose the nature of the interest either in a written notice, given to the Chief Executive Officer, prior to the meeting, or at the meeting immediately before the matter is discussed.

A member who makes a disclosure in respect to an interest must not preside at the part of the meeting which deals with the matter, or participate in, or be present during any discussion or decision-making process relative to the matter, unless the disclosing member is permitted to do so under Section 5.68 or Section 5.69 of the *Local Government Act 1995*.

No declaration of interest were submitted.

## 6 Items for Consideration

### 6.1 2022-2023 Annual Budget

<b>File reference</b>	GV04
<b>Author's name</b>	N Cain
<b>Author's position</b>	Director Corporate Services
<b>Author's interest</b>	Nil
<b>Authorising officer's name</b>	K Donohoe
<b>Authorising officer's position</b>	Chief Executive Officer
<b>Authorising officer's interest</b>	Nil
<b>Name of applicant / respondent</b>	Not applicable
<b>Date report written</b>	26 July 2022
<b>Previous meeting reference</b>	Not applicable

#### Summary

Council is required to adopt an annual budget for each financial year for the purposes of allocating resources towards the provisions of works and services.

Additionally, the adoption of the annual budget is to consider the Long-Term Financial Plan and workforce requirements.

The purpose of this Report is to present the –

- 2022-2023 Annual Budget,
- Long-Term Financial Plan – July 2022, and
- Staff Establishment – July 2022

Council is requested to adopt the documents listed above.

#### Background

Section 6.2 of the *Local Government Act 1995* requires each local government to prepare and adopt a budget for the Municipal Fund to 30 June the following year.

The development of the 2022-2023 Annual Budget has been developed over several months, and has included –

## Confirmed Minutes – Public Special Council Meeting 28 July 2022

- Workshops for Elected Members aimed at delivering information, exploring concepts, and clarifying options,
- The approval by Council of a Statement of Objects and Reasons for Differential Rating for public advertising / submission period, and
- Development of the Long-Term Financial Plan to help guide future budgets.

The development of the 2022-2023 Annual Budget, Long-Term Financial Plan, and Staff Establishment has had regard for Council's directions as provided in the Strategic Community Plan.

The 2022-2023 Annual Budget, Long-Term Financial Plan – July 2022, and Staff Establishment – July 2022 are attached.

**Attachment 6.1A**  
**Attachment 6.1B**  
**Attachment 6.1C**

### **Comment**

#### Annual Budget

The 2022-2023 Annual Budget has been prepared in accordance with the requirements of the *Local Government Act 1995* and various accounting standards.

The purpose of this report is to facilitate final consideration of the annual budget, thus enabling the continued operation of the Shire's works and services programs.

The main features of the budget are as follows –

- Increases in rates in the dollar and minimum payments to reflect an overall 2% rate increase (due to growth and revaluations, this will not be equally distributed across all rating categories and is not readily discernible by comparing this year to last year),
- Estimated total rate revenue in the order of \$52.2 million,
- Total capital expense in the order of \$49.0 million, with approximately \$20.5 million representing new initiatives to commence in the 2022-2023 financial year, and the remaining \$28.5 million being items commenced or included last year and carried forward to this year,
- Total operating expense in the order of \$70.9 million,
- Fees and charges have been reviewed and amended, as appropriate, with Council's direction to hold fees and charges to the previous year, where possible, largely adhered to (except for Waste Fees and Charges where new charging schedules have been included),
- No loans are proposed,



- An estimated surplus of \$11.5 million is anticipated to be brought forward from the previous financial year. This is an unaudited figure and may be subject to change. Any change will be addressed as part of a future review of the budget.

Public Submission Period for Differential Rating

Council resolved, in May 2022, to continue with differential rating in the district and, in accordance with legislation, called for submissions relating to this.

Advertising was undertaken by way of –

- Newspaper (state and local),
- Public noticeboards,
- Council's website, and
- Social media channels.

Council resolved to increase rates in the dollar and minimum payments to reflect an overall 2% rate increase, noting this will not be equally distributed across all rating categories and is not readily discernible by comparing this year to last year.

Minor terminology changes were also made to the rating classifications to reflect the intentions of those classifications more accurately.

One (1) submission was received during the submission period from Mr Drew Norrish (CEO, Mackerel Islands Pty Ltd), as below –

*This submission is made with specific reference to the Airstrip Lease on Thevenard Island (Lot 134 on Plan 217262).*

*Up until the 2019-2020 financial year, the Airstrip and the Mackerel Islands Resort on Thevenard Island were rated together on the one rate notice, as UV Tourism.*

*It is clear the change in the types of differential rates, which arose after the Minister for Local Government's most recent consideration of the basis for rates, has inadvertently caught the airstrip in a rating category which could never have been contemplated.*

*Given the airstrip can only be leased by the lessee of the resort, it seems unusual to say the least that they would be valued using a different method, and then rated so differently.*

*In 2019/20 the airstrip was classified UV Tourism at 0.169018 in the dollar.*

*In 2020/21 and 2021/22 it was classified UV Non-Pastoral at 0.36957 (218% increase).*

*If the proposed 2022/23 category rates are approved, the Airstrip lease will attract a 429% increase on the neighbouring Resort lease (0.086 vs 0.3696).*

*It is clear from the Shire's own explanation of its differential rating regime (contained as Attachment 12.3A of the Minutes of the Ordinary Council meeting from 20 July 2021) that the airstrip has been caught between a change in direction whereby only two possibilities for rating exist for UV land – pastoral and non-pastoral.*

*Putting aside those titles, when one considers the reasoning behind the differential rates, it is clear that the airstrip does not fit within either category and has its own unique set of attributes and qualities.*

*The document "Statement of Objects and Reasons For Differential Rates 2022-2023" appears to try to rectify this by adding "tourism use" to the description of Non-Pastoral UV category. If the intent is to place the airstrip into a category it is not justified when assessing why this category was created.*

*The definition below clearly shows our unique property has significantly different attributes than this category was created for. The current and future costs to the Shire of Ashburton for this property are also vastly lower than others rated in this category (if not negligible).*

*Extract "Statement of Objects and Reasons For Differential Rates 2021-2022":*

This rate is applicable to non-pastoral UV land use such as, although not limited to, mining use and tenements (including, although not limited to, Exploration Licences, General Purpose Leases, Mineral Leases, Mining Leases, Petroleum Exploration Permits, Petroleum Production Licences) and other purposes.

The reason a higher rate has been applied to the Non-Pastoral - UV category is to reflect the perceived additional financial impact mining and related industries have on Shire infrastructure and services relevant to other land use types.

The objective is to raise a higher level of rate revenue from mining and related infrastructure properties than from other UV category properties to contribute toward current and future costs associated with the provision of civil infrastructure for services and facilities including, although not limited to, transport, recreation, community and leisure facilities, waste management and planning and development costs.

*In order to secure a long term solution and provide certainty to our business, we ask you to consider two options to address this oversight:*

- 1. Create a new Ratings Category with a rate the same as the neighbouring Resort GRV – Commercial and Industrial (preferred);*
- 2. Provide a discount and/or concession to the current UV Non-Pastoral rate whereby the rate in the dollar is reduced to equal the GRV - Commercial and Industrial rate.*

*I look forward to your response and remain available to provide additional information should it be requested.*

Shire officers have researched and contacted State Government agencies (including the Valuer General's Office / Landgate) regarding the submission from Mr Norrish.

Officers have been advised airstrips like the one on Thevenard Island have a universal, state-wide classification and are rated using the Unimproved Valuation method. There are other airstrips in the district (mainly serving mining operations), and each is rated using this methodology. Adjoining local governments have also advised the same situation occurs.

In 2019 Council considered the inclusion / removal of the UV Tourism rating category and determined to remove this category from the rating strategy. This position was reflected in the 2020-2021 Annual Budget.

Regarding the two (2) requests presented by Mr Norrish, Shire officers offer the following information and advice –

- *Create a new Ratings Category with a rate the same as the neighbouring Resort GRV – Commercial and Industrial (preferred)*

Council could create a new rating category, as requested. However, the rate could not be the same as the neighbouring Resort – GRV without the likelihood of requiring Ministerial approval. It is also important to note the methodology used to value Gross Rental Valuation assessments and Unimproved Valuations are very different.

- *Provide a discount and/or concession to the current UV Non-Pastoral rate whereby the rate in the dollar is reduced to equal the GRV - Commercial and Industrial rate.*

Council could provide a discount and / or concession to the current UV Non-Pastoral rate. The discount would need to reflect the dollar value applicable, which could be converted to have an impact like the one described in the

request. Council will need to show caution in this regard as to simply provide a concession or discount to a commercial enterprise may be viewed negatively by the Department of Local Government, Auditors, and the community. A suitable reasoning would need to be established by Council as to why the concession and / or discount was applied, and this reason should meet any 'due diligence' assessments as to why this was accepted.

Shire officers, in recognising the airstrip and resort on Thevenard Island may be unique, have reviewed documentation regarding the removal of the UV Tourism rating category and, based on this and the previous Council resolution, are unable to support the request by Mr Norrish as to do so would be against the previous resolution.

Council may, however, act to support either request, both of which will impact the budget. The financial impact t Council is considered immaterial, although delays may occur.

An option, and the option recommended by Shire officers, is to request Mr Norrish apply directly to the Minister and the Valuer General to have the rating methodology altered and / or reviewed for the two assessments.

If successful, the properties will receive an interim rate notice reflecting any changes made by the Minister and / or Valuer General.

#### Proposed Concessions

Included in the previous budget was a concession for residential property owners owning three (3) or less properties to assist in ameliorating the increase in property valuations and as a hardship measure for COVID-19 impacts.

The 2021-2022 financial year was supposed to be the subject of a revaluation for property values and was postponed due to COVID-19 impacts.

New valuations have been provided by the Valuer General which have negated the justification for the concession and so this has been withdrawn.

Reasons for applying the UV – Pastoral concession continue to exist and therefore is proposed for continuation.

#### Proposed year end position

After allowing for the proposed carry forward items from the previous financial year, as detailed and explained in the next section of this report, there is no proposed year-end surplus position forecast for 30 June 2023 (i.e., this is a balanced budget).

Proposed Rates to Apply

In preparing the Annual Budget, Elected Members considered the rate revenue parameter to establish the framework of the budget within which detailed works programs and estimates could be developed.

Council resolved to advertise the following differential rates and minimum payments –

*Residential / Community - GRV*

- Applicable to GRV properties having a predominant land use of residential or used by organisations involved in activities for community benefit.
- Proposed rate in the dollar of 0.09420 and minimum payment of \$1,288.

*Commercial / Industrial – GRV*

- Applicable to properties having a predominant land use of commercial or industrial purposes.
- Proposed rate in the dollar of 0.08600 and minimum payment of \$1,288.

*Transient Worker Accommodation – GRV*

- Applicable to GRV properties having a predominant land use of transient workforce accommodation.
- Proposed rate in the dollar of 0.17000 and minimum payment of \$1,288.

*Pastoral – UV*

- Applicable only to UV properties issued with pastoral leases granted by the State Government.
- Proposed rate in the dollar of 0.18870 and minimum payment of \$1,288.

*Non-Pastoral – UV*

- Applicable to UV properties which do not have a pastoral lease granted by the State Government.
- Proposed rate in the dollar of 0.36960 and minimum payment of \$1,288.

By applying the above rates in the dollar, ex-gratia rates, concessions, and minimum payments, rate revenue of \$52.3 million is estimated.

Determination of material variance

Each year Council is required to adopt a percentage or value for the purposes of reporting material variances in the monthly Statement of Financial Activity.

This value or percentage is then used throughout the financial year to identify potential areas in Council's actual revenues and expenses which may not be in keeping with Council's budget.

The early identification of these potential issues can assist in better utilisation and allocation of Council funds and resources.

The values chosen, which remain the same as last year, should provide a good indication of variances which may not normally be covered through Council's normal operations and should, therefore, be assessed to identify if a potential issue exists or not.

The proposed material variance reporting limits, by Business Unit, are –

Condition	Action
Actual variance up to 5% of budget	Don't report
Actual variance up to 10% of budget	Use management discretion
Actual variance exceeding 10% and a greater value than \$40,000	Must report

#### Long-Term Financial Plan

Council has, over the previous year, helped in formulating the proposed Long-Term Financial Plan.

The proposed Plan –

- Provides an estimated Financial Health Index of 98 / 100 on 30 June 2034,
- Includes over \$115 million in Strategic Project delivery, and associated ongoing expense,
- Includes over \$125 million in additional capital works, and associated ongoing expense,
- Recommends a 2% rate increase each year for the life of the Plan which, when coupled with an estimated 1% growth rate in rate valuations per annum, successfully meets the proposed ongoing needs of Council, and
- Identifies improving performance and returns from the Regional Waste Facility (including the use of a new loan to implement a Liquid Waste Facility).

A list of included key initiatives is below -

- Accommodation Strategy,
- Airport,
- Asset Management – Assets,

- Asset Management – Infrastructure, and
- Regional Waste Facility,

Included Strategic Projects, by town, are listed below –

*Onslow*

- Onslow Men's Shed,
- Ocean View Caravan Park – Stage 3,
- Ocean View Caravan Park – Stage 4,
- Town Jetty,
- Townsite Activation and Revitalisation – Drainage Phase,
- Dreamers Hill Convention Centre and Amphitheatre,
- Cartoon Tank / Cultural Arts Centre,
- Seawall,
- Foreshore Promenade, and
- Sun Chalets Improvement Program.

*Paraburdoo*

- Paraburdoo Undercover Sports Courts.

*Tom Price*

- Tom Price Undercover Sports Courts,
- Emergency Services Precinct,
- Tom Price Childcare,
- Bicycle Park, and
- Administration Facility.

*Pannawonica*

The Shire does not own land in Pannawonica on which to undertake any Strategic Projects.

Strategic Projects in Paraburdoo and Tom Price are limited as the Community Lifestyle and Infrastructure Plan (CLIP) is being developed which will consider how infrastructure can be improved, and how life in these towns can be enhanced in the future.

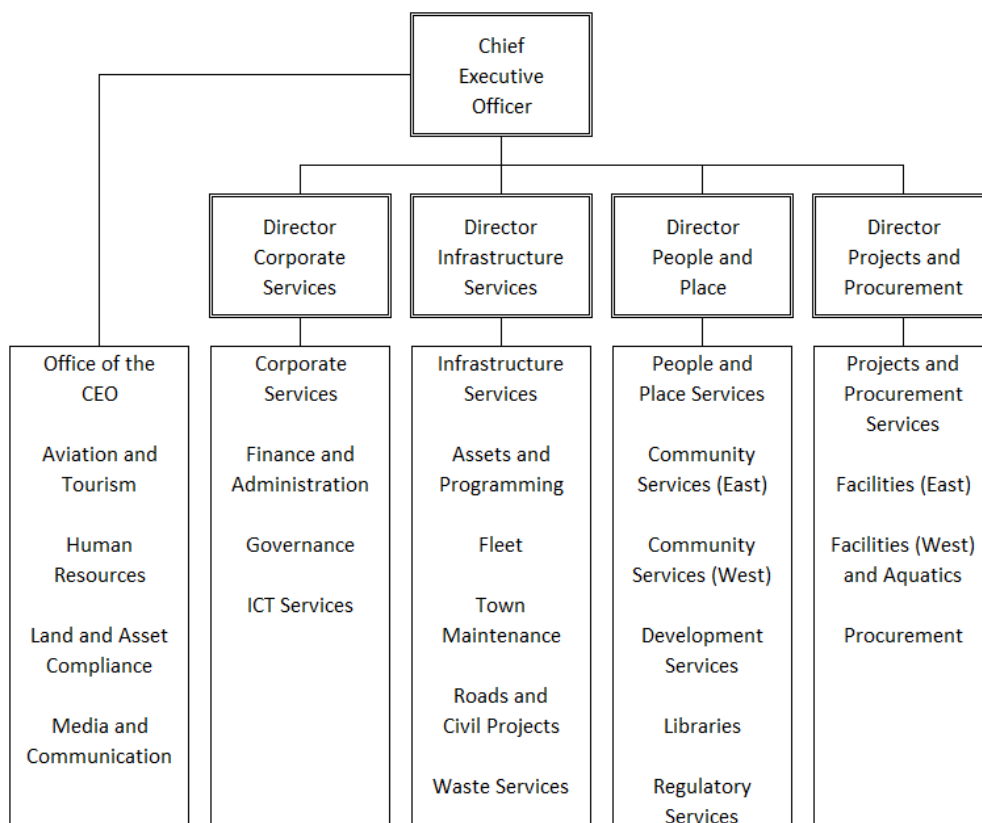
The CLIP is set to include plans to upgrade community facilities, infrastructure development, residential development, economic growth, and employment opportunities.

Emerging projects will be included in future versions of the Long-Term Financial Plan.

### Workforce Requirements

The Shire budget has been prepared in accordance with various Council Strategic Planning documents, with a high degree of planning undertaken regarding the required staffing levels necessary for the delivery of current services and to accommodate foreseeable demands being placed upon the Shire.

The previously supported structure, as below, is proposed to continue with minor variations –



The variations include –

- Aviation and Tourism have been separated into 'Airport' and 'Business and Economic Development' to recognise the importance each area is to the success of the Shire and associated workloads,
- Community Services (West) and Community Services (East) have been amalgamated to 'Communities',
- Procurement is included in Projects and Procurement Services,
- Facilities (East) and Facilities (West) have been amalgamated to 'Facilities', and
- Human Resources has been renamed to 'Organisational Development'.



A complete outline of the structure is attached.

Council previously acknowledged a Full-Time Equivalent structure of 186.2. The budget has been developed on a structure of 186.5 Full-Time Equivalents.

An additional body of work is underway to review the effectiveness of the current structure and employee numbers with a future report to be presented to Council on the recommendations of this review.

Statement of calculation of the Annual Budget

In compiling the Annual Budget, Shire officers have, in accordance with the Local Government Accounting Manual, –

- Identified recurring operating revenue and expense,
- Prepared salary and wage schedules, including proposed new employees, employee increment changes and enterprise agreement increases,
- Prepared water, power, and other essential cost estimates and increase assumptions,
- Prepared capital expense based, where possible, on reasonably assumed estimates for construction,
- Confirmed grants for both operating and capital requirements,
- Determined and applied the assumptions for the opening current position from the previous financial year,
- Identified carry forward projects from the previous financial year,
- Flagged committed funds and treated these in accordance with accounting standards,
- Established the legislated compliance of the proposed end of year financial position,
- Obtained estimates for non-current assets to be traded or sold,
- Obtained estimates for insurance, including workers' compensation,
- Updated the schedule of fees and charges for the applicable period,
- Compiled projected cash flows over the reporting period to ensure there is sufficient liquidity to meet current commitments throughout the year,
- Prepared the budget document consistently with comparative financial results from the previous period (noting there is a change in reporting method which may cause some individual line-item differences, although totals are comparable), and
- Ensured any invested surplus funds conform with the short-term requirements for drawdowns, as and when the funds are required.

## **Consultation**

Community  
Councillors  
Executive Leadership Team  
Middle Management Group  
Finance Team

## **Statutory environment**

### *Local Government Act 1995*

#### *Section 6.2 (Local government to prepare annual budget)*

During the period from 1 June in a financial year to 31 August in the next financial year, or such extended time 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 30 June next following the 31 August.

In formulating the budget, Council is to have regard to the contents of the Strategic Community Plan and prepare detailed estimates for the applicable year.

### *Part 3 of the Local Government (Financial Management) Regulations 1996*

This area establishes the form and content of the budget document and requires a copy of the Annual Budget to be submitted to the Department responsible for Local Government within thirty (30) days of adoption by Council.

### *Local Government (Financial Management) Regulations 1996*

#### *Regulation 34 (Financial Activity Statement required each month)*

Council is required to adopt a percentage or value, calculated in accordance with Australian Accounting Standards, to be used in the monthly Statement of Financial Activity.

Numerous other pieces of legislation impact the budget document including, although not limited to, -

- *The Local Government (Miscellaneous Provisions) Act 1960,*
- *The Waste Avoidance and Resources Recovery Act 2007, and*
- *The Building Regulations 2012.* Financial implications.

### *Section 2.7 (Role of council)*

Council is responsible for the performance of the local government's functions and is responsible for the allocation of the local government's finances and resources.

### *Section 5.2 (Administration of local governments)*

Council is to ensure there is an appropriate structure for administering the local government, which can include endorsement of the staff establishment.

*Section 5.56 (Planning for the future)*

A local government is to plan for the future of the district and is to ensure plans are made (including the Long-Term Financial Plan).

**Strategic implications**

Shire of Ashburton Strategic Community Plan 2022-2032

- Goal 4                      Performance – We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.
- Objective 4.2            Appropriate, sustainable, and transparent management of community funds.
- Strategy 4.2.3           Plan effectively for financial sustainability.

**Financial implications**

This report makes recommendation to Council on the adoption of the 2022-2023 Annual Budget, which includes –

- Operating expense of \$71.1 million,
- Operating revenue of \$71.7 million,
- Capital expense of \$49.0 million,
- Capital funding of \$15.9 million,
- No new loans,
- Surplus brought forward of \$11.5 million,
- Transfer to Reserve Accounts of \$6.1 million,
- Transfer from Reserve Accounts of \$12.5 million.

**Risk management**

Risk has been assessed based on the Officer Recommendation.

Risk	Risk Likelihood	Risk Impact / Consequence	Risk Rating	Principal Risk Theme	Risk Action Plan
Potential cash flow issues may result if the Annual Budget is not adopted.	Possible (3)	Moderate (3)	Moderate (9)	Financial Impact \$100,000 to \$1m	Provide Councillors with sufficient information for decision making, including workshops

## Confirmed Minutes – Public Special Council Meeting 28 July 2022

Risk	Risk Likelihood	Risk Impact / Consequence	Risk Rating	Principal Risk Theme	Risk Action Plan
					and community submission periods.
Negative public perception if Council does not adopt the Annual Budget.	Possible (3)	Moderate (3)	Moderate (9)	<u>Reputation</u> Substantiated, public embarrassment, moderate impact on community trust or moderate media profile	Provide Councillors with sufficient information for decision making, including workshops and community submission periods.
Potential reduction in the quality of assets provided and services delivered if the Annual Budget is not adopted.	Possible (3)	Major (4)	High (12)	<u>Interruption to Service</u> Prolonged interruption of services	Provide Councillors with sufficient information for decision making, including workshops and community submission periods.
Failing to adopt the Annual Budget by 31 August in any year is a compliance breach without Ministerial approval.	Possible (3)	Moderate (3)	Moderate (9)	<u>Compliance</u> Short-term non-compliance with significant regulatory requirements imposed	Provide Councillors with sufficient information for decision making, including workshops and community submission periods.

The following Risk Matrix has been applied:

Risk Matrix						
Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Adoption of this item has been evaluated against the Shire of Ashburton's Risk Management Policy CORP5 Risk Matrix.

The perceived level of risk is "Moderate" to "High" because of the importance adopting the budget has to the overall operation of the Shire. Involving Councillors through workshops and correspondence reduces this risk level.

## **Policy implications**

### *FIN06 Significant Accounting Policy*

This Council Policy provides guidelines for the preparation of financial reports.

### *ELM10 Financial Sustainability Policy*

This Council policy commits Council to ensuring no decisions will be made without considering the long-term financial impact of those decisions.

## **Voting requirement**

Absolute majority

## **Councillor interest declarations**

Nil

## **Officer recommendation**

That with respect to the adoption of the 2022-2023 Annual Budget, Council,

### **1 Staff Establishment**

- a In accordance with section 5.2 of the *Local Government Act 1995*, endorses the Staff Establishment, as attached at Attachment 6.1A,
- b Requests the Chief Executive Officer undertake a further review of the Staff Establishment and report any outcomes back to Council, and

### **2 Long-Term Financial Plan**

- a In accordance with section 5.56 of the *Local Government Act 1995*, endorses the Long-Term Financial Plan, commencing 2022-2023, as attached at Attachment 6.1B,
- b Notes the outcomes of the Shire's Community and Lifestyle Infrastructure Plan will directly inform future versions of the Long-Term Financial Plan,

### **3 2022-2023 Annual Budget**

- a In accordance with the provisions of Section 6.2 of the *Local Government Act 1995*, and Part 3 of the *Local Government (Financial Management) Regulations 1996*, adopts the Annual Budget for the Shire of Ashburton for the 2022-2023 financial year, which includes the following:

- i Statement of Comprehensive Income by Nature and Type showing total comprehensive income for the year of \$16,592,648,
- ii Rate Setting Statement showing an amount required to be raised from rates of \$52,255,600,
- iii Notes to, and forming part of, the budget,
- iv Capital works for the year,
- v Fees and charges to be applied for the year, and
- vi Budgeted management schedules, as attached at Attachment 6.1C,

4 Differential Rates, Minimum Payments, and Instalment Payment Arrangements

- a For the purpose of yielding the deficiency disclosed in the 2022-2023 Annual Budget, and in accordance with Section 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995*, imposes the following differential rates and minimum payments:

- i GRV Residential and Community
  - Rate in the \$ 0.09420
  - Minimum Payment \$ 1,288
- ii GRV Commercial and Industrial
  - Rate in the \$ 0.08600
  - Minimum Payment \$ 1,288
- iii GRV Transient Worker Accommodation
  - Rate in the \$ 0.17000
  - Minimum Payment \$ 1,288
- iv UV Pastoral
  - Rate in the \$ 0.18870
  - Minimum Payment \$ 1,288
- v UV Non-Pastoral
  - Rate in the \$ 0.36960
  - Minimum Payment \$ 1,268

- b In accordance with Section 6.45 of the *Local Government Act 1995* and Regulation 64 of the *Local Government (Financial Management)*

*Regulations 1996*, nominates the following due dates for rate payment in full and by instalments:

Option 1 – Payment in full by a single instalment due 23 September 2022

Option 2 – Two instalments

- i Full payment of outstanding rates and 1st instalment due date of 23 September 2022
- ii 2nd instalment due date of 31 January 2023

Option 3 – Four instalments

- i Full payment of outstanding rates and 1st instalment due date of 23 September 2022
- ii 2nd instalment due date of 25 November 2022
- iii 3rd instalment due date of 31 January 2023
- iv 4th instalment due date of 31 March 2023.

- c In accordance with Section 6.45 of the *Local Government Act 1995* and Regulation 67 of the *Local Government (Financial Management) Regulations 1996*, adopts an instalment administration charge where the owner has elected to pay rates (and services charges) through an instalment option of \$16.50 for each instalment after the initial instalment is paid.
- d In accordance with Section 6.45 of the *Local Government Act 1995* and Regulation 68 of the *Local Government (Financial Management) Regulations 1996*, adopts an interest rate of 5.5% where the owner has elected to pay rates and service charges through an instalment option.
- e In accordance with Section 6.51 of the *Local Government Act 1995* and Regulation 70 of the *Local Government (Financial Management) Regulations 1996*, adopts an interest rate of 11.0% for rates and service charges, and costs of proceedings to recover such charges, remaining unpaid after becoming due and payable.

## 5 Rates Concessions, Rates Waivers and Debt Waivers

- a In accordance with Section 6.47 of the *Local Government Act 1995*, grant a 30% concession for those property holders with the following eligibility criteria –
  - i Ownership of an assessment in the UV – Pastoral rating category, and

- ii Not lower than the minimum payment of \$1,288,  
to help alleviate the financial impact caused by the impact of  
COVID-19.
- b In accordance with Section 6.47 of the *Local Government Act 1995*, grant  
a 100% waiver to Rates and Service Charges for properties leased to  
Not-for-Profit Community Groups, subject to it being provided for in their  
lease or being previously waived / applied in the previous financial year.
- c In response to the submission from Mr Drew Norrish (CEO, Mackerel  
Islands Pty Ltd) Council request the Chief Executive Officer to advise Mr  
Norrish Council does not support his requests regarding modifying the  
rating structure as applicable to land parcels on Thevenard Island (airport  
and resort) and request he apply directly to the Minister and the Valuer  
General to have the rating methodology altered and / or reviewed for the  
two assessments.

6 Fees and Charges

- a In accordance with Section 6.16 of the *Local Government Act 1995* and  
other statutory fee setting instruments, adopts the Fees and Charges  
included in the attached 2022-2023 Annual Budget.

7 Elected Member Payments

- a In accordance with Section 5.99 of the *Local Government Act 1995* and  
Regulation 30 of the *Local Government (Administration) Regulations  
1996*, Council adopts the following annual fees for Elected Members in  
lieu of individual meeting attendance fees:
  - i Shire President \$31,928
  - ii Councillors \$23,811.
- b In accordance with to Section 5.99A of the *Local Government Act 1995*,  
adopts the Information and Communications Technology Allowance of  
\$3,000 for Elected Members.
- c In accordance with Section 5.98 of the *Local Government Act 1995*,  
adopts the annual local government allowance of \$64,938 to be paid to  
the Shire President in addition to the annual meeting allowance.



- d In accordance with Section 5.98A of the *Local Government Act 1995* adopts the annual local government allowance of \$16,234 to be paid to the Deputy Mayor in addition to the annual meeting allowance.
- e In accordance with Section 5.99A of the *Local Government Act 1995* and Regulation 32 of the *Local Government (Financial Management) Regulations 1996*, adopts a childcare / child minding reimbursement rate of the actual cost per hour or \$30 per hour, whichever is the lesser, for Elected Members requiring childcare services whilst undertaking their role as an Elected Member.

8 Material Variance Reporting

- a Pursuant to Regulation 3 of the *Local Government (Financial Management) Regulations 1996*, and Australian Accounting Standards AASB1031 Materiality, adopts the following materiality thresholds to be used in Statement of Financial Activity in 2022-2023 for reporting material variances of any individual Business Unit:
  - i Actual variances to Budget up to 5% of budget – Do not report,
  - ii Actual variances to Budget between 5% and 10% of budget – Use management discretion, and
  - iii Actual variances exceeding 10% and a greater value than \$40,000 – Must report

**Council Decision                      099/2022**

**Moved                                      Cr L Rumble**  
**Second                                     Cr M Gallanagh**

**That with respect to the adoption of the 2022-2023 Annual Budget, Council,**

**1        Staff Establishment**

- a        In accordance with section 5.2 of the *Local Government Act 1995*, endorses the Staff Establishment, as attached at Attachment 6.1A,**
- b        Requests the Chief Executive Officer undertake a further review of the Staff Establishment and report any outcomes back to Council, and**

**2        Long-Term Financial Plan**

- a        In accordance with section 5.56 of the *Local Government Act 1995*, endorses the Long-Term Financial Plan, commencing 2022-2023, as attached at Attachment 6.1B,**
- b        Notes the outcomes of the Shire's Community and Lifestyle Infrastructure Plan will directly inform future versions of the Long-Term Financial Plan,**

**3        2022-2023 Annual Budget**

- a        In accordance with the provisions of Section 6.2 of the *Local Government Act 1995*, and Part 3 of the *Local Government (Financial Management) Regulations 1996*, adopts the Annual Budget for the Shire of Ashburton for the 2022-2023 financial year, which includes the following:**
  - i        Statement of Comprehensive Income by Nature and Type showing total comprehensive income for the year of \$16,592,648,**
  - ii       Rate Setting Statement showing an amount required to be raised from rates of \$52,255,600,**
  - iii      Notes to, and forming part of, the budget,**

- iv Capital works for the year,
- v Fees and charges to be applied for the year, and
- vi Budgeted management schedules, as attached at Attachment 6.1C,

**4 Differential Rates, Minimum Payments, and Instalment Payment Arrangements**

- a For the purpose of yielding the deficiency disclosed in the 2022-2023 Annual Budget, and in accordance with Section 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995*, imposes the following differential rates and minimum payments:

- i GRV Residential and Community
  - Rate in the \$ 0.09420
  - Minimum Payment \$ 1,288
- ii GRV Commercial and Industrial
  - Rate in the \$ 0.08600
  - Minimum Payment \$ 1,288
- iii GRV Transient Worker Accommodation
  - Rate in the \$ 0.17000
  - Minimum Payment \$ 1,288
- iv UV Pastoral
  - Rate in the \$ 0.18870
  - Minimum Payment \$ 1,288
- v UV Non-Pastoral
  - Rate in the \$ 0.36960
  - Minimum Payment \$ 1,268

- b In accordance with Section 6.45 of the *Local Government Act 1995* and Regulation 64 of the *Local Government (Financial Management) Regulations 1996*, nominates the following due dates for rate payment in full and by instalments:

Option 1 – Payment in full by a single instalment due 23 September 2022

Option 2 – Two instalments

- i Full payment of outstanding rates and 1st instalment due date of 23 September 2022

**ii 2nd instalment due date of 31 January 2023**

**Option 3 – Four instalments**

- i Full payment of outstanding rates and 1st instalment due date of 23 September 2022**
  - ii 2nd instalment due date of 25 November 2022**
  - iii 3rd instalment due date of 31 January 2023**
  - iv 4th instalment due date of 31 March 2023.**
- c In accordance with Section 6.45 of the *Local Government Act 1995* and Regulation 67 of the *Local Government (Financial Management) Regulations 1996*, adopts an instalment administration charge where the owner has elected to pay rates (and services charges) through an instalment option of \$16.50 for each instalment after the initial instalment is paid.**
- d In accordance with Section 6.45 of the *Local Government Act 1995* and Regulation 68 of the *Local Government (Financial Management) Regulations 1996*, adopts an interest rate of 5.5% where the owner has elected to pay rates and service charges through an instalment option.**
- e In accordance with Section 6.51 of the *Local Government Act 1995* and Regulation 70 of the *Local Government (Financial Management) Regulations 1996*, adopts an interest rate of 11.0% for rates and service charges, and costs of proceedings to recover such charges, remaining unpaid after becoming due and payable.**

**5 Rates Concessions, Rates Waivers and Debt Waivers**

- a In accordance with Section 6.47 of the *Local Government Act 1995*, grant a 30% concession for those property holders with the following eligibility criteria –**
- i Ownership of an assessment in the UV – Pastoral rating category, and**
  - ii Not lower than the minimum payment of \$1,288, to help alleviate the financial impact caused by the impact of COVID-19.**
- b In accordance with Section 6.47 of the *Local Government Act 1995*, grant a 100% waiver to Rates and Service Charges for properties leased to Not-for-Profit Community Groups, subject to it being**

provided for in their lease or being previously waived / applied in the previous financial year.

- c In response to the submission from Mr Drew Norrish (CEO, Mackerel Islands Pty Ltd) Council request the Chief Executive Officer to advise Mr Norrish Council does not support his requests regarding modifying the rating structure as applicable to land parcels on Thevenard Island (airport and resort) and request he apply directly to the Minister and the Valuer General to have the rating methodology altered and / or reviewed for the two assessments.

## **6 Fees and Charges**

- a In accordance with Section 6.16 of the *Local Government Act 1995* and other statutory fee setting instruments, adopts the Fees and Charges included in the attached 2022-2023 Annual Budget.

## **7 Elected Member Payments**

- a In accordance with Section 5.99 of the *Local Government Act 1995* and Regulation 30 of the *Local Government (Administration) Regulations 1996*, Council adopts the following annual fees for Elected Members in lieu of individual meeting attendance fees:
  - i Shire President \$31,928
  - ii Councillors \$23,811.
- b In accordance with to Section 5.99A of the *Local Government Act 1995*, adopts the Information and Communications Technology Allowance of \$3,000 for Elected Members.
- c In accordance with Section 5.98 of the *Local Government Act 1995*, adopts the annual local government allowance of \$64,938 to be paid to the Shire President in addition to the annual meeting allowance.
- d In accordance with Section 5.98A of the *Local Government Act 1995* adopts the annual local government allowance of \$16,234 to be paid to the Deputy Mayor in addition to the annual meeting allowance.
- e In accordance with Section 5.99A of the *Local Government Act 1995* and Regulation 32 of the *Local Government (Financial Management) Regulations 1996*, adopts a childcare / child minding

**reimbursement rate of the actual cost per hour or \$30 per hour, whichever is the lesser, for Elected Members requiring childcare services whilst undertaking their role as an Elected Member.**

**8 Material Variance Reporting**

- a Pursuant to Regulation 3 of the *Local Government (Financial Management) Regulations 1996*, and Australian Accounting Standards AASB1031 Materiality, adopts the following materiality thresholds to be used in Statement of Financial Activity in 2022-2023 for reporting material variances of any individual Business Unit:**
- i Actual variances to Budget up to 5% of budget – Do not report,**
  - ii Actual variances to Budget between 5% and 10% of budget – Use management discretion, and**
  - iii Actual variances exceeding 10% and a greater value than \$40,000 – Must report**

**9 Modifications to the Presented Annual Budget**

- a The inclusion of a donation of \$10,000 (ex GST) to Pannawonica Junior Sports to assist with purchasing / replacing sporting gear,**
- b The inclusion of a donation of \$10,000 (ex GST) to Pannawonica Community Garden to assist with upgrades to the water system and soil for the garden beds,**
- c The inclusion of a donation of \$10,000 (ex GST) to Pannawonica Junior Volunteers to assist with the general operation of this group,**
- d The inclusion of a donation of \$20,000 (ex GST) to the Pannawonica Art for Elders program recognising there are limited activities for elderly community members, and**
- e Reduction of wages and salaries by \$50,000 to ensure a balanced budget is maintained.**

**Reason for Change**

**Council wished to ensure a greater level of support for Pannawonica was achieved.**

**Prior to voting on the Recommendation Cr M Lynch foreshadowed a motion to move the Officer Recommendation, as presented.**

**Carried 6/2**

## **7 Closure of meeting**

There being no further business, the Presiding Member closed the meeting at 7:03 pm.