



# **AGENDA**

**Special Council Meeting**

**10 August 2023 at 8.30am**

**at the Coolup Hall**

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**Notice of Meeting**

Notice is hereby given that a Special Meeting of Council will be held at the Coolup Hall, Murray Street, Coolup on Thursday 10 August 2023 commencing at 8.30am

A handwritten signature in black ink, appearing to read "Dean Unsworth".

Dean Unsworth  
Chief Executive Office

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

**2 ATTENDANCES/APOLOGIES/LEAVE OF ABSENCE**

**3 PURPOSE OF MEETING**

To consider the Adoption of the 2023 – 2033 Long-Term Financial Plan and 2023/24 Annual Budget.

**4 PUBLIC QUESTION TIME**

In accordance with Section 7(4)(b) of the Local Government (Administration) Regulations 1996, a Council at a Special Meeting is not required to answer a question that does not relate to the purpose of the meeting. It is therefore requested that only questions that relate to items on the agenda be asked.

**5 PETITIONS AND APPROVED DEPUTATIONS**

**6 CONFIRMATION OF MINUTES**

**REPORTS OF CHIEF EXECUTIVE OFFICER AND OFFICERS**

## 7 CORPORATE GOVERNANCE

### 7.1 Long Term Financial Plan 2023-2033

File Ref:	D23/25935
Previous Items:	Nil.
Applicant:	Nil.
Author and Title:	Tracie Unsworth, Director Corporate Services
Declaration of Interest:	Nil.
Voting Requirements:	Simple Majority
Appendices:	Item 7.1 Appendix 1 - Long Term Financial Plan 2023-2033 (Page 4)

#### Recommendation

**That Council endorses the Long Term Financial Plan 2023-2033 as contained in the Appendix.**

#### In Brief

The Long Term Financial Plan (LTFP) covers the 2023/24 – 2032/33 period, and has been prepared in accordance with the Integrated Planning and Reporting framework guidelines. The LTFP is considered an informing document to the Strategic Community Plan and the Corporate Business Plan (Council Plan).

The LTFP analyses financial trends over a ten-year period on a range of assumptions, and provides the Council with information to assess resourcing requirements to achieve its strategic objectives and to assist in ensuring future financial sustainability.

#### Background

The LTFP is a ten-year rolling plan that aligns with the Council Plan to activate strategic community priorities. From this process, annual budgets that are aligned with strategic objectives are developed.

The purpose of a LTFP is to guide the future direction of Council in a financially sustainable manner. It is designed as a 'high-level' summarised document focusing on the future planning of Council's financial operations, particularly in relation to key components such as rate increases, service levels to the community, asset renewal, financial reserves and loans.

The LTFP provides direction for both the Shire's long-term capital investment planning and its operating capacity, indicating long-term financial sustainability and allowing early identification of financial issues and their longer-term impacts. It also shows the linkages between specific plans and strategies and enhances the transparency and accountability of the Council to the community.

Forecasting a long-term financial position helps to quantify the future impacts of current decisions and identify the available options to close the gap between revenues and expenditure. It informs decision-making and priority setting, and assists in the management of the local government's response to community growth. It also assists the management of cash flow and funding requirements, community assets and risk.

#### Report Detail

The LTFP relies on the most current information available for known revenues and expenditures. Future forecasting processes use estimates that are considered to be as accurate, reliable and easily understood as possible. The level of accuracy from assumptions within the LTFP is more likely in the first four years. Later years (5-10) will have higher reliance on assumptions and subjectivity to variables. The ability to accurately forecast over a long period is likely to be hampered by uncertainties such as the availability of grant funding, fluctuating interest rates, economic trends, as well as demographic and political change.

The following assumptions and key items are included within the Plan:

- Salaries and wages have been modelled with a 3% increase in 2023/24, the first year of the new Enterprise Bargaining Agreements. The indexation from Year 4 onwards decreases slightly to 2.5%.
- A rate increase of 4.5% is proposed for 2023/24. A rate increase of 3.95% is identified to be applied for the next two years and then 3.5% for the life of the Plan. This will however be reviewed each year as part of the annual rating strategy review and budget workshops.

In addition to the details of assumptions and indexation on specific income and expenditure categories, the LTFP contains ten year financial statement, major capital works schedules and capacity of financial reserves. The Plan demonstrates, that with prudent financial planning, monitoring of rating capacity and careful assessment of priorities, the Shire of Murray will be able to maintain a sound financial position in the long term.

### Council Plan

<b>Focus Area</b>	Performance
<b>Outcome</b>	Capable and accountable leadership and governance.
<b>Objectives</b>	Maintain long-term financial sustainability and asset management.
<b>Actions</b>	Provide an annual review of the Long-Term Financial Plan.

### Other Strategic Links

- 2023/24 Budget
- Council Plan | 1 July 2023 to 30 June 2033

### Statutory Environment

Section 5.56(1) and (2) of the *Local Government Act 1995* requires that each local government is to plan for the future of the district.

### Sustainability & Risk Considerations

*Economic - (Impact on the Economy of the Shire and Region)*

The Long Term Financial Plan provides funding for infrastructure and major projects that are key to the success of growing the economy of Murray.

*Social - (Quality of life to community and/or affected landowners)*

The Long Term Financial Plan outlines the services that will be provided to the community to enhance the quality of living. It is crucial that the Plan aligns with the aspirations of the community to ensure financial strategies are in place to meet future demand.

*Environment – (Impact on environment's sustainability)*

Nil.

*Policy Implications*

Nil.

### Risk Management Implications

<i>Risk Level</i>	<i>Comment</i>
Moderate	The annual review and update of the Long Term Financial Plan, along with the key underpinning assumptions, addresses the risk associated with changes to the Shire's financial sustainability. This review considers changing external and internal impacts and enables Council to consider any changes necessary.

### Consultation

In the development of the LTFP consideration is given to the community consultation undertaken in the establishment of the Shire's Council Plan. The LTFP as developed, aims to achieve funding which will activate the community's identified aspirations and goals.

### Resource Implications

#### *Financial*

The Plan outlines a clear approach for the delivery of services into the future. Year 1 of the Long Term Financial Plan provides the basis for the development of the draft 2023/24 annual budget.

#### *Workforce*

Nil.

### Options

1. Modifying the priorities contained within the draft Long Term Financial Plan 2023-2033.
2. Endorsing the Long Term Financial Plan 2023-2033 as presented.

### Conclusion

Long term financial planning is the mechanism that enables local governments to determine their capability to sustainably deliver the assets and services required by the community. It allows the local government to set priorities and, within its resourcing capabilities, to deliver short, medium and long-term community priorities.

The Long Term Financial Plan 2023-2033 has been developed based on the historical and projected growth of the Shire, as well as the strategies identified in the Council Plan | 1 July 2023 to 30 June 2033 and other informing documents.

**7.2 2023/2024 Budget Adoption**

File Ref:	D23/25963
Previous Items:	Nil.
Applicant:	Nil.
Author and Title:	Nathan Gilfellon, Manager Finance
Declaration of Interest:	Nil.
Voting Requirements:	Absolute Majority
Appendices:	Item 7.2 Appendix 1 - 2023-24 Statutory Budget (Page 28)
	Item 7.2 Appendix 2 - Fees and Charges Schedule 2023 / 2024 (Page 65)
	Item 7.2 Appendix 3 - Rating Concessions 23-24 - Confidential (under separate cover)

**Recommendation**

That Council adopts the 2023/2024 Budget, consisting of:

**1. 2023/2024 Statutory Budget and Financial Statements**

In accordance with the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996* and having considered the Shire of Murray Council Plan, adopt the 2023/2024 Budget as presented in Appendix 1.

**2. Rates**

In accordance with Section 6.32(1)(a)(ii) of the *Local Government Act 1995*, imposes the following differential general rates applicable on all rateable properties within the district:

Valuation Type	Minimum Rate	Rate in \$
GRV General	\$1267	0.106893
GRV General Storage Units	\$953	0.106893
GRV Commercial	\$1267	0.085512
UV General	\$1267	0.006790
UV Rural Lifestyle	\$1267	0.007115
UV Industrial / Mining	\$1267	0.013500

**3. Specified Area Rates**

Imposes the following Specified Area Rates for the 2023/2024 Financial Year:

Specified Area Rate	Rate in \$
Murray Lakes Canal Maintenance	0.0068458
Willow Gardens Canal Maintenance	0.0069694
Yunderup Canal Maintenance	0.0067740
Yunderup Canal Entrance Dredging	0.0072733
Austin Lakes Phase 2 Maintenance	0.0056488

**4. Private Swimming Pool Barrier Inspection Fees**

Imposes a pro rata annual private pool barrier inspection fee of \$41.30 per year in accordance with Section 53 of the *Building Regulations 2012*.

**5. Due Dates for Payment of Rates and Instalments**

Adopt the due dates for rate instalment payments for the Shire of Murray in the 2023/2024 Budget as follows:

First Instalment	6 October 2023
Second Instalment	6 December 2023
Third Instalment	9 February 2024
Fourth Instalment	10 April 2024

**6. Interest Rates and Administration Charges for Rate Instalment Payments**

Applies an administration charge of \$30.00 and a maximum interest component of 5.5% in the 2023/2024 Budget for rate instalment payments.

**7. Rate of Interest on Overdue Rates and Service Charges**

Imposes a maximum interest rate of eleven percent (11%) on overdue rates for the 2023/2024 Budget.

**8. Fees and Charges**

Adopts the Schedule of Fees and Charges for the 2023/2024 financial year as presented in Appendix 2.

**9. Rate of Interest on Overdue Accounts**

Adopts a maximum interest charge of eleven percent (11%) to be applied to any monies (other than rates or service charges) owing for a period of sixty (60) days or longer.

**10. Reserve Funds**

In accordance with Section 6.11 of the *Local Government Act 1995* create Reserve Funds and allocate funds to and from the Reserve Funds for the financial year ending 30 June 2024 as specified in the 2023/2024 Budget document as presented in Appendix 1.

**11. Trust Fund**

Adopts the Trust Fund Budget for the financial year ending 30 June 2024 as specified in the 2023/2024 Budget document as presented in Appendix 1.

**12. Reporting of Variances in Monthly Financial Statements**

Adopts the following material variance for reporting purposes:

Any year to date budget to actual variance at reporting level, as shown in the month statement of financial activity, exceeding \$75,000 (excluding GST).

**13. Councillor Allowances and Expenses**

The allowances and expenses to be paid to Members of Council in the 2023/2024 Budget are:

a) President's Allowance	\$38,254
b) Deputy President's Allowance	\$9,564
c) Members' Annual Meeting Allowance (President)	\$16,941
d) Members' Annual Meeting Allowance (per Councillor)	\$16,941



e) Information, Communication & Technology Allowance	\$3,500
f) Members' Travel Allowance	\$100

#### 14. Rating Concessions – Other

In accordance with Section 6.47 of the Local Government Act 1995 and as presented in Appendix 3 (under confidential cover) grants the following rate concessions:

- a) Riverglades Complex – a concession of \$6.00 per strata title assessment be applied on all strata title lots within the Riverglades Complex.
- b) Wheeler Airfield – a concession of \$1761.34 be applied to the property located at Lot 7, 270 Mounsey Road, West Coolup.
- c) Pinjarra Paceway – a concession of \$5706.64 be applied to the property located a 7 Paceway Court, Pinjarra.

#### 15. Rating Concessions – Primary Producers

In accordance with Section 6.47 of the *Local Government Act 1995* and as presented in Appendix 3 (under confidential cover) grants the following rate concessions:

**Bona-fide Primary Producers** – a concession be applied to those properties where an application that meets the set criteria of the Policy F7 – Rating Concession – Bona-Fide Primary Producers has been received and approved.

#### In Brief

- Local governments are required to adopt an annual budget between 1 June and 31 August each year
- The draft 2023/2024 budget has been compiled based on the principles contained in the Long Term Financial Plan 2023-2033 (LTFP), and contains provisions to achieve the outcomes detailed in the Strategic Community Plan and the Corporate Business Plan (Council Plan).

#### Background

In accordance with the *Local Government Act 1995* and associated regulations, Council is required to adopt a budget on an annual basis.

Council's long-term planning strategy is aimed at creating a sustainable financial environment to enable the Shire to continue to provide the community with high quality services and infrastructure into the medium and long term. The budget is a continuation of Council's responsible financial program. It is a financial plan aimed at:

- Balancing the community's needs and ensuring that the Shire remains financially sustainable in the long term.
- Maintaining Council's commitment to sustainable asset renewal and maintenance of the community's assets.
- The maintenance of a strong cash position for financial security.
- Achieving efficiencies through targeted savings and an ongoing commitment to contain costs.
- Implementing rate and fee increases that are both manageable and sustainable.
- Providing a framework to deliver balanced budgets including sustainable underlying surpluses.

The draft 2023/2024 budget has been prepared in accordance with presentations made to Councillors at a series of workshops.

## Report Detail

The draft budget has been prepared with an emphasis in the coming year on a continuation of service delivery for the community, as well as providing consistency and clear outcomes for residents. The budget funds a range of community services including community safety, youth, recreation, maintenance of community facilities, parks, gardens, playgrounds, waste and recycling collection, and building and planning services. In addition, the capital works program provides for a sustainable level of funding for the renewal of the community's existing infrastructure and an investment in major community facilities.

The main features of the 2023/2024 budget include:

- Significant investment in capital infrastructure, including:
  - Roads and Kerbing - \$7,656,891
  - Buildings - \$11,839,669
  - Bridges - \$2,100,162
  - Pathways - \$732,106
  - Drainage - \$137,110
  - Parks & Recreation - \$1,020,114
  - Waste Management - \$1,500,000
  - Waterways - \$795,684
  
- Key projects that are included within the draft budget:
  - Completion of the Exchange Hotel - \$7,582,582
  - Completion of Lovegrove Sports Pavilion - \$2,835,412
  - Completion of the Ravenswood Community Centre - \$573,283
  - Completion of the North Pinjarra Pathway - \$590,163
  - Construction of Corio Road Transfer Station Floating Floor - \$1,500,000
  - Construction of St John's Church Toilets - \$335,000
  - Wharf Cove Boating Facility Upgrade - \$671,338

## Fees and Charges

An increase of 2% to the fees and charges under the control of Council has been applied. A number of fees and charges are set by other levels of government regulation (statutory) and are not subject to discretionary change by Council.

## Rates

An overall rating increase of 4.5% has been applied.

Rating Concessions and Lesser Minimums:

Four rating concessions are provided for in 2023/2024 as follows:

1. Primary Producer Concessions have been included in accordance with Council Policy. The total provision for primary producer concessions granted in the 2023/2024 budget is \$164,344.
2. Riverglades Complex – a concession of \$6.00 per strata title assessment is proposed to be applied to all strata title lots within the Riverglades Complex. This concession is applied in recognition that property owners are required to pay the mandated fee under the Caravan Parks & Camping Regulations. The total provision for the Riverglades concession granted in the 2022/23 budget is \$1194.
3. Wheeler Airfield – a concession of \$1761 is applied in recognition of the community benefit afforded by the use of the private airfield in assisting with firefighting activities.
4. Pinjarra Paceway – a concession of \$5707 is applied to reduce rates on the property to a more equitable level in recognition of the importance of the equine industry to the district.

A lesser minimum of \$953 is proposed for private storage units in recognition of the significant variation in valuation in comparison to other properties within the Shire.

### **Councillor Allowances**

Councillor allowances are proposed to increase by 3% in 2023/2024.

### **Council Plan**

<b>Focus Area</b>	Performance
<b>Outcome</b>	Capable and accountable leadership and governance.
<b>Objectives</b>	Maintain long-term financial sustainability and asset management.

### **Other Strategic Links**

- Council Plan | 1 July 2023 to 30 June 2033
- 2023 - 2033 Long Term Financial Plan

### **Statutory Environment**

Section 6.2 of the *Local Government Act 1995* requires that not later than 31 August in each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt (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.

Division 5 and 6 of the *Local Government (Financial Management) Regulations 1996* details the form and the content of the budget.

### **Sustainability & Risk Considerations**

#### *Economic - (Impact on the Economy of the Shire and Region)*

This draft budget has been developed based on sound financial management and accountability principles and is considered to support activities that drive a sustainable economic outcome for the community.

#### *Social - (Quality of life to community and/or affected landowners)*

The draft budget contains financial resourcing for a wide range of programs that deliver important community services to the Murray residents. It is based on the principle of maintaining all services that are presently available to the community with an increased focus on efficiency.

#### *Environment – (Impact on environment’s sustainability)*

The proposed budget recognises the leadership role Council has within the community to actively address the impacts of environmental sustainability and to facilitate other levels of government and the community to act in a similar manner.

#### *Policy Implications*

Adoption of an annual budget assists in the sound planning for the prudent allocation of Council resources and is required to meet legislative requirements.

### Risk Management Implications

<i>Risk Level</i>	<i>Comment</i>
Moderate	The key risk around budget adoption is community acceptance of the projects within the budget and the overall level of income and expenditure. This risk is reduced through the consultation process during the development of the Council Plan. The annual rates publication will also outline the areas of local government expenditure, to ensure the community is aware of the expenditure allocation, including that assigned to major projects.

### Consultation

The key strategic priorities of the Shire of Murray have been developed in consultation with the community.

The differential rate proposal was advertised as per statutory requirements, with no submissions being received on the proposed rates.

### Resource Implications

#### *Financial*

Nil.

#### *Workforce*

Nil.

### Options

1. Adopting the budget as presented.
2. Amending the budget, noting that if there are amendments, the formal adoption of the budget will be delayed, affecting cash flows and the implementation of proposed services and initiatives.

### Conclusion

The proposed budget forms an integral part of Council's overall strategic planning framework and endeavours to resource the direction and aspirations that have been established in the Council Plan | 1 July 2023 to 30 June 2033.

The 2023/2024 budget presented for adoption is seen as a responsible balance of an equitable rating structure and the requirement to ensure the long-term sustainability of the Shire.

**8 CLOSURE OF MEETING**