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Shire of Perenjori  
MINUTES  
Finance Committee Meeting

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Held in the Shire of Perenjori Council Chambers, Fowler Street, Perenjori on Thursday 18<sup>th</sup>  
July 2013 commenced at 10.00 am.

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Table of Contents

<b>13071</b>	<b>PRELIMINARIES</b> .....	<b>2</b>
13071.1	DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS.....	2
13071.2	DISCLAIMER READING.....	2
13071.3	RECORD OF ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE (PREVIOUSLY APPROVED).....	2
13071.4	NOTATIONS OF INTEREST.....	2
13071.5	APPLICATIONS FOR LEAVE OF ABSENCE.....	2
13071.6	CONFIRMATION OF MINUTES.....	2
<b>13072</b>	<b>FINANCE &amp; ADMINISTRATION</b> .....	<b>3</b>
13072.1	FINANCIAL STATEMENTS – JUNE 2013.....	3
13072.2	ACCOUNTS FOR PAYMENT.....	5
13072.3	DRAFT BUDGET 2013/14 .....	8
<b>13073</b>	<b>GENERAL BUSINESS</b> .....	<b>24</b>
13073.1	URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION .....	24
13073.2	LATE ITEM BUDGET INFORMATION REPORT – 2013/2014.....	24
13073.3	DATE OF NEXT MEETING / MEETINGS.....	33
13073.4	CLOSURE .....	33

**13071 PRELIMINARIES**

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**13071.1 DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS**

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Cr C King officially opened the meeting at 10.00 am.

**13071.2 DISCLAIMER READING**

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**13071.3 RECORD OF ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE  
(PREVIOUSLY APPROVED)**

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Cr CR King  
Cr JH Hirsch  
Cr RP Desmond  
Cr LJ Smith  
Cr HC Wass  
Cr LC Butler – Observer (Arrived at 10.28am)  
Ali Mills –CEO  
David Fong - SFO  
Carla Sanderson – Executive Assistant  
Samantha Elari – MWRC Administration - Observer

**Apologies**

None

**13071.4 NOTATIONS OF INTEREST**

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**Financial Interest – Local Government Act s 5.60A**

**Proximity Interest – Local Government Act s 5.60B**

**Interest Affecting Impartiality – Shire of Perenjori Code of Conduct.**

**13071.5 APPLICATIONS FOR LEAVE OF ABSENCE**

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**13071.6 CONFIRMATION OF MINUTES**

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Minutes of Finance Committee Meeting held Thursday 20<sup>th</sup> June 2013 as attached.

**COMMITTEE RECOMMENDATION**

**Moved: Cr R Desmond**

**Seconded: Cr H Wass**

**That the minutes from the Finance Committee Meeting held on Thursday 20<sup>th</sup> June 2013 be accepted as a true and accurate record.**

**Carried: 8/0**

10.28am Cr L Butler joined the Committee meeting as an observer.

**13072 FINANCE & ADMINISTRATION**

**13072.1 FINANCIAL STATEMENTS – JUNE 2013**

<b>APPLICANT:</b>	<b>SHIRE OF PERENJORI</b>
<b>FILE:</b>	<b>ADM 0081</b>
<b>DISCLOSURE OF INTEREST:</b>	<b>NIL</b>
<b>AUTHOR:</b>	<b>DAVID FONG – SENIOR FINANCE OFFICER</b>
<b>RESPONSIBLE OFFICER</b>	<b>ALI MILLS–CEO</b>
<b>REPORT DATE:</b>	<b>9<sup>th</sup> July 2013</b>
<b>ATTACHMENTS</b>	<b>MONTHLY FINANCIAL REPORT</b>

**Executive Summary**

The Local Government Financial Management Regulations, Clause 34 (1) requires that a monthly financial report be presented to Council in a form and manner preferred by the Council. The monthly financial report is provided as a separate attachment. This format has been developed by Haines Norton, in conjunction with the Department of Local Government and is one that is generally adopted by Western Australian Local Governments. Some sheets are still under development, and will be available to Council over the next few months. This format is not mandatory, and is generally flexible, so should Council require further financial information to be included, it can be.

**Background**

The following statements are presented to Council:

- Statement of Financial Activity (Statutory Reporting by Program) - This provides the budget and actual income and expenditure for operating and non- recurrent as well and the closing surplus to date. (FM Reg 34(1))
- Net Current (Assets) Funding Position (Note 3.)-This provides the amount of assets over liabilities within the Balance Sheet. (FM Reg 34 (1)(e))
- Notes to the Financial Statements include:
  - Note 4. – Cash & Investments

- Note 5. – Major Variances
- Note 6. – Budget Amendments
- Note 7. – Receivables & Rates Information
- Note 8. – Payables - Borrowings
- Note 9. - Reserves
- Note 10. - Capital Works Program ( under development)
- Note 11. - Trust Fund

The reporting requirements provide Council with a comparison between budget and actual income and expenditure as well as the funding requirements and movements for the reporting period.

#### **Accounts for Payment**

Regulation 13 (3) of the Local Government (Financial Management) Regulations 1996 requires that a list of payments be presented to Council and recorded in the Minutes of Council.

Accordingly, payments made for the period to 30 June 2013 are attached to the financial report. This report contains details of the payments made by the Shire in relation to goods & services received.

#### **Statutory Environment**

Local Government (Financial Management) Regulations 1996  
Presentation of a monthly financial activity report is required by the *Local Government Act (section 6.4)* and *Local Government (Financial Management) Regulation 34 (1)*.

Section 6.14 of the *Local Government Act 1995* grants Council the power to invest surplus funds.

Regulation 13 (3) of the Local Government (Financial Management) Regulations 1996 requires that a list of payments be presented to Council and recorded in the Minutes of Council.

#### **Policy Implications**

Nil

#### **Financial Implications**

Nil

#### **Strategic Implications**

Area 5: Investing in Councils Leadership

Goal: Strengthen the Shire's position as an innovative, independent local Government providing excellence in all areas of governance, management and leadership.

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**Consultation**

Liaison with CEO and External Contractor

**Comment**

As this is the last month of the financial year 12/13, it is sometimes not uncommon to have that many variances as presented in the Financial Reports for the period ended 30<sup>th</sup> June 2013.

**Voting Requirements - Absolute majority**

<b>Officers Recommendation – Item 13072.1</b>
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That the Financial Reports for the period ended 30 June 2013, as attached to the Ordinary Council Agenda of 18 <sup>th</sup> July 2013, be accepted
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<b>COMMITTEES RECOMMENDATION – Item 13072.1</b>
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**Moved: Cr H Wass**

**Seconded: Cr J Hirsch**

That the Financial Reports for the period ended 30 June 2013, as attached to the Ordinary Council Agenda of 18<sup>th</sup> July 2013, be accepted

**Carried: 8/0**

<b>13072.2      ACCOUNTS FOR PAYMENT</b>
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<b>APPLICANT:</b>	<b>SHIRE OF PERENJORI</b>
<b>FILE:</b>	<b>1305P</b>
<b>DISCLOSURE OF INTEREST:</b>	<b>NIL</b>
<b>AUTHOR:</b>	<b>DAVID FONG – SENIOR FINANCE OFFICER</b>
<b>RESPONSIBLE OFFICER:</b>	<b>ALI MILLS–CEO</b>
<b>REPORT DATE:</b>	<b>9<sup>th</sup> July 2013</b>
<b>ATTACHMENTS</b>	<b>ACCOUNTS FOR PAYMENT</b>

**Executive Summary**

To present the listing of accounts paid from the Municipal Fund and Trust Fund in accordance with the requirements of the Local Government (Financial Management) Regulations 1996.

**Background**

Council delegated to CEO the exercise of its power under Financial Management Regulation 12 to make payments from Municipal Fund and Trust Fund.

**Statutory Environment**

Local Government Act 1995 – Section 5.42

Local Government (Financial Management) Regulations 1996 – Regulations 12 and 13

**Policy Implications**

All accounts are paid as per the Shire of Perenjori's 2012/13 Budget.

**Financial Implications**

Ongoing management of Council funds by providing Council with sufficient information to monitor and review payments made.

**Strategic Implications**

Area 5: Investing in Councils Leadership

Goal: Strengthen the Shire's position as an innovative, independent local Government providing excellence in all areas of governance, management and leadership

**Consultation**

Nil

**Comment**

Regulation 13 (3) of the Local Government (Financial Management) Regulations 1996 requires that a list of payments be presented to Council and recorded in the Minutes of Council.

Accordingly, payments made for the period to **30<sup>th</sup> June 2013** are attached to the financial report. This report contains details of the payments made by the Shire in relation to goods & services received.

**Voting Requirements – Simple Majority**

<b>Officers Recommendation – Item 13072.2</b>	
<i>That the accounts paid to 30 June 2013 as listed in Schedule covering vouchers numbered from –</i>	
<b>Municipal Account</b>	
EFT 4682-4774	\$430,091.06
Chq 18652-18679	\$79,449.96
Credit Card	\$654.31
<b>Total EFT , Cheques &amp; Credit Cards</b>	<b><u>\$510,195.33</u></b>
<b>Trust Account</b>	
EFT 4762-4770	\$1,300.00
Chq	Nil
Credit Card	Nil
<b>Total EFT , Cheques &amp; Credit Cards</b>	<b>\$1,300.00</b>
<b>Total</b>	<b>\$511,495.33</b>
<i>Totalling \$511,495.33 be endorsed by Council.</i>	
.....(Author)	.....(Manager/CEO)

**COMMITTEES RECOMMENDATION – Item 13072.2**

Moved: Cr R Desmond

Seconded: Cr L Smith

*That the accounts paid to 30 June 2013 as listed in Schedule covering vouchers numbered from –*

<b>Municipal Account</b>	
EFT 4682-4774	\$430,091.06
Chq 18652-18679	\$79,449.96
Credit Card	\$654.31
<b>Total EFT , Cheques &amp; Credit Cards</b>	<b><u>\$510,195.33</u></b>

<b>Trust Account</b>	
EFT 4762-4770	\$1,300.00
Chq	Nil
Credit Card	Nil
<b>Total EFT , Cheques &amp; Credit Cards</b>	<b>\$1,300.00</b>

<b>Total</b>	<b>\$511,495.33</b>
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***Totalling \$511,495.33 be endorsed by Council.***

.....(Author)

.....(Manager/CEO)

Carried: 8/0

**NOTE;**

Due to the report unable to be considered as Ministerial approval has not yet been received for the Differential Rates, a new revised agenda item has been prepared for Council consideration.

<b>13072.3</b>	<b>DRAFT BUDGET 2013/14</b>
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<b>APPLICANT:</b>	<b>SHIRE OF PERENJORI</b>
<b>FILE:</b>	<b>0</b>
<b>DISCLOSURE OF INTEREST:</b>	<b>0</b>
<b>AUTHOR:</b>	<b>ALI MILLS - CEO</b>
<b>RESPONSIBLE OFFICER</b>	<b>ALI MILLS - CEO</b>
<b>REPORT DATE:</b>	<b>18<sup>TH</sup> JULY 2013</b>
<b>ATTACHMENTS</b>	<b>DRAFT BUDGET 13/14</b>

**Executive Summary:**

A Draft 2013-14 Budget is attached for Councils adoption.

**Background**

The draft budget has been developed by the administration to reflect decisions taken by Council, our strategic priorities and the efficient and effective management of our assets.

**Surplus**

The 2012/13 Surplus estimate is unknown at this time. The budget has been structured excluding a 12/13 surplus/deficit.

The surplus is limited by the requirements of the *Local Government Act* s6.34 which limits the surplus to 10% of rate collections – the maximum surplus we can budget for is \$248,969

**Rates Revenue**

In accordance with the requirements of the Local Government Act 1995 the Shire advertised its proposed Differential Rates for 2013/14. .

In response to the advertisement a local resident lodged a submission in writing suggesting that no rate increase should be adopted due to the hardships faced by many farmers over the recent years.

Council, when it adopts its budget may adopt a lower rate than that advertised so long as the budget documents include an explanation, and advertise the changed rate.

Valuations:

Type	Aggregate Values	% of Total
Country UV	83,100,880	97.93%
Latham GRV	100,126	1.12%
Mining Rates UV	1,759,475	2.07%
Other Towns GRV	11,560	0.12%
PJ GRV	980,834	11.1%
Mining Rates GRV	7,761,000	87.66%



The Rating model shown in the draft Budget papers uses the new values with a GRV rate of 7.0571, Rural UV rate of 1.7577 cents in the dollar and Mining UV rate of 31.5 cents in the dollar. This has the effect of increasing revenue from \$2,372,552 to an estimated \$2,463,198 this represents a 5% increase.

Projected rate income:

Category	2011 -12	2012-13	2013-14
<b>Agricultural UV Rates</b>	\$1,334,540	\$1,394,238	1,467,013
<b>GRV Rates - Townsites</b>	\$66,839	\$67,354	79,980
<b>Mining UV Rates</b>	\$454,950	\$558,515	567,984
<b>Mining GRV Rates</b>	\$494,730	\$570,016	547,702
<b>Payments in Lieu of Rates</b>	\$12,497	\$12,497	\$10,219
<b>Adjustments (discounts/ costs / ESL Int)</b>	-\$108,725	-\$180,000	-\$180,000
<b>Total Rates</b>	\$2,254,831	\$2,372,551	\$2,492,898

### Rates Discounts

Council has the option of altering its current discount arrangements. The existing arrangement provides a discount of 10% on all current rates paid within 35 days from the date of issue, this is a common arrangement (see table below) amongst local governments. Council also provides a discount of 5% on all current rates paid between the day following the first due date and close of business on the 13<sup>th</sup> January.

For comparison purposes the Rates Discount provided by some neighbouring Shire is shown below:

Shire	Discount
<b>Morawa</b>	5% (35 days)
<b>Mingenew</b>	No Discount
<b>Three Springs</b>	7.5%** (35 days)
<b>Dalwallinu</b>	5% (35 days)
<b>Chapman Valley</b>	No Discount

\*\*are discussing reducing this rate

### Interest Charges

Councils existing arrangement is that no interest is charged on overdue rates. The *Local Government Act 1995*, provides the ability for local governments to charge up to 11% on any rates outstanding after the due date. As shown in the table below the majority of councils have adopted this process to encourage the prompt payment of rates.

Shire	Interest
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<b>Morawa</b>	11% after 35 days
<b>Mingenew</b>	11% after 35 days
<b>Three Springs</b>	11% after 35 days
<b>Dalwallinu</b>	11% after 35 days
<b>Chapman Valley</b>	11% after 35 days

**Financial Assistance Grants (FAGS) – General Purpose**

FAGS grants are Federal Grants to Local Government delivered via a State based Local Government Grants Commission. Funding is distributed in two components, the first of which is General purpose funding.

General Purpose funding which is delivered by a complex series of calculations based around “horizontal equalisation” to ensure that small local governments retain the capacity to deliver services.

The methodology is under review and this year’s allocation will be based on the new formula. At last years Northern Country Zone Conference the Grants Commission revealed that Perenjori can expect the maximum 15% increase for each of the next 2 years.

For the third year in succession part of the grant has been paid in advance before the end of the previous financial year. For this year the advance will be 50% of the allocation based on the previous formula. Based on this information the expected General Purpose grant is as follows.

	2011-12	2012-13	2013-14
<b>FAGS Grant</b>	\$741,460	\$852,679	958,516
<b>Advance Paid</b>	\$185,365	\$391,172	\$442,561
<b>Balance</b>	\$556,095	\$461,507	\$515,955

**Financial Assistance Grants (FAGS) – Untied Road Grant**

Untied Road Grants are provided based on the asset preservation model. The information provided by Local Governments to Main Roads through the Roman’s Road Database is collated by the Grants Commission. The funding required maintaining that asset base is calculated and Local Governments receive a share based on their proportion of the asset base. The Perenjori asset base now includes the upgraded Wanarra and Mungada Roads. For the third year in succession 50% of the grant has been paid in advance before the end of the previous financial year.

	2011-12	2012-13	2013-14
<b>Untied Road Grant</b>	\$743,648	\$762,814	\$816,547
<b>Advance Paid</b>	\$185,912	\$437,616	\$437,575
<b>Balance</b>	\$557,736	\$325,198	\$378,972

**Fees and Charges**

Fees and charges have been reviewed with the following areas requiring changes:

- Building and Health Fees as per the new building standards in line with the Building and health Act;
- Burial Fees,
- Caravan Park fees;

All other fees have been left as per 2012/13 fees schedule.

**Significant Projects**

The Draft Budget will include a number of significant projects. Carry in projects from 2012-13 include:

- The second Flat Packed House ;
- Business Incubator project
- The Latham Bowling Green.
- The Perenjori Early Childhood Centre
- Community Bus

Significant new projects in 2013-14 include:

- Staff Housing units through the Regional CLGF component;
- Telecommunication Towers
- The extensive Road Program
- Work to upgrade existing staff housing

The following funding sources will assist with these costs:

- Mt Gibson Infrastructure funds - \$200,000, allocated to the telecommunication towers
- RDA Funds – 89,605, allocated to the staff housing
- Council Reserve Funds, Sport and Recreation facilities, \$100,000 Latham Bowling Green
- Council Reserve Funds, Community Bus, \$35,000
- Mt Gibson Infrastructure Funds \$200,000, plus \$1.5m of other funds for PECC,
- Country Local Government Funding – Regional, \$311,000 allocated for the staff housing

**Roads Program**

The roads program for 13/14 totals \$3.04m and includes:

- Regional Rd Group funding of \$540,659
- Roads to Recovery funding of \$362,109
- Black Spot funding of \$108,000
- Untied Road Grant of \$816,547
- Council funds of \$1,212,622

This brings the total cost of the program for 2013/14 to \$3,039,936, details of the program are provided in the draft budget papers.

**Plant Replacement Program**

Plant replacement is in accordance with the 10 year plan and includes:

- Replacement of Skid Steer Loader (Reserve funds)
- Replacement of Western Star (lease arrangement)
- Replacement of Admin Light vehicles
- New tri-axle Water Tanker
- Replacement of Mitsubishi Triton ute
- Replacement of the CEO and CDO vehicle
- Hino Light Truck
- Nissan UD two way Tipper

**Debentures**

The Budget does not include any new loans

**Mid West Regional Council**

The costs have been increased by approx. 30% for the coming year, whilst it is unknown of the future of this Council. These costs will be reviewed by the Acting CEO, with the aim to minimise where possible.

**Operational Expenses**

**Staffing**

**New Positions**

**Three new positions are being proposed:**

- Grader/Operator
- General Operator
- Trainee Admin Officer

The two Operator positions are aimed to meet the current gap in the Road Works team, as well as preparing for when our Grader Driver retires. The Trainee Admin position will be targeted at local young people providing a career path opportunity into Local Government, and the Shire OF Perenjori with a trained Officer on completion if required.

**Positions Reduced:**

**DCEO** – this is still unknown, whilst it is evident a Senior Level person with excellent Project management skills is required, along with high end Financial Management skills it has not been determined what the best options for this will be. The budget has made an allowance for a replacement at the same rate as the previous DCEO.

**Cleaning Staff** – Cleaning staff numbers and hours have been reduced to reflect the reduced occupancy of the Mid West Transportables and better efficiency in other areas.

**Caravan Park** – Manager Position has not been replaced as was previously structured. It is proposed to have a Manager position with assistance from the Head Cleaner and other cleaners to manage the park. This will mean there will be no Assist Manager position.

The income and expenditure for the Caravan Park Village has been reduced to reflect the current low occupancy rates.

**Elected Members Fees and Allowances**

Elected Members Fees and Allowances are shown below as outlined in the determination June 2013 by the Salaries and Allowances Tribunal.

Council Meeting Fees (per meeting) have been increased to reflect the maximum amounts as presented.

It is suggested that council review the fees and allowances and determine whether they wish to continue with per meeting payments (1) & (2) or alternatively go to an annual payment (3).

**1. Council Meeting Attendance Fees – Per Meeting**

RECIPIENT	MINIMUM	MAXIMUM
President	\$88	\$463
Councillor (other than President)	\$88	\$225

**2. Committee Meeting and Prescribed Meeting Attendance Fees – Per Meeting**

RECIPIENT	MINIMUM	MAXIMUM
Council member including President	\$44	\$113

**3. Annual Attendance Fees in Lieu of Council Meeting & Committee Meeting Attendance Fees**

RECIPIENT	MINIMUM	MAXIMUM
President	\$3,500	\$18,500
Councillor (other than President)	\$3,500	\$9,000

**4. Annual Allowance for a President**

RECIPIENT	MINIMUM	MAXIMUM
President	\$500	\$19,000

**5. Annual Allowance for a Deputy President**

RECIPIENT	AMOUNT
Deputy President	25 per cent

**6. Expenses to be Reimbursed**

Travel costs to be calculated at the same rate applicable to the reimbursement of travel costs in the same or similar circumstances under the Public Service Award 1992 issued by the Western Australian Industrial Relations Commission as at the date of this determination.

OR

**7. Annual Allowances in Lieu of Reimbursement**

Annual Allowances Determined Instead of Reimbursement for Particular Types of Expenses

7.1 For the purpose of section 5.99A(b) of the LG Act, the minimum annual allowance for ICT expenses is \$500 and the maximum annual allowance for ICT is \$3,500.

7.2 For the purposes of section 5.99(a) of the LG Act, the annual allowance for travel and accommodation expenses is \$50.

**Statutory Environment:**

*Local Government Act 1995* S6.2 sets out the requirement for an annual budget as follows:

**6.2. Local government to prepare annual budget**

- (1) During the period from 1 June in a financial year to 31 August in the next financial year, or such extended time as the Minister allows, each local government is to prepare and adopt\*, in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the 30 June next following that 31 August.

\* *Absolute majority required.*

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- (2) In the preparation of the annual budget the local government is to have regard to the contents of the plan for the future of the district made in accordance with section 5.56 and to prepare a detailed estimate for the current year of —
- (a) the expenditure by the local government;
  - (b) the revenue and income, independent of general rates, of the local government; and
  - (c) the amount required to make up the deficiency, if any, shown by comparing the estimated expenditure with the estimated revenue and income.
- (3) For the purposes of subsections (2)(a) and (b) all expenditure, revenue and income of the local government is to be taken into account unless otherwise prescribed.
- (4) The annual budget is to incorporate —
- (a) particulars of the estimated expenditure proposed to be incurred by the local government;
  - (b) detailed information relating to the rates and service charges which will apply to land within the district including —
    - (i) the amount it is estimated will be yielded by the general rate; and
    - (ii) the rate of interest (if any) to be charged by the local government on unpaid rates and service charges;
  - (c) the fees and charges proposed to be imposed by the local government;
  - (d) the particulars of borrowings and other financial accommodation proposed to be entered into by the local government;
  - (e) details of the amounts to be set aside in, or used from, reserve accounts and of the purpose for which they are to be set aside or used;
  - (f) particulars of proposed land transactions and trading undertakings (as those terms are defined in and for the purpose of section 3.59) of the local government; and
  - (g) such other matters as are prescribed.
- (5) Regulations may provide for —
- (a) the form of the annual budget;
  - (b) the contents of the annual budget; and
  - (c) the information to be contained in or to accompany the annual budget.

**Policy Implications:**

Nil

**Financial Implications:**

Specific financial implications are as outlined in the Detail Section of this report and as itemised in the draft 2013/14 budget attached for adoption for the Future and Strategic planning documents adopted by Council.

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**Strategic Implications:**

The draft 2013/14 budget has been developed based on the existing Corporate Business and Community Strategic Plan documents.

**Consultation:**

Whilst no specific consultation has occurred on the draft 2013/14 budget, community consultation and engagement has previously occurred during development of the Community Strategic Plan from which the Corporate Business Plan was developed. In addition the proposed differential rates were advertised in the Geraldton Guardian on the 22<sup>nd</sup> May 2013.

**Comment:**

The Rates proposed are based on a 5% increase across all rate codes, which is lower than Council's advertised intention in May 2013.

Rubbish Charges in 2012/13 were \$200.00 per service. For full cost recovery of the contract costs this would need to be increased to \$400. It is proposed that consideration be given to implementing this over the next 2 years.

Instalment arrangements are in line with previous years.  
Discount and interest charges to be determined.

<b>Officers Recommendation – Item 13072.3</b>
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**That:**

**Part A – Municipal Fund Budget for 2013/2014**

Pursuant to the provisions of section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*, the council adopt the Municipal Fund Budget as contained in Attachment 13072.3 of this agenda and the minutes, for the Shire of Perenjori for the 2013/2014 financial year which includes the following:

- Statement of Comprehensive Income by Nature and Type
- Statement of Comprehensive Income by Program
- Statement of Cash Flows
- Rate Setting Statement
- Notes to and Forming Part of the Budget
- Budget Program Schedules
- Transfers to/from Reserve Accounts

**Voting Requirements - Absolute Majority**



**Part B – General and Minimum Rates, Instalment Payment Arrangements**

1. For the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at Part A above, council pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995* impose the following differential general rates and minimum payments on Gross Rental and Unimproved Values.

**1.1 DIFFERENTIAL GENERAL RATES:**

Differential General Rates	Cents in the Dollar
Rural (UV)	1.7577
Mining (UV)	31.5
Mining (GRV)	7.0571
Townsite (GRV)	7.0571

**1.2 MINIMUM RATES:**

Minimum Rates	Per Assessment
Rural (UV)	\$230
Mining (UV)	\$390
Perenjori Townsite (GRV)	\$230
Latham Townsite (GRV)	\$120
Other Townsite (GRV)	\$65

2. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, council nominates the following due dates for the payment in full by instalments:
  - Full payment and 1<sup>st</sup> instalment due date      19<sup>th</sup> September
  - 2<sup>nd</sup> Quarterly instalment due date              15<sup>th</sup> November
  - 3<sup>rd</sup> Quarterly instalment due date              13<sup>th</sup> January
  - 4<sup>th</sup> Quarterly instalment due date              11<sup>th</sup> March
3. Pursuant to Section 6.46 of the *Local Government Act 1995*, council offers a discount of 10% to ratepayers who have paid their rates in full, including arrears, waste and service charges, on or before 19<sup>th</sup> September 2013 or 35 days after the date of service appearing on the rate notice, whichever is the later. Council offers a further discount of 5% on rates up until 13<sup>th</sup> January 2014.

4. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 67 of the *Local Government (Financial Management) Regulations 1996*, council adopts an instalment administration charge where the owner has elected to pay rates (and service charges) through an instalment option of \$10 for each instalment after the initial instalment is paid.

**Voting Requirements - Absolute Majority**

**Part D – General Fees and Charges for 2013/2014**

Pursuant to section 6.16 of the *Local Government Act 1995*, council adopts the Fees and Charges inclusive of the draft 2013/2014 budget included as Attachment 13072.3 of this agenda and minutes.

**Voting Requirements - Absolute Majority**

**Part E – Other Statutory Fees for 2013/2014**

1. Pursuant to section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, council adopt the following charges for the removal and deposit of domestic and commercial waste:
- 1.1 Residential Premises – per weekly collection
- 240ltr bin \$300
  - 240ltr bin – eligible pensioner \$150
- 1.2 Commercial Premises – per weekly collection
- 240ltr bin \$300

**Voting Requirements – Simple Majority**

**Part F – Elected Members’ Fees and Allowances for 2013/2014**

1. Pursuant to section 5.99 of the *Local Government Act 1995* and regulation 34 of the *Local Government (Administrations) Regulations 1996*, council adopts the following annual fees for payment of elected members in lieu of individual meeting attendance fees:

RECIPIENT	MINIMUM	MAXIMUM
President	\$3,500	\$18,500
Councillor (other than President)	\$3,500	\$9,000

OR

Per Meeting Fee: Council

RECIPIENT	MINIMUM	MAXIMUM
President	\$88	\$463
Councillor (other than President)	\$88	\$225

Per Meeting Fee: Committee

RECIPIENT	MINIMUM	MAXIMUM
Council member including President	\$44	\$113

2. Pursuant to section 5.99A of the *Local Government Act 1995* and regulations 34A and 34AA of the *Local Government (Administration) Regulations 1996*, council adopts the following annual allowances for elected members:

ALLOWANCE	MINIMUM	MAXIMUM
ICT Allowance	\$500	\$3500
Information Technology Allowance		\$1,000

3. Pursuant to section 5.98(5) of the *Local Government Act 1995* and regulation 33 of the *Local Government (Administration) Regulations 1996*, council adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:

RECIPIENT	MINIMUM	MAXIMUM
President	\$500	\$19,000

4. Pursuant to section 5.98A of the *Local Government Act 1995* and regulation 33A of the *Local Government (Administration) Regulations 1996*, council adopts the following annual local government allowance to be paid in addition of the annual meeting allowance:

RECIPIENT	MINIMUM	MAXIMUM
Deputy President	\$125	\$4,750

5. Expenses to be Reimbursed

Travel costs to be calculated at the same rate applicable to the reimbursement of travel costs in the same or similar circumstances under the Public Service Award 1992 issued by the Western Australian Industrial Relations Commission as at the date of this determination.

OR

6. Annual Allowances in Lieu of Reimbursement

Annual Allowances Determined Instead of Reimbursement for Particular Types of Expenses

- a. For the purpose of section 5.99A(b) of the LG Act, the minimum annual allowance for ICT expenses is \$500 and the maximum annual allowance for ICT is \$3,500.
- b. For the purposes of section 5.99(a) of the LG Act, the annual allowance for travel and accommodation expenses is \$50.

**Voting Requirements – Absolute Majority**

**Part G – Material Variance Reporting for 2013/2014**

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 2013/2014 for reporting material variances shall be 10% or \$10,000 whichever is the greater.

**Voting Requirements – Simple Majority**

**OFFICER RECOMMENDATION – Item 13072.3**

That:

**Part A – Municipal Fund Budget for 2013/2014**

Moved:

Seconded:

Pursuant to the provisions of section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*, the council adopt the Municipal Fund Budget as contained in Attachment 13072.3 of this agenda and the minutes, for the Shire of Perenjori for the 2013/2014 financial year which includes the following:

- Statement of Comprehensive Income by Nature and Type
- Statement of Comprehensive Income by Program
- Statement of Cash Flows
- Rate Setting Statement
- Notes to and Forming Part of the Budget
- Budget Program Schedules
- Transfers to/from Reserve Accounts

**Voting Requirements - Absolute Majority**

Carried:

**Part B – General and Minimum Rates, Instalment Payment Arrangements**

Moved:

Seconded:

5. For the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at Part A above, council pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995* impose the following differential general rates and minimum payments on Gross Rental and Unimproved Values.

**1.1 DIFFERENTIAL GENERAL RATES:**

Differential General Rates	Cents in the Dollar
Rural (UV)	1.7577
Mining (UV)	31.5

Mining (GRV)	7.0571
Townsite (GRV)	7.0571

**1.2 MINIMUM RATES:**

Minimum Rates	Per Assessment
Rural (UV)	\$230
Mining (UV)	\$390
Perenjori Townsite (GRV)	\$230
Latham Townsite (GRV)	\$120
Other Townsite (GRV)	\$65

6. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, council nominates the following due dates for the payment in full by instalments:

- Full payment and 1<sup>st</sup> instalment due date      19<sup>th</sup> September
- 2<sup>nd</sup> Quarterly instalment due date              15<sup>th</sup> November
- 3<sup>rd</sup> Quarterly instalment due date              13<sup>th</sup> January
- 4<sup>th</sup> Quarterly instalment due date              11<sup>th</sup> March

7. Pursuant to Section 6.46 of the *Local Government Act 1995*, council offers a discount of 10% to ratepayers who have paid their rates in full, including arrears, waste and service charges, on or before 19<sup>th</sup> September 2013 or 35 days after the date of service appearing on the rate notice, whichever is the later. Council offers a further discount of 5% on rates up until 13<sup>th</sup> January 2014.

8. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 67 of the *Local Government (Financial Management) Regulations 1996*, council adopts an instalment administration charge where the owner has elected to pay rates (and service charges) through an instalment option of \$10 for each instalment after the initial instalment is paid.

**Voting Requirements - Absolute Majority**

Carried:

**Part D – General Fees and Charges for 2013/2014**

Moved:

Seconded:

Pursuant to section 6.16 of the *Local Government Act 1995*, council adopts the Fees and Charges inclusive of the draft 2013/2014 budget included as Attachment 13072.3 of this agenda and minutes.

Voting Requirements - Absolute Majority

Carried:

Part E – Other Statutory Fees for 2013/2014

Moved:

Seconded:

2. Pursuant to section 67 of the *Waste Avoidance and Resources Recovery Act 2007*, council adopt the following charges for the removal and deposit of domestic and commercial waste:

2.1 Residential Premises – per weekly collection

- 240ltr bin \$300
- 240ltr bin – eligible pensioner \$150

2.2 Commercial Premises – per weekly collection

- 240ltr bin \$300

Voting Requirements – Simple Majority

Carried:

Part F – Elected Members’ Fees and Allowances for 2013/2014

Moved:

Seconded:

7. Pursuant to section 5.99 of the *Local Government Act 1995* and regulation 34 of the *Local Government (Administrations) Regulations 1996*, council adopts the following annual fees for payment of elected members in lieu of individual meeting attendance fees:

RECIPIENT	MINIMUM	MAXIMUM
President	\$3,500	\$18,500
Councillor (other than President)	\$3,500	\$9,000

OR

Per Meeting Fee: Council

RECIPIENT	MINIMUM	MAXIMUM
President	\$88	\$463
Councillor (other than President)	\$88	\$225

Per Meeting Fee: Committee

RECIPIENT	MINIMUM	MAXIMUM
Council member including President	\$44	\$113

8. Pursuant to section 5.99A of the *Local Government Act 1995* and regulations 34A and 34AA of the *Local Government (Administration) Regulations 1996*, council adopts the following annual allowances for elected members:

ALLOWANCE	MINIMUM	MAXIMUM
ICT Allowance	\$500	\$3500
Information Technology Allowance		\$1,000

9. 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 annual meeting allowance:

RECIPIENT	MINIMUM	MAXIMUM
President	\$500	\$19,000

10. Pursuant to section 5.98A of the *Local Government Act 1995* and regulation 33A of the *Local Government (Administration) Regulations 1996*, council adopts the following annual local government allowance to be paid in addition of the annual meeting allowance:

RECIPIENT	MINIMUM	MAXIMUM
Deputy President	\$125	\$4,750

#### 11. Expenses to be Reimbursed

Travel costs to be calculated at the same rate applicable to the reimbursement of travel costs in the same or similar circumstances under the Public Service Award 1992 issued by the Western Australian Industrial Relations Commission as at the date of this determination.

OR

#### 12. Annual Allowances in Lieu of Reimbursement

Annual Allowances Determined Instead of Reimbursement for Particular Types of Expenses

- a. For the purpose of section 5.99A(b) of the LG Act, the minimum annual allowance for ICT expenses is \$500 and the maximum annual allowance for ICT is \$3,500.
- b. For the purposes of section 5.99(a) of the LG Act, the annual allowance for travel and accommodation expenses is \$50.

#### Voting Requirements – Absolute Majority

Carried:

Part G – Material Variance Reporting for 2013/2014

Moved:

Seconded:

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 2013/2014 for reporting material variances shall be 10% or \$10,000 whichever is the greater.

Voting Requirements – Simple Majority

Carried:

**13073 GENERAL BUSINESS**

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**13073.1 URGENT BUSINESS APPROVED BY THE PERSON PRESIDING OR BY DECISION**

Moved: Cr L Smith

Seconded: Cr J Hirsch

That item 13073.2 Late Item Budget Information Report 2013/2014 be moved to the full Council Meeting.

Carried: 8/0

<b>13073.2 LATE ITEM BUDGET INFORMATION REPORT – 2013/2014</b>
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<b>APPLICANT:</b>	<b>SHIRE OF PERENJORI</b>
<b>FILE:</b>	<b>ADM 0339</b>
<b>DISCLOSURE OF INTEREST:</b>	<b>0</b>
<b>AUTHOR:</b>	<b>ALI MILLS - CEO</b>
<b>RESPONSIBLE OFFICER</b>	<b>ALI MILLS - CEO</b>
<b>REPORT DATE:</b>	<b>18<sup>TH</sup> JULY 2013</b>
<b>ATTACHMENTS</b>	<b>Documents</b>

Executive Summary

A Draft 2013-14 Budget is attached for Councils information.

Background

The draft budget has been developed by the administration to reflect decisions taken by Council, our strategic priorities and the efficient and effective management of our assets.

Surplus

The 2012/13 Surplus is estimated to be \$1.5 million. This includes, the carrying forward of;

Cash

Rates

Sundry Debtors

Inventory



Cash reserves  
Sundry Creditors  
Accrued interest on loans, salaries & wages  
Employee Provisions

**Rates Revenue**

In accordance with the requirements of the Local Government Act 1995 the Shire advertised its proposed Differential Rates for 2013/14. .

In response to the advertisement a local resident lodged a submission in writing suggesting that no rate increase should be adopted due to the hardships faced by many farmers over the recent years.

Council, when it adopts its budget may adopt a lower rate than that advertised so long as the budget documents include an explanation, and advertise the changed rate.

The Rating model shown in the draft Budget papers uses the new values with a GRV rate of 7.0571, Rural UV rate of 1.7577 cents in the dollar and Mining UV rate of 31.5 cents in the dollar. This has the effect of increasing revenue from \$2,372,552 to an estimated \$2,463,198 this represents a 5% increase.

A 5% increase was proposed, however it has been realised this will not be sufficient to meet the overall expenditure costs for the Shire. A 7% rate increase is now being proposed, which will provide the following income amount.

**Projected rate income:**

<b>Category</b>	<b>2012-13</b>	<b>2012-13 5% rate inc</b>	<b>2013-14 7%rate inc</b>
<b>Agricultural UV Rates</b>	\$1,415,401	\$1,394,238	1,467,013
<b>GRV Rates - Town sites</b>	\$74,213	\$67,354	79,980
<b>Mining UV Rates</b>	\$537,371	\$558,515	567,984
<b>Mining GRV Rates</b>	\$513,638	\$570,016	547,702
<b>Payments in Lieu of Rates</b>	\$10,197	\$10,197	\$10,197
<b>Adjustments (discounts/ costs / ESL Int)</b>	-174,096	-\$180,000	-\$180,000
<b>Total Rates</b>	<b>\$2,376,723</b>	<b>\$2,497,851</b>	<b>\$2,548,663</b>

**Financial Assistance Grants (FAGS) – General Purpose**

FAGS grants are Federal Grants to Local Government delivered via a State based Local Government Grants Commission. Funding is distributed in two components, the first of which is General purpose funding.

General Purpose funding which is delivered by a complex series of calculations based around “horizontal equalisation” to ensure that small local governments retain the capacity to deliver services.

The methodology is under review and this year’s allocation will be based on the new formula. At last years Northern Country Zone Conference the Grants Commission revealed that Perenjori can expect the maximum 15% increase for each of the next 2 years.

For the third year in succession part of the grant has been paid in advance before the end of the previous financial year. For this year the advance will be 50% of the allocation based on the previous formula. Based on this information the expected General Purpose grant is as follows.

	2011-12	2012-13	2013-14
<b>FAGS Grant</b>	\$741,460	\$852,679	958,516
<b>Advance Paid</b>	\$185,365	\$391,172	\$442,561
<b>Balance</b>	\$556,095	\$461,507	\$515,955

**Financial Assistance Grants (FAGS) – Untied Road Grant**

Untied Road Grants are provided based on the asset preservation model. The information provided by Local Governments to Main Roads through the Roman’s Road Database is collated by the Grants Commission. The funding required maintaining that asset base is calculated and Local Governments receive a share based on their proportion of the asset base. The Perenjori asset base now includes the upgraded Wanarra and Mungada Roads. For the third year in succession 50% of the grant has been paid in advance before the end of the previous financial year.

	2011-12	2012-13	2013-14
<b>Untied Road Grant</b>	\$743,648	\$762,814	\$816,547
<b>Advance Paid</b>	\$185,912	\$437,616	\$437,575
<b>Balance</b>	\$557,736	\$325,198	\$378,972

**Fees and Charges**

Fees and charges have been reviewed with the following areas requiring changes:

- Building and Health Fees as per the new building standards in line with the Building and health Act;
- Burial Fees,
- Caravan Park fees;
- Rubbish Fees have been increased from \$200 to \$300 per household. It is advisable to look at cost recovery for this service, which would require our fees to be at \$400 per household. As this is a big rise it has been allocated over two years, requiring another \$100 increase in 2014/15.

All other fees have been left as per 2012/13 fees schedule.

**Significant Projects**

The Draft Budget will include a number of significant projects. Carry in projects from 2012-13 include:

- The second Flat Packed House ;
- Business Incubator project
- The Latham Bowling Green.
- The Perenjori Early Childhood Centre
- Community Bus – this project has been removed for 2013/14 and proposed for 2014/15.

Significant new projects in 2013-14 include:

- Staff Housing units through the Regional CLGF component;
- Telecommunication Towers
- The extensive Road Program
- Work to upgrade existing staff housing

**FUNDING PROPOSALS FOR PROJECTS:**

PROJECT	Council Funds	Other Funds	Loan	TOTAL
Business Incubator project	0	\$255,000 (CLGF)	\$165,000	\$420,000
Latham Bowling Green	0	\$100,000 (Reserve) \$122,000 (CLGF) \$20,000 (Mt Gib)	\$58,000	\$300,000
PECC	0	\$1,655,000	\$145,000	\$1,800,000

The following funding sources will assist with these costs:

- Mt Gibson Infrastructure funds 2013/14 - - \$200,000, allocated to the telecommunication towers
- RDA Funds – 89,605, allocated to the staff housing
- Mt Gibson Infrastructure Funds 2012/13 - \$200,000, funds for PECC,
- Country Local Government Funding – Regional, \$311,000 allocated for the staff housing, (held by Shire of Mingenew)

**Roads Program**

The roads program for 13/14 has been revised from \$3.04 m to \$2.795 m to assist with the balancing of the budget and includes:

- Regional Rd Group funding of \$540,659
- Roads to Recovery funding of \$362,109
- Black Spot funding of \$108,000

- 
- Untied Road Grant of \$816,547
  - Council funds of \$967,777 compared to previous of \$1,212,622
- This brings the total cost of the program for 2013/14 to \$2,795,092.

### **Plant Replacement Program**

Plant replacement is in accordance with the 10 year plan and includes:

- Replacement of Skid Steer Loader (Reserve funds)
- Replacement of Western Star (lease arrangement)
- New tri-axle Water Tanker (Reserve Funds)
- Replacement of Mitsubishi Triton ute
- Replacement of the CDO vehicle, the CEO vehicle will be retained for a further year, whilst the CDO vehicle has a reported oil problem with advice indicating this should be replaced.
- Hino Light Truck (Reserve)
- Nissan UD two way Tipper (Lease)

The budget has included \$194,00 to be used from the Plant reserve fund. The Plant Reserve fund currently sits with \$230,788.

### **Debentures**

The Budget is proposing the following new loans to fund the Council contribution for the following major projects:

Business Incubator Project: \$165,000

Latham Bowling Green: \$58,000

PECC: \$145,000

### **Mid West Regional Council**

The costs have been increased by approx. 30% for the coming year, whilst it is unknown of the future of this Council. The revised budget proposed has reduced the fees back to the amounts paid in 2012/13. These costs will be reviewed by the Acting CEO, with the aim to minimise where possible.

### **Operational Expenses**

#### **Staffing**

#### **New Positions**

**Two new positions are being proposed instead of the three originally proposed:**

- Grader/Operator
- Trainee Admin Officer

The Operator position is aimed to meet the current gap in the Road Works team, as well as preparing for when our Grader Driver retires. The Trainee Admin position will be targeted at local young people providing a career path opportunity into Local Government, and the Shire OF Perenjori with a trained Officer on completion if required.

**Positions Reduced:**

**DCEO** – this is still unknown, whilst it is evident a Senior Level person with excellent Project management skills is required, along with high end Financial Management skills it has not been determined what the best options for this will be. The budget has made an allowance for a replacement at the same rate as the previous DCEO. A pro rata amount has been determined with the current allocation at \$60,000 for the year. Funds have been included in the Consultants fees for the temporary Acting CEO.

**Cleaning Staff** – Cleaning staff numbers and hours have been reduced to reflect the reduced occupancy of the Mid West Transportables and better efficiency in other areas.

**Caravan Park** – Manager Position has not been replaced as was previously structured. It is proposed to have a Manager position with assistance from the Head Cleaner and other cleaners to manage the park. This will mean there will be no Assist Manager position.

The income and expenditure for the Caravan Park Village has been reduced to reflect the current low occupancy rates.

**General Other Areas that have been reduced or removed from the budget**

03111	Rates Legal Income	increased \$10,000
04003	Members Conferences	decreased by \$14,600 to \$25,000
04222	Removal allowance	decreased by \$3,000 to zero
05014	CESM	decreased by \$5,000 to \$13,000
05202	Wild Dog Control	decreased by \$10,000 to \$20,000
07205	Doctors Vehicle	decreased by \$1,000 to \$2000
12651	Licensing Commission (Inc)	increased by \$1,000 to \$13,000
14504	Good Insurance	Income added \$4,000
04220	Audit Expense	decreased by \$12,500 to \$23,000
04232	Record Keeping	decreased by \$14,000 to \$5,000
04267	Strategic Planning	decreased by \$20,000 to \$35,000
05202	Wild Dog Control	decreased by \$10,000 to \$20,000
08007	Contribution to MEITA	decreased by \$10,000 to 0
09254	60 Downer Street	decreased by \$85,000 to 0
09268	71 Carnamah Road	decreased by \$22,080 to 0
10100	Refuse Collections	increased by \$10,000 to \$30,000
10131	Moraw/Perenjori Waste site	decreased By \$10,000 to \$10,000
10132	Regional Waste Plan	decreased by \$30,000 to \$10,000
11205	Removal of old pool	decreased by \$4,500 to 0
11400	Sports Club exp	decreased by \$12,000 to 0
11408	Golf and Bowls expense	decreased by \$20,000 to \$25,000
11424	Sport and Rec Planning	decreased by \$30,000 to 0
11427	Removal of old netball	decreased by \$4000 to 0
11428	Removal of old shearing shed	decreased by \$5000 to 0
11484	Playground equipment	decreased by \$20,000 to 0

11485 Streetscape improve	decreased by \$15,000 to 0
11818 Heritage Tourism Assess	decreased by \$10,000 to 0
11820 Movie Facilitation	decreased by \$20,000 to 0
11821 Art Program	decreased by \$20,000 to 0
13211 Marketing Plan	decreased by \$15,000 to 0
13212 Residents Booklet	decreased by \$5,000 to 0
13213 Perenjori Prospect	decreased by \$3000 to 0
13816 Business Support	decreased by \$15,000 to 0
Community Bus	decreased \$170,000 to 0
Masonic Hall	decreased by \$49,000 to 0
Depot maintenance	decreased by \$33,250 to \$40,000

**Elected Members Fees and Allowances**

Elected Members Fees and Allowances are shown below as outlined in the determination on June 2013 by the Salaries and Allowances Tribunal.

Council Meeting Fees (per meeting) have been increased to reflect the maximum amounts as presented.

It is suggested that council review the fees and allowances and determine whether they wish to continue with per meeting payments (1) & (2) or alternatively go to an annual payment (3).

**8. Council Meeting Attendance Fees – Per Meeting**

RECIPIENT	MINIMUM	MAXIMUM
President	\$88	\$463
Councillor (other than President	\$88	\$225

**9. Committee Meeting and Prescribed Meeting Attendance Fees – Per Meeting**

RECIPIENT	MINIMUM	MAXIMUM
Council member inclu	\$44	\$113
President		

**10. Annual Attendance Fees in Lieu of Council Meeting & Committee Meeting Attendance Fees**

RECIPIENT	MINIMUM	MAXIMUM
President	\$3,500	\$18,500
Councillor (other than President	\$3,500	\$9,000

**11. Annual Allowance for a President**

RECIPIENT	MINIMUM	MAXIMUM
President	\$500	\$19,000

**12. Annual Allowance for a Deputy President**

RECIPIENT	AMOUNT
Deputy President	25 per cent

### 13. Expenses to be Reimbursed

Travel costs to be calculated at the same rate applicable to the reimbursement of travel costs in the same or similar circumstances under the Public Service Award 1992 issued by the Western Australian Industrial Relations Commission as at the date of this determination.

**OR**

### 14. Annual Allowances in Lieu of Reimbursement

Annual Allowances Determined Instead of Reimbursement for Particular Types of Expenses

14.1 For the purpose of section 5.99A(b) of the LG Act, the minimum annual allowance for ICT expenses is \$500 and the maximum annual allowance for ICT is \$3,500.

14.2 For the purposes of section 5.99(a) of the LG Act, the annual allowance for travel and accommodation expenses is \$50.

### Statutory Environment

*Local Government Act 1995* S6.2 sets out the requirement for an annual budget as follows:

#### **6.2. Local government to prepare annual budget**

(1) During the period from 1 June in a financial year to 31 August in the next financial year, or such extended time as the Minister allows, each local government is to prepare and adopt\*, in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the 30 June next following that 31 August.

*\* Absolute majority required.*

(2) In the preparation of the annual budget the local government is to have regard to the contents of the plan for the future of the district made in accordance with section 5.56 and to prepare a detailed estimate for the current year of —

- (a) the expenditure by the local government;
- (b) the revenue and income, independent of general rates, of the local government; and
- (c) the amount required to make up the deficiency, if any, shown by comparing the estimated expenditure with the estimated revenue and income.

(3) For the purposes of subsections (2)(a) and (b) all expenditure, revenue and income of the local government is to be taken into account unless otherwise prescribed.

(4) The annual budget is to incorporate —

- (a) particulars of the estimated expenditure proposed to be incurred by the local government;

- 
- (b) detailed information relating to the rates and service charges which will apply to land within the district including —
    - (i) the amount it is estimated will be yielded by the general rate; and
    - (ii) the rate of interest (if any) to be charged by the local government on unpaid rates and service charges;
  - (c) the fees and charges proposed to be imposed by the local government;
  - (d) the particulars of borrowings and other financial accommodation proposed to be entered into by the local government;
  - (e) details of the amounts to be set aside in, or used from, reserve accounts and of the purpose for which they are to be set aside or used;
  - (f) particulars of proposed land transactions and trading undertakings (as those terms are defined in and for the purpose of section 3.59) of the local government; and
  - (g) such other matters as are prescribed.

(5) Regulations may provide for —

- (a) the form of the annual budget;
- (b) the contents of the annual budget; and
- (c) the information to be contained in or to accompany the annual budget.

### **Policy Implications**

Nil

### **Financial Implications**

Specific financial implications are as outlined in the Detail Section of this report.

### **Strategic Implications**

The draft 2013/14 budget has been developed based on the existing Corporate Business and Community Strategic Plan documents. These plans are needing to be adjusted to reflect the proposed budget.

### **Consultation**

Whilst no specific consultation has occurred on the draft 2013/14 budget, community consultation and engagement has previously occurred during development of the Community Strategic Plan from which the Corporate Business Plan was developed. In addition the proposed differential rates were advertised in the Geraldton Guardian on the 22<sup>nd</sup> May 2013.

### **Comment**

The Rates proposed were originally based on a 5% increase across all rate codes, however as more accurate figures became available it was evident this would not be sufficient and a 7% rate increase is being recommended, which is still lower than Council's advertised intention in May 2013. A mixture of the rate increase, loans, and use of reserve funds has assisted in getting the budget to a balance point.



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Rubbish Charges in 2012/13 were \$200.00 per service. For full cost recovery of the contract costs this would need to be increased to \$400. It is proposed that consideration be given to implementing this over the next 2 years.

Instalment arrangements are in line with previous years.

Discount and interest charges have not been altered and are the same as for previous years.

<b>Officers Recommendation – Item 13079.3.1</b>
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- |  |
|--|
| <ol style="list-style-type: none"><li><b>1. Receive the Budget Information Report for the proposed 2013/14 Budget for the Shire of Perenjori with updated data and details as presented.</b></li><li><b>2. To set a Special Meeting date for the 31<sup>st</sup> July 2013, for adoption of the Shire of Perenjori Budget 2013/14.</b></li></ol> |
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**13073.3 DATE OF NEXT MEETING / MEETINGS**

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The next Finance meeting will be held on the 15<sup>th</sup> August 2013.

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**13073.4 CLOSURE**

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Cr C King officially closed the meeting at 10.47 am.

<p><i><b>I certify that this copy of the Minutes is a true and correct record of the meeting held on 18<sup>th</sup> July 2013.</b></i></p>
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<p><b>Signed:</b> _____ <i><b>Presiding Elected Member</b></i></p>
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<p><b>Date:</b> _____</p>
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