

Shire of Donnybrook Balingup Annual Budget 2021-2022



DONNYBROOK

Presentation to Chamber of Commerce and Industry, 15 September 2021

WELCOME

- **SHIRE PRESIDENT, CR BRIAN PIESSE**
2021-22: Overview and Key Initiatives



- **CHIEF EXECUTIVE OFFICER, BEN ROSE**
2021-22: Annual Budget



Business Confidence

Business and economy is 'humming'

- Significant investment in new and existing businesses (two new medical practices, IGA etc)
- Fewer empty shops in Donnybrook, Balingup and Kirup
- Building Permits and Development Approvals up by 30-40% over last 18 months
- Population up by 5% in last 5 years
- Agriculture, forestry and fishing (marron) remains highest value industry at over \$100M p/a
- We don't charge entry fees to major attractions (Apple Fun Park, Goods Shed Interpretive Centre, Golden Valley Tree Park, Pump Track)

Community and Stakeholder Consultation (2019-2021)

MARKYT 	Shire of Donnybrook Balingup Community Survey		Apple Fun Park Community Survey	Pump Track Community Survey	VC Mitchell Park Community Survey	Conversation Café Workshops			
Community Scorecard						Progress Associations	Open Space	Place making	Access & Inclusion
441 Community members	71 Community members	9,098 Word count of ideas and suggestions	578 Community members	233 Community members	156 Community members	74 Community members	34 Community members	18 Community members	11 Community members

- Goods Shed Survey (2019) – 316 respondents
- Tuia Lodge Outsourcing Survey (2019) – 51 respondents
- Project Reference Group - Goods Shed Interpretive Centre (assisted MasterPlan development)
- Project Reference Group - Aged Care (assisted outsourcing decision)
- Project Reference Group – Donnybrook Community, Sporting, recreation and Events Precinct (over 2 years)
- Council Open Door Sessions x 2 (trial)
- DB Chamber of Commerce and Industry Open Door Sessions with Shire President
- Agenda Briefings open to the public (as well as Council meeting question time and deputations)

Future.....

- Youth Advisory Committee
- Relationship building with schools (sponsoring students to Jobs Expo)
- Kelly Road lifestyle development
- Climate Change Impact Reference Group (WBAC)
- Value added industry (advocacy)
- Accommodation options (high quality)
- Housing and land supply (advocacy with WA Planning Commission)
- Average age strategy (decrease)
- Regional Waste Management Initiative (Waste to Energy)
- Glen Mervyn Dam (continue to advocate)
- Preston Foreshore
- Impact of State Announcement re: hardwood logging and plantation development
- Gateway to Southern Forest and Blackwood Valleys and Great Southern regions
- Maintain good relationships with State and Federal Governments



Goods Shed Interpretive Centre

Total Investment	<ul style="list-style-type: none">• \$2.35m
Funding Source	<ul style="list-style-type: none">• \$2m State• \$115k Federal• \$240k Shire (\$120k recouped over lease term)
Facility Management	<ul style="list-style-type: none">• Southern Roasting Co (lessee)• Rent, rates, outgoings• Cuts Shire staff costs ~\$150k p/a• 1,967 visitors in the first two weeks• Finalist DLGSCI Community Awards (Making a Difference Award, one of four finalists)• Late start, staffing challenges



Tuia Lodge – Outsourcing of Operation

Value	<ul style="list-style-type: none"> • \$6.1m lease revenue over 21 years • \$2.9 expenditure saving over 21 years • \$9m benefit to local community over 21 years • Shire rates are payable • Triple net lease (all outgoings and maintenance) • All improvements are handed back to Shire at lease end
Expansion	<ul style="list-style-type: none"> • Minimum of 20 additional beds (11 funded by Federal Government grant) • Home care packages
Delivery Partner	<ul style="list-style-type: none"> • Great Southern Care Company Pty Ltd (trading as Hall & Prior)
Status	<ul style="list-style-type: none"> • Handover date was 1 July 2021

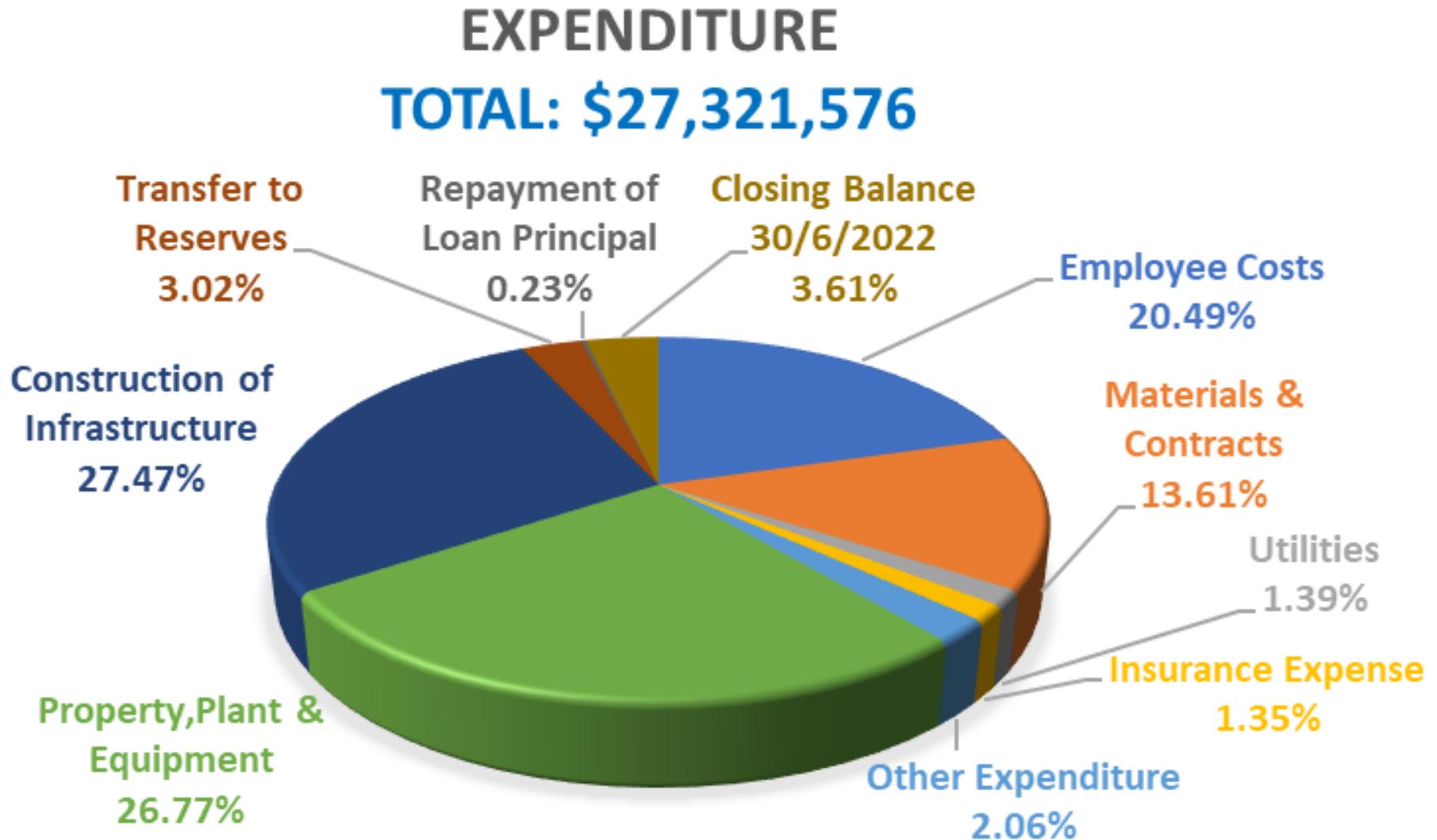


2021/22 Budget Overview

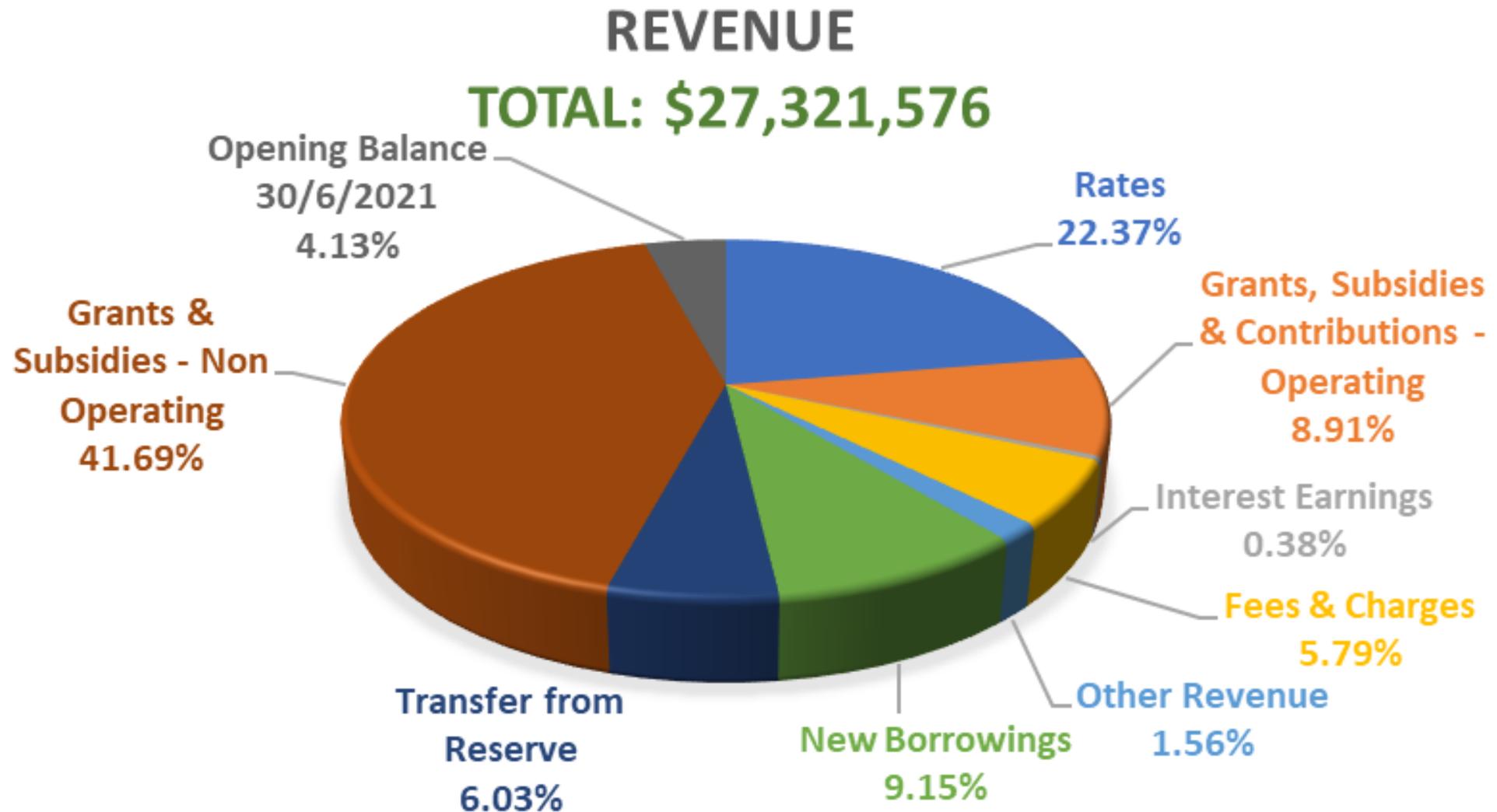
Before the budget....

- \$45k surplus for year end 2020/21, (excluding \$1.084M pre-funded LGGS Financial Assistance Grant)
- Waste Management Levy incorporated into General Rates
- 8.6% total rate revenue increase as per Long Term Financial Plan – but its not that simple (more to come on this topic in a moment)
- Fluctuating Federal Financial Assistance Grants (recurrent, untied)
- Tuia Lodge outsourced (significant budget changes required)

2020/21 Expenditure Total



2021/22 Revenue Total



Rating Overview

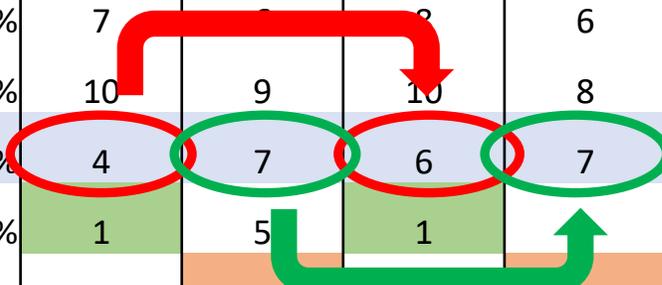
- 8.6% total rate revenue increase for 2021/22
- Rates raised last year (\$5.1M) / this year (\$6.1M)
- After inclusion of WML, last year (\$5.60M) / this year (\$6.1M)
- GRV – 1,978 rateable properties (\$1,636 on average)
- UV – 1,378 rateable properties (\$2,064 on average)
- Minimum Rate of \$1,316 on 1,519 properties (GRV and UV)
- 3.2% (LGCI) increase in Fees and Charges where applicable

Rating Overview

- 2020-21 Total rate revenue = \$5.1M
- Waste Management Levy = \$500k
- Interim rates = \$45K
- SUB TOTAL = \$5,645,000
- Multiply by 8.6%
- Total Rate Revenue 2021-22 = \$6.1M
- Key benefits:
 - 764 properties across Shire will benefit from concessions previously unavailable on the Waste Management Levy
 - Removes any LG compliance issues
 - Simpler and more equitable distribution of costs

Rating Comparison

Local Government Area	GRV			UV			Order 2021		Order 2022	
	2021	2022	Inc%	2021	2022	Inc%	GRV	UV	GRV	UV
Augusta-Margaret River	0.107581	0.109733	2.00%	0.004705	0.004799	2.00%	11	3	11	3
Boyup Brook	0.133700	0.139717	4.50%	0.006873	0.007182	4.50%	12	10	12	10
Bridgetown-Greenbushes	0.087045	0.090527	4.00%	0.006220	0.006469	4.00%	2	8	2	9
Bunbury	0.096310	0.098720	2.50%				8	NA	7	NA
Busselton	0.098489	0.100916	2.46%	0.004455	0.004328	-2.85%	9	1	9	1
Capel	0.092069	0.093910	2.00%	0.005077	0.005187	2.17%	5	4	4	4
Collie	0.094670	0.098980	4.55%	0.005660	0.005910	4.42%	7	8	8	6
Dardanup	0.100662	0.104016	3.33%	0.006259	0.006468	3.34%	10	9	10	8
Donnybrook-Balingup	0.089743	0.097461	8.60%	0.005904	0.006412	8.60%	4	7	6	7
Harvey	0.085534	0.088742	3.75%	0.005188	0.005476	5.55%	1	5	1	5
Manjimup	0.093479	0.096704	3.45%	0.007624	0.008078	5.95%	6	11	5	11
Nannup	0.088980	0.093390	4.96%	0.004640	0.004700	1.29%	3	2	3	2



So, how do Rates actually work...

*NOTE: Now includes WML
(previously charged separately)*

Example 1 (residential property – average GRV)

GRV of $\$14,820 \times \$0.097461 = \underline{\$1,444.37}$ (plus ESL etc)

State Govt. decides this number

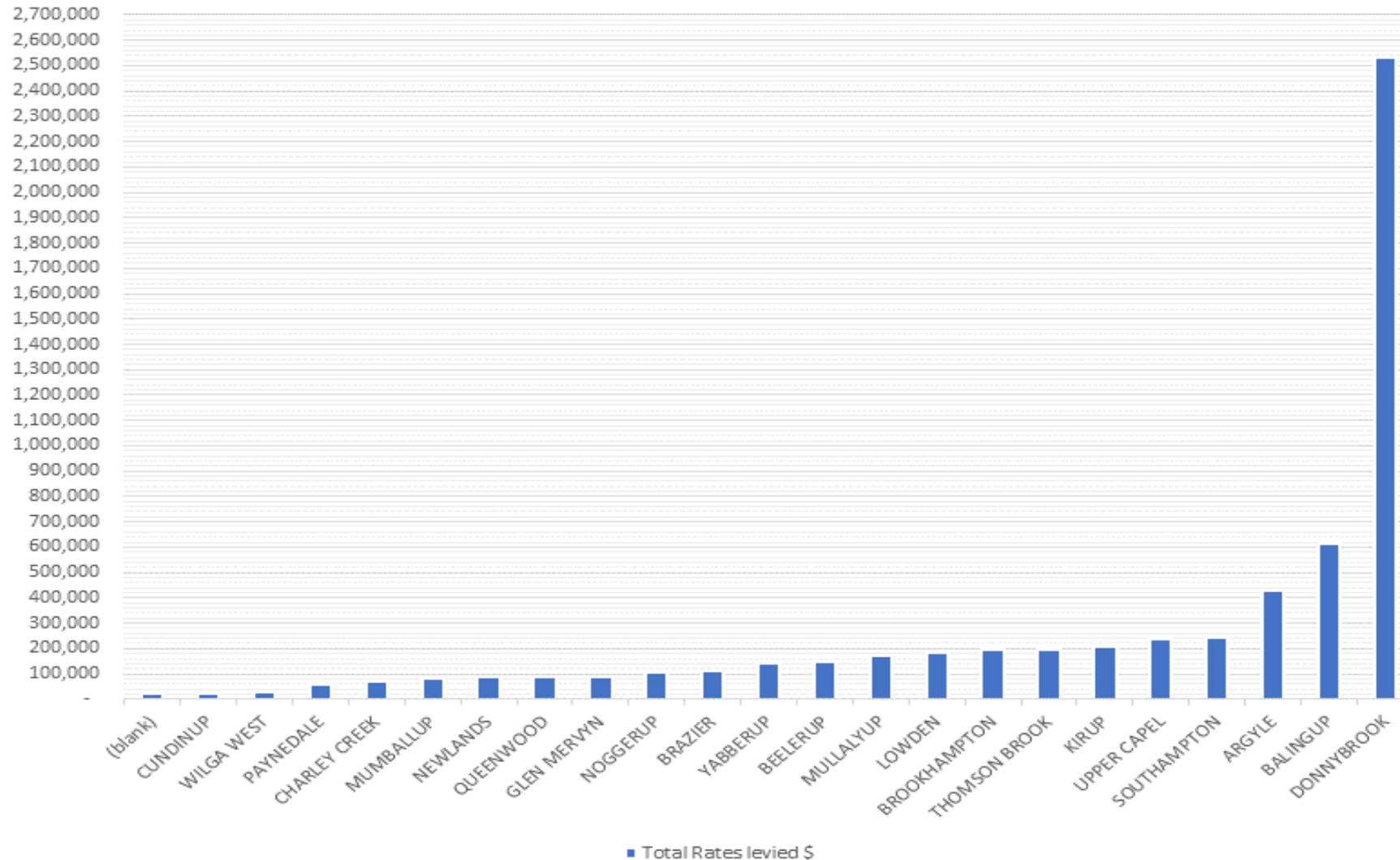
Shire decides this number

Example 2 (farming property – average UV)

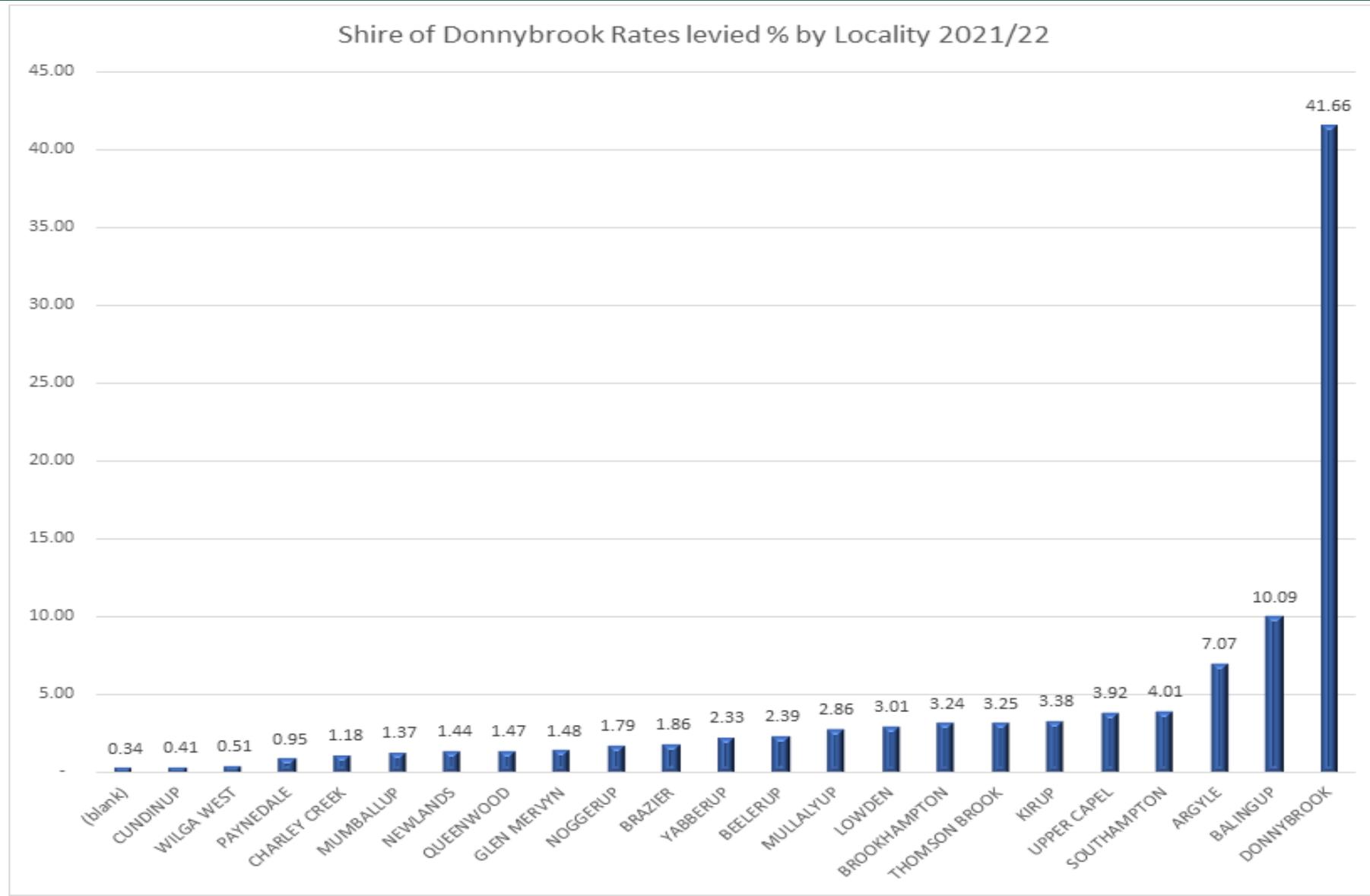
UV of $\$292,000 \times \$0.006412 = \underline{\$1,872}$ (plus ESL etc)

Rates by Locality

Shire of Donnybrook Rates levied \$ by Locality 2021/22

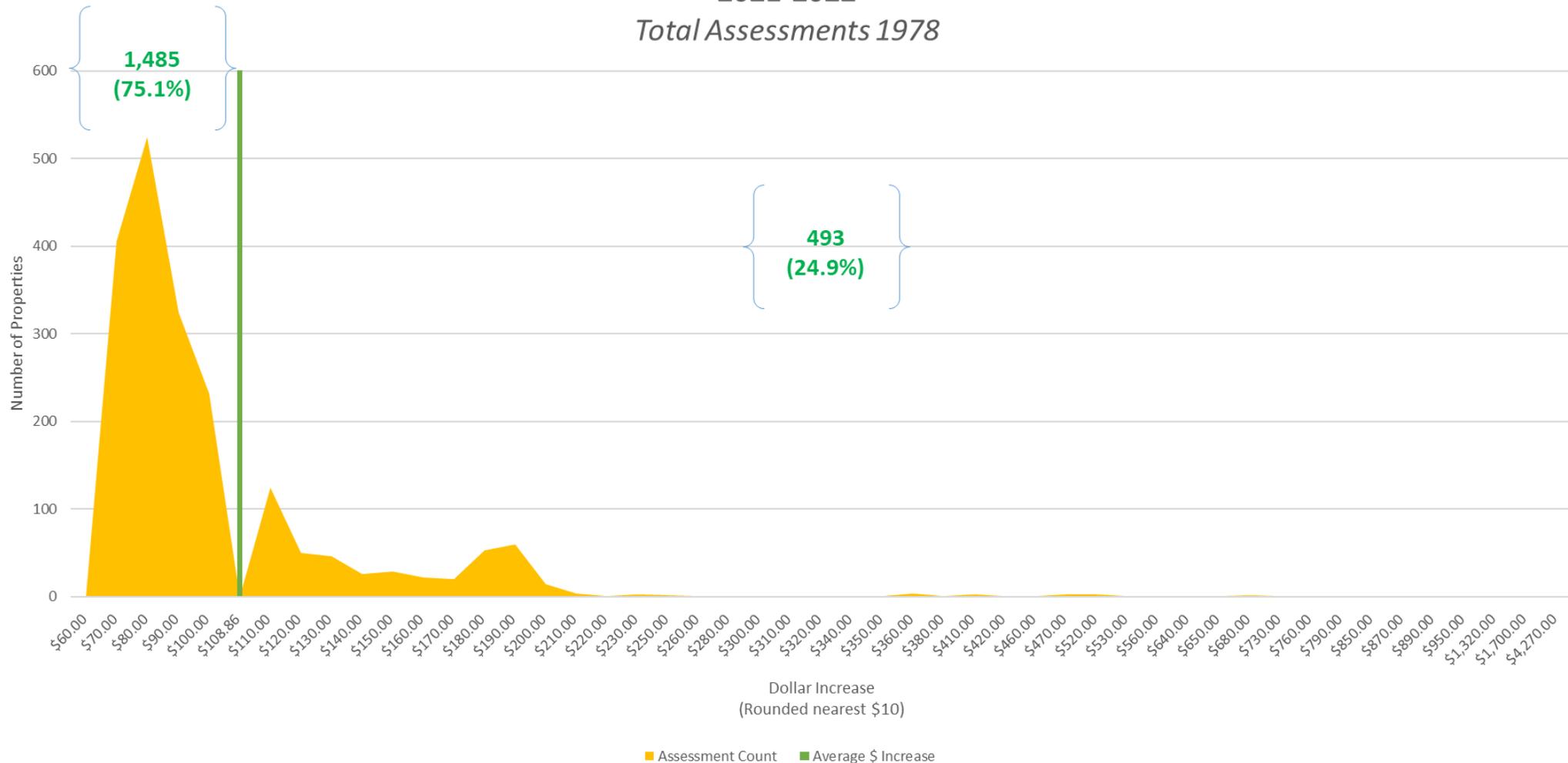


Rates by Locality



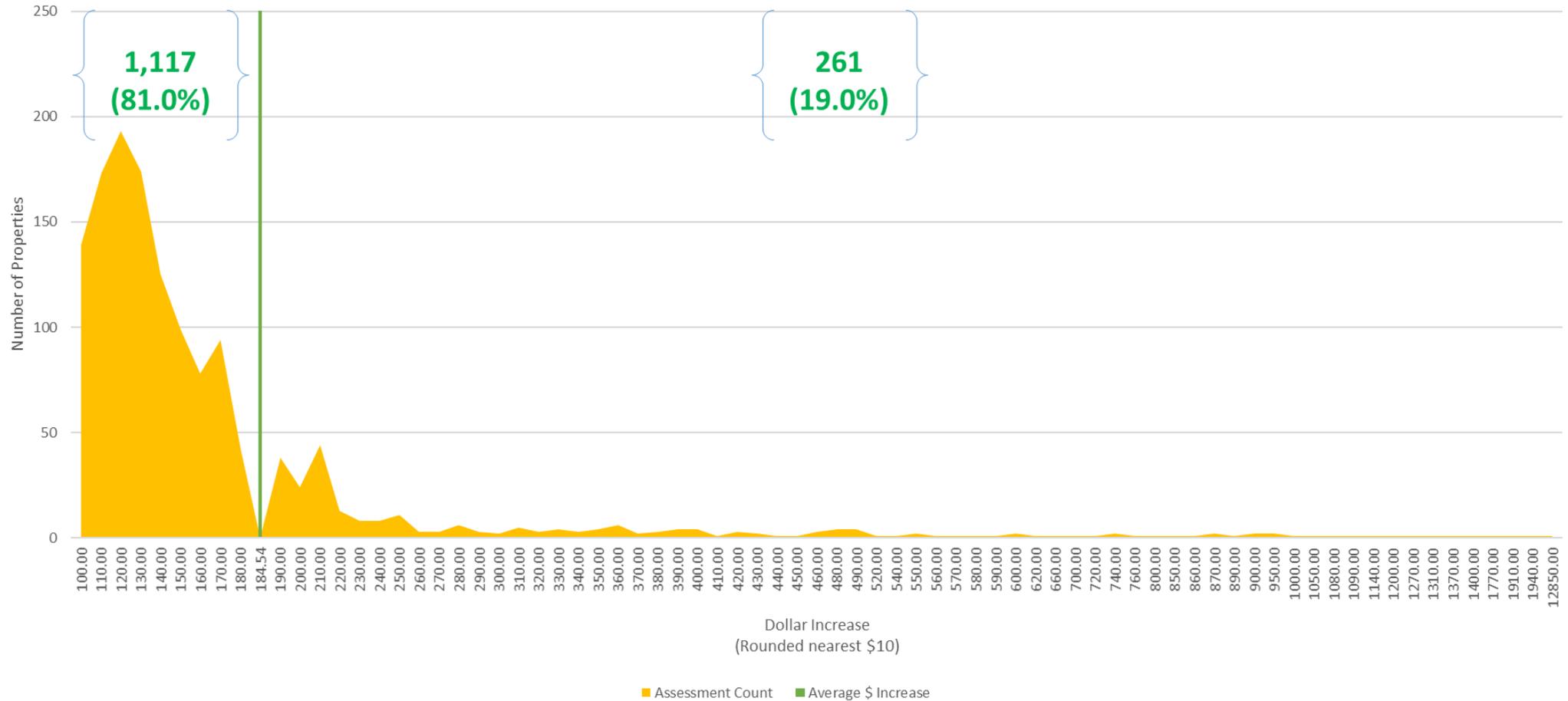
Rates Distribution (GRV)

Gross Rental Value (GRV)
Rate Increase \$ Count of Assessments
2021-2022
Total Assessments 1978



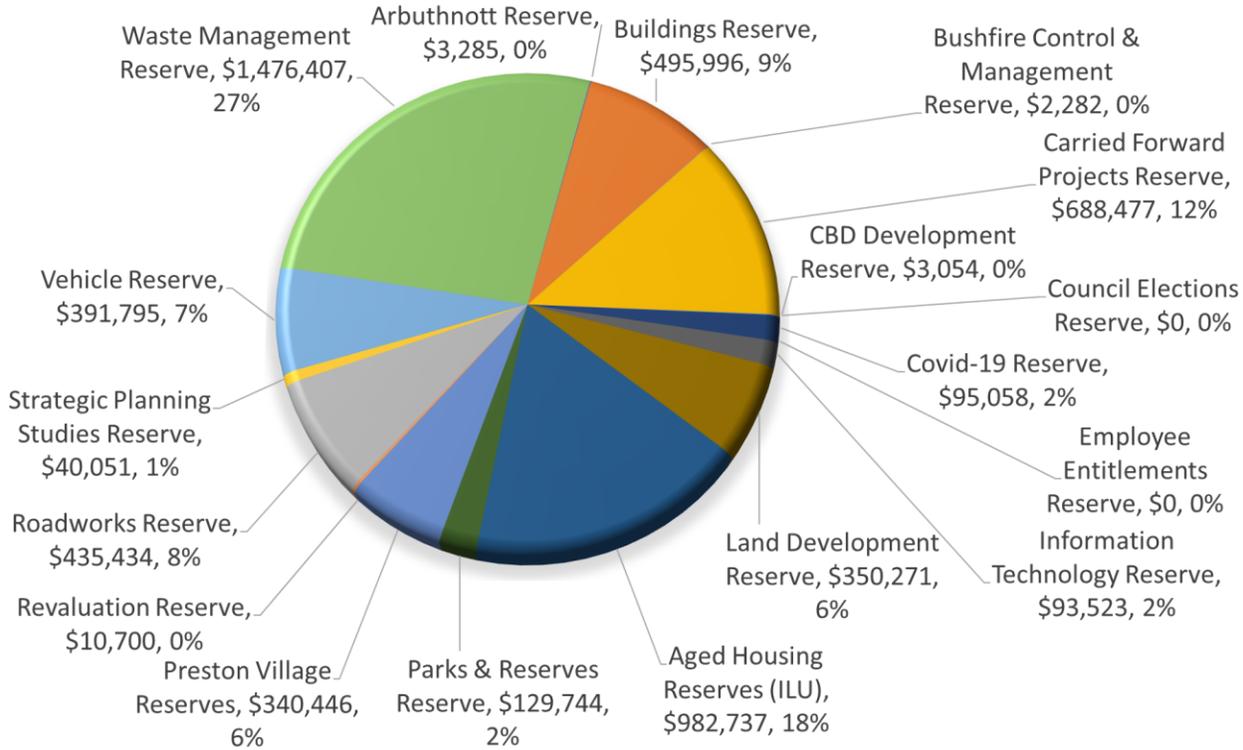
Rates Distribution (UV)

Gross Rental Value (UV)
Rate Increase \$ Count of Assessments
2021-2022
Total Assessments 1378

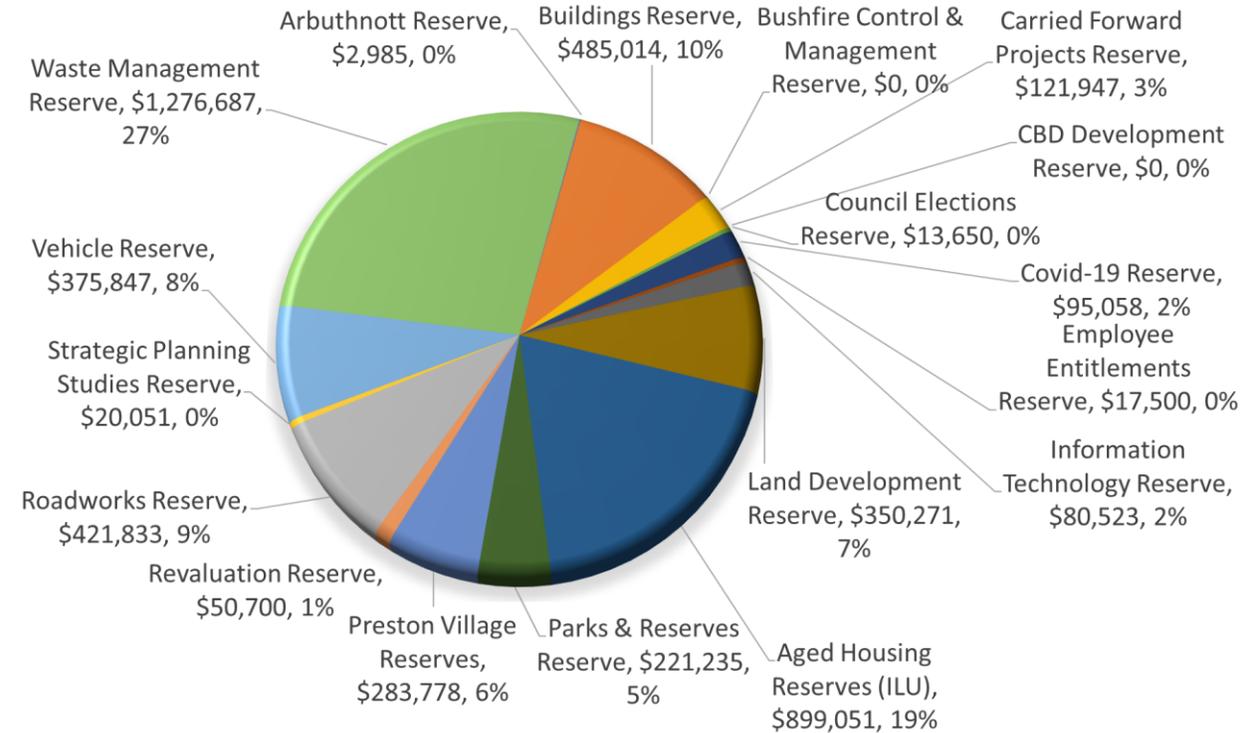


Reserves

2021-22 Reserves Budget – Start (\$5.54m)

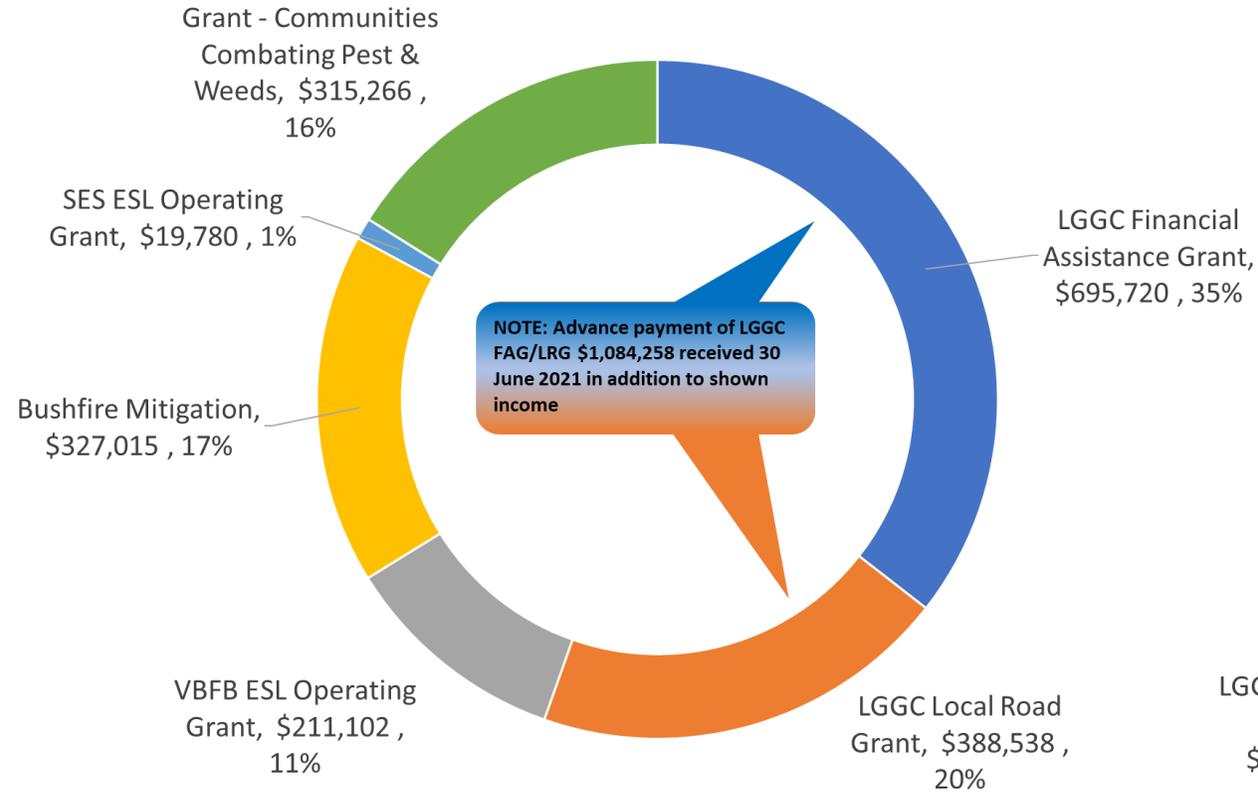


2021-22 Reserves Budget – End (\$4.72m)

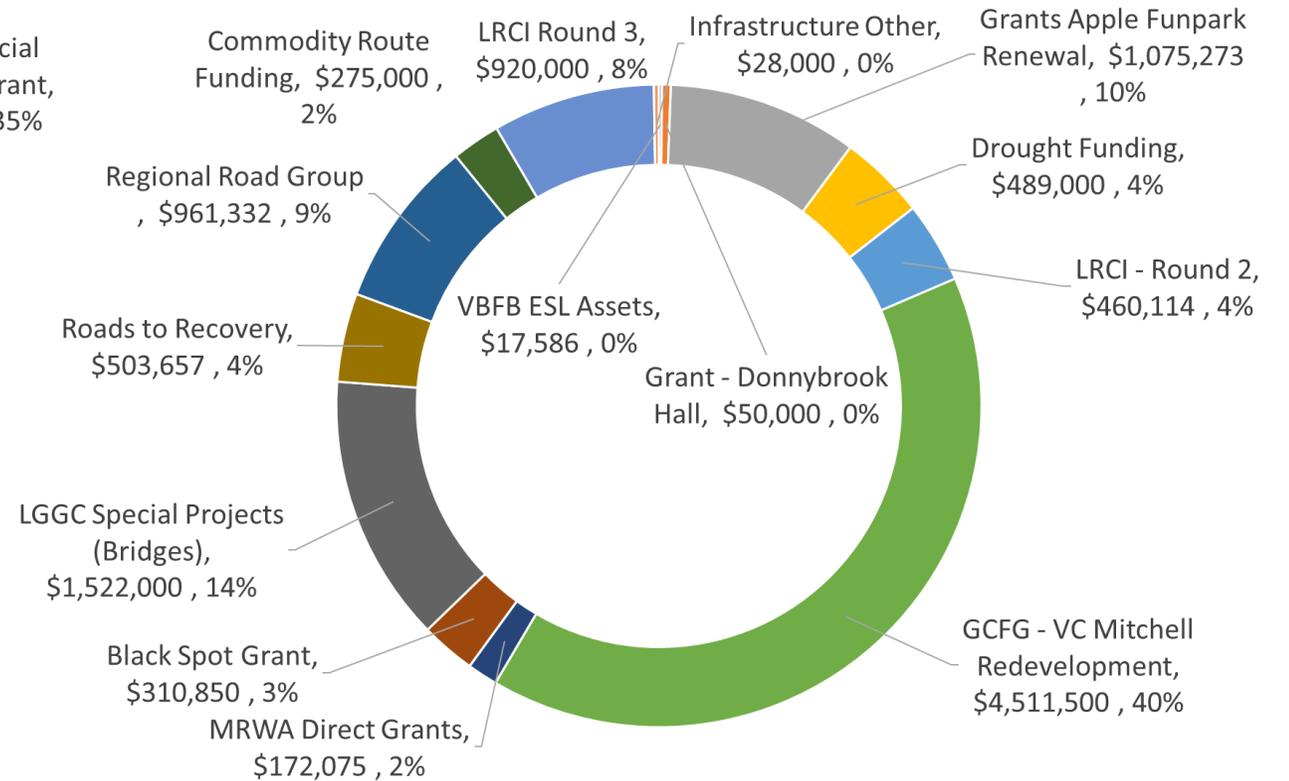


Grants

Operating Grant Income 2021-2022 - \$1.96m

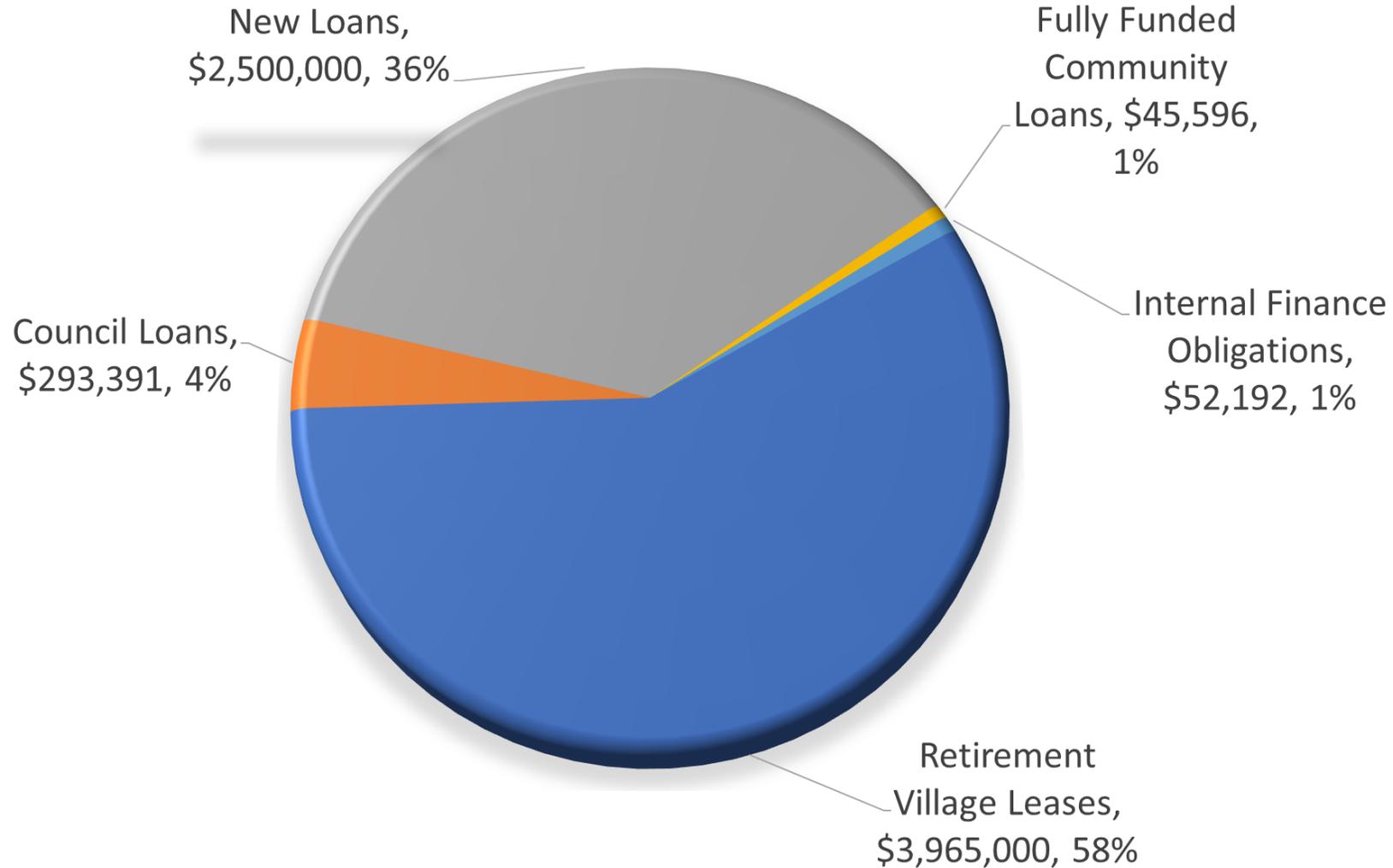


Capital Grant Income 2021-2022 - \$11.3m



Borrowings and liabilities

Financial Obligations as at 30 June 2022



Remainder of the financial year...

- Projects (Apple Fun Park, Pump Track, VC Mitchell Park, closing out Drought Communities Programme projects, roads, bridges)
- Developing more funding propositions for Government (Federal election is coming!)
- Working through State Budget implications
- Continue to review and refine service delivery

Questions.....???

Thank you!