



# Notice of Special Council Meeting

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**Purpose: Adoption of 2015/16 Budget**

TO:

**ALL COUNCILLORS**

To be held on

Monday, 31 August 2015

Commencing at 5.00pm

In Council Chambers

Cnr Bentley and Collins Streets, Donnybrook WA 6239

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**JR Attwood**  
Chief Executive Officer

**27 August 2015**

**Disclaimer**

The advice and information contained herein is given by and to the Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to the Council giving entire reasons for seeking the advice or information and how it is proposed to be used.

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**SPECIAL COUNCIL MEETING**  
**ADOPTION OF 2015/16 BUDGET**  
**31 August 2015**

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# SHIRE OF DONNYBROOK/BALINGUP SPECIAL COUNCIL MEETING – ADOPTION OF 2015/16 BUDGET AGENDA

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To be held in Council Chambers on Monday, 31 August 2015 at 5.00pm

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## MEMBERS PRESENT

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### COUNCILLORS

Cr Dilley (President)  
Cr Mitchell (Deputy President)  
Cr Bailey  
Cr Crowley  
Cr Dawson  
Cr Duncan  
Cr Logiudice  
Cr McCabe  
Cr King

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### STAFF

Greg Harris – Manager Finance and Administration  
Belinda Richards – Accountant

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## PUBLIC GALLERY

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## APOLOGIES

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## 1 PUBLIC QUESTION TIME

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## 2 APPLICATION FOR LEAVE OF ABSENCE

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## 3 DECLARATION OF FINANCIAL/IMPARTIALITY INTEREST

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Division 6: Sub-Division 1 of the *Local Government Act 1995*. Care should be taken by all Councillors to ensure that a financial/impartiality interest is declared and that they refrain from voting on any matter, which is considered to come within the ambit of the Act.

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## 4 PETITIONS/DEPUTATIONS/PRESENTATIONS

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## 5 REPORTS OF OFFICERS

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### 5.1 *Manager Finance and Administration*

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<b>5.2.1</b>	<b>SUBJECT:</b>	<b>ADOPTION OF BUDGET FOR 2015/16 FINANCIAL YEAR</b>
	<b>Location:</b>	<b>Shire of Donnybrook/Balingup</b>
	<b>Applicants:</b>	<b>Administration</b>
	<b>Zone:</b>	<b>N/A</b>
	<b>File Ref:</b>	<b>FNC 04/1</b>
	<b>Author:</b>	<b>Greg Harris – Manager Finance &amp; Administration</b>
	<b>Disclosure of Interest:</b>	<b>Financial Interest as salary and conditions of officers incorporated within the Municipal Budget</b>
	<b>Report Date:</b>	<b>27 August 2015</b>
	<b>Attachments:</b>	<b>5.2.1 (A) – 2015/16 Budget Document 5.2.1 (B) – Variances from Draft Budget to Final Budget (refer Budget booklet page S153)</b>

### **Background**

The purpose of the meeting is to consider and adopt the Municipal Fund Budget for the 2015/16 financial year together with supporting schedules, including striking of the municipal fund rates, adoption of fees and charges, setting of elected members' fees for the year and other consequential matters arising from the budget papers.

The Budget for the 2015/2016 year has been compiled based on the principles contained in the Community Strategic Plan, Corporate Business Plan and other subsidiary integrated planning documents. The 2015/16 budget has been prepared in accordance with the recommendations made by Council at its Draft Budget meeting held on 4<sup>th</sup> August 2015.

### **Comment**

The budget has been prepared to include information required by the Local Government Act 1995, Local Government (Financial Management) Regulations 1996 and the Australian Accounting Standards. The main features of the budget include:

- The budget has been prepared with a 5.0% increase on rates levied on a gross rental valuation basis with the same increase of 5.0% in the minimum rate from \$818 to \$859. Rates levied on an unimproved valuation basis will also increase by 5.0% with the minimum rate also increasing by 5.0% from \$909 to \$954.
- Minimal increases to fees and charges to most fees and charges.
- Standard weekly refuse removal charges remain unchanged at \$70 per annum. Likewise the annual charge for the domestic recycling service will remain unchanged at \$55.00 per annum.

- The combined organics and standard refuse removal service introduced to the Donnybrook service area will increase from \$99.00 to \$126.00 to reflect the additional cost in providing the full combined service for a full 12 months.
- Based on the successful results of the implementation of this service to the Donnybrook area, Council will be extending this service to Balingup and Kirup. The combined service will commence in November and the annual bin service fee of \$114.00 reflects the introduction of the new service part way through the year.
- Council's Waste Management Levy will increase by \$4 to \$160 per annum.
- The recurrent operating budget includes an overall increase in estimated expenditure of 12.5% (although individual line items may vary from this based on specific factors affecting each of these) and continues the focus on improved service delivery to the community.
- There is no increase in staff planned for 2015/16. However a small budget provision has been made to consider part-time employment of an Emergency Management Officer, most likely in partnership with an adjoining local authority.
- A capital works program totalling \$12.97m for investment in infrastructure, land and buildings, plant and equipment and furniture and equipment is planned. Expenditure on road and other infrastructure is the major component of this (\$8.3m) together with Building asset upgrades and improvements of 2.6m.
- The 2015/16 budget year will see the completion of the 14-bed extension to Tuia Lodge and subject to Council approval on final design and costings, construction will commence on the alterations and additions to the Shire Administration Centre.
- New Loan borrowings totalling \$465,250 are proposed in the 2015/16 year. A loan of \$371,000 is proposed to be raised to provide funding for development of shire owned land in Victory Street Donnybrook. This development will see the release of shire owned land for residential use and the eventual demolition of the old Council works depot. A self-supporting loan of \$94,250 is also proposed to assist the Donnybrook Country Club with their plans to relocate and upgrade the bowling club greens to a synthetic surface together with the extension of the golf course fairway reticulation. This project is dependent upon the Country Club obtaining grant funding through the Department of Sport and Recreation.
- Council finished the 2014/15 year with an estimated current position surplus of \$2,038,820. This surplus includes a number of restricted assets being principally made up of grants received in advance of the commencement of projects. This figure has been brought forward and accommodated within the 2015/16 budget. It should be noted that this figure is unaudited and as a result may change. Any change will be addressed as part of a future budget review.
- Through successful lobbying by Council and the WA Local Government Association Council has been successful in having its 2012/13 Country Local Government Fund allocation of \$647,112 reinstated. Funds received from this source will be allocated towards the upgrade of the Shire Administration Centre.
- In accordance with the staff Enterprise Agreement budget provision has been made to apply an increase in wages of 4% from 1<sup>st</sup> July 2015 for the Works and Services staff. This is the final year of the Enterprise Agreement which will need to be renegotiated in the 2015/16 year.
- In respect to the other sections of Council's workforce a general increase of 2.5% has been allowed within the budget. This is a provision only and specific salary increases will be awarded at the discretion of the CEO, subject to employee performance.

The 2015/16 budget includes provision for two major projects, the Shire Administration Centre and the Donnybrook Country Club project, which will require a funding commitment from Council over a period of two years, i.e. the 2015/16 and 2016/17 years. This is effect means that Council will be required to commit funds for these projects from the current budget and the future 2016/17 budget.

A summary of the proposed funding for these two projects is shown below:

<b>Shire Administration Centre</b>				
<b>Project Costs and Proposed Funding</b>				
	<b>Actual</b>	<b>Budget</b>		
	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	<b>Total</b>
	<b>Year</b>	<b>Year</b>	<b>Year</b>	
Total Project Cost	47,112	900,000	1,052,888	2,000,000
<b>Funding:</b>				
Country Local Government Fund 12/13		647,112	0	647,112
Shire Building Reserve		252,888	250,000	502,888
New Debenture Loan	0	0	850,000	850,000
<b>Total</b>	<b>0</b>	<b>900,000</b>	<b>1,100,000</b>	<b>2,000,000</b>
<u>Loan Costs (over 20 year term @ 3.90% pa, 0.7% loan guarantee fee)</u>				
Budget - \$61,600 p.a. (excluding loan guarantee fee)				
<b>Donnybrook Country Club</b>				
<b>Project Costs and Proposed Funding</b>				
		<b>Budget</b>		
		<b>15/16</b>	<b>16/17</b>	<b>Total</b>
		<b>Year</b>	<b>Year</b>	
Total Project Cost		222,849	351,494	574,343
<b>Funding:</b>				
Dept. Sport & Recreation		0	191,447	191,447
Donnybrook Country Club Cash Contribution		25,000	25,000	50,000
Donnybrook Country Club In-Kind Contribution		23,600	23,600	47,200
Self Supporting Loan from Shire (repayable by DCC)		94,249	0	94,249
Shire of Donnybrook-Balingup ***		80,000	111,447	191,447
<b>Total</b>		<b>222,849</b>	<b>351,494</b>	<b>574,343</b>
*** Shire funding source yet to be determined (e.g. Municipal Fund, Short Term Loan or Reserve)				

In summary the 2015/16 budget aims to deliver the strategies adopted by Council and the community and maintains a high level of service across all programs. The budget aims to consolidate on the 2014/15 year budget with a number of projects commenced, or budgeted to commence in 2014/15 year, being brought forward for completion in the 2015/2016 year. The budget also places an emphasis on the ongoing development of new infrastructure and assets as well as the renewing of all assets at sustainable levels.

## **Consultation**

No specific community consultation has occurred on the draft 2015/16 budget however the budget has been prepared taking into account requests received directly from the community and through Council's community grants assessment process.

Extensive internal consultation has occurred between all divisions and through the draft budget meeting conducted with elected members.

## **Policy/Statutory Implications**

The budget is based on the principles contained in the Strategic Plan and Plan for the Future. Section 6.2 (1) of the Local Government Act 1995 requires 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.

Divisions 5 and 6 of the *Local Government Act 1995* refer to the setting of budgets and raising of rates and charges. *The Local Government (Financial Management) Regulations 1996* details the form and content of the budget. The 2015/16 budget as presented is considered to meet the statutory requirements.

An Absolute Majority decision of Council will be required for parts of the recommendations.

## **Financial Implications**

Specific financial implications are as outlined in the comment section of this report and as itemised in the 2015/16 budget presented for adoption.

## **Strategic Implications**

The 2015/16 budget has been developed based on existing strategic planning documents adopted by Council.

## **Officer's Recommended Resolution**

**Moved: Cr**

**Seconded: Cr**

**That Council approve the list of variances identified between the draft budget and the final 2015/16 budget (refer page S153)**

- 1. (Include other alterations to the draft budget proposed by Council).**

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**Absolute Majority Required**

## **PART A – MUNICIPAL FUND BUDGET FOR 2015/16**

### **Officer’s Recommended Resolution**

**Moved: Cr Seconded: Cr**

That pursuant to the provision of section 6.2 of the Local Government Act 1995 and Part 3 of the Local Government (Financial Management) Regulations 1996, Council adopt the Municipal Fund Budget as contained in attachment 5.1.1 of this agenda and the minutes, for the Shire of Donnybrook-Balingup for the 2014/15 financial year which includes the following:

- **Statement of Comprehensive Income by Nature and Type on page (12) showing a net result for that year of \$3,205,454.**
- **Statement of Comprehensive Income by Program on page (13 & 14) showing a net result for that year of \$3,205,454.**
- **Statement of Cash Flows on page (15)**
- **Rate Setting Statement on page (16) showing an amount required to be raised from rates of \$4,097,543.**
- **Notes to and Forming part of the Budget on pages (17 to 60)**
- **Fees and Charges Schedule as detailed on pages (F1 to F20)**
- **Budget Program Schedules as detailed in pages (S1 to S152)**
- **VariANCES from Draft Budget to Final Budget as detailed in page (S153)**

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**Absolute Majority Required**

## **PART B – GENERAL AND MINIMUM RATES, INSTALMENT PAYMENT ARRANGEMENTS**

### **Officer’s Recommended Resolution**

**Moved: Cr Seconded: Cr**

- 1. That for the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at this meeting, Council pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the Local Government Act 1995 impose the following general and minimum rates on Gross Rental and Unimproved Values.**

- 1.1.1 General Rates**

- |                            |                               |
|----------------------------|-------------------------------|
| <b>* Residential (GRV)</b> | <b>7.4271 cents in dollar</b> |
| <b>* Rural (UV)</b>        | <b>0.4627 cents in dollar</b> |

- 1.1.2 Minimum Rates**

- |                            |                 |
|----------------------------|-----------------|
| <b>* Residential (GRV)</b> | <b>\$859.00</b> |
| <b>* Rural (UV)</b>        | <b>\$954.00</b> |

- 2. Pursuant to section 6.45 of the Local Government Act 1995 and regulation 64(2) of the Local Government (Financial Management) Regulations 1996,**





**PART D – OTHER STATUTORY FEES FOR 2015/16**

**Officer’s Recommended Resolution**

Moved: Cr Seconded: Cr

1. Pursuant to section 245A (8) of the Local Government (Miscellaneous Provisions) Act 1960, Council adopts a swimming pool inspection fees of \$14.36 inclusive of GST.
  
2. Pursuant to section 67 of the Waste Avoidance and Resources Recovery Act 2007, Council adopts the following charges for the removal and deposit of domestic and commercial waste.
  - 2.1.1 Residential Premises (standard weekly collection)  
\* All serviced areas - 240 litre bin \$70 pa
  
  - 2.1.2 Combined Standard Bin & Organic Bin Service  
\* All serviced areas - 240 litre bin \$126 pa  
(Standard bin is collected fortnightly – 240 litre bin )  
(Organics Bin is collected weekly – 240 litre bin)
  
  - 2.1.2 Combined Standard Bin & Organic Bin Service  
(Balingup and Kirup, combined service to commence Nov 2015)  
\* All serviced areas - 240 litre bin \$114 pa  
(Standard bin is collected fortnightly – 240 litre bin )  
(Organics Bin is collected weekly – 240 litre bin)
  
  - 2.1.3 Commercial Premises (concessional weekly collection)  
\* Where owner pays an individual Waste Management Levy  
(240 litre bin) \$70 pa  
\* Where owner does not pay an individual Waste Management Levy  
(240 litre bin) \$115 pa
  
  - 2.1.4 Commercial Organic Bin Only Service  
\* All serviced areas - 240 litre bin \$165 pa  
(weekly service – 240 litre bin )
  
  - 2.1.5 Recycling Service (fortnightly collection)  
\* All locations (240 litre bin) \$55 pa
  
  - 2.1.6 Commercial Recycling Service (fortnightly collection)  
\* All locations (240 litre bin) \$61 pa

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**Absolute Majority Required**



**Fridges, Freezers, Airconditioning Units**

<b>Non-degassed or uncertified (per item)</b>	<b>\$15</b>
<b>De-gassed items (must be certified)</b>	<b>\$0</b>

**Disposal of Asbestos**

*Residents with tip passes and commercial: charged in accordance with the fee schedule.*

* Quantities up to 0.01 m3 (2m2)	\$0
* 0.01m3 – 1m3	\$65
* Large quantities (per additional cubic metre)	\$65

**Disposal of Chemicals**

*Residents with tip pass: no charge for domestic quantity up to 5 litres (labelled or unlabelled)*

*Quantities more than 5 litres and commercial: charged in accordance with the fee schedule.*

* Labelled Chemicals (per litre)	\$6
* Unlabelled Chemicals (per litre)	\$12

**Disposal of Oil**

*Residents with tip pass: no charge for domestic quantity up to 20 litres*

*Quantities more than 20 litres and commercial: charged in accordance with the fee schedule.*

<b>Per litre</b>	<b>\$0.20c</b>
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**2. Pursuant to section 67 of the Waste Avoidance and Resources Recovery Act 2007, and section 6.16 of the Local Government Act 1995, Council adopt the following charges for the collection and deposit of commercial waste.**

<b>4.1</b>	<b>Removal from Donnybrook Hospital</b>	<b>\$3,300 pa (Inc. GST)</b>
<b>4.2</b>	<b>Removal from Tuia Frail Aged Lodge Facility</b>	<b>\$3,300 pa (Inc. GST)</b>

**Absolute Majority Required**

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**PART E – ELECTED MEMBERS’ FEES AND ALLOWANCES FOR 2015/16**

**Officer’s Recommended Resolution**

**Moved: Cr Seconded: Cr**

1. Pursuant to section 5.99 of the Local Government Act 1995 and within the range of fees determined by the Salaries and Allowances Tribunal under the Salaries and Allowances Act 1975 section 7B, Council adopts the following annual fees for payment of elected members in lieu of individual meeting attendance fees:

President	\$12,000
Councillors	\$7,500

2. Pursuant to section 5.99A of the Local Government Act 1995 and within the range of fees determined by the Salaries and Allowances Tribunal under the Salaries and Allowances Act 1975 section 7B, Council adopts the following annual allowances for elected members:

Information and Communications Technology Allowance	\$1,000
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3. Pursuant to section 5.98(5) of the Local Government Act 1995 and within the range of fees determined by the Salaries and Allowances Tribunal under the Salaries and Allowances Act 1975 section 7B, Council adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:

President	\$10,000
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4. Pursuant to section 5.98A of the Local Government Act 1995 and within the range of fees determined by the Salaries and Allowances Tribunal under the Salaries and Allowances Act 1975 section 7B, Council adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:

Deputy President	\$2,500
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**Absolute Majority Required**

**PART F – MATERIAL VARIANCE REPORTING FOR 2015/16**

**Officer’s Recommended Resolution**

**Moved: Cr Seconded: Cr**

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 2015/16 for reporting material variances shall be \$5,000.

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**Absolute Majority Required**

<b>5.1.2</b>	<b>SUBJECT:</b>	<b>WASTE MANAGEMENT LEVY</b>
	<b>Location:</b>	<b>Shire of Donnybrook/Balingup</b>
	<b>Applicants:</b>	<b>Administration</b>
	<b>Zone:</b>	<b>N/A</b>
	<b>File Ref:</b>	<b>FNC 04/1 &amp; RAT 01</b>
	<b>Author:</b>	<b>Greg Harris – Manager Finance &amp; Administration</b>
	<b>Report Date:</b>	<b>27 August 2015</b>
	<b>Attachments:</b>	<b>Nil</b>

## Background

A waste management levy will be imposed on all rate assessments under Section 66 of the *Waste Avoidance and Resource Recovery Act 2007* for the following purposes:

- (i) Provision of suitable places, buildings and appliances for the disposal of refuse.
- (ii) Construction and installation of plant for the disposal of refuse.

The object of this rate is to ensure that costs in relation to the maintenance and servicing of all refuse disposal sites within the Shire is equally distributed.

A concession will be granted to ratepayers owning contiguous (as defined by Council policy) vacant assessments.

## Officer's Recommended Resolution

**Moved: Cr**

**Seconded: Cr**

**That under Section 66 of the *Waste Avoidance and Resource Recovery Act 2007*, Council impose the following rates as a waste management levy.**

Description	Total Props.	Rateable Value	Rate in Dollar	Rate Yield	Minimum		Budget 2014/2015
					No.	Yield	
Waste Avoidance & Resource Recovery Act Rate 2007 Unimproved Valuations	1,310	394,497,690	0.0011861	4,679	1,310	209,600	209,600
Gross Rental Valuations (less concessions)	1,932 (30)	25,006,862	0.0473373	11,838	1,932 (30)	309,120 (4,800)	309,120 (4,800)
<b>Total Levied</b>	<b>3,212</b>	<b>419,504,552</b>			<b>3,212</b>	<b>513,920</b>	<b>513,920</b>

**A minimum rate of \$160 will be imposed.**

<b>5.1.3</b>	<b>SUBJECT:</b>	<b>RATES EARLY PAYMENT INCENTIVE PRIZES</b>
	<b>Location:</b>	<b>Shire of Donnybrook/Balingup</b>
	<b>Applicants:</b>	<b>Shire of Donnybrook/Balingup</b>
	<b>Zone:</b>	<b>N/A</b>
	<b>File Ref:</b>	<b>RAT 08</b>
	<b>Author:</b>	<b>Greg Harris, Manager Finance and Administration</b>
	<b>Report Date:</b>	<b>27 August 2015</b>
	<b>Attachments:</b>	<b>Nil</b>

## **Background**

The Manager of the Donnybrook branch of the Bendigo Bank has confirmed the bank's continuing sponsorship of Council's Early Rate Payment Incentive Scheme.

The Bendigo Bank has sponsored the incentive scheme since 2004 and has annually donated funds of \$1,000 which are distributed on the basis of \$500 to the first drawn winner, \$300 to the second and \$200 to the third drawn winner.

Winners are drawn soon after the rates payment due date. All ratepayers who pay their rates in full on or before the due date are eligible. Councillors and staff are not eligible to participate.

Winners receive a Bendigo Bank account at the Donnybrook branch.

## **Comment**

Last year the winners of the early rate payment incentive prize were invited to attend a small morning tea to receive their prize. The morning tea was hosted by Council and attended by the prize winners (plus family members), Bendigo Bank Branch Manager, Shire President and Council staff. Whilst the morning tea is certainly appreciated by the prize winners who are able to attend, Council may wish to consider an alternate format for presentation of the prizes to the winners of the scheme.

## **Policy/Statutory/Voting Implications**

In accordance with section 6.46 of the *Local Government Act 1995* a local government may, when imposing a rate or service charge, resolve by absolute majority to grant a discount or other incentive for the early payment of any rate or service charge.

Voting – Absolute Majority

## **Financial Implications**

Prize offers financial incentive to ratepayers to pay early. Early payment assists Council cash flow and maximizes investment opportunities.

## Strategic Implications

N/A

## Officer's Recommended Resolution

**Moved: Cr**

**Seconded: Cr**

- 1. That Council accept the offer from the Donnybrook branch of the Bendigo Bank to sponsor Council's early rate payment incentive scheme and provide a total prize pool of \$1,000.**
- 2. That in accordance with section 6.46 of the Local Government Act 1995 Council offer the early rate payment incentive prize to ratepayers who pay their rates in full on or before the rates due date, being 16<sup>th</sup> October 2015.**
- 3. That following determination of the prize winners, Council hosts a suitable function to enable presentation of the prizes.**

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**Absolute Majority Required**

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## **6 CLOSURE OF MEETING**

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The Shire President advises that the date of the next Ordinary Council Meeting will be held on Wednesday, 23 September 2015, commencing at 5.00pm at the Shire of Donnybrook-Balingup – Council Chambers.

Shire President to declare the meeting closed.