



Shire of
Katanning
Heart of the Great Southern

'A prosperous, vibrant and diverse community working together.'

**NOTICE OF A
SPECIAL COUNCIL MEETING**

Dear Council Member

A Special Council Meeting of the Shire of Katanning will be held on
Tuesday 14 August 2018, in the Shire of Katanning Council Chambers,
14 Austral Terrace, Katanning, commencing at 6:00pm.

Julian Murphy
CHIEF EXECUTIVE OFFICER
Friday 10 August 2018

DISCLAIMER

The Council of the Shire of Katanning hereby
advises that before taking any action on an application or a
decision of the Council, any applicant or members of the
public should wait for written advice from the Council.

PRESIDING MEMBER _____

DATE SIGNED _____



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1. DECLARATION OF OPENING/ ANNOUNCEMENT OF VISTORS

The Presiding Member declared the meeting open at ____ pm.

2. RECORD OF ATTENDANCE**PRESENT**

Presiding Member: Cr Liz Guidera - President

Members: Cr John Goodheart
Cr Danny McGrath
Cr Serena Sandwell
Cr Martin Van Koldenhoven
Cr Owen Boxall
Cr Ernie Menghini
Cr Kristy D'Aprile

Council Officers: Julian Murphy, Chief Executive Officer
Lisa Hannagan, Executive Manager Finance and Administration
Elizabeth French, Manager Finance
Sophie Justins, Community Relations Officer

Gallery:

Media:

Apologies:

Leave of Absence:

3. RESPONSE TO PUBLIC QUESTIONS TAKEN ON NOTICE

4. DISCLOSURE OF FINANCIAL/IMPARTIALITY INTERESTS

5. PUBLIC QUESTION/STATEMENT TIME

6. APPLICATIONS FOR LEAVE OF ABSENCE

7. PETITIONS/DEPUTATIONS/PRESENTATIONS

8. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

9. ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

10. REPORTS OF COMMITTEES AND OFFICERS

10.1 EXECUTIVE MANAGER FINANCE & ADMINISTRATION REPORTS

10.1.1 2018/19 Annual Budget (ATTACHMENT)

File Ref:

Reporting Officer: Lisa Hannagan, Executive Manager Finance & Administration

Date Report Prepared: 10 August 2018

Issue:

To consider adopting the 2018/19 Budget for the Shire of Katanning.

Background:

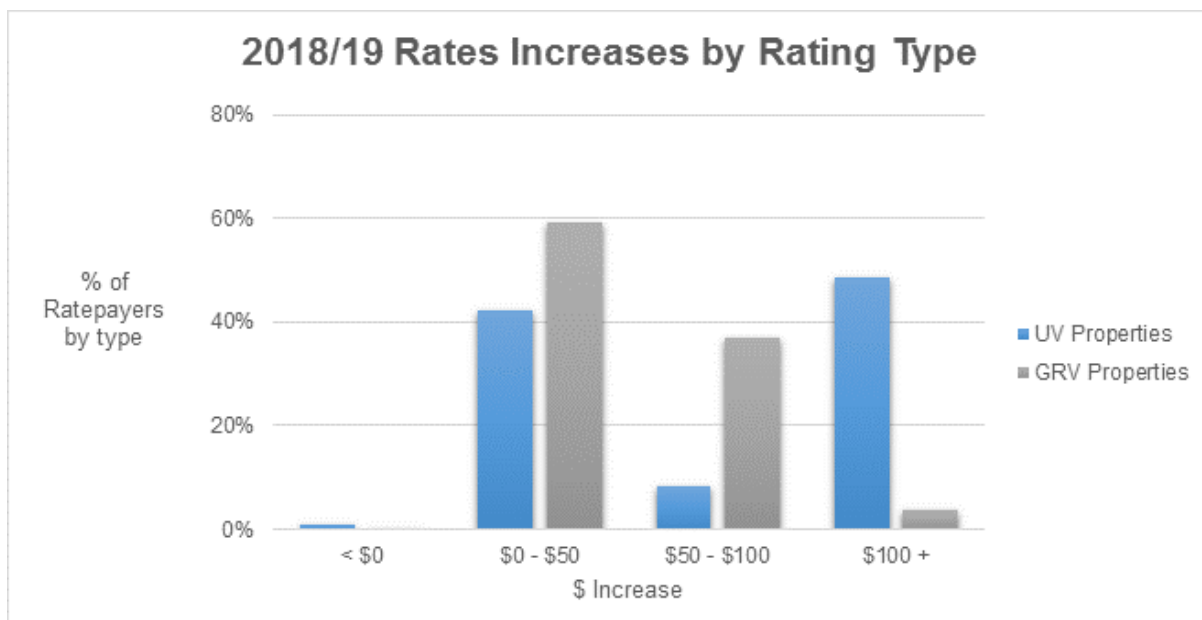
The *Local Government Act 1995*, S6.2, requires a Local Government to prepare and adopt a budget prior to 31 August.

Officer's Comment:

Commentary is provided for each recommendation:

1 & 2: Rates

The 2018/19 Annual Budget shows a 4.60% increase in rates revenue. After extensive modelling, Officers have determined that the rates model as recommended in this report is the most equitable for Katanning ratepayers. The graph below shows the percentage increase in the dollar for each rating type – gross rental value (GRV) and unimproved value (UV). The model as presented has the majority of ratepayers receiving increases form 2017/18 not greater than \$100; GRV Properties 96% and UV Properties 51%.



The higher percentage of UV properties receiving increases greater than \$100 is a result of some ratepayers grouping multiple parcels of rural land into one assessment. If each of these land parcels were rated individually, each property's increase would be more consistent with the

general trend, which on average is \$45 per assessment. Recent revaluations of the UV Rural classification (annual) saw an increase in value of \$10.7million.

3: Discount

The established practice at the Shire of Katanning is that Council offers a 2% discount to ratepayers who pay all rates outstanding in full within 35 days of the rates notice being issued. This is to encourage the prompt payment of rates for cashflow purposes and to maximise investment of available funds. This action assists to minimise rate increases by the inflow of interest from investments, while also aiming to minimise the extent of legal action taken on ratepayers. Section 6.46 of the *Local Government Act 1995* allows for a local government to grant a discount for early payment of rates. The 2018/19 budget forecasts a loss in revenue of \$43,000 by offering the 2% discount.

4: Payment Options

Section 6.50 of the *Local Government Act 1995* states that the due date on the rate notice is not to be less than 35 days from the date of issue. Section 6.45 of the *Local Government Act 1995* allows for a local government to provide payment options to ratepayers for the payment of rates. Consistent with prior financial year, ratepayers are offered three options to pay their outstanding rates; in full by the due date, by two instalments, or by four instalments.

5 & 6: Interest and Administration Charges for Instalment Options, and Penalty Interest

Where ratepayers choose to pay their rates by instalments Council is required to adopt a rate of interest to be charged for this option and to determine an administrative charge for this service. Similarly, Council is required to adopt the rate of penalty interest to be imposed on outstanding rates. These charges are consistent with prior years, and are as prescribed by the *Local Government Act 1995*.

7 & 8: Refuse, Recycling Charges and Waste Rate

These charges reflect the requirement for Council to recover the costs of waste disposal and treatment through corresponding revenue. While some operational expenditure has increased, this has been offset by the reduction of contractor charges as a result of renegotiated fees.

9: Schedule of Fees and Charges

The Schedule of Fees and Charges has been adopted by Council and is included in the budget document.

10: Material Variances

The monthly reporting for 2018/19 is proposed to be consistent with 2017/18 and prior financial years reporting: a variance of 10% or greater of the annual budget for each program area in the budget, as a level which requires an explanation or report, with a minimum dollar value of \$10,000.

11, 12 & 13: Elected Members fees and allowances

Section 7B(2) of the *Salaries and Allowances Act 1975* requires the Salaries and Allowances Tribunal, at intervals of not more than 12 months, to inquire into and determine the amount of: fees, or the minimum and maximum amounts of fees, to be paid under the Local Government Act 1995 ('the LG Act') to elected council members for attendance at meetings; expenses, or the minimum and maximum amounts of expenses, to be reimbursed under the LG Act to elected council members; and allowances, or the minimum and maximum amounts of allowances, to be paid under the LG Act to elected council members. The latest determination was made on 11 April 2017. In accordance with the Local Government Act 1995 section 5.99- Annual fee for council members in lieu for attending meetings, a Local Government may decide that instead of paying council members a fee referred to in section 5.98(1), it will instead pay all council members who attend council or committee meetings –

- The annual fee determined by the Salaries and Allowance Tribunal under Salaries and Allowance Act 1975 section 7B; or
- Where the local government has set a fee within the range for annual fees determined by that Tribunal under that section, that fee. In accordance with the Local Government Act 1995 section 5.98(5) Fees etc for Council members. The mayor or president of a local government is entitled, in addition to any entitlement that he or she has under subsection (1) or (2), to be paid –
- The annual local government allowance determined for mayors or presidents; or
- Where the local government has set an annual local government allowance within the range determined for annual local government allowances for mayors or presidents that allowance.

In accordance with the *Local Government Act 1995* section 5.98A – Allowance for deputy mayor or deputy president, a local government may decide to pay the deputy mayor or deputy president of the local government an allowance of up to the percentage that is determined by the Salaries and Allowance Tribunal under the Salaries and Allowance Act 1975 section 7B of the annual local government allowance to which the mayor or president is entitled under section 5.98(5).

In accordance with section 7B (2) of the Salaries and Allowance Act 1975 the Salaries and Allowances Tribunal is required to “inquire into and determine –

- The amount of fees, or the minimum and maximum amount of fees, to be paid under the Local Government Act to elected council members for attendance at meetings, and
- The amount of expenses, or the minimum and maximum of expenses, to be reimbursed under the Local Government Act 1995 to elected council members; and
- The amount of allowances or the minimum and maximum amounts of allowances, to be paid under the Local Government Act 1995 to elected council members.”

It has been determined that the Shire of Katanning is a Band 3 in the Tribunal’s local government banding model.

For a council member who holds the office of mayor or president, the annual fee range is:

Minimum	Maximum
\$7,612	\$25,091

For a council member other than the mayor or president, the annual fee range is:

Minimum	Maximum
\$7,612	\$16,205

The fee range for an annual allowance for a Mayor, President or Chairman is:

Minimum	Maximum
\$1,015	\$36,591

The fee range for an annual allowance for ICT expenses is:

Minimum	Maximum
\$500	\$3,500

Officer's Comment:

The draft budget was presented to Councillors' and reviewed at the Budget Workshops held:

1. Wednesday 30 May 2018;
2. Tuesday 12 June 2018;
3. Tuesday 3 July 2018; and
4. Thursday 26 July 2018.

As presented the draft budget allows for an increase in rates revenue of 4.60% from the 2017/18 budget. Significant changes beyond Council's control impact this year's budget and subsequent rates increase.

It is recommended that Council adopt a balanced budget.

Statutory Environment:

Local Government Act 1995, Section 6.2

Policy Implications:

There are no policy implications to adopting the annual Budget.

Financial Implications:

Budget of estimated income and expenditure for the 2018/19 financial year.

Strategic Implications:

Shire of Katanning Strategic Community Plan 2017 – 2027

PRIORITY	LEADERSHIP	
ASPIRATION	L2	A collaborative, progressive and resilient local government which is sustainably resourced.
OBJECTIVE	L2.1	Optimise use of shire resources – improve organisational systems.

Officer's Recommendation/Council Motion:

OC/18 That Council, with respect to the 2018/19 Budget for the Shire of Katanning adopts the following:

1. **General Rates - the following rates be imposed on rateable property for 2018/19:**
 - **Gross Rental Values (GRV) \$0.102450**
 - **Unimproved Values (UV) \$0.010410**
2. **Minimum Rates - the following minimum rates be imposed on rateable property for 2018/19:**
 - **Unimproved Values (UV) \$991**
 - **Gross Rental Values (GRV) \$991**
3. **Discount – That Council grants a discount of 2% of the value of current rates (rates levied in 2018/19) if all rates and charges appearing on the rate notice including arrears are paid in full within 35 days of issue of the rates assessment notice.**
4. **Payment Options – that Council adopts the following options for the payment of rates and charges for 2018/19:**

Option 1 (Full Payment)

- **Full amount, less any entitled discount, of rates and charges including arrears to be paid on or before 35 days after the date of service appearing on the rate notice. Granting a 2% discount on this option.**

Option 2 (2 Instalments)

- **The first instalment of 50% of the total current rates and charges, instalment charges plus the total outstanding arrears payable, within 35 days from the date of issue of the rate notice.**
- **The second instalment of 50% of the total current rates and charges and instalment charges, payable 4 months from the due date of the first instalment.**

Option 3 (4 Instalments)

- **The first instalment of 25% of the total current rates and charges and instalment charges plus the total outstanding arrears payable, within 35 days from the date of issue of the rate notice.**
- **The second, third and fourth instalments, each of 25% of the current rates and charges and instalment charges, payable at two monthly intervals after the due date of the first instalment.**

5. **Interest and Administration Charges for Instalment Options – that Council in accordance with 6.45 of the Local Government Act 1995 imposes the following charges:**
- a) An administrative charge of \$10 per instalment notice; and
 - b) Interest of 5.5% per annum on rates paid by instalments in 2018/19.
6. **Penalty Interest on Overdue Rates – that Council imposes a penalty interest rate of 11% per annum to be imposed on outstanding rates in 2018/19 in accordance with 6.51 of the Local Government Act 1995.**
7. **Refuse and Recycling Charges – That Council in accordance with section 67 of the Waste Avoidance and Resource Recovery Act 2007, imposes the following charges for 2018/19 for the collection and disposal of refuse:**
- | | |
|------------------------------------------------------|-------|
| • Domestic service 240 litre bin, per bin per year | \$356 |
| • Domestic Service (additional 240 litre bin) | \$356 |
| • Domestic Service 120 litre bin, per bin per year | \$270 |
| • Commercial service 240 litre bin. Per bin per year | \$356 |
| • Commercial service (additional 240 litre bin) | \$356 |
| • Commercial Service 120 litre, per bin per year | \$270 |
| • Street Bin Collection, per bin per year | \$168 |
| • Commercial waste management charge | \$99 |
8. **Waste Rate – That Council in accordance with section 66 of the Waste Avoidance and Resource Recovery Act 2007, imposes a waste rate for 2018/19 for the provision of waste services in Katanning. This includes the provision of a local refuse site and street sweeping.**
- Waste Rate:**
- | | |
|-----------------------------|----------|
| • Unimproved Values (UV) | \$0.0001 |
| • Gross Rental Values (GRV) | \$0.0001 |
- Minimum Waste Rate:**
- | | |
|-----------------------------|---------|
| • Unimproved Values (UV) | \$31.00 |
| • Gross Rental Values (GRV) | \$31.00 |
- 8a. **Soil Conservation Charge. Under Section 25A of *Soil and Land Conservation Act 1945*, a charge of \$35 per rateable assessment is levied across all ratepayer categories.**
9. **Fees and Charges – Were adopted at the May OCM in accordance with section 6.16 of the *Local Government Act 1995*.**
10. **Material Variances – In relation to financial reporting in 2018/19, adopt a variance of 10% or greater of the annual budget for each program area in the budget, as a level which requires an explanation or report, with a minimum dollar value of \$10,000.**

11. **Elected Members Meeting Attendance Fees - adopts the annual sitting fee option and the fee for 2018/19 be set at:**
 - **Councillors \$10,000 per Councillor**
 - **President \$10,000 President**
12. **President and Deputy President Allowances – for 2018/19 adopts the annual allowance for the President of \$20,000 and for the Deputy President \$5,000.**
13. **Information and Communication Technology Allowance – for 2018/19 adopts an annual information and communications technology allowance of \$1,100 per elected member.**
14. **Adoption of Annual Budget – that Council adopts the annual budget for 2018/19.**

Voting Requirement: Absolute Majority

CARRIED/LOST:

11. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING

Nil.

12. CONFIDENTIAL ITEM

Nil.

13. CLOSURE OF MEETING

The Presiding Member declared the meeting closed at ___ pm