



MISSION AND VALUES OF COUNCIL

"A Sustainable Community that is inclusive, attractive, healthy and pleasant to live in, that uses our land so as to preserve our history and environment, respects the rights and equality of our citizens and manages our future growth wisely."

AGENDA

FOR THE

SPECIAL MEETING OF COUNCIL

HELD IN THE COUNCIL CHAMBERS AT 4.00PM

11 JULY 2007

OUR MISSION

"To provide a quality range of affordable and sustainable services to our community with a strong commitment to customer focus so that our citizens and visitors enjoy a quality lifestyle."

CORE VALUES OF THE SHIRE

The core values that underpin the achievement of the mission will be based on a strong customer service focus and a positive attitude:

Communication

Respect

Integrity

Transparency

Courtesy

SHIRE OF BROOME
SPECIAL COUNCIL MEETING
11 JULY 2007

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NOTICE OF MEETING

Dear Council Member,

The next Special Meeting of the Shire of Broome will be held on Wednesday 11 July 2007 in the Council Chambers, Corner Weld and Haas Streets, Broome, commencing at 4.00pm for the purpose of:

- Adopting the 2007/08 Budget

Regards

Allan Ralph
Acting Chief Executive Officer

6 July 2007

1. OFFICIAL OPENING

2. ATTENDANCE AND APOLOGIES

Attendance

Leave of Absence

Apologies

Officers

Public Gallery

3. DECLARATIONS OF FINANCIAL INTEREST

Councillor	Item No	Page	Item	Nature of Interest

Correspondence had been sought from the Department of Local Government and Regional Development advising that the Director General has approved Council's application under S.5.69(3)(a) of the Local Government Act 1995 to allow Councillors to debate and vote on Item 9.1.6 - 2007/2008 Budget – Adoption.

4. PUBLIC QUESTION TIME

5. CONFIRMATION OF MINUTES

N/A

6. ANNOUNCEMENTS BY PRESIDENT WITHOUT DISCUSSION

7. PETITIONS

8. MATTERS FOR WHICH MEETING MAY BE CLOSED

9.

REPORTS

OF

OFFICERS

9.1

LEADERSHIP / GOVERNANCE

AND

ORGANISATION



OUTCOME

*To provide open, transparent and good governance
to the community.*

9.1.1 DIFFERENTIAL RATES

LOCATION/ ADDRESS:	N/A
APPLICANT:	N/A
FILE:	ARA01
AUTHOR:	Manager Financial Services
CONTRIBUTOR/S:	Nil
RESPONSIBLE OFFICER:	Director Corporate Services
DISCLOSURE OF ANY INTEREST:	N/A
DATE OF REPORT:	02 July 2007

SUMMARY: Adoption of differential rates for the 2007/2008 financial year.

BACKGROUNDPrevious Considerations

SM 11 June 2007 - Item 9.4.1

Advertising

At a Special Meeting of Council held on 11 June 2007 the proposed differential rates were considered for the forthcoming financial year. In endorsing the differential rates for advertising, the rating objectives have given due regard to taxation principles and the range and levels of service provided by the Shire of Broome.

Submissions on differential rates were advertised 14 June 2007 in the West Australian, and closed at 4pm 5 July 2007. Submissions were received from:

Mr Todd Barker, Lot 17 Yamashita St, Twelve Mile, commented that the twelve mile subdivision has very little infrastructure compared to town, except for a federally funded road. There is poor road signage, no parks, ovals or POS, no rubbish collection service or public rubbish bins. Furthermore there are no main highway street lights, no bus service, no mobile phone coverage, poor TV reception and no town water supply. Mr Barker was concerned about the effect of rate rises on rental housing costs and thought that the cutting of services was a good option, especially the first part of Guy Street lawn mowing which appears to receive a royal service for private owners.

COMMENT

The Strategic Financial Plan workshopped by Council in 2007 planned for rate increases of 3% growth, 4% CPI (set by Council) and an additional amount of 1.5% (also set by Council). This results in a general increase to the ratepayer of 5.5% and increase in rate revenue for the Shire of 8.5%. The recommended differential rates for which public submissions must be called have been prepared in light of growth determined at 2.9%, CPI at 3.5%, and an additional amount of 8.45% for current AWA negotiations resulting in an 11.95% general increase.

AWA negotiations added approximately \$857,000 to the financial plan and new submissions totalled \$1,957,000. Council have the option of deferring \$500,000 of new submissions in order to reduce the general rate increase to 9.95%.

The have been no significant changes in rating objects for the 2007/2008 year.

Growth

Growth in the number of rateable properties during 2006/2007 will take the Shires rate revenue from \$8.863 million to \$9.117 million, that's an increase of 2.9%, which is lower than the expected growth of 3%. All things being equal, lower growth outcomes transfer the effect to the general increase in rates.

Tourism Differential Factor

As Councillors are aware, the Shire has previously added a loading of 3% for commercial properties and 13% for tourism properties, the proceeds of which are available for tourism initiatives and the marketing of tourism in Broome. Current tourism related allocations include \$168,000 to Australia's North West, \$55,000 of the operating contribution to the Broome Visitors Centre and \$123,250 principle and interest repayments for construction of the new Broome Visitors Centre.

Based on the 11.95% increases, the proceeds available from this "factor" amount to \$251,000 up from \$214,000.

Based on the 9.95% increases, the proceeds available from this "factor" amount to \$247,000 up from \$214,000.

Concessional Rates

There will be no rate concessions applied in 2007/2008.

Rural Rating/GRV Rating Non-Rural land uses

Council resolved to spot rate rural caravan parks and service stations using Gross Rental Value valuations, based on their improvements, however this did not progress during the previous financial year. The process to change the basis of rating valuation is quite lengthy, to allow for appropriate consultation, and officers have included this objective in their service plan for 2007/2008. The review may involve a broadening of the scope to review the basis of valuation for all rural land, because changes in predominant purposes of land use can be detected by trends of sharp increases in unimproved values.

Minimum Rate

The minimum rate is consistent for all categories of rates, and has been set at \$828. Last years rate was \$740.

This reflects an 11.95% increase consistent with the general increase.

An alternative increase of 9.95% would set a minimum of \$814.

Boundary Changes

The recent change to Kimberley local government boundaries has resulted in Broome losing two Dampier Pastoral properties to Derby, that being Yeeda and Yakkamunga stations, resulting in a loss of \$6,000 in rating income. Staff have chosen to offset this loss by increasing the estimate of interim rates.

Unimproved Valuations (UV)

Unimproved valuations are revised each year however the information from the Valuer Generals Office was not to hand at the time of pre-budget workshops and special meetings. Rates in the dollar have been adjusted for each differentially rated UV category group such that the yield is retained at the general rate increase as set by Council.

Changes to UV rates in the dollar as a result of revaluations were;

<i>DIFFERENTIAL RATE CATEGORY</i>	<i>CENTS IN THE DOLLAR</i>
<i>Dampier Pastoral (UV)</i>	<i>8.5364 to 7.0080</i>
<i>Dampier Mining (UV)</i>	<i>9.3562 to 9.3562</i>
<i>Dampier Coconut Wells (UV)</i>	<i>0.4020 to 0.2161</i>
<i>Dampier Twelve Mile (UV)</i>	<i>0.4120 to 0.2433</i>
<i>Dampier Short Stay Accom (UV)</i>	<i>3.6636 to 3.3310</i>
<i>Dampier Pearl Leases and Commercial Operations (UV)</i>	<i>3.5569 to 2.5900</i>
<i>Dampier Horticulture and Wattle Downs (UV)</i>	<i>1.4228 to 0.9783</i>
<i>Dampier Skuthorpe (UV)</i>	<i>0.5709 to 0.3841</i>

Final comment

In summary if Council supports the above recommendations then the overall rate yield will be around \$10.038 million plus approximately \$166,000 in interim rates.

The rate increase of 11.95% has been calculated to meet the demands of the AWA negotiations, and has taken into account all but \$500,000 impact of the new submissions process undertaken during pre-budget deliberations.

Every 1% change in general rates has an effect of \$90,000. At present the draft budget has a surplus of ~\$180,000 therefore Council has the option of reducing general rates by 2% in order to lower the general rate increase to 9.95%.

CONSULTATION

To be undertaken as per the Local Government Act

STATUTORY ENVIRONMENT

Section 6.33 of the Local Government Act 1995, provides that a local government may impose differential general rates according to any, or a combination, of the following characteristics –

- "a) *the purpose for which the land is zoned under a town planning scheme in force under the Town Planning and Development Act 1928;*
- b) *the predominant purpose for which the land is held or used as determined by the local government;*
- c) *whether or not the land is vacant land; or*
- d) *any other characteristic or combination of characteristics prescribed."*

Note: Ministerial approval has been sought in 2007/2008, under section 6.33(3), for the Shire imposing differential rates that exceed the statutory two times limit in the Shire's unimproved value area.

Section 6.36 of the Local Government Act 1995 states that:

- (1) Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so.
- (3) A notice referred to in subsection (1) is to contain —
 - (i) details of each rate or minimum payment the local government intends to impose;
 - (ii) an invitation for submissions to be made by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters within 21 days (or such longer period as is specified in the notice) of the notice; and
- (4) The local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.

Note: State wide public notice was included in the Thursday 14 June 2007 edition of the West Australian, calling for public submissions until 4pm Thursday 5 July 2007.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

As outlined, the proposed differential rates increase of 11.95% will yield an amount of \$10.204 million, which is calculated to meet the requirements of the current AWA negotiations.

An alternative increase of 9.95% will reduce the yield by \$180,000.

STRATEGIC IMPLICATIONS

People

Effectively engage with our community by encouraging participation and providing information.

Place

Ensure the Shire's infrastructure and assets are strategically planned and managed.

Prosperity

Build the Shire's organisational capacity to service the needs of a growing community.

Support business and economic development.

Partner with other agencies to ensure affordable and equitable services and infrastructure.

VOTING REQUIREMENTS

Absolute Majority

REPORT RECOMMENDATION

1. That Council adopts the following rates in the dollar for a general rate increase of 11.95%:

DIFFERENTIAL RATE CATEGORY	CENTS IN THE DOLLAR
Broome Residential (GRV)	9.4823
Broome Commercial Group	9.7662
Broome Tourism Group	10.6681
Dampier Pastoral (UV)	7.0080
Dampier Mining (UV)	9.3562
Dampier Coconut Wells (UV)	0.2161
Dampier Twelve Mile (UV)	0.2433
Dampier Short Stay Accom (UV)	3.3310
Dampier Pearl Leases and Commercial Operations (UV)	2.5900
Dampier Horticulture and Wattle Downs (UV)	0.9783
Dampier Skuthorpe (UV)	0.3841
Minimum Rates (all categories)	\$828

Moved: **Seconded:** **FOR:**
AGAINST:

9.1.2 ADOPTION OF MINIMUM RATES

LOCATION/ ADDRESS: N/A
APPLICANT: N/A
FILE: ARA01
AUTHOR: Manager Financial Services
CONTRIBUTOR/S: Nil
RESPONSIBLE OFFICER: Director Corporate Services
DISCLOSURE OF ANY INTEREST: N/A
DATE OF REPORT: 03 July 2007

SUMMARY: Adoption of minimum rate.

BACKGROUNDPrevious Considerations

SM 11 June 2007 - Item 9.4.1

Minimum Rate History

Council has adopted the following minimum rates over the past five (4) years:

2003	\$489
2004	\$531
2005	\$629
2006	\$740

2007	\$828 [Proposed at general increase of 11.95%]
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A Property Rates discussion paper issued in 2005 noted that the Shire of Broome minimum rate was relatively low compared to similar Local Governments. Council resolved to increase the minimum rate to an appropriate level.

COMMENT

The purpose of adopting minimum rates is to overcome low valuations associated with vacant land etc. and ensure that all property owners make a fair contribution towards the operations of Council. The minimum rate has been increased in line with the general rate increase of 11.95%. A general rate increase of 9.95% would reduce the minimum to \$814.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Local Government Act 1995

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

People

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Place

Ensure the Shire's infrastructure and assets are strategically planned and managed.

Prosperity

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VOTING REQUIREMENTS

Absolute Majority

REPORT RECOMMENDATION

That Council sets the minimum rate for all properties at \$828.00 for the 2007/2008 financial year.

COUNCIL RESOLUTION

Moved:

Seconded:

FOR:
AGAINST:

9.1.3 ADOPTION OF INTEREST AND PENALTY CHARGES

LOCATION/ ADDRESS: N/A
APPLICANT: N/A
FILE: ARA01
AUTHOR: Manager Financial Services
CONTRIBUTOR/S: Nil
RESPONSIBLE OFFICER: Director Corporate Services
DISCLOSURE OF ANY INTEREST: N/A
DATE OF REPORT: 03 July 2007

SUMMARY: Adoption of interest and penalty charges.

BACKGROUND

Previous Considerations

Nil

Details of the proposed charges schedule follow: -

Interest Charges and Instalments	Interest Rate/ Charge		Administration Charges		Interest Charges		Total Yield	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07
Type of Interest Charge/Income								
Interest on Rates Unpaid	11.00%	11.0%			26,000	26,244	26,000	26,244
Interest on Outstanding Debts	0.00%	0.0%			-	-	-	-
Interest on Instalments Plan	5.50%	5.5%			36,000	38,888	36,000	38,888
Charges on Instalments	\$7	\$7	23,000	24,346			23,000	24,346
Charge on Alternative Instalment Plans	\$0							
Pensioner Deferred Rate Interest Income	N/A	N/A			200	-	200	-
Totals			23,000	24,346	62,200	65,132	85,200	89,478

COMMENT

Overdue and Instalment Charges

Under the Local Government Act, Council is able to charge interest on unpaid rates and the rates instalment plan. The maximum interest rate for unpaid rates is prescribed by regulation 19A and is currently 11% and 5.5% respectively.

Instalment charges under regulation 67 are set to provide a full or partial reimbursement of administration costs. The individual instalment fee of \$7 is set to reflect the increase of administration handling.

Alternative instalment plans are those that fall outside of the standard arrangements and by their nature often involve a greater degree of staff time and can involve a greater number of instalment transactions over a longer period. No instalment fees are charged for these arrangements.

CONSULTATION

N/A

STATUTORY ENVIRONMENT

Local Government Act 1995

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

As above

STRATEGIC IMPLICATIONS

People

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Place

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Prosperity

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VOTING REQUIREMENTS

Absolute Majority

REPORT RECOMMENDATION

That for the 2007/2008 financial year Council adopts the following charges: -

<i>Interest on Unpaid Rates</i>	<i>11%</i>
<i>Interest on Instalment Plan</i>	<i>5.5%</i>
<i>Charges on Instalment</i>	<i>\$ 7</i>

Moved:

Seconded:

**FOR:
AGAINST:**

9.1.4 FEES AND CHARGES - ADOPTION

LOCATION/ ADDRESS:	N/A
APPLICANT:	N/A
FILE:	ACC01
AUTHOR:	Manager Financial Services
CONTRIBUTOR/S:	Nil
RESPONSIBLE OFFICER:	Director Corporate Services
DISCLOSURE OF ANY INTEREST:	Nil
DATE OF REPORT:	03 July 2007

SUMMARY: Adoption of fees and charges

BACKGROUNDPrevious Considerations

Nil

COMMENT

A comparative fee schedule has been provided to Council in the budget document.

There are a number of Acts that guide and in some circumstances set the level of fees and charges. In the fees and charges schedule the respective empowering legislation is noted. Under the Local Government Act, Council may impose a fee or a charge. The respective section is reproduced here for Councillors information.

"6.16. Imposition of fees and charges

1. *A local government may impose* and recover a fee or charge for any goods or service it provides or proposes to provide, other than a service for which a service charge is imposed.*
 - *Absolute majority required.*
2. *A fee or charge may be imposed for the following —*
 - a) *providing the use of, or allowing admission to, any property or facility wholly or partly owned, controlled, managed or maintained by the local government;*
 - b) *supplying a service or carrying out work at the request of a person;*
 - c) *subject to section 5.94, providing information from local government records;*
 - d) *receiving an application for approval, granting an approval, making an inspection and issuing a licence, permit, authorization or certificate;*
 - e) *supplying goods;*
 - f) *such other service as may be prescribed.*
3. *Fees and charges are to be imposed when adopting the annual budget but may be —*
 - a) *imposed* during a financial year; and*
 - b) *amended* from time to time during a financial year.*
 - *Absolute majority required.*

6.17. Setting the level of fees and charges

1. *In determining the amount of a fee or charge for a service or for goods a local government is required to take into consideration the following factors —*
 - a) *the cost to the local government of providing the service or goods;*
 - b) *the importance of the service or goods to the community; and*
 - c) *the price at which the service or goods could be provided by an alternative provider.*
2. *A higher fee or charge or additional fee or charge may be imposed for an expedited service or supply of goods if it is requested that the service or goods be provided urgently.*
3. *The basis for determining a fee or charge is not to be limited to the cost of providing the service or goods other than a service —*
 - a) *under section 5.96;*
 - b) *under section 6.16(2)(d); or*
 - c) *prescribed under section 6.16(2)(f), where the regulation prescribing the service also specifies that such a limit is to apply to the fee or charge for the service.*
4. *Regulations may —*
 - a) *prohibit the imposition of a fee or charge in prescribed circumstances; or*
 - b) *limit the amount of a fee or charge in prescribed circumstances."*

Staff have reviewed Council's fees and charges and this year sees an increase in a number of fees, although some fees controlled by state regulation may not have incremented. Any shading of fees in the 2007/2008 column indicates a change since the last distribution of the fees and charges schedule at the workshop 15 May 2007.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Local Government Act, 1995 and associated Regulations
Town Planning Act and associated Regulations
Health Act 1911 & associated Regulations
Freedom of Information Act & associated Regulations
Litter Act & associated Regulations
Dog Act & associated Regulations

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Planned increase in fees and charges revenue.

STRATEGIC IMPLICATIONS

People

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Place

Ensure the Shire's infrastructure and assets are strategically planned and managed.

Prosperity

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Support business and economic development.

Partner with other agencies to ensure affordable and equitable services and infrastructure.

VOTING REQUIREMENTS

Absolute Majority

<p><u>REPORT RECOMMENDATION</u></p> <p><i>That Council adopts the fees and charges as listed in the 2007/2008 Draft Budget document from 11 July 2007.</i></p>		
<p>Moved:</p>	<p>Seconded:</p>	
		<p>FOR: AGAINST</p>

9.1.5 RUBBISH CHARGES - ADOPTION

LOCATION/ ADDRESS:	N/A
APPLICANT:	N/A
FILE:	ACC01
AUTHOR:	Manager Financial Services
CONTRIBUTOR/S:	Nil
RESPONSIBLE OFFICER:	Director Corporate Services
DISCLOSURE OF ANY INTEREST:	N/A
DATE OF REPORT:	03 July 2007

SUMMARY: Adoption of rubbish and recycling charges.

BACKGROUNDPrevious Considerations

SMC 150806 – Item 9.1.5
 OMC 070607 – Item 9.3.10

Rubbish and Recycling Contract

At the Special Meeting of Council in August 2006, Council resolved to:

1. *With the exception of eligible pensioners as defined in point 2, adopts a charge of \$267 per annum for the 2006/2007 financial year for a rubbish service which includes one (1) pick up per week of general refuse and one (1) pick up per fortnight of recycling refuse for all properties excluding caravan parks;*
2. *Adopts a subsidised charge of \$133.50 per annum which includes one (1) pick up per week of general refuse and one (1) pick up per fortnight of recycling refuse to eligible Pensioners who are able to claim a rebate under the Rates and Charges (Rebates & Deferments) Act 1992 and are defined as eligible pensioners under Section 23 of that Act.*
3. *Adopts a charge for caravan parks of \$267 per annum for the 2006/2007 financial year for a first (compulsory) rubbish service and adopt a charge for caravan parks who request an additional service/s of \$3.50 plus GST per lift of either a domestic rubbish or recycling sulo;*
4. *Adopts an administration charge of \$75 for each occasion that a service is altered more than twice per financial year.*

Historically a separate charge for the caravan parks has been negotiated with Kimberley Waste Services to encourage the parks to recycle. Kimberley Waste Services reduced their tendered charge for recycling so that there was a financial incentive to recycle.

After consultation with the Caravan Park Operators, the following was decided:

- The rubbish charge to the caravan park operators would be invoiced for additional services based on the number of lifts.
- The charge would be the same rate for refuse and recycling pickups. Otherwise there would be no incentive to recycle.
- This charge is unique to the Caravan Parks because Kimberley Waste Services offer the reduced tendered rate for recycling.

COMMENT

The current rubbish and recycling contract has been re-tendered, consequently a new refuse disposal and recycle charge was determined for the Caravan Park Operators that reflects the new cost of the service to the Shire. Council resolved at the OMC 070607 that:

"That Council adopts a refuse and recycling charge for Caravan Park Operators for 2007/2008 of \$3.12 per lift."

The Shire of Broome in 2006/2007 provided a 50% subsidy to eligible pensioners for the rubbish service. The Strategic Financial Plan has planned to phase out the subsidy over a period of four years. As such, the budget includes a rubbish subsidy of 25% requiring payment of \$208 for the rubbish service to eligible pensioners, however pensioners will continue to receive a rate subsidy on general rates from State Revenue. Rubbish service charges are a direct fee for service with the strategic aim of a stand alone user pays system to cover all matters of waste management, without the need for subsidisation from general rate revenue.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Health Act, 1911 (Section 106)
Local Government Act, 1995

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

People

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Place

Ensure the Shire's infrastructure and assets are strategically planned and managed.

Prosperity

Build the Shire's organisational capacity to service the needs of a growing community.

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Partner with other agencies to ensure affordable and equitable services and infrastructure.

VOTING REQUIREMENTS

Absolute Majority

REPORT RECOMMENDATION

That Council:

5. *With the exception of eligible pensioners as defined in point 2, adopts a charge of \$277 per annum for the 2007/2008 financial year for a rubbish service which includes one (1) pick up per week of general refuse and one (1) pick up per fortnight of recycling refuse for all properties excluding caravan parks;*
6. *Adopts a subsidised charge of \$208 per annum which includes one (1) pick up per week of general refuse and one (1) pick up per fortnight of recycling refuse to eligible Pensioners who are able to claim a rebate under the Rates and Charges (Rebates & Deferments) Act 1992 and are defined as eligible pensioners under Section 23 of that Act.*
7. *Adopts a charge for caravan parks of \$277 per annum for the 2006/2007 financial year for a first (compulsory) rubbish service and adopt a charge for caravan parks who request an additional service/s of \$3.12 (excl GST) per lift of either a domestic rubbish or recycling sulo;*
8. *Adopts an administration charge of \$75 for each occasion that a service is altered more than twice per financial year.*

Moved:

Seconded:

**FOR:
AGAINST:**

9.1.6 2007/2008 BUDGET - ADOPTION

LOCATION/ ADDRESS:	N/A
APPLICANT:	N/A
FILE:	ACC01
AUTHOR:	Manager Financial Services
CONTRIBUTOR/S:	Nil
RESPONSIBLE OFFICER:	Director Corporate Services
DISCLOSURE OF ANY INTEREST:	Nil
DATE OF REPORT:	4 July 2007

SUMMARY: Adoption of the 2007/2008 budget.

BACKGROUNDPrevious Considerations

Nil

Budget Process

The budget process commenced in March and sets out to achieve the following objectives:

1. Councillors and officers have adequate opportunity for input,
2. Responsibility and accountability for budgets is conveyed to the relevant officer responsible with clear audit trails on any changes, and
3. Completion of documentation in a timely manner by the end of June including the formal Council meeting to adopt the budget in early July.

In preparing the budget, officers have used the financial plan and the prioritised budget submissions as a guide. At each stage through the process reference has been made to the Shires strategic Financial Plan to provide a strategic focus for the allocation of resources.

Budget submissions closed 26th March, however submissions for the following budget can be made at anytime prior to the next closing date.

A draft budget workshop was held 15th May to discuss the Staff budget, Fees & Charges and the capital programs for Building, Roadworks and Parks.

A Special Meeting of Council was held 30th May to consider outcomes from workplace agreement negotiations.

A Special Meeting of Council was held 11th June to consider a general rate increase and call for public submissions for differential rates.

A final draft budget workshop was held on 3rd July, which provided information for Councillors including budget surplus position, list of submissions included and excluded from draft budget, financial plan comparisons, capital budgets, fees & charges and account detail. At this workshop it was highlighted that Council had options regarding the general rate or budget submissions.

The budget document itself is in statutory form and includes statutory statements and notes, supporting program schedules and appendices.

COMMENT

The 2007/2008 Draft Annual Budget currently has a surplus of \$180,821. Officers have not prioritised the use of these surplus funds; instead a number of suggestions are made for Council consideration.

The draft budget has been prepared using the advertised general rate increase of 11.95%; therefore the first option for council to consider could be to reduce the general rate increase to 9.95% to balance the budget.

A second option could be to peruse the \$1,900,000 list of submissions, noting that \$1,400,000 of submissions were included in the draft and \$500,000 were deferred as lower priorities. Council has the option of adding back up to ~\$180,000 worth of listed submissions whilst maintaining the advertised rate increase of 11.95%.

The general purpose funding requirement for this budget of \$12.406 million is 4.7% above financial plan estimates, with an additional \$706,000 going into capital and financing activities.

Other revenue is 1% above financial plan estimates at \$7.618 million.

Operating expenditure is within 0.5% of financial plan estimates with increases in employee costs from AWA negotiations mainly offset by lower material and contract expenditure.

In the capital area the budget makes provision for \$901,000 building works; \$540,000 drainage; \$386,000 parks and ovals; \$2.495 million road works; and \$236,000 other infrastructure works; \$2.176 million of plant and equipment acquisitions and a \$662,000 reduction of existing council debt.

Funding for the capital activities is derived from grants and developer contributions of \$1.404 million; sale of assets of \$525,000; loan proceeds of \$450,000; previous years unspent loans and grants of \$110,000 and net reserve transfers of \$811,000.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Local Government Act, 1995

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

The budget is the primary financial document for the 2007/08 financial year. The intention is that a budget will be balanced such that all revenues match expenditures and the Shire concludes the year with a zero current position.

This year the budget has been prepared with a surplus providing Council with the option of further considerations towards the general rate increase or reprioritising new submissions.

STRATEGIC IMPLICATIONS

1. Social

The budget reflects, as far as possible, Strategic Actions and the Strategic Financial Plan

2. Environmental

The budget reflects, as far as possible, Strategic Actions and the Strategic Financial Plan

3. Economic

The budget reflects, as far as possible, Strategic Actions and the Strategic Financial Plan

VOTING REQUIREMENTS

Absolute Majority

<p><u>REPORT RECOMMENDATION</u></p> <p><i>That Council adopts the 2007/2008 budget.</i></p>		
<p>Moved:</p>	<p>Seconded:</p>	<p>FOR: AGAINST:</p>