



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 7.00PM

24 JULY 2008

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
24 JULY 2008

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NOTICE OF MEETING

Dear Council Member,

The next Special Meeting of the Shire of Broome will be held on Thursday 24 July 2008 in the Council Chambers, Corner Weld and Haas Streets, Broome, commencing at 7.00pm for the purpose of:

- Setting differential rates
- Setting minimum rates
- Setting interest and penalty charges
- Setting fees and charges
- Setting rubbish charges
- Adopting the 2008/09 Budget

Regards



KR Donohoe
Chief Executive Officer

3 July 2008

1. OFFICIAL OPENING

2. ATTENDANCE AND APOLOGIES

Attendance

Leave of Absence

Apologies

Officers

Public Gallery

3. DECLARATIONS OF FINANCIAL INTEREST

Councillor	Item No	Page No	Item	Nature of Interest

4. PUBLIC QUESTION TIME

5. CONFIRMATION OF MINUTES

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 2008

SUMMARY: Adoption of differential rates for the 2008/2009 financial year.

BACKGROUNDPrevious Considerations

SM 1 July 2008 - Item 9.4.1

Advertising

At a Special Meeting of Council held on 1 July 2008 the proposed differential rates were considered for the forthcoming financial year. In endorsing the differential rates for advertising, the rating objectives gave due regard to principles of taxation and the range and levels of service provided by the Shire of Broome.

Submissions on differential rates were advertised 3 July 2008 in the Broome Advertiser and 5 July in the West Australian, and closed at 4pm 24 July 2008. Submissions were received as per attachment.

COMMENT

This year, Councillors have participated in three budget and long term financial planning workshops 22 May 2008, 28 May 2008 and 23 June 2008. During these workshops all new initiatives, major projects, strategic issues and key performance indicators have been considered in terms of budget impact.

The Executive have sought to implement prioritised objectives within the context of a balanced draft budget, using reasonable funding estimations. The draft budget as proposed will be based upon a general increase in rates of 8.75%, which compares to 9.95% from the previous year, a reduction of 1.2%.

The recommended differential rates for which public submissions must be called have been prepared in light of growth determined at 6.5%, the WALGA Local Government index of 5% (70% Perth CPI and 30% general construction industry index), and an additional amount of 3.75% for new initiatives resulting in an 8.75% general increase.

New submissions totalled \$1,490,000 and included initiatives such as:

- BRAC oval changerooms, car parks, access road and cricket pitch
- Small street sweeper and operator
- Environment officer
- Environment strategy

State of the environment report
Asset management co-ordinator
Risk management co-ordinator
Town planning scheme review
Local planning strategy review
Social planning officer (0.5 FTE)
Worker housing strategy
Water playground at Town Beach
Library self loan machine
Recreation Plan
Extra Tractor and mowing attachments for 7 new parks and ovals
Electoral ward review
Public area Christmas decorations
Rural school bus stop seats
Public shade

There have been no significant changes in differential rating objects for the 2008/2009 year, however the Shire has commenced a review of rural rating to determine a policy on rating according to land use rather than location. This will not affect the 2008/2009 rating year.

Growth

Growth in the number of rateable properties during 2007/2008 was 386, mainly in the strata titled tourism sector, which contributes 6.5% to Shires rate growth revenue during 2008/2009.

Tourism Differential Factor

In line with Councils' recognition of the importance of the tourism sector to the health of the local economy, the Shire adds a loading to the general rate of 3% for commercial land use and 13% for tourism land use, with the proceed available for tourism initiatives and the marketing of tourism for Broome and the region.

Based on the 8.75% increases, the proceeds available from this "factor" amount to \$309,000 up from \$247,000. Tourism marketing initiatives currently include support for Australia's Northwest Association tourism marketing body and the Broome Visitors Centre facility and operations.

Concessional Rates

There will be no rate concessions applied in 2008/2009.

Rural Rating/GRV Rating Non-Rural land uses

Council resolved at the OCM 08 May 2008 to:

1. undertakes a review of the basis of valuation used for rating Dampier Ward rural land use activities.
2. That consultation occurs in the form of general advice to the district (via advertising) of the Council's decision to undertake the review, the rationale for the review and that comment is sought. Specific advice to affected ratepayers of the land use study.

3. That Council will consider review submissions as a basis to prepare a draft policy for advertising, with specific advice of the draft policy sent to affected ratepayers for comment.

The first stages of consultation are in progress with initial submissions due 4 July 2008.

The remainder of the review process will continue during 2008/2009, which includes development of a rural rating policy, changing the method of valuation and seeking Ministerial approval for changes in valuation in readiness for 2009/2010.

Minimum Rate

The minimum rate is consistent for all categories of rates and has been set at \$885, compared to last year's rate of \$814, which is an increase of 8.75%.

Boundary Changes

There have been no boundary changes to affect rates for 2008/2009.

In the previous year changes to Kimberley local government boundaries resulted in Broome losing a portion of two Dampier Pastoral properties to Derby, that being Yeeda and Yakkamunga stations, resulting in a loss of \$6,000 in rating income.

Unimproved Valuations (UV)

Unimproved valuations are received 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.

Pastoral leases and small rural holdings such as Coconut Wells and Twelve Mile increased in value by an average of 15% during the past 12 months, whereas Skuthorpe has only increased 9%. Notable exceptions to the trend were Dampier Horticulture and Wattle Downs 61%, pearling leases and commercial operations 30%.

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

DIFFERENTIAL RATE CATEGORY	CENTS IN THE DOLLAR
<i>Dampier Pastoral (UV)</i>	<i>7.4853 to 6.4835</i>
<i>Dampier Mining (UV)</i>	<i>9.9931 to 9.7142</i>
<i>Dampier Coconut Wells (UV)</i>	<i>0.2354 to 0.2047</i>
<i>Dampier Twelve Mile (UV)</i>	<i>0.2598 to 0.2253</i>
<i>Dampier Short Stay Accom (UV)</i>	<i>3.5575 to 3.0296</i>
<i>Dampier Pearl Leases and Commercial Operations (UV)</i>	<i>2.7269 to 2.0947</i>
<i>Dampier Horticulture and Wattle Downs (UV)</i>	<i>1.0447 to 0.6500</i>
<i>Dampier Skuthorpe (UV)</i>	<i>0.4102 to 0.3762</i>

Final Comment

In summary if Council supports the above recommendations then the overall rate yield will be approximately \$11.437 million plus an estimation of \$150,000 in interim rates, \$10,000 in back rates and \$16,000 ex-gratia rates from an exempt pastoral lease.

The rate increase of 8.75% has been calculated to meet the demands of general rises in costs plus the impact of the new submissions considered during pre-budget deliberations.

Every 1% change in general rates has an effect of \$100,000 general purpose income.

CONSULTATION

Local public notice as per the section 6.36 Local Government Act 1995 (LGA)

STATUTORY ENVIRONMENT

Local Government Act 1995

Section 6.33 Differential general rates

- (1) 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 local planning scheme in force under the Planning and Development Act 2005;
 - (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.
- (2) Regulations may —
 - (a) specify the characteristics under subsection (1) which a local government is to use; or
 - (b) limit the characteristics under subsection (1) which a local government is permitted to use.
- (3) In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.
- (4) If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.

Note: Ministerial approval has been sought in 2008/2009, 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 Local government to give notice of certain rates

- (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.
- (2) A local government is required to ensure that a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).
- (3) A notice referred to in subsection (1) —

- (a) *may be published within the period of 2 months preceding the commencement of the financial year to which the proposed rates are to apply on the basis of the local government's estimate of the budget deficiency;*
- (b) *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*
 - (iii) *any further information in relation to the matters specified in subparagraphs (i) and (ii) which may be prescribed;*
- and*
- (c) *is to advise electors and ratepayers of the time and place where a document describing the objects of, and reasons for, each proposed rate and minimum payment may be inspected.*
- (4) *The local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.*
- (5) *Where a local government —*
 - (a) *in an emergency, proposes to impose a supplementary general rate or specified area rate under section 6.32(3)(a); or*
 - (b) *proposes to modify the proposed rates or minimum payments after considering any submissions under subsection (4),**it is not required to give local public notice of that proposed supplementary general rate, specified area rate, modified rate or minimum payment.*

Note: Local public notice was included in the Thursday 3 July 2008 edition of the Broome Advertiser and Saturday 5 July edition of the West Australian, calling for public submissions until 4pm Thursday 24 July 2007.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

As outlined, the proposed differential rates increase of 8.75% will yield an amount of \$11.437 million, which is calculated to meet the requirements of the current draft budget.

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 8.75%;

DIFFERENTIAL RATE CATEGORY	CENTS IN THE DOLLAR
Broome Residential (GRV)	10.1279
Broome Commercial Group	10.4317
Broome Tourism Group	11.4445
Dampier Pastoral (UV)	6.4835
Dampier Mining (UV)	9.7142
Dampier Coconut Wells (UV)	0.2047
Dampier Twelve Mile (UV)	0.2253
Dampier Short Stay Accom (UV)	3.0296
Dampier Commercial Operations & Pearling (UV)	2.0947
Dampier Horticulture & Wattle Downs (UV)	0.6500
Dampier Skuthorpe (UV)	0.3762
Minimum Rates (all categories)	\$885

Moved:

Seconded:

FOR:

AGAINST:

(Absolute Majority)

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: 02 July 2008

SUMMARY: Adoption of minimum rate.

BACKGROUNDPrevious Considerations

SM 1 July 2008 - Item 9.4.1

Minimum Rate History

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

2004	\$531
2005	\$629
2006	\$740
2007	\$814
2008	\$885 [Proposed at general increase of 8.75%]

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 in 2006 and since then the general rate increase has been applied to minimums.

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 8.75%.

There are 630 properties on minimum rates which represents about 12% of all rateable properties in Broome.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Local Government Act 1005

S6.35. Minimum payment

- (1) *Subject to this section, a local government may impose on any rateable land in its district a minimum payment which is greater than the general rate which would otherwise be payable on that land.*
- (2) *A minimum payment is to be a general minimum but, subject to subsection (3), a lesser minimum may be imposed in respect of any portion of the district.*
- (3) *In applying subsection (2) the local government is to ensure the general minimum is imposed on not less than —*
 - (a) *50% of the total number of separately rated properties in the district; or*
 - (b) *50% of the number of properties in each category referred to in subsection (6),*
on which a minimum payment is imposed.
- (4) *A minimum payment is not to be imposed on more than the prescribed percentage of —*
 - (a) *the number of separately rated properties in the district; or*
 - (b) *the number of properties in each category referred to in subsection (6), unless the general minimum does not exceed the prescribed amount.*
- (5) *If a local government imposes a differential general rate on any land on the basis that the land is vacant land it may, with the approval of the Minister, impose a minimum payment in a manner that does not comply with subsections (2), (3) and (4) for that land.*
- (6) *For the purposes of this section a minimum payment is to be applied separately, in accordance with the principles set forth in subsections (2), (3) and (4) in respect of each of the following categories —*
 - (a) *to land rated on gross rental value;*
 - (b) *to land rated on unimproved value; and*
 - (c) *to each differential rating category where a differential general rate is imposed.*

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Minimum rates will raise \$557,000 of the proposed total yield of \$11.437 million, which is approximately 5% of total rate revenue.

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

<p><u>REPORT RECOMMENDATION</u></p> <p><i>That Council sets a general minimum rate for all properties at \$885.00 for the 2008/2009 financial year.</i></p>	
<p>Moved:</p>	<p>Seconded:</p>
	<p>FOR: AGAINST:</p>
<p>(Absolute Majority)</p>	

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: 02 July 2008

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 Charges	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08
Type of Interest Charge/Income								
Interest on Rates Unpaid	11.00%	11.00%			30,000	35,233	30,000	35,233
Interest on Outstanding Sundry Debts	0.00%	0.00%			-	-	-	-
Interest on Instalments Plan	5.50%	5.50%			50,000	50,657	50,000	50,658
Charges on Instalments	\$7.00	\$7.00	27,000	26,852			27,000	26,852
Charge on Alternative Instalment Plans	\$0							
Pensioner Deferred Rate Interest Income					-	-	-	-
Totals							107,000	112,743

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% , instalment interest is set at 5.5% of the prescribed rate under regulation 68.

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

S 6.13. *Interest on money owing to local governments*

- (1) *Subject to any other written law, a local government may resolve* to require a person to pay interest at the rate set in its annual budget on any amount of money (other than rates and service charges) which —*
- (a) *that person owes to the local government; and*
 - (b) *has been owed for the period of time referred to in subsection (6).*

** Absolute majority required.*

- (2) *A resolution under subsection (1) is to be included in the annual budget.*
- (3) *The rate of interest that may be set by the local government under this section is not to exceed the rate for the time being prescribed as the maximum rate of interest that may be set for the purposes of this section.*
any outstanding amount of money the local government is not to also impose an additional charge in relation to that amount.
- (5) *Accrued interest is, for the purpose of its recovery, taken to form part of the money owed to the local government on which it is charged.*
- (6) *A local government is not to impose interest on any amount of money under subsection (1) until the money has been owed to the local government for the period of time set by the local government in its annual budget (not being less than 35 days) after the date which is stated on the relevant account for payment as being the date the account was issued.*
- (7) *Regulations may provide for the method of calculation of interest.*

Local Government (Financial Management) Regulations 1996

Reg. 19A *Maximum rate of interest on money owing — s. 6.13(3)*

The maximum rate of interest to be imposed under section 6.13(1) is prescribed as 11%.

Reg. 68 *Maximum interest component in instalments — s. 6.45(4)(e)*

The maximum rate of interest to be imposed under section 6.45(3) is prescribed as 5.5%.

Reg. 67 *Additional charge for payment by instalments*

For the purpose of determining the additional charge to be imposed where payment of a rate or service charge is made by instalments, the local government is to —

- (a) *have regard to the additional costs of administration; and*
- (b) *consider the additional charge as a full or partial reimbursement of those costs and not a charge for the purpose of making a profit.*

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

<u>REPORT RECOMMENDATION</u>	
That for the 2008/2009 financial year Council adopts the following charges: -	
<i>Interest on Unpaid Rates</i>	11%
<i>Interest on Instalment Plan</i>	5.5%
<i>Charges on Instalment</i>	\$7
Moved:	Seconded:
	FOR:
	AGAINST:
(Absolute Majority)	

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 2008

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, authorisation 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 2008/2009 column indicates a change since the last distribution of the fees and charges schedule at the workshop 24 June 2008.

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

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Prosperity

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VOTING REQUIREMENTS

Absolute Majority

<p><u>REPORT RECOMMENDATION</u></p> <p><i>That Council adopts the fees and charges as listed in the 2008/2009 Draft Budget document dated 24 July 2008.</i></p>		
<p>Moved:</p>	<p>Seconded:</p>	
		<p>FOR: AGAINST:</p>
<p>(Absolute Majority)</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 2008

SUMMARY: Adoption of rubbish and recycling charges.

BACKGROUNDPrevious Considerations

SMC 110707 – Item 9.1.5
OCM 070607 – Item 9.3.10

Rubbish and Recycling Contract

At the Special Meeting of Council in July 2007, Council resolved to:

1. *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;*
2. *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.*
3. *Adopts a charge for caravan parks of \$277 per annum for the 2007/2008 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;*
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 rubbish and recycling contract covers a service area within the town boundaries of Broome. The contract allows for annual CPI increases effective from 1 July of each year, based upon the All Groups Perth index for the preceding quarter ending March. The March 2008 index was 4.3%.

The rubbish and recycling service charge has been increased accordingly from \$277 to \$289. 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 additional subsidisation from general rate revenue. From time to time, localities outside of the Broome townsite service area are offered services, based on contractor quotations and dependant upon the demand from residents of the locality.

The Shire of Broome in 2007/2008 provided a 25% 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 that commenced in 2004/2005. As such, 2007/2008 was the last year of the phasing out. Pensioners are still well served by a rate subsidy of up to 50% on general rates from State Revenue,

The refuse disposal and recycle charge determined for the Caravan Park Operators at the OCM 070607 determined that a composite charge, based upon a ratio of 45% recycling and 55% refuse, would be calculated in order to encourage more use of recycling.

Proposed Caravan Park Refuse and Recycle Rate for 2008/2009

	Contractor Price (as determined in tender + CPI)	Shire Administration Cost + CPI	Discount (applied by Contractor to encourage recycling)	Total	2007/2008 Shire of Broome Caravan Park Charge 45/55 split (per lift)	New 2008/2009 Shire of Broome Caravan Park Charge 45/55 split (per lift)
Recycling	\$ 5.48		\$ 0.525	\$ 4.96	\$ 2.13	@ 45% = \$ 2.23
Refuse	\$1.30	\$ 0.57		\$ 1.87	\$ 0.99	@ 55% = \$ 1.03
					\$3.12 per lift	\$3.26 per lift

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Health Act, 1911 (Section 106)

106. Power to make pan charges

- (1) *The local government may, in lieu of, or in addition to a sanitary rate, provide for the proper disposal of sewage, whether within the district or not, by making an annual charge per pan or other receptacle, payable in one sum or by equal monthly or other instalments in advance, in respect of every house or place provided with the service.*

- (2) *Such charge shall be levied on the owner or occupier, as the local government may decide, of every house in which any such pan or other receptacle is in use, and may be recovered by the local government in the same way as rates in arrear are recoverable.*
- (3) *In the case of houses being erected and becoming occupied during the year for which payment is to be made, the charge thereon for the service provided under this section shall be such sum as will proportionately represent the period between the occupation of the house and the ending of the year for which payment is made.*
- (4) *Notice of any charge made under this section may be included in any document containing notice of any rates levied under this Act; but the omission to give any notice of such charge shall not affect the validity of the charge or the power of the local government to recover it.*
- (5) *Any such charge may be limited to premises in a particular portion of the area under the control of the local government.*
- (6) *Charges under this section may be levied in respect of and shall be payable for all premises in respect of which a service is provided under this section, whether such premises are rateable or not.*
- (7) *A local government may, with the approval of the Executive Director, Public Health, make different charges for services rendered in different portions of its district.*
- (8) *Where a local government has heretofore or shall hereafter establish a sewerage scheme as authorised by the provisions of Division 1 of Part IV, it may, in lieu of levying a rate as provided for in this Act, make an annual charge, according to the prescribed scale, at per pedestal, and all the provisions of this Act shall apply to any such charge as if it were a rate as aforesaid.*

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

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. *Adopts a charge of \$289 per annum for the 2008/2009 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 charge for caravan parks of \$289 per annum for the 2008/2009 financial year for a first (compulsory) rubbish service and adopt a charge for caravan parks who request an additional service/s of \$3.26 (excl GST) per lift of either a domestic rubbish or recycling sulo;*
3. *Adopts an administration charge of \$75 for each occasion that a service is altered more than twice per financial year.*

Moved

Seconded:

**FOR:
AGAINST:**

(Absolute Majority)

9.1.6 2008/2009 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 2008

SUMMARY: Adoption of the 2008/2009 budget.

BACKGROUNDPrevious Considerations

Nil

Budget Process

The budget process commenced in January 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 and new initiatives 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.

Draft budget workshops were held 22nd May, 28th May and 24th June to discuss the draft budget, Fees & Charges and the capital programs for Building, Roadworks and Parks. Other information provided to Councillors included a list of submissions included and deferred from draft budget, financial plan comparisons and account detail.

A Special Meeting of Council was held 1st July to consider a general rate increase and call for public submissions for differential rates. Public submissions close at 4.00pm Thursday 24 July 2008.

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

COMMENT

The 2008/2009 Draft Annual Budget currently has a carried forward balance of \$0. Indications from budget forecasting reported to the end of may indicates that we are expected to have operated within the limits of the 2007/2008 budget, however the carried forward position cannot be reliably confirmed until end of year processes are

completed, especially in the area of unpaid employee leave liability calculations. For this reason we have taken the conservative approach of ensuring that current year budget expenditure is matched with current year revenue estimates.

The draft budget has been prepared using the advertised general rate increase of 8.75%. This is a reduction of 1.2% from the previous year when rates were set at 9.95%. The 8.75% figure represents a 5% increase based upon the WALGA index of 70% Perth CPI and 30% general construction industry index, plus 3.75% for new initiatives.

New initiatives in this budget include some \$1.5 million of new projects including:

- Broome Recreation and Aquatic Centre oval change rooms, car parks, access road and cricket pitch;
- Street sweeper and operator;
- Water playground;
- Tractor and mowing attachments for seven additional parks and ovals;
- Christmas decorations;
- Rural school bus stop upgrades;
- Public shade; and
- Library book self-loan machine

With mounting environmental pressures potentially impacting on the Shire, an Environmental Officer will be employed.

The Shire has also recognised the need to undertake a range of activities to address worker housing, asset management, sport and recreation and an electoral ward review under the Local Government Act. A review of the town planning scheme will also be addressed in 2008/2009.

In the capital area the budget makes provision for \$6.583 million civic building works; \$7.566 million road, drainage, parks and infrastructure works; \$1.313 million of mobile plant and equipment acquisitions; \$620,000 of other equipment acquisition; \$751,000 retirement of existing council debt and a \$449,000 net transfer to reserves.

Funding for the capital activities is derived from grants and developer contributions of \$10.887 million; sale of assets of \$277,000; loan proceeds of \$1.615 million.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Local Government Act, 1995

Section 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

The budget is the primary financial document for the 2008/09 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.

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

That Council adopts the 2008/2009 budget.

Moved:

Seconded:

**FOR:
AGAINST:**

(Absolute Majority)

[Attachment: 65 pages](#)

10. MEETING CLOSURE
