



SHIRE OF YORK

NOTICE OF MEETING

Dear Councillors

I respectfully advise that a SPECIAL COUNCIL MEETING will be held in Council Chambers, York Town Hall, York, on Monday, 9 July 2018, commencing at 5.00pm.

MEETING AGENDA ATTACHED

Paul Martin

PAUL MARTIN
CHIEF EXECUTIVE OFFICER
Date: 2 July 2018

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MISSION STATEMENT
"Building on our history to create our future"

Local Government Act 1995 (as amended)

Part 1 Introductory Matters

1.3. Content and intent

- (1) This Act provides for a system of local government by —
 - (a) providing for the constitution of elected local governments in the State;
 - (b) describing the functions of local governments;
 - (c) providing for the conduct of elections and other polls; and
 - (d) providing a framework for the administration and financial management of local governments and for the scrutiny of their affairs.
- (2) This Act is intended to result in —
 - (a) better decision-making by local governments;
 - (b) greater community participation in the decisions and affairs of local governments;
 - (c) greater accountability of local governments to their communities; and
 - (d) more efficient and effective local government.
- (3) In carrying out its functions a local government is to use its best endeavours to meet the needs of the current and future generations through an integration of environmental protection, social advancement and economic prosperity.

Part 2 Constitution of Local Government

Division 2 Local Governments and Councils of Local Governments

2.7 The Role of Council

- (1) The Council —
 - (a) directs and controls the Local Government's affairs; and
 - (b) is responsible for the performance of the Local Government's functions.
- (2) Without limiting subsection (1), the Council is to —
 - (a) oversee the allocation of the Local Government's finances and resources;and
 - (b) determine the Local Government's policies.

Meetings generally open to the public

- 5.1.** (1) Subject to subsection (2), the following are to be open to members of the public —
- (a) all council meetings; and
 - (b) all meetings of any committee to which a local government power or duty has been delegated.
- (2) If a meeting is being held by a council or by a committee referred to in subsection (1) (b), the council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following —
- (a) a matter affecting an employee or employees;
 - (b) the personal affairs of any person;
 - (c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting;
 - (d) legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting;
 - (e) a matter that if disclosed, would reveal —
 - (i) a trade secret;
 - (ii) information that has a commercial value to a person; or
 - (iii) information about the business, professional, commercial or financial affairs of a person, where the trade secret or information is held by, or is about, a person other than the local government;

- (f) a matter that if disclosed, could be reasonably expected to —
 - (i) impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law;
 - (ii) endanger the security of the local government's property; or
 - (iii) prejudice the maintenance or enforcement of a lawful measure for protecting public safety;
 - (g) information which is the subject of a direction given under section 23 (1a) of the *Parliamentary Commissioner Act 1971*; and
 - (h) such other matters as may be prescribed.
- (3) A decision to close a meeting or part of a meeting and the reason for the decision are to be recorded in the minutes of the meeting.



Shire of York

G 2.6 PUBLIC QUESTION TIME

Policy Statement

- 1.0 “Public Question Time” will be limited to 15 minutes*. The Council may exercise a discretion to extend the time by resolution if required. If there are questions remaining unasked at the expiration of the time allotted members of the public will be asked to submit their questions in writing to the Chief Executive Officer who will provide a written reply with the response placed in the Agenda of the next Ordinary Meeting of the Council.

** A minimum of 15 minutes is provided by Regulation 6(1) of the Local Government (Administration) Regulations 1996 (S.5.24 of the Local Government Act 1995)*
- 2.0 Questions may be asked at the Ordinary Council Meeting and any Committee meeting on any matter affecting the Council and the Shire’s operations. Questions submitted to Special Meetings of the Council will be restricted to the subject matter of the meeting.
- 3.0 Each questioner will be limited to two (2) questions. Statements or long preamble are not permitted.
- 4.0 People wishing to ask questions will be encouraged to put their questions in writing or in a prescribed form and submit them to the Chief Executive Officer prior to 10 am on the day of the meeting. This allows for an informed response to be given at the meeting. Oral questions are permitted.
- 5.0 Priority will be given to questions about matters on the agenda for the meeting and which are submitted in accordance with 4.0 above.
- 6.0 Every person who wishes to ask a question must identify themselves and register with a Council Officer immediately prior to the meeting. Subject to 5.0 above questions will be taken in the order in which people register.
- 7.0 Questions containing offensive remarks, reference to the personal affairs or actions of Elected Members or staff, or which relate to confidential matters or legal action will not be accepted. Questions that the Presiding Member considers have been answered by earlier questions at the meeting or earlier meetings may not be accepted.
- 8.0 On receipt of a question the Presiding Member may answer the question or direct it to the Chief Executive Officer to answer. If the question is of a technical nature the Chief Executive Officer may direct the question to a senior technical officer present. If the question requires research it will be taken on notice.
- 9.0 There will be no debate on the answers to questions.

- 10.0 A summary of the question and the answer will be recorded in the minutes of the Council meeting at which the question was asked.
- 11.0 Public Question Time guidelines incorporating this policy are being prepared and will include information on the other methods of enquiry that are available to members of the public to obtain information from the Shire.

Adopted 21 October 2013
Amended 17 September 2015
Amended 23 November 2015
Reviewed 24 October 2016

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SHIRE OF YORK

A SPECIAL MEETING OF COUNCIL WILL BE
HELD ON MONDAY 9 JULY 2018, COMMENCING AT
5.00PM IN COUNCIL CHAMBERS, YORK TOWN HALL, YORK

The York Shire Council acknowledges the traditional owners of the land on which this meeting will be held.

1 OPENING

1.1 Declaration of Opening

1.2 Disclaimer

The Shire President advised the following:

"I wish to draw attention to the Disclaimer Notice contained within the agenda document and advise members of the public that any decisions made at the meeting today, can be revoked, pursuant to the Local Government Act 1995.

Therefore members of the public should not rely on any decisions until formal notification in writing by Council has been received. Any plans or documents in agendas and minutes may be subject to copyright. The express permission of the copyright owner must be obtained before copying any copyright material."

1.3 Standing Orders

1.4 Announcement of Visitors

1.5 Declarations of Interest that Might Cause a Conflict

Councillors/Staff are reminded of the requirements of s5.65 of the Local Government Act 1995, to disclose any interest during the meeting when the matter is discussed and also of the requirement to disclose an interest affecting impartiality under the Shire of York's Code of Conduct.

Name	Item No & title	Nature of Interest (and extent, where appropriate)

1.6 Declarations of Financial Interests

A declaration under this section requires that the nature of the interest must be disclosed. Consequently a member who has made a declaration must not preside, participate in, or be present during any discussion or decision making procedure relating to the matter the subject of the declaration

Other members may allow participation of the declarant if the member further discloses the extent of the interest and the other members decide that the interest is trivial or insignificant or is common to a significant number of electors or ratepayers.

Name	Item No & title	Nature of Interest (and extent, where appropriate)

1.7 Disclosure of Interest that May Affect Impartiality

Councillors and staff are required (Code of Conduct), in addition to declaring any financial interest, to declare any interest that might cause a conflict. The member/employee is also encouraged to disclose the nature of the interest. The member/employee must consider the nature and extent of the interest and whether it will affect their impartiality. If the member/employee declares that their impartiality will not be affected then they may participate in the decision making process.

Name	Item No & Title

2 ATTENDANCE

- 2.1 Members
- 2.2 Staff
- 2.3 Apologies
- 2.4 Leave of Absence Previously Approved
- 2.5 Number of People in the Gallery at Commencement of the Meeting

3 PUBLIC QUESTION TIME

Public Question Time is conducted in accordance with the Act and Regulations. In addition to this the Shire's Council Meetings Local Law 2016 states –

6.7 Other procedures for question time for the public

(1) A member of the public who wishes to ask a question during question time must identify themselves and register with a Council Officer immediately prior to the meeting.

(2) A question may be taken on notice by the Council for later response.

(3) When a question is taken on notice the CEO is to ensure that—

(a) a response is given to the member of the public in writing; and

(b) a summary of the response is included in the agenda of the next meeting of the Council.

(4) Where a question relating to a matter in which a relevant person has an interest is directed to the relevant person, the relevant person is to—

(a) declare that he or she has an interest in the matter; and

(b) allow another person to respond to the question.

(5) Each member of the public with a question is entitled to ask up to 2 questions before other members of the public will be invited to ask their questions.

(6) Where a member of the public provides written questions then the Presiding Member may elect for the questions to be responded to as normal business correspondence.

(7) The Presiding Member may decide that a public question shall not be responded to where—

(a) the same or similar question was asked at a previous meeting, a response was provided and the member of the public is directed to the minutes of the meeting at which the response was provided;

(b) the member of the public uses public question time to make a statement, provided that the Presiding Member has taken all reasonable steps to assist the member of the public to phrase the statement as a question; or

(c) the member of the public asks a question that is offensive or defamatory in nature, provided that the Presiding Member has taken all reasonable steps to assist the member of the public to phrase the question in a manner that is not offensive or defamatory.

(8) A member of the public shall have 2 minutes to submit a question.

(9) The Council, by resolution, may agree to extend public question time.

(10) Where any questions remain unasked at the end of public question time they may be submitted to the CEO who will reply in writing and include the questions and answers in the agenda for the next ordinary Council meeting.

(11) Where an answer to a question is given at a meeting, a summary of the question and the answer is to be included in the minutes.

3.1 Written Questions – Current Agenda

3.2 Public Question Time

4 APPLICATIONS FOR LEAVE OF ABSENCE

5 PRESENTATIONS

5.1 Petitions

5.2 Presentations

5.3 Deputations

5.4 Delegates reports

6 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

7 OFFICER'S REPORTS

SY075-07/18 - Adoption of General Rates and Minimum Payments 2018/19

FILE REFERENCE: FI.BUD1819
APPLICANT OR PROPONENT(S): Shire of York
AUTHORS NAME & POSITION: Tabitha Bateman – Finance Manager
RESPONSIBLE OFFICER: Suzie Haslehurst – Executive Manager, Corporate and Community Services
PREVIOUSLY BEFORE COUNCIL: Nil
DISCLOSURE OF INTEREST: Nil
APPENDICES: Nil

Nature of Council's Role in the Matter:

- Executive
- Legislative

Purpose of the Report:

The purpose of this report is for Council to consider and impose the general rates and minimum rates on rateable property within the Shire.

Background:

Each year, as part of the budget process, Council determines the rates and charges for the financial year. During this process, Councillors and staff carry out a number of evaluation exercises to help determine what level of rates to charge. During the review of Council's Strategic Community Plan and Corporate Business Plan adopted in February this year, it was determined that a 3% increase in the rate in the dollar value should be applied across the terms of the plans and this was advertised during the community consultation period. However, Council is sensitive to future rate increases and receptive to the concerns of the community. Therefore, officers prepared two different budget scenarios which Councillors considered at budget workshops held on 21 May and 18 June 2018.

At these workshops, Council considered the following with regard to the draft budget;

- Priorities identified in the review of the Corporate Business Plan and Strategic Community Plan included the Avon Park upgrades, tree pruning and road improvements, asset management and building reserves to improve financial sustainability.
- Capital expenditure/asset management priorities including levels of service for roads, parks, trails and footpaths and renewals and upgrades to infrastructure.
- Opportunities for grant funding to offset capital and operating costs.
- Salaries and Allowances Tribunal determination of no increases to the salaries and allowances ranges for CEOs and elected members.

In light of these considerations, the draft budget incorporates an increase in general rates of 2% for the 2018/19 year. Minimum rates for GRV properties are to remain at the current rate being \$1,080 and minimum rates for UV properties will remain at \$1,430. This moderate rate increase reflects the current economic conditions, whilst generating the required income for the Shire to provide adequate levels of service and achieve its objectives.

Comments and details:

A proposed rate rise of 3% was advertised publicly as part of the review of the Shire of York Strategic Community Plan and Corporate Business Plan following endorsement of the revised documents by Council for public advertising.

Landgate has since provided the valuations for UV properties with the following comments;

<i>“Total Valuation</i>	<i>\$237,576,000</i>
<i>Average Overall Change</i>	<i>4.03%</i>

OVERALL VARIATION TO UNIMPROVED VALUATIONS

Generally, unimproved values have increased in the eastern portion of the shire with little to no changes in the western portion of the shire.

Some changes to individual assessments may have occurred either as a product of the mass valuation process or where records have been amended or corrected for more up to date information about soil types etc.”

Landgate values rural properties rated on an Unimproved Value (UV) basis every year and properties rated on a Gross Rental Value (GRV) basis are revalued every three to five years. Rating valuations are assessed at a ‘snapshot in time’ to reflect the property market for the district on the same date.

The minimum rate for GRV properties (determined to be the minimum equitable cost of servicing lots within the district) is proposed to remain unchanged for the fourth year in a row at \$1,080. Minimum rates to be imposed on UV properties will remain at \$1,430. Approximately 812 properties (31%) are expected to be minimum rated this year. This is consistent with the proportion last year and is below the threshold of 50% allowable under the *Local Government Act 1995*.

It is proposed that the rate in the dollar for Gross Rental Value (GRV) will increase from \$0.118490 to \$0.120860 for the 2018/19 financial year. The rate in the dollar for Unimproved Value (UV) will increase from \$0.009006 to \$0.009186 for the 2018/19 financial year.

Implications to consider:

- **Consultative**
Councillors
Landgate Valuation Services
Public consultation regarding the Minor Strategic Review.
- **Strategic**
When setting the rate, Council considers what services and infrastructure are required and considers any strategic implications in accordance with Council’s Strategic Community Plan and Corporate Business Plan.
- **Policy related**
Not applicable.
- **Financial**
The 2018/19 Budget includes expected rate revenue of \$5,733,179 which accounts for around 50% of the total revenue budgeted to be received by Council. This report forms part of the 2018/19 Annual Budget and further information is disclosed in Note 1 - Rates and Service Charges.

- **Legal and Statutory**

- **Local Government Act 1995**

- **6.32. Rates and service charges**

- (1) *When adopting the annual budget, a local government —*
 - (a) *in order to make up the budget deficiency, is to impose* a general rate on rateable land within its district, which rate may be imposed either —*
 - (i) *uniformly; or*
 - (ii) *differentially;*
 - (b) *may impose* on rateable land within its district*
 - (i) *a specified area rate; or*
 - (ii) *a minimum payment; and*
 - (c) *may impose* a service charge on land within its district.*

- * Absolute majority required.

- (2) *Where a local government resolves to impose a rate it is required to —*
 - (a) *set a rate which is expressed as a rate in the dollar of the gross rental value of rateable land within its district to be rated on gross rental value; and*
 - (b) *set a rate which is expressed as a rate in the dollar of the unimproved value of rateable land within its district to be rated on unimproved value.”*

- **6.35. 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.”*

- **Risk Related**

- The risk of not adopting the general rates and minimum payments will have implications for the 2018/19 budget adoption, Council operations and capital projects proposed for 2018/19.

- **Workforce Implications**

- N/A

Voting Requirements:

Absolute Majority Required: Yes

OFFICER RECOMMENDATION

“That Council:

- 1. Adopts a general rate rise of 2% for the 2018/19 financial year.***
- 2. Pursuant to Section 6.32 of the Local Government Act 1995, imposes the following general rates on:***
 - a) Gross Rental Values of property – 12.0860 cents in the Dollar***
 - b) Unimproved Values of property - 0.9186 cents in the Dollar***
- 3. Pursuant to Section 6.35 of the Local Government Act 1995, imposes the following minimum rates:***
 - a) \$1,080.00 per Gross Rental Value***
 - b) \$1,430.00 per Unimproved Value”***

SY076-07/18 – Rates Payment Options, Instalment Interest and Instalment Administration Charges 2018/19

FILE REFERENCE: FI.BUD1819
APPLICANT OR PROPONENT(S): Shire of York
AUTHORS NAME & POSITION: Tabitha Bateman – Finance Manager
RESPONSIBLE OFFICER: Suzie Haslehurst – Executive Manager, Corporate and Community Services
PREVIOUSLY BEFORE COUNCIL: N/A
DISCLOSURE OF INTEREST: Nil
APPENDICES: Nil

Nature of Council's Role in the Matter:

- Executive
- Legislative

Purpose of the Report:

The purpose of this report is for Council to consider and adopt the rates payment options for the 2018/19 financial year.

Background:

Council is requested to adopt the proposed interest rates, administration fees and due dates for the payment of rates in full and by instalments. Options proposed are for one full payment and payment by four instalments. Dates are based on the rates notices being distributed on 3 August 2018.

Comments and details:

Under Section 6.13(1) of the *Local Government Act 1995* (the Act), Council is able to charge interest on any amount of money (other than rates and service charges) owed to the local government. Under Section 6.51(1) of the Act, Council can charge interest on unpaid rates and rates on an instalment plan. The maximum interest rate for unpaid rates and other monies owed to Council is prescribed by Regulation 68 of the *Local Government (Financial Management) Regulations 1996 (FMR)* and is currently 5.5% for rates payable by instalments.

It is recommended that Council imposes a 5.5% rate of interest to apply on instalment payments for rates and other charges. The revenue estimated from the imposition of the interest charged under Section 6.51 of the Act applicable to rates and service charges amounts to \$20,000 for the 2018/19 financial year. The revenue estimated from the imposition of the interest charged under Section 6.13 of the Act applicable to other charges amounts to \$4,000 for the 2018/19 financial year.

Under Regulation 67 of the FMR, instalment charges are set to provide a full or partial reimbursement of administration costs. The individual instalment transaction fee of \$10.00 is set to reflect the administration cost of handling the four (4) instalment option provided to ratepayers.

It is recommended that Council imposes an administration charge per notice of \$10.00 where payment of rates is made by instalments. The revenue estimated from the imposition of the administration charge has been estimated at \$19,500 for the 2018/19 financial year.

Section 6.50 of the Act permits a Council to determine when a rate charge becomes due and payable, which cannot be earlier than 35 days after the date noted on the rate notice as the date the rate notice was issued. Where a person elects to pay a rate charge by instalments, the second and each subsequent instalment does not become due and payable at intervals of less than 2 months.

The due date of each instalment for the 2018/19 financial year based on the rate notices being distributed on 3 August 2018 is as follows:

Payment in full	10 September 2018
1st Instalment	10 September 2018
2nd Instalment	12 November 2018
3rd Instalment	14 January 2019
4th Instalment	18 March 2019

In addition to the above, the Shire reviewed its Policy F1.1 Revenue Collection in November 2017 allowing ratepayers to request an alternative payment arrangement. All requests for alternative payment arrangements are subject to approval by the Chief Executive Officer, and generally ensure that the total amount in arrears must be paid in full by the end of the financial year. In accordance with the policy, where the outstanding amount will not be paid in full by the end of the financial year, these applications are referred to Council to consider on a case by case basis.

Implications to consider:

- **Consultative**
Department of Local Government
- **Strategic**
Strong and Effective Leadership
5.3 *A financially sustainable Shire*
- **Policy related**
F.1.1 *Revenue Collection*
- **Financial**
Estimated revenue expected from instalment interest charges included in the 2018/19 Budget amounts to \$24,000 and from administration fees \$19,500.
- **Legal and Statutory**
Section 6.13 of the *Local Government Act 1995* permits the Council to impose interest on any amount of money (not rates or service charges) that remains unpaid.

Section 6.51 of the *Local Government Act 1995* permits the Council to impose interest on a rate or service charge that remains unpaid (including instalments).

Regulation 68 of the *Local Government (Financial Management) Regulations* states that the maximum rate of interest on overdue rates payable by instalments to be imposed under Section 6.51 of the *Local Government Act* is 5.5%.

Regulation 19A of the *Local Government (Financial Management) Regulations* states that the maximum rate of interest on any amount of money (other than rates or service charges) to be imposed under Section 6.13 of the *Local Government Act* is 11%.

Section 6.45 of the *Local Government Act 1995* states that payment for rates charged may be made by single payment or a person may elect to make payment by 4 equal or nearly equal instalments. A local government may impose an additional administration charge in accordance with Regulation 67 of the *Local Government (Financial Management) Regulations* (including an amount by way of interest) where payment of a rate charge is made by instalments.

- **Risk Related**

The risk of not adopting the Instalment Payment Arrangements, Instalment Administration Charge and Instalment Interest will have implications for the 2018/19 budget adoption, Council operations and capital projects proposed for 2018/19.

- **Workforce Implications**

N/A

Voting Requirements:

Absolute Majority Required: Yes

OFFICER RECOMMENDATION

“That Council adopts for the 2018/19 financial year:

1. *The following dates for payment of rates;*

One Payment Option

Payment in Full 10 September 2018

Four Instalments

First Instalment 10 September 2018

Second Instalment 12 November 2018

Third Instalment 14 January 2019

Fourth Instalment 18 March 2019

2. *An Administration Charge of \$10.00 per instalment for payment of rates by instalments to be charged for the second, third, and fourth instalment.*

3. *An Interest Rate of 5.5% to be imposed on rates payable by instalments in accordance with Section 6.51(1) of the Local Government Act 1995.*

4. *An Interest Rate of 5.5% to be imposed on other charges payable by instalments in accordance with Section 6.13(1) of the Local Government Act 1995.”*

SY077-07/18 – Penalty Interest Charges 2018/19

FILE REFERENCE: FI.BUD1819
APPLICANT OR PROPONENT(S): Shire of York
AUTHORS NAME & POSITION: Tabitha Bateman – Finance Manager
RESPONSIBLE OFFICER: Suzie Haslehurst – Executive Manager, Corporate and Community Services
PREVIOUSLY BEFORE COUNCIL: N/A
DISCLOSURE OF INTEREST: Nil
APPENDICES: Nil

Nature of Council’s Role in the Matter:

- Executive
- Legislative

Purpose of the Report:

This report requests Council to consider and adopt the penalty interest charges for outstanding rates and other charges for the 2018/19 financial year.

Background:

Council is requested to adopt the proposed rate of penalty interest on rates and other charges incorporated into the 2018/19 Budget as required by Section 6.51 of the *Local Government Act 1995* (the Act). For the 2017/18 financial year a penalty interest rate of 11% was adopted and the estimated income recognised was \$125,794.

Comments and details:

Under Section 6.13(1) of the Act, Council can charge interest on any amount of money (other than rates and service charges) owed to the local government. The maximum rate of interest prescribed by Regulation 19A of the *Local Government (Financial Management) Regulations 1996 (FMR)* is currently 11%.

Under Section 6.51(1) of the Act, Council can charge interest on unpaid rates and service charges. The maximum rate of interest is prescribed by Regulation 70 of the *FMR* and is currently 11%.

It is recommended that Council imposes an 11% rate of interest to apply to rates and other charges. The revenue estimated from the imposition of the interest charged under Sections 6.51(1) of the Act applicable to rates and service charges amounts to \$80,000 for the 2018/19 financial year. The revenue estimated from the imposition of the interest charged under Section 6.13(1) of the Act applicable to other charges amounts to \$20,000 for the 2018/19 financial year.

It is not proposed to raise interest on sundry debtors other than those raised through the Shire’s rating system.

Implications to consider:

- **Consultative**
Department of Local Government
- **Strategic**
Strong and Effective Leadership
5.3 *A financial sustainable Shire*
5.4 *Open and accountable systems*

- **Policy related**
F.1.1 *Revenue Collection*
- **Financial**
Estimated total revenue expected from penalty interest charges included in the 2018/19 Budget amounts to \$100,000.
- **Legal and Statutory**
Section 6.13(1) of the *Local Government Act 1995* permits the Council to impose interest on any amount of money (not rates or service charges) that remains unpaid.

Section 6.51(1) of the *Local Government Act 1995* permits the Council to impose interest on a rate or service charge that remains unpaid (including instalments).

Regulation 70 of the *Local Government (Financial Management) Regulations* states the maximum rate of interest on overdue rates to be imposed under Section 6.51 of the *Local Government Act 1995* is 11%.

Regulation 19A of the *Local Government (Financial Management) Regulations* states the maximum rate of interest on any amount of money (other than rates or service charges) to be imposed under Section 6.13 of the *Local Government Act 1995* is 11%.
- **Risk Related**
The risk of not adopting the interest rates will have implications for the 2018/19 budget adoption, Council operations and capital projects proposed for 2018/19.
- **Workforce Implications**
N/A

Voting Requirements:
Absolute Majority Required: Yes

OFFICER RECOMMENDATION

“That Council adopts for the 2018/19 financial year:

1. ***An Interest Rate of 11% to be imposed on rates and service charges in accordance with Section 6.51(1) of the Local Government Act 1995.***
2. ***An Interest Rate of 11% to be imposed on other charges applied to rates notices in accordance with Section 6.13(1) of the Local Government Act 1995.”***

SY078-07/18 – Rates Payment Incentive Scheme 2018/19

FILE REFERENCE: FI.BUD1819
APPLICANT OR PROPONENT(S): Shire of York
AUTHORS NAME & POSITION: Helen D’Arcy-Walker, Council & Executive Support Officer
RESPONSIBLE OFFICER: Paul Martin, Chief Executive Officer
PREVIOUSLY BEFORE COUNCIL: Nil
DISCLOSURE OF INTEREST: Nil
APPENDICES: Nil

Nature of Council’s Role in the Matter:

- Executive

Purpose of the Report:

The purpose of this report is to inform Council about the information being issued with the 2018/19 Rates Notice and the proposed Rate Payment Incentive Scheme Prizes.

Background:

Council has had a Rate Payment Incentive Scheme in past years and the 2018/19 financial year budget again includes incentives for Ratepayers to pay their rates by the due date in one lump sum.

Comments and details:

The following prizes have been donated by the sponsors and the Shire of York for the Rate Payment Incentive Scheme:

FIRST PRIZE

A \$1,000 bank account provided by the Shire of York in conjunction with the York & Districts Community Bank Branch of Bendigo Bank

SECOND PRIZE

A two night weekend stay at the Quality Hotel Ambassador Perth in a Premium Deluxe Room with breakfast for 2 people each morning

THIRD PRIZE

Four tickets to the West Australian Symphony Orchestra - Asher Fisch Conducts Strauss & Bruckner - Saturday, 10 November, 2018 – Perth Concert Hall

FOURTH PRIZE

\$200 of Fuel Donated by Fuel Distributors of WA Pty Ltd

The draw will be conducted through the Random Prize Draw on the Shire’s Synergy Program on 11 September 2018 and the winners will be notified and presented with their prize at the Ordinary Council meeting to be held in October.

The following conditions apply to all Prizes:

- All current and outstanding rates must be received on or before 10 September 2018 to qualify.
- Councillors and employees of the Shire of York and their immediate families are ineligible to enter.

This year the 2018/19 rate notice package will include the following:

- Shire of York Information Calendar
 - Rubbish Collection Dates
 - Kerbside Bulk Pick Up Dates
 - Dog & Cat Registration Renewal Date
 - Rates Instalments Due Dates
 - Information regarding Fire Breaks, Restricted Burning Permits, Prohibited Burning Periods
 - Relevant Telephone Numbers
- Firebreak Notice and Fire Break & Hazard Reduction Guide
- Rates Incentive Prizes
- Shire of York Customer Service Charter

Implications to consider:

- **Consultative**
York & Districts Community Bank Branch of Bendigo Bank
Quality Hotel Ambassador Perth
West Australian Symphony Orchestra
Fuel Distributors of WA Pty Ltd
- **Strategic**
Not applicable
- **Policy related**
Not applicable
- **Financial**
Council donates \$500 towards first prize
- **Legal and Statutory**
Not applicable
- **Risk related**
Not applicable
- **Workforce Implications**
Not applicable

Voting Requirements:

Absolute Majority Required: No

OFFICER RECOMMENDATION

“That Council:

- 1. Adopts the Rates Payment Incentive Scheme for 2018/19.***
- 2. Authorises the draw to be conducted through the Random Prize Draw on the Shire’s Synergy Program on 11 September 2018.***
- 3. Requests the Chief Executive Officer to notify the winners and arrange for presentation of prizes to be made at the Ordinary Council meeting to be held in September 2018.***

Advice Note:

All current and outstanding rates must be received on or before 10 September 2018 to qualify for the prize draw.

Councillors and employees of the Shire of York and their immediate families are ineligible to enter.”

SY079-07/18 – Adoption of General Refuse Fees and Charges 2018/19

FILE REFERENCE: FI.BUD1819
APPLICANT OR PROPONENT(S): Shire of York
AUTHORS NAME & POSITION: Tabitha Bateman – Finance Manager
RESPONSIBLE OFFICER: Suzie Haslehurst – Executive Manager, Corporate and Community Services
PREVIOUSLY BEFORE COUNCIL: N/A
DISCLOSURE OF INTEREST: Nil
APPENDICES: Nil

Nature of Council’s Role in the Matter:

- Executive
- Legislative

Purpose of the Report:

This report provides details of the proposed refuse fees and charges and recommends that Council adopts the General Refuse Fees and Charges for the 2018/19 financial year.

Background:

The revenue generated from the Sanitation General Refuse Fees and Charges represents a significant component of the Shire’s annual revenue. This revenue is required to fund the expenses incurred in providing kerbside collection services and to undertake operational activities and capital works at the Waste Transfer Station.

Comments and details:

At the Ordinary Meeting of Council held in February 2018, Council resolved to utilise the tender-exempt WALGA preferred suppliers panel to request submissions for the provision of Waste and Recycling Services for the Shire of York. Considering the scope of waste collection services is yet to be determined, the Shire has budgeted for the extension of the current contract. Consequently, it is proposed that the standard fees for general refuse collection be increased by the CPI increase of 0.9% which is consistent with the increase to cost of collection, making the charge \$204.00 per annum. The Waste Management Levy will remain at \$90.00 per annum.

Implications to consider:

- **Consultative**
Community
Service Providers
- **Strategic**
N/A
- **Policy related**
N/A
- **Financial**
Notes to the Annual Budget No 8 - Fees and Charges Revenue details total income for fees and charges for each program as required by Regulation 25 of the *Local Government (Financial Management) Regulations*. Incorporated into these fees and charges are the following Rubbish Removal Charges for the 2018/19 financial year:

	ITEM	Condition/ Frequency	2017/18	2018/19	Variation
RATES / WASTE MANAGEMENT					
Rubbish Service Charges - All eligible properties					
	Charge per bin service	per annum	202.00	204.00	1%
	Charge per 1.5m ³ bin service	per annum	1,576.00	1,590.00	1%
	Additional pickup of a 1.5m ³ litre bin	per annum	33.00	33.00	0%
	Charge per 3.0 m ³ bin service	per annum	2,626.00	2,650.00	1%
	Charge per 4.5 m ³ bin service	per annum	4,202.00	4,240.00	1%
Waste Management Levy					
	Levy being to provide for the proper performance of services in accordance with s66 of the Waste Avoidance and Resource Recovery Act (2007).				
	General rate - cents per dollar of gross rental value		\$ 0.00041580	\$ 0.0001411	-66%
	General rate - cents per dollar of unimproved value		\$ 0.00001770	\$ 0.0000168	-5%
	Per assessment/residence - minimum payment	per annum	90.00	90.00	0%

- **Legal and Statutory**

The *Waste Avoidance and Resource Recovery Act 2007* permits a Council to impose waste collection rates on rateable land within a district and states the following;

66. Local government may impose waste collection rate

- (1) *A local government may impose on rateable land within its district, and cause to be collected, an annual rate for the purpose of providing for the proper performance of all or any of the waste services it provides.*
- (2) *The annual rate must not exceed —*
 - (a) *12 cents in the dollar on the gross rental value; or*
 - (b) *where the system of valuation on the basis of the unimproved value is adopted, 3 cents in the dollar on the unimproved value of the land in fee simple.*
- (3) *The provisions of the Local Government Act 1995 relating to the making, payment and recovery of general rates apply with respect to rates referred to in subsection (1).*

67. Local government may impose receptacle charge

- (1) *A local government may, in lieu of, or in addition to a rate under section 66, provide for the proper disposal of waste, whether within its district or not, by making an annual charge per waste receptacle, payable in one sum or by equal monthly or other instalments in advance, in respect of premises provided with a waste service by the local government.*
- (2) *The charge is to be imposed on the owner (as defined in section 64(1)) or occupier, as the local government may decide, of any premises provided with a waste service by the local government.*
- (3) *The provisions of the Local Government Act 1995 relating to the recovery of general rates apply with respect to a charge referred to in subsection (1).*

- (4) *In the case of premises being erected and becoming occupied during the year for which payment is to be made, the charge for the service provided is to be the sum that proportionately represents the period between the occupation of the premises and the end of the year for which payment is made.*
- (5) *Notice of any charge made under this section may be included in any notice of rates imposed under section 66 or the Local Government Act 1995, but the omission to give notice of a charge does not affect the validity of the charge or the power of the local government to recover the charge.*
- (6) *A charge may be limited to premises in a particular portion of the area under the control of the local government.*
- (7) *Charges under this section may be imposed in respect of and are to be payable for all premises in respect of which a waste service is provided, whether such premises are rateable or not.*
- (8) *A local government may make different charges for waste services rendered in different portions of its district.*

68. Fees and charges fixed by local government

Nothing in this Part prevents or restricts a local government from imposing or recovering a fee or charge in respect of waste services under the Local Government Act 1995 section 6.16.

- **Risk Related**

The possible risk associated with not adopting the proposed of Fees and Charges relating to Waste Management is that it may result in a reduction of anticipated income and affect the Shire's ability to deliver waste management services.

- **Workforce Implications**

N/A

Voting Requirements:

Absolute Majority Required: Yes

OFFICER RECOMMENDATION

“That Council:

1. *Adopts the rubbish removal charges and Waste Management Levy as detailed in the Shire’s Schedule of Fees and Charges, being;*

<i>Charge per domestic Rubbish Service</i>	<i>\$ 204.00</i>
<i>Charge per 1.5m³ Bin Service</i>	<i>\$ 1,590.00</i>
<i>Charge per 3.0m³ Bin Service</i>	<i>\$ 2,650.00</i>
<i>Charge per 4.5m³ Bin Service</i>	<i>\$ 4,240.00</i>

<i>Waste Management Levy</i>	
<i>General Rate in the dollar per GRV</i>	<i>\$ 0.00014110</i>
<i>General Rate in the dollar per UV</i>	<i>\$ 0.00001680</i>
<i>Minimum charge per assessment</i>	<i>\$ 90.00</i>

2. *Notes that at the time of budget preparation the full scope of Waste Collection Services in the Shire is yet to be determined and any variations to the current contract may impact the Shire’s financials requiring future action or amendments.”*

SY080-07/18 – Adoption of Fees and Charges 2018/19

FILE REFERENCE: FI.BUD1819
APPLICANT OR PROPONENT(S): Shire of York
AUTHORS NAME & POSITION: Tabitha Bateman – Finance Manager
RESPONSIBLE OFFICER: Suzie Haslehurst – Executive Manager, Corporate and Community Services
PREVIOUSLY BEFORE COUNCIL: N/A
DISCLOSURE OF INTEREST: Nil
APPENDICES: Nil

Nature of Council’s Role in the Matter:

- Executive
- Legislative

Purpose of the Report:

This report provides details of the proposed fees and charges and recommends that Council adopts the Schedule of Fees and Charges for the 2018/19 financial year.

Background:

In accordance with Sections 6.16 to 6.19 of the *Local Government Act 1995*, a Local Government may impose a fee or charge for any goods or service it provides. Fees and charges must be imposed when adopting the annual budget, however may also be imposed or amended during the course of the year if necessary.

Comments and details:

Council reviews all fees and charges on an annual basis, prior to finalisation of Council’s annual budget. The basis for imposing fees and charges for Council services can be categorised as either statutory fees and charges, or fees and charges for goods or services. There are a number of statutory fees and charges determined under other legislation which dictate the level of fees and charges that may be imposed by Council.

The schedule also details the prior year comparison with the 2017/18 fees & charges. During the 2017/18 year, officers carried out an extensive review to ensure consistency across the schedule of fees and charges and to provide a comparison with other local governments. Furthermore, consideration was given to the costs involved with providing the goods or services. As a result, some fees are recommended to increase, however this has been considered on a case by case basis. Some fees have not increased at all as they are set by regulation or considered to be at the required level.

Implications to consider:

- **Consultative**
Councillors, Regulatory Services
Other local government authorities
- **Strategic**
N/A
- **Policy related**
N/A

- **Financial**

The Draft budget has been prepared with consideration of the Schedule of Fees and Charges. Notes to the Annual Budget No 8 - Fees and Charges Revenue details total income for fees and charges for each program as required by Regulation 25 of the *Local Government (Financial Management) Regulations 1996*.

FEES & CHARGES REVENUE

	2018/19 Budget	2017/18 Actual
	\$	\$
Governance	400	891
General purpose funding	37,180	38,616
Law, order, public safety	18,210	20,128
Health	17,800	18,138
Education and welfare	32,001	32,259
Community amenities	703,778	726,082
Recreation and culture	493,684	463,424
Transport	0	352
Economic services	127,950	67,730
Other property and services	7,900	24,978
	1,438,904	1,392,598

- **Legal and Statutory**

Local Government Act 1995

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 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; and*
 - (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; or*
 - (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.*

6.18. Effect of other written laws

- (1) *If the amount of a fee or charge for a service or for goods is determined under another written law a local government may not —*
 - (a) *determine an amount that is inconsistent with the amount determined under the other written law; or*
 - (b) *charge a fee or charge in addition to the amount determined by or under the other written law.*
- (2) *A local government is not to impose a fee or charge for a service or goods under this Act if the imposition of a fee or charge for the service or goods is prohibited under another written law.*

6.19. Local government to give notice of fees and charges

If a local government wishes to impose any fees or charges under this Subdivision after the annual budget has been adopted it must, before introducing the fees or charges, give local public notice of —

- (a) *its intention to do so; and*
- (b) *the date from which it is proposed the fees or charges will be imposed.*

- **Risk Related**

The possible risk associated with not adopting the proposed 2018/19 Schedule of Fees and Charges is that it may result in a reduction of anticipated income.

- **Workforce Implications**

N/A

Voting Requirements:
Absolute Majority Required: Yes

OFFICER RECOMMENDATION

“That Council adopts the Schedule of Fees and Charges as included in the 2018/19 Statutory Budget.”

SY081-07/18 – Councillors Sitting Fees 2018/19

FILE REFERENCE: FI.BUD1819
APPLICANT OR PROPONENT(S): Shire of York
AUTHORS NAME & POSITION: Tabitha Bateman – Finance Manager
RESPONSIBLE OFFICER: Suzie Haslehurst – Executive Manager, Corporate and Community Services
PREVIOUSLY BEFORE COUNCIL: N/A
DISCLOSURE OF INTEREST: Nil
APPENDICES: Nil

Nature of Council’s Role in the Matter:

- Executive
- Legislative

Purpose of the Report:

This report provides details of the proposed Councillors’ Sitting Fees for the 2018/19 financial year.

Background:

Pursuant to Section 7A and 7B of the *Salaries and Allowances Act 1975*, the Salaries and Allowances Tribunal (SAT) determines the minimum and maximum remuneration paid to elected members at intervals of not more than 12 months.

Subject to this annual determination and in accordance with Section 5.98 of the *Local Government Act 1995*, Councillor Sitting Fees and Allowances are reviewed and adopted with the Annual Budget.

Comments and details:

Following the release of the SAT’s determination and discussions between Councillors and staff held at budget workshops, Officers have prepared the draft budget with a nil increase to Councillors Sitting fees for the 2018/19 FY.

The SAT determination, released 10 April 2018, focuses strongly on the challenging economic times facing Western Australia and specifically the subdued wage growth, currently at historic lows. It recognises that elected members are leaders within the community and emphasises the importance of the leaders in the community demonstrating wage restraint while the community, as a whole, endures low wage growth. The determination further stated:

“36. ...the Tribunal is aware of the difficulties in the community caused by rate increases. It can be argued that remuneration of CEOs and elected members comprises a small fraction of a local governments’ overall budgets, the Tribunal has concluded that the current climate necessitates an approach to minimise costs of local governments.”

The Tribunal concluded that there will be no increase in the remuneration, fees, expenses or allowances ranges provided to elected members in light of the serious economic conditions facing Western Australia at this time.

Officers have therefore prepared the Draft 2018/19 Annual Budget in accordance with the above determination.

It should be noted that Councillors are provided with an iPad and a communications allowance to enable Councillors to access information in the course of their duties.

Implications to consider:

- **Consultative**
Salaries and Allowances Tribunal
- **Strategic**
Strong and Effective Leadership
5.1 *A financially sustainable Shire*

Policy related

N/A

- **Financial**

The total proposed fees to be paid to Councillors in the 2018/19 budget amounts to \$137,782.00 as detailed in the following table:

Elected members remuneration	2018/19	2017/18	2017/18
	Budget	Actual	Budget
	\$	\$	\$
Meeting fees	101,346	101,346	101,346
Mayor/President's allowance	16,749	16,749	16,749
Deputy Mayor/President's allowance	4,187	4,187	4,187
Travelling expenses	1,500	734	1,500
Telecommunications allowance*	14,000	14,000	14,000
	137,782	137,016	137,782

Currently, Councillors' attendance fees are 83% of the maximum allowance set by SAT and the Presidential Allowances (Shire President and Deputy Shire President) are 46% of the maximum allowance set by SAT.

Councillors are provided with an iPad, the running costs of which are deducted from their communications allowance of \$2,000 per annum.

- **Legal and Statutory**
Local Government Act 1995

5.98. Fees etc. for council members

(1A) *In this section —*

determined means determined by the Salaries and Allowances Tribunal under the Salaries and Allowances Act 1975 section 7B.

- (1) *A council member who attends a council or committee meeting is entitled to be paid —*
- (a) *the fee determined for attending a council or committee meeting; or*
 - (b) *where the local government has set a fee within the range determined for council or committee meeting attendance fees, that fee.*
- (2A) *A council member who attends a meeting of a prescribed type at the request of the council is entitled to be paid —*
- (a) *the fee determined for attending a meeting of that type; or*
 - (b) *where the local government has set a fee within the range determined for meetings of that type, that fee.*

- (2) A council member who incurs an expense of a kind prescribed as being an expense —
- (a) to be reimbursed by all local governments; or
 - (b) which may be approved by any local government for reimbursement by the local government and which has been approved by the local government for reimbursement,
- is entitled to be reimbursed for the expense in accordance with subsection (3).
- (3) A council member to whom subsection (2) applies is to be reimbursed for the expense —
- (a) where the extent of reimbursement for the expense has been determined, to that extent; or
 - (b) where the local government has set the extent to which the expense can be reimbursed and that extent is within the range determined for reimbursement, to that extent.
- (4) If an expense is of a kind that may be approved by a local government for reimbursement, then the local government may approve reimbursement of the expense either generally or in a particular case but nothing in this subsection limits the application of subsection (3) where the local government has approved reimbursement of the expense in a particular case.
- (5) 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 —
- (a) the annual local government allowance determined for mayors or presidents; or
 - (b) 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.
- (6) A local government cannot —
- (a) make any payment to; or
 - (b) reimburse an expense of,
- a person who is a council member or a mayor or president in that person's capacity as council member, mayor or president unless the payment or reimbursement is in accordance with this Division.
- (7) A reference in this section to a **committee meeting** is a reference to a meeting of a committee comprising —
- (a) council members only; or
 - (b) council members and employees.

[Section 5.98 amended by No. 64 of 1998 s. 36; No. 17 of 2009 s. 33; No. 2 of 2012 s. 14.]

5.98A. Allowance for deputy mayor or deputy president

- (1) 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 Allowances Tribunal under the Salaries and Allowances Act 1975 section 7B of the annual local government allowance to which the mayor or president is entitled under section 5.98(5).

* Absolute majority required.

- (2) *An allowance under subsection (1) is to be paid in addition to any amount to which the deputy mayor or deputy president is entitled under section 5.98.*

[Section 5.98A inserted by No. 64 of 1998 s. 37; amended by No. 2 of 2012 s. 15.]

5.99. Annual fee for council members in lieu of fees 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 —*

- (a) *the annual fee determined by the Salaries and Allowances Tribunal under the Salaries and Allowances Act 1975 section 7B; or*
- (b) *where the local government has set a fee within the range for annual fees determined by that Tribunal under that section, that fee.*

** Absolute majority required.*

[Section 5.99 amended by No. 2 of 2012 s. 16.]

5.99A. Allowances for council members in lieu of reimbursement of expenses

A local government may decide that instead of reimbursing council members under section 5.98(2) for all of a particular type of expense it will instead pay all council members —*

- (a) *the annual allowance determined by the Salaries and Allowances Tribunal under the Salaries and Allowances Act 1975 section 7B for that type of expense; or*
- (b) *where the local government has set an allowance within the range determined by the Salaries and Allowances Tribunal under the Salaries and Allowances Act 1975 section 7B for annual allowances for that type of expense, an allowance of that amount,*

and only reimburse the member for expenses of that type in excess of the amount of the allowance.

• **Risk Related**

N/A

• **Workforce Implications**

N/A

Voting Requirements:

Absolute Majority Required: Yes

OFFICER RECOMMENDATION

“That Council adopts the following elected member sitting fees and allowances for the 2018/19 financial year:

<i>Sitting Fee – President</i>	<i>\$ 20,778</i>
<i>Sitting Fee – Councillors x 6</i>	<i>\$ 13,428</i>
<i>Allowance – Shire President</i>	<i>\$ 16,749</i>
<i>Allowance – Deputy President</i>	<i>\$ 4,187</i>
<i>IT and Communications Allowance x 7</i>	<i>\$ 2,000.”</i>

SY082-07/18 – Material Variance Reporting for 2018/19

FILE REFERENCE: FI.BUD1819
APPLICANT OR PROPONENT(S): Shire of York
AUTHORS NAME & POSITION: Tabitha Bateman – Finance Manager
RESPONSIBLE OFFICER: Suzie Haslehurst – Executive Manager, Corporate and Community Services
PREVIOUSLY BEFORE COUNCIL: N/A
DISCLOSURE OF INTEREST: Nil
APPENDICES: Nil

Nature of Council’s Role in the Matter:

- Executive

Purpose of the Report:

This report seeks Council’s consideration and adoption of the level for reporting material variances to be used in statements of financial activity.

Background:

The *Local Government (Financial Management) Regulations 1996* (FMR) require a local government to prepare a Financial Activity Statement and report material variances to income and expenditure on a regular basis. Regulation 34(5) states that “*Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.*”

Comments and details:

In accordance with FMR 34(5), materiality thresholds can be set as a percentage or dollar value. This report recommends both; the advantage being that a minimum value threshold can be set as well as a proportional value threshold, relevant to major items or subtotals. Threshold levels should not be so high as to allow material variances to go unnoticed, and by the same token, should not be so low as to cause administrative burden.

For a number of years, Council adopted a variance of 10% or \$10,000 *whichever is the greater*, to capture material variances. Based on recent discussions with the Shire’s auditors, officers are recommending that the material variance threshold be adjusted to identify variances of greater than 10% for items with a variance of \$5,000 or more in accordance with the notion of materiality.

For the purposes of monthly financial reporting, 10% is considered a reasonable guide for highlighting variances as well as adopting a value of \$5,000 as a minimum value for reporting in the monthly statement of financial activity.

Implications to consider:

- **Consultative**
Staff
Other local government authorities
- **Strategic**
Strong and Effective Leadership
5.4 *Open and accountable systems*
- **Policy related**
N/A

- **Financial**

The Australian Accounting Standards provide the following definition for Materiality;

“Material - Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the financial report. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.”

- **Legal and Statutory**

Local Government (Financial Management) Regulations 1996

34. *Financial activity statement required each month (Act s.6.4)*

(5) *Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.*

- **Risk Related**

Council is required to adopt a percentage or value for reporting material variances. Failure to do so constitutes a breach of the *Local Government (Financial Management) Regulations 1996* which is considered a high risk to the organisation.

- **Workforce Implications**

N/A

Voting Requirements:

Absolute Majority Required: No

OFFICER RECOMMENDATION

“That Council, in accordance with Regulation 34(5) of the Local Government (Financial Management) Regulations 1996 and Australian Accounting Standards, adopts the percentage of 10% for items with a variance of \$5,000 or more for reporting material variances in the Statement of Financial Activity.”

SY083-07/18 – Adoption of the Annual Budget for the Financial Year ending 30 June 2019

FILE REFERENCE: FI.BUD1819
APPLICANT OR PROPONENT(S): Shire of York
AUTHORS NAME & POSITION: Tabitha Bateman – Finance Manager
RESPONSIBLE OFFICER: Suzie Haslehurst – Executive Manager, Corporate and Community Services
PREVIOUSLY BEFORE COUNCIL: N/A
DISCLOSURE OF INTEREST: Nil
APPENDICES: A. Statutory budget 2018/19

Nature of Council’s Role in the Matter:

- Executive
- Legislative

Purpose of the Report:

This report presents the 2018/19 Annual Budget for adoption by Council.

Background:

Under Section 6.2(1) of the *Local Government Act 1995* (the Act), each local government is required to prepare and adopt by absolute majority a budget for the following financial year. The Act prescribes that this must be done between 1 June and 31 August for the financial year ending 30 June following that August.

The 2018/19 Annual Budget has been prepared in accordance with Section 6.2 of the Act and the *Local Government (Financial Management) Regulations* Part 3, Regulations 22 to 33.

The preparation of the Annual Budget is both a statutory requirement of the Act and a responsible financial management practice. The development of the budget is largely based upon the Strategic Community Plan and Corporate Business Plan adopted in 2016 and reviewed in February 2018. In addition to these, Council and Officers considered the results of the Community Scorecard Survey and the Shire’s informing strategies (risk management, asset management etc) in formulating the draft budget.

The first draft budget was prepared and discussed at a workshop held with Councillors on 21 May. Following these discussions, changes were made and a further draft was circulated on 1 June. The final draft was prepared and a workshop was held on 18 June 2018 before finalising the Statutory Budget 2018/19 which is attached to this report.

The Budget document includes the Statutory Budget format with all relevant disclosures to discharge financial accountability to the community. In addition, it is accompanied by the 2018/19 Schedule of Fees & Charges and detailed budget schedules.

Comments and details:

The Statutory Budget has been prepared in accordance with all relevant professional accounting pronouncements. It contains all statutory statements and supporting schedules including:

- Statement of Comprehensive Income by Nature or Type
- Statement of Comprehensive Income by Program

- Statement of Cashflows
- Rate Setting Statement
- Notes to and forming part of the Budget
- Schedule of Fees & Charges
- Supplementary Information

The 2018/19 proposed Annual Budget has predicted a net carried forward balance of \$2,094,198. This anticipated net carried forward amount is the result of a number of operational and capital works projects that have been identified as not being able to be completed by 30 June 2018 and have now been included in the 2018/19 budget as recounted projects, net of grant funding.

These funds have been identified as carry-over and effectively assist to balance the 2018/19 Budget. Some of the significant carry over projects of note are identified as follows;

- Road and Footpath Construction including WANDRRA projects
- Advance Payment of 2018/19 Financial Assistance Grants

Due to the early adoption of the 2018/19 Budget, it is anticipated that any adjustments to the net carried forward surplus will be identified during the first quarter Financial Review and presented to the Audit Committee for recommendation to Council. In the event there is a reduction in the carried forward surplus Council may consider adjusting the proposed allocations to reserves. However, in the event the surplus is greater than estimated, the options for the remaining balance could be:

- Allocate the full amount to requested carryovers or project briefs that could not be funded in the original budget
- Allocate the full amount to reserves
- Allocate the full amount to roads reseals
- Any combination of the above

Recommendation

Officers are recommending that Council adopts the Draft Annual Budget 2018/19 as attached to this report. This will allow timely rates billing for the 2018/19 FY, subsequent positive cashflow, commencement of scheduled projects and compliance with the Shire's statutory obligations regarding the lodgement of the annual budget with the Department of Local Government.

Implications to consider:

- **Consultative**

In developing the budget, the Shire of York has given due consideration to the Strategic Community Plan, Corporate Business Plan and the Long Term Financial Plan adopted in 2016 and reviewed in 2018. In addition to the above, the results of the Community Scorecard Survey and the Shire's informing strategies (risk management, asset management, workforce plan) were considered.

- **Strategic**
The 2018/19 budget was developed with consideration for the Shire of York's Strategic Community Plan and reflects in part, Year 2 of the Corporate Business Plan adopted in 2016 and the Community Survey undertaken early this year.
- **Policy related**
The development of the Annual Budget has been conducted in accordance with the Shire of York's F1.3 *Significant Accounting Policy*.
- **Financial**
The financial implications of adopting the 2018/19 Budget are as disclosed in the attachment to this report.
- **Legal and Statutory**
Local Government Act 1995 – Section 6.2; and
Financial Management Regulations Part 3 Regulations 22 – 33.
- **Risk related**
If Council resolved not to adopt the budget or delayed the process it could pose the following risks:
 - a) Serious cashflow issues
 - b) Delay in essential works and services
 - c) Reputational risk from the inability to meet ongoing financial commitments
 - d) Non-compliance with the LG Act
- **Workforce Implications**
Three new positions have been proposed in the 2018/19 budget. These are the position of part-time YRCC Project Officer in accordance with Council Resolution 080418, and the inclusion of a Parks and Gardens Trainee. Furthermore, funds have been committed to increasing the staffing levels at the York Visitors Centre to address the increase of tourism and visitors to the area.

Voting Requirements:
Absolute Majority Required: Yes

OFFICER RECOMMENDATION:

“That Council, pursuant to Section 6.2 of the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996 Part 3, Regulations 22 to 33, adopts the Annual Budget as per the attached Draft Annual Budget 2018/19.”

8 QUESTIONS FROM MEMBERS WITHOUT NOTICE

9 MEETING CLOSED TO THE PUBLIC

9.1 Matters for which the meeting may be closed

9.2 Public reading of resolutions to be made public

10 CLOSURE