



# **AGENDA**

## **SPECIAL MEETING OF COUNCIL**

to be held on

**Thursday 30 July, 2020**

**at 5.30pm**



WESTERN AUSTRALIA'S  
**WILDFLOWER COUNTRY**

*'This meeting is being recorded on audio tape and to assist with minute taking purposes. The public is reminded that in accordance with Section 6.16 of the Shire of Morawa Meeting Procedures Local Law 2012 that nobody shall use any visual or vocal recording device or instrument to record the proceedings of Council without the written permission of the presiding member.'*

**DISCLAIMER**

*No responsibility whatsoever is implied or accepted by the Shire of Morawa for any act, omission, statement or intimation occurring during Council Meetings. The Shire of Morawa disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission, and statement of intimation occurring during Council Meetings.*

*Any person or legal entity that acts or fails to act in reliance upon any statement, act or omission occurring in a Council Meeting does so at their own risk. The Shire of Morawa advises that any person or legal entity should only rely on formal confirmation or notification of Council resolutions.*

**DISCLOSURE OF FINANCIAL/ IMPARTIALITY/ PROXIMITY INTERESTS**  
**Local Government Act 1995 – Section 5.65, 5.70 and**  
**5.71 Local Government (Administration) Regulation**  
**34C**

<i>This form is provided to enable members and officers to disclose an Interest in a matter in accordance with the regulations of Section 5.65, 5.70 and 5.71 of the Local Government Act and Local Government (Administration) Regulation 34C</i>			
Name of person declaring the interest			
Position			
Date of Meeting			
Type of Meeting (Please circle one)	Council Meeting/ Committee Meeting/ Special Council Meeting Workshop/ Public Agenda Briefing/ Confidential Briefing		
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Important Note:** Should you declare a **Financial** or **Proximity** Interest, in accordance with the Act and Regulations noted above, you are required to leave the room while the item is being considered.

For an **Impartiality** Interest, you must state the following prior to the consideration of the item:

*“With regard to agenda item (read item number and title), I disclose that I have an impartiality interest because (read your reason for interest). As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly.”*

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**Item 1 Opening of Meeting**

The President to declare the meeting open.

**Item 2 Acknowledgement of Traditional Owners and Dignitaries**

The President acknowledges the traditional custodians, the Yamatji people, and recognises the contribution of Yamatji elders past, present and future, in working together for the future of Morawa.

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**Item 3 Recording of Attendance****3.1 Attendance (by teleconference)****Council**

President Councillor Karen Chappel  
 Deputy President Councillor Dean Carslake  
 Councillor Jane Coaker  
 Councillor Debbie Collins  
 Councillor Yvette Harris  
 Councillor Shirley Katona  
 Councillor Ken Stokes

**Staff**

Acting Chief Executive Officer	Robert Paull
Executive Manager Corporate & Community Services	John van der Meer
Executive Manager Works and Assets	Paul Buist
Economic Development Manager	Ellie Cuthbert
Executive Assistant	Rondah Toms

**Members of the Public****3.2 Attendance by Telephone / Instantaneous Communications**

In accordance with section 14 of the *Local Government (Administration) Regulations 1996* “Meetings held by electronic means in public health emergency or state of emergency (Act s. 5.25(1)(ba))”, the President to declare that this Special Meeting shall take place via instantaneous communication. All Councillors and staff are available via telephone (teleconference).

**3.3 Apologies****3.4 Approved Leave of Absence****3.5 Disclosure of Interests**

<b>Item 4</b>	<b>Applications for Leave of Absence</b>
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<b>Item 5</b>	<b>Response to Previous Questions</b>
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<b>Item 6</b>	<b>Public Question Time</b>
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*Important note:*

*‘This meeting is being recorded on audio tape and to assist with minute taking purposes. The public is reminded that in accordance with Section 6.16 of the Shire of Morawa Meeting Procedures Local Law 2012 that nobody shall use any visual or vocal recording device or instrument to record the proceedings of Council without the written permission of the presiding member.’*

**6.1 Public Question Time**

**6.2 Public Statement Time**

**6.3 Petitions/Deputations/Presentations/Submissions**

<b>Item 7</b>	<b>Questions from Members without Notice</b>
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<b>Item 8</b>	<b>Announcements by Presiding Member without Discussion</b>
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<b>Item 9</b>	<b>Declarations of All Members to have Given Due Consideration to All Matters Contained in the Business Paper before the Meeting</b>
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The Elected Members to declare that they have given due consideration to all matters contained in the agenda.

<b>Item 10</b>	<b>Confirmation of Minutes of Previous Meetings</b>
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Nil

**Item 11 Reports of Officers****11.1 Chief Executive Officer****11.1.1 Recruitment of a Permanent Chief Executive Officer**

**Author:** Acting Chief Executive Officer

**Authorising Officer:** Acting Chief Executive Officer

**Disclosure of Interest:** The Author/Authorising Officer declares that he does not have any conflicts of interest in relation to this item.

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**OFFICER'S RECOMMENDATION**

That with regards to the Recruitment of a Permanent Chief Executive Officer, Council:

1. Requests the President to invite expressions of interest from suitably qualified recruitment professionals to assist in the recruitment process of a Chief Executive Officer in line with the scope of activity as outlined in this report.

***SIMPLE MAJORITY VOTE REQUIRED***

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**PURPOSE**

With the resignation of Chief Executive Officer (CEO) Mr Chris Linnell and the temporary appointment of Acting CEO Mr Robert Paull expiring on 10 February 2021, Council is recommended to commence the recruitment process for a permanent CEO (maximum period of 5 year contract).

**DETAIL**

Due to the specialised nature of recruiting a local government's principal employee, it is appropriate for Council to engage the services of a suitably qualified independent recruitment consultant, licensed under the *Employment Agents Act 1976 (WA)*, to guide Council through the process and ensure legislative compliance. This engagement activity will need to be conducted in accordance with the Shire's adopted *Purchasing Policy*.

To assist with the engagement of an independent recruitment consultant, the following Scope of Activity has been developed to ensure respondents have a clear understanding of the Council's expectations.

**Scope of Activity**

As a minimum, the preferred independent recruitment consultant will undertake the following activities:

- Review CEO position description and selection criteria;
- Address a suitable remuneration package within the *Salaries and Allowances Tribunal* determination for Band 4 local government;
- Prepare initial Key Performance Indicators to be considered by Council for the role;
- Draft Job Advertisement and Information Package;
- Conduct Executive Search;



- Perform Preliminary Assessments and Background Checks;
- Assist Council develop interview questions and prepare for conduct of interviews;
- Guide Council in interview process and selection process;
- Conduct referee checks; and
- Prepare a contract of Employment for the successful candidate.

### Skills and Experience

As a minimum, the preferred independent recruitment consultant will demonstrate the following skills and experience:

- Demonstrated knowledge of CEO employment provisions as defined in the *Local Government Act 1995 (WA)* and associated regulations;
- Demonstrated knowledge of the *Salaries and Allowances Act 1975*;
- Demonstrated sound understanding of contractual provisions and salary trends; and
- Holds a WA Employment Agent's licence under the *Employment Agents Act 1976 (WA)*.

### LEVEL OF SIGNIFICANCE

High. The stability of both the political and administrative leadership of the Shire is critically linked to the appointment of a permanent CEO.

### CONSULTATION

President Cr Karen Chappel

### LEGISLATION AND POLICY CONSIDERATIONS

#### **Local Government Act 1995**

The recruitment of a CEO is a function of Council under s5.36 of the *Local Government Act 1995*:

#### *“5.36. Local government employees*

- (1) *A local government is to employ —*
  - (a) *a person to be the CEO of the local government; and*
  - (b) *such other persons as the council believes are necessary to enable the functions of the local government and the functions of the council to be performed.*
- (2) *A person is not to be employed in the position of CEO unless the council —*
  - (a) *believes that the person is suitably qualified for the position; and*
  - (b) *is satisfied\* with the provisions of the proposed employment contract.*
- (3) *A person is not to be employed by a local government in any other position unless the CEO —*
  - (a) *believes that the person is suitably qualified for the position; and*
  - (b) *is satisfied with the proposed arrangements relating to the person's employment.*

*\* Absolute majority required.*
- (4) *Unless subsection (5A) applies, if the position of CEO of a local government becomes vacant, it is to be advertised by the local government in the manner prescribed, and the advertisement is to contain such information with respect to the position as is prescribed”.*

#### **Local Government (Administration) Regulations 1996**

*“18A. Vacancy in position of CEO or senior employee to be advertised (Act s. 5.36(4) and 5.37(3))*

- (1) *If a position of CEO, or of a senior employee, of a local government becomes vacant, the local government is to advertise the position in a newspaper circulating generally throughout the State unless it is proposed that the position be filled by —*

- (a) a person who is, and will continue to be, employed by another local government and who will fill the position on a contract or contracts for a total period not exceeding 5 years; or
  - (b) a person who will be acting in the position for a term not exceeding one year.
- (2) An advertisement referred to in subregulation (1) is to contain —
- (a) the details of the remuneration and benefits offered; and
  - (b) details of the place where applications for the position are to be submitted; and
  - (c) the date and time for the closing of applications for the position; and
  - (d) the duration of the proposed contract; and
  - (e) contact details for a person who can provide further information about the position; and
  - (f) any other information that the local government considers is relevant.”

“18C. Selection and appointment process for CEOs

The local government is to approve a process to be used for the selection and appointment of a CEO for the local government before the position of CEO of the local government is advertised”.

### **Employment Agents Act 1976**

The *Employment Agencies Act 1976* regulates the conduct of employment agencies which recruit and manage temporary and permanent labour.

### **Shire of Morawa Purchasing Policy (3.4)**

As the expected cost of an independent recruitment consultant is expected to be more than \$4,999 but less than \$19,999, at least 2 written quotations are required.

### **Strategic Community Plan 2018 to 2028 (Desktop Reviewed June 2020)**

**Outcome 4.3** A local government that is respected, professional and accountable.

## **FINANCIAL AND RESOURCES IMPLICATIONS**

The direct financial and resource implications associated with the recruitment of a permanent CEO are addressed in the draft 2020/21 Budget.

## **RISK MANAGEMENT CONSIDERATIONS**

Appointing a permanent CEO will assist in alleviating the risk of the Shire stalling on projects that require immediate action and failing to meet its legal and statutory obligations.

## **CONCLUSION**

Council is requested to progress the appointment of a CEO.

The next phase will be a Report to Council to appoint a suitably qualified independent recruitment consultant and to resolve the “..... process to be used for the selection and appointment of a CEO for the local government before the position of CEO of the local government is advertised.” (s18C of *Local Government (Administration) Regulations 1996*).

## **ATTACHMENTS**

Nil

**11.2 Executive Manager Corporate & Community Services****11.2.1 Addressing requests from Morawa sporting clubs and associations for financial relief due to COVID-19**

**Author:** Executive Manager Corporate & Community Services

**Authorising Officer:** Acting Chief Executive Officer

**Disclosure of Interest:** The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

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**OFFICER'S RECOMMENDATION**

That with regards to the addressing requests from Morawa sporting clubs and associations for financial relief due to COVID-19, Council:

1. **Authorise the Chief Executive Officer to access the COVID-19 Recovery Reserve for the following purposes:**
  - a) **To waive the 2020/21 fees and charges of those sporting clubs and associations who have paid their 2019/20 fees and charges; and**
  - b) **Where a sporting club or association are in arrears for their 2019/20 fees and charges, to waive 50% of their 2019/20 fees and charges and 50% of their 2020/21 fees and charges; and**
  - c) **Invite those clubs and associations located in the Shire of Morawa that have no applicable Shire fees or charges to seek a \$600 cash or in-kind donation during the 2020/21 financial year, provided that where the donation is cash it is either:**
    - i. **totally spent within the Shire; or**
    - ii. **used to underwrite an event to be held in the Shire during the 2020/21 financial year; and**
  - d) **Waive the 2020/21 sewerage levy for the Morawa CWA.**

***ABSOLUTE MAJORITY VOTE REQUIRED***

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**PURPOSE**

Due to the COVID-19 pandemic, Council is requested to consider providing limited financial assistance to Morawa's sporting clubs and associations.

**DETAIL**

The COVID-19 pandemic has caused forced temporary closure of public and commercial facilities and led to limited access to essential services such as supermarkets. Due to the initial prohibition of public gatherings and current restrictions on gatherings, it is expected that the economic and social impact will be very high and costly.

To support the local community, Council at the 4 April, 2020 Special meeting of Council adopted a range of economic measures to assist the community in light of COVID 19 including the *Shire of Morawa – COVID-19 Community Recovery Package ('Recovery Package')*. Whilst the *Recovery Package* focused on business operators, it was silent on community sporting groups and organisations.

The Shire has received a joint letter from Morawa Hockey Club, Morawa Netball Club and Morawa Football Club seeking financial assistance from the Shire due to the impact of COVID-19 on their respective organisations. A copy of correspondence from the netball, football and hockey clubs is included as **Attachment 1**.

It is noted that within the Shire, the following clubs are to be levied for the 2020/21 that seek to address (but not cover) the Shire's operating costs as follows:

• Swimming Club Levy	\$ 582.00
• Badminton Club	\$ 605.00
• Squash Club	\$ 605.00
• Basketball Club	\$ 605.00
• Tennis Club	\$ 605.00
• Cricket Club	\$ 635.00
• Football Club	\$2,620.00
• Hockey Club	\$ 635.00
• Netball Club	\$ 634.00
<b>Total</b>	<b>\$6,891.00</b>

However, there are 14 other relevant registered clubs and associations in the Shire that are not charged fees but in their own way are vitally important to promoting Morawa's community welfare and well-being:

- Bowling Club
- Gliding Club
- Sporting Shooters Association
- Speedway Association
- Tennis Club
- Rifle Club
- CWA
- Historical Society & Museum
- RSL
- Volunteer Fire & Rescue Service
- MDHS P&C Association
- Morawa Playgroup
- (newly forming) Morawa Community Shed
- Morawa Community Craft Centre (inc. Morawa Neighbourhood Learning Centre).
- St John Ambulance
- Canna Progress Association
- Morawa Golf and Bowling Club

### **LEVEL OF SIGNIFICANCE**

High. The stability of the Shire's community lead sporting clubs and associations is vital for the health and well-being of Morawa's residents.

## CONSULTATION

President Cr Karen Chappel  
Executive Management Team

## LEGISLATION AND POLICY CONSIDERATIONS

This report has been written in accordance with the:

- *Local Government Act 1995*; and
- *Local Government (Financial Management) Regulations 1996*; and
- *Local Government (Functions and General) Regulations 1996*

Both the Premier and Minister of Local Government have indicated that local governments will be supported by the Department of Local Government, Sport and Cultural Industries in establishing creative ideas to support their communities during the pandemic.

### Strategic Community Plan 2018 to 2028 (Desktop Reviewed June 2020)

**Outcome 4.3** A local government that is respected, professional and accountable.

**Outcome 3.6** Promote and support a Healthy Community.

## FINANCIAL AND RESOURCES IMPLICATIONS

The allocation of reserve funds to a temporary emergency reserve poses several financial and resources implications. These may prove to be significant over time. These unprecedented times warrant an extreme approach to implement recommended measures.

Should the fees be waived for the clubs and associations referred in this report the lost revenue would be \$6,891. Should the non-fee-paying clubs and associations seek a cash donation, the cost would be \$10,200.

The direct financial and resource implications associated with the donations are addressed in the draft 2020/21 Budget in relation to the *Recovery Package*.

## RISK MANAGEMENT CONSIDERATIONS

Low to Medium. The main risk relates to establishing appropriate measures to track cash donations where they are to be spent within the Shire.

## CONCLUSION

In light of the impact of COVID-19 on the local Morawa community, it is open to Council to provide some level of financial assistance to Morawa's clubs and associations. It is likely that clubs and associations may have differing financial needs based on their membership numbers and operations.

Accordingly, it is considered appropriate for Council to waive the Shire's 2020/21 fees and charges of those sporting clubs and associations who have paid their 2019/20 fees and charges. For those sporting club's or association's still in arrears for their 2019/20 fees and charges, it would be reasonable to waive 50% of their 2019/20 fees and charges and 50% of their 2020/21 fees and charges.

For the 17 registered clubs and associations in the Shire referred in this Report which are not charged fees, it is considered appropriate that the Shire assist in their operations and longevity by inviting them to seek a \$600 donation (either cash or in-kind) during the 2020/21 financial year provided that where the donation is cash, it is either:

- spent within the Shire; or
- used to underwrite an event to be held in the Shire during the 2020/21 financial year.

In this regard, the use of a cash donation supports local businesses that endure hardship due to the COVID 19 Virus. In relation to the Morawa CWA, the Shire should continue its support for the Association by waiving the sewerage levy.

## **ATTACHMENTS**

*Attachment 1* – 11.2.1 Joint letter from Morawa Hockey Club, Morawa Netball Club and Morawa Football Club.

**11.2.2 Adoption of the 2020/21 Budget**

**Author:** Executive Manager Corporate & Community Services

**Authorising Officer:** Acting Chief Executive Officer

**Disclosure of Interest:** The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item

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**OFFICER'S RECOMMENDATIONS**

That with respect to the Adoption of the 2020/21 Budget, Council considers the following:

1. **Adoption of the 2020/2021 Shire of Morawa Budget – Section 6.2 Local Government Act 1995**

That Council adopt the statutory budget for the financial year ending 30 June 2021 (*Attachment 1 – Statutory Budget*), with an estimated budgeted surplus of \$34,356, which has been prepared in accordance with *the Local Government Act 1995* and associated *Financial Management Regulations 1997*, with the following decisions on specific elements within the budget:

a) **Rates – Section**

Endorse the Rate Setting Statement detailing the amount to be made up from rates for the financial year ending 30 June 2021 being \$1,957,946 – before ex gratia (\$6,165) rates income and any expected write offs (\$3,000).

b) **Rates in Arrears**

Endorse the Rates in Arrears Strategy aimed at providing attainable and mutually supportive solutions to the local community and businesses in case of monies owed to the Shire – *Attachment 8*.

c) **Penalty Interest – Section 6.51 Local Government Act 1995**

Apply an interest rate of 5.5% per annum to Rates and/or Charges and any costs of proceedings to recover any such Rate or Charge that remains unpaid after becoming due and payable i.e. penalty interest rate.

d) **Rates Instalment and Payment Options**

In accordance with *Local Government Act 1995, section 6.50 (2) and (3)*, offer the following rate payment options:

**Option 1**

To pay the total amount of rates and charges included in the rate notice in full by the 25 September 2020 or the 35<sup>th</sup> day after the date of issue, whichever is the latter; OR

**Option 2**

To pay by four instalments as detailed on the rates notices with the following instalment dates:

Instalment	Notice date	Payment due
First	Before 21 August 2020	Friday 25 September 2020
Second	Before 23 October 2020	Friday 20 November 2020
Third	Before 18 December 2020	Friday 15 January 2021
Fourth	Before 12 February 2020	Friday 12 March 2021

e) **Administration Charge – Section 6.45(3) Local Government Act 1995**

Impose an administration charge of \$5 per instalment and 5.5% simple interest to the amount on the rate notice where payment of a rate is made via the instalment option i.e. instalment interest rate.

f) **Discount offered for Payment by Due Date – Section 6.46 Local Government Act 1995**

A discount of 2.5% is to be offered if rates are paid in full by 4.30pm (Western Australian Time) on the first due date i.e. Friday 25 September 2020.

g) **Assessment A706 – Refuse Charges – Morawa Bakery**

That Council do not impose any refuse charges on the above property as it has not been sold and is currently not being utilised. Commercial rubbish fee would have been \$807.61 – 2020/21 Fee.

h) **Assessment A315 – Sewerage Charge – Morawa CWA**

That Council do not impose any sewerage charge on the above property in Dreghorn Street. Sewerage fee would have been \$961 – 2020/21 Fees.

2. **Capital Works Program for Roads and Footpath Construction**

- a) That Council resolve to adopt the FY2020/21 ‘*Shire of Morawa Proposed Road Program 2020-2025*’ including the appropriate and corresponding funding sources as shown in *Attachment 6*;
- b) That Council, with regards to the adopted ‘*Shire of Morawa Proposed Road Program 2020-2025*’, Council adopts the 5-year Roads Construction Capital Works Program for the years 2020/2021 to 2025/2026, as shown in *Attachment 4*, and
- c) With regards to the ‘*Shire of Morawa Proposed 10 Year Footpath Program*’, Council adopt the 10-year footpath program as shown in *Attachment 7* on a conditional basis where funding opportunities are available and opportune.

3. **Material Variances**

Council in accordance with *the Local Government (Financial Management) Regulations 1996* 34(5) adopt a variance percentage of plus or minus 10% or with a minimum value of \$10,000 for reporting on material variances for the 2020/2021 financial year.



**4. Members Meeting Attendance Fees – Section 5.98 Local Government Act 1995**

That Council set the annual meeting sitting fees at \$8,000 for Council Members and \$16,000 for the Shire President – unchanged.

**5. Shire President Allowance & Deputy President Allowance – Section 5.98 & 5.98A Local Government Act 1995**

That Council set the Shire President’s annual allowance at \$17,000 and the Deputy Shire President’s allowance at \$4,250 – unchanged.

**6. Reserve Funds – Section 6.11 Local Government Act 1995**

That Council allocate funds to and from the Reserve Accounts for the financial year ended 30 June 2021 as specified in the Reserve Statement and the Budget 2020/2021.

**7. Loans – New Debentures**

That Council endorse to enter into a new loan agreement with the WA Treasury Corporation based on a 15-year principal and interest payment schedule for the loan amount of \$200,000 – as provided in *Attachment 9* – for the funding of the Netball Courts Redevelopment Project.

**8. COVID-19 Emergency Response Reserve**

That Council continue to utilise the temporary *COVID-19 Emergency Response Reserve* as adopted by Resolution 200402 (Special Meeting 2 April 2020).

**9. CEO authorisations**

That Council authorise the Acting Chief Executive Officer to undertake the necessary and prescribed activities relating to the publication of the budget to members of the community, businesses and statutory and governmental bodies.

**10. Statutory Compliance – Section 3.18(3) Local Government Act 1995**

That Council confirms that it is satisfied that the services and facilities it provides:

- a) Integrate and coordinate, so far as practicable, with any provided by the Commonwealth, the State or any public body:
- b) do not duplicate, to an extent that the local government considers inappropriate, services or facilities provided by the Commonwealth, the State or any other body or person, whether public or private; and
- c) are managed efficiently and effectively.

***ABSOLUTE MAJORITY VOTE REQUIRED***

**PURPOSE**

The purpose of this report is for Council to adopt the Shire of Morawa 2020/2021 Annual Budget as detailed in the presented format.

**DETAIL**

It is a requirement of the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996* that a Budget be adopted in the Australian Accounting Standards (AAS) format prior to 31 August each year. A copy must be submitted to the Executive Director of the Department of Local Government, Sport and Cultural Industries (DLGSCI) within 30 days of its adoption.

Budget briefing discussions were held after the May and June 2020 Ordinary Council meetings with additional deliberations on 29 June 2020 (projects and financing options) and 16 July 2020 (draft budget). These meetings supported the production of the statutory budget documents and relevant strategy documents. Several prior Council meetings and decisions are relevant to this report:

- Special Council Meeting 2 April 2020 in which Council resolved to adopt the COVID-19 Community Emergency Response Package relating to the set-up of a special COVID-19 reserve fund and a 0% interest rate for any outstanding rates; and
- Special Council Meeting on 28 May 2020 in which Council resolved to adopt a Nil Increase scenario for the cents in the dollar rate across all rates categories; and
- Ordinary Council Meeting 18 June 2020 in which Council resolved to adopt a COVID-19 Financial Hardship Policy enabling the setting of interest rates at 5.5% for penalty and instalment rates in the budget whilst also acknowledging the processes surrounding potential COVID-19 related hardship claims by businesses and residents; and
- Ordinary Council meeting 18 June 2020 in which Council resolved to adopt the Fees and Charges Schedule, applicable from 1 July 2020.

The Financial Year 2020/21 ('FY20/21') Budget proposes a 3.7%, or \$70,485 overall increase in receivable rate charges after discount. This increase is due to higher valuations as determined by the State Valuer General for the UV Rural and UV Mining categories (see minutes of OCM 18 June 2020) which lead to an expected total revenue from rates of \$1,999,111 – before write offs but including the CBH ex gratia payment of \$6,165.

Refuse Collection have been adopted at \$403.30 (was \$396) per annum for residential services, based on a once a week pick-up and \$807.61 for commercial properties based on a twice weekly pick-up. This is a 2.1% increase as implemented in accordance with the Contract by the Waste Services Provider – AvonWaste for FY20/21.

Sewerage levies have not increased under the Nil Increase resolution adopted by Council under Resolution 200519 (28 May 2020).

**Loan Fund/Debt Servicing**

Loan 136 – 24 Harley Street – is currently active and repaying as scheduled. The repayments are \$6,822.11 (principal) and \$5,894 (interest) for the year.

Resolution 190911 (19 September 2019) resolved that Council would commit expenditure of \$151,000 towards the construction of Morawa Netball Courts in 2020/2. In discussions with Councillors, it was concluded that a loan for the Netball Courts Redevelopment Project was required to fulfill the commitment with the total cost being extended to \$200,000.

It is recommended that the loan for the Netball Courts Redevelopment Project be based on a 15-year loan duration for interest and principal payments (annuity based) with the WA Treasury Corporation (WATC). Please refer to **Attachment 9** which contains the repayment schedule for the Netball Court Project Loan.

### **Salaries and Wages**

The budget includes total salaries and wages of \$1,761,273 compared to the \$1,893,942 in FY19/20. This excludes superannuation, any overtime and insurance cover.

It is not anticipated that the Shire will add staff to its current workforce, other than replacing staff who decide to leave. The recruitment of a permanent Chief Executive Officer has been budgeted at around \$10,000 to use an external supplier to support Council with the recruiting efforts.

The budget includes the permanent and casual hires (Cleaners, Caravan Park Caretaker and Planning Officer) and includes a 1.75% increase in wages as published by the WA Industry Relations Committee (WAIRC). As provided for by WAIRC, the increase will take effect from 1 January 2021.

### **Elected Members Meeting Fees and Allowances**

Elected members allowances have been kept at the same level as previous years and is in accordance with the directions of the Salaries and Allowances Tribunal. The annual sitting fees for elected members remain at \$8,000 with the President's annual sitting fee set at \$16,000.

### **Rates in Arrears Strategy**

In collaboration with the Shire's Debt Collection Servicers (AMPAC Debt Recovery Pty Ltd), the Shire will actively undertake activities to identify back rates, work with the local residents and business to implement, activate, or re-establish payment plans or provide other forms of support. The *Rates in Arrears Strategy* (**Attachment 8**) identifies potential current and future issues and actively embraces opportunities for the Shire to work with people who may be (come) financially challenged.

The *Rates in Arrears Strategy* in was drafted by staff in May 2020 and discussed with AMPAC in June 2020 to align interest, activities and financial exposure of all parties involved. By use of AMPAC's portal, Council may decide to progress certain assessments in case of past, current or future financial hardship.

A policy relating to the strategy will shortly be referred to Council for consideration and adoption.

### **Reserves**

It is envisioned that the following transfer in and out will take place.

#### **From General Income (Municipality Account) to Reserve Accounts:**

A total amount of \$763,057 built up as follows:

	<b>FY20/21</b>	<b>FY19/20</b>
• Leave Reserve	\$5,000	(\$5,000)
• Plant Reserve	\$350,000	(\$250,000)
• Building Reserve	\$20,000	(\$20,000)
• Sewerage Reserve	\$50,000	(\$50,000)

	<b>FY20/21</b>	<b>FY19/20 (con't)</b>
• Community Future Fund Allocation	\$18,057	(\$31,908) being 85% of interest earned
• Business Unit Reserve	\$20,000	(\$20,000);
• Swimming Pool Reserve	\$20,000	(\$20,000);
• Aged Care Units 6-9 Reserve	\$25,000	(\$-);
• Road Reserve	\$50,000	(\$-)
• Old Hospital reserve (new)	\$50,000	
• J. Lake Rd Rehab Reserve (new)	\$50,000	
• COVID-19 Reserve	\$50,000	(\$-, but \$190,000 in April 2020)
• Expected interest	\$55,000	(\$100,000 budget, actual \$56,000)

### From Reserves to General Income:

A total amount of \$593,057 built up as follows:

- Plant Reserve on a gross basis estimated to be \$545,000 for the intended purchases of:
  - 1.8t Tip Truck \$45,000
  - New Grader \$350,000
  - Prime Mover (2<sup>nd</sup> hand) \$150,000
- Morawa Future Funds – Interest to Community Grants: \$18,057 (estimated)
- COVID-19 Reserve: Camp kitchen update: \$30,000

### Capital Works and Major Projects

In accordance with Shire's draft *Shire of Morawa Proposed Road Program 2020-2025 (Attachment 6)*, the following Capital Road Works are included:

<b>Road Construction</b>	<b>Activity</b>	<b>Job</b>	<b>Costs</b>
Morawa-Yalgoo Road	Widen and Seal	RRG024	\$350,000
Nanekine Road	Reconstruction	RRG025	\$106,500
Nanekine Road	Widen and Seal	RRG026	\$233,500
Lodge Street	Reseal	R2R113	\$15,000
Manning Road	Reconstruction	R2R115	\$45,000
Neates Road	Clearing and reseal	R2R080	\$164,000
Canna N/E Road	Clearing and gravel	R2R081	\$138,110
Old Three Springs Road*	Clearing and gravel	LRCIP019	\$190,000
<b>Total Construction</b>			<b>\$1,242,110</b>
Rural roads maintenance	Maintenance – est.		\$750,000
<b>Total Roads (estimated)</b>			<b>\$1,992,110</b>

The draft *Shire of Morawa Proposed 10 Year Footpath Program (Attachment 7)* provides that for FY2020/21 Davis Street footpath construction is to be undertaken in Davis Street Morawa (\$62,500) along with a shared pathway construction at Eastern side of town (\$62,500).

Other Infrastructure Projects for FY20/21 are as follows (non-exhaustive list):

- Upgrade for sewer system with pumps and CCTV/sensors \$30,000
- Cemetery Register Update \$10,500
- Storage Shed at Swimming Pool (FY19/20 residual) \$27,271
- Netball Courts Redevelopment Project \$450,000

• Airport Fencing*	\$90,000
• Terminal Upgrade*	\$16,000
• Streetlights replacing and upgrading*	\$80,000
• Town signage*	\$10,000
• Camp Kitchen Upgrade	\$30,000
• Caravan Park Ablution Block Upgrade*	\$50,000
• Caravan Park Expansion*	\$70,000
• Town Wifi	\$17,500

\* Note: These projects/proposals are tied to a Funding Arrangement with a State and/or Federal Department and depend on the successful application by the Shire to the grant funding bodies.

The total Capital Works Programme (**Attachment 4**) is estimated to be around \$2,846,843 for the 2020/2021 financial year.

### **Corporate Business Plan**

It is intended that an updated and revised version of the Corporate Business Plan (CBP) will be provided to Council for consideration in August or September 2020.

### **Fees and Charges 2019/20**

Under Resolution 200609, Council adopted the Fees and Charges 2020/2021 Schedule in its Ordinary Council Meeting held on 18 June 2020.

### **Ministerial Approval for Differential Rates**

Ordinarily, in accordance with section 6.33(3) of the *Local Government Act 1995*, ministerial approval must be obtained if a council wishes to impose a differential rate that is more than double the lowest rate in that category. This requirement was suspended because of the COVID-19 pandemic with the *Gazetted Local Government (COVID-19 Response) Order 2020*. Shire staff informed the DLGSCI about the nil increase decision Council made in its Ordinary Meeting of 21 May 2020.

### **Federal and state governments**

The Shire of Morawa would like to acknowledge the Federal Government for its ongoing support through the Federal Assistance Grants (FAG), the Roads to Recovery Grants (R2R), and the Local Roads and Community Infrastructure Program (LRCIP). Without these funding opportunities supporting our budget each year, the Shire would not be able to meet the aspirations of our community, as set out in the Shire of Morawa's Strategic Community Plan.

The Western Australia Government annually provides support through its Regional Roads Group (RRG) contributions which support Council in providing essential roads infrastructure for the Shire residents and businesses.

### **LEVEL OF SIGNIFICANCE**

**Very High** – Adoption of the budget will enable Council to provide the necessary services and facilities to ratepayers and residents. It is understood that the COVID-19 pandemic may affect Council's ability to provide services and/or collect the rates, fees and charges as defined in this report.

## CONSULTATION

This year has seen several workshops and consultation to ensure adequate endorsement by Council in these challenging times. The following engagement has taken place in the development of the 2020/2021 financial year budget:

- Various management team meetings in May, June and July 2020;
- Council workshops in May and June 2020;
- The projects and funding sources workshop in June 2020 with Council
- Draft cash budget presented to Council in July 2020;
- The adoption of the Fees and Charges Schedule in June 2020 and the subsequent publication on the Shire website;
- The adoption of a Nil Increase in cents in the dollar rate during its May 2020 Ordinary meeting; and
- Multiple consultations with the Shire President.

Based on the extensive level of consultation undertaken, Council is comfortable to commit to the projects and services delivery as presented in the statutory budget.

## LEGISLATION AND POLICY CONSIDERATIONS

*Local Government Act 1995:*

- s 6.2(1), 6.12(1), 6.16, 6.32, 6.45(3), 6.50 & 6.51

*Local Government (Financial Management) Regulations 1996:*

- Regulations 68 and 70

## Strategic Community Plan 2018 to 2028 (Desktop Reviewed June 2020)

**Outcome 4.3** A local government that is respected, professional and accountable.

**Outcome 3.6** Promote and support a Healthy Community.

## FINANCIAL AND RESOURCES IMPLICATIONS

The statutory budget contains the expected expenditure, revenue, capital projects and services delivery by Shire staff to the community. The details can be found in the attachments and form the basis of the operations for the 2020/2021 financial year.

## RISK MANAGEMENT CONSIDERATIONS

The ability for the Shire to undertake the work identified in this budget will rely on effective and successful collection of rates and revenue levied and identified; and the allocation of suitable resources with which to achieve the programs outlined in both the Operational and Capital sections of the Budget document.

Council acknowledge that the COVID-19 pandemic may lead to a decrease of cash flow e.g. rates of fees and charges revenue, or a delayed income stream. Consequently, Council have decided to be cautious in setting the budget and commit to projects and infrastructure maintenance and development.

**CONCLUSION**

That after due consideration to all areas of Council's operations and services, that the statutory budget (**Attachment 1**) suitably reflects Council's financial commitments for the financial year 2020/2021 for the Shire of Morawa.

**ATTACHMENTS**

*Attachment 1* – 11.2.2 Budget 2020/2021 – Statutory Budget

*Attachment 2* – 11.2.2 Budget 2020/2021 – Summary & Schedules

*Attachment 3* – 11.2.2 Budget 2020/2021 – Detailed Income & Expenditure

*Attachment 4* – 11.2.2 Capital Projects and Funding Sources

*Attachment 5* – 11.2.2 Reserves Statement

*Attachment 6* – 11.2.2 Shire of Morawa Proposed Road Program 2020-2025

*Attachment 7* – 11.2.2 Draft Shire of Morawa Proposed 10 Year Footpath Program

*Attachment 8* – 11.2.2 Rates in Arrears Strategy

*Attachment 9* – 11.2.2 WATC 15-year loan for Netball Courts Project

**11.3 Economic Development Manager**

Nil

**11.4 Executive Manager Works & Assets**

Nil

<b>Item 12 Reports of Committees</b>
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Nil

<b>Item 13 Motions of Which Previous Notice Has Been Given</b>
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Nil

<b>Item 14 New Business of an Urgent Nature</b>
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Nil

<b>Item 15 Matters for Which the Meeting May Be Closed (Confidential Items)</b>
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Nil

<b>Item 16 Closure</b>
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**16.1 Date of Next Meeting**

The next meeting will be the Ordinary Meeting of Council to be held on Thursday, 20 August 2020 commencing at 5.30pm.

**16.2 Closure**

There being no further business, the President to declare the meeting closed.