



## SHIRE OF BODDINGTON

'The Council and Staff of the Shire of Boddington, in partnership with the community, are committed to operating effectively and efficiently to provide quality lifestyle opportunities that encourage population growth and development'

### Minutes

For The  
Special Meeting of Council  
To Consider  
The adoption of the budget  
Held At  
5:01 pm Wednesday 30<sup>th</sup> September

At the  
Council Chambers  
39 Bannister Road Boddington

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# Minutes

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## 1. DECLARATION OF OPENING:

Garry Ventris, Shire President, declared the meeting open at 5:01pm.

I acknowledge that this meeting is being held on the traditional lands of the Noongar people.

## 2. ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE:

### 2.1.1 Attendance

Cr G Ventris	Shire President
Cr E Schreiber	Deputy Shire President
Cr C Erasmus	
Cr J Hoffman	
Cr S Manez	entered the room at 5:02pm.
Cr E Smalberger	

Mr Graham Stanley	Acting Chief Executive Officer
Mr Jeff Atkins	Manager of Works & Services
Ms Leanne Bryant	Economic & Community Development Officer
Ms Tamsin Hodder	Executive Officer (minute taker)

Visitors: 2

### 2.1.2 Apologies

Cr Webster	
Peter Haas	Principal Environmental Health Officer

### 2.1.3 Leave of Absence

Nil.

## 3. DISCLOSURE OF FINANCIAL INTEREST:

Nil

## 4. PUBLIC QUESTION TIME:

### 4.1 RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE:

Nil.

4.2 WRITTEN QUESTIONS PROVIDED IN ADVANCE:

Nil.

4.3 PUBLIC QUESTIONS FROM THE GALLERY:

Ms Toni Collins

Please can you elaborate on the allocation of funds for the sporting complex?

Graham Stanley, Acting CEO:

This is for the Community Club who have put up a program of upgrades for the facility.

Ms Toni Collins:

Please can this be elaborated on so it says Community Club?

Graham Stanley, Acting CEO:

Yes.

5. PETITIONS/DEPUTATIONS/PRESENTATIONS/  
SUBMISSIONS:

Nil.

6. CONFIRMATION OF MINUTES:

Nil.

7. ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT  
DISCUSSION:

Nil.

## 8. REPORTS OF OFFICERS AND COMMITTEES:

### 8.1 ACTING CHIEF EXECUTIVE OFFICER:

8.1.1 Adoption of 2020-2021 Annual Budget
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Disclosure of Interest: Nil  
Date: 29 September 2020  
Author: Graham Stanley – Acting Chief Executive Officer  
Attachments: 8.1.1A Statutory Budget Document (separate attachment)

#### Summary

The purpose of this report is for Council to consider and adopt the 2020-2021 Annual Budget.

#### Background

The following draft Annual Budget is presented to Council, as a balanced budget, for consideration and adoption.

The 2020-2021 Annual Budget has been prepared in accordance with Section 6.2 of the Local Government Act 1995 and the Local Government (Financial Management) Regulations Part 3, Regulations 22 to 33.

#### Comment

The 2020-2021 Annual Budget comprises the following information-

1. Budget Statement of Comprehensive Income By Nature/Type for the Year Ending 30 June 2021
2. Budget Statement of Comprehensive Income By Program for the Year Ending 30 June 2021
3. Budget Statement of Cash Flows for the Year Ending 30 June 2021
4. Budget Rate Setting Statement by Program for the Year Ending 30 June 2021
5. Budget Statement of Financial Activity for the Year Ending 30 June 2021
6. Notes to the Budget
7. Detailed Operating & Non-Operating Statements.

### **BUDGET HIGHLIGHTS**

#### Operating Activities

The brought forward surplus budgeted is \$1,023,331.

The total amount to be raised from rates is \$4,769,615

Total operating grants, subsidies and contributions are anticipated to be \$410,750

Total revenue from Fees & Charges is \$1,106,573

Employee costs are \$2,893,730

Depreciation on non-current assets is \$2,393,945

Materials and Contracts is \$1,911,354

Utility Charges are \$312,930 and Insurance expenses are \$234,543.

## Investing Activities

### Furniture & equipment

An allocation of \$25,000 has been set aside for IT Infrastructure renewal.

An allocation of \$25,000 has been set aside for office equipment replacement.

An allocation of \$8,000 has been set aside for CCTV equipment replacement at the Community Hub.

### Buildings

An allocation of \$20,000 has been set aside for installation of a new patio structure at the Early Learning Centre.

An allocation of \$8,500 has been set aside for replacement of reverse cycle air conditioner at 3 Pecan Place.

An allocation of \$16,000 has been set aside for installation of a new safety glass and screens at the Sporting Pavilion.

An allocation of \$65,000 has been set aside for extensions to the library at the Community Hub.

An allocation of \$96,000 has been set aside for solar power and disabled toilets and shower at the Swimming Pool.

An allocation of \$25,000 has been set aside for building upgrades at the Sporting Complex.

### Plant & Equipment

An allocation of \$679,882 has been set aside for the replacement of plant and equipment. The replacement of plant and equipment will be funded from \$113,818 in proceeds from the trade in of existing plant and equipment, and a transfer from the Plant Reserve of \$353,700, with the remaining balance funded from general revenue.

### Road infrastructure

An allocation of \$133,779 has been set aside for Roads to Recovery projects, with matching funding from the Commonwealth Government.

An allocation of \$555,000 has been set aside for Regional Road Group Projects, with \$370,000 of grant funding coming from the Regional Road Group funding pool.

An allocation of \$100,000 has been set aside for road reseal projects from Councils own resources.

An allocation of \$664,500 has been set aside for special bridge projects that will be completed by Main Roads WA, with matching special grant funding coming from the Commonwealth Department of Infrastructure.

### Footpath Infrastructure

An allocation of \$50,000 has been set aside for footpath construction.

### Drainage Infrastructure

An allocation of \$100,000 has been set aside for culvert and drainage construction.

An allocation of \$50,000 has been set aside for drainage upgrades at the Early Learning Centre.

#### Foreshore Infrastructure

An allocation of \$1,079,325 has been set aside for Foreshore Landscaping and Upgrade works, with funding coming from the Public Open Space Reserve of \$739,639, unspent loan funds of \$303,686, and the balance from general revenue.

#### Parks & Ovals Infrastructure

An allocation of \$6,059 has been set aside for replacement shade sails at Central Park.

An allocation of \$10,076 has been set aside for replacement shade sails at the Tennis Courts.

An allocation of \$25,000 has been set aside for upgrades at Ranford Playground.

An allocation of \$10,000 has been set aside for oval and park upgrades at various locations.

#### Other Infrastructure

An allocation of \$4,560 has been set aside for replacement shade sails at the Early Learning Centre.

An allocation of \$25,000 has been set aside for playground improvements at the Youth Centre.

An allocation of \$20,000 has been set aside for completion of works at the Skate Park/Half Court facility.

An allocation of \$5,000 has been set aside for upgrades to the Cemetery.

An allocation of \$20,000 has been set aside for upgrades and improvements to the water to Oval Dam.

An allocation of \$25,000 has been set aside for upgrades Ranford Pool Information Bay/Entry Statement.

An allocation of \$24,446 has been set aside for upgrades & improvement works for other councillor initiatives.

An allocation of \$126,000 has been set aside for upgrades and completion works to the Entry Statement.

#### Statutory Environment

*Local Government Act (1995) s.6.2. (1)* states that each Local Government is to prepare an annual budget prior to 31 August, unless an extension from the Minister is granted.

An extension was granted by the Minister until 30 September 2020.



That Council Pursuant to Section 6.2 of the Local Government Act 1995 and the Local Government (Financial Management) Regulations Part 3, Regulations 22 to 33, adopt the 2020-21 Annual Budget (as contained in Attachment 1) for the Shire of Boddington, including the following-

- (a) Budget Statement of Comprehensive Income by Nature/Type for the year ending 30 June 2021 showing a net result of (\$291,972);
- (b) Budget Statement of Comprehensive Income by Program for the year ending 30 June 2021 showing a net result of (\$291,972);
- (c) Budget Statement of Cash Flows for the year ending 30 June 2021;
- (d) Budget Rate Setting Statement by Program for the year ending 30 June 2021 showing an amount required to be raised from general rates of \$4,769,615;
- (e) Rates;
- (f) Net Current Assets;
- (g) Reconciliation of Cash;
- (h) Asset Acquisitions;
- (i) Asset Disposals
- (j) Asset Depreciation;
- (k) Borrowings;
- (l) Reserves;
- (m) Fees and Charges;
- (n) Grant Revenue;
- (o) Revenue Recognition;
- (p) Other Information;
- (q) Trust;
- (r) Significant Accounting Policies – Other Information;
- (s) Budget Ratios; and
- (t) Detailed Operating and Capital Budget papers;

Seconded: Cr Schreiber

Carried: 6/0 by an Absolute Majority of Council.

## 8.1.2 Valuations and General Rates for 2020-2021 Annual Budget

Disclosure of Interest: Nil  
Date: 29 September 2020  
Author: Graham Stanley – Acting CEO  
Attachments: Nil

### Summary

The purpose of this report is for Council to consider to the adoption of applicable valuations and the imposition of general rates on rateable property.

### Background

Section 6.32 of the Local Government Act 1995 states:

#### *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; and*
  - (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.*
- (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.*

*\* Absolute majority required.*

Section 6.33 of the Local Government Act 1995 states:

#### *6.33. Differential general rates*

- (1) *A local government may impose differential general rates according to any, or a combination, of the following characteristics –*
  - (a) *the purpose for which the land is zoned, whether or not under a local planning scheme or improvement scheme in force under the Planning and Development Act 2005; or*
  - (b) *a purpose for which the land is held or used as determined by the local government; or*
  - (c) *whether or not the land is vacant land; or*
  - (d) *any other characteristic or combination of characteristics prescribed.*
- (2) *Regulations may –*
  - (a) *specify the characteristics under subsection (1) which a local government is to use; or*
  - (b) *limit the characteristics under subsection (1) which a local government is permitted to use.*
- (3) *In imposing a differential general rate a local government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.*
- (4) *If during a financial year, the characteristics of any land which form the basis for the imposition of a differential general rate have changed, the local government*

*is not to, on account of that change, amend the assessment of rates payable on that land in respect of that financial year but this subsection does not apply in any case where section 6.40(1)(a) applies.*

- (5) *A differential general rate that a local government purported to impose under this Act before the Local Government Amendment Act 2009 section 39(1)(a) came into operation is to be taken to have been as valid as if the amendment made by that paragraph had been made before the purported imposition of that rate.*

Section 6.36 of the Local Government Act 1995 states:

*6.36. Local government to give notice of certain rates*

- (1) *Before imposing any differential general rates or a minimum payment applying to a differential rate category under section 6.35(6)(c) a local government is to give local public notice of its intention to do so.*
- (2) *A local government is required to ensure that a notice referred to in subsection (1) is published in sufficient time to allow compliance with the requirements specified in this section and section 6.2(1).*
- (3) *A notice referred to in subsection (1) –*
- (a) may be published within the period of 2 months preceding the commencement of the financial year to which the proposed rates are to apply on the basis of the local government's estimate of the budget deficiency; and*
  - (b) is to contain –*
    - (i) details of each rate or minimum payment the local government intends to impose; and*
    - (ii) an invitation for submissions to be made by an elector or a ratepayer in respect of the proposed rate or minimum payment and any related matters within 21 days (or such longer period as is specified in the notice) of the notice; and*
    - (iii) any further information in relation to the matters specified in subparagraphs (i) and (ii) which may be prescribed; and*
  - (c) is to advise electors and ratepayers that the document referred to in subsection (3A) –*
    - (i) may be inspected at a time and place specified in the notice; and*
    - (ii) is published on the local government's official website.*
- (3A) *The local government is required to prepare a document describing the objects of, and reasons for, each proposed rate and minimum payment and to publish the document on the local government's official website.*
- (4) *The local government is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification.*
- (5) *Where a local government –*
- (a) in an emergency, proposes to impose a supplementary general rate or specified area rate under section 6.32(3)(a); or*
  - (b) proposes to modify the proposed rates or minimum payments after considering any submissions under subsection (4), it is not required to give local public notice of that proposed supplementary general rate, specified area rate, modified rate or minimum payment.*

## Comment

Council first adopted differential rating in June 2017.

Council resolved on 16 April 2020 that for the purposes of the 2020/21 Budget, Council endorse a nil rate increase for residential properties.

At a Special Meeting of Council held on 21 May 2020 Council resolved the following:

*COUNCIL RESOLUTION: 38/20 Moved: Cr Hoffman*

*That as a consequence of the COVID-19 pandemic, Boddington Shire Council resolves that*

- 1. no proposed differential general rate will exceed the corresponding differential general rate that was imposed by the local government in the 2019/20 financial year; and*
- 2. no proposed minimum payment of the kind referred to in section 6.36(1) will exceed the corresponding minimum payment that was imposed by the local government in the 2019/20 financial year.*
- 3. The following Differential General Rate categories and Minimum Payments apply for the 2020/21 financial year:*

<i>Category</i>	<i>Rate</i>	<i>Minimum Payment</i>
<i>UV Mining</i>	<i>0.031850</i>	<i>\$960</i>
<i>UV Non Rural</i>	<i>0.024812</i>	<i>N/A</i>

- 4. The following General Rates and Minimum Payments apply for the 2020/21 financial year:*

<i>Category</i>	<i>Rate</i>	<i>Minimum Payment</i>
<i>GRV</i>	<i>0.108500</i>	<i>\$960</i>
<i>UV</i>	<i>0.006716</i>	<i>\$825</i>

- 5. That Council invite submissions on both the proposed general rates and differential general rates closing 5pm, Thursday 11 June 2020.*

What is not clear from the Council resolution was that Council was proposing to remove the concessional differential GRV Mining rate. The advertising took place and one submission was received being from Andrew Kennedy on behalf of Newmont Boddington Gold Mine objecting to the Council's proposal to remove the concessional differential GRV Mining rate.

The Local Government (COVID-19 Response) Order 2020, relieved Council of the requirement to invite and consider submissions following its resolution to impose Differential General Rates. It was also relieved of the requirement to consider and publish its Objects and Reasons for the levying of Differential General Rates. The Council however chose to advertise & seek submissions.

Following discussions at a Councillor Information session, held on 24 September, dealing with budget matters including the submission from Newmont, Councillors took note of the submission. They indicated that in a gesture of goodwill towards Newmont they would be prepared to consider imposing a concessional differential GRV mining rate of 0.081116 and take the opportunity to develop a more cooperative working relationship during 2020-21 and into the future.

Subsequent to Council advertising for submissions, new Unimproved Valuation Rolls were received and processed into the Shire rating system. Due to changes in unimproved valuations it became clear that by using the advertised UV Rural Minimum rate of \$826 UV Rural properties on the minimum rate would be in excess of 60% of properties. It is suggested that the minimum rate be reduced to \$758 on UV Rural properties which will be less than the 50% cap that would normally require ministerial approval. This has the effect keeping the rates raised from UV Rural properties to virtually the same as it was in 2019/20

Statutory Environment

*Local Government Act (1995) s.6.32.*

*Local Government Act (1995) s.6.33.*

*Local Government Act (1995) s.6.36.*

COUNCIL DECISION – 8.1.2

COUNCIL RESOLUTION: 112/20

Moved: Cr Manez

1. That Council adopt the valuations, as supplied by the Valuer General’s Office and recorded in the Rate Book, for the 2020-2021 year-

Gross Rental Valuations	\$ 28,168,234
Unimproved Valuations	\$162,252,379

2. That Council, pursuant to Section 6.32 of the Local Government Act 1995, impose the following differential general rates for 2020-2021.

GRV townsite properties	10.8500 cents in the dollar
GRV mining properties	8.1116 cents in the dollar

UV Rural properties	0.6716 cents in the dollar
UV Mining properties	3.1850 cents in the dollar
UV Non-Rural properties	2.4812 cents in the dollar.

6/0

Seconded: Cr Hoffman

Carried: 6/0 by an Absolute Majority of Council

## 8.1.3 Minimum Rate Payment for 2020-2021 Annual Budget

Disclosure of Interest:	Nil
Date:	29 September 2020
Author:	Graham Stanley – Acting Chief Executive Officer
Attachments:	Nil

### Summary

The purpose of this report is for Council to give consideration to the adoption and imposition of the Minimum Payment on rateable property for 2020-2021.

### Background

Section 6.35 of the *Local Government Act 1995* states:

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

Regulation 52 of the *Local Government (Financial Management) Regulations* states:

#### **52. Percentage prescribed for minimum payment (Act s. 6.35(4))**

*The percentage prescribed for the purposes of section 6.35(4) is 50%.*

Regulation 53 of the *Local Government (Financial Management) Regulations* states:

**53. Amount prescribed for minimum payment (Act s. 6.35(4))**

*The amount prescribed for the purposes of section 6.35(4) is \$200.*

Comment

The following minimum payments are presented for Councils consideration.

The Minimum Payment for GRV properties in the differential rate categories of GRV General and GRV Mining is proposed to remain unchanged at \$960.

The proposed 2020-2021 GRV General Minimum Payment will be imposed on 156 property assessments, being 24.7% of the total GRV General property assessments.

The proposed 2020-2021 GRV Mining Minimum Payment will be imposed on 3 property assessments, being 33.3% of the total GRV Mining property assessments.

The Minimum Payment for UV Mining and UV Non-Rural differential rate categories is proposed to remain unchanged at \$960.

The proposed 2020-2021 UV Mining Minimum Payment will be imposed on 42 property assessments, being 47.7% of the total UV Mining property assessments.

The proposed 2020-2021 UV Non-rural Minimum Payment will be imposed on 0 property assessments.

The Minimum Payment for UV Rural differential rate category is proposed to change from \$825 in 2019-2020 to \$758 for 2020-2021. This reduction is to ensure Council complies with Regulation 52 and Section 6.35(4) where a differential category cannot have more than 50% of the properties imposed with a minimum payment if the minimum payment is more than \$200, unless Ministerial approval is obtained.

The proposed 2020-2021 UV Rural Minimum Payment of \$758 will be imposed on 233 property assessments, being 48.8% of the total UV Rural property assessments.

Statutory Environment

*Local Government Act 1995 s.6.35.*

*Local Government (Financial Management) Regulations 1996, Regulation 52 and 53.*

**COUNCIL DECISION – 8.1.3**

**COUNCIL RESOLUTION: 113/20**

**Moved: Cr Manez**

That Council, pursuant to Section 6.32, Section 6.33 and Section 6.35 of the Local Government Act 1995, impose the following differential minimum payment for 2020-2021-

GRV townsite properties	\$960 per rateable assessment
GRV mining properties	\$960 per rateable assessment
UV Rural properties	\$758 per rateable assessment
UV Mining properties	\$960 per rateable assessment
UV Non-Rural properties	\$960 per rateable assessment

**Seconded: Cr Erasmus**

**Carried: 6/0** by an Absolute Majority of Council

8.1.4	Payment of Rates Options and Interest Charges for 2020-2021 Annual Budget
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Disclosure of Interest: Nil  
Date: 29 September 2020  
Author: Graham Stanley – Acting Chief Executive Officer  
Attachments: Nil

### Summary

The purpose of this report is for Council to give consideration to the-

1. Setting of options for the payment of rates and service charges for the 2020-2021 financial year;
2. Imposition of an administration fee and instalment interest charge for payments made by instalments; and
3. Imposition of a rate of interest on overdue rates and service charges for the 2020-2021 financial year

### Background

Section 6.45 requires a local government to set the options for the payment of rates or service charges; as well as the ability to impose an administration fee and an instalment interest charge applicable to those payment options.

Section 6.45 of the Local Government Act 1995 states-

#### *6.45. Options for payment of rates or service charges*

- (1) A rate or service charge is ordinarily payable to a local government by a single payment but the person liable for the payment of a rate or service charge may elect to make that payment to a local government, subject to subsection (3), by –*
  - (a) 4 equal or nearly equal instalments; or*
  - (b) such other method of payment by instalments as is set forth in the local government's annual budget.*
- (2) Where, during a financial year, a rate notice is given after a reassessment of rates under section 6.40 the person to whom the notice is given may pay the rate or service charge –*
  - (a) by a single payment; or*
  - (b) by such instalments as are remaining under subsection (1)(a) or (b) for the remainder of that financial year.*
- (3) A local government may impose an additional charge (including an amount by way of interest) where payment of a rate or service charge is made by instalments and that additional charge is, for the purpose of its recovery, taken to be a rate or service charge, as the case requires, that is due and payable.*
- (4) Regulations may –*
  - (a) provide for the manner of making an election to pay by instalments under subsection (1) or (2); and*
  - (b) prescribe circumstances in which payments may or may not be made by instalments; and*
  - (c) prohibit or regulate any matters relating to payments by instalments; and*
  - (d) provide for the time when, and manner in which, instalments are to be paid; and*



- (e) *prescribe the maximum amount (including the maximum interest component) which may be imposed under subsection (3) by way of an additional charge; and*
- (f) *provide for any other matter relating to the payment of rates or service charges.*

Section 6.51 provides for a local government to impose an interest charge on a rate of service charge that remains unpaid after becoming due and payable.

*6.51. Accrual of interest on overdue rates or service charges*

- (1) *A local government may at the time of imposing a rate or service charge resolve\* to impose interest (at the rate set in its annual budget) on –*
  - (a) *a rate or service charge (or any instalment of a rate or service charge); and*
  - (b) *any costs of proceedings to recover any such charge, that remains unpaid after becoming due and payable.*

**\* Absolute majority required.**

Comment

The Shire has traditionally offered three payment options-

Option 1      Payment in full by the due date.

Option 2      Payment in two equal instalments, being-

- (a)    Instalment 1 - 50% of the rates and service charges within 35 days of date of issue;
- (b)    Instalment 2 - 50% of the rates and service charges within 4 months of (a).

Option 3      Payment in four equal instalments, being-

- (a)    Instalment 1 - 25% of the rates and service charges within 35 days of date of issue;
- (b)    Instalment 2 - 25% of the rates and service charges within 2 months of (a);
- (c)    Instalment 3 - 25% of the rates and service charges within 2 months of (b); and
- (d)    Instalment 4 - 25% of the rates and service charges within 2 months of (c).

It is suggested that these payment options continue.

***Administration fee and instalment interest charge***

Section 6.45 of the Act permits Council to impose an administration charge where a payment of rate or service charge is made by instalments.

Regulations 67 and 68 of the Local Government (Financial Management) Regulations 1996 limit how much can be imposed as an administration charge and as an instalment interest charge.

Traditionally the Shire has imposed an administration fee of \$9 on the second, third and fourth instalment payments.

It is suggested that no administration fee apply to the second, third and fourth instalment payments for 2020-21.

The Shire has also previously imposed an instalment interest charge of 5.5% when option 2 or option 3 is selected by ratepayers.

Regulation 68 of the Local Government (Financial Management) Regulations 1996 limits the maximum interest component to be imposed as an instalment interest charge to 5.5%. However, the State Government passed the Local Government Amendment (COVID-19 Response) Act 2020 on 16 April 2020. This Act provided the power to the Minister for Local Government, Heritage, Culture, and the Arts to modify or suspend provisions of the Local Government Act 1995. The Minister published an Order on 8 May 2020 that:

1. Limited the percentage of interest charged on rates instalments to 3.0%, unless the local government has a Financial Hardship Policy in place; and
2. Limited the percentage of interest charged on late payment of rates and charges to 8%, aligning it with the rate of interest charged by the Australian Taxation Office.

As Council does not have a Financial Hardship Policy, the maximum instalment interest charge that can be applied is 3.0%.

### ***Accrual of interest on overdue rates or service charges***

Section 6.51 of the Act permits Council to impose an interest charge on overdue rates or service charges.

Regulation 70 of Local Government (Financial Management) Regulations 1996 limits the maximum rate of interest that can be imposed on overdue rates or service charges to 11%. However, the State Government passed the Local Government Amendment (COVID-19 Response) Act 2020 on 16 April 2020. This Act provided the power to the Minister for Local Government, Heritage, Culture, and the Arts to modify or suspend provisions of the Local Government Act 1995. The Minister published an Order on 8 May 2020 that:

1. Limited the percentage of interest charged on rates instalments to 3.0%, unless the local government has a Financial Hardship Policy in place; and
2. Limited the percentage of interest charged on late payment of rates and charges to 8%, aligning it with the rate of interest charged by the Australian Taxation Office.

The Shire has previously imposed a late payment interest charge of 11% on overdue rates or service charges not paid by the due date.

As a result of the Ministerial Order, Council can only impose an interest charge of 8.0% on overdue rates or service charges not paid by the due date.

### Statutory Environment

*Local Government Act 1995* s.6.45, 6.50, 6.51.

*Local Government (Financial Management) Regulations 1996*, Regulations 67, 68, 70 and 71.

COUNCIL DECISION – 8.1.4
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COUNCIL DECISION: 114/20

Moved: Cr Hoffman

That Council:

1. Pursuant to Section 6.45 of the Local Government Act 1995, offer three payment options for rates and service charges for the 2020-21 financial year, being-
  - (a.) Option 1 – Payment in full by a single instalment by the due date, being 35 days from the date of issue of the rate notice;
  - (b.) Option 2 – Payment in two equal instalments, being
    - (i) Instalment 1 - 50% of the rates and service charges within 35 days of date of issue of the rate notice;

- (ii) Instalment 2 - 50% of the rates and service charges within 4 months of (i);
- (c.) Option 3 - Payment in four equal instalments, being
  - (i) Instalment 1 - 25% of the rates and service charges within 35 days of date of issue of the rate notice;
  - (ii) Instalment 2 - 25% of the rates and service charges within 2 months of (i);
  - (iii) Instalment 3 - 25% of the rates and service charges within 2 months of (ii); and
  - (iv) Instalment 4 - 25% of the rates and service charges within 2 months of (iii).
- 2. Pursuant to Section 6.45 of the Local Government Act 1995, that no administration fee apply to the payment of rates by instalments.
- 3. Pursuant to Section 6.45 of the Local Government Act 1995, impose an instalment interest charge of 3.0%, which is to apply to Instalment 2 under payment option 2; and Instalments 2, 3 and 4 under payment option 3.
- 4. Pursuant to Section 6.51 of the Local Government Act 1995, impose an 8.0% rate of penalty interest on overdue rates and service charges that remain unpaid after the due date.

Seconded: Cr Schreiber  
Council

Carried: 6/0 by an Absolute Majority of

## 8.1.5 Adoption of 2020-21 Schedule of Fees & Charges

File Ref. No:  
Disclosure of Interest: Nil  
Date: 30 September 2020  
Author: Graham Stanley – Acting Chief Executive Officer  
Attachments: Attachment 8.1.5 A Proposed Fees and Charges 2020/21

### Summary

Council is to consider adopting Schedule of Fees and Charges as part of the 2020-21 budget adoption process.

### Background

Sections 6.16 to 6.19 of the *Local Government Act 1995* govern how a local government may impose fee and charges for the provision of goods or services.

Section 6.16 states:

#### *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.

Sections 67 and 68 of the *Waste Avoidance and Resource Recovery Act 2007* also apply to the imposition of rubbish and recycling removal charges. Section 67 of the *Waste Avoidance and Resource Recovery Act 2007* states:

#### **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.

Section 68 of the *Waste Avoidance and Resource Recovery Act 2007* states:

***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.*

Comment:

Fees and charges for 2020/21 remain generally unchanged from those adopted in 2019-20 apart from the following:

- Rates Smoothing charge of \$35.40 per property has been replaced by a Monthly Direct Debit Option with a once-off \$25.00 establishment fee.
- Removing the Administration Charge on second and subsequent rates instalment notices (previously \$9 each)
- Reduction of rates instalment interest charge from 5.5% to 3.0%
- Reduction of rates penalty interest charge from 11% to 8%
- Removing the Youth Centre attendance charge (previously \$2 per attendance)
- Imposing a new fee for Parking Approvals at the Boddington Oval and Riding Club for Newmont Shutdowns of \$1,000.

A copy of the proposed 2020/2021 Shire of Boddington Fees & Charges is attached.

Strategic Implications

This report forms part of the 2020-2021 Annual Budget. The 2020-2021 Annual Budget has taken into consideration the actions listed in the Corporate Business Plan, where fiscally possible. The actions in the Corporate Business Plan reflect the objectives and desired outcomes within Council's Strategic Community Plan.

Statutory Environment

*Local Government Act 1995, s6.16 to 6.19.*

*Waste Avoidance and Resource Recovery Act 2007, s67 and s68.*

Policy Implications - Nil

Financial Implications

This report forms part of the 2020-2021 Annual Budget and relevant information is disclosed in the Notes to the Annual Budget.

Economic Implications - Nil

Social Implications - Nil

Environmental Considerations – Nil

Consultation - Nil.

Options

Council can resolve to:

1. accept the Officer's Recommendation; or
2. amend the Officer's Recommendation; or
3. not accept the Officer's Recommendation, giving reasons..

Voting Requirements – Absolute Majority

COUNCIL DECISION – ITEM 8.1.5
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COUNCIL RESOLUTION: 115/20

Moved: Cr Hoffman

That Council resolve to adopt the 2020/2021 Fees and Charges Schedule as per Attachment 8.1.5A

Seconded: Cr Manez

Carried: 6/0 by an Absolute Majority of Council

## 8.1.6 Materiality Threshold for 2020-2021 Annual Budget

Disclosure of Interest:	Nil
Date:	29 September 2020
Author:	Graham Stanley – Acting Chief Executive Officer
Attachments:	Nil

### Summary

The purpose of this report is for Council to give consideration to the adoption of the Materiality thresholds to apply when reporting material variances in the Statement of Financial Activity, in accordance with Financial Management Regulation 34(5).

### Background

Regulation 34 of the Local Government (Financial Management) Regulations 1996 requires Council to prepare a budget monthly Statement of Financial Activity.

Regulation 34 states-

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

*(1A) In this regulation –*

*committed assets means revenue unspent but set aside under the annual budget for a specific purpose.*

*(1) A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail –*

*(a) annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c); and*

*(b) budget estimates to the end of the month to which the statement relates; and*

*(c) actual amounts of expenditure, revenue, and income to the end of the month to which the statement relates; and*

*(d) material variances between the comparable amounts referred to in paragraphs (b) and (c); and*

*(e) the net current assets at the end of the month to which the statement relates.*

*(2) Each statement of financial activity is to be accompanied by documents containing –*

*(a) an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets; and*

*(b) an explanation of each of the material variances referred to in subregulation (1)(d); and*

*(c) such other supporting information as is considered relevant by the local government.*

*(3) The information in a statement of financial activity may be shown –*

*(a) according to nature and type classification; or*

*(b) by program; or*

*(c) by business unit.*

*(4) A statement of financial activity, and the accompanying documents referred to in subregulation (2), are to be –*

*(a) presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and*

*(b) recorded in the minutes of the meeting at which it is presented.*



(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.*

Comment

The suggested materiality threshold and percentage for reporting material variances in the Statement of Financial Activity for 2020-2021 are as follows-  
10% or \$10,000, whichever is the greater.

Statutory Environment

*Local Government (Financial Management) Regulations 1996, r34.*

COUNCIL DECISION – 8.1.6
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COUNCIL RESOLUTION: 116/20

Moved: Cr Hoffman

That Council Pursuant to Regulation 34(5) of the Local Government (Financial Management) Regulations 1996, adopts the following as the materiality threshold for 2020-2021 –

(a) \$10,000 or 10%, whichever is the greater.

Seconded: Cr Schreiber

Carried: 6/0 by an Absolute Majority of Council

9. ELECTED MEMBERS' MOTION OF WHICH PREVIOUS MOTION HAS BEEN GIVEN:

Nil.

10. URGENT BUSINESS WITHOUT NOTICE WITH THE APPROVAL OF THE PRESIDENT OR MEETING:

Nil.

11. CONFIDENTIAL ITEM:

Nil.

12. CLOSURE OF MEETING:

There being no further business, Garry Ventriss, Shire President declared the meeting closed at: 5:44pm.

These minutes were confirmed by the Council as a true and accurate record at the Ordinary Council Meeting on 15 October 2020

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GARRY VENTRIS  
(Shire President)