Meeting Notice

Dear Councillor,

I advise that an Ordinary Council Meeting of the Shire of Augusta Margaret River will be held in Council Chambers, Wallcliffe Road, Margaret River On Wednesday 25 July 2018, commencing at 5:30pm.

Yours faithfully,

GARY EVERSHEd
CHIEF EXECUTIVE OFFICER
ATTENTION/DISCLAIMER

This agenda has yet to be dealt with by the Council. The Recommendations shown at the foot of each item have yet to be considered by the Council and are not to be interpreted as being the position of the Council. The minutes of the meeting held to discuss this agenda should be read to ascertain the decision of the Council.

In certain circumstances members of the public are not entitled to inspect material, which in the opinion of the Chief Executive Officer is confidential, and relates to a meeting or a part of a meeting that is likely to be closed to members of the public.

No responsibility whatsoever is implied or accepted by the Shire of Augusta Margaret River for any act, omission, statement or intimation occurring during Council or Committee meetings.

The Shire of Augusta Margaret River 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 or statement of intimation occurring during Council or Committee meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or Committee meeting does so at that person’s or legal entity’s own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or intimation of approval made by any member or Officer of the Shire of Augusta Margaret River during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Augusta Margaret River.

The Shire of Augusta Margaret River advises that anyone who has any application lodged with the Shire of Augusta Margaret River must obtain and should only rely on WRITTEN CONFIRMATION of the outcome of the application and any conditions attaching to the decision made by the Shire of Augusta Margaret River in respect of the application.

The Shire of Augusta Margaret River advises that any plans or documents contained within this agenda may be subject to copyright law provisions (Copyright Act 1968, as amended) and that the express permission of the copyright owner(s) should be sought prior to their reproduction. It should be noted that copyright owners are entitled to take legal action against any persons who infringe their copyright. A reproduction of material that is protected by copyright may represent a copyright infringement.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>SUBJECT</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>DECLARATION OF OPENING</td>
<td>5</td>
</tr>
<tr>
<td>2.</td>
<td>ATTENDANCE</td>
<td>5</td>
</tr>
<tr>
<td>2.1</td>
<td>APOLOGIES</td>
<td>5</td>
</tr>
<tr>
<td>2.2</td>
<td>APPROVED LEAVE OF ABSENCE</td>
<td>5</td>
</tr>
<tr>
<td>3.</td>
<td>DISCLOSURES OF INTEREST</td>
<td>6</td>
</tr>
<tr>
<td>3.1</td>
<td>ITEM 11.1.2 2018-19 ICON EVENTS FUNDING ALLOCATION - FINANCIAL</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>INTEREST - CR MCLEOD</td>
<td></td>
</tr>
<tr>
<td>3.2</td>
<td>ITEM 11.1.2 2018-19 ICON EVENTS FUNDING ALLOCATION - FINANCIAL</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>INTEREST - CR TOWNSHEND</td>
<td></td>
</tr>
<tr>
<td>3.3</td>
<td>ITEM 11.1.2 2018-19 ICON EVENTS FUNDING ALLOCATION - FINANCIAL</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>INTEREST - CR LANE</td>
<td></td>
</tr>
<tr>
<td>3.4</td>
<td>ITEM 11.1.2 2018-19 ICON EVENTS FUNDING ALLOCATION - FINANCIAL</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>INTEREST - CR EARL</td>
<td></td>
</tr>
<tr>
<td>3.5</td>
<td>ITEM 11.1.2 2018-19 ICON EVENTS FUNDING ALLOCATION - FINANCIAL</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>INTEREST - CR MELDRUM</td>
<td></td>
</tr>
<tr>
<td>3.6</td>
<td>ITEM 11.1.2 2018-19 ICON EVENTS FUNDING ALLOCATION - FINANCIAL</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>INTEREST - CR GODDEN</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>PUBLIC QUESTIONS</td>
<td>6</td>
</tr>
<tr>
<td>4.1</td>
<td>RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE</td>
<td>6</td>
</tr>
<tr>
<td>4.2</td>
<td>PUBLIC QUESTION TIME</td>
<td>6</td>
</tr>
<tr>
<td>5.</td>
<td>APPLICATIONS FOR LEAVE OF ABSENCE</td>
<td>8</td>
</tr>
<tr>
<td>5.1</td>
<td>CR IAN EARL – 8 AUGUST AND 22 AUGUST 2018</td>
<td>8</td>
</tr>
<tr>
<td>6.</td>
<td>CONFIRMATION OF MINUTES OF PREVIOUS MEETING</td>
<td>8</td>
</tr>
<tr>
<td>6.1</td>
<td>ORDINARY COUNCIL MEETING HELD 27 JUNE 2018</td>
<td>8</td>
</tr>
<tr>
<td>7.</td>
<td>DEPUTATIONS</td>
<td>9</td>
</tr>
<tr>
<td>8.</td>
<td>PETITIONS</td>
<td>9</td>
</tr>
<tr>
<td>9.</td>
<td>ANNOUNCEMENTS FROM THE PRESIDING MEMBER</td>
<td>9</td>
</tr>
<tr>
<td>9.1</td>
<td>NAIDOC WEEK</td>
<td>9</td>
</tr>
<tr>
<td>10.</td>
<td>QUESTIONS FROM MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN</td>
<td>9</td>
</tr>
<tr>
<td>11.</td>
<td>REPORTS OF COMMITTEES AND EMPLOYEE REPORTS</td>
<td>9</td>
</tr>
<tr>
<td>11.1.</td>
<td>CHIEF EXECUTIVE OFFICER</td>
<td>10</td>
</tr>
<tr>
<td>11.1.1</td>
<td>NOTES FROM COUNCILLOR AGENDA BRIEFINGS AND CONCEPT FORUM SESSIONS FROM 11 APRIL TO 27 JUNE 2018</td>
<td>11</td>
</tr>
<tr>
<td>11.1.2</td>
<td>2018-19 ICON EVENTS FUNDING ALLOCATION</td>
<td>17</td>
</tr>
<tr>
<td>11.2.</td>
<td>SUSTAINABLE DEVELOPMENT</td>
<td>37</td>
</tr>
<tr>
<td>11.2.1</td>
<td>SUSTAINABILITY ADVISORY COMMITTEE MINUTES - 21 JUNE 2018</td>
<td>38</td>
</tr>
<tr>
<td>11.2.2</td>
<td>SALE OF 95 (LOT 134) BUSSELL HIGHWAY MARGARET RIVER</td>
<td>41</td>
</tr>
<tr>
<td>11.2.3</td>
<td>PROPOSED SALE OF LOTS 113 &amp; 115 LLOYD LOOP, MARGARET RIVER AND LOT 101 HUMBLE WAY, MARGARET RIVER</td>
<td>45</td>
</tr>
<tr>
<td>11.3.</td>
<td>INFRASTRUCTURE SERVICES</td>
<td>52</td>
</tr>
<tr>
<td>11.4.</td>
<td>CORPORATE AND COMMUNITY SERVICES</td>
<td>54</td>
</tr>
<tr>
<td>11.4.1</td>
<td>FINANCIAL ACTIVITY STATEMENT REPORT - MAY 2018</td>
<td>55</td>
</tr>
<tr>
<td>11.4.2</td>
<td>SPORTS AND RECREATION ADVISORY COMMITTEE MEETING MINUTES 6</td>
<td>65</td>
</tr>
<tr>
<td>11.4.3</td>
<td>MINUTES OF AUDIT AND RISK MANAGEMENT COMMITTEE MEETING OF 27</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td>JUNE 2018</td>
<td></td>
</tr>
<tr>
<td>11.4.4</td>
<td>CORPORATE PLAN 2018-22</td>
<td>70</td>
</tr>
</tbody>
</table>

SHIRE OF AUGUSTA MARGARET RIVER
ORDINARY COUNCIL MEETING 25 JULY 2018
11.4.7 ADOPTION OF 2018-19 DIFFERENTIAL RATES, MINIMUM PAYMENTS AND RATE CONCESSIONS ................................................................. 77
11.4.4 ADOPTION OF 2018-19 EARLY PAYMENT INCENTIVES, PAYMENT OPTIONS, LATE PAYMENT INTEREST AND INSTALMENT CHARGES ..................................................................................... 83
11.4.6 ADOPTION OF 2018-19 ANNUAL BUDGET ........................................................................................................... 94

12. MOTIONS FROM MEMBERS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN ........ 115
12.1 POLICY ON ADVERTISING REQUIREMENTS FOR VARIOUS LAND USES - CR MELDRUM .............................................................................................................................. 115

13. MOTIONS FOR CONSIDERATION AT NEXT MEETING ..................................................... 115

14. NEW BUSINESS OF AN URGENT NATURE .................................................................................................................. 115
14.1 MEMBERS ........................................................................................................................................ 115
14.2 CEO ........................................................................................................................................ 115

15. CONFIDENTIAL BUSINESS .............................................................................................................................. 115

16. CLOSURE OF MEETING ......................................................................................................................... 115
Ordinary Council Meeting

1. DECLARATION OF OPENING

The Shire President welcomed all in attendance and declared the meeting open at 5.31pm

The Shire President gave an Acknowledgement of Country:

'I acknowledge and respect the traditional custodians of this land and pay our respects to elders past and present and emerging, whose lands we share.'

2. ATTENDANCE

Shire President : Cr Pam Townshend

Councillors : Cr Ian Earl
              Cr Naomi Godden
              Cr Peter Lane
              Cr Pauline McLeod
              Cr Julia Meldrum
              Cr Mike Smart

Acting Chief Executive Officer : Ms Annie Riordan

Director Infrastructure Services : Mr Markus Botte

Acting Manager Planning and Development : Mr Matt Cuthbert

Manager Corporate Services : Mr Andrew Ross

Minute Secretary : Ms Claire Schiller

MEMBERS OF THE PUBLIC : 2

MEMBERS OF THE PRESS
Augusta Margaret River Times : Warren Hately, AMR Times

2.1 Apologies

Chief Executive Officer, Gary Evershed
Director Sustainable Development, Dale Putland

2.2. Approved Leave of Absence

Nil
3. DISCLOSURES OF INTEREST

The Shire President noted the following deputations had been received by the CEO prior to the meeting:

3.1 Item 11.1.2 2018-19 Icon Events Funding Allocation – Financial Interest - Cr Pauline McLeod

Cr McLeod, on 17 July 2018, disclosed a financial interest in this item.

3.2 Item 11.1.2 2018-19 Icon Events Funding Allocation – Financial Interest - Cr Pam Townshend

Cr Townshend, on 17 July 2018, disclosed a financial interest in this item.

3.3 Item 11.1.2 2018-19 Icon Events Funding Allocation – Financial Interest - Cr Peter Lane

Cr Lane, on 13 July 2018, disclosed a financial interest in this item.

3.4 Item 11.1.2 2018-19 Icon Events Funding Allocation – Financial Interest - Cr Ian Earl

Cr Earl, on 17 July 2018, disclosed a financial interest in this item.

3.5 Item 11.1.2 2018-19 Icon Events Funding Allocation – Financial Interest - Cr Julia Meldrum

Cr Meldrum, on 17 July 2018, disclosed a financial interest in this item.

3.6 Item 11.1.2 2018-19 Icon Events Funding Allocation – Financial Interest - Cr Naomi Godden

Cr Godden, on 18 July 2018, disclosed a financial interest in this item.

4. PUBLIC QUESTIONS

4.1. Response to Previous Public Questions Taken on Notice

Nil

4.2. Public Question Time

4.2.1 Mr Rick Ensley – Land Stewardship and Operational Use

Mr Rick Ensley of 3 Merchant Street, Margaret River, asked the following questions in relation to land stewardship and operational use within the Shire:

Mr Ensley introduced his questions with preamble about regional land use before stating the following:
My questions about the Shire's land and stewardship operations use (using Reserve 36747 as an example – see below image), the area north of Wallcliffe Road, going west from Merino Avenue on both sides of the dual use path crossing Yalgardup Creek and continues west uphill. This was slashed by a tractor the other day, with perhaps 10% of the area with no vegetation, under trees and sparse 10% of area on the remainder reduced from about 60mm to 30mm.

Q1: How much time does it take to mow this area, including transport of equipment to site, putting up signs, etc.?

The Shire President took the question on notice.

Q2: What would the cost be to mow this area, including the labour, backup, admin, fuel, equipment, maintenance / depreciation, etc.?

The Shire President took the question on notice.

Q3: How many times per year is this area mowed?

The Shire President took the question on notice.

Q4: How much biomass might have been taken off in this recent mowing?

The Shire President took the question on notice.

Q5: I note that this Reserve area drains into a Shire prioritised revegetation project, not a ‘Friends of’ or Nature Conservation site, so same exact Department. I have previously called attention to the excessive runoff sediment and erosion through the planting caused by this mowing. If, in the CEO’s words, the Shire is a “learning organisation”, why does it continue to waste money, resources, and soil to wash its own plants into the creek?

The Shire President took the question on notice.

Q6: Where is the evidence that there is a ratepayer demand for this ‘level of service’ or are the mowing levels in this and similar Reserves justified by anachronistic European-derived preceptions of tidiness and order?

The Shire President took the question on notice.

Q7: Ignoring Town Centre focal points like Reuther and Memorial Parks, where the public may expect this look, how much money could the Department save each year if it reduced mowing frequency by 25% and 50% from current levels? Why are we paying for such unnecessary works at this time of year especially when any taller vegetation and ground cover is good biological filter and prevents erosion?

The Shire President took the question on notice.
Responses to Public Questions Taken on Notice will be published as an addendum to the 8 August 2018 Ordinary Council Meeting agenda on Thursday 2 August 2018.

5. APPLICATIONS FOR LEAVE OF ABSENCE
5.1 Cr Ian Earl – 8 August and 22 August 2018

Cr Earl requested that Council grant him leave of absence from the 8 August and 22 August 2018 Ordinary Meetings of Council.

MOTION / COUNCIL DECISION
CR GODDEN, CR SMART OM2018/166
That Council grants Cr Earl leave of absence from the 8 August and 22 August 2018 Ordinary Meetings of Council.

CARRIED 7/0

6. CONFIRMATION OF MINUTES OF PREVIOUS MEETING
6.1 Ordinary Council Meeting held 27 June 2018

MOTION
CR, CR
That Council confirms the minutes of the Ordinary Council Meeting held on 27 June 2018 to be a true and correct record of the meeting.

CARRIED 0/0

Cr Townshend moved the following amendment:

AMENDMENT / COUNCIL DECISION
CR TOWNSHEND, CR MELDRUM OM2018/167
That the following wording be added:

‘with the following amendment:

• Page 5, Item 4.2.1 Public Questions from Linton Hodsdon – KPI's, the Shire President's response to public question 1 be amended to read:

    A1:        Councillors have had two or three budget workshops where we have scrutinised items line by line. Council must take such financial reports on trust, otherwise there would be a breakdown in collegiality.’

CARRIED 7/0

REASON
Cr Townshend stated the amendment changes one sentence which more closely reflects what was said in the meeting.

This then becomes the primary motion:

PRIMARY MOTION / COUNCIL DECISION
CR TOWNSHEND, CR MELDRUM OM2018/168
That Council confirms the minutes of the Ordinary Council Meeting held on 27 June 2018 with the following amendment:

• Page 5, Item 4.2.1 Public Questions from Linton Hodsdon – KPI's, the Shire President's response to public question 1 be amended to read:
A1: Councillors have had two or three budget workshops where we have scrutinised items line by line. Council must take such financial reports on trust, otherwise there would be a breakdown in collegiality.

CARRIED 7/0

7. DEPUTATIONS
Nil

8. PETITIONS
Nil

9. ANNOUNCEMENTS FROM THE PRESIDING MEMBER

9.1 NAIDOC Week

The Shire President informed the meeting that last week was NAIDOC Week. Cr Townshend described the marvellous celebrations held in Busselton, sponsored by the City of Busselton. Cr Townsend went on to say that it would be great if the Shire of Augusta Margaret River could do something similar in the future.

10. QUESTIONS FROM MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN
Nil

11. REPORTS OF COMMITTEES AND EMPLOYEE REPORTS
11.1. Chief Executive Officer
11.1.1 NOTES FROM COUNCILLOR AGENDA BRIEFINGS AND CONCEPT FORUM SESSIONS FROM 11 APRIL TO 27 JUNE 2018

LOCATION/ADDRESS Shire of Augusta Margaret River

APPLICANT/LANDOWNER Shire of Augusta Margaret River

FILE REFERENCE COR/221

REPORT AUTHOR Claire Schiller, Council Minutes and Agenda Officer

AUTHORISING OFFICER Gary Evershed, Chief Executive Officer

IN BRIEF

• Council conducts bi-monthly as required Councillor Briefing Sessions which are run under strict guidelines in compliance with the Department of Local Government and Communities (DLGC) Guidelines.

• Council’s policy for the conduct of the Councillor Information Briefing Sessions provides for the proceedings of the briefings to be brought to Council and for wider community awareness as a public record in the form of notes as an additional accountability mechanism.

• Notes of recent Councillor Briefing sessions are presented to be received by Council in accordance with Council’s adopted policy.

RECOMMENDATION

That Council receives the Notes of Councillor Agenda Briefing Sessions from 11 April 2018 to 27 June 2018.

LOCATION PLAN

Nil

TABLED ITEMS

Nil

BACKGROUND

The purpose of Councillor Agenda Briefings and Concept Forums is to:

1. Provide relevant information so that Councillors are better informed when participating in Council decision making processes.
2. Provide a forum for two-way communication between elected members and key staff members on important Council related matters.
3. Provide an inclusive opportunity for general community members and the press to receive the same information on Agenda Items being provided to elected members on a range of relevant topics

Agenda briefings and workshops sessions are centred on one or more of the following outcomes which can be classified under the DLGC Guidelines for Councillor Forums as either a Concept or an Agenda Forum:

Concept Forums / Workshops

• capacity building and up skilling of Councillors
• discussion of governance processes and effectiveness
• a statement of principles on key issues
• guidance to the CEO on further avenues of research
• compiling a list of critical issues resulting from the briefing
• the brainstorming of ideas
• policy development and direction (but not adoption)
ongoing discussion of the Shire’s strategic direction

**Agenda Forums**
- breaking down of complex issues before Council
- clarification of items on the Council agenda
- requests for additional information on items on the Council agenda
- confidential discussion of items which are on the agenda and which will be discussed with members of the public excluded

Agenda Briefing Sessions are open to all elected members and generally to all members of the public and press. The Chief Executive Officer is to be in attendance and other relevant Directors and staff as required by the CEO for the provision of information to elected members.

Matters of a confidential nature to be included in a Council agenda will be discussed at closed briefing sessions (i.e. not open to the public). Otherwise normal briefing sessions will be open to the public at a suitable publicly accessible time.

As recommended by the Department of Local Government and Communities, sessions considered by the CEO in consultation with the Shire President to be Concept Forums will be closed to the public to facilitate the open discussion of preliminary ideas and concepts by Councillors.

**CONSULTATION AND ADVICE**

**External Consultation**
The Local Government Operational Guidelines Number 5 Council Forums have been considered and adapted for use in the Shire of Augusta Margaret River setting.

**Internal Consultation**
Nil

**DISCUSSION / OFFICER COMMENTS**
The following are the informal notes of the Councillor Agenda Briefings and Concept Forum Sessions recently held as recommended by Council’s adopted policy which is consistent with the DLG Guidelines.

**Notes of Councillor Agenda Briefings and Concept Forum Sessions from 11 April 2018 to 27 June 2018.**

**DATE: 11 APRIL 2018**
Attendance:
Crs: Earl, Godden, Lane, McLeod, Meldrum, Smart, Townshend
Officers: CEO, Gary Evershed, Director Corporate and Community Services, Annie Riordan, Director Infrastructure Services, Markus Botte, and Director Sustainable Development, Dale Putland.

**Briefing: Bio Digester at Ballarat**
Cr McLeod gave feedback on her visit to Ballarat and inspection of the bio digester. *(The Director Sustainable Development and Director Corporate and Community Services were not in attendance.)*

**Briefing: Coastal Councils Conference**
Cr Meldrum gave an overview of the Coastal Councils Conference. *(The Director Sustainable Development and Director Corporate and Community Services were not in attendance.)*

**Briefing: Climate Change Conference**
Cr Lane gave an overview of the 2018 Sydney Climate Leadership Conference. *(The Director Sustainable Development and Director Corporate and Community Services were not in attendance.)*

**Briefing: Kudardup Transfer Station**
The Manager Waste, Health and Ranger Services, Ruth Levett, presented a proposal for a Request for Tender to be advertised for private contractors to operate and maintain the Kudardup Transfer Station.
Briefing: Events Strategy  
Dr Jack Carlson presented an overview of the Events Strategy.  
(Also in attendance; Member of the Press: AMR Times; Acting Manager Planning and Development, Matt Cuthbert; Marketing and Events Officers, Cristina Smith and Amanda Russell)

Briefing: Holiday House Policy  
Acting Manager Planning and Development, Matt Cuthbert, presented on the Holiday House Policy.  
(Also in attendance; Member of the Press: AMR Times)

DATE: 9 MAY 2018  
Attendance:  
Crs: Godden, Lane, McLeod, Meldrum, Smart, Townshend  
Officers: CEO, Gary Evershed, Director Corporate and Community Services, Annie Riordan, Director Infrastructure Services, Markus Botte, and Director Sustainable Development, Dale Putland.

Closed Briefing: Service Levels and Staffing  
Corporate and Community Planner, Stacey Hutt, presented on staffing levels and service. The CEO, Gary Evershed, outlined new positions required.  
The briefing was closed as in contained information relating to staff members.  
(Also in attendance: Manager Community and Human Services, Nigel Anderson, Manager Corporate Services, Andrew Ross, Coordinator Community Planning and Development, Jason Cleary)

Closed Briefing: Labour Budget  
Manager Corporate Services, Andrew Ross, presented on the labour budget.  
The briefing was closed as in contained information relating to staff members.  
(Also in attendance: Manager Community and Human Services, Nigel Anderson, Coordinator Community Planning and Development, Jason Cleary, Corporate and Community Planner, Stacey Hutt)

Briefing: Fees and Charges  
Manager Corporate Services, Andrew Ross, presented on Fees and Charges.  
(Also in attendance: Manager Community and Human Services, Nigel Anderson, Coordinator Community Planning and Development, Jason Cleary, Corporate and Community Planner, Stacey Hutt)

Briefing: Draft Corporate Plan  
Corporate and Community Planner, Stacey Hutt, gave an overview of the timeline and engagement approach for review of the draft document.

Briefing: HEART Project Branding  
Marketing Events Officer, Cristina Smith, presented on the HEART Project Branding.  
(Also in attendance: Marketing and Events Officer, Amanda Russell, Dr Jack Carlson)

Briefing: Coastal management  
Jo Ludbrook from Peron Naturaliste Partnership, presented on WA Coastal Management.  
(Also in attendance: Acting Manager Planning and Development, Matt Cuthbert, Coordinator Landcare / Environment, John McKinney)

DATE: 23 MAY 2018  
Attendance:  
Crs: Earl, Godden, Lane, McLeod, Meldrum, Smart, Townshend  
Officers: CEO, Gary Evershed, Director Corporate and Community Services, Annie Riordan, Director Infrastructure Services, Markus Botte, and Director Sustainable Development, Dale Putland.

Briefing: Cr Godden on Climate Change and Social Justice  
Cr Naomi Godden presented on Climate Change and Social Justice.  
(The Directors Sustainable Development, Corporate and Community Services and Infrastructure Services were not in attendance.)
Briefing: Review of Local Energy Action Plan  
Sustainability Planning Officer, Jared Drummond, gave an update on the review of the Local Energy Actions; actions implemented to date and proposed in the future.  
(Also in attendance: AMR Times, Warren Hately)

Briefing: End of Season Fire Update  
Community Emergency Services Manager, Chris Lloyd and Rangers Coordinator, Mike O’Regan, provided an update on burn programs, bush fire management and bush fire compliance.  
(Also in attendance: AMR Times, Warren Hately)

Briefing: Update on New WA Rural Fire Service Arrangements  
Community Emergency Services Manager, Chris Lloyd and Department of Fire and Emergency Services Lower South West Region/Country Operations District Officer, Danny Mosconi, presented on Rural Fire Divisions.  
(Also in attendance: AMR Times, Warren Hately)

Briefing: 2018-19 Rating Proposal  
Manager Corporate Services, Andrew Ross, presented on the 2018-19 Rating Proposal.  
(Also in attendance: AMR Times, Warren Hately)

Briefing: Strengthening Youth Plan  
Corporate and Community Planner, Stacey Hutt, presented on Focus for 2018-19 including the new Margaret River Youth Precinct.  
(Also in attendance: AMR Times, Warren Hately)

DATE: 13 JUNE 2018  
Attendance:  
Crs: Godden, Lane, McLeod, Meldrum, Smart  
Officers: CEO, Gary Evershed, Director Corporate and Community Services, Markus Botte, and Director Sustainable Development, Dale Putland.

Closed Workshop: Budget Workshop  
Manager Corporate Services led a Councillor workshop on the 2018-19 Budget.  
Workshops are closed to members of the public.  
(Also in attendance: Coordinator Finance, Lynne Kenworthy)

Closed Briefing: SAT Update – Witchcliffe Ecovillage Dam  
Senior Planner, Matt Slocomb, provided an update on negotiations with the applicant.  
The briefing was closed as it contains legal advice (s5.23(2)(d) LG Act) and contains discussions from confidential mediation.  
Cr Godden disclosed a financial interest and was not present for this briefing.

DATE: 27 JUNE 2018  
Attendance:  
Crs: Earl, Godden, Lane, McLeod, Meldrum, Smart, Townshend  
Officers: Acting CEO, Annie Riordan and Director Infrastructure Services, Markus Botte

Closed Workshop: Winter Diversion Track  
Manager Asset Services, David Nicholson, presented on the outcomes of the Aboriginal Heritage Surveys.  
Workshops are closed to members of the public.  
(Also in attendance: Coordinator Environmental and Landcare, John McKinney)

Closed Briefing: SAT Update – Witchcliffe Ecovillage Dam  
Senior Planner, Matt Slocomb, provided an update on negotiations with the applicant.  
The briefing was closed as it contains legal advice (s5.23(2)(d) LG Act) and contains discussions from confidential mediation.  
(Also in attendance: Acting Manager Planning and Development, Matt Cuthbert, Coordinator Legal Services, Ian McLeod)  
Cr Godden disclosed a financial interest and was not present for this briefing.
Briefing: Green Paper
Acting Manager Planning and Development, Matt Cuthbert, presented on ‘Green Paper’ concepts for a strategically-led system in relation to modernising Western Australia’s Planning.
(Also in attendance: Strategic and Senior Planning Officer, Matt Slocomb)

Briefing: Corporate Plan
Community and Corporate Planner, Stacey Hutt, presented the final tweaks and gave a run through of the Corporate Plan.
(Also in attendance: Acting Manager Planning and Development, Matt Cuthbert, Manager Human and Community Services, Nigel Anderson, Coordinator Community Planning and Development, Jason Cleary)

STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS
Local Government Act 1995

STRATEGIC PLAN / POLICY IMPLICATIONS
Community Strategic Plan 2036 (CSP)
Corporate Business Plan 2017-2021
Kay Result Area 5: Effective leadership and governance
Community Outcome 5.1: Effective governance and corporate leadership
Strategic Response 5.1.1: Attract and develop high quality Councillors that are able to lead and articulate the community’s aspirations
Service level strategy/plan 5.1.1.5: Conduct Councillor briefing sessions prior to Ordinary Council Meetings and bring a record of briefings to Council meetings on a quarterly basis

PLANNING FRAMEWORK
Nil

FINANCIAL IMPLICATIONS
Nil

SUSTAINABILITY IMPLICATIONS
Environmental
Nil

Social
Nil

Economic
Nil

VOTING REQUIREMENTS
Simple Majority

RECOMMENDATION
That Council receives the Notes of Councillor Agenda Briefing Sessions from 11 April 2018 to 27 June 2018.

ADVICE TO APPLICANT / PROPOSER
Nil

ATTACHMENTS
Nil

The Acting CEO notified the meeting of some minor administrative corrections that had been made:

- 23 May 2018, Cr Godden on Climate Change and Social Justice. The following text has been deleted: ‘Also in attendance AMR Times’.
• 13 June 2018, SAT Update Witchcliffe Ecovillage Dam. The following text has been added: ‘Cr Godden disclosed a financial interest and was not in attendance.’

RECOMMENDATION / COUNCIL DECISION

CR EARL, CR GODDEN OM2018/169
That Council receives the Notes of Councillor Agenda Briefing Sessions from 11 April 2018 to 27 June 2018.

CARRIED 7/0
11.1.2 2018-19 ICON EVENTS FUNDING ALLOCATION

<table>
<thead>
<tr>
<th>LOCATION/ADDRESS</th>
<th>Shire of Augusta Margaret River</th>
</tr>
</thead>
<tbody>
<tr>
<td>APPLICANT/LANDOWNER</td>
<td>Shire of Augusta Margaret River</td>
</tr>
<tr>
<td>FILE REFERENCE</td>
<td>REC/22</td>
</tr>
<tr>
<td>REPORT AUTHOR</td>
<td>Amanda Russell, Marketing and Events Officer</td>
</tr>
<tr>
<td>AUTHORISING OFFICER</td>
<td>Andrew Ross, Manager Corporate Services</td>
</tr>
</tbody>
</table>

Cr McLeod, on 17 July 2018, disclosed a financial interest in this item.

*Cr McLeod read her disclosure to the meeting, stating the nature of the interest is as follows:*

‘The Shire of Augusta Margaret River recognises that it is important to support the sponsorship of icon events, the vast majority of which are also major State funded events aimed at attracting tourism, as part of its role in promoting the district and attracting people to the area for tourism purposes, and assisting economic development which are activities that are good governance of persons within the Shire. Councillors have a reasonable expectation that they will be called upon from time to time to represent the Shire in an official capacity at sponsored events which will be facilitated by accepting free sponsorship tickets as a notifiable gift. As a Councillor I believe that I can set aside any real or perceived financial interest and make a judgement on the most meritorious events to sponsor based on the relevant selection criteria and recommendation presented in the staff report.’

Cr Townshend, on 17 July 2018, disclosed a financial interest in this item.

*Cr Townshend read her disclosure to the meeting, stating the nature of the interest is as follows:*

‘The Shire of Augusta Margaret River recognises that it is important to support the sponsorship of icon events, the vast majority of which are also major State funded events aimed at attracting tourism, as part of its role in promoting the district and attracting people to the area for tourism purposes, and assisting economic development which are activities that are good governance of persons within the Shire. Councillors have a reasonable expectation that they will be called upon from time to time to represent the Shire in an official capacity at sponsored events which will be facilitated by accepting free sponsorship tickets as a notifiable gift. As a Councillor I believe that I can set aside any real or perceived financial interest and make a judgement on the most meritorious events to sponsor based on the relevant selection criteria and recommendation presented in the staff report.

In the event of any discussion on funding for Arts Margaret River I have a financial interest in accordance with 5.62 (ea) (ii) of the *Local Government Act* as I have received a notifiable gift for the Readers and Writers Festival at which I carried out some official duties in 2018.’

Cr Lane, on 13 July 2018, disclosed a financial interest in this item.

*Cr Lane read his disclosure to the meeting, stating the nature of the interest is as follows:*

‘The Shire of Augusta Margaret River recognises that it is important to support the sponsorship of icon events, the vast majority of which are also major State funded events aimed at attracting tourism, as part of its role in promoting the district and attracting people to the area for tourism purposes, and assisting economic development which are activities that are good governance of persons within the Shire. Councillors have a reasonable expectation that they will be called upon from time to time to represent the Shire in an official capacity at sponsored events which will be facilitated by accepting free sponsorship tickets as a notifiable gift. As a Councillor I believe that I can set aside any real or perceived...
financial interest and make a judgement on the most meritorious events to sponsor based on the relevant selection criteria and recommendation presented in the staff report.’

**Cr Earl, on 17 July 2018, disclosed a financial interest in this item.**

*Cr Earl read his disclosure to the meeting, stating the nature of the interest is as follows:*

‘The Shire of Augusta Margaret River recognises that it is important to support the sponsorship of icon events, the vast majority of which are also major State funded events aimed at attracting tourism, as part of its role in promoting the district and attracting people to the area for tourism purposes, and assisting economic development which are activities that are good governance of persons within the Shire. Councillors have a reasonable expectation that they will be called upon from time to time to represent the Shire in an official capacity at sponsored events which will be facilitated by accepting free sponsorship tickets as a notifiable gift. As a Councillor I believe that I can set aside any real or perceived financial interest and make a judgement on the most meritorious events to sponsor based on the relevant selection criteria and recommendation presented in the staff report.’

**Cr Godden, on 18 July 2018, disclosed a financial interest in this item.**

*Cr Godden read her disclosure to the meeting, stating the nature of the interest is as follows:*

‘The Shire of Augusta Margaret River recognises that it is important to support the sponsorship of icon events, the vast majority of which are also major State funded events aimed at attracting tourism, as part of its role in promoting the district and attracting people to the area for tourism purposes, and assisting economic development which are activities that are good governance of persons within the Shire. Councillors have a reasonable expectation that they will be called upon from time to time to represent the Shire in an official capacity at sponsored events which will be facilitated by accepting free sponsorship tickets as a notifiable gift. As a Councillor I believe that I can set aside any real or perceived financial interest and make a judgement on the most meritorious events to sponsor based on the relevant selection criteria and recommendation presented in the staff report.’

**Cr Meldrum, on 17 July 2018, disclosed a financial interest in this item.**

*Cr Meldrum read her disclosure to the meeting, stating the nature of the interest is as follows:*

‘The Shire of Augusta Margaret River recognises that it is important to support the sponsorship of icon events, the vast majority of which are also major State funded events aimed at attracting tourism, as part of its role in promoting the district and attracting people to the area for tourism purposes, and assisting economic development which are activities that are good governance of persons within the Shire. Councillors have a reasonable expectation that they will be called upon from time to time to represent the Shire in an official capacity at sponsored events which will be facilitated by accepting free sponsorship tickets as a notifiable gift. As a Councillor I believe that I can set aside any real or perceived financial interest and make a judgement on the most meritorious events to sponsor based on the relevant selection criteria and recommendation presented in the staff report.’

**Cr Smart verbally disclosed a financial interest in this item based on the fact that he possibly may receive tickets to some of the events involved.**

On the 18 July 2018, the Shire applied to the Minister in accordance with Section s 5.69 of the *Local Government Act 1995* for approval to allow disclosing members, Crs McLeod, Townshend, Lane, Earl, Godden and Meldrum, to participate in this item, being 11.1.2 2018-19 Icon Events Funding Allocations.

On 25 July 2018 the Shire received approval, in accordance with authority delegated by the Minister for Local Government, the Deputy Director General – Regulation, under section 5.69(3)(a) of the *Local Government Act 1995*. 

18
'This approval allows disclosing members Cr McLeod, Cr Lane, Cr Earl and Cr Godden to fully participate in the discussion and decision making relating to the belownotioned item at the Shire’s Ordinary Council Meeting of 25 July 2018:

11.1.2 2018-19 ICON EVENTS FUNDING ALLOCATION

Subject to the following conditions:

1. The approval is only valid for the 25 July 2018 Ordinary Council Meeting when agenda item 11.1.2 is considered;

2. The abovementioned Councillors must declare the nature and extent of their interests at the abovementioned meeting when the matter is considered, together with the approval provided;

3. The CEO is to provide a copy of the Department’s letter of approval to the abovementioned Councillors;

4. The CEO is to ensure that the declarations, including the approval given and any conditions imposed, are recorded in the minutes of the abovementioned meeting, when the item is considered;

5. The CEO is to provide a copy of the confirmed minutes of the abovementioned meeting to the Department, to allow the Department to verify compliance with the conditions of this approval; and

6. The approval granted is based solely on the interests disclosed by the abovementioned Councillors, made in accordance with the application. Should other interests be identified, these interests will not be included in this approval and the financial interest provisions of the Act will apply.'

Crs Townshend, Meldrum and Smart left Chambers at 5.56pm as they disclosed a financial interest in this item.

Crs McLeod, Lane, Earl and Godden remained present in accordance with the abovementioned approval under section 5.69(3)(a) of the Local Government Act 1995.

In the absence of the Shire President and Deputy Shire President, the Acting CEO took the position of Chair.

The Acting CEO then called for Councillor nominations for position of Chair.

Cr McLeod nominated Cr Earl and subsequently moved the following motion:

MOTION / COUNCIL DECISION
CR MCLEOD, CR LANE OM2018/170
That Cr Earl chair the meeting in the absence of the Shire President and Deputy Shire President.
CARRIED 4/0

Cr Earl then took position of Chair.

IN BRIEF

- Council policy facilitates for an allocation of up to 1% of rates to sponsor Icon Events per financial year.
- Icon Events are large scale events deemed to be of state, national and/or international significance that can demonstrate high level of tourist activity and stimulate large-scale community interest, involvement and/or development.
- In the draft 2018-19 budget Council is considering an allocation of $127,500 (or 0.6% of rates) for Icon Event sponsorships.
Multi-year agreements previously endorsed by Council have committed $37,500 of the 2018-19 Icon Events funds (pending budget adoption) as follows:
- Surf Pro $20,000 (Agreement to 2018-19)
- Lunar Circus $7,500 (Agreement to 2018-19)
- Cabin Fever $10,000 (Agreement to 2018-19)

Council is required to consider new Icon Event funding applications for and commencing in 2018-19 as follows:
- Augusta Adventure Fest ($10,000 x 3 years)
- Cape to Cape Mountain Bike ($10,000 x 3 years)
- Margaret River Region Open Studios ($15,000 x 3 years)
- Cinefest Oz ($30,000 in 2018-19, $25,000 in each of 2019-20 and 2020-21)
- Tour of Margaret River ($10,000 x 1 year)

Council is required to consider new Icon Event funding applications for 2019-20 as follows:
- Australian Junior Surfing Titles ($20,000)

Applications are still pending for several more events due to be held in 2018-19. They are anticipated to be follows:
- Readers and Writers Festival ($15,000)
- Emergence Creative Festival ($10,000)
- Margaret River Ultra Marathon ($7,500)

Local events are provided for in the Community Events budget.

RECOMMENDATION
That Council:
1. Notes previous Icon Event funding commitments made for the 2018-19 as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>2018-19 $</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surf Pro</td>
<td>20,000</td>
<td>OM 13/7/2016</td>
</tr>
<tr>
<td>Lunar Circus</td>
<td>7,500</td>
<td>OM 25/6/2015</td>
</tr>
<tr>
<td>Cabin Fever</td>
<td>10,000</td>
<td>OM 25/6/2015</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>37,500</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Budgeted</strong></td>
<td><strong>127,500</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Remaining to be allocated</strong></td>
<td><strong>90,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

2. Commits to providing $127,500 of Icon Events funds in the 2018-19 budget, subject to the adoption of the 2018-19 budget.

3. Commits Icon Events funding for 2018-19, 2019-20 and 2020-21 as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>2018-19 $</th>
<th>2019-20 $</th>
<th>2020-21 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Augusta Adventure Fest</td>
<td>7500</td>
<td>7500</td>
<td>7500</td>
</tr>
<tr>
<td>Cape to Cape Mountain Bike</td>
<td>7500</td>
<td>7500</td>
<td>7500</td>
</tr>
<tr>
<td>Margaret River Region Open Studios</td>
<td>12500</td>
<td>12500</td>
<td>12500</td>
</tr>
<tr>
<td>Cinefest Oz</td>
<td>30000</td>
<td>25000</td>
<td>25000</td>
</tr>
<tr>
<td>Tour of Margaret River</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Australian Junior Surfing Titles</td>
<td></td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td><strong>Available to allocate</strong></td>
<td></td>
<td><strong>90,000</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total new funding allocations</strong></td>
<td></td>
<td><strong>57,500</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Remaining unallocated</strong></td>
<td></td>
<td><strong>32,500</strong></td>
<td></td>
</tr>
</tbody>
</table>

subject to:

i. Council adoption of budgets providing for Icon Event funding in the corresponding financial years.
ii. A sponsorship agreement being established between the Shire and the Event Organiser
iii. Event organisers meeting event compliance as determined by the Shire.
4. Approves the allocation of the remaining $32,500 in the 2018-19 Icon Events budget to be determined on a merit-based application process by the CEO, including for the 2019 Readers and Writers Festival, Emergence Creative Festival and the Margaret River Ultra Marathon.

5. Declines the funding request for Tour of Margaret River.

LOCATION PLAN
Nil

TABLED ITEMS
Nil

BACKGROUND
Icon Events Policy
On 23 April 2014, Council adopted an Icon Events Policy to facilitate for the funding of major events that are large scale, deemed to be of state, national and/or international significance and demonstrate the ability to generate economic activity (tourism, trade, investment).

The policy defines Icon Event criteria as:

Primary Criteria
Management Planning, Sustainability, Access and Opportunity, Consultation.

Secondary Criteria
Economic Impacts, Media Coverage, Tourism Activity, Co-Cash Contributions, Prestige, Community Involvement, Capacity Building (upskilling the community), Social Justice (affordability of social engagement), Environmental Impacts, Education and Conservation. As stated in the policy, the intent of Icon Events funding is to provide seed support for establishing and growing events with the overall objective that they become self-sufficient over time.

Furthermore, to be considered for Icon Event funding, the event should be geographically located within the Shire of Augusta Margaret River Local Government Area OR promote and position the region to a target external audience to achieve economic activity objectives.

Funding percentage
The policy states a maximum of 1% of rates income can be allocated to major events sponsorship each financial year. Due to the current tight fiscal environment, an amount of $127,500 or 0.6% of rates is proposed for Icon Events in the 2018-19 budget.

Fee waivers
The Financial Assistance Policy determines that Icon Event funding recipients are precluded from receiving fee waivers, as they are recipients of Shire cash funding.

Funding landscape
The seed funding/self-sustaining aspect of the Icon Events policy is becoming increasingly difficult for event organiser to achieve, particularly for events that are concurrently seeking growth and expansion. This is due to event compliance as determined at State and Federal level becoming increasingly tighter and regulation implementation becoming increasingly expensive. This is compounded by an aging volunteer base and the increased requirement for paid personnel to perform these roles.

The loss of the main theatre space results in reduced income opportunities for both Cinefest Oz and Readers and Writers Festival plus new expenses in establishing and fitting out alternative venues.

Council might like to note, while it is being considered under the Community Events budget, the loss of court three as a result of Margaret River HEART’s construction also prevents the establishment of a trade space for the Margaret River and Districts Agricultural Show.
The draft budget seeks to offset these losses and provide for event continuity during these temporary construction interruptions.

**Multi-year agreements**
While not Council policy, is recommended to fund events to a maximum three-year term. A multi-year term is beneficial in that it provides surety to both parties about the events continuance and assists in forward planning. Putting a maximum term on the agreement provides opportunity for review of the agreement as both the event and the Shire’s priorities evolve.

**Funds previously committed**
The following multi-year Icon Event sponsorship agreements will roll into the 2018-19 financial year budget:
- Surf Pro $20,000 (Agreement to 2018-19)
- Lunar Circus $7,500 (Agreement to 2018-19)
- Cabin Fever $10,000 (Agreement too 2018-19)

**Funding requests**
The Shire of Augusta Margaret River has received six new Icon Event sponsorship requests as follows:

<table>
<thead>
<tr>
<th>Icon events</th>
<th>2018-19 $</th>
<th>2019-20 $</th>
<th>2020-21 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Augusta Adventure Fest</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Cape to Cape MTB</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Margaret River Region Open Studios</td>
<td>15,000</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Cinefest</td>
<td>30,000</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Tour of Margaret River</td>
<td>10,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian Junior Surfing Titles</td>
<td></td>
<td></td>
<td>20,000</td>
</tr>
</tbody>
</table>

Council would not usually be required to consider funding requests in future financial years, except where it forms part of a multiyear agreement. Officers have, however, accepted the application for the Australian Junior Surfing Titles for assessment due to organisers needing to show funding support in order to bid for the event during the 2018 calendar year.

**Summary**
A summary of Icon Event funds previously committed and new requests for 2018-19, 2019-20 and 2020-21 is summarised in the table below.

<table>
<thead>
<tr>
<th>Icon events funding summary</th>
<th>2018-19 $</th>
<th>2019-20 $</th>
<th>2020-21 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surf Pro</td>
<td>20,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lunar Circus</td>
<td>7,500</td>
<td>7,500</td>
<td></td>
</tr>
<tr>
<td>Cabin Fever</td>
<td>10,000</td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td>Augusta Adventure Fest</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Cape to Cape MTB</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Margaret River Region Open Studios</td>
<td>15,000</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Cinefest</td>
<td>30,000</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Tour of Margaret River</td>
<td>10,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian Junior Surfing Titles</td>
<td></td>
<td></td>
<td>20,000</td>
</tr>
<tr>
<td>Readers and Writers</td>
<td>15,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Anticipated request – estimate only
Emergence 10,000 Anticipated request – estimate only
Ultra marathon 7,500 Anticipated request – estimate only

TOTAL 145,000

TOTAL AVAILABLE 127,500

Over budget 17,500

While current applications can be managed with in the available draft budget, it is anticipated a number of events organisers are yet to apply for sponsorships for 2018-19 events. Events for which applications are yet to vet received are held later in the financial year than most current applicants and therefore work to later planning schedules. Council has previously provided funding opportunities to these later events by reserving some funds for second and third funding rounds.

**Funding history**

**2015-16**

In the 2015-16 financial year, Council approved $125,000 in Icon Events funding, which was allocated as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>CinefestOz Film Festival</td>
<td>25,000</td>
</tr>
<tr>
<td>Margaret River Region Open Studios</td>
<td>10,000</td>
</tr>
<tr>
<td>Rural Health West Medical Conference</td>
<td>5,000</td>
</tr>
<tr>
<td>Margaret River Running Festival</td>
<td>12,000</td>
</tr>
<tr>
<td>Tour of Margaret River Cycling event</td>
<td>15,000</td>
</tr>
<tr>
<td>Emergence Creative Festival</td>
<td>10,000</td>
</tr>
<tr>
<td>Augusta Adventure Fest</td>
<td>7,500</td>
</tr>
<tr>
<td>Drug Aware Surf Pro</td>
<td>20,000</td>
</tr>
<tr>
<td>Cape to Cape Mountain Bike</td>
<td>7,500</td>
</tr>
<tr>
<td>Readers and Writers**</td>
<td>7,500</td>
</tr>
<tr>
<td>Wine Association Marathon</td>
<td>2,500</td>
</tr>
<tr>
<td>Kambarang – South West Aboriginal Gourmet Experience</td>
<td>3,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>125,000</strong></td>
</tr>
</tbody>
</table>

**Total funding for 2015-16 was $12,500, inclusive of $5,000 provided for under Community Events budget**

**2016-17**

In the 2016-17 financial year, Council approved $135,000 in Icon Events funding, which was allocated as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Augusta Adventure Fest</td>
<td>7,500</td>
</tr>
<tr>
<td>Rural Health West Medical Conference</td>
<td>5,000</td>
</tr>
<tr>
<td>Cape to Cape Mountain Bike</td>
<td>10,000</td>
</tr>
<tr>
<td>CinefestOz Film Festival</td>
<td>25,000</td>
</tr>
<tr>
<td>Drug Aware Margaret River Pro</td>
<td>20,000</td>
</tr>
<tr>
<td>Emergence Creative Festival</td>
<td>10,000</td>
</tr>
<tr>
<td>Margaret River Region Open Studios</td>
<td>10,000</td>
</tr>
<tr>
<td>Margaret River Marathon*</td>
<td>2,500</td>
</tr>
<tr>
<td>Readers &amp; Writers Festival Festival**</td>
<td>7,500</td>
</tr>
<tr>
<td>The Margaret River Running Festival</td>
<td>5,500</td>
</tr>
<tr>
<td>Tour of Margaret River</td>
<td>5,000</td>
</tr>
</tbody>
</table>
SHIRE OF AUGUSTA MARGARET RIVER
ORDINARY COUNCIL MEETING 25 JULY 2018

Sports Marketing Australia Events  27,000
TOTAL  135,000

*A saving of $2,500 was made in the Icon Events budget in 2016-17 due to the Margaret River Marathon being placed on hold, this was reallocated as a Sport Marketing event hosting fee.

** An additional $5,000 was provided to Readers & Writers Festival from 2016-17 Community Events Budget.

2017-18
In the 2017-18 financial year, Council approved $135,000 in Icon Events funding, which was allocated as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>2017-18 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margaret River Region Open Studios</td>
<td>$10,000</td>
</tr>
<tr>
<td>Emergence Creative Festival</td>
<td>$10,000</td>
</tr>
<tr>
<td>Augusta Adventure Fest</td>
<td>$7,500</td>
</tr>
<tr>
<td>Drug Aware Surf Pro</td>
<td>$20,000</td>
</tr>
<tr>
<td>Cinefest</td>
<td>$25,000</td>
</tr>
<tr>
<td>Lunar Circus</td>
<td>$7,500</td>
</tr>
<tr>
<td>Cape to Cape Mountain Bike 10,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>MR Golf Event</td>
<td>$2,500</td>
</tr>
<tr>
<td>Wildcats</td>
<td>$15,000</td>
</tr>
<tr>
<td>Tennis West (inclusive of booking fee)</td>
<td>$7,000</td>
</tr>
<tr>
<td>Readers and Writers</td>
<td>$12,500</td>
</tr>
<tr>
<td>Ultra marathon</td>
<td>$8,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$135,000</td>
</tr>
</tbody>
</table>

NEW FUNDING REQUESTS

** Augusta Adventure Fest
FUNDING REQUEST
Rapid Ascent is seeking $10,000 per year for 2018-19, 2019-20 and 2020-21 to assist in the marketing and promotion of the Augusta Adventure Fest and assistance with prize pool money.

MOST RECENT SHIRE FUNDING
2015: $7,500
2016: $7,500
2017: $7,500

EVENT OVERVIEW
The Augusta Adventure Fest weekend is set to be held as follows:
- 3 & 4 November 2018
- 2 & 3 November 2019
- 7 & 8 November 2020

The weekend encompasses three events being:
- Augusta Adventure Race (the Ultra race) – Sunday: Involves a 13.5km ocean and inlet paddle, 12.5km trail and coastal run, 2.2km ocean and inlet swim, 28.5km mountain bike and a 400m team run. The race can be completed in relay teams or as an individual; aimed at adults aged between 16 and 60.
- Augusta Adventure Race (short course) - Saturday: a shorter version of the ultra race that involves a 5.2km inlet paddle, 5.5km hinterland and coastal run, 1.1km inlet & ocean swim, 15km mountain bike and a 400m team run. The event can be completed as an individual or in a relay team.
• Augusta Junior Survivor – Saturday: a 4km simple obstacle course for kids aged up to 13yrs. Attracting capacity fields of 850 kids, the obstacles involve running, wading, slippery slides, crawling, jumping and balance beams. The emphasis is on participation and fun rather than winning.

Events organisers project an attendance of 2,800 participants each year of the event, plus 6,200 support crew and 120 volunteers.

CONSULTATION AND ADVICE
External Consultation
Rapid Ascent

Internal Consultation
Shire of Augusta Margaret River Events Committee (Marketing and Events, Events Compliance, Environmental Health, Corporate and Community Services, Recreation Centre)

DISCUSSION / OFFICER COMMENTS
The event has a proven track record in terms of management and continues to be a popular event for locals. It generates considerable economic activity for the local government area as well as encouraging visitation and activation of the Shire’s caravan parks. The event encourages participation and wellbeing across and range of ages, abilities and disciplines. There are opportunities for local community groups to use the event as a fundraiser with volunteers, each given funds back to their member group.

The event provides promotion of the region, and more specifically provides destination awareness for Augusta. Media for the event extends to a national and international audience.

The new funding request is for $10,000. Given the tight fiscal environment and competitive applications process it is recommended Council maintain funding levels at $7,500 per year for the next three financial years.

FINANCIAL IMPLICATIONS
$7,500 in Icon Event funding in each of the 2018-19, 2019-20 and 2020-21 financial years, pending adoption of the budget in the corresponding financial years.

SUSTAINABILITY IMPLICATIONS
Environmental
The event’s Race Rules include a ban on littering, and requires competitors to use refillable containers to carry water, thereby reducing usage of plastic cups. The course and event hub is cleaned after the event. The course is approved by the Department of Biodiversity, Conservation and Attractions, and avoids any environmentally sensitive areas.

Social
Health, wellbeing, social engagement, participation opportunities for a range of ages and abilities across a range of disciplines.

Economic
• Organisers spend of $150,000
• 22,450 bed nights resulting in $12.3M economic impact

Cape to Cape Mountain Bike
FUNDING REQUEST
Ironman Australia is requesting $10,000 per year for 2018-19, 2019-20 and 2020-21 financial years.

MOST RECENT SHIRE FUNDING
2016: $7,500
2017: 10,000

EVENT OVERVIEW
Cape to Cape MTB is recognised as Australia’s longest running mountain bike stage race and will be entering into its 11th year in 2018.
The four day mountain bike stage race’s future dates are scheduled as:

- 18-21 October 2018
- October 2019 (exact date to be confirmed)
- October 2020 (exact date to be confirmed)

Approximately 1,500 riders participate in the event which starts at the Cape Leeuwin lighthouse and makes its way through a network of trails along the coast, through tablelands, hinterland, farm lands, mountain bike parks, and bush before finishing back at Margaret River after roughly, 210km and 2,500m of climbing. Each day’s riding has its own special terrain – many through private land that can only be ridden while racing the Cape to Cape MTB. Riders range from elite to amateur rider with an intermediate level of fitness. The event engages the local riding clubs and interacts with schools programs.

CONSULTATION AND ADVICE
External Consultation
IRONMAN Oceana

Internal Consultation
Shire of Augusta Margaret River Events Committee (Marketing and Events, Events Compliance, Environmental Health, Corporate and Community Services, Recreation Centre)

DISCUSSION / OFFICER COMMENTS
IRONMAN Oceana’s recent takeover in management of this event from Zubini Marketing Pty signals the maturing of the event to become one of the premium mountain bike stage races on an international level. The 2018 Cape to Cape MTB will be overseen by the Regional Director of IRONMAN Oceania with the Race Director and the majority of the event delivery team on the ground remaining unchanged to ensure the heart and soul of the event is retained.

The event achieves a considerable number of Shire objectives including direct economic impact, destination awareness, social engagement, active participation, access and inclusion. It also assists in positioning the Margaret River Region as a premier mountain biking destination to a target audience. The event receives exceptional media coverage Australia-wide and internationally, providing destination awareness and direct economic value that goes beyond the event week.

The Cape to Cape MTB event has engaged and been supported by the local community for ten years now and a strong event community has been created. MRORCA and Augusta Margaret River Football Club are some of the groups who have been involved from the beginning and continue to be a part of the event with mutual benefits gained by each party. The Start/Finish sites are supported by local food and entertainment business. Each stage is free to attend and many locals mark the date in their calendar to become part of the action.

Given the growth in this event, and its increasing self-sufficiency it is recommended to fund Cape to Cape Mountain Bike event for $7,500 funding in the 2017/18 financial year.

FINANCIAL IMPLICATIONS
$7,500 from the Icon Events fund for each of the 2018-19, 2019-20 and 2020-21 financial years.

SUSTAINABILITY IMPLICATIONS
Environmental
The events aims to ‘leave no trace’. Refillable containers, reduced packaging and has waste and recycling provisions in place.

Social
Social engagement and health and wellbeing initiatives. Volunteering opportunities. The Shire’s sponsorship agreement provides for sponsored placements for local riders.

Economic
$2.2M economic impact as a result of visitation. Media valuation has not been completed but press includes considerable national, international and online coverage (SBS documentary, GWN, ABC online, The West, etc) plus elite rider social followings.
Margaret River Region Open Studios

FUNDING REQUEST
Margaret River Region Open Studios Inc is requesting $15,000 per year for 2018-19, 2019-20 and 2020-21 towards to be spent for the marketing and promotion of the event.

MOST RECENT SHIRE FUNDING
2016: $10,000
2017: $10,000
2018: $10,000

EVENT OVERVIEW
The Margaret River Region Open Studios (MRROS) event is an open art studios event that showcases the work of diverse and vibrant visual artists throughout the Margaret River Region. The event has become the biggest of its kind in Australia. The two week event takes place in the shoulder season after school holidays and attracts visitors from across the state for a unique opportunity to visit artists in their private studios.

Event dates are scheduled as follows:
- 27 April – 11 May 2019
- 1 May – 17 May 2020
- 23 April – 9 May 2021

Visitors are tracked by artists whilst the event is running, with the 2018 event recording an increase of 30% in visitations on the previous year to around 44,000. A total of 131 artists participated in the event with 80 artists coming from the Shire of Augusta Margaret River.

CONSULTATION AND ADVICE
External Consultation
Margaret River Region Open Studios

Internal Consultation
Shire of Augusta Margaret River Events Committee (Marketing and Events, Events Compliance, Environmental Health, Corporate and Community Services, Recreation Centre)

DISCUSSION/OFFICER COMMENTS
The event provides new opportunities for audiences to explore art in an open and engaging way, showcasing the high standard of many regional artists and provides the framework for artists to build new audiences, network and develop skills. The event also provides an opportunity for artists to sell work directly to the public with no commission taken by MRROS.

The decision to hold this event outside of the school holidays for the past two events has proven a successful strategy to help extend the summer tourist season.

The event achieves a number of Shire objectives including direct economic impact, destination awareness, social engagement, active participation, access and inclusion.

Media coverage of the event is increasing year on year, and recent additions to the MRROS Board have brought added marketing and public relations skills to the organisation. The 2018 event saw intrastate visitors nearly equaling the number of local visitors owing to a new targeted online marketing campaign. The campaign initiated this year saw Facebook advertising reach grow exponentially from 5,700 in 2017 to over 500,000 in 2018.

Given the tight fiscal environment, MRROS are facing increased financial challenges for the delivery of future events, with their State Government grant application for the 2019 event providing unsuccessful (approx. $40,000 funded for the 2018 event).

It is therefore recommended the Shire allocate $12,500 for this event for the next three financial years.

FINANCIAL IMPLICATIONS
$12,500 from the Icon Events fund for each of the 2018-19, 2019-20 and 2020-21 financial years.
SUSTAINABILITY IMPLICATIONS

Environmental
Nil

Social
Capacity building skills for emerging artists. Incorporation of the Shire's Cocoon Gallery for Emerging artists as part of the sponsorship agreement. Social engagement and health and wellbeing initiatives. Event is free to attend.

Economic
Total spend directly into the local economy through sales is $500,000
Estimated $5.5M in wider economic impact

Cinefest Oz

FUNDING REQUEST
Cinefest Oz is requesting $30,000 in 2018-19 to assist with the costs associated with establishing a temporary screening venue in Margaret River and $25,000 in each of 2019-20 and 2020-21 years.

MOST RECENT SHIRE FUNDING
2015: $25,000
2016: $25,000
2017: $25,000

EVENT OVERVIEW
Started in 2008, CinefestOZ has built its profile and attendance to become the premier destination film festival in Australia and CinefestOZ now sits only behind Sydney, Melbourne and Adelaide Film Festivals in size and significance on the nation’s film calendar for Australian content.

The festival is held in August, a traditionally quiet business month. The CinefestOZ experience is a series of unique cultural activities for the community and new visitors to the region. The strategy of timing and varied experience has proven successful, supported by the rapid growth in attendances by over 1500% since the festival’s inception, with total festival attendance in 2017 at 27,500.

At a State level, CinefestOZ is the most significant event for the month of August and the largest regional cultural event for the year.

Event dates are schedules as follows:
- 22 – 26 August 2018
- 24 – 28 August 2019 (TBC)
- 23 – 27 August 2020 (TBC)

CONSULTATION AND ADVICE
External Consultation
Cinefest Oz

Internal Consultation
Shire of Augusta Margaret River Events Committee (Marketing and Events, Events Compliance, Environmental Health, Corporate and Community Services, Recreation Centre)

DISCUSSION/OFFICER COMMENTS
The CinefestOz event meets Icon Event criteria in that it is aligned with the Shire’s strategic objectives, is held in the Local Government Area and instigates visitation in a low season period and works to achieve destination awareness. At a State level, CinefestOZ is the most significant event for the month of August and the largest regional cultural event for the year. The networking events are also effective at positioning the region as a cultural hub and prospective filming location to a targeted industry audience. Film making activities perpetuate tourism and film industry investment in Western Australia and the South West Region and provide continued economic returns to the region over and beyond the direct returns of the festival.
The $30,000 request for funding in 2018-19 includes an allowance of $5,000 to allow for additional costs. The funds associated with establishing a temporary screening venue in Margaret River given event organisers are unable to use the traditional Cultural Centre venue whilst under construction.

In 2018 and beyond the festival expects to offer the following in the Shire of Augusta Margaret River:

- Australian and French feature film (4 feature film screenings)
- Side bars in local venues:
  - Augusta – 2
  - Cowaramup - 1
  - Margaret River - 5
- A red carpet gala event in the Shire
- Free community screenings of documentaries and shorts (4 day program) at the Augusta Community Resource Centre and Margaret River Library
- A stimulating and very well attended schools program with an Excursion (feature film screenings and filmmakers Q&As), incursions and a short film competition.
- A comprehensive marketing and publicity strategy, with the Shire of Augusta Margaret River based screenings and events promoted to the local, Perth metropolitan, State wide, national and international markets
- An Augusta Margaret River specific festival program
- Augusta and Margaret River Movie crew volunteers opportunities
- Shire of Augusta Margaret River venues, community groups and businesses engaged in CinefestOZ
- A part time Margaret River based Events Officer is engaged to ensure a quality festival experience and well delivered events.

FINANCIAL IMPLICATIONS
$30,000 in 2018-19 and $25,000 in each of 2019-20 and 2020-21 years.

SUSTAINABILITY IMPLICATIONS
Environmental
CinefestOZ is an event that has a minimal environmental impact, achieved by:
- Use of existing venues and facilities, reducing the need to bring in temporary structures.
- Adopting an online ticketing system (via the CinefestOZ website) with IPhone App, minimising the need for paper tickets.
- Using online forms via the CinefestOZ website for Movie Crew registration, film submissions and other relevant communications.

Social
- All ages event
- Free or paid screening options available
- Accessible venues for prams/mobility restricted
- Roles for 40 Margaret River and Augusta based volunteers
- Youth involvement - schools screening program and youth short film competition
- Internships available for tertiary students to be involved in the festival and obtain valuable work and industry skills.

Economic
In 2017, 14,025 people attended from outside the festival region and stayed an average of 3.5 visitor nights generating $7.58M direct expenditure from outside the region. Direct festival expenditure from within the region was $0.8M. Regional expenditure by the event was $1M. Total economic benefit for 2017 was $9.38M. Forecast economic benefit for 2018 is $9.58M, with an increase to $9.9M by 2019.

Tour of Margaret River
FUNDING REQUEST
Cycling Eventure is requesting $10,000 to contribute towards the branding and marketing of TOMR to the eastern states and South East Asia, and to contribute towards accommodation and transport costs for South East Asian teams to stay in Margaret River and travel to and from the event each day.

MOST RECENT SHIRE FUNDING
EVENT OVERVIEW
The Tour of Margaret River is a four-day Pro Am road cycling event set to be held 8-11 November 2018. This year’s event hub will be located in Nannup and the event application lists additional locations as: Albany, Kirup, Donnybrook, Balingup, Nannup, Greenbushes, Margaret River.

The four days consists of a medio fondo participation ride and three competitive road racing stages that is formatted to provide opportunity for amateur cyclists to compete directly with and against professional riders from the pro tour peloton. The final day of racing in 2018 takes riders along the Blackwood State Forest, South Blackwood State Forest and the Blackwood River National Park on a boundary road of the Shire of Augusta Margaret River.

Event organisers project that 720 competitors, 2500 spectators, 70 event crew will attend the event. Organisers advise a number of riders stay in Margaret River for the duration of the event and/or visit the Shire of Augusta Margaret River as a result of the event. Community activations associated at the event will predominantly be conducted in Nannup including music, sundowners, and bonfires.

CONSULTATION AND ADVICE
External Consultation
Cycling Eventures

Internal Consultation
Shire of Augusta Margaret River Events Committee (Marketing and Events, Events Compliance, Environmental Health, Corporate and Community Services, Recreation Centre)

DISCUSSION/OFFICER COMMENTS
The event offers the benefits of promotion the Margaret River brand name to a large niche market. The event is held in a shoulder tourism period and serves to target visitation from South East Asia. The event also provides participation opportunity for local road cyclists and provides for the promotion of health and wellbeing.

While the event has merit across a range of criteria, the application is in a competitive pool where the funds may be better served being directed to more localised events where residents would likely better benefit from the associated community activation activities. It is unlikely many residents would choose to access the spectator opportunities as a result of the cyclist only passing on a local government area boundary road.

It is noted the event delivers $972,535 in economic impact for the Margaret River Region, but given this encompasses the City of Busselton it is difficult to assess the return on investment for an local government level investment. It is therefore recommended the event be declined for funding in the 2018-19 budget in order to prioritise funding for events known to more direct impact the local government area.

FINANCIAL IMPLICATIONS
Recommendation is nil.

SUSTAINABILITY IMPLICATIONS
Environmental
The event will be held on existing road, the cyclists will be fined for littering. Reduced plastic initiatives will be implemented.

Social

Economic
Total visitor expenditure $972,535 (Margaret River Region – inclusive of the City of Busselton)
Australian Junior Surfing Championships

FUNDING REQUEST
Surfing WA is requesting $20,000 out of the 2019-20 budget to fund the Australian Junior Surfing Championships.

MOST RECENT SHIRE FUNDING
Nil

EVENT OVERVIEW
Surfing WA has the rights to host the Australian Junior Surfing Titles once every 5 years with 2019 being the next available opportunity. Surfing WA is seeking to host the events at Surfers Point in Margaret River in December of that year.

The event, which incorporates the Australian School Surfing Titles, is held over 8 days (including 1 day opening ceremony, 7 days of surfing). This event in the pinnacle of Australia's junior surfing pyramid and bring together 250 of the country's best young surfers. The winner will go to go to represent Australia at the ISA World Junior Surfing Championships.

Surfing WA is seeking to do additional community activations as part of the event.

Surfing WA last has the rights to the event in 2014 at which time the location of Yallingup was selected.

CONSULTATION AND ADVICE
External Consultation
Surfing WA

Internal Consultation
Shire of Augusta Margaret River Events Committee (Marketing and Events, Events Compliance, Environmental Health, Corporate and Community Services, Recreation Centre)

DISCUSSION/OFFICER COMMENTS
The event promotes visitation and destination awareness to a target audience of surfers. It provides development opportunities for youth and serves to encourage involvement in active and healthy living. The event is free for spectators and additional community activations will likely provide for increased participation and social engagement opportunities.

Surfing WA has an excellent track record of event management and are well-versed in major event hosting at the Surfers Point site being hosts of the Margaret River Surf Pro.

The event is compliant with the Shire's Surfing Policy, however requires further planning approval. While the event will seek usage of Surfers Point it is likely to be only a one in 10 year occurrence for this event to be held there.

It is recommended to fund the event Surfer Points to the value of $20,000, noting that the Council resolution is underpinned by a requirement to meet compliance requirements as determined by the Shire. This provides for opportunity to withdraw funding should the application for Planning Approval be declined for any reason.

FINANCIAL IMPLICATIONS
$20,000 from the 2019-20 Icon Events budget, pending budget adoption of the corresponding financial year.

SUSTAINABILITY IMPLICATIONS
Environmental
Surfing WA advise they will be implementing the same level of environmental protection at this event as the Margaret River Pro.

Social
Promotion of active, healthy living. Social engagement and upskilling opportunities for youth.
Economic
Surfing WA anticipate $1.3M in economic impact as a result of visitation, plus approximately $1.3M in media value.

Total Event Funding and Sponsorship Provisions
Should Council accept the officer’s recommendation, and provide for the corresponding amounts in the adopted budgets, the Shire’s total forward event funding provisions would be as follows:

<table>
<thead>
<tr>
<th>Icon events</th>
<th>$</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018-19</td>
<td>2019-20</td>
<td>2020-21</td>
</tr>
<tr>
<td>Surf Pro</td>
<td>20,000</td>
<td>preapproved funds</td>
<td></td>
</tr>
<tr>
<td>lunar circus</td>
<td>7,500</td>
<td>preapproved funds</td>
<td></td>
</tr>
<tr>
<td>Cabin Fever</td>
<td>10,000</td>
<td>preapproved funds</td>
<td></td>
</tr>
<tr>
<td>Augusta Adventure Fest</td>
<td>7,500</td>
<td>7,500</td>
<td>7,500</td>
</tr>
<tr>
<td>Cape to Cape MTB</td>
<td>7,500</td>
<td>7,500</td>
<td>7,500</td>
</tr>
<tr>
<td>Margaret River Region Open Studios</td>
<td>12,500</td>
<td>12,500</td>
<td>12,500</td>
</tr>
<tr>
<td>Cinefest</td>
<td>30,000</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Readers and Writers</td>
<td>15,000</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Emergence</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Ultra marathon</td>
<td>7,500</td>
<td>7,500</td>
<td>7,500</td>
</tr>
<tr>
<td>TOTAL</td>
<td>127,500</td>
<td>85,000</td>
<td>85,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Community events</th>
<th>$</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018-19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ANZAC</td>
<td>3,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carols in the Park</td>
<td>4,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia Day x 3</td>
<td>3,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deja Moo</td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Augusta River Fest</td>
<td>6,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gnarabup Swim</td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gracetown Swim</td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boogie Down South</td>
<td>2,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Margaret River Cricket Clinics</td>
<td>2,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MR Ag Show</td>
<td>30,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Margi Gra</td>
<td>2,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sunday Sundowners</td>
<td>2,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undalup</td>
<td>2,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surf Rescue</td>
<td>5,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair Harvest</td>
<td>1,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tennis West</td>
<td>7,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>73,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Plus the Chamber of Commerce Business Awards funded out of the Members of Council budget.

Shire-hosted events including but not limited to Youth events, Recreation Centre events and official functions are in further addition to these events.

**STRATEGIC PLAN / POLICY IMPLICATIONS**

*Community Strategic Plan 2036 (CSP)*

*Corporate Business Plan 2017-2021*

Key Result Area 4: Vibrant and diverse economy

Community Outcome: Sustainable tourism and other local industries

Strategic Response: Encourage tourism in the Shire through the development and support of Icon Events

**VOTING REQUIREMENTS**

Simple Majority

**RECOMMENDATION**

That Council:

1. Notes previous Icon Event funding commitments made for the 2018-19 as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>2018-19 $</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surf Pro</td>
<td>20,000</td>
<td>OM 13/7/2016</td>
</tr>
<tr>
<td>Lunar Circus</td>
<td>7,500</td>
<td>OM 25/6/2015</td>
</tr>
<tr>
<td>Cabin Fever</td>
<td>10,000</td>
<td>OM 25/6/2015</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>37,500</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Budgeted</strong></td>
<td><strong>127,500</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Remaining to be allocated</strong></td>
<td><strong>90,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

2. Commits to providing $127,500 of Icon Events funds in the 2018-19 budget, subject to the adoption of the 2018-19 budget.

3. Commits Icon Events funding for 2018-19, 2019-20 and 2020-21 as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>2018-19 $</th>
<th>2019-20 $</th>
<th>2020-21 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Augusta Adventure Fest</td>
<td>7500</td>
<td>7500</td>
<td>7500</td>
</tr>
<tr>
<td>Cape to Cape Mountain Bike</td>
<td>7500</td>
<td>7500</td>
<td>7500</td>
</tr>
<tr>
<td>Margaret River Region Open Studios</td>
<td>12500</td>
<td>12500</td>
<td>12500</td>
</tr>
<tr>
<td>Cinefest Oz</td>
<td>30000</td>
<td>25000</td>
<td>25000</td>
</tr>
<tr>
<td>Tour of Margaret River</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Australian Junior Surfing Titles</td>
<td></td>
<td></td>
<td>20,000</td>
</tr>
<tr>
<td><strong>Available to allocate</strong></td>
<td><strong>90,000</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total new funding allocations</strong></td>
<td><strong>57,500</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Remaining unallocated</strong></td>
<td><strong>32,500</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

subject to:

i. Council adoption of budgets providing for Icon Event funding in the corresponding financial years.
   ii. A sponsorship agreement being established between the Shire and the Event Organiser
       iii. Event organisers meeting event compliance as determined by the Shire.

4. Approves the allocation of the remaining $32,500 in the 2018-19 Icon Events budget to be determined on a merit-based application process by the CEO, including for the 2019 Readers and Writers Festival, Emergence Creative Festival and the Margaret River Ultra Marathon.
5. Declines the funding request for Tour of Margaret River.

ADVICE TO APPLICANT / PROPOSED
Nil

ATTACHMENTS
1. CONFIDENTIAL – Icon Event Funding Applications

RECOMMENDATION
CR MCLEOD, CR LANE
That Council:
1. Notes previous Icon Event funding commitments made for the 2018-19 as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>2018-19 $</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surf Pro</td>
<td>20,000</td>
<td>OM 13/7/2016</td>
</tr>
<tr>
<td>Lunar Circus</td>
<td>7,500</td>
<td>OM 25/6/2015</td>
</tr>
<tr>
<td>Cabin Fever</td>
<td>10,000</td>
<td>OM 25/6/2015</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>37,500</strong></td>
<td></td>
</tr>
<tr>
<td>Budgeted</td>
<td>127,500</td>
<td></td>
</tr>
<tr>
<td>Remaining to be allocated</td>
<td>90,000</td>
<td></td>
</tr>
</tbody>
</table>

2. Commits to providing $127,500 of Icon Events funds in the 2018-19 budget, subject to the adoption of the 2018-19 budget.

3. Commits Icon Events funding for 2018-19, 2019-20 and 2020-21 as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Augusta Adventure Fest</td>
<td>7500</td>
<td>7500</td>
<td>7500</td>
</tr>
<tr>
<td>Cape to Cape Mountain Bike</td>
<td>7500</td>
<td>7500</td>
<td>7500</td>
</tr>
<tr>
<td>Margaret River Region Open Studios</td>
<td>12500</td>
<td>12500</td>
<td>12500</td>
</tr>
<tr>
<td>Cinefest Oz</td>
<td>30000</td>
<td>25000</td>
<td>25000</td>
</tr>
<tr>
<td>Tour of Margaret River</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Australian Junior Surfing Titles</td>
<td></td>
<td></td>
<td>20,000</td>
</tr>
<tr>
<td>Available to allocate</td>
<td>90,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total new funding allocations</td>
<td>57,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remaining unallocated</td>
<td>32,500</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

subject to:
   i. Council adoption of budgets providing for Icon Event funding in the corresponding financial years.
   ii. A sponsorship agreement being established between the Shire and the Event Organiser
   iii. Event organisers meeting event compliance as determined by the Shire.

4. Approves the allocation of the remaining $32,500 in the 2018-19 Icon Events budget to be determined on a merit-based application process by the CEO, including for the 2019 Readers and Writers Festival, Emergence Creative Festival and the Margaret River Ultra Marathon.

5. Declines the funding request for Tour of Margaret River.

Cr Godden moved the following amendment:

AMENDMENT
CR GODDEN, CR
That in point 3 of the recommendation, with the exception of Australian Junior Surfing Titles, the 2019-20 and 2020-21 columns be omitted from the table as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>2018-19 $</th>
<th>2019-20 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Augusta Adventure Fest</td>
<td>7500</td>
<td></td>
</tr>
<tr>
<td>Cape to Cape Mountain Bike</td>
<td>7500</td>
<td></td>
</tr>
<tr>
<td>Margaret River Region Open Studios</td>
<td>12500</td>
<td></td>
</tr>
<tr>
<td>Cinefest Oz</td>
<td>30000</td>
<td></td>
</tr>
<tr>
<td>Tour of Margaret River</td>
<td>0</td>
<td>20,000</td>
</tr>
<tr>
<td>Australian Junior Surfing Titles</td>
<td></td>
<td>20,000</td>
</tr>
<tr>
<td>Available to allocate</td>
<td>90,000</td>
<td></td>
</tr>
<tr>
<td>Total new funding allocations</td>
<td>57,500</td>
<td></td>
</tr>
<tr>
<td>Remaining unallocated</td>
<td>32,500</td>
<td></td>
</tr>
</tbody>
</table>

**REASON**
Cr Godden provided the following reason:
'I am uncomfortable about granting 3 years of funding for the events when our strategy and policy are not finalised, and when the granting the other 3 years of funding to these events is clearly inconsistent with a policy intention to provide seed funding. As such, I would like to propose an amendment that we grant the proposed funding for the 2018/19 financial year only, and that further funding will be considered when the strategy and policy are finalised.'

*The motion lapsed for want of a seconder.*

Cr Godden then moved the following supplementary motion:

**SUPPLEMENTARY MOTION / COUNCIL DECISION**
CR GODDEN, CR MCLEOD OM2018/171
That the following be added as point 6 to the recommendation:

6. That the Icon Events Sponsorship Policy is revised to align with the Events Strategy when finalised, and that the Icon Events Sponsorship Policy and Events Strategy are finalised in the 2018/19 Financial Year.

*CARRIED 4/0*

**REASON**
Cr Godden provided the following reason:
'The Events Strategy is not yet completed and Officers have indicated that the Icon Events Sponsorship Policy needs to be revised to address issues such as the current requirement of Council to provide seed funding only for Icon Events. It is important that multiple-year allocations of sponsorship funds are consistent with Council's strategy and policy. The amendment approves sponsorship for 2018/2019 events and the Australian Junior Surfing Titles in 2019. It requests a revision of the Icon Events Sponsorship Policy to align with the Events Strategy, when the Strategy is finalised. It is anticipated that when the Events Strategy and Icon Events Sponsorship Policy are revised, multiple-year events funding could then be allocated in a way that is consistent with Council strategy and policy.'

*This then became the primary motion:*

**PRIMARY MOTION / COUNCIL DECISION**
CR MCLEOD, CR LANE OM2018/172
That Council:
1. Notes previous Icon Event funding commitments made for the 2018-19 as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Augusta Adventure Fest</td>
<td>7500</td>
</tr>
<tr>
<td>Cape to Cape Mountain Bike</td>
<td>7500</td>
</tr>
<tr>
<td>Margaret River Region Open Studios</td>
<td>12500</td>
</tr>
<tr>
<td>Cinefest Oz</td>
<td>30000</td>
</tr>
<tr>
<td>Tour of Margaret River</td>
<td>0</td>
</tr>
<tr>
<td>Australian Junior Surfing Titles</td>
<td>20,000</td>
</tr>
<tr>
<td>Available to allocate</td>
<td>90,000</td>
</tr>
<tr>
<td>Total new funding allocations</td>
<td>57,500</td>
</tr>
<tr>
<td>Remaining unallocated</td>
<td>32,500</td>
</tr>
</tbody>
</table>
2. Commits to providing $127,500 of Icon Events funds in the 2018-19 budget, subject to the adoption of the 2018-19 budget.

3. Commits Icon Events funding for 2018-19, 2019-20 and 2020-21 as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>2018-19 ($)</th>
<th>2019-20 ($)</th>
<th>2020-21 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Augusta Adventure Fest</td>
<td>7500</td>
<td>7500</td>
<td>7500</td>
</tr>
<tr>
<td>Cape to Cape Mountain Bike</td>
<td>7500</td>
<td>7500</td>
<td>7500</td>
</tr>
<tr>
<td>Margaret River Region Open Studios</td>
<td>12500</td>
<td>12500</td>
<td>12500</td>
</tr>
<tr>
<td>Cinefest Oz</td>
<td>30000</td>
<td>25000</td>
<td>25000</td>
</tr>
<tr>
<td>Tour of Margaret River</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Australian Junior Surfing Titles</td>
<td>20,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Available to allocate 90,000
Total new funding allocations 57,500
Remaining unallocated 32,500

subject to:

i. Council adoption of budgets providing for Icon Event funding in the corresponding financial years.
ii. A sponsorship agreement being established between the Shire and the Event Organiser
iii. Event organisers meeting event compliance as determined by the Shire.

4. Approves the allocation of the remaining funds in the 2018-19 Icon Events budget to be determined on a merit-based application process by the CEO, including for the 2019 Readers and Writers Festival, Emergence Creative Festival and the Margaret River Ultra Marathon.

5. Declines the funding request for Tour of Margaret River.

6. That the Icon Events Sponsorship Policy is revised to align with the Events Strategy when finalised, and that the Icon Events Sponsorship Policy and Events Strategy are finalised in the 2018/19 Financial Year.

CARRIED 3/1
CR GODDEN VOTED AGAINST

Crs Townshend, Meldrum and Smart re-entered Chambers at 6.15pm

Cr Earl returned to his allocated seating position and Cr Townshend returned to the position of Chair.
11.2. Sustainable Development
11.2.1 SUSTAINABILITY ADVISORY COMMITTEE MINUTES - 21 JUNE 2018

LOCATION/ADDRESS
Shire of Augusta Margaret River

APPLICANT/LANDOWNER
Shire of Augusta Margaret River

FILE REFERENCE
LND/115

REPORT AUTHOR
Jared Drummond, Sustainability/Planning Officer

AUTHORIZING OFFICER
Dale Putland, Director Sustainable Development

IN BRIEF
On the 21 June 2018 SAC received briefings on a number of key Shire projects, including the Local Planning Strategy/Scheme review, Local Energy Action Plan, Waste Feasibility Study and Environmental Management Fund.

RECOMMENDATION
That Council receives the minutes of the Sustainability Advisory Committee held on 21 June 2018.

LOCATION PLAN
Nil

TABLED ITEMS
Nil

BACKGROUND
Sustainability Advisory Committee (SAC) minutes from 21 June 2018.

DISCUSSION
SAC did not adopt any motions which require further consideration and affirmation by Council at the June meeting. The SAC Minutes reflect that SAC received and discussed briefings on a number of current Shire projects as follows.

Local Energy Action Plan
An update was provided to SAC on the Local Energy Action Plan (LEAP). The LEAP has been reviewed and adopted by Council for advertising. The document is currently out for broader consultation.

The following actions will be undertaken prior to taking LEAP to Council for final endorsement.
- Shire officers will respond to Council’s resolution on climate change as part of preparing the final LEAP document.
- Include feedback from Augusta Margaret River Clean Community Energy (AMRCCE) energy efficiency and renewable energy survey prior to taking LEAP to Council for final adoption.
- Circulate LEAP consultation procedure to SAC members.

Waste Feasibility Study
A presentation was provided to SAC on the waste feasibility study. The feasibility study will identify two options for waste management moving forward for the Shire. The community will be consulted on each option once it has been presented to Council.

The SAC decided to undertake the following actions in regards to the feasibility study:
- SAC members to complete individual waste feasibility surveys.
- SAC to prepare detailed response once options have been presented by the consultant.
Review of the Local Planning Strategy and Local Planning Scheme No. 1
An update of the Local Planning Strategy and Local Planning Scheme No.1 was presented to SAC for
information purposes. The intent of the briefing was to present opportunities to SAC on how they can
contribute towards the LPS/Scheme review process.

Shire staff will invite SAC to provide comment on material to be discussed at upcoming LPS/Scheme
review community workshops.

Environmental and sustainability expenditure
An update was provided to SAC on the Shire’s projected 2018/19 expenditure on environmental and
sustainability related items. The spreadsheet presented to SAC represented approximately 3% of the
Shire’s total expenditure, in line with Council endorsed Environmental Sustainability Strategy.

The EMF is a key project of the SAC. In line with Council’s previously adopted position, SAC will
recommend to Council a number of internal and external projects to be funded through EMF in 2018-
19.

STRATEGIC PLAN / POLICY IMPLICATIONS
Community Strategic Plan 2036 (CSP)
Corporate Business Plan 2017-2021
Key Result Area 3: Ensuring sustainable development
Community Outcome 3: Climate change mitigation and response
Strategic Response 1.2.1: Plan proactively and respond to climate change
Service level strategy/plan: Local Energy Action Plan

PLANNING FRAMEWORK
The discussed projects are consistent with the SAC’s Terms of Reference.

FINANCIAL IMPLICATIONS
No financial implications.

SUSTAINABILITY IMPLICATIONS
SAC has an important role to play in terms of overseeing the implementation of council’s sustainability
objectives with applicable Shire projects.

VOTING REQUIREMENTS
Simple Majority

RECOMMENDATION
That Council receives the unconfirmed minutes of the Sustainability Advisory Committee held on 21
June 2018.

ATTACHMENTS
1. Sustainability Advisory Committee Minutes – 21 June 2018
This addendum provides a modified recommendation which includes an additional dot point 2.

The modified recommendation corrects a minor administrative error, by replacing the words ‘total expenditure’ with ‘rates revenue’, in Attachment 1 as highlighted:

7.6.2 Briefing on environmental and sustainability expenditure

An update was provided to SAC on the Shire’s projected 2018/19 expenditure on environmental and sustainability related items, known as the Environmental and Sustainability Fund (ESF). The spreadsheet presented to SAC represents approximately 3% of total expenditure rates revenue, in line with Council endorsed Environmental Sustainability Strategy.

Modified Recommendation
That Council:
1. Receives the unconfirmed minutes of the Sustainability Advisory Committee held on 21 June 2018; and
2. Notes that the minutes contain an error at 7.6.2, which will be changed as follows when the minutes are presented to SAC for confirmation at its next meeting:

“An update was provided to SAC on the Shire’s projected 2018/19 expenditure on environmental and sustainability related items, known as the Environmental and Sustainability Fund (ESF). The spreadsheet presented to SAC represents Shire officers assessment of planned expenditure equivalent to 3% of rate revenue, in line with Council endorsed Environmental Sustainability Strategy.”

RECOMMENDATION / COUNCIL DECISION
CR GODDEN, CR LANE OM2018/173
That Council:
1. Receives the unconfirmed minutes of the Sustainability Advisory Committee held on 21 June 2018; and
2. Notes that the minutes contain an error at 7.6.2, which will be changed as follows when the minutes are presented to SAC for confirmation at its next meeting:

“An update was provided to SAC on the Shire’s projected 2018/19 expenditure on environmental and sustainability related items, known as the Environmental and Sustainability Fund (ESF). The spreadsheet presented to SAC represents Shire officers assessment of planned expenditure equivalent to 3% of rate revenue, in line with Council endorsed Environmental Sustainability Strategy.”

CARRIED 7/0
11.2.2 SALE OF 95 (LOT 134) BUSSELL HIGHWAY MARGARET RIVER

LOCATION/ADDRESS 95 (Lot 134) Bussell Highway Margaret River

APPLICANT/LANDOWNER Shire of Augusta Margaret River

FILE REFERENCE PTY/4456

REPORT AUTHOR Ian McLeod, Coordinator Legal Services

AUTHORISING OFFICER Dale Putland, Director Sustainable Development

IN BRIEF

• Lot 134 was acquired by the Shire in 2013 as a result of a land swap with the State Government and was identified in the Shire’s Land Asset Management Plan (LAMP) as priority property to be sold at an appropriate time to contribute towards funding key community projects in the Margaret River area.

• In March 2018, following advice from its agent, the Shire offered Lot 134 for ‘Public Tender’ under section 3.58(2)(b) of the Local Government Act 1995 (LG Act).

• The Shire received one tender offering $660,000 (inclusive of GST).

• Council considered a report on the tender at its Ordinary Council Meeting of 13 June 2018 and resolved: ‘1) to reject the tender as an unacceptable tender; and 2) to note that if all tenders received are unacceptable the property will be exempt from the disposition requirements of s3.58 of the LG Act for 6 months from the date of the meeting.’

• The Shire received an offer to purchase the property on 27 June 2018 for $797,500 (inclusive of GST).

• As the offer was within 6 months of the decision to reject all tenders as unacceptable, the disposition will be exempt under section 3.58(5)(d) of the LG Act and regulation 30(2a)(b) of the Local Government (Functions and General) Regulations 1996.

RECOMMENDATION

That Council:
1. Approves the sale of the Lot 134 to Alardon Investments Pty Ltd for $797,500 (inclusive of GST); and
2. Authorises the affixing of the Shire’s seal to any document required to give effect to the sale.

LOCATION PLAN
BACKGROUND
The background to this property, including it’s identification in LAMP, its listing for sale from 2015 to 2017 and the attempted sale by tender are detailed in item 11.2.4 of the Ordinary Council Meeting minutes of 13 June 2018, which is ATTACHMENT 2 to this report.

CONSULTATION AND ADVICE
External
Valuation were obtained on the following dates:
- August 2015
- June 2017
- March 2018

These valuations were included as confidential attachments 3-5 the report to Council on 13 June 2018. Their confidentiality is provided by regulation 4 of the Local Government (Administration) Regulations 1996 and s5.23(2)(h) of the LG Act.

Internal
- The Manager of Corporate Services was consulted and approved of the sale at the offer price.
- The Director of Infrastructure Services and Main Street Project Manager have been consulted and have advised that Lot 134 will not need to be truncated or partially acquired by the Shire for the purposes of the Main Street upgrade.

DISCUSSION / OFFICER COMMENTS
The offer
The offer and contract for sale is ATTACHMENT 1.

The offer of $797,500 (inclusive of GST):
- equates to $725,000 exclusive of GST;
- is equal to the March 2018 listing price of $725,000 (exclusive of GST) (note – the 13 June 2018 report erroneously stated that the March 2018 listing price was $750,000); and
- is $125,000 more than the offer made by tender.

As the property has been on the market since 2015 the offer of $797,500 (inclusive of GST) is seen by both the Manager of Corporate Services and the Coordinator of Legal Services as reasonable in the current market.

Application of proceeds in the event of sale
In the event that Council resolves to sell the property the proceeds will go towards the main street upgrade.

This approach, of using LAMP land sale proceeds to fund projects in the locality where the land was sold, has been followed in the most recent sales that have taken place in the Margaret River locality, namely:
- Lots 64 and 65 Townview Terrace Margaret River in August 2015; and
- 26 Le Souef Street Margaret River in August 2016

With Council resolving that the proceeds from both sales be used for the Margaret River main street redevelopment.

The Shire will act in the best interests of ratepayers across the region when determining where capital realised from the potential sale of the Site will be invested.

STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS
Relevant provisions of the LG Act and Regulations
Under section 3.58 of the LG Act a local government can only dispose of property to –
(a) to the highest bidder at public auction;
(b) the person who by public tender makes the most acceptable tender in the opinion of the local government, whether or not it is the highest; or
(c) a buyer by private contract, but only where the local government has given local public notice providing the details of the offer and a valuation obtained within 6 months of the offer and inviting submissions to be made on the proposed sale.

Section 3.58 does not apply if the property is exempt by s3.58(5) of the LG Act or regulation 30 of the Local Government (Functions and General) Regulations 1996 (LG Functions Regs).

Regulation 30(2a)(b) of the LG Functions Regs exempts the sale of a property from the disposition requirements of s3.58 of the LG Act 1995 if the property is sold within 6 months after it has been the subject of a public tender process and either no tender was received or any tender received was unacceptable.

Is there any risk of unfairness if the sale is exempt?
No, The basis of the exemption under regulation 30(2a)(b) of the LG Functions Regs is that the Shire has already exercised due diligence, subjected the process to public scrutiny and attempted to get best value by way of a state wide public tender process. Therefore requiring the Shire to go through further procedure and public advertising within 6 months of the tender process would be excessive.

Are there any benefits if the sale is an exempt disposition?
The main benefits are:
- that the process is stream lined, (it will normally take 8 weeks between offer and acceptance if the sale is not exempt);
- The Shire does not need to give local public notice of its land valuation prior to acceptance of the offer. Having the valuation publically advertised can put the Shire at an economic disadvantage if the offer is withdrawn before acceptance or if the deal falls through after Going to Council.

Why is the matter coming to Council if it can be dealt with under delegation?
For the following reasons:
1. the Shire wants to ensure that the transaction is transparent - as it is rare for a land sale to be an exempt disposition;
2. The sale will be significant for the Shire’s budget; and
3. It allows Council to authorise the affixing of the Shire Seal to any documents required to give effect to the sale.

STRATEGIC PLAN / POLICY IMPLICATIONS
Community Strategic Plan 2036 (CSP)
Corporate Business Plan 2017-2021
Key Result Area 3: Manage Growth Sustainably- Contribute to proposals for beautification – sale will contribute to the revitalisation of Margaret River.
Community Outcome 2.1: Develop and implement Masterplans for centres, towns and villages to preserve and enhance their unique character.
Strategic Response: Sale will contribute to improvements to Margaret River main street.
Service Level Strategy/Plan: Direct the funds from the Site’s sale to Margaret River main street redevelopment.

PLANNING FRAMEWORK
The Site is zoned Town Centre and the land uses available in the zone will be at the purchaser’s prerogative and may include office, café or residential development.

FINANCIAL IMPLICATIONS
The funds from the Site’s sale could be utilised for the Margaret River main street redevelopment.

SUSTAINABILITY IMPLICATIONS
Social
The sale and potential development of the Site will increase activity within the town centre.

Economic
The capital realised from the sale can then be invested in the main street redevelopment, consistent with the Shire’s financial plan.
VOTING REQUIREMENTS
Simple Majority

RECOMMENDATION
That Council:
1. Approves the sale of the Lot 134 to Alardon Investments Pty Ltd for $797,500 (inclusive of GST); and
2. Authorises the affixing of the Shire’s seal to any document required to give effect to the sale.

ADVICE TO APPLICANT / PROPOSED
Nil

ATTACHMENTS
2. Item 11.2.4 of the Ordinary Council Meeting minutes of 13 June 2018

RECOMMENDATION / COUNCIL DECISION
CR EARL, CR LANE OM2018/174
That Council:
1. Approves the sale of the Lot 134 to Alardon Investments Pty Ltd for $797,500 (inclusive of GST); and
2. Authorises the affixing of the Shire’s seal to any document required to give effect to the sale.

CARRIED 7/0
11.2.3 PROPOSED SALE OF LOTS 113 & 115 LLOYD LOOP, MARGARET RIVER AND LOT 101 HUMBLE WAY, MARGARET RIVER

LOCATION/ADDRESS
Lots 113 & 115 Lloyd Loop, Margaret River and Lot 101 Humble Way, Margaret River

APPLICANT/LANDOWNER
The Applicants

FILE REFERENCE
PTY/10330, PTY/10332, PTY/11069

REPORT AUTHOR
Lauren Bidesi, Senior Legal Officer

AUTHORISING OFFICER
Dale Putland, Director Sustainable Development

IN BRIEF
- In September 2009 Balwyn Margaret River Pty Ltd, a wholly owned Lester Group company, offered the Shire two lots within the Rapids Landing Development (Lots 113 and 115 Lloyd Loop) as partial contribution toward headwork costs for the Margaret River Water Recycling (Stage 1A). This was in lieu of providing direct funds due to tight cash flows arising from the down turn in the development industry.
- In September 2010 Balwyn Margaret River Pty Ltd agreed to transfer to the Shire in consideration for all outstanding financial obligations, two further lots one of which comprised Lot 101 Humble Way Margaret River. The transfer of these two blocks to the Shire reflected Lester Groups full and final financial contribution to the balance of the Margaret River Recycled Water Scheme Project (Stage 2).
- In August 2016, Lots 113 and 115 Lloyd Loop Margaret River and Lot 101 Humble Way Margaret River (Sites) were added to the LAMP Action List to utilise the revenue to fund open space development in Rapids Landing.
- In March 2018 the Shire sought a valuation from an independent valuer for the Sites.
- The Sites were listed with the Shire’s agent (Acton South West) on 8 March 2018. Acton listed Lots 113 and 115 Lloyd Loop Margaret River for $160,000 and Lot 101 Humble Way Margaret River for $169,000. These Sites were all reduced in price to ‘offers over $150,000’ on 9 May 2018 at which price it has continued to be marketed.
- The following offers were received:
  - On 30 May 2018 an offer of $140,000 for Lot 115 Lloyd Loop Margaret River.
  - On 16 June 2018 an offer of $137,000 for Lot 101 Humble Way Margaret River. This offer increased to $140,500 on advice by the Shire to the Agent that the initial offer was too low.
  - On 20 June 2018 an offer of $150,000 for Lot 113 Lloyd Loop Margaret River.
- The Shire gave local public notice of the proposed sales of the Sites before bringing the matter to Council in accordance with the requirements of the Local Government Act 1995.

RECOMMENDATION
That Council:
1. Notes that no submissions were received in response to the local public notices of the proposed sales of the Sites to The Applicants.
2. Resolves to enter into an agreement for the sale of the following properties:
   a) 13 (Lot 113) Lloyd Loop, Margaret River for $150,000 to Suraya Jakota Sutton and The Housing Authority (Site A);
   b) 17 (Lot 115) Lloyd Loop, Margaret River for $140,000 to Caroline Jenny Juniper (Site B);
   c) 14 (Lot 101) Humble Way Margaret River for $140,500 to Glenda Gemma De La Cruz Alfala and Mimabel Zamora Tanghal (Site C).
3. Hold the funds from the sales in trust until Department of Primary Industry and Regional Development consent to release to fund open space development in Rapids Landing.
BACKGROUND
The Sites
History
In 2009 (Stage 1A) and 2010 (Stage 2) Balwyn Margaret River Pty Ltd (Balwyn) agreed to provide financial support to the Shire for the purpose of funding the cost of implementing a Waste Water Treatment Plan to supply irrigation to the town of Margaret River. In consideration of its financial obligations to the Shire, Balwyn agreed to transfer its right, title and interest in the Sites to the Shire in settlement of its obligations it had to the Shire in respect of its financial support towards stage 1A and at a later date Stage 2 of the Margaret River Recycled Water Scheme Project works. This was in lieu of providing direct funds due to tight cash flows arising from the down turn in the development industry.

The Shire also received a grant from the State government which has now been expended. The project and grant were partially acquitted and land held for a similar project to be completed in the future. The Sites were held in trust under an agreement with Department of Primary Industries and Regional Development (DPI) for use for a purpose consistent with the ‘purposes permitted and approved under the Country Local Government Fund’. The Shire sought advice from the DPI as to whether the land can be sold and has been advised that if the land was to be sold any proceeds would need to be spent on local community infrastructure.

At Council meeting on 13 December 2017 the Shire resolved to notify the DPI of the intent to dispose of the Sites for the purpose of funding the development of district level open space and extension of the treated wastewater network at Rapids Landing. The Shire has had no response from DPI to this notification.

Site A and Site B
Lot 113 Lloyd Loop, Margaret River (Site A) and Lot 115 Lloyd Loop Margaret River (Site B) are Shire owned (since July 2010) freehold lots located in the ‘Rapids Landing’ subdivision in Margaret River. Site A comprises a regular shaped vacant lot suitable for single residential development. Site B comprises a near regular shaped vacant lot also suitable for single residential development.
Access to Sites A and B is directly off Lloyd Loop which is utilised by local traffic only. All roadways are asphalt sealed, drained and concrete kerbed. Sites A and B have a timber lap and colourbond fence to three boundaries.

The vacant lots are located level with the road grade and with Site A at 481m² and Site B at 472m² in size, they are smaller than average size lots. All essential services are available for connection to Site A and B.

Site C
Lot 101 Humble Way, Margaret River (Site C) is a Shire owned (since October 2010) freehold lot located in the 'Rapids Landing' subdivision in Margaret River. The Site comprises an irregular shaped vacant corner lot suitable for single residential development.

Access to Site C is directly off Humble Way which is utilised by local traffic only and the site fronts two quiet residential streets. All roadways are asphalt sealed, drained and concrete kerbed. This site has timber lap fencing to two boundaries.

Site C has a size of 545m² which is a smaller than average size vacant lot. All essential services are available for connection to this site.

The Locality
Sites A, B and C are situated on the western side of Lloyd Loop T-junction which is within an early release stage of Rapids Landing residential estate which is approximately 1.5 kilometres from the Margaret River town centre. The majority of lots within the area have been developed with single residential housing.

Rapids Landing is an establishing residential locality with average quality housing. All essential amenities are within close proximity.

Land Asset Management Plan (LAMP)
In 11 March 2011 Council at its Special meeting adopted the Land Asset Management Plan (LAMP) which made recommendations on ways of better managing and capitalising on land assets held by the Shire including a range of short, medium and long term recommendations for land assets.

In December 2016, Council resolved to identify the sites as short term priorities in LAMP to utilise the revenue to fund open space development in Rapids Landing (OM2016/279). LAMP identified the properties as follows:

13, 14, 17, 19 (Lots 80, 101, 113, 115) Lloyd and Humble Way, Margaret River

Land was ceded to the Shire by the subdivider in lieu of a contribution to a wastewater treatment infrastructure. It is likely that proceeds from the sale of this land will be required to fund the provision of the new district level open space in Rapids Landing and that this land would be available to utilise for that purpose.

The Sites were identified as an opportunity for future sale and valuations were subsequently obtained.

The Sites Listing and Offer
As the sites are non-subdividable residential lots they will not attract any GST, hence all amounts in this report are GST exclusive.

The Shire engaged real estate agent, Acton South West, to list the Sites for sale on 8 March 2018. Sites A and B were originally listed for $160,000 with no offers received. Site C was originally listed for $169,000 with no offers received. On 9 May 2018 the listing price was reduced on advice from the Agent to ‘offers over $150,000’.

On 30 May 2018 Acton advised the Shire that an offer of $140,000 (Offer Site B) was made by an Applicant for Site B. The Shire immediately requested pre approval for finance as the offer was subject to this condition. Finance pre-approval was obtained by the Applicant on 6 June 2018.
On 16 June 2018 Acton advised the Shire that an offer of $137,000 (Offer Site C) was made by an Applicant for Site C. The offer contained evidence of pre-finance approval. On request by the Shire for a higher offer from the Applicant for this site, an offer of $140,500 was received.

On 20 June 2018 Acton advised the Shire that an offer of $150,000 (Offer Site A) was made by an Applicant for Site A. The offer contained evidence of pre-finance approval and special conditions relating to The Housing Authority being a party to the transaction.

CONSULTATION AND ADVICE
The proposed sale of the Sites have been advertised in the Shire’s local public notices in the Augusta Margaret River Times for Site B on 20 June 2018 and Sites A and C on 4 July 2018. Notice was also published on the Shire’s website and also exhibited on the public notice board at Shire offices and local library. The notices included the offer amount, an independent valuation and a call for submissions by 4pm the due date, giving at least 2 weeks notice for submissions as required by section 3.58 of the Local Government Act 1995. No submissions were received in relation to Site B. At the time this report was finalised the time for submissions in relation to Site A and C was still open. Any submissions received will be presented to Council as an addendum.

Valuation
LMW valuers were engaged to provide a valuation of the Sites on 8 March 2018. A report was provided to the Shire that indicated the market valuation of the Sites as follows:
- Site A is within the value range of $144,000 to $148,000;
- Site B is within the value range of $142,000 to $148,000;
- Site C is within the value range of $146,000 to $150,000.

DISCUSSION / OFFICER COMMENTS
The Offer for Site A is $4000 above the adopted market value in the 2018 valuation, and $2000 above the $144,000 to $148,000 market range provided in the same valuation.

The Offer for Site B is $5,000 below the adopted market value in the 2018 valuation, and $2000 below the $142,000 to $148,000 market range provided in the same valuation.

The Offer for Site C is $7,500 below the adopted market value in the 2018 valuation, and $5500 below the $146,000 to $150,000 market range provided in the same valuation.

It is recommended that Council accepts the Offers for Site A of $150,000 and Site B of $140,000 from the Applicants based on the valuations from LMW.

It is recommended the Council also accepts the Offer for Site C of $140,500 based on the valuation from LMW. Despite the offer being below the assessed market valuation, the offer represents an excellent opportunity for the Shire to receive substantial contribution towards open space development in Rapids Landing. The Shire has already rejected an offer of $137,000 from the same buyer and has been advised by its agent that the buyers will not increase their offer any higher.

In relation to the timing of the offer, the 2018 Valuation notes that sales activity for vacant lots within the locality has remained stable over the past 24 months and the supply of new lots has increased as new stages within Rapids Landing and Brookfield have been released. A new stage is soon to be marketed ‘off the plan’ within Rapids Landing and the selling agent advises the asking price will be in the $170,000 to $200,000 range depending on lot sizes. The new stage releases offer landscaping and water tank rebates and therefore in comparison with this lot, the newly released lots achieve a higher selling price than those in the older stages where these rebates are not available.

However, the appeal of the Sites have increased with the opening of the new primary school for the 2018 school year. The valuer considers market conditions have improved slightly since late 2017 however this has not resulted in increasing values. He considers it evident in the market place that there is a stronger demand for larger lots in excess of 600m². These Sites do not sit within the larger lot range.

Realising the assets capital value is consistent with the Council’s advice and adopted position in LAMP.

Application of proceeds in the event of sale
In the event that Council resolves to sell the Sites, it is recommended that the capital realised from the sales be invested in open space development in Rapids Landing. This is also consistent with previous DPI advice that funds from the sales be spent on local community infrastructure.

In June 2014 Council considered it more prudent, equitable and effective to use funds from asset sales in coordination with external funding applications and/or direct contribution towards community projects in the town where the asset is located.

This approach, of using LAMP land sale proceeds to fund projects in the locality where the land was sold, has been followed in the most recent sales that have taken place in the Margaret River locality, namely:

- Lots 64 and 65 Townview Terrace Margaret River in August 2015; and
- 26 Le Souef Street Margaret River in August 2016

With Council resolving in this instance that the proceeds from both sales be used for the Margaret River Mainstreet redevelopment.

The Shire will act in the best interests of ratepayers across the region when determining where capital realised from the potential sale of the Sites will be invested.

**STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS**

Under section 3.58(3) of the LGA a local government can dispose of property if, before agreeing to dispose of the property —

(a) it gives local public notice of the proposed disposition —
   (i) describing the property concerned; and
   (ii) giving details of the proposed disposition; and
   (iii) inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given; and

(b) it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes.

Under section 3.58(4) of the LGA the details of the proposed disposition that is required by subsection (3)(a)(ii) include—

(a) the names of all other parties concerned; and

(b) the consideration to be received by the local government for the disposition; and

(c) the market value of the disposition —
   (i) as ascertained by a valuation carried out not more than 6 months before the proposed disposition; or
   (ii) as declared by a resolution of the local government on the basis of a valuation carried out more than 6 months before the proposed disposition that the local government believes to be a true indication of the value at the time of the proposed disposition.

**STRATEGIC PLAN / POLICY IMPLICATIONS**

*Community Strategic Plan 2036 (CSP)*

*Corporate Plan 2017-2021*

Key Result Area 2: Welcoming, inclusive and healthy communities
Community Outcome 5: Active, healthy and safe lifestyles
Strategic Response: Enable high standard recreation facilities and sporting grounds
Service Level Strategy/Plan: East Margaret River Structure Plan/ Direct the funds from the Site’s sale to Rapids Landing open space.

**PLANNING FRAMEWORK**

Sites A and B are zoned Residential R20 and the highest and best use is considered to be for a single residential development. Site C is zoned future development with the density assumed to be Residential R20, with the best use considered for a single residential development.
District level public open space is identified with the Rapids Landing Structure Plan as a necessary requirement of the provision of open space by the WAPC’s Liveable Neighbourhoods, which promotes a variety of forms of open space in the delivery of urban development.

FINANCIAL IMPLICATIONS
The funds from the Sites’ sales could be utilised to fund open space development in Rapids Landing.

SUSTAINABILITY IMPLICATIONS
Social
District level open space is an essential component of future growth and an expected component of providing for the communities recreation needs.

The sale and potential development of the Sites will increase activity within the Rapids Landing community and enable development of a public open space.

Economic
The capital realised from the sales can then be invested in Rapids Landing, consistent with the Shire’s financial plan.

VOTING REQUIREMENTS
Simple Majority

RECOMMENDATION
That Council:
1. Notes that no submissions were received in response to the local public notices of the proposed sales of the Sites to The Applicants.
2. Resolves to enter into an agreement for the sale of the following properties:
   a) 13 (Lot 113) Lloyd Loop, Margaret River for $150,000 to Suraya Jakota Sutton and The Housing Authority (Site A);
   b) 17 (Lot 115) Lloyd Loop, Margaret River for $140,000 to Caroline Jenny Juniper (Site B);
   c) 14 (Lot 101) Humble Way Margaret River for $140,500 to Glenda Gemma De La Cruz Afalla and Mirnabel Zamora Tanghal (Site C).
3. Hold the funds from the sales in trust until Department of Primary Industry and Regional Development consent to release to fund open space development in Rapids Landing.

ADVICE TO APPLICANT / PROponent
Nil

ATTACHMENTS
1. Valuations by LMV dated 8 March 2018 x 3
2. Offers to purchase x 3
ADDENDUM

11.2.3 PROPOSED SALE OF LOTS 113 & 115 LLOYD LOOP, MARGARET RIVER AND LOT 101 HUMBLE WAY, MARGARET RIVER

<table>
<thead>
<tr>
<th>LOCATION/ADDRESS</th>
<th>Lots 113 &amp; 115 Lloyd Loop, Margaret River and Lot 101 Humble Way, Margaret River</th>
</tr>
</thead>
<tbody>
<tr>
<td>APPLICANT/LANDOWNER</td>
<td>The Applicants</td>
</tr>
<tr>
<td>FILE REFERENCE</td>
<td>PTY/10330, PTY/10332, PTY/11069</td>
</tr>
<tr>
<td>REPORT AUTHOR</td>
<td>Lauren Bidesi, Senior Legal Officer</td>
</tr>
<tr>
<td>AUTHORISING OFFICER</td>
<td>Dale Putland, Director Sustainable Development</td>
</tr>
</tbody>
</table>

This addendum provides a minor update to the ‘Consultation and Advice’ section of the Report. Since publication of the Report one submission was received in response to the local public notice of the proposed sale of Site C at 14 (Lot 101) Humble Way Margaret River to Glenda Gemma De La Cruz and Mirnabel Zamora Tanghal.

Public Submission
Ms West expressed concern about the proposed sale due to the price of Site C. She was objecting to the offered price on Site C stating it was considerably below that of the Shire’s market value. She states that if the Shire wishes to sell the asset, it should be above or at market value.

The submission is appended at Attachment 3.

Modified Recommendation
That Council:
1. Notes that one submission was received in relation to Site C in response to the local public notices of the proposed sales of the Sites to The Applicants.
2. Resolves to enter into an agreement for the sale of the following properties:
   a) 13 (Lot 113) Lloyd Loop, Margaret River for $150,000 to Suraya Jakota Sutton and The Housing Authority (Site A);
   b) 17 (Lot 115) Lloyd Loop, Margaret River for $140,000 to Caroline Jenny Juniper (Site B);
   c) 14 (Lot 101) Humble Way Margaret River for $140,500 to Glenda Gemma De La Cruz Afalla and Mirnabel Zamora Tanghal (Site C).
3. Hold the funds from the sales in trust until Department of Primary Industry and Regional Development consent to release to fund open space development in Rapids Landing.

RECOMMENDATION / COUNCIL DECISION
CR EARL, CR SMART OM2018/175
That Council:
1. Notes that one submission was received in relation to Site C in response to the local public notices of the proposed sales of the Sites to The Applicants.
2. Resolves to enter into an agreement for the sale of the following properties:
   a) 13 (Lot 113) Lloyd Loop, Margaret River for $150,000 to Suraya Jakota Sutton and The Housing Authority (Site A);
   b) 17 (Lot 115) Lloyd Loop, Margaret River for $140,000 to Caroline Jenny Juniper (Site B);
   c) 14 (Lot 101) Humble Way Margaret River for $140,500 to Glenda Gemma De La Cruz Afalla and Mirnabel Zamora Tanghal (Site C).
3. Hold the funds from the sales in trust until Department of Primary Industry and Regional Development consent to release to fund open space development in Rapids Landing. CARRIED 7/0
11.3. Infrastructure Services
11.3. INFRASTRUCTURE SERVICES

Nil
11.4.
Corporate and Community Services
11.4.1 FINANCIAL ACTIVITY STATEMENT REPORT - MAY 2018

IN BRIEF
- The monthly financial activity statement report is a standard financial reporting item prepared in accordance with the provisions of the Local Government Act 1995 and Regulation 34 of the Local Government (Financial Management) Regulations 1996.
- Council is to consider the financial results for the period ending 31 May 2018.

RECOMMENDATION

BACKGROUND
In accordance with Financial Management Regulation 34 the Shire is to prepare each month a Statement of Financial Activity reporting on the sources and applications of funds, as set out in the annual budget under Financial Management Regulation (1) (d), for that month with the following details:
(a) annual budget estimates;
(b) budget estimates to the end of the month to which the statement relates;
(c) actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;
(d) material variances between the comparable amounts referred to in (b) and (c); and
(e) net current assets at the end of the month to which the statement relates.

Also under Financial Management Regulation 34(5) Council are to adopt each year a material variance threshold. At the Ordinary Meeting of Council on 26 July 2017 (OM2017/190) Council adopted a monthly variance for reporting of material variances, where financial activity is greater than 10% and $10,000.

CONSULTATION AND ADVICE
External Consultation
Nil

Internal Consultation
Business unit managers were provided the draft monthly financial reports for their business units and have provided their comments on variances greater than 10% and $10,000.

DISCUSSION / OFFICER COMMENTS
The commentary contained in the body of this report is in line with Financial Management Regulation (2) (b) that requires commentary on material variances to the Statement of Financial Activity at the nature/type, program or business unit level.
The Statement of Financial Activity shows a year to date actual closing position at 31 May of $8.494 million ($3.193 million lower than last month’s result of $11.687 million). This result was higher than the expected year to date budgeted position of $4.022 million. The following details the main reasons for this favourable variation to Budget.

Operating revenue is $0.542 million or 1.7% above budget (last month $0.484 million or 1.5% above budget). The main contributors to this favourable result are higher than budget rates, fees and charges, interest on investments and operating grants and contributions.

Operating expenditure on a year to date basis is $2.046 million or 6.3% below budget (last month $1.579 million and 5.4% below budget). Contributing factors are materials and contracts being $1.598 million or 19.6% below budget (last month $1.132 million or 15.3% under budget) and employee expenses being $0.283 million or 2.2% under budget (last month $0.267 million or 2.2% under budget). The delayed commencement of projects has contributed to materials expenditure being under budget by greater than $0.050 million for a number of business units. These include Asset Services, Community Planning and Development, CEO, Fire Prevention, Human Resources, Landcare, Maintenance, Parks & Gardens, Rates, Town Planning, Turner Caravan Park and Waste Services. Consequently, expenditure will be carried forward for many of these areas. Staff leave (paid and unpaid) and vacant positions have contributed to under budget labour for CEO, Customer Services, Infrastructure Services Directorate, Human Resources, Parks and Gardens, Rates, Health, Beach Lifeguards, Finance, Asset Services and Town Planning. These are partly offset by over budget labour for Outside School Hours Care, Fire Prevention, Indoor Recreation Centre, Libraries, Public Works Overheads and Waste Services.

Grants for capital works are $0.483 million or 5.9% over budget (last month $2.165 million or 32.5% under budget). The main reasons for this variation are the timing for the receipt of Regional Road Group and Roads to Recovery grants, the receipt of the Main Roads WA contribution towards the Carbunup South Road bridge project and the additional contribution received for the Margaret River Youth Precinct.

Capital expenditure of $2.532 million was incurred during the month compared to the budget for the month of $3.258 million. On a year to date basis capital expenditure is $5.462 million under budget (last month $4.681 million under budget). The major causes of this variation are:

- projects for Information Communication Technology (ICT) have been delayed and will be carried over;
- the Margaret River Youth Precinct is $0.028 million over budget as the expenditure funded from the Lions Club’s increased contribution was not included in the amended budget;
- Bushfire Brigade projects are $0.122 million under budget as the Cowaramup fire station extension project is to be carried forward and the replacement of the Kudardup 4.4 fire appliance was lower than expected;
- Works on the nature playground for Outside School Hours Care commenced in June;
- Waste service infrastructure and equipment projects are $0.432 million under budget;
- various community building projects are $1.321 million under budget, primarily due to overstating the budget profile for the Cultural Centre redevelopment and the asbestos replacement and reinstatement projects;
- capital projects for the Margaret River Recreation Centre are $0.310 million under budget with the completion of the dehumidifier project expected by the end of the year;
- Parks and Gardens projects are $0.436 million under budget with the main delays being for playground equipment replacement, the Lower Western Oval and various public open space projects, consequently these projects will be carried over to 2018-19;
- $0.078 million of Asset Service projects are under budget and will be carried forward;
- infrastructure upgrade projects are $0.982 million under budget and infrastructure renewal projects are $0.753 million under budget and a number of projects have been identified as having to be carried forward;
- plant purchases are $0.613 million are under budget with the majority of items to be carried forward; and
- various building and infrastructure related projects for caravan parks are $0.410 million under budget with some projects progressing and others having to be carried forward.
Capital expenditure for the month included the following.

- $466,220 for the Margaret River Youth Precinct;
- $66,200 for waste services projects including the purchase of hook lift bins;
- $91,462 for various community building projects with the majority being for the Cultural Centre project;
- $116,958 for Dehumidifier project works at the Aquatic Centre;
- $3,154 for various parks and gardens projects;
- $29,260 on the Gnarabup coastal erosion project;
- $1,506,499 on road related projects of which $195,983 was spent on infrastructure upgrade projects and $1,310,516 was spent on infrastructure renewal projects. Drainage works, the extension of the Wadandi Track, paths, carparks, Margaret River main street project, depot works, Carbunup South Road bridge, Warner Glen Road bridge, asphalt overlays and rural reseals, reconstruction of Warner Glen, Rosa Brook, Carters and Rosa Glen Roads, gravel resheeting and kerb projects were the main items of expenditure; and
- $244,542 on the plant replacement program to purchase a heavy truck, 10,000 litre truck mountable water tank and a zero turn mower.

Financial performance against budget is shown in the following charts.
Following is the Statement of Financial Activity for the year ending 31 May 2018.
### Business Units Statement of Financial Activity for the Period Ending 31 May 2018

<table>
<thead>
<tr>
<th>Business Units</th>
<th>2017-18 Approved Budget</th>
<th>2017-18 Amended Budget</th>
<th>May of 2018</th>
<th>2017-18 YTD</th>
<th>2017-18 YTD Actual</th>
<th>YTD Variance</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Current Assets at 1 July surplus/(deficit)</strong></td>
<td>$4,041,229</td>
<td>$4,331,506</td>
<td>$4,331,506</td>
<td>$4,331,506</td>
<td>$4,331,506</td>
<td>$0</td>
<td>Includes advance payment of FAGs for 2017-18</td>
</tr>
<tr>
<td><strong>Revenues from Operating Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>$20,658,008</td>
<td>$20,812,008</td>
<td></td>
<td>$21,430</td>
<td>$20,809,756</td>
<td>$20,897,514</td>
<td>$0</td>
</tr>
<tr>
<td>General Financing</td>
<td>$1,324,425</td>
<td>$1,466,823</td>
<td>243,719</td>
<td>$2,060</td>
<td>$1,386,584</td>
<td>$1,475,779</td>
<td></td>
</tr>
<tr>
<td>Members of Council</td>
<td>$0</td>
<td>$0</td>
<td>$90</td>
<td>$0</td>
<td>$0</td>
<td>179</td>
<td></td>
</tr>
<tr>
<td>Chief Executive Officer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director Corporate &amp; Community</td>
<td>$7,800</td>
<td>$7,140</td>
<td>710</td>
<td>$7,870</td>
<td>$7,120</td>
<td>266</td>
<td></td>
</tr>
<tr>
<td>Director Sustainable Development</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Director Infrastructure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td>$44,100</td>
<td>$44,100</td>
<td>10,590</td>
<td>$44,100</td>
<td></td>
<td>20,304</td>
<td></td>
</tr>
<tr>
<td>Records</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Services</td>
<td>$2,000</td>
<td>$2,000</td>
<td>310</td>
<td>$2,000</td>
<td></td>
<td>2,168</td>
<td></td>
</tr>
<tr>
<td>Customer Relations</td>
<td>$233,400</td>
<td>$233,400</td>
<td>14,600</td>
<td>$167,300</td>
<td>$166,300</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Human Resources</td>
<td>$20,000</td>
<td>$20,000</td>
<td>$0</td>
<td>$20,000</td>
<td></td>
<td>36,000</td>
<td></td>
</tr>
<tr>
<td>Community Planning &amp; Development</td>
<td>$25,260</td>
<td>$26,079</td>
<td>$0</td>
<td>$26,079</td>
<td></td>
<td>22,528</td>
<td></td>
</tr>
<tr>
<td>Outside School Hours Care</td>
<td>$377,400</td>
<td>$543,398</td>
<td></td>
<td>$437,476</td>
<td></td>
<td>262,622</td>
<td></td>
</tr>
<tr>
<td>Plant Operation Costs</td>
<td>$212,192</td>
<td>$202,192</td>
<td>20,000</td>
<td>$186,600</td>
<td></td>
<td>189,542</td>
<td></td>
</tr>
<tr>
<td>Libraries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental Health</td>
<td>$110,965</td>
<td>$110,965</td>
<td>5,892</td>
<td>$105,269</td>
<td></td>
<td>11,670</td>
<td></td>
</tr>
<tr>
<td>Outside School Hours Care</td>
<td>$305,500</td>
<td>$543,476</td>
<td></td>
<td>$290,887</td>
<td></td>
<td>152,595</td>
<td></td>
</tr>
<tr>
<td>Waste Services</td>
<td>$4,568,051</td>
<td>$4,577,051</td>
<td>66,386</td>
<td>$4,616,778</td>
<td></td>
<td>4,635,446</td>
<td></td>
</tr>
<tr>
<td>Town Planning</td>
<td>$368,400</td>
<td>$318,400</td>
<td>37,545</td>
<td>$287,700</td>
<td></td>
<td>250,024</td>
<td></td>
</tr>
<tr>
<td>Community Buildings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MR Recreation Centre</td>
<td>$842,100</td>
<td>$819,000</td>
<td>32,542</td>
<td>$754,000</td>
<td></td>
<td>895,000</td>
<td></td>
</tr>
<tr>
<td>Cultural Centre</td>
<td>$6,720</td>
<td>$6,720</td>
<td></td>
<td>$6,160</td>
<td></td>
<td>8,280</td>
<td></td>
</tr>
<tr>
<td>Augusta Recreation Centre</td>
<td>$42,000</td>
<td>$42,000</td>
<td>1,964</td>
<td>$39,100</td>
<td></td>
<td>23,237</td>
<td></td>
</tr>
<tr>
<td>Gloucester Park</td>
<td>$309,400</td>
<td>$309,400</td>
<td>2,154</td>
<td>$235,300</td>
<td></td>
<td>65,058</td>
<td></td>
</tr>
<tr>
<td>Parks and Gardens</td>
<td>$39,000</td>
<td>$4,390</td>
<td></td>
<td>$4,000</td>
<td></td>
<td>140,000</td>
<td></td>
</tr>
<tr>
<td>Building Control</td>
<td>$134,200</td>
<td>$134,200</td>
<td>2,004</td>
<td>$122,600</td>
<td></td>
<td>21,677</td>
<td></td>
</tr>
<tr>
<td>Plant Program</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cessen Parks</td>
<td>$2,133,524</td>
<td>$2,133,524</td>
<td>87,389</td>
<td>$2,080,368</td>
<td></td>
<td>1,861,860</td>
<td></td>
</tr>
<tr>
<td>Building Control</td>
<td>$260,000</td>
<td>$260,000</td>
<td>19,800</td>
<td>$240,250</td>
<td></td>
<td>252,012</td>
<td></td>
</tr>
<tr>
<td>Waste Services</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Plant Operation Costs</td>
<td>$225,000</td>
<td>$262,000</td>
<td></td>
<td>$242,612</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Other Property and Services</strong></td>
<td>$20,000</td>
<td>$45,000</td>
<td>22,995</td>
<td>$45,000</td>
<td></td>
<td>114,658</td>
<td></td>
</tr>
<tr>
<td><strong>Expenditure from Operating Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Reconciliation</strong></td>
<td>$32,059,376</td>
<td>$32,379,291</td>
<td>$670,404</td>
<td>$31,896,260</td>
<td>$32,440,476</td>
<td>$542,216</td>
<td></td>
</tr>
</tbody>
</table>
SHIRE OF AUGUSTA MARGARET RIVER
ORDINARY COUNCIL MEETING 25 JULY 2018

SHIRE OF AUGUSTA - MARGARET RIVER
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDING 31 May 2018

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating activities excluded from Budget</td>
<td>$9,046,640</td>
<td>$9,146,640</td>
<td>$779,381</td>
<td>$8,384,670</td>
<td>$8,356,697</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>(Profit)/Loss Asset Disposal</td>
<td>151,322</td>
<td>151,322</td>
<td>0</td>
<td>17,666</td>
<td>(18,140)</td>
<td>(96,662)</td>
<td>Perm: Disposal of plant, vehicles and land</td>
</tr>
<tr>
<td>Movement in deferred pension rates</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Movement in employee benefit provisions (non-current)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Loss on revaluation of non current assets</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>9,197,962</td>
<td>9,297,962</td>
<td>779,381</td>
<td>8,462,338</td>
<td>8,338,557</td>
<td>(123,781)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount attributable to operating activities</td>
<td>$10,362,900</td>
<td>$10,931,502</td>
<td>(905,891)</td>
<td>$12,452,928</td>
<td>$14,917,809</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

INVESTING ACTIVITIES

| Non Operating Grants & Contributions | $2,217,333 | $1,419,413 | 0 | $1,419,413 | $1,434,035 | 0 | |
| Emergency and Fire Services | $847,237 | $836,388 | 140,000 | $836,388 | $723,707 | (112,681) | Perm: Grants & Contributions deferred to 2018-19 |
| Town Planning | $2,200,000 | $2,500,000 | $2,500,000 | $2,500,000 | $2,500,000 | 0 | Perm: Increased DCP contributions |
| MR Recreation Centre | 0 | 0 | 0 | 0 | 0 | 0 | |
| Gloucester Park | 0 | 0 | 0 | 0 | 13,030 | (13,030) | |
| Parks and Gardens | $332,207 | $2,500,000 | 0 | 24,000 | 24,000 | 0 | |
| Asset Services | 0 | 0 | 0 | 0 | 25,000 | (25,000) | (65,000) | Perm: Invoice for NRM grant cancelled |
| Construction | $2,803,819 | $3,075,937 | $515,255 | $2,352,352 | $2,704,520 | 352,168 | |
| 9,645,626 | 8,475,975 | 3,307,891 | 7,375,183 | 7,813,502 | 438,319 | |
| Amount attributable to investing activities | $(13,697,912) | $(11,851,514) | 841,881 | $(9,510,076) | $(4,183,830) | |

FINANCING ACTIVITIES

| Repayment of Debentures | $(703,083) | $(4,874,765) | (67,862) | $(3,755,983) | $(2,181,287) | 1,574,696 | Timing/Perm: Scheduling of various building projects |
| Purchase Infrastructure Assets - Other | 0 | 0 | 0 | 0 | 0 | 0 | |
| Purchase Infrastructure Assets - Roads | 0 | 0 | 0 | 0 | 0 | 0 | |
| Purchase Furniture and Equipment | 0 | 0 | 0 | 0 | 0 | 0 | |
| Proceeds from Disposal of Assets | 0 | 0 | 0 | 0 | 0 | 0 | |
| Amount attributable to financing activities | $(13,097,912) | $(11,851,514) | 841,881 | $(9,510,076) | $(4,183,830) | |

Investments

At 31 May 2018 the Shire’s cash on hand, deposits and investments totalled $33,940,348 (a decrease of $1,121,182 to last month’s total of $35,061,530) and total investment interest earned for the year was $693,678 and exceeded the budget of $657,400.

Term Deposits – Cash Management

At the end of May the Shire had the following short-term facilities (term deposits).

<table>
<thead>
<tr>
<th>Term Days</th>
<th>Maturity</th>
<th>Institution (ADI)</th>
<th>Principal $</th>
<th>Interest Rate</th>
<th>Interest $</th>
</tr>
</thead>
<tbody>
<tr>
<td>365</td>
<td>18/7/18</td>
<td>National Australia Bank</td>
<td>1,500,000</td>
<td>2.50%</td>
<td>37,500</td>
</tr>
<tr>
<td>364</td>
<td>27/7/18</td>
<td>National Australia Bank</td>
<td>1,000,000</td>
<td>2.50%</td>
<td>24,932</td>
</tr>
<tr>
<td>365</td>
<td>16/8/18</td>
<td>Bankwest</td>
<td>4,000,000</td>
<td>2.54%</td>
<td>101,600</td>
</tr>
<tr>
<td>274</td>
<td>5/6/18</td>
<td>AMP Bank</td>
<td>2,500,000</td>
<td>2.60%</td>
<td>48,795</td>
</tr>
<tr>
<td>297</td>
<td>28/6/18</td>
<td>ING Direct</td>
<td>2,500,000</td>
<td>2.50%</td>
<td>50,856</td>
</tr>
<tr>
<td>365</td>
<td>6/9/18</td>
<td>Bankwest</td>
<td>2,000,000</td>
<td>2.53%</td>
<td>50,600</td>
</tr>
<tr>
<td>265</td>
<td>13/9/18</td>
<td>National Australia Bank</td>
<td>5,000,000</td>
<td>2.60%</td>
<td>130,000</td>
</tr>
<tr>
<td>91</td>
<td>4/7/18</td>
<td>Members Equity</td>
<td>1,000,000</td>
<td>2.45%</td>
<td>6,108</td>
</tr>
<tr>
<td>183</td>
<td>2/10/18</td>
<td>Bendigo Bank</td>
<td>1,000,000</td>
<td>2.45%</td>
<td>12,284</td>
</tr>
</tbody>
</table>

At 31 May 2018 the Shire’s cash on hand, deposits and investments totalled $33,940,348 (a decrease of $1,121,182 to last month’s total of $35,061,530) and total investment interest earned for the year was $693,678 and exceeded the budget of $657,400.

Term Deposits – Cash Management

At the end of May the Shire had the following short-term facilities (term deposits).
During the month no changes occurred to term deposits.

The average rate of interest to be paid on all of the term deposits is 2.53%.

The Shire also has an Overnight Cash Deposit Facility (OCDF) with WA Treasury Corporation (WATC) which is used to hold the Royalties for Regions funds allocated for the main street redevelopment project. The South West Development Commission are a joint signatory for this facility. During the month interest of $6,695 was earned and the current balance of the investment is $5.443 million. The current rate of interest earned on this facility is 1.45% and is set at 5 basis points lower than the Reserve Bank’s cash reference rate.
In-Kind Support
At 31 May 2018 fee waivers, donations and financial assistance sponsorships totalled $11,719 and included $7,400 of sporting sponsorships, $3,469 of fee waivers and $850 of donations. Fee waivers, donation and financial assistance increased by $554 during the month.

Reserves
Movement to reserves represent interest earned on reserve funds. During the month the following additional reserve transfers were processed:

- the $2,500,000 Royalties for Regions grant instalment received for the Cultural Centre project was transferred to the Community Facilities Reserve;
- $140,000 was transferred from the Public Open Space reserve to fund the Margaret River Youth Precinct project;
- $350,000 was transferred from the Community Facilities reserve to fund the Margaret River Youth Precinct project and included the additional amount of $150,000 approved with the amended budget; and
- $520,000 was transferred from the Plant Replacement reserve for the purchase of a new grader and the replacement of a multi-tyred roller and excavator.

Loans

- Loan 192 of $1,100,000 for the Cultural Centre project was drawn down on 16 May 2018 for a 15 years term at a fixed interest rate of 3.48%; and
- Loan 194 of $1,000,000 for the removal and reinstatement of asbestos in community buildings was drawn down on 18 April 2018 for a 10 years term at a fixed interest rate of 3.20%.

No further loans are budgeted for 2018-19.

STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS
Financial Management Regulation 34 requires a local government to prepare each month a Statement of Financial Activity reporting on the sources and applications of funds, as set out in the annual budget under Financial Management Regulation 22(1) (d).

STRATEGIC PLAN / POLICY IMPLICATIONS

Community Strategic Plan 2036 (CSP)
Corporate Business Plan 2017-2021
Key Result Area 5: Effective leadership and governance
Outcome 2: Effective and integrated strategy, planning, financial and asset management
Strategy 4: Ensure information is managed in accordance with statutory requirements and is available for decision making.

PLANNING FRAMEWORK
Nil

FINANCIAL IMPLICATIONS
The overall financial performance of the Shire is as summarised in this report.

SUSTAINABILITY IMPLICATIONS

Environmental
Nil

Social
Nil

Economic
As stated in the report.

VOTING REQUIREMENTS
Simple Majority
RECOMMENDATION

ADVICE TO APPLICANT / PROponent
Nil

ATTACHMENTS
1. Monthly Financial Report consisting of:
   a. Notes to and forming part of the Statement of Financial Activity
   b. Financial Reports by Business Units

RECOMMENDATION / COUNCIL DECISION
CR EARL, CR GODDEN OM2018/176

CARRIED 7/0
IN BRIEF

- On the 6 June 2018, the Sports and Recreation Advisory Committee (SRAC) held its bi-monthly meeting.
- Delegates provided updates on their clubs.
- The delegate from the Margaret River Primary School resigned from their position on the committee.

RECOMMENDATION

That Council receives the unconfirmed minutes of the Sport and Recreation Advisory Committee meeting held 6 June 2018.

BACKGROUND

SRAC meetings are held bi-monthly on the first Wednesday of the month.

CONSULTATION AND ADVICE

External Consultation
Nil

Internal Consultation
SRAC delegates

DISCUSSION / OFFICER COMMENTS

Updates from the Clubs
The delegates provided updates on their clubs/associations.

Resignation from the Sports and Recreation Advisory Committee
The delegate from the Margaret River Primary School has resigned from their position on the SRAC. The Principal of the Margaret River Primary School will be in contact with the Shire should an alternative representative been found.

STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS
Nil

STRATEGIC PLAN / POLICY IMPLICATIONS
Community Strategic Plan 2036 (CSP)
Corporate Business Plan 2017-2021
Key Result Area 5: Effective leadership and governance
Community Outcome 5.1: Effective governance and corporate leadership
Strategic Response 5.1.5: Develop effective partnerships and strategic alliances to maximise community benefits
Service level strategy/plan 5.1.5.2: Hold regular meetings with the Sport and Recreation Advisory Committee

PLANNING FRAMEWORK
Nil

FINANCIAL IMPLICATIONS
Nil

SUSTAINABILITY IMPLICATIONS
Environmental
Nil

Social
Sporting groups provide members of the community the opportunity for physical fitness and socialisation.

Economic
Nil

VOTING REQUIREMENTS
Simple Majority

RECOMMENDATION
That Council receives the unconfirmed minutes of the Sport and Recreation Advisory Committee meeting held 6 June 2018.

ADVICE TO APPLICANT / PROPOSENT
Nil

ATTACHMENTS
1. Unconfirmed Sports and Recreation Advisory Committee meeting minutes and attachments – 6 June 2018.

RECOMMENDATION / COUNCIL DECISION
CR EARL, CR LANE OM2018/177
That Council receives the unconfirmed minutes of the Sport and Recreation Advisory Committee meeting held 6 June 2018.  

CARRIED 7/0
IN BRIEF
The Audit and Risk Management Committee meeting of 27 June 2018 considered:
• Results of Interim Audit;
• Report on Internal Audit Review;
• Audit Committee Meeting Schedule;
• Office of Auditor General Report on Controls over Use of Credit Cards;
• Risk Dashboard reports; and
• Report on Legislative Compliance Requirements January-May 2018

RECOMMENDATION
That Council receives the unconfirmed minutes of the Audit and Risk Management Committee meeting held on 27 June 2018.

DISCUSSION / OFFICER COMMENTS
The meeting minutes are self-explanatory and there were no items raised during the meeting that required follow-up by Council. In brief the Committee:
• Reviewed the results of the interim audit conducted by the Shire's contracted auditors, Moore Stephens, in April 2018;
• Accepted the report prepared by AMD Chartered Accountants reviewing the adequacy and effectiveness of the financial management systems and controls in place at the Shire;
• Noted the schedule of meetings and meeting agenda items for 2018-19;
• Reviewed the report prepared by the Auditor General on Controls over Corporate Credit Cards and endorsed the actions proposed to improve the Shire’s controls;
Noted the Risk Dashboard Report for December 2017 and March 2018; and
Received the report on legislative compliance for the period from 1 January 2018 to 31 May 2018.

STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS
Regulation 16 of the Local Government (Audit) Regulations 1996 states that
“An audit committee —
(a) is to provide guidance and assistance to the local government —
(i) as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and
(ii) as to the development of a process to be used to select and appoint a person to be an auditor; and
(b) may provide guidance and assistance to the local government as to —
(i) matters to be audited; and
(ii) the scope of audits; and
(iii) its functions under Part 6 of the Act; and
(iv) the carrying out of its functions relating to other audits and other matters related to financial management; and
(c) is to review a report given to it by the CEO under regulation 17(3) (the CEO’s report) and is to —
(i) report to the council the results of that review; and
(ii) give a copy of the CEO’s report to the council.”

STRATEGIC PLAN / POLICY IMPLICATIONS
Community Strategic Plan 2036 (CSP)
Corporate Business Plan 2017-2021
Key Result Area 5: Effective leadership and governance
Community Outcome 2: Effective and integrated strategy, planning, financial and asset management
Strategic Response: Ensure the Shire’s financial performance is well managed and leads to a strong financial position

PLANNING FRAMEWORK
Nil

FINANCIAL IMPLICATIONS
There are no financial implications associated with the adoption of the Committee minutes.

SUSTAINABILITY IMPLICATIONS
Environmental
Nil

Social
Nil

Economic
Nil

VOTING REQUIREMENTS
Simple Majority

RECOMMENDATION
That Council receives the unconfirmed minutes of the Audit and Risk Management Committee meeting held on 27 June 2018.

ADVICE TO APPLICANT / PROponent
Nil

ATTACHMENTS
1. Minutes of the Audit and Risk Management Committee meeting of 27 June 2018.
RECOMMENDATION / COUNCIL DECISION
CR EARL, CR SMART OM201/178
That Council receives the unconfirmed minutes of the Audit and Risk Management Committee meeting held on 27 June 2018.

CARRIED 7/0

The Shire President informed the meeting that the order of reports had been changed to allow Items be considered in the following order:

1. 11.4.5 Corporate Plan 2018-22
2. 11.4.7 Adoption of 2018-19 Differential Rates, Minimum Payments and Rates Concessions
3. 11.4.4 Adoption of 2018-19 early payment incentives, payment options, late payment interest and instalment charges
4. 11.4.6 Adoption of 2018-19 Annual Budget
11.4.5 CORPORATE PLAN 2018-22

LOCATION/ADDRESS  Shire of Augusta Margaret River

APPLICANT/LANDOWNER  Shire of Augusta Margaret River

FILE REFERENCE  COR/129

REPORT AUTHOR  Stacey Hutt, Community and Corporate Planner

AUTHORISING OFFICER  Annie Riordan, Director Corporate and Community Services

IN BRIEF
- Local Government (Administration) Regulations 1996 requires all local governments to have a Corporate Plan
- The Department of Local Government, Sport and Cultural Industries Integrated Planning and Reporting (IPR) Framework determines the Corporate Plan must cover a minimum of four years, is reprioritised annually with a major review every four years
- The Corporate Plan identifies and prioritises the key strategies and activities Council will undertake in response to the Community Strategic Plan (CSP) 2036. It details the services, operations and projects the Shire will deliver over the four-year period, the processes for delivery and the associated cost
- The Shire has conducted a major review of the Corporate Plan over 2017-18, to activate the new strategic framework as detailed in the CSP 2036
- It is a requirement for Council to adopt the CP by absolute majority.

RECOMMENDATION
That Council adopts the Corporate Plan 2018-22 as presented in Attachment 1.

LOCATION PLAN
Nil

TABLED ITEMS
Nil

BACKGROUND
Under the Local Government (Administration) Regulations 1996 (LGAR), all local governments in Western Australia are required to have developed and adopted two key documents: a Community Strategic Plan (CSP) and a Corporate Plan (CP) which are supported and informed by informing and delivery strategies. These plans drive the development of each local government’s annual budget.

The CSP 2036 was endorsed by Council in September 2017 (OM2017/238), following a major review over a 12 month process and with a dedicated 36 member Community Reference Group. The community’s plan outlines six guiding principles and five key result areas, that will be achieved through the strategies and actions articulated in the CP. The CP integrates the 10 year Informing Strategy which is comprised of the Shire’s Workforce Plan, Asset Management Plan and the Long Term Financial Plan.

The CP sets out the projects the Shire will deliver over the next four years that work towards achieving the priority areas in the CSP 2036. The CP is achieved through the annual Operational Plan, which details projects and services by business areas which are programmed to be completed throughout the year (Year 1 of the CP). Performance monitoring of the annual Operational Plan is required to be undertaken quarterly and reported to Council.

CONSULTATION AND ADVICE
External Consultation
Community engagement on CP priority areas was conducted through a workshop with members of the 2036 Community Reference Group on 5 June 2018. A public notice is required under the LGAR following the adoption of any changes to the CP by Council.

**Internal Consultation**

The CP 2018-22 was developed over 2017-18 through intensive internal engagement with Senior Leadership and Management, within each of the Shire’s 23 business units. A draft plan was refined through engagement with Councillors in May and June 2018, including a half day priority setting workshop on 5 June 2018 and a series of 2018-19 budget workshops.

**DISCUSSION / OFFICER COMMENTS**

In accordance with the LGAR, the Shire is required to review the CP annually and submit any modifications to Council for adoption by an absolute majority. The major review of the CP relates to the following Operational Plan 2017-18 actions:

- 5.2.1.9 Undertake a full review of the CP to implement strategies outlined in the CSP 2036
- 5.7.1.7 Implement findings from levels of service review and review every four years
- 5.2.2.13 Undertake full review of the Workforce Plan.

**How the plan was developed**

The approach to the major review has been informed by the IPR Framework, which offers detailed guidance on how to activate the Community Strategic Plan. This includes understanding industry trends, performance data, resourcing capabilities, legislation and key challenges and opportunities. The framework also provides detail around the role of the Councillors and community in confirming the four-year priority areas from the CSP, which is a 20-year plan.

The major review commenced in October 2017, shortly after the CSP 2036 was endorsed by Council. The first step was to conduct business unit planning across the organisation, which occurred from November to January 2018. This focused on gathering current service levels, performance data, four-year workforce needs and environmental analysis from each Manager in the organisation. A key consideration in this process was asking each business unit for their response to new strategic framework as articulated in the Community Strategic Plan.

This data was then collated and analysed over February and March 2018, to develop a whole of organisation view. This included a Strategic Risk Assessment linked to existing service levels and workforce capacity, as well as an internal and external analysis. The Shire’s Workforce Plan has also undergone a major review through this process.

**Key findings**

Overall, this work showed that the Shires existing projects and services held strong alignment to the new strategic framework in the CSP 2036. This meant that creation of the CP 2018-22 saw many of the existing projects carried over into the outcomes and strategies of the five 2036 key result areas.

The organisational analysis also found that service provision is currently high given the size of the local government, and the current workforce capacity is at risk if to continue to deliver existing service levels. The analysis included identifying service related risks, with the results including extreme, high and moderate risks across 23 business units. The results are likely linked to zero workforce growth over the last four years, while Shire projects and services have continued to increase. Through the review of the Shire’s Workforce Plan, a series of strategies have been identified to provide resource support for at risk service areas, including a minor increase to the Shire workforce as proposed through the Annual Budget 2018-19.

This work also found a high engagement rate across the Shire workforce, with time constraints and high community expectations being the biggest stressors. There is a strong desire across the organisation to deliver a high quality of service and to meet a wide range of community requests.

Overall, the key changes made to the CP through this major review include:

- A reduction in the overall size of the document – focusing on key projects only by strategic area. The Operational Plan will then present more detailed information on Shire services, service levels and key performance indicators by business unit only
• Inclusion of priority projects over four years – in previous years the Shire has focused on one year priority projects via the Operational Plan
• Actions in the CP are project orientated only, with service information moved to the start of each key result area highlighting the difference between the Shire’s legislative, community and organisational support services
• A focus on better management of Service Levels, including Service Trackers by key strategic area for quarter reporting to Council. This is designed to show better monitoring of some essential and core services, to support decision making which impacts on workforce resourcing.
• The Corporate Plan includes a priority project for 2018-19 to continue review of Services levels; to be prioritised and reduced based on an assessment of the cost benefit options and through a draft four year budget. This is critical to create capacity in the organisation to respond to extra priority areas as directed by Council.

Refinement of the draft plan
The draft CP 2018-22 was then developed over April and May 2018, in alignment with 2018-19 budget and resourcing discussions with Council. As a result of the organisational business plan analysis, timelines and resources have been revised, action descriptions have been amended to reflect the changes or progress which has occurred over the previous 12 months and new projects have been added. Actions completed in the 2017-18 financial year have been removed.

A half day Councillor workshop was held on 5 June 2018, enabling Councillors to have a discussion around the draft plan, ratifying Councillor priority areas and projects for the next four years. That evening, Shire officers then presented the Councillors priority areas to six members of the 2036 Community Reference Group. Attendance at this workshop saw a mix of interest areas including environmental, small business, community group and outer townsites. The group workshoped the Councillors priority areas and ranked the importance of each. Through this discussion, it was determined that fire management and more general community resilience were most critical for the whole community. The feedback from this session is provided as Attachment 2. Alongside this, feedback was also received from a group member who was unable to attend the session, which has also been provided in this attachment.

An updated version of the draft plan was then presented to Council through a Councillor briefing on 27 June 2018. Councillors were asked to provide final feedback and as a result, a variety of changes were made to the plan as shown in Attachment 3.

The CP for 2018-22 is a comprehensive strategic document articulating Council’s Vision, Values, Core Principles and key result area objectives, and the key strategies to achieve those objectives.

Vision
Adapt to changing climate, environment and social dynamics and celebrate a sense of place for our local indigenous culture and our multicultural and creative community.

Core Principles
The CP has been reviewed through the lens of the six core principles which underpin the CSP 2036 including sustainability, financial viability, access and equity, climate change, social justice and technology and innovation.

Key priorities to be achieved over the next four years are clearly summarised in the CP, and bolded throughout each key result area. The criteria for priority projects is articulated by “what we are trying to achieve” within the four years, and are designed to inform the CEO Performance Targets.

Assumptions
The CP has been reviewed with the assumptions of no major contextual changes, which may impact the organisations capability to deliver services and projects. This includes achieving a balanced budget with rate increases kept to a minimum of 2.5% each year and ongoing risk management.

Service Levels
The CP outlines the plan for delivery of services linked to the strategic direction over a four-year period. The Shire conducted an extensive review of its projects and services in 2017-18 financial year in order
to determine service delivery and expectations and to determine the quality and cost standards of those services. This is a vital step in the development of key informing strategies: Asset Management Plan, Long Term Financial Plan and Workforce Planning. This CP includes a priority project for 2018-19 to continue review of Services levels, to be prioritised based on an assessment of the cost benefit options and through a draft four year budget. This is critical to create capacity in the organisation to respond to extra priority areas as directed by Council. Service trackers for each key result area are included in the CP for quarterly monitoring to Council and community.

Monitoring and Reporting
The CP is achieved through the annual Operational Plans. An annual Operational Plan includes information on individual actions and projects programmed to be completed throughout the year (year 1 of the CP) and incorporates the CEO Performance Targets as adopted by Council. The annual Operational Plan is reported quarterly to Council.

STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS
Section 5.56 (1) Local Government Act 1995 requires local governments to have in place a plan for the future.

Section 5.56 (1) Local Government Act 1995 and Section 19DA of the Local Government (Administration) Regulations 1996 establishes the requirements for a CP and the requirement for adoption of the plan by absolute majority.

19DA. Corporate Plans, requirements for (Act s. 5.56)

(1) A local government is to ensure that a CP is made for its district in accordance with this regulation in respect of each financial year after the financial year ending 30 June 2013.

(2) A CP for a district is to cover the period specified in the plan, which is to be at least 4 financial years.

(3) A CP for a district is to —

(a) set out, consistently with any relevant priorities set out in the strategic community plan for the district, a local government’s priorities for dealing with the objectives and aspirations of the community in the district; and

(b) govern a local government’s internal business planning by expressing a local government’s priorities by reference to operations that are within the capacity of the local government’s resources; and

(c) develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.

(4) A local government is to review the current CP for its district every year.

(5) A local government may modify a CP, including extending the period the plan is made in respect of and modifying the plan if required because of modification of the local government’s strategic community plan.

(6) A council is to consider a CP, or modifications of such a plan, submitted to it and is to determine* whether or not to adopt the plan or the modifications.

*Absolute majority required.

(7) If a CP is, or modifications of a CP are, adopted by the council, the plan or modified plan applies to the district for the period specified in the plan.

[Regulation 19DA inserted in Gazette 26 Aug 2011 p. 3484-5.]

STRATEGIC PLAN / POLICY IMPLICATIONS
Community Strategic Plan 2036 (CSP)
Corporate Business Plan 2017-2021
Key Result Area 5: Effective Leadership and Governance
Outcome 5.2. Effective strategy, planning and asset management

PLANNING FRAMEWORK
Nil

FINANCIAL IMPLICATIONS
The Shire’s Long Term Financial Plan 2018-28 gives some clarity to the Shire’s current capacity to work towards the delivery of the strategic objectives within the CSP 2036. This is detailed on page 30 of the CSP and should be used as baseline only. The 2017-18 review of the Shire’s Workforce Plan includes analysis of the workforce and the requirements required to deliver the CP 2018-22.

SUSTAINABILITY IMPLICATIONS
The CSP 2036 fosters an identification and integration of environmental protection, social and cultural advancement and economic prosperity, which is enacted through the Corporate and Operational Plan.

VOTING REQUIREMENTS
Absolute Majority

RECOMMENDATION
That Council adopts the Corporate Plan 2018-22 as presented in Attachment 1.

ADVICE TO APPLICANT / PROPONENT
Nil

ATTACHMENTS
1. Corporate Plan 2018-22
2. Summary of community feedback from the Community Reference Group 2036 workshop
3. Summary of changes to the draft Corporate Plan 2018-22
ADDENDUM

11.4.5 CORPORATE PLAN 2018-22

LOCATION/ADDRESS  Shire of Augusta Margaret River
APPLICANT/LANDOWNER  Shire of Augusta Margaret River
FILE REFERENCE  COR/129
REPORT AUTHOR  Stacey Hutt, Community and Corporate Planner
AUTHORISING OFFICER  Annie Riordan, Director Corporate and Community Services

This addendum provides an update of some minor administrative corrections that have been made to Attachment 1 Corporate Plan 2018-22 as follows:

- Amend Volunteer statistic to be “28% volunteerism for all ages”, under Shire Profile – page 12
- Amend "increasing housing unaffordability" under Environmental Analysis – page 17
- Action 4.4.4.1 changed to: Finalise and commence implementation of the Sustainable Economy Strategy, including recruitment of the Sustainable Economy Officer and establishment of the Sustainable Economy Advisory Committee, and review every four years – pages 20 and 50
- “Economic Development” changed to “Sustainable Economy” under Community Services - pages 11, 19, 36, 45
- Action 2.5.1.4 should be marked for all four years – pages 20,
- Remove budget amount reference (last column) for action 4.4.4.3 – page 50
- Change from Participatory Budgeting in “Levels of Service” to: "Building inclusive community engagement in the Shire budget process." – page 19
- Action 5.6.1.3 – years need to be changed back to be 2018-19 and 2020-21 only, with CEO03 $13.5k in budget column
- Service tracker – target adjusted for the number of public health assessments received for approval, changed from 80 to 40 per quarter – page 28, as this was a typo.

Modified Recommendation
That Council adopts the Corporate Plan 2018-22 as presented in Attachment 1 and notes the administrative corrections.

RECOMMENDATION
CR GODDEN, CR LANE
That Council adopts the Corporate Plan 2018-22 as presented in Attachment 1 and notes the administrative corrections.

Cr Smart moved the following amendment:

AMENDMENT / COUNCIL DECISION
CR SMART, CR GODDEN OM201/179
That the following be added at point 2 to the recommendation:
1. Updates the Priority Projects in the Corporate Plan once the CEO Performance Targets have been confirmed for 2018-19.

CARRIED 7/0

REASON
Cr Smart spoke to the amendment stating last year the Corporate Plan was adopted without priority projects but with reference to inclusion of those targets within the plan once adopted by Council. The amendment is in line with the previous adoption.

This then became the primary motion:

PRIMARY MOTION / COUNCIL DECISION
CR GODDEN, CR LANE OM2018/180

That Council:
1. Adopts the Corporate Plan 2018-22 as presented in Attachment 1 and notes the administrative corrections; and
2. Updates the Priority Projects in the Corporate Plan once the CEO Performance Targets have been confirmed for 2018-19.

CARRIED BY ABSOLUTE MAJORITY 7/0
11.4.7 ADOPTION OF 2018-19 DIFFERENTIAL RATES, MINIMUM PAYMENTS AND RATE CONCESSIONS

IN BRIEF
- Council approval is required to adopt Differential Rating Categories, Differential Rates in the Dollar and associated Minimum Payments together with the proposed Service and Waste Charges for the year ending 30 June 2019.
- Rate concessions for specific properties are also to be considered for approval.

RECOMMENDATION
That Council:

1. **Differential Rates**
   Adopts the following differential rating categories, rates in the dollar and minimum payments for the 2018-19 financial year.

<table>
<thead>
<tr>
<th>Rate Category GRV</th>
<th>Rate in the Dollar (in cents)</th>
<th>Minimum Payment $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>10.4957</td>
<td>1,302</td>
</tr>
<tr>
<td>Residential Vacant</td>
<td>20.1062</td>
<td>1,302</td>
</tr>
<tr>
<td>Rural Residential</td>
<td>10.0541</td>
<td>1,585</td>
</tr>
<tr>
<td>Rural Residential Vacant</td>
<td>19.5707</td>
<td>1,585</td>
</tr>
<tr>
<td>Commercial, Industrial, Tourism</td>
<td>12.4319</td>
<td>1,399</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rate Category UV</th>
<th>Rate in the Dollar (in cents)</th>
<th>Minimum Payment $</th>
</tr>
</thead>
<tbody>
<tr>
<td>UV Rural</td>
<td>0.4590</td>
<td>1,461</td>
</tr>
<tr>
<td>UV1 (one non rural use)</td>
<td>0.5737</td>
<td>1,461</td>
</tr>
<tr>
<td>UV2 (two non rural uses)</td>
<td>0.6885</td>
<td>1,461</td>
</tr>
<tr>
<td>UV3 (over two non rural uses)</td>
<td>0.8032</td>
<td>1,461</td>
</tr>
<tr>
<td>UV Strata Title Vineyard</td>
<td>0.4590</td>
<td>858</td>
</tr>
<tr>
<td>UV Conservation</td>
<td>0.4486</td>
<td>1,406</td>
</tr>
</tbody>
</table>

2. **Service Charge**
   Levies an underground electricity charge of $333.33 per identified property per year for a term of 10 years (1 July 2011 to 30 June 2021), on rateable properties located on Bussell Highway between Peake Street and 30 metres south of Bottrill Street in Cowaramup. Where a property is strata titled then the service charge is to be apportioned based on percentage of total floor area.

3. **Waste Facilities Maintenance Rate**
   Levy the following rates in the dollar and minimum payments for the Waste Facilities Maintenance Rate on all rateable properties for the 2018-19 financial year.

<table>
<thead>
<tr>
<th>Differential Rating Category</th>
<th>Rate in the Dollar (in cents)</th>
<th>Minimum Payment $</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRV Gross Rental Value</td>
<td>0.0222</td>
<td>$200.00</td>
</tr>
<tr>
<td>UV Unimproved Value</td>
<td>0.0002</td>
<td>$200.00</td>
</tr>
</tbody>
</table>
4. Rate Concessions
Approves a full concession of property rates levied for 2018-19 for the following properties as these properties are the location of satellite facilities providing television broadcasting services for the surrounding residential subdivision and the property rates are on-charged by the landowner to the community group who administer this service:

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Address</th>
<th>Landowner</th>
<th>Community Group</th>
<th>Amount of Rate Concession</th>
</tr>
</thead>
<tbody>
<tr>
<td>A11780</td>
<td>123 Poplar Avenue, Riverslea</td>
<td>Greendene Development Corporation</td>
<td>Riverslea Community Group</td>
<td>$1,302</td>
</tr>
<tr>
<td>A11746</td>
<td>Lot 900 Leschenaultia Ave, Brookfield</td>
<td>Brookfield Estate Pty Ltd</td>
<td>Brookfield Connect</td>
<td>$1,302</td>
</tr>
</tbody>
</table>

LOCATION PLAN
Nil

TABLED ITEMS
Nil

BACKGROUND
Differential Rates and Minimum Payments for the 2018-19 financial year were considered by Council at the Ordinary Council Meeting on 23 May 2018 (refer OM2018/125) and subsequently advertised for public comment for three consecutive weeks from Wednesday 30 May 2018 to Wednesday 13 June 2018 in the Augusta Margaret River Mail.

One submission was received and was considered by Council at the Ordinary Council Meeting on 27 June 2018 (refer OM2018/160). An application to the Department of Local Government and Communities (DLGC) was submitted on 29 June 2018 requesting the Minister's approval to levy minimum payments for the differential rating category of Residential Vacant as the number of properties to be levied the minimum payment exceeded 50%.

Approval from the Minister for Local Government, under delegation, was received by e-mail on 19 July 2018 with a copy of the approval letter attached.

CONSULTATION AND ADVICE
External Consultation
Department of Local Government, Sport and Cultural Industries (DLGSC)
The DLGSC’s Rating Policies for Differential Rates, Minimum Payments and Giving Notice were referred to ensure compliance with Sections 6.35(5) and 6.33(3) of the Local Government Act 1996 (LG Act). The Department’s application form for approval of minimum payments was completed with all required attachments and submitted to the Department on 29 June 2018.

Ratepayers and Electors
The proposed differential rates and minimum payments were advertised for a minimum period of 21 days to allow ratepayers and electors to make submissions to Council. Public submissions closed at 4.00pm on Thursday 21 June 2018. One submission was received and was considered at the Ordinary Council Meeting on 27 June 2018.

Internal Consultation
Nil

DISCUSSION / OFFICER COMMENTS
Ministerial Approval
The DLGSC’s Application Form – Minimum Payments (s. 6.35) requested approval to impose a GRV Residential Vacant minimum payment of $1,302 affecting 686 properties when the differential general
rate of $0.201062 is to be imposed on 326 properties. The number of properties affected is more than 50% of the total properties in this category.

Included with the application form were a number of required attachments including:
1. Copy of the minutes that Council reviewed and considered budget efficiency measures;
2. Copy of the Statement of Objects and Reasons;
3. Copy of the minutes where Council adopted the Statement of Objects and Reasons;
4. Copy of letters to ratepayers where there are less than 30 in a category;
5. Copy of any submissions received;
6. Copy of the response to submissions;
7. Copy of the public notice;
8. Copy of the Council agenda and minutes where submissions were considered; and
9. Copy of the minutes where Council resolved to make an application to the Minister.

DLGSC Response
The Shire received the Minister’s response, under delegation from the DLGC, in a letter dated 18 July 2018 received by email on 19 July 2018. The response was that “under delegated authority from the Minister for Local Government and in accordance with section 6.35(5) of the Local Government Act 1995, I have approved the minimum payment as proposed in the Shire’s application for the below category:

<table>
<thead>
<tr>
<th>Category of Rating</th>
<th>Minimum Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRV Residential Vacant</td>
<td>$1,302</td>
</tr>
</tbody>
</table>

The approval is valid for the 2018/19 financial year and applies only to the differential rate category mentioned above and the minimum payment specified.”

Rate Concessions
Brookfield Connect and the Riverslea Community Group levy and collect fees from Riverslea and Brookfield residents for the maintenance of the cable television facilities and equipment in these subdivisions. This cost includes the property rates for the lots owned by the developers and on which the satellite facilities are located. Representatives of these community groups have advocated for some financial assistance and approving a full rate concession for the properties is considered to be an effective method of providing some financial assistance. Council approved a rate concession for 2016-17 and this has been continued.

The two properties are classified as residential and due to their low gross rental value are both rated the minimum payment which for 2018-19 is $1,302. The amount of rate income foregone would total $2,604 should a rate concession be approved. All other fees and charges for the properties such as the emergency services levy will continue to be charged to the property owner.

STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS
Part VI of the LG Act deals with rates and service charges.

- Section 6.32 states a local government may impose rates in order to make up the budget deficiency.
- Section 6.33 states a local government may impose differential rates based on differential categories.
- Section 6.35 states that Council may impose a minimum payment for each category.
- Section 6.36 states the Shire is to give the appropriate notice of its intention to impose differential rates and minimum payments in respect to each differential rate category.
- Section 6.38 allows a local government to impose a service charge on owners or occupiers of land within a district or part of a district to meet the cost of a prescribed work, service or facility in relation to the land.
- Section 6.47 allows a local government at the time of imposing a rate or service charge or at a later date resolve to waive a rate or service charge or resolve to grant a concession to a rate or service charge.

Section 66 of the Waste Avoidance and Resource Recovery Act 2007 (WARR Act) states 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. Furthermore it states the provisions of the LG Act relating to the making, payment and recovery of general rates apply with respect to the raising of rates referred to in this section.

**STRATEGIC PLAN / POLICY IMPLICATIONS**

*Community Strategic Plan 2036 (CSP)*
*Corporate Business Plan 2017-2021*

Key Result Area 5: Effective Leadership and Governance.
Community Outcome 2: Effective and integrated strategy, planning, financial and asset management.
Strategic Response: Ensure the Shire’s financial performance is well managed and leads to a strong financial position.
Service level strategy/plan: Bill property rates on adoption of the Shire’s annual budget.

**Policy**

Policy CCSP2 Shire Rating, endorsed by Council at the Ordinary Meeting of 22 November 2017 (OM2017/296), outlines the administrative processes in applying differential rates.

**PLANNING FRAMEWORK**

Nil

**FINANCIAL IMPLICATIONS**

The rates imposed will result in revenue of approximately $21.231 million being raised at rates billing. The approval of rate concessions would result in $2,604 of rate revenue being foregone.

**SUSTAINABILITY IMPLICATIONS**

*Environmental*

The 2018-19 annual budget, takes into consideration the Shire’s strategic values to ensure an integrated approach to protecting the natural environment that safeguards biodiversity and provides a sustainable environment for future generations.

*Social*

The 2018-19 annual budget, takes into consideration the Shire’s strategic values to enhance the quality of community life in the Shire characterised by vibrant participation, cohesiveness, increased social capital and recognition of the need for social justice and community safety.

*Economic*

The 2018-19 annual budget, takes into consideration the Shire’s strategic values to foster economic prosperity in the Shire and Region.

**VOTING REQUIREMENTS**

Absolute Majority

**RECOMMENDATION**

That Council:

1. **Differential Rates**

Adopts the following differential rating categories, rates in the dollar and minimum payments for the 2018-19 financial year.

<table>
<thead>
<tr>
<th>Rate Category GRV</th>
<th>Rate in the Dollar (In cents)</th>
<th>Minimum Payment $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>10.4957</td>
<td>1,302</td>
</tr>
<tr>
<td>Residential Vacant</td>
<td>20.1062</td>
<td>1,302</td>
</tr>
<tr>
<td>Rural Residential</td>
<td>10.0541</td>
<td>1,585</td>
</tr>
<tr>
<td>Rural Residential Vacant</td>
<td>19.5707</td>
<td>1,585</td>
</tr>
<tr>
<td>Commercial, Industrial, Tourism</td>
<td>12.4319</td>
<td>1,399</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rate Category UV</th>
<th>Rate in the Dollar (In cents)</th>
<th>Minimum Payment $</th>
</tr>
</thead>
<tbody>
<tr>
<td>UV Rural</td>
<td>0.4590</td>
<td>1,461</td>
</tr>
</tbody>
</table>
2. **Service Charge**
Levies an underground electricity charge of $333.33 per identified property per year for a term of 10 years (1 July 2011 to 30 June 2021), on rateable properties located on Bussell Highway between Peake Street and 30 metres south of Bottrill Street in Cowaramup. Where a property is strata titled then the service charge is to be apportioned based on percentage of total floor area.

3. **Waste Facilities Maintenance Rate**
Levy the following rates in the dollar and minimum payments for the Waste Facilities Maintenance Rate on all rateable properties for the 2018-19 financial year.

<table>
<thead>
<tr>
<th>Differential Rating Category</th>
<th>Rate in the Dollar (in cents)</th>
<th>Minimum Payment $</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRV Gross Rental Value</td>
<td>0.0222</td>
<td>$200.00</td>
</tr>
<tr>
<td>UV Unimproved Value</td>
<td>0.0002</td>
<td>$200.00</td>
</tr>
</tbody>
</table>

4. **Rate Concessions**
Approves a full concession of property rates levied for 2018-19 for the following properties as these properties are the location of satellite facilities providing television broadcasting services for the surrounding residential subdivision and the property rates are on-charged by the landowner to the community group who administer this service:

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Address</th>
<th>Landowner</th>
<th>Community Group</th>
<th>Amount of Rate Concession</th>
</tr>
</thead>
<tbody>
<tr>
<td>A11780</td>
<td>123 Poplar Avenue, Riverslea</td>
<td>Greendene Development Corporation</td>
<td>Riverslea Community Group</td>
<td>$1,302</td>
</tr>
<tr>
<td>A11746</td>
<td>Lot 900 Leschenaultia Ave, Brookfield</td>
<td>Brookfield Estate Pty Ltd</td>
<td>Brookfield Connect</td>
<td>$1,302</td>
</tr>
</tbody>
</table>

**ADVICE TO APPLICANT / PROPOSENT**
Nil

**ATTACHMENTS**
Nil

**RECOMMENDATION / COUNCIL DECISION**
**CR EARL, CR MELDRUM OM2018/181**
That Council:

1. **Differential Rates**
Adopts the following differential rating categories, rates in the dollar and minimum payments for the 2018-19 financial year.

<table>
<thead>
<tr>
<th>Rate Category GRV</th>
<th>Rate in the Dollar (in cents)</th>
<th>Minimum Payment $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>10.4957</td>
<td>1,302</td>
</tr>
<tr>
<td>Residential Vacant</td>
<td>20.1062</td>
<td>1,302</td>
</tr>
<tr>
<td>Rural Residential</td>
<td>10.0541</td>
<td>1,585</td>
</tr>
<tr>
<td>Rural Residential Vacant</td>
<td>19.5707</td>
<td>1,585</td>
</tr>
<tr>
<td>Commercial, Industrial, Tourist</td>
<td>12.4319</td>
<td>1,399</td>
</tr>
</tbody>
</table>
### Rate Category UV

<table>
<thead>
<tr>
<th>Rate Category UV</th>
<th>Rate in the Dollar (In cents)</th>
<th>Minimum Payment $</th>
</tr>
</thead>
<tbody>
<tr>
<td>UV Rural</td>
<td>0.4590</td>
<td>1,461</td>
</tr>
<tr>
<td>UV1 (one non rural use)</td>
<td>0.5737</td>
<td>1,461</td>
</tr>
<tr>
<td>UV2 (two non rural uses)</td>
<td>0.6885</td>
<td>1,461</td>
</tr>
<tr>
<td>UV3 (over two non rural uses)</td>
<td>0.8032</td>
<td>1,461</td>
</tr>
<tr>
<td>UV Strata Title Vineyard</td>
<td>0.4590</td>
<td>858</td>
</tr>
<tr>
<td>UV Conservation</td>
<td>0.4486</td>
<td>1,406</td>
</tr>
</tbody>
</table>

2. **Service Charge**

Levies an underground electricity charge of $333.33 per identified property per year for a term of 10 years (1 July 2011 to 30 June 2021), on rateable properties located on Bussell Highway between Peake Street and 30 metres south of Bottrill Street in Cowaramup. Where a property is strata titled then the service charge is to be apportioned based on percentage of total floor area.

3. **Waste Facilities Maintenance Rate**

Levy the following rates in the dollar and minimum payments for the Waste Facilities Maintenance Rate on all rateable properties for the 2018-19 financial year.

<table>
<thead>
<tr>
<th>Differential Rating Category</th>
<th>Rate in the Dollar (in cents)</th>
<th>Minimum Payment $</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRV Gross Rental Value</td>
<td>0.0222</td>
<td>$200.00</td>
</tr>
<tr>
<td>UV Unimproved Value</td>
<td>0.0002</td>
<td>$200.00</td>
</tr>
</tbody>
</table>

4. **Rate Concessions**

Approves a full concession of property rates levied for 2018-19 for the following properties as these properties are the location of satellite facilities providing television broadcasting services for the surrounding residential subdivision and the property rates are on-charged by the landowner to the community group who administer this service:

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Address</th>
<th>Landowner</th>
<th>Community Group</th>
<th>Amount of Rate Concession</th>
</tr>
</thead>
<tbody>
<tr>
<td>A11780</td>
<td>123 Poplar Avenue, Riverslea</td>
<td>Greendene Development Corporation</td>
<td>Riverslea Community Group</td>
<td>$1,302</td>
</tr>
<tr>
<td>A11746</td>
<td>Lot Leschenaultia Ave, Brookfield</td>
<td>Brookfield Estate Pty Ltd</td>
<td>Brookfield Connect</td>
<td>$1,302</td>
</tr>
</tbody>
</table>

**CARRIED BY ABSOLUTE MAJORITY 7/0**
11.4.4 ADOPTION OF 2018-19 EARLY PAYMENT INCENTIVES, PAYMENT OPTIONS, LATE PAYMENT INTEREST AND INSTALMENT CHARGES

LOCATION/ADDRESS  N/A
APPLICANT/LANDOWNER  Shire of Augusta Margaret River
FILE REFERENCE  FIN/11
REPORT AUTHOR  Andrew Ross, Manager Corporate Services
AUTHORISING OFFICER  Annie Riordan, Director Corporate and Community Services

IN BRIEF
- The Shire provides early payment incentive prizes together with donated prizes to property owners that make payment of the annual rates, service charges and waste charges by the required due date.
- Payment options of Option 1 (payment in full), Option 2 (four instalments) or Option 3 (special arrangement by monthly payments) are provided to property owners.
- Penalty interest is imposed where payments have not been received by the due dates, and where the balance is greater than $0.01.
- Instalment administration fees and interest charges are applied to assessments where property owners elect to pay the annual rates, service charges and waste services by Option 2 (four instalments).

RECOMMENDATION
That Council adopts:

1. Early Payment Incentives
   The following early payment incentive prizes for 2018-19. All ratepayers who pay option 1 (in full) or the first instalment on option 2 (four instalments) by the due date will be entered into the prize draw.

   The following prizes have been provided by or donated to the Shire:

   1st  $1,000 payment towards annual rates.
   2nd  2 x 6 month gold memberships to the Margaret River or Augusta Recreation Centres.
   3rd  2 night weekend stay for two including full buffet breakfast in a premium deluxe room at the Quality Hotel Ambassador.
   4th  $500 payment towards annual rates.
   5th  5 nights off peak accommodation for a family of four at Turner or Flinders Bay Caravan Park.
   6th  $250 payment towards annual rates.
   7th  $250 payment towards annual rates.

2. Payment Options
   The following payment options for the payment of rates, service and waste charges:

   - Option 1
     Payment in full by 14 September 2018 (within 35 days of the issue date of the annual rates notice).

   - Option 2
     Four instalments, with the first instalment to include 25% of the total current amount of rates, services and waste charges including instalment charges, plus the total outstanding amount of arrears.
First instalment payable by 14 September 2018 (within 35 days of the date of issue of the annual rate notice).

The second, third and fourth instalments each of 25% of the total current rates, service and waste charges including instalment charges payable as follows:

- Second instalment by 16 November 2018 (63 days after due date of the first instalment);
- Third instalment by 18 January 2019 (63 days after due date of second instalment);
- Fourth instalment by 22 March 2019 (63 days after due date of third instalment).

### Special Arrangement
Weekly, fortnightly and other arrangements may be accepted by the Shire. An administration fee may be imposed for special arrangement agreements as listed in the Schedule of Fees and Charges. The fee is applied to the assessment at the time of acceptance of the agreement.

#### 3. Penalty Interest
To calculate interest on all outstanding rates, service, waste, legal and sundry amounts that remain unpaid after 35 days from the date of issue of the original rate notice.

Interest will be applied at the maximum rate of 11% per annum Reg. 70 Local Government Financial Management Regulations 1996 (LGFMR), calculated on a daily basis and charged on the outstanding balance and calculated for the number of days overdue.

Excluded from penalty interest are registered property owners under the Rates and Charges Rebates and Deferment Act 1992 (RD Act) Pensioners and Seniors Rebate schemes.

#### 4. Instalment Administration Fee and Interest Charge
Imposes the following instalment administration fees and interest charges:

- **Administration Fee**
  A fee of $8.00 on each of instalments two, three and four.

- **Interest Charge**
  The maximum rate of interest is 5.5% (Reg. 68 LGFMR) on instalment option 2.

Interest will be applied, calculated on a simple interest basis by applying the rate of interest to the amount of each instalment for the period between the due date of the first instalment and the due date of each subsequent instalment.

Excluded from both the instalment administration fee and instalment interest charge are registered property owners under the RD Act.

---

**LOCATION PLAN**
Nil

**TABLED ITEMS**
Nil

**BACKGROUND**
When adopting the differential rates and minimum payments, the Shire is required to meet statutory obligations under the Local Government Act 1995 (LG Act) and the LGFMR when providing for early incentive prizes, payments options, imposing penalty interest and the instalment administration fee and interest charge.
CONSULTATION AND ADVICE
External Consultation
Quality Hotel Ambassador

Internal Consultation
Recreation Operations Manager
Caravan Parks and Camping Ground Manager
Marketing and Events Officer

DISCUSSION / OFFICER COMMENTS
Early Payment Incentives
The early incentive prizes are an initiative for property owners to pay their rates by the required due date.

Requests for prizes and sponsorship are currently not solicited and any prizes offered result from organisations approaching the Shire. In acknowledgement of support for donation of prizes, the Shire will include a logo and promotional wording in the Rate Information brochure accompanying the annual Rate Notice.

The Shire has received support from the Quality Hotel Ambassador. The Shire will again promote the Flinders Bay and Turner Caravan Parks, Margaret River Recreation Centre and Augusta Recreation Centre as well as providing a variety of cash prizes to its ratepayers.

Payment Options
The payment options offered by the Shire take into consideration the different circumstances of ratepayers and the following options are offered:

- Option 1 (payment in full);
- Option 2 (four instalments);
- Option 3 (special arrangement) where agreements may be accepted upon written request.

Ratepayers may request a special arrangement of weekly, fortnightly or monthly payments by Shire initiated direct debit or by the ratepayer initiating payment using BPay or a similar method. Where the Shire agrees to these arrangements, an administration fee may be applied. These arrangements allow the ratepayer to clear the debt by the end of the following financial year.

The provision of these options has been successful in collecting the rates, service and waste charges levied without causing undue hardship to ratepayers. The Shire recorded an end of year outstanding rates debt ratio of 2.7% for the year to 30 June 2018.

Penalty Interest
Penalty Interest is applied to property assessments where the rates, service and waste charges have not been received by the required due dates and where the balance is greater than $0.01. The interest is applied at the maximum rate of 11% per annum under the LGFMR, calculated on a daily basis and charged once per month on the outstanding balance and for the number of days overdue.

On a monthly basis, penalty interest is written off under Delegation number 8 where a balance of $5.00 or lower remains on an assessment.

Excluded from the calculation of penalty interest are registered property owners under the RD Act.

Instalment Administration Fee and Interest Charge
The Instalment Administration Fee and Interest Charge is applied to property assessments where ratepayers select Option 2 as their preferred payment option. The administration fee and interest charges are calculated when the annual rate billing is run with both the instalment charge and total cost shown on the annual rate notice with total cost applied across all four instalments.
Instalment charges include a fee of $8.00 for instalments two, three and four and an interest component which is calculated at 5.5% over the period of instalment dates. The total amount of arrears on a property assessment will be included in the 1st Instalment amount due.

Excluded from instalment administration fee and interest charge are registered property owners under the RD Act.

**STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS**

Part VI of the LG Act deals with the early payment, instalments, payment options and interest charges.

- Sections 6.12 and 6.46 of the LG Act provides that the Shire may, when imposing a rate or service charge, resolve to grant by absolute majority a discount or other incentive for the early payment of any rate, service or waste charge.
- Section 6.45(3) of the LG Act provides for the Shire to impose additional charges where customers elect to pay by instalments. The maximum rate of interest component in instalments is 5.5% as per Regulation 68 of the LGFMR.
- Section 6.13 and 6.51 of the LG Act provides that the Shire may impose interest on a rate, service charge or any costs of proceedings to recover any such charge that remains unpaid after becoming due and payable. The maximum percentage rate of interest on overdue rates and service charges is 11% as per Regulation 70 of the LGFMR.
- Section 6.49 of the LG Act states that, the Shire may accept payment of rates, service and waste charges due and payable by a person in accordance with an agreement made with the person. The Chief Executive Officer under delegated authority (Delegation number 10), grants these powers and duties to other employees.

**STRATEGIC PLAN / POLICY IMPLICATIONS**

*Community Strategic Plan 2036 (CSP)*  
*Corporate Business Plan 2017-2021*

Key Result Area 5: Effective Leadership and Governance.  
Community Outcome 2: Effective and integrated strategy, planning, financial and asset management.  
Strategic Response: Ensure the Shire’s financial performance is well managed and leads to a strong financial position.  
Service level strategy/plan: Bill property rates on adoption of the Shire's annual budget.

**Policy**

Policy CCSP2 Shire Rating endorsed by Council at the Ordinary Meeting of 22 November 2017 (OM2017/296) outlines the administrative processes in applying differential rates.

**PLANNING FRAMEWORK**

Nil

**FINANCIAL IMPLICATIONS**

The amount of Shire budgeted expenditure for the provision of the early incentive payment scheme is $2,000.

Revenue collected from the instalment administration fee, instalment interest and special arrangement fee are listed in Table 1 below. An allocation of $211,000 has been included in the 2018-19 Budget.

<table>
<thead>
<tr>
<th>Fee Charged</th>
<th>2015-16 Actual</th>
<th>2016-17 Actual</th>
<th>2017-18 Actual</th>
<th>2018-19 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instalment Administration Fee</td>
<td>$71,320</td>
<td>$75,158</td>
<td>$80,598</td>
<td>$80,000</td>
</tr>
<tr>
<td>Instalment Interest</td>
<td>$128,805</td>
<td>$131,668</td>
<td>$138,163</td>
<td>$130,000</td>
</tr>
<tr>
<td>Special arrangement Fee</td>
<td>$2,839</td>
<td>$2,657</td>
<td>$411</td>
<td>$1,000</td>
</tr>
<tr>
<td></td>
<td><strong>$202,964</strong></td>
<td><strong>$209,483</strong></td>
<td><strong>$219,142</strong></td>
<td><strong>$211,000</strong></td>
</tr>
</tbody>
</table>

Revenue collected from penalty interest is listed in Table 2 below. An allocation of $92,000 has been included in the 2018-19 budget.
### Table 2

<table>
<thead>
<tr>
<th></th>
<th>2015-16 Actual</th>
<th>2016-17 Actual</th>
<th>2017-18 Actual</th>
<th>2018-19 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Penalty Interest</td>
<td>$72,457</td>
<td>$113,372</td>
<td>$110,402</td>
<td>$90,000</td>
</tr>
<tr>
<td>ESL Penalty Interest</td>
<td>$1,791</td>
<td>$3,982</td>
<td>$4,026</td>
<td>$2,000</td>
</tr>
<tr>
<td></td>
<td><strong>$74,248</strong></td>
<td><strong>$117,354</strong></td>
<td><strong>$114,428</strong></td>
<td><strong>$92,000</strong></td>
</tr>
</tbody>
</table>

### SUSTAINABILITY IMPLICATIONS

#### Environmental
The 2018-19 annual budget takes into consideration the Shire’s strategic values to ensure an integrated approach to protecting the natural environment that safeguards biodiversity and provides a sustainable environment for future generations.

#### Economic
The 2018-19 annual budget takes into consideration the Shire’s strategic values to foster economic prosperity in the Shire and Region.

#### Social
The 2018-19 annual budget takes into consideration the Shire’s strategic values to enhance the quality of community life in the Shire characterised by vibrant participation, cohesiveness, increased social capital and recognition of the need for social justice and community safety.

### VOTING REQUIREMENTS
Absolute Majority

### RECOMMENDATION
That Council adopts:

1. **Early Payment Incentives**
   The following early payment incentive prizes for 2018-19. All ratepayers who pay option 1 (in full) or the first instalment on option 2 (four instalments) by the due date will be entered into the prize draw.

   The following prizes have been provided by or donated to the Shire:

   1. **1st** $1,000 payment towards annual rates.
   2. **2nd** 2 x 6month gold memberships to the Margaret River or Augusta Recreation Centres.
   3. **3rd** 2 night weekend stay for two including full buffet breakfast in a premium deluxe room at the Quality Hotel Ambassador.
   4. **4th** $500 payment towards annual rates.
   5. **5th** 5 nights off peak accommodation for a family of four at Turner or Flinders Bay Caravan Park.
   6. **6th** $250 payment towards annual rates.
   7. **7th** $250 payment towards annual rates.

2. **Payment Options**
   The following payment options for the payment of rates, service and waste charges:

   - **Option 1**
     Payment in full by 14 September 2018 (within 35 days of the issue date of the annual rates notice).

   - **Option 2**
     Four instalments, with the first instalment to include 25% of the total current amount of rates, services and waste charges including instalment charges, plus the total outstanding amount of arrears.
     - First instalment payable by 14 September 2018 (within 35 days of the date of issue of the annual rate notice).
The second, third and fourth instalments each of 25% of the total current rates, service and waste charges including instalment charges payable as follows:

- Second instalment by 16 November 2018 (63 days after due date of the first instalment);
- Third instalment by 18 January 2019 (63 days after due date of second instalment);
- Fourth instalment by 22 March 2019 (63 days after due date of third instalment).

- **Special Arrangement**
  Weekly, fortnightly and other arrangements may be accepted by the Shire. An administration fee may be imposed for special arrangement agreements as listed in the Schedule of Fees and Charges. The fee is applied to the assessment at the time of acceptance of the agreement.

### 3. Penalty Interest

To calculate interest on all outstanding rates, service, waste, legal and sundry amounts that remain unpaid after 35 days from the date of issue of the original rate notice.

Interest will be applied at the maximum rate of 11% per annum Reg. 70 Local Government Financial Management Regulations 1996 (LGFMR), calculated on a daily basis and charged on the outstanding balance and calculated for the number of days overdue.

Excluded from penalty interest are registered property owners under the Rates and Charges Rebates and Deferment Act 1992 (RD Act) Pensioners and Seniors Rebate schemes.

### 4. Instalment Administration Fee and Interest Charge

Imposes the following instalment administration fees and interest charges:

- **Administration Fee**
  A fee of $8.00 on each of instalments two, three and four.

- **Interest Charge**
  The maximum rate of interest is 5.5% (Reg. 68 LGFMR) on instalment option 2.

  Interest will be applied, calculated on a simple interest basis by applying the rate of interest to the amount of each instalment for the period between the due date of the first instalment and the due date of each subsequent instalment.

Excluded from both the instalment administration fee and instalment interest charge are registered property owners under the RD Act.

**ADVICE TO APPLICANT / PROPOSENENT**

Nil

**ATTACHMENTS**

Nil

**RECOMMENDATION**

CR EARL, CR SMART

That Council adopts:

1. **Early Payment Incentives**
   The following early payment incentive prizes for 2018-19. All ratepayers who pay option 1 (in full) or the first instalment on option 2 (four instalments) by the due date will be entered into the prize draw.

   The following prizes have been provided by or donated to the Shire:
1st $1,000 payment towards annual rates.
2nd 2 x 6month gold memberships to the Margaret River or Augusta Recreation Centres.
3rd 2 night weekend stay for two including full buffet breakfast in a premium deluxe room at the Quality Hotel Ambassador.
4th $500 payment towards annual rates.
5th 5 nights off peak accommodation for a family of four at Turner or Flinders Bay Caravan Park.
6th $250 payment towards annual rates.
7th $250 payment towards annual rates.

2. Payment Options
The following payment options for the payment of rates, service and waste charges:

- **Option 1**
  Payment in full by 14 September 2018 (within 35 days of the issue date of the annual rates notice).

- **Option 2**
  Four instalments, with the first instalment to include 25% of the total current amount of rates, services and waste charges including instalment charges, plus the total outstanding amount of arrears.
  - First instalment payable by 14 September 2018 (within 35 days of the date of issue of the annual rate notice).

  The second, third and fourth instalments each of 25% of the total current rates, service and waste charges including instalment charges payable as follows:
  - Second instalment by 16 November 2018 (63 days after due date of the first instalment);
  - Third instalment by 18 January 2019 (63 days after due date of second instalment);
  - Fourth instalment by 22 March 2019 (63 days after due date of third instalment).

- **Special Arrangement**
  Weekly, fortnightly and other arrangements may be accepted by the Shire. An administration fee may be imposed for special arrangement agreements as listed in the Schedule of Fees and Charges. The fee is applied to the assessment at the time of acceptance of the agreement.

3. Penalty Interest
To calculate interest on all outstanding rates, service, waste, legal and sundry amounts that remain unpaid after 35 days from the date of issue of the original rate notice.

Interest will be applied at the maximum rate of 11% per annum Reg. 70 Local Government Financial Management Regulations 1996 (LGFMR), calculated on a daily basis and charged on the outstanding balance and calculated for the number of days overdue.

Excluded from penalty interest are registered property owners under the Rates and Charges Rebates and Deferment Act 1992 (RD Act) Pensioners and Seniors Rebate schemes.

4. Instalment Administration Fee and Interest Charge
Imposes the following instalment administration fees and interest charges:

- **Administration Fee**
  A fee of $8.00 on each of instalments two, three and four.
• Interest Charge
The maximum rate of interest is 5.5% (Reg. 68 LGFMR) on instalment option 2.

Interest will be applied, calculated on a simple interest basis by applying the rate of interest to the amount of each instalment for the period between the due date of the first instalment and the due date of each subsequent instalment.

Excluded from both the instalment administration fee and instalment interest charge are registered property owners under the RD Act.

Cr McLeod moved the following amendment:

AMENDMENT / COUNCIL DECISION
CR MCLEOD, CR EARL OM2018/182
That the following text be omitted:

Special Arrangement
‘Weekly, fortnightly and other arrangements may be accepted by the Shire. An administration fee may be imposed for special arrangement agreements as listed in the Schedule of Fees and Charges. The fee is applied to the assessment at the time of acceptance of the agreement.’

And replaced with:

Special Arrangement
‘Ratepayers can establish a weekly, fortnightly, monthly or other arrangements by special agreement to better suit a ratepayer’s financial situation. Ratepayers can establish a weekly, fortnightly or monthly BPAY payment arrangement to pay off rates in smaller amounts, more frequently by contacting the Shire’s revenue rates team. An administrative fee, at the time of assessment may be applied.’

CARRIED 7/0

REASON
Cr McLeod spoke to the motion stating the amended wording more clearly states the process.

This then became the primary motion:

PRIMARY MOTION
CR EARL SMART, CR SMART
That Council adopts:

1. Early Payment Incentives
The following early payment incentive prizes for 2018-19. All ratepayers who pay option 1 (in full) or the first instalment on option 2 (four instalments) by the due date will be entered into the prize draw.

The following prizes have been provided by or donated to the Shire:

1st $1,000 payment towards annual rates.
2nd 2 x 6month gold memberships to the Margaret River or Augusta Recreation Centres.
3rd 2 night weekend stay for two including full buffet breakfast in a premium deluxe room at the Quality Hotel Ambassador.
4th $500 payment towards annual rates.
5th 5 nights off peak accommodation for a family of four at Turner or Flinders Bay Caravan Park.
6th $250 payment towards annual rates.
7th $250 payment towards annual rates.

2. Payment Options
The following payment options for the payment of rates, service and waste charges:

- Option 1
  Payment in full by 14 September 2018 (within 35 days of the issue date of the annual rates notice).

- Option 2
  Four instalments, with the first instalment to include 25% of the total current amount of rates, services and waste charges including instalment charges, plus the total outstanding amount of arrears.
  - First instalment payable by 14 September 2018 (within 35 days of the date of issue of the annual rate notice).

The second, third and fourth instalments each of 25% of the total current rates, service and waste charges including instalment charges payable as follows:
  - Second instalment by 16 November 2018 (63 days after due date of the first instalment);
  - Third instalment by 18 January 2019 (63 days after due date of second instalment);
  - Fourth instalment by 22 March 2019 (63 days after due date of third instalment).

- Special Arrangement
  Ratepayers can establish a weekly, fortnightly, monthly or other arrangements by special agreement to better suit a ratepayer’s financial situation. Ratepayers can establish a weekly, fortnightly or monthly BPAY payment arrangement to pay off rates in smaller amounts, more frequently by contacting the Shire’s revenue rates team. An administrative fee, at the time of assessment may be applied.

3. Penalty Interest
To calculate interest on all outstanding rates, service, waste, legal and sundry amounts that remain unpaid after 35 days from the date of issue of the original rate notice.

Interest will be applied at the maximum rate of 11% per annum Reg. 70 Local Government Financial Management Regulations 1996 (LGFMR), calculated on a daily basis and charged on the outstanding balance and calculated for the number of days overdue.

Excluded from penalty interest are registered property owners under the Rates and Charges Rebates and Deferment Act 1992 (RD Act) Pensioners and Seniors Rebate schemes.

4. Instalment Administration Fee and Interest Charge
Imposes the following instalment administration fees and interest charges:

- Administration Fee
  A fee of $8.00 on each of instalments two, three and four.

- Interest Charge
  The maximum rate of interest is 5.5% (Reg. 68 LGFMR) on instalment option 2.

  Interest will be applied, calculated on a simple interest basis by applying the rate of interest to the amount of each instalment for the period between the due date of the first instalment and the due date of each subsequent instalment.
Excluded from both the instalment administration fee and instalment interest charge are registered property owners under the RD Act.

Cr McLeod moved the following amendment

AMENDMENT / COUNCIL DECISION
CR MCLEOD, CR LANE OM2018/183
That the following be added as point 5 to the recommendation:
5. That consideration is given to splitting the incentive payment prize in next year’s budget to maximise the number of ratepayers eligible to enter the prize draw.

CARRIED 7/0

REASON
Cr McLeod spoke to the amendment noting the tremendous suite of early incentive payments, Cr McLeod stated it would be good to split and broaden out by creating a second round of prizes, thus increasing who can enter the prize pool.

This then became the primary motion.

PRIMARY MOTION / COUNCIL DECISION
CR EARL, CR SMART OM2018/184
That Council adopts:

1. Early Payment Incentives
The following early payment incentive prizes for 2018-19. All ratepayers who pay option 1 (in full) or the first instalment on option 2 (four instalments) by the due date will be entered into the prize draw.

The following prizes have been provided by or donated to the Shire:

- 1st: $1,000 payment towards annual rates.
- 2nd: 2 x 6month gold memberships to the Margaret River or Augusta Recreation Centres.
- 3rd: 2 night weekend stay for two including full buffet breakfast in a premium deluxe room at the Quality Hotel Ambassador.
- 4th: $500 payment towards annual rates.
- 5th: 5 nights off peak accommodation for a family of four at Turner or Flinders Bay Caravan Park.
- 6th: $250 payment towards annual rates.
- 7th: $250 payment towards annual rates.

2. Payment Options
The following payment options for the payment of rates, service and waste charges:

- Option 1
  Payment in full by 14 September 2018 (within 35 days of the issue date of the annual rates notice).

- Option 2
  Four instalments, with the first instalment to include 25% of the total current amount of rates, services and waste charges including instalment charges, plus the total outstanding amount of arrears.
  - First instalment payable by 14 September 2018 (within 35 days of the date of issue of the annual rate notice).

The second, third and fourth instalments each of 25% of the total current rates, service and waste charges including instalment charges payable as follows:
• Second instalment by 16 November 2018 (63 days after due date of the first instalment);
• Third instalment by 18 January 2019 (63 days after due date of second instalment);
• Fourth instalment by 22 March 2019 (63 days after due date of third instalment).

• Special Arrangement
Ratepayers can establish a weekly, fortnightly, monthly or other arrangements by special agreement to better suit a ratepayer’s financial situation. Ratepayers can establish a weekly, fortnightly or monthly BPAY payment arrangement to pay off rates in smaller amounts, more frequently by contacting the Shire’s revenue rates team. An administrative fee, at the time of assessment may be applied.

3. Penalty Interest
To calculate interest on all outstanding rates, service, waste, legal and sundry amounts that remain unpaid after 35 days from the date of issue of the original rate notice.

Interest will be applied at the maximum rate of 11% per annum Reg. 70 Local Government Financial Management Regulations 1996 (LGFMR), calculated on a daily basis and charged on the outstanding balance and calculated for the number of days overdue.

Excluded from penalty interest are registered property owners under the Rates and Charges Rebates and Deferment Act 1992 (RD Act) Pensioners and Seniors Rebate schemes.

4. Instalment Administration Fee and Interest Charge
Imposes the following instalment administration fees and interest charges:

• Administration Fee
  A fee of $8.00 on each of instalments two, three and four.

• Interest Charge
  The maximum rate of interest is 5.5% (Reg. 68 LGFMR) on instalment option 2.

  Interest will be applied, calculated on a simple interest basis by applying the rate of interest to the amount of each instalment for the period between the due date of the first instalment and the due date of each subsequent instalment.

Excluded from both the instalment administration fee and instalment interest charge are registered property owners under the RD Act.

5. That consideration is given to splitting the incentive payment prize in next year’s budget to maximise the number of ratepayers eligible to enter the prize draw.

CARRIED BY ABSOLUTE MAJORITY 7/0
11.4.6 ADOPTION OF 2018-19 ANNUAL BUDGET

IN BRIEF
- Each year prior to 31 August, Council must adopt an Annual Budget for the financial year.
- Council is requested to consider adoption by Absolute Majority of the Annual Budget for the 2018-19 financial year.
- Other items to be adopted include a material variance threshold for the year and the Schedule of Fees and Charges.

RECOMMENDATION
Part 1 – Budget for 2018-19
That Council, having considered the strategic direction of the Shire outlined in the Community Strategic Plan 2036, the Corporate Plan, the Long Term Financial Plan 2018-19 to 2027-28; and having considered proposed revenues, expenditures and budget efficiency measures for 2018-19; and in accordance with the provisions of section 6.2 of the Local Government Act 1995 and Part 3 of the Local Government (Financial Management) Regulations 1996, adopts the Annual Budget 2018-19 for the Shire of Augusta Margaret River which is included as Attachment 1 and includes the following:

- Statement of Comprehensive Income by Nature or Type showing a net result for 2018-19 of $4,915,587
- Statement of Comprehensive Income by Programme showing a net result for 2018-19 of $4,915,587
- Statement of Cash Flows
- Rate Setting Statement showing an amount required to be raised from rates of $21,400,660
- Notes to and Forming Part of the Budget
- Business Unit budget details
- Supplementary information including the Capital Works Programme, operating and capital grants, items carried forward from 2017-18 and details of reserve transfers.

Part 2 – Material Variance Reporting for 2018-19
That Council in accordance with regulation 34(5) of the Local Government (Financial Management) Regulations 1996 and AASB 1031 Materiality, adopts a level for reporting of material variances to be used in the monthly financial activity statement reports for 2018-19 of financial activity being greater than budget by 10% and $10,000.

Part 3 – Fees and Charges for 2018-19
That Council adopts the 2018-19 Schedule of Fees and Charges included in Attachment 2.
BACKGROUND
The *Local Government Act 1995* requires a local government to prepare and adopt an annual budget prior to 31 August in each year, or such extended time as the Minister allows.

The budget as shown in the Attachment is the result of input from each of the Shire’s business units and has considered the Shire’s Community Strategic Plan, Corporate Business Plan, Asset Management Plan, Workforce Plan and Long Term Financial Plan. The budget as presented is balanced and is similar to the draft provided to Council at workshops on 6 and 13 June 2018 and to the Council meeting on 27 June 2018.

The major components of the budget are:
- A capital works programme totalling $26.628 million;
- Operating expenditure of $36.083 million;
- Operating revenue of $12.080 million
- Rate revenue of $21.401 million;
- Grants for capital works of $7.465 million;
- Transfers to reserves of $3.045 million to primarily fund future capital works;
- Transfers from reserves of $9.245 million to primarily fund capital works during the year;
- New loan borrowings of $0.500 million; and
- A carry forward balance of $5.104 million from 2017-18.

CONSULTATION AND ADVICE

External Consultation
- Invitation to comment on the proposed Differential Rates was advertised on 30 May, 6 June and 13 June with a closing date for submissions of 21 June 2018. One submission was received relating to differential rates. This submission was considered by Council at the meeting on 27 June 2018.
- Fees and Charges for 2017-18 were approved on 23 May 2018 and advertised for over 14 days with no submissions received.

Internal Consultation
- Councillors have been involved through the budget process with a rating workshop, budget briefings for rates and employee costs, workshops for the draft budget, approving the 2018-19 to 2027-28 Long Term Financial Plan on 11 April 2018 and also approving fees and charges, rates and the draft budget.
- Management and staff were actively involved in the preparation and review of the operational and capital budgets. They were also involved in the setting of fees and charges in their areas of responsibility.

DISCUSSION / OFFICER COMMENTS
The 2018-19 Budget has been developed over a number of months with significant input from staff, management and Councillors. Negotiation has resulted in the reprioritisation and deferral of some projects and activities in order to ensure available funding sources resulted in a balanced budget.

A number of changes were required to be made to the draft budget document following the Council workshops on 6 and 13 June 2018 and Council’s approval of the draft Budget on 27 June 2018. These changes are detailed in the following table, with numbers in brackets representing a reduction in revenue or expenditure.

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Amount</th>
<th>Business Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Consultant to undertake CEO’s performance review</td>
<td>10,000</td>
<td>Council Members</td>
</tr>
<tr>
<td>2</td>
<td>Remove advance payment of FAGs &amp; include carryover</td>
<td>(694,516)</td>
<td>General Funding</td>
</tr>
<tr>
<td>3</td>
<td>Carryover playground equipment</td>
<td>115,000</td>
<td>Parks &amp; Gardens</td>
</tr>
<tr>
<td>4</td>
<td>Remove depot works</td>
<td>(10,000)</td>
<td>Construction</td>
</tr>
<tr>
<td>5</td>
<td>Carryover Turner Caravan Park Master Plan</td>
<td>22,000</td>
<td>Caravan Parks</td>
</tr>
<tr>
<td>6</td>
<td>Pavement testing of Bussell Hwy (main street)</td>
<td>15,000</td>
<td>Asset Services</td>
</tr>
<tr>
<td>7</td>
<td>Increase carryover of Cowaramup BFB station shed</td>
<td>20,000</td>
<td>Fire Prevention</td>
</tr>
<tr>
<td>8</td>
<td>Amend grants for SES &amp; BFB due to advance payment</td>
<td>(81,816)</td>
<td>Fire Prevention</td>
</tr>
<tr>
<td>9</td>
<td>Remove Haining vist</td>
<td>(10,000)</td>
<td>Council Members</td>
</tr>
</tbody>
</table>
The CEO’s Budget Overview and 2018-19 Budget Summary that are included in the final budget document are reproduced in this item for Councillor’s reference.

Start of extract from 2018-19 Budget document

CEO’s Budget Overview

The 2018-19 balanced budget includes two very exciting major projects that have been long anticipated by the community and which are now ready for implementation.

The redevelopment of the cultural centre building into the Margaret River HEART (Hub for Entertainment, Art, Recreation and Tourism) complex commenced in May 2018 and should be operational early in the 2019-20 financial year. Almost $8.5 million has been set aside in this year’s budget for the $9.46 million project with the majority of this expenditure funded from grants and developer contributions obtained from a number of external sources including Royalties for Regions ($3.05 million), Lotterywest ($1.4 million), the Federal Government’s National Stronger Regions Fund ($1.8 million), the Regional Venues Improvement Fund ($0.5 million) and a $1.1 million loan serviced from Developer Contributions. A “once in a lifetime” opportunity is being taken to increase the seating in the main theatre from 300 patrons to almost 450 and a variety of multi-purpose venues and activity spaces will be created. Over 3,000 square metres of cancer causing asbestos cement sheeting will be permanently removed, which along with the extensive asbestos removal from the Augusta Recreation Centre will result in only smaller community facilities in the Shire needing to be remediated.

Following the planned completion of the Perimeter Road in December 2018, civil works to upgrade the main street of Margaret River are planned to commence in February 2019 with works staged to minimise disruption to business owners, community and visitors. However, works are required to be done in the dryer months when tourism is at a high level so there will be disruption and members of our community can assist by using alternate access ways to main street businesses. Ongoing support of our business community is essential while works are progressing. At an estimated cost of over $7.5 million, with $5.5 million provided by Royalties for Regions, this project will transform our town centre. The Shire will contribute $2 million from land sales.
Of course there are many other services and projects included within the budget and with a total budgeted spend of over $60 million there should be something to benefit everyone. Support of our existing services and facilities including libraries, recreation and aquatic centres, community halls, outside school hours child care, emergency services, youth facilities, trails, paths, roads, parks and rubbish collection make up a large portion of the budget. Compliance services are also a major role of local government and our planning, health, building and ranger areas ensure we are able to live in a generally harmonious community.

The Community Strategic Plan 2036 states our mission is to protect the natural environment, strengthen our communities, foster local economic prosperity and responsibly manage the community’s infrastructure and assets. Our budget reflects this statement and has been strengthened in 2018-19 with increased emphasis upon environmental related works and planning, sustainable economic development and a continued focus on responsibly managing our community assets and providing for their maintenance and renewal. The overall economic impact of the Shire’s budget should not be underestimated as most expenditure is spent locally. Additionally, with over 200 employees, most of whom live locally, they and their families make a major contribution to our community and economy.

Continued responsible financial management is the key objective of the Shire’s long term financial planning, integrated corporate planning and annual budget in order to ensure the Shire’s ongoing financial sustainability. To be sustainable our Shire needs to take a long-term view by restraining future spending and maximising revenue sources to fund that spending. This will ensure we avoid spikes in annual rate increase percentages and disruptive cuts in service delivery.

Influenced by continuing soft economic conditions and mindful of the impact cost increases have upon the community, Council approved a rate yield increase of 3% for 2018-19. This increase equated with the forecast in the Long Term Financial Plan and the increase that has applied for the past two years.

The other factor impacting property rates are the independent property valuations provided by Landgate. This year all properties in the Shire were revalued. Average changes were not significant with rural or unimproved value (UV) properties increasing by 0.08% and town site or gross rental value (GRV) properties increasing by 0.93%. For each valuation category, the values for a large number of properties did not change. As these percentage increases are overall averages for the valuation category, changes for individual properties may be lower or higher and consequently rates for some property owners may vary by more or even less than the 3% intended by Council.

Unfortunately as State Government and other charges increase, the costs of providing services and facilities also increase and consequently increased property rates are unavoidable in order to achieve a balanced budget for our community. Operating and capital expenditure demands totalling $60 million are fully funded by rates, revenue, grants, reserves, loans and surplus budget funds from last year. This positive result is becoming increasingly difficult to achieve as obtaining funding for projects becomes more challenging.

As always the budget aims to deliver a balance of new and improved assets and a comprehensive range of important community services and facilities. Prudent use of our savings (reserves) and our borrowing capacity has allowed us to leverage ratepayer funds by obtaining grants funding 28% of our $26.6 million capital works program. Almost half of the program is to be spent on renewing the Shire’s asset base and as the budgeted amount exceeds the budgeted depreciation allocation, positively demonstrates a commitment to renewing our asset base.

With a forecast balance of over $22 million in cash backed reserves, we are also improving our ability to meet significant future challenges including the upgrade of the main street of Margaret River and the conversion of the Davis Road Waste Landfill site to a waste transfer station servicing a regional waste facility.

The Shire continues to record a net operating deficit and while this is not uncommon amongst regional local governments, due primarily to the annual allocation of depreciation charges, the Shire’s long-term financial objective is to generate sufficient operating revenue to at least meet operating expenditure needs. This would then allow increased funds to be allocated to renew and replace our significant
Employee costs are the Shire’s largest expenditure item and are constantly being scrutinised by Council, management and the community. The Shire’s enterprise agreement and Workforce Plan ensures workforce costs are restrained. On a budget to budget basis total operating employee costs (salaries, wages, superannuation, workers compensation, leave, uniforms, protective clothing, training and FBT) are expected to increase by 2.7%. An increase in the Shire’s labour force establishment has been necessary to address pressures on meeting statutory requirements and corporate due diligence, meeting increasing operational service demands and providing increased resourcing for areas such as waste and environmental management in accordance with community expectations. Overall, the Shire’s 2018-19 Budget will continue to provide a wide range of services and activities benefiting our community, including the following:

- Special Projects for the Landcare area total $0.439 million and include the continuation of the $0.2 million environmental management fund which provides financial support for on ground environmental projects and supports the Community Strategic Plan’s key result area of valuing, protecting and enhancing the natural environment.
- Contributions for events include $0.128 million for major events that increase visitor numbers and expenditure in the Shire and a further $0.073 million provided to local events such as Australia Day, Anzac Day, the Agricultural Show and the Augusta River Festival.
- Over $0.1 million has been allocated as donations, sponsorships and contributions to support local groups across the Shire.
- Our Community Planning and Development team have allocated $0.252 million to youth, community capacity building, community resilience, disability access and inclusion projects, and arts and culture projects.
- The Shire continues to commit extensive expenditure to a myriad of community and recreation services such as the libraries, aquatic centre, indoor recreation centres, parks and gardens, recreation ovals, skate parks, halls, cultural centre, after school and school holiday child care and public toilets.

Our business unit reporting shows Caravan Parks and Building Services provide a contribution to the financial operation of the Shire. Other business units such as Outside School Hours Care and the Fitness Centre strive to record a close to break-even position. The Waste Services area is self-sufficient as waste fees and charges and reserve transfers fully fund operating and capital expenditure needs. However, the majority of business units are service providers and raise limited revenue or are providing services for the benefit of the community and are subsidised by general revenue as they are considered an investment in protecting the environment, fostering economic activity, enhancing the community’s health, wellbeing and safety, and improving the quality of community life in the Shire.
2018-19 Budget Summary
A summary of the Annual Budget 2018-19 compared to the Forecast Actual result and Annual Budget for 2017-18 is provided below for reference purposes:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018-19 Budget $'000s</th>
<th>2017-18 Forecast $'000s</th>
<th>2017-18 Budget $'000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rates</td>
<td>21,401</td>
<td>20,525</td>
<td>20,299</td>
</tr>
<tr>
<td>Operating Revenue</td>
<td>12,080</td>
<td>13,280</td>
<td>11,747</td>
</tr>
<tr>
<td>Operating Expenditure</td>
<td>(36,083)</td>
<td>(33,943)</td>
<td>(34,771)</td>
</tr>
<tr>
<td>Net Operating Result</td>
<td>(2,602)</td>
<td>(138)</td>
<td>(2,725)</td>
</tr>
<tr>
<td>Capital Grants</td>
<td>7,665</td>
<td>8,375</td>
<td>9,646</td>
</tr>
<tr>
<td>Profit/(Loss) on Asset Disposals</td>
<td>(147)</td>
<td>16</td>
<td>(151)</td>
</tr>
<tr>
<td>Net Result</td>
<td>4,916</td>
<td>8,253</td>
<td>6,769</td>
</tr>
<tr>
<td>Asset Purchases</td>
<td>(26,628)</td>
<td>(15,731)</td>
<td>(25,480)</td>
</tr>
<tr>
<td>Asset Sale Proceeds</td>
<td>1,457</td>
<td>584</td>
<td>2,136</td>
</tr>
<tr>
<td>Borrowings Repaid</td>
<td>(854)</td>
<td>(578)</td>
<td>(708)</td>
</tr>
<tr>
<td>New Borrowings</td>
<td>500</td>
<td>2,450</td>
<td>2,450</td>
</tr>
<tr>
<td>Transfers To Reserve</td>
<td>(3,045)</td>
<td>(5,685)</td>
<td>(2,748)</td>
</tr>
<tr>
<td>Transfers From Reserve</td>
<td>9,245</td>
<td>2,388</td>
<td>4,333</td>
</tr>
<tr>
<td>Brought Forward Surplus</td>
<td>5,104</td>
<td>4,332</td>
<td>4,041</td>
</tr>
<tr>
<td>Closing Budget Position</td>
<td>0</td>
<td>5,104</td>
<td>0</td>
</tr>
</tbody>
</table>

It is expected the Shire will commence the budget year with a surplus of $5,103,678 from 2017-18. This is an improvement on the budgeted result expected for 2017-18 and is the result of a number of factors including:

- Carrying forward various operating expenditure projects totalling $576,486;
- Carrying forward various capital projects totalling $3,750,860 including $764,157 unspent loan for the Cultural Centre redevelopment project and $548,755 unspent loan for asbestos removal and reinstatement projects;
- Carrying forward the advance payment for 2018-19 of Financial Assistance Grants of $694,516 received in June 2018;
- Carrying forward the first quarter operating grants for bushfire brigades and the SES of $81,816 received from DFES; and
- Various under and over expenditures and revenues for the year.

Expectations are that 2018-19 will end up with a balanced result.

Rates
Updated property values for rating purposes were received from Landgate for all properties in the Shire and are effective from 1 July 2018. Rural or Unimproved Value (UV) properties are revalued on an annual cycle and town site or Gross Rental Value (GRV) properties are revalued on a 3 year cycle. Compared to the previous year’s valuations rural property values only increased by an average of 0.08%. The majority of properties did not record any change in their valuation and of those that did the majority recorded a change in valuation ranging from -5% to 5%. The following chart shows the average annual change in unimproved property valuations since 2006-07.
Compared to the previous valuation, properties rated on the basis of their GRV increased by an average of 0.93%. This rate of increase is lower than the last revaluation and indicates rental values of properties have remained steady over the past 3 years. Review of the valuation data showed for the majority of properties variances ranged from -5% to 5% and there are a significant number of properties that recorded no change in valuation. The historical average change in the 3 year revaluations for GV properties is shown in the following chart.

The change in property valuations is one of the variables considered when determining the rating approach for the budget year and overall it was concluded the impact of the change in valuations was on average of low significance and did not justify altering the proposed rates in the dollar and minimum payments.

Other considerations to determine the rate yield for the budget include:
- expenditure and revenue forecast in the Shire’s Long Term Financial Plan;
- the perceived affordability within the community of rate increases;
- proposed increases in State Government charges;
- the demand for services and whether the level of these services has changed;
• changes in the cost incurred by the Shire for expenditures including labour, materials, utilities, contractors and insurance;
• various indices and forecasts used to measure changes in costs;
• legislative compliance requirements; and
• the shortfall in funding required to ensure a budget deficit is not recorded.

Having considered these factors Council agreed to increase rates by 3% which was the same increase proposed in the Shire’s Long Term Financial Plan and the same increase that has been applied for the past two years. As a result of this decision all minimum payments and rates in the dollar were increased by 3%.

The following table compares the rates in the dollar and minimum payments for the current and previous financial years.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>10.4957</td>
<td>10.1900</td>
<td>$1,302</td>
<td>$1,264</td>
</tr>
<tr>
<td>Residential Vacant</td>
<td>20.1062</td>
<td>19.5206</td>
<td>$1,302</td>
<td>$1,264</td>
</tr>
<tr>
<td>Rural Residential</td>
<td>10.0541</td>
<td>9.7613</td>
<td>$1,585</td>
<td>$1,539</td>
</tr>
<tr>
<td>Rural Residential Vacant</td>
<td>19.5707</td>
<td>19.0007</td>
<td>$1,585</td>
<td>$1,539</td>
</tr>
<tr>
<td>Commercial, Industrial, Tourism</td>
<td>12.4319</td>
<td>12.0698</td>
<td>$1,399</td>
<td>$1,358</td>
</tr>
<tr>
<td>UV Rural</td>
<td>0.4590</td>
<td>0.4456</td>
<td>$1,461</td>
<td>$1,418</td>
</tr>
<tr>
<td>UV1 One non-rural use</td>
<td>0.5737</td>
<td>0.5570</td>
<td>$1,461</td>
<td>$1,418</td>
</tr>
<tr>
<td>UV2 Two non-rural uses</td>
<td>0.6885</td>
<td>0.6684</td>
<td>$1,461</td>
<td>$1,418</td>
</tr>
<tr>
<td>UV3 Over two non-rural uses</td>
<td>0.8032</td>
<td>0.7798</td>
<td>$1,461</td>
<td>$1,418</td>
</tr>
<tr>
<td>Strata titled vineyard</td>
<td>0.4590</td>
<td>0.4456</td>
<td>$1,461</td>
<td>$1,418</td>
</tr>
<tr>
<td>UV Conservation</td>
<td>0.4486</td>
<td>0.4355</td>
<td>$1,406</td>
<td>$1,365</td>
</tr>
</tbody>
</table>

The table shows the minimum payment has increased by $38 for residential property owners ($37 last year), $41 for commercial property owners ($40 last year) and $43 for rural property owners ($41 last year). This increase equates to about 80 cents per week and 17% of total ratepayers would receive an increase of this magnitude.

For ratepayers not charged the minimum payment, the change in rates payable compared to last year is difficult to determine as it depends on the change in the valuation of the property. In some cases property valuations may have decreased and will result in a lower rate charge than last year and for properties whose value did not change the rate increase will be 3%. Unfortunately, property owners whose property valuation did increase will receive a rate increase greater than 3%.

The following chart compares annual rate increases to the change in the Perth Consumer Price Index\(^1\) and shows the gap is clearly decreasing. Whilst this demonstrates rate increases are becoming more affordable compared to the past, the decline also means that it is becoming increasingly difficult to fund expenditure demands that often increase by greater than CPI.

---

\(^1\) Source of Perth CPI is the Australian Bureau of Statistics up to 2016-17 and WA Treasury forecasts for 2017-18 and 2018-19.
The overall objective for rating is to achieve equity and consistency between rate categories for similar land uses. This rate burden is represented in the following chart and shows that when rates levied are compared with the number of rateable assessments, residential ratepayers are subsidised by rural and commercial ratepayers. In total 87% of rateable assessments are rated on the basis of their GRV and contribute 83% of total rate income and 13% of properties are rated as UV and contribute 17% of total rate income.

For 2018-19 a total of $21,400,660 is budgeted to be obtained from property rates (including interim and back rates of $170,000) and represents an increase of 4.27% on total rate revenue for 2017-18. The year on year increase in rate revenue for 2017-18 was 4.81%, 2016-17 was 4.90%, 2015-16 was 6.76% and 2014-15 was 5.50%. Interim rates raised after residential and commercial properties are developed contributed to the higher annual percentage increases for previous years.

Growth in the number of properties for 2017-18 was similar to the previous year with the property database used to calculate rates for the budget having a total of 9,683 properties compared to 9,512 properties included in the 2017-18 budget. The increase of 171 properties for 2017-18 represents a
growth rate of 1.8%. Should the number of properties increase by 200 in 2018-19 the growth rate would be 2.1%.

Fees and Charges
Fees and charges were reviewed to ensure improved cost recovery and in many cases have been increased by up to 3%. Although the growth in the Perth CPI for the period March 2017 to March 2018 was only 0.9% a greater escalation rate was used to be consistent with the increase applied for 2017-18, the assumptions of the Long Term Financial Plan and WA Treasury’s forecast of a 1.5% increase in the Perth CPI for 2018-19. Statutory changes to fees and charges for items such as planning fees have also been included.

Council approved the fees and charges for advertising at their meeting on 23 May 2018 and following the statutory public notice period the new fees and charges were implemented on 1 July 2018.

Total fees and charges are budgeted to be $9.823 million compared to the 2017-18 budget of $9.383 million and forecast actual for 2017-18 of $9.679 million. The major contributors to fees and charges are waste collection and disposal charges and caravan park fees. Growth in the number of and demand for services in these areas has contributed to fees and charges increasing by 1.5% on a budget to actual basis. Forecast actual fees and charges for 2017-18 exceeded budget predictions due primarily to the growth in these services.

Fees and charges constitute 24% of total budgeted revenue and income from property rates constitutes 52%. As these are the Shire’s main sources of revenue it is important to ensure the proportion raised does not decrease in order to ensure the Shire is controlling its own sources of revenue. The following chart shows the proportion of revenue for all sources of revenue and clearly shows how important fees and charges and property rates are to the Shire’s financial position and ongoing financial sustainability.
The own source revenue coverage ratio compares own source operating revenue to operating expenses and measures the ability to cover operating expenses from own source revenue. Historically the ratio result has been in the range of 89% to 91% and is very close to the advanced standard benchmark set by the Department of Local Government, Sport and Cultural Industries of 90%. For the 2018-19 Budget the ratio is calculated to be 89%.

Grants

A total of $8.947 million of operating and capital grants and contributions are included in the budget. This amount is lower than originally anticipated as the Federal Government provided an advance payment of 50% of the 2018-19 allocation of the Financial Assistance Grants (FAGs) distributed by the WA Local Government Grants Commission. This advance payment of $0.695 million was received in late June 2018 and is included in the brought forward amount for the 2018-19 Budget. The advance payment distorts comparison of financial results and ratios between years as it inflates operating grants for 2017-18 and understates operating grants for 2018-19.

Operating grants of $1.282 million include the Emergency Services Levy (ESL) grants of $0.245 million for the voluntary SES and Bushfire Brigade services and contributions of $0.060 million for the Community Emergency Services Manager, grants for the operation of the Outside School Hours Care service, Community Planning and Development grants of $0.028 million, Kids Sport grants of $0.023 million and various other grants and contributions for specific projects and activities for business units.

$7.665 million of capital grants and contributions are provided for specific purposes and include:
- $3.750 million for the Cultural Centre redevelopment project including $1.800 million from the National Stronger Regions Fund, $1.400 million from Lotterywest and the second instalment from royalties for Regions of $0.550 million.
- $0.818 million for replacement of bushfire brigade vehicles including appliances for the Rosa Brook and Wallcliffe brigades, as well as grants and contributions for building works for the Cowaramup and Wallcliffe brigades;
- $1.626 million from Main Roads WA through the Regional Roads Group for road works primarily on Warner Glen Road, Wallcliffe Road, Boodjidup Road and Surfers Point Road;
- $0.050 million from Lotterywest for the extension of the Wadandi track;
- $0.116 million from the South West Development Commission for the Cape to Cape winter diversion trail;
- $0.181 million in two grants from the Recreational Boating and Facilities Scheme for the Ellis Street boat ramp, finger jetty and boat trailer parking project;
- $0.332 million from the Department of Sport and Recreation’s Community Sport and Recreation Facilities Fund grant for the development of the Lower Western Oval;
- $0.405 million from Lotterywest for Cowaramup Hall building works;
- $0.045 million WA Bicycle Network grant to extend the path to the Margaret River Education Campus; and
- $0.200 million in developer contributions are to be transferred to Developer Contributions reserve to fund future works.

Operating Expenditure
Total operating expenditure of $36.232 million is budgeted for 2018-19 and compares to the budget and forecast actual for 2017-18 of $34.936 million and $33.975 million respectively with the increases being 3.7% and 6.7% year on year. The carryover of operating expenditure from 2017-18 contributes to the larger percentage change being recorded when the budget to forecast actual are compared.

The previous chart provides a breakdown of operating expenditure and shows that employee costs continue to be the Shire’s largest expenditure item with materials and contracts and depreciation being the next largest. Compared to the 2017-18 budget, depreciation as a proportion of expenditure has decreased to 25% from 26%, employee costs have remained steady at 41% and materials and contracts has increased from 25% to 26%.

The fair value revaluation of the Shire’s infrastructure assets at 30 June 2018 is likely to result in asset values increasing and the impact upon depreciation has not been taken into consideration in this budget as the calculations have not been completed.

Prior to the mandatory revaluation of fixed assets coming into effect from 1 July 2012 the written down value of the Shire’s fixed assets was $189.754 million. At 30 June 2017 their value had increased to $384.174 million or an increase of 102%. With the addition of capital expenditure for 2017-18 and the infrastructure revaluation for the year this balance is expected to increase. Over the same timeframe depreciation has increased from $5.587 million or 20% of operating expenditure in 2011-12 to the proposed $9.147 million or 25% of operating expenditure in 2018-19.

The accuracy of the calculation and allocation of depreciation should improve as knowledge of the Shire’s asset base through condition reports, useful life assessments, asset componentisation and determination of non-depreciable amounts improves.

Employee Costs
The Shire has budgeted for a workforce of 170.9 full time equivalent (FTE) staff in 2018-19 compared to 168.2 FTE budgeted last year. The increase of 2.7 FTEs is due to a number of new positions required
to respond to community requests for increased service levels for areas such as libraries and online communications, address pressures on meeting statutory compliance requirements and provide for increased resourcing for waste, environmental management and other areas in accordance with community expectations. The new positions have been offset by the removal of long-term vacancies and other changes to labour force establishments within business units.

The main changes include:

- Addition of a part time (0.4 FTE) Digital Officer;
- Increase the Governance Officer by 0.2 FTE to deal with risk management;
- Procurement Officer increased to full time (0.1 FTE);
- Library Assistant (0.5 FTE) added;
- Caravan Park Chalet Cleaner (0.3 FTE) added;
- Aquatic Services Officer (1 FTE) removed and reallocated;
- Project Planning Officer (0.5 FTE) added;
- Engineering Technical Officer (0.5 FTE) added;
- Project Manager role increased by 0.5 FTE;
- Administration Officer for Community buildings (1 FTE) added;
- Trainee gardener position (1 FTE) added;
- General hand position (1 FTE) removed;
- Waste Education and Projects Officer increased by 0.3 FTE;
- Strategic Planning Officer (0.5 FTE) added;
- Seasonal Ranger removed (0.5 FTE); and
- Bushfire Risk Planning Coordinator removed (1 FTE).

Labour cost increases have been restricted to the across the board wage increase of 2.5% contained in the Shire’s 2016 Enterprise Agreement and performance based increases of 2% for eligible employees. The Shire has also budgeted for a full workforce complement and has not included a vacancy rate as it is not possible to forecast expected vacancies and their duration. Furthermore, to minimise the financial impact of the new positions the budget has assumed only half of their labour cost for the year on the basis that recruitment is required.

On a budget to budget basis total employee costs included in operating expenditure are expected to increase from $14.295 million to $14.686 million or by 2.7%. This percentage increase confirms that growth in employee costs is being restrained.

Total employee expenses for 2017-18 are expected to be under budget by only 0.3%. Staff vacancies, including a number of positions taking longer to fill than expected, extended leave, under budget training, workers compensation and Fringe Benefits Tax all contributed to under budget employee expenses but were offset by the calculation of accrued leave provisions being higher than expected as well as higher than budget uniforms, protective clothing and recruitment expenses.

The following chart compares operating employee costs and rates and shows that for 2018-19 budgeted operating employee costs constitute approximately 69% of budgeted rates and is the same ratio as 2017-18.
**Capital Works Programme**

$26.628 million has been allocated towards capital works and the following table provides a breakdown of the type of expenditure and the source of funding.

<table>
<thead>
<tr>
<th>Capital Expenditure and Funding Source</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Renewal Expenditure</td>
<td>12,947,520</td>
<td>48.6%</td>
</tr>
<tr>
<td>New Assets</td>
<td>3,384,310</td>
<td>12.7%</td>
</tr>
<tr>
<td>Asset Upgrades</td>
<td>10,296,168</td>
<td>38.7%</td>
</tr>
<tr>
<td>Total Capital Expenditure</td>
<td>26,627,998</td>
<td></td>
</tr>
<tr>
<td>Funded by:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Revenue</td>
<td>5,498,770</td>
<td>20.7%</td>
</tr>
<tr>
<td>Reserves</td>
<td>9,060,072</td>
<td>34.0%</td>
</tr>
<tr>
<td>Grants and Contributions</td>
<td>7,381,114</td>
<td>27.7%</td>
</tr>
<tr>
<td>Loans</td>
<td>500,000</td>
<td>1.9%</td>
</tr>
<tr>
<td>Asset Sale Proceeds</td>
<td>437,182</td>
<td>1.6%</td>
</tr>
<tr>
<td>Previous Period Funding (carry overs)</td>
<td>3,750,860</td>
<td>14.1%</td>
</tr>
</tbody>
</table>

The table shows the majority of expenditure is used to renew capital assets as opposed to upgrading assets or acquiring new assets. This is a positive situation and the proposed asset renewal expenditure exceeds the 100% target for the Asset Sustainability Ratio which compares asset renewal expenditure against depreciation. This result is influenced by how proposed capital expenditure is categorised and is a developing asset management process.

New asset expenditure proposed for the year includes:

- the development of the public open space adjacent to the Rapids Landing School Oval ($426,150) will be funded from reserves and a carryover;
- landscaping of John Archibald Drive of $250,000 will be funded from reserves and general revenue;
- the second instalment payable to the Department of Education for the Rapids Landing School Oval of $320,000 is funded from land asset sales and reserves;
- purchase of land for the Cape to Cape winter diversion trail along the Margaret River of $170,000 is funded from general revenue;
- extension of Heppingstone View to Allnutt Terrace cost of $180,000 is to be funded from reserves;
- construction of chalets at Turner Caravan Park ($500,000) is funded from reserves;
• continuation of the Flinders Bay to Cape Leeuwin Lighthouse Trail ($450,000) is funded by carryover funds and reserves; and
• extension of the Wadandi track ($100,000) is expected to be partly funded by a Lotterywest grant.

A major asset upgrade project which also includes an asset renewal component is the Cultural Centre redevelopment ($8.463 million). This project is funded by a combination of grants, reserves, loans and general revenue. The Cowaramup Hall project also involves renewal and upgrade works.

Other asset upgrade projects include works to the Cowaramup Bushfire Brigade shed, landfill site fencing, leachate pond upgrade and construction of a waste cell at the Davis Road landfill site, the Gloucester Park lower western oval development ($1.169 million), path expansion, the Ellis Street boatramp finger jetty and various upgrades to caravan park infrastructure. The redevelopment of the Margaret River main street is a major asset upgrade project and $2.550 million allocated in the budget is funded from reserves with civil works expected to commence in February 2019.

The majority of road and related infrastructure projects have been categorised as asset renewal expenditure as the scheduled works have the objective of restoring service levels. $4.075 million is allocated to road and infrastructure preservation works with the majority of road works funded by the State Government’s Regional Road Group grants administered through Main Roads WA. 2018-19 is the final year of the current five year Roads to Recovery grant allocation from the Federal Government. However, as the Shire chose to obtain its 2018-19 allocation earlier in this program no grant will be received this year.

Details of each capital project and their proposed funding source are included in the Capital Works Expenditure and Funding Schedule included within the supplementary information to the budget.

Loan Borrowings
The following chart compares loan principal outstanding, principal and interest repayments, and reserve balances since 2014-15. Whilst principal and interest repayments have remained generally stable over the past 5 years an increase is expected in 2018-19 as a result of the recent new borrowings. Principal outstanding has also been declining until the borrowing of three loans in 2017-18. Loan principal outstanding is expected to decrease to $9.397 million from the peak of $9.751 million at 30 June 2018. A loan of $0.500 million for the Cultural Centre project is to be drawn down during the year at a budgeted fixed interest rate of 3.58% for 15 years.
Reserves
The forecast balance of reserves at 30 June 2018 of $28.274 million exceeded budget expectations due to a number of factors including unspent funds for waste management being transferred to reserves and the first instalment of $2.500 million for the Royalties for Regions grant for the Cultural Centre redevelopment being received and transferred to the Community Facilities reserve.

For 2018-19 transfers from reserves of $9.245 million are expected for various projects including:
- the Lower Western Oval ($0.625 million);
- Turner Caravan Park chalets and power upgrade ($0.647 million);
- replacement of mobile plant and equipment ($0.720 million);
- Cultural Centre redevelopment ($3.448 million);
- Rapids Landing Primary School Oval and Public Open Space ($0.460 million);
- Margaret River main street upgrade ($2.550 million); and
- the Flinders Bay to Cape Leeuwin Path ($0.120 million).

Additionally funds are transferred from the Developer Contributions reserve for principal and interest repayments for loans totalling $1.450 million drawn down for the Cultural Centre and Margaret River Youth Precinct projects.

Transfers to reserves are expected to total $3.045 million of which $0.450 million is interest earned, $0.200 million are expected developer contributions to be received, $1.090 million are expected property sale proceeds, $0.200 million is to be transferred to the Plant Replacement reserve, $0.850 million is to be transferred to the Waste Management reserve and $0.200 million to the Caravan Park Upgrade reserve.

As transfers from reserves exceed transfers to reserves the forecast balance of reserves is expected to reduce to $22.074 million. Should all budgeted reserve transfers occur the Shire’s most significant reserves would be:
- Waste Management reserve with $10.279 million;
- Margaret River CBD Redevelopment reserve with $5.131 million;
- Infrastructure Contributions reserve with $1.290 million;
- Plant Replacement reserve with $0.915 million;
- Developer Contributions reserve with $0.983 million; and
- Community Facility reserve with $0.546 million.

End of extract from 2018-19 Budget document
Material Variances
Section 34 (5) of the Local Government (Financial Management) Regulations 1996, require local governments to adopt a percentage or value for the reporting of material variances in the monthly statement of Financial Activity.

The Australian Accounting Standards Board 1031 July 2004 (AASB) define the term “Material Variance” as “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.”

To ensure compliance with Local Government (Financial Management) Regulations 1996 Regulation 34 (5) & AASB 1031, officers recommend a monthly variance for reporting of material variances, where financial activity is greater than 10% and $10,000. These parameters have been used for variance reporting in the monthly financial report for a number of years and are considered to have successfully captured material variances for revenue and expenditure items.

Fees and Charges
At the Ordinary Meeting on 23 May 2018 Council adopted the 2018-19 Schedule of Fees and Charges to be imposed from 1 July 2018 (minute reference OM2018/122). To ensure full compliance with Section 6.16 ((3) of the Local Government Act 1995 which states that fees and charges are to be imposed when adopting the annual budget, Council is requested to approve the attached Schedule of Fees and Charges for 2018-19.

Council are also advised the following changes have been made to the Schedule of Fees and Charges:

- Lane hire fee at the Aquatic Centre has been reduced to $3.00 per lane, from the proposed $5.00, for junior clubs including lifesaving, underwater hockey and squad swim club.

Reserves
No additions and changes to Reserve accounts are proposed in accordance with Section 6.11 of the Local Government Act 1995.

Summary
As discussed within this report, key stakeholders have had input into the development of the Annual Budget for 2018-19. This budget has been developed on sound financial management principles and has considered the Shire’s Community Strategic Plan 2036, Corporate Plan and updated Long Term Financial Plan 2018-19 to 2027-28. It is therefore recommended that the Council adopts the Annual Budget 2018-19.

STATUTORY ENVIRONMENT / LEGAL IMPLICATIONS
The Annual Budget 2018-19 has been prepared in accordance with the Local Government Act 1995 and associated Local Government (Financial Management) Regulations 1996, together with the Australian Accounting Standards.

Section 6.2 of the Local Government Act and, Part 3 of the Local Government (Financial Management) Regulations 1996 detail the form and manner in which an annual budget is to be presented to the Council for adoption.

In accordance with Section 6.36 of the Local Government Act 1995 the Shire has given the appropriate notice of its intention to impose differential general rates and specified minimum rates in respect of each differential rate category.

STRATEGIC PLAN / POLICY IMPLICATIONS
Community Strategic Plan 2036 (CSP)
Corporate Business Plan 2017-2021
Key Result Area 5: Effective leadership and governance
Community Outcome 2: Effective and integrated strategy, planning, financial and asset management
Strategic Response: Ensure the Shire’s financial performance is well managed and leads to a strong financial position.
PLANNING FRAMEWORK
Nil

FINANCIAL IMPLICATIONS
The adoption of the 2018-19 Annual Budget determines the financial operations of the Shire for the 2018-19 financial year.

SUSTAINABILITY IMPLICATIONS
Environmental
The 2018-19 Annual Budget includes activities and programs that take into consideration the Shire’s key result area of valuing, protecting and enhancing the natural environment.

Social
The 2018-19 Annual Budget includes activities and programs that take into consideration the Shire’s key result areas of welcoming, inclusive and healthy communities and ensuring sustainable development.

Economic
The 2018-19 Annual Budget includes activities and programs that take into consideration the Shire’s key result areas of a vibrant and diverse economy and effective leadership and governance.

VOTING REQUIREMENTS
Absolute Majority

RECOMMENDATION
Part 1 – Budget for 2018-19
That Council, having considered the strategic direction of the Shire outlined in the Community Strategic Plan 2036, the Corporate Plan, the Long Term Financial Plan 2018-19 to 2027-28; and having considered proposed revenues, expenditures and budget efficiency measures for 2018-19; and in accordance with the provisions of section 6.2 of the Local Government Act 1995 and Part 3 of the Local Government (Financial Management) Regulations 1996, adopts the Annual Budget 2018-19 for the Shire of Augusta Margaret River which is included as Attachment 1 and includes the following:

- Statement of Comprehensive Income by Nature or Type showing a net result for 2018-19 of $4,915,587
- Statement of Comprehensive Income by Programme showing a net result for 2018-19 of $4,915,587
- Statement of Cash Flows
- Rate Setting Statement showing an amount required to be raised from rates of $21,400,660
- Notes to and Forming Part of the Budget
- Business Unit budget details
- Supplementary information including the Capital Works Programme, operating and capital grants, items carried forward from 2017-18 and details of reserve transfers.

Part 2 – Material Variance Reporting for 2018-19
That Council in accordance with regulation 34(5) of the Local Government (Financial Management) Regulations 1996 and AASB 1031 Materiality, adopts a level for reporting of material variances to be used in the monthly financial activity statement reports for 2018-19 of financial activity being greater than budget by 10% and $10,000.

Part 3 – Fees and Charges for 2018-19
That Council adopts the 2018-19 Schedule of Fees and Charges included in Attachment 2.

ADVICE TO APPLICANT / PROPOSENT
Nil

ATTACHMENTS
1. 2018-19 Annual Budget
2. Schedule of Fees and Charges 2018-19
RECOMMENDATION
CR EARL, CR LANE
Part 1 – Budget for 2018-19
That Council, having considered the strategic direction of the Shire outlined in the Community Strategic Plan 2036, the Corporate Plan, the Long Term Financial Plan 2018-19 to 2027-28; and having considered proposed revenues, expenditures and budget efficiency measures for 2018-19; and in accordance with the provisions of section 6.2 of the Local Government Act 1995 and Part 3 of the Local Government (Financial Management) Regulations 1996, adopts the Annual Budget 2018-19 for the Shire of Augusta Margaret River which is included as Attachment 1 and includes the following:

- Statement of Comprehensive Income by Nature or Type showing a net result for 2018-19 of $4,915,587
- Statement of Comprehensive Income by Programme showing a net result for 2018-19 of $4,915,587
- Statement of Cash Flows
- Rate Setting Statement showing an amount required to be raised from rates of $21,400,660
- Notes to and Forming Part of the Budget
- Business Unit budget details
- Supplementary information including the Capital Works Programme, operating and capital grants, items carried forward from 2017-18 and details of reserve transfers.

Part 2 – Material Variance Reporting for 2018-19
That Council in accordance with regulation 34(5) of the Local Government (Financial Management) Regulations 1996 and AASB 1031 Materiality, adopts a level for reporting of material variances to be used in the monthly financial activity statement reports for 2018-19 of financial activity being greater than budget by 10% and $10,000.

Part 3 – Fees and Charges for 2018-19
That Council adopts the 2018-19 Schedule of Fees and Charges included in Attachment 2.

Cr Meldrum moved the following amendment:

AMENDMENT / COUNCIL DECISION
CR MELDRUM, CR GODDEN OM2018/185
That Part 1 of the recommendation be amended to include the following:

On page iv of Attachment 1 under the 18/19 budget summary the word ‘improvement’ be replaced with the word ‘increase’ to read as follows:

*This is an increase on the budgeted result expected for 2017-18 and is the result of a number of factors including:*

CARRIED 4/3
CRS EARL, MCLEOD, LANE VOTED AGAINST

REASON
Cr Meldrum provided the following reason:

'Local Government Council budgets must be considerate of the communities input (by way of rates, fees and charges) and this text refers to the budget surplus in a corporate way and implies a positive reference to a budget surplus. This is not the message we should be giving to our community. At a time when rates are increasing by 3% and shire staff will receive a 2.5% pay rise, there are many residents and families (including small business owners) that are struggling in the current state of the economy. I do not believe we should be referring to a budget surplus in a positive manner in a local government budget.'

This then became the primary motion:
PRIMARY MOTION / COUNCIL DECISION
CR EARL, CR LANE OM2018/186

Part 1 – Budget for 2018-19
That Council, having considered the strategic direction of the Shire outlined in the Community Strategic Plan 2036, the Corporate Plan, the Long Term Financial Plan 2018-19 to 2027-28; and having considered proposed revenues, expenditures and budget efficiency measures for 2018-19; and in accordance with the provisions of section 6.2 of the Local Government Act 1995 and Part 3 of the Local Government (Financial Management) Regulations 1996, adopts the Annual Budget 2018-19 for the Shire of Augusta Margaret River which is included as Attachment 1 with the following amendment:

- On page iv of the budget document under the 2018-19 budget summary the work ‘improvement’ be replaced with the word ‘increase’.

and includes the following:

- Statement of Comprehensive Income by Nature or Type showing a net result for 2018-19 of $4,915,587
- Statement of Comprehensive Income by Programme showing a net result for 2018-19 of $4,915,587
- Statement of Cash Flows
- Rate Setting Statement showing an amount required to be raised from rates of $21,400,660
- Notes to and Forming Part of the Budget
- Business Unit budget details
- Supplementary information including the Capital Works Programme, operating and capital grants, items carried forward from 2017-18 and details of reserve transfers.

Part 2 – Material Variance Reporting for 2018-19
That Council in accordance with regulation 34(5) of the Local Government (Financial Management) Regulations 1996 and AASB 1031 Materiality, adopts a level for reporting of material variances to be used in the monthly financial activity statement reports for 2018-19 of financial activity being greater than budget by 10% and $10,000.

Part 3 – Fees and Charges for 2018-19
That Council adopts the 2018-19 Schedule of Fees and Charges included in Attachment 2.

CARRIED BY ABSOLUTE MAJORITY 7/0

Cr Townshend then moved the following supplementary motion:

SUPPLEMENTARY MOTION
CR TOWNSHEND, CR GODDEN
That the following be added as supplementary motions to Part 1 of the recommendation:

Requests that:
1. The CEO organises a workshop for Council to develop criteria for environmental special projects in the Environmental Sustainability Fund (which requires expenditure of 3% of Rates revenue) within the next three months), and
2. At the mid-year Budget Review for 2018/19 that if there are sufficient savings in other budget areas, additional funds will be allocated to the Environmental Sustainability Fund if necessary to meet the 3% allocation from Rates revenue.

0/0

REASON
Cr Townshend spoke to the motion stating there was a ‘softness’ about what was included in the Environmental Sustainability Fund and in the interest of good governance it is necesscary to work with staff to determine what comes out of the fund.

Cr Godden, with the consent of the mover, amended the motion to include a workshop with the Sustainability Advisory Committee:
SUPPLEMENTARY MOTION / COUNCIL DECISION
CR TOWNSHEND, CR GODDEN OM2018/186
That the following be added as supplementary motions to Part 1 of the recommendation:
Requests that:
1. The CEO organises a workshop for Council followed by a workshop with the Sustainability Advisory Committee, to develop criteria for environmental special projects in the Environmental Sustainability Fund (which requires expenditure of 3% of Rates revenue) within the next three months), and
2. At the mid-year Budget Review for 2018/19 that if there are sufficient savings in other budget areas, additional funds will be allocated to the Environmental Sustainability Fund if necessary to meet the 3% allocation from Rates revenue.
CARRIED BY ABSOLUTE MAJORITY 7/0

Councillors unanimously thanked and acknowledged the Manager Corporate Services, Mr Andrew Ross, on his work on the 2018-19 Annual Budget.

Council’s decision is then as follows:

COUNCIL DECISION
Part 1 – Budget for 2018-19
1. That Council, having considered the strategic direction of the Shire outlined in the Community Strategic Plan 2036, the Corporate Plan, the Long Term Financial Plan 2018-19 to 2027-28; and having considered proposed revenues, expenditures and budget efficiency measures for 2018-19; and in accordance with the provisions of section 6.2 of the Local Government Act 1995 and Part 3 of the Local Government (Financial Management) Regulations 1996, adopts the Annual Budget 2018-19 for the Shire of Augusta Margaret River which is included as Attachment 1 with the following amendment:

   • On page iv of the budget document under the 2018-19 budget summary the work ‘improvement’ be replaced with the word ‘increase’.

   and includes the following:

   • Statement of Comprehensive Income by Nature or Type showing a net result for 2018-19 of $4,915,587
   • Statement of Comprehensive Income by Programme showing a net result for 2018-19 of $4,915,587
   • Statement of Cash Flows
   • Rate Setting Statement showing an amount required to be raised from rates of $21,400,660
   • Notes to and Forming Part of the Budget
   • Business Unit budget details
   • Supplementary information including the Capital Works Programme, operating and capital grants, items carried forward from 2017-18 and details of reserve transfers.

Requests that:
2. The CEO organises a workshop for Council followed by a workshop with the Sustainability Advisory Committee, to develop criteria for environmental special projects in the Environmental Sustainability Fund (which requires expenditure of 3% of Rates revenue) within the next three months), and
3. At the mid-year Budget Review for 2018/19 that if there are sufficient savings in other budget areas, additional funds will be allocated to the Environmental Sustainability Fund if necessary to meet the 3% allocation from Rates revenue.

Part 2 – Material Variance Reporting for 2018-19
That Council in accordance with regulation 34(5) of the Local Government (Financial Management) Regulations 1996 and AASB 1031 Materiality, adopts a level for reporting of material variances to be used in the monthly financial activity statement reports for 2018-19 of financial activity being greater than budget by 10% and $10,000.
Part 3 – Fees and Charges for 2018-19
That Council adopts the 2018-19 Schedule of Fees and Charges included in Attachment 2.

12. MOTIONS FROM MEMBERS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

12.1 Policy on Advertising Requirements for Various Land Uses – Cr Meldrum

Cr Meldrum gave notice of the following motion at the 27 June 2018 Ordinary Council Meeting:

MOTION
Requests that the CEO prepare a report on options for a policy which describes the advertising requirements for various land uses including non rural uses in rural zones. The policy should have a focus on allowing greater community participation and input into the decision making process.

MOTION / COUNCIL DECISION
CR MELDRUM, CR GODDEN OM2018/187
Requests that the CEO prepare a report on options for a policy which describes the advertising requirements for various land uses including non rural uses in rural zones. The policy should have a focus on allowing greater community participation and input into the decision making process.

CARRIED 7/0

13. MOTIONS FOR CONSIDERATION AT NEXT MEETING

Nil

14. NEW BUSINESS OF AN URGENT NATURE

14.1. Members

Nil

14.2. CEO

Nil

15. CONFIDENTIAL BUSINESS

Nil

16. CLOSURE OF MEETING

The Shire President thanked all in attendance and declared the meeting closed at 7.29pm