

Shire of Exmouth

ORDINARY COUNCIL MEETING

MINUTES



23 July 2020

CONFIRMATION OF MINUTES

I hereby certify that the Minutes and Attachments of the Ordinary Council Meeting held on the 23 July 2020 are a true and accurate record of the proceedings contained therein.

Ben Dixon

.....
Ben Dixon
Deputy Shire President

27-8-2020

.....
Dated

INDEX OF MINUTES

1.	DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS	3
2.	RECORD OF ATTENDANCE, APOLOGIES AND APPROVED LEAVE OF ABSENCE	3
3.	RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE	4
4.	PUBLIC QUESTIONS TIME.....	4
5.	DECLARATIONS OF INTEREST	4
6.	APPLICATIONS FOR LEAVE OF ABSENCE	4
7.	CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS.....	4
8.	ANNOUNCEMENTS/REPORTS OF ELECTED MEMBERS.....	5
9.	ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION	5
10.	PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS.....	5
11.	MATTERS ARISING FROM COMMITTEES OF COUNCIL.....	6
11.1	CHIEF EXECUTIVE OFFICER ANNUAL PERFORMANCE REVIEW	6
12.	REPORTS OF OFFICERS.....	9
12.4.2	FINANCIAL STATEMENTS FOR PERIOD ENDING 30 JUNE 2020	9
12.4.3	LIST OF ACCOUNTS FOR PERIOD ENDING 30 JUNE 2020.....	11
12.5.1	ITEMS FOR INFORMATION ONLY	13
12.4.1	ADOPTION OF THE 2020/21 ANNUAL BUDGET	15
13.	ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN.....	25
14.	NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING.....	25
15.	MATTERS TO BE CONSIDERED BEHIND CLOSED DOORS.....	26
15.1	RATES WRITE OFF	26
16.	CLOSURE OF MEETING.....	28

MINUTES

Our Vision To be a prosperous and sustainable community living in harmony with our natural environment.

Our Purpose To responsibly provide governance for the whole community in the best interest of current and future generations.

Our Strategic Objectives

- Diversify and grow our economy in a manner that provides year round employment opportunities
- To protect and value our unique natural and built environment as we grow our economy.
- To be a vibrant, passionate and safe community valuing our natural environment and unique heritage
- To provide open transparent, accountable leadership working in collaboration with our community.

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Shire President declared the meeting open at 4.06pm.

The Shire President acknowledged the aboriginal people both past and present, as the traditional custodians of the land on which we meet.

The Shire President advised the gallery in adhering to both the *Local Government Act 1995*, and the Shire of Exmouth Meeting Procedures Local Law 2015, it is an offense to record the proceedings of this meeting and asked the gallery to switch off any recording devices, including phones.

He advised the gallery the meeting will be recorded by the Executive Secretary for the purpose of compiling an accurate record of the minutes only; and the recording will be erased once they are confirmed.

2. RECORD OF ATTENDANCE, APOLOGIES AND APPROVED LEAVE OF ABSENCE

Councillor M (Matthew) Niikkula	Shire President
Councillor B (Ben) Dixon	Deputy Shire President
Councillor G (Gary) Mounsey	
Councillor H (Heather) Lake	
Councillor A (Anne) McCarrol	
Mr C Woods	Chief Executive Officer
Mr M Richardson	Executive Manager Development Services
Mr M Bird	Executive Manager Commercial and Community
Mr G Coetzee	Executive Manager Corporate Services
Ms M Head	Minute Clerk

GALLERY	1
APOLOGIES	Councillor M (Mark) Lucas
LEAVE OF ABSENCE	0

3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

4. PUBLIC QUESTIONS TIME

Nil

5. DECLARATIONS OF INTEREST

Nil

6. APPLICATIONS FOR LEAVE OF ABSENCE

Shire President Niikkula requested leave of absence for the month of August 2020.

COUNCIL RESOLUTION

ITEM 6

Res No: 01-0720

MOVED: Cr Niikkula
SECONDED: Cr Mounsey

Shire President Niikkula requested leave of absence for the month of August 2020.

CARRIED 5/0

7. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

That the Minutes and associated attachments of the Ordinary Meeting of the Shire of Exmouth held on the 28 May 2020 be confirmed as a true and correct record of proceedings.

Shire President moved to amend the date above from 28 May 2020 to 25 June 2020.

That the Minutes and associated attachments of the Ordinary Meeting of the Shire of Exmouth held on the 25 June 2020 be confirmed as a true and correct record of proceedings.

COUNCIL RESOLUTION

ITEM 7

Res No: 02-0720

MOVED: Cr Mounsey
SECONDED: Cr McCarrol

That the Minutes and associated attachments of the Ordinary Meeting of the Shire of Exmouth held on the 25 June 2020 be confirmed as a true and correct record of proceedings.

CARRIED 5/0

8. ANNOUNCEMENTS/REPORTS OF ELECTED MEMBERS

Cr McCarrol	<ul style="list-style-type: none"> • Great to see town busy. A lot of new visitors to town. • Attended Waste and Resilient Reef Meeting • Cape Conservation Group Meeting; keen to see working with the Shire and improve relations.
Cr Lake	<ul style="list-style-type: none"> • Attended Waste Meeting; well attended. • Happy to see town busy.
Cr Dixon	<ul style="list-style-type: none"> • Attended Regional Road Group in Exmouth. • Attended Waste Meeting.

9. ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

The Shire President read the following to the gallery:

Today, council will hopefully adopt what has proven to be the most challenging budget of our short Local Government careers.

The rapidly evolving situations faced only a few months ago associated with the COVID-19 pandemic forced council to make some very tough decisions in the interests of our community and the survival of our local economy.

As you will see from this budget, we have taken supportive measures such as freezing the rate in the dollar and freezing community fees and charges, whilst absorbing the many increases to council’s workload and overheads.

We have budgeted all capital works to provide local stimulus and employment wherever possible and we have delivered what I believe to be a safe and responsible plan for the next 12 months of absolute uncertainty.

This budget has been pulled together through an extreme level of work by all managers and staff and I would like to personally thank each of them for their outstanding efforts, not only through this budget build process, but through the crazy hectic few months of fluid adaptation that has led to delivering this document on time and within the Shires limited means.

2020 has so far been a year of challenges, surprises and resilience.

Let’s hope it only gets better from here.

10. PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS

Nil

The following reports were recommended en bloc 11.1, 12.4.2, 12.4.3 and 12.5.1.

11. MATTERS ARISING FROM COMMITTEES OF COUNCIL

11.1 CHIEF EXECUTIVE OFFICER ANNUAL PERFORMANCE REVIEW

File Reference:	PE.EC.0
Reporting Officer:	Shire President
Responsible Officer:	CEO Performance Review Committee
Date of Report:	14 July 2020
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	1. CONFIDENTIAL Chief Executive KPI 20/21 2. CONFIDENTIAL Proposed CEO TRP 20/21

PURPOSE

A role of Council is to annually review the Chief Executive Officer's (CEO) performance and set the current years Key Performance Indicators (KPI's) and remuneration in accordance with the *Local Government Act 1995* section 5.38 and the Salaries and Wages Tribunal (SAT) determination.

This report sets the measurable performance indicators and the remuneration for the 2020/21 financial year.

BACKGROUND

At the Ordinary Council Meeting on the 25 June 2020 the following resolution was passed regarding the CEO's Performance Review Assessment:

COUNCIL RESOLUTION
Res No: 10-0620

ITEM 15.1

That Council notes the CEO Performance Review Committee recommendation and resolves to:

- 1. Endorse the Chief Executive Officers' annual performance review report (Attachment 1)***
- 2. Defer decision Chief Executive Officers' total reward package for 2020/21 as outlined in (Attachment 2) until further negotiation between the CEO Performance Review Committee and CEO, and bring to the July OCM.***
- 3. Workshop the 2020/21 KPI's with the CEO for consideration at the July 2020 OCM.***

CARRIED 5/0

COMMENT

The CEO Performance Review Committee met with the Chief Executive Officer on July 9 to further discuss and negotiate a Total Remuneration Package for the 2020/21 financial year. The Committee has resolved to recommend to Council the proposal as outlined in CONFIDENTIAL Attachment 2.

Following this meeting, a workshop between Council and the CEO was carried out to agree on the list of KPI's for the 2020/21 year. The agreed list of performance measurables are listed in CONFIDENTIAL Attachment 1.

CONSULTATION

WALGA was previously consulted in relation to the CEO Annual Performance Review Process.

STATUTORY ENVIRONMENT

Local Government Act 1995, Part 5, Division 4, s 5.38 and Division 2, s5.23 (2)

POLICY IMPLICATIONS

Policy 1.19 Chief Executive Officer Performance Review

FINANCIAL IMPLICATIONS

N/A

STRATEGIC IMPLICATIONS

This item is relevant to the Councils approved Strategic Community Plan 2030 and Corporate Business Plan 2018-2022.

Leadership: To provide open transparent, accountable leadership working in collaboration with our community.

- 4.1 To provide proactive, collaborative and transparent leadership
- 4.2 A local government that is respected and accountable.
- 4.3 To be a champion for our community

VOTING REQUIREMENTS

Simple Majority

COMMITTEE RESOLUTION

ITEM 11.1

That the CEO Performance Review Committee recommends to Council, in accordance with legislative, contractual and policy obligations, to receive and ENDORSE:

1. The Chief Executive Officers' total reward package for 2020/21 effective from the annual anniversary date of June 5th as outlined in (CONFIDENTIAL Attachment 2) and
2. The Key Performance Indicators set out for the Chief Executive Officer for 2020/21 as outlined in (CONFIDENTIAL Attachment 1).

COMMITTEE RECOMMENDATION

ITEM 11.1

That Council notes the CEO Performance Review Committee recommendation and resolves to ENDORSE the following recommendation:

1. The Chief Executive Officers’ total reward package for 2020/21 effective from the annual anniversary date of June 5th as outlined in (CONFIDENTIAL Attachment 2) and
2. The Key Performance Indicators set out for the Chief Executive Officer for 2020/21 as outlined in (CONFIDENTIAL Attachment 1).

COUNCIL RESOLUTION

ITEM 11.1

Res No: 03-0720

MOVED: Cr Niikkula

SECONDED: Cr Lake

That Council notes the CEO Performance Review Committee recommendation and resolves to ENDORSE the following recommendation:

- 1. The Chief Executive Officers’ total reward package for 2020/21 effective from the annual anniversary date of June 5th as outlined in (CONFIDENTIAL Attachment 2) and**
- 2. The Key Performance Indicators set out for the Chief Executive Officer for 2020/21 as outlined in (CONFIDENTIAL Attachment 1).**

CARRIED 5/0

12. REPORTS OF OFFICERS

12.4.2 FINANCIAL STATEMENTS FOR PERIOD ENDING 30 JUNE 2020

File Reference:	FM.FL.0
Reporting Officer:	Manager Finance
Responsible Officer:	Executive Manager Corporate Services
Date of Report:	13 July 2020
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	1. Monthly Financial Report as at 30 June 2020.

PURPOSE

That Council accepts the financial report for the financial period ending 30 June 2020.

BACKGROUND

The provisions of the *Local Government Act 1995* and associated Regulations require a monthly financial report is presented at an ordinary meeting within 2 months of the period end date.

COMMENT

As at 30 June, operating revenue is above target by \$635,927 (5.53%) due receiving partial transitional funds for the Visitor Centre and increased chartered flights.

Operating expenditure is under budget by \$1,300,473 (8.25%) due maintenance programmes, mainly related to pest control, sanitation, urban stormwater, marine infrastructure, Ningaloo Centre, aviation, roads and footpaths. Community programmes and events are under budget.

The capital program is currently under budget \$3,165,530. Yardie Creek Road works were completed in March. New reptile exhibits and disabled ramp have been installed in the Ningaloo Centre. Other projects that have been completed include upgrades to shire hall, irrigation sewerage ponds, vehicle replacement, staff housing, Bundegi toilets, maintenance of Old Administration Building and installation of lighting at Town beach. 2 canter trucks were received in May and are awaiting the delivery of the rubbish truck. Roadworks on Murat Road, Townsite road seal project, Learmonth Airport landside remodel and carpark reseal works were completed in May. Footpath and pedestrian crossovers were completed in June. Federation Park facility upgrades in progress. Projects to be carried forward to 2020/21 include relocation of dog pound, purchase of Lot 1416 and Ningaloo Centre solar panels.

Outstanding Rates are \$473,689. The Shire has collected 90.3% of total rates outstanding, which is below the same time last year (92.1%). As at 30 June 2020, Council had received Hardship Applications for 50 properties totalling for \$128,941.

General Debtors is \$542,051 with \$352,891 being for airport operations.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Sections 6.4 of the *Local Government Act 1995* provides for the preparation of financial reports.

In accordance with Regulation 34 (5), a report must be compiled on variances greater than the materiality threshold adopted by Council of \$10,000 or 10% whichever is greater. As this report is composed at a program level, variance commentary considers the most significant items that comprise the variance.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

This item is relevant to the Councils approved Strategic Community Plan 2030 and Corporate Business Plan 2018-2022.

- Leadership: To provide open transparent, accountable leadership working in collaboration with our community.
- 4.1 To provide proactive, collaborative and transparent leadership
 - 4.2 A local government that is respected and accountable.

VOTING REQUIREMENTS

Simple Majority

OFFICER’S RECOMMENDATION

ITEM 12.4.2

That Council RECEIVES the Financial Report for the financial period ending 30 June 2020.

COUNCIL RESOLUTION

ITEM 12.4.2

Res No: 04-0720

MOVED: Cr Niikkula

SECONDED: Cr Lake

That Council RECEIVES the Financial Report for the financial period ending 30 June 2020.

CARRIED 5/0

12.4.3 LIST OF ACCOUNTS FOR PERIOD ENDING 30 JUNE 2020

File Reference:	FM.FI.0
Responsible Officer:	Manager Finance
Responsible Officer:	Executive Manager Corporate Services
Date of Report:	13 July 2020
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	1. List of Accounts for period ending 30 June 2020

PURPOSE

That Council receives payments made since the previous Ordinary Council Meeting.

BACKGROUND

It has been customary practice that whilst being a leader in the community, we meet our terms of credit as established between suppliers and aspire to obtain discounts where practicable. Payments have been approved by authorised officers in accordance with agreed delegations and policy frameworks.

COMMENT

Council has given delegated authority that allows the Chief Executive Officer to approve payments from Council's bank accounts either via cheque or through electronic lodgement.

June Payments

Municipal Fund	totalling \$1,542,492.45 Incorporating cheques, direct debits, electronic payments and credit cards.
Trust Fund	totalling \$5,916.89 Incorporating electronic payments
Total Payments:	\$1,548,409.34

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Payments are to be made in accordance with Part 6, Division 4 of the *Local Government Act 1995* and as per the *Local Government (Financial Management) Regulations 1996*. Payments are to be made through the municipal fund, trust fund or reserve funds. Payments are to be in accordance with approved systems as authorised by the Chief Executive Officer.

POLICY IMPLICATIONS

Staff are required to ensure that they comply under Council Policy 2.7 – Purchasing Policy and 2.12 – Regional Price Preference Policy (where applicable) and that budget provision is available for any expenditure commitments.

FINANCIAL IMPLICATIONS

Payments are made under delegated authority and are within defined and approved budgets. Payment is made within agreed trade terms and in a timely manner.

STRATEGIC IMPLICATIONS

This item is relevant to the Councils approved Strategic Community Plan 2030 and Corporate Business Plan 2018-2022.

- Leadership: To provide open transparent, accountable leadership working in collaboration with our community.
- 4.1 To provide proactive, collaborative and transparent leadership
 - 4.2 A local government that is respected and accountable.

VOTING REQUIREMENTS

Simple Majority

OFFICER’S RECOMMENDATION

ITEM 12.4.3

That Council pursuant to Sections 6.7 and 6.9 of the *Local Government Act 1995* RECEIVES the report of payments made from the Municipal and Trust bank accounts during the month of June 2020 (totalling \$1,548,409.34).

COUNCIL RESOLUTION

ITEM 12.4.3

Res No: 05-0720

MOVED: Cr Niikula

SECONDED: Cr Lake

That Council pursuant to Sections 6.7 and 6.9 of the *Local Government Act 1995* RECEIVES the report of payments made from the Municipal and Trust bank accounts during the month of June 2020 (totalling \$1,548,409.34).

12. ITEMS FOR INFORMATION ONLY

12.5.1 ITEMS FOR INFORMATION ONLY

PURPOSE

To advise Council of the information items listed below.

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION

ITEM 12.5.1

That Council note the following information items:

Register of Documents Stamped with the Shire of Exmouth Common Seal

The documents, as listed below, that have been stamped with the Common Seal of the Shire of Exmouth since the last meeting.

DATE	DOCUMENT
25/06/2020	Airport Shuttle Bus Contract (Council Decision 14-1219)
	Offer of Sale – Lot 1416 on DP 209501 (Council Decision 14-1019)
30/06/2020	Loan Agreement – Exmouth Squash Club (Council Decision 04-0620)

Building Decisions Issued

A summary of the building permits and building certificate applications and approvals made under Delegation pursuant to the *Building Act 2011* up to 30 June 2020.

App #	Date Received	Lot	Property Address	Description	Decision	Decision Date
20/39	03/06/20	1	1 Truscott Crescent	New construction swimming pool pump shed	Approved	23/06/20
20/40	04/06/20	1	1 Truscott Crescent	New construction - water tank	Approved	15/06/20
20/41	08/06/20	181	23 Cobia Close	New construction - two storey single dwelling	Approved	22/06/20
20/42	16/06/20	1	1 Truscott Crescent	New construction sheds x 3	Approved	01/07/20
20/43	11/06/20	366	4 Corella Court	Fibreglass swimming Pool	Approved	23/06/20
20/44	16/06/20	440	18 Osprey Way	New construction single dwelling and fence	Approved	07/07/20
20/45	17/06/20	182	18 Snapper Loop	New construction outbuilding	Approved	24/06/20
20/46	19/06/20	1148	39 Welch Street	New construction steel framed shed	Approved	25/06/20
20/47	22/06/20	1	1 Truscott Crescent	New construction steel framed fencing	Approved	25/06/20
20/48	25/06/20	321	Minilya-Exmouth Road	Retaining walls and concrete stairs	Approved	03/07/20
20/49	30/06/20	768	19 Ingleton Street	New construction timber and steel frame garage	Approved	01/07/20

Planning Decisions Issued

A summary of the planning decisions issued under delegation or outstanding up to 30 June 2020.

App #	Date Received	Lot	Property Address	Description.	Decision	Decision Date
PA32/19	13/03/19		Scheme Amendment 1 to LPS4		Deferred	07/06/19
DA30/20	08/05/20	768	19 Ingleton Street	Carport	Approved	22/06/20
DA34/20	27/05/20		Murat Road	Signage on the Exmouth Cultural Arts Centre building	Deferred	19/06/20
DA35/20	03/06/20	500	1 Nimitz Street	Retrospective Development Approval - Outbuilding at site 219 Ningaloo Caravan and Holiday Resort	Approved	02/07/20
DA36/20	10/06/20	11	8 Huston Street	Partial Change of Use - Restaurant	Cancelled	30/06/20
DA37/20	09/06/20	342	26 Kestrel Place	Single House	Approved	07/07/20
DA38/20	12/06/20	901	7 Patterson Way	Amendment to PA84/19 - Motor vehicle, boat or caravan sales (ablution)	Approved	07/07/20
DA39/20	19/06/20	409	32 Madaffari Drive	New single house with incidental swimming pool	Approved	09/07/20

Permits Issued Under the *Local Government Act 1995*, Local Government Property Local Law

App #	Date Received	Description.	Decision	Permit issued
PE11	26/06/20	Protect Ningaloo stall at Kennedy Street side of Ross Street Mall – 1, 2, 4 July 2020	Issued	26/06/20

OFFICER’S RECOMMENDATION

ITEM 12.5.1

That Council note the following information items:

- Register of Documents Stamped with the Shire of Exmouth Common Seal;
- Building Decisions Issued up to 30 June 2020; and
- Planning Decisions Issued up to 30 June 2020.

COUNCIL RESOLUTION

ITEM 12.5.1

Res No: 06-0720

MOVED: Cr Niikkula

SECONDED: Cr Lake

That Council note the following information items:

- **Register of Documents Stamped with the Shire of Exmouth Common Seal;**
- **Building Decisions Issued up to 30 June 2020; and**
- **Planning Decisions Issued up to 30 June 2020.**

CARRIED 5/0

Cr Mounsey made mention of the improved planning application turn around timeframes, and expressed thanks to Executive Manager Development Services and the Planning Department on their efforts.

CORPORATE SERVICES

12.4.1 ADOPTION OF THE 2020/21 ANNUAL BUDGET

File Reference:	FM.BU.20.21
Responsible Officer:	Executive Manager Corporate Services
Reporting Officer:	As above
Date of Report:	14 July 2020
Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	<ol style="list-style-type: none">1. 2020/21 Budget2. 2020/21 Projects3. 2020/21 Fees & Charges

PURPOSE

That Council adopt the 2019/20 Budget and Fees and Charges as presented in attachments 1 to 3.

BACKGROUND

Council is required to prepare and adopt by absolute majority and in the form and manner prescribed, an annual budget for the financial year ending on the 30 June by no later than 31 August each year in accordance with Section 6.2 of the *Local Government Act 1995*.

As per section 6.2(4) the annual budget is to incorporate:

- a) Estimated expenditure proposed to be incurred;
- b) Information relating to the rates and service charges that will apply;
- c) Fees and charges proposed to be imposed;
- d) Particulars of borrowings and other financial accommodation proposed to be entered into;
- e) Amounts to be set aside, or used from reserve accounts;
- f) Particulars of proposed land transactions and trading undertakings;
- g) Other matters as are prescribed.

COMMENT

1. Rates & Minimum Payments 2020/21

Exmouth in accordance with Section 6.33 of the *Local Government Act 1995*. The budget has been prepared on the basis of zero rates in the dollar increase for all rating categories.

Table 1: Schedule of differential rates:

Rate Category	Rate in the Dollar \$	Minimum payment \$
GRV General	0.0751	930
GRV Marina Developed	0.1013	930
GRV Holiday Homes	0.1041	930
GRV Vacant Land	0.1501	735
UV Mining	0.1599	230
UV Rural	0.0800	735

Table 2: Schedule of specified area rates:

Rate Category	Rate in the Dollar \$	Minimum payment \$
GRV Specified Area Rate	0.01339	Nil

Payment Options of Rates and Due Dates

Set the due date for the payment of rate instalments as follows:

- Option 1 - Single payment due no later than 4.30pm on 3 September 2020
- Option 2 - Two equal instalments
 - First Instalments due no later than 4.30pm on 3 September 2020
 - Second instalment due no later than 4.30pm on 15 November 2020
- Option 3 - Four instalments
 - First instalment due no later than 4.30pm on 3 September 2020
 - Second instalment due no later than 4.30pm on 15 November 2020
 - Third instalment due no later than 4.30pm on 21 January 2021
 - Fourth instalment due no later than 4.30pm on 31 March 2021

There will not be a charge for administration or interest where ratepayers have elected to pay their rates by instalments. Council has reduced the penalty interest rate to 8% on charges that remain overdue after the due date. The penalty interest rate will not apply to ratepayers who apply for financial hardship and enter into a payment arrangement with Council as set out in the Financial Hardship Policy – COVID-19.

The Shire of Exmouth acts as a collection agent on behalf of the State Government in collecting Emergency Services Levy that is levied on rate payers. These rates are set by State Government, and a penalty rate of 8% has been set on overdue ESL amounts.

2. Fees & Charges 2020/21

The schedule of fees and charges for 2020/21 has remained largely unchanged from 2019/20 with Council resolving at the Special Council meeting held in April 2020 to not increase community fees and charges and review the commercial fees and charges as part of the 2020/21 budget setting.

3. Capital Works & Borrowings 2020/21

The Shire's planned capital works budget for 2020/21 is \$5.9million. These projects are funded through grants, reserves and general revenue as per the table below.

Table 3: Capital Works 2020/21 by funding source

Capital Expenditure	Grants & Contributions	Reserves	General Revenue	Total
Land	-	325,000	-	325,000
Buildings - Specialised	1,066,000	192,000	560,000	1,818,000
Furniture & Equipment	-	10,000	50,000	60,000
Plant & Equipment	-	449,000	207,000	656,000
Infrastructure - Roads	1,036,000	460,000	242,000	1,738,000
Infrastructure - Other	514,000	624,000	165,000	1,303,000
Total	2,616,000	2,060,000	1,224,000	5,900,000

Table 4: Capital Works 2020/21

Capital Expenditure	New/Upgrade	Renewal	Total
Land	325,000		325,000
Buildings - Specialised	1,250,000	568,000	1,818,000
Furniture & Equipment	-	60,000	60,000
Plant & Equipment	-	656,000	656,000
Infrastructure - Roads	145,000	1,593,000	1,738,000
Infrastructure - Other	1,048,000	255,000	1,303,000
Total	2,768,000	3,132,000	5,900,000

Based on a reduction in revenue for 2020/21 as a result of the impact on COVID-19 has had over the last few months, it has had an impact on capital spend as well. The Shire of Exmouth has the ability to utilise its reserves to fund a large portion of these projects, and only \$1.2m of the total \$5.9m capital spend being funded from general revenue.

Council is not intending to borrow for any of its projects for the planned capital programme for 2020/21.

4. Reserves 2020/21

The Shire intends to keep their existing reserves and transfer \$1m into reserves, which includes interest earned on investing these reserves. Council intends to utilise \$2.4m to fund projects in 2020/21 financial year. This will result in an estimated closing balance of \$7.6m at 30 June 2021.

The Land Acquisition & Disposal Reserve purpose needed to be slightly altered to be able to utilise the funding into development opportunities in town and not just land and buildings. The purpose of the reserve has been adjusted to:

- To be used to fund the acquisition and disposal of land and buildings, and provide contributions for land development within the Shire of Exmouth.

5. Material Variance Reporting For 2020/21

Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances. It is recommended that this be set at \$25,000 or 10%.

6. Budget 2020/21

Council has taken the effects of COVID-19 into account when preparing the budget for 2020/21. The proposed budget has taken relief to the community and ratepayers into account, who might be dealing with financial strain as a result of COVID-19. While providing stimulus to community and ratepayers, it is more important than ever for Council to continue to be sustainable over the long term.

Rate Setting Statement by Nature and Type

	2020/21 Budget	2019/20 Est. Actual	2019/20 Budget
	\$	\$	\$
OPERATING ACTIVITIES			
Net current assets at start of financial year - surplus/(deficit)	2,642,432	3,716,619	3,040,153
	2,642,432	3,716,619	3,040,153
Revenue from operating activities (excluding rates)			
Specified area rates	48,000	48,140	47,081
Operating grants, subsidies and contributions	1,054,000	2,156,025	976,000
Fees and charges	6,585,000	5,922,923	7,165,610
Interest earnings	131,000	171,065	195,051
Other revenue	209,000	131,694	88,399
Profit on asset disposals	0	139,334	0
	8,027,000	8,569,181	8,472,141
Expenditure from operating activities			
Employee costs	(6,523,000)	(6,135,310)	(6,713,128)
Materials and contracts	(3,785,000)	(3,156,972)	(3,664,652)
Utility charges	(830,000)	(879,677)	(799,314)
Depreciation on non-current assets	(3,607,000)	(3,593,679)	(2,905,447)
Interest expenses	(66,000)	(123,077)	(81,595)
Insurance expenses	(430,000)	(424,499)	(462,594)
Other expenditure	(518,000)	(443,909)	(437,779)
Loss on asset disposals	0	(20,633)	(131,359)
	(15,759,000)	(14,777,756)	(15,196,455)

Operating activities excluded from budgeted deficiency			
Non-cash amounts excluded from operating activities	3,607,000	3,796,978	3,196,907
Amount attributable to operating activities	(1,482,568)	1,305,022	(487,254)
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	2,659,000	936,595	722,332
Purchase property, plant and equipment	(2,859,000)	(2,144,127)	(2,158,100)
Purchase and construction of infrastructure	(3,041,000)	(1,552,095)	(2,015,170)
Proceeds from disposal of assets	200,000	577,738	80,500
Amount attributable to investing activities	(3,041,000)	(2,181,889)	(3,370,438)
FINANCING ACTIVITIES			
Repayment of borrowings	(232,000)	(223,637)	(223,637)
Proceeds from self supporting loans	23,000	3,000	0
Transfers to cash backed reserves (restricted assets)	(1,027,000)	(1,042,229)	(587,049)
Transfers from cash backed reserves (restricted assets)	2,385,000	1,385,500	1,329,300
Amount attributable to financing activities	1,149,000	122,634	518,614
Budgeted deficiency before general rates	(3,374,568)	(754,233)	(3,339,078)
Estimated amount to be raised from general rates	3,422,000	3,396,665	3,387,225
Net current assets at end of financial year - surplus/(deficit)	47,432	2,642,432	48,147

The proposed budget for 2020/21 has a surplus of \$47,432. The 2020/21 budget is financially prudent and has been built bearing in mind the adverse trends of the Council's asset ratios with funds being allocated to Shire reserves for the future preservation of Shire assets. Operational costs have been kept to a reasonable level in comparison to the 2019/20 budget and in fact across many of the portfolios there is a reduction in operating expenditure.

Revenue from operating activities has decreased from 2019/20 mainly due to the impact COVID-19 had on tourism and restrictions to travel to Learmonth Airport. A forecasted reduction in operations moving through the heliport is expected, when compared to the last 5 years. There has been no increase to the rate in the dollar, removed the revenue generate from admin and interest charges for entering into instalments and there has been no increase to community fees and charges. There is also a reduction to Operating Grants as a result of the early payment of Financial Assistance Grants, State Government generally doesn't give an indication on when Council's will receive this grant, which makes it hard to forecast as Council relies on this revenue to fund their services. This resulted in an overall decrease in operating revenue of \$445k for 2020/21 compared to the prior year.

Expenditure from operating activities has increased by \$563k compared to 2019/20. This mainly from an increase in depreciation, which is a non-cash expense representing the effects of Council's annual costs of capital assets. Employee costs increased by 1.9% as per the Workplace Agreement, however from a review on Council's operations and service levels there is an overall saving in employee costs.

Capital Works and funding sources:

Description	Funding Source			Total
	Grants & Contr.	Reserves	General Revenue	
Installation and leasing of the 8 jetties on waterfront property Lot 72 (1) Marlin Terrace.	-	320,000	-	320,000
Multipurpose Bike Facility	300,000	-	50,000	350,000
Skate Park Extension	100,000	-	50,000	150,000
Recreation Centre Change Room Upgrade - stage 1 Recreation Centre refurbish	96,000	192,000	-	288,000
Kart Club Business Plan	22,000	11,000	-	33,000
Ningaloo Artist Festival mural and sculptural installations - Proposal	80,000	-	20,000	100,000
Community/Business Hub - Building Refurbishment	100,000	-	40,000	140,000
Dog agility relocation	12,000	-	15,000	27,000
Goal Posts - Talanjee & Koobooro Ovals	-	-	15,000	15,000
Strategic Master Planning	-	-	90,000	90,000
Ningaloo Centre layout modifications	-	-	75,000	75,000
Skimmer Replacement	-	-	50,000	50,000
Footpath – Renewal	-	-	50,000	50,000
Footpath - New - Payne Street	-	-	45,000	45,000
Footpath - Murat Road	100,000	-	-	100,000
Yardie Creek Road seal edge repairs (30kms)	565,000	-	114,000	679,000
Murat Road widening and reseal	371,000	460,000	33,000	864,000
Property Renewal	-	-	65,000	65,000
Compressed Air Fire System	-	10,000	-	10,000
Plant Replacement	-	189,000	207,000	396,000
Septage Ponds	-	135,000	-	135,000
Tip shop	-	20,000	-	20,000
Recycling solutions	-	98,000	-	98,000
Waste site setup	-	30,000	-	30,000
Waste compactor	-	260,000	-	260,000
Container Deposit Scheme	-	5,000	-	5,000
Waste Site Survey	-	5,000	-	5,000
Relocation of Dog Pound	-	-	15,000	15,000
Purchase Lot 1416	-	325,000	-	325,000
Ningaloo Centre Solar Energy Project	870,000	-	290,000	1,160,000
TOTAL	2,616,000	2,060,000	1,224,000	5,900,000

CONSULTATION

Shire of Exmouth ratepayers
 Councillors
 Staff

STATUTORY ENVIRONMENT

Local Government Act 1995
 Local Government Financial Management Regulations

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

The budget outlines the financial plans for the Shire during 2020/21 and contains estimated revenue and expenditure which is monitored throughout the year with an estimated closing surplus of \$47,432.

STRATEGIC IMPLICATIONS

- Leadership: 4 To provide open transparent, accountable leadership working in collaboration with our community.
 4.1 To provide proactive, collaborative and transparent leadership
 4.2 A local government that is respected and accountable

VOTING REQUIREMENTS

Absolute Majority

OFFICER’S RECOMMENDATION

ITEM 12.4.1

That Council RESOLVES to:

1. Rates & Minimum Payments 2020/21

- a. ADOPT the following differential general rates on rateable land within the Shire of Exmouth in accordance with Section 6.33 of the *Local Government Act 1995* the following schedule of differential rates:

Rate Category	Rate in the Dollar \$	Minimum payment \$
GRV General	0.0751	930
GRV Marina Developed	0.1013	930
GRV Holiday Homes	0.1041	930
GRV Vacant Land	0.1501	735
UV Mining	0.1599	230
UV Rural	0.0800	735

- b. ADOPT the following specified area rates on rateable land within the Shire of Exmouth in accordance with Section 6.33 of the *Local Government Act 1995* the following schedule of differential rates:

Rate Category	Rate in the Dollar \$	Minimum payment \$
GRV Marina Specified Area	0.01339	Nil

- c. ADOPT the following Payment Options:
- Option 1 - Single payment due no later than 4.30pm on 3 September 2020
 - Option 2 - Two equal instalments
 - First Instalments due no later than 4.30pm on 3 September 2020
 - Second instalment due no later than 4.30pm on 15 November 2020
 - Option 3 - Four instalments
 - First instalment due no later than 4.30pm on 3 September 2020

- Second instalment due no later than 4.30pm on 15 November 2020
 - Third instalment due no later than 4.30pm on 21 January 2021
 - Fourth instalment due no later than 4.30pm on 31 March 2021
 - Raise no administration charge per instalment where ratepayer has elected to pay rates by instalments.
 - Apply no additional interest charge where ratepayer has elected to pay rates by instalment.
 - Charge an interest rate of 8% on any outstanding rates and charges that remain overdue after the due date.
- d. NOTE that Council cannot charge penalty interest where a ratepayer is in financial hardship, and have entered into a payment arrangement with Council as set out in the Financial Hardship Policy – COVID-19.
- e. NOTE that the Emergency Services Levy (ESL) rates are set by the State Government and Council acts as a collection agent for the funds on behalf of the State Government. The interest rate set by the State Government for late payment of ESL by property owners is 8% per annum and will be charged 30 days after the due date.

2. Fees and Charges 2020/21

- a. ADOPT the schedule of Fees and Charges for the Financial Year ending 30 June 2021.

3. Capital Works & Borrowings 2020/21

- a. ADOPT the Capital Works Programme Budget for 2020/21.
- b. NOTE there is no new borrowings proposed in the 2020/21 budget.

4. Reserve 2020/21

- a. ADOPT the Reserve purposes and movements as set out in the 2020/21 annual budget.
- b. ADOPT the Land Acquisition & Disposal Reserve purpose as: *To be used to fund the acquisition and disposal of land and buildings and provide contributions for land development within the Shire of Exmouth.*

5. Material Variance Reporting for 2020/21

- a. ADOPT the 2020/21 reporting variance of greater than \$25,000 or 10%.

6. Budget 2020/21

- a. ADOPT the 2020/21 Annual Budget for the Shire of Exmouth for year ending 30 June 2021.

COUNCIL RESOLUTION

ITEM 12.4.1

Res No: 07-0720

MOVED: Cr McCarrol

SECONDED: Cr Dixon

That Council RESOLVES to:

1. Rates & Minimum Payments 2020/21

- a. **ADOPT the following differential general rates on rateable land within the Shire of Exmouth in accordance with Section 6.33 of the *Local Government Act 1995* the following schedule of differential rates:**

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GRV Holiday Homes	0.1041	930
GRV Vacant Land	0.1501	735
UV Mining	0.1599	230
UV Rural	0.0800	735

- b. **ADOPT the following specified area rates on rateable land within the Shire of Exmouth in accordance with Section 6.33 of the *Local Government Act 1995* the following schedule of differential rates:**

Rate Category	Rate in the Dollar \$	Minimum payment \$
GRV Marina Specified Area	0.01339	Nil

- c. **ADOPT the following Payment Options:**

- **Option 1 - Single payment due no later than 4.30pm on 3 September 2020**
- **Option 2 - Two equal instalments**
 - **First Instalments due no later than 4.30pm on 3 September 2020**
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 - **Third instalment due no later than 4.30pm on 21 January 2021**
 - **Fourth instalment due no later than 4.30pm on 31 March 2021**
- **Raise no administration charge per instalment where ratepayer has elected to pay rates by instalments.**
- **Apply no additional interest charge where ratepayer has elected to pay rates by instalment.**
- **Charge an interest rate of 8% on any outstanding rates and charges that remain overdue after the due date.**

d. NOTE that Council cannot charge penalty interest where a ratepayer is in financial hardship, and have entered into a payment arrangement with Council as set out in the Financial Hardship Policy – COVID-19.

e. NOTE that the Emergency Services Levy (ESL) rates are set by the State Government and Council acts as a collection agent for the funds on behalf of the State Government. The interest rate set by the State Government for late payment of ESL by property owners is 8% per annum and will be charged 30 days after the due date.

2. Fees and Charges 2020/21

a. ADOPT the schedule of Fees and Charges for the Financial Year ending 30 June 2021.

3. Capital Works & Borrowings 2020/21

a. ADOPT the Capital Works Programme Budget for 2020/21.

b. NOTE there is no new borrowings proposed in the 2020/21 budget.

4. Reserve 2020/21

a. ADOPT the Reserve purposes and movements as set out in the 2020/21 annual budget.

b. ADOPT the Land Acquisition & Disposal Reserve purpose as: *To be used to fund the acquisition and disposal of land and buildings and provide contributions for land development within the Shire of Exmouth.*

5. Material Variance Reporting for 2020/21

a. ADOPT the 2020/21 reporting variance of greater than \$25,000 or 10%.

6. Budget 2020/21

a. ADOPT the 2020/21 Annual Budget for the Shire of Exmouth for year ending 30 June 2021.

CARRIED 5/0

The Shire President thanked the Executive Manger Corporate Services for all his hard work compiling the budget whilst keeping the Councillors well informed at the many workshops provided.

Cr McCarrol expressed her thanks also to the Executive Manger Corporate Services and his team for all the hard work preparing a very good budget in the current circumstances.

13. ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

14. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING

Nil

15. MATTERS TO BE CONSIDERED BEHIND CLOSED DOORS

The following agenda item is to be considered under 15. Matters to be Considered Behind Closed Doors, in accordance with section 5.23(2) of the *Local Government Act 1995*.

The Shire President asked that the gallery leave the Chambers.

COUNCIL RESOLUTION

ITEM 15.1

Res No: 08-0720

MOVED: Cr Niikkula

SECONDED: Cr McCarrol

That Council move Behind Closed Doors at 4.32pm in accordance with the Local Government Act 1995 section 5.23 (2).

CARRIED 5/0

15.1 RATES WRITE OFF

COUNCIL RESOLUTION

ITEM 15.1

Res No: 09-0720

MOVED: Cr McCarrol

SECONDED: Cr Dixon

Cr Niikkula moved the following alternate motion to the substantive motion:

That Council provide a rate discount for 2020/21 of \$8,991, which is the increase from the prior year and authorise staff to enter in a payment arrangement over a maximum period of 12 months.

NOT CARRIED 1/4

Councillor Niikkula, Lake, McCarrol, Mounsey voted AGAINST

Cr Mounsey moved an amended motion:

To provide a rate write off for assessment A514 equal to 50% of the increase from the 2019/20 rates to the 2020/21-year rates and authorise the Executive Manager Corporate Services to enter into payment plan that expires as at 30 June 2022.

SECONDED: Cr Niikkula

NOT CARRIED 3/2

Councillor Lake and Councillor McCarrol voted AGAINST

COUNCIL RESOLUTION

ITEM 15.1

Res No: 10-0720

MOVED: Cr Niikkula

SECONDED: Cr Mounsey

That Council return from Behind Closed Doors at 4.46pm.

CARRIED 5/0

16. CLOSURE OF MEETING

The Shire President declared the meeting closed at 4.47pm