



**SHIRE OF BEVERLEY
NOTICE OF MEETING**

Dear Councillor,

Notice is hereby given that a Corporate Strategy Committee Meeting will be held in the Council Chambers, 136 Vincent Street Beverley, on Tuesday 19 July 2022.

Program

9:30am

Corporate Strategy Meeting

A handwritten signature in black ink, appearing to read 'S. Gollan', written over a horizontal line.

Stephen Gollan
Chief Executive Officer

19 July 2022



19 JULY 2022

**CORPORATE STRATEGY
COMMITTEE MEETING**

AGENDA

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1. OPENING

The President to declare the meeting open.

The Shire of Beverley acknowledge the Traditional Owners of the land on which we meet, the Ballardong People. We pay our respects to Elders past and present.

2. ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE

2.1 Members Present

Cr DC White	Shire President
Cr CJ Lawlor	Deputy President
Cr DW Davis	
Cr PJ Gogol	
Cr SW Martin	
Cr JR Maxwell	
Cr MH Norman	
Cr AFC Sattler	
Cr TWT Seed	

2.2 Staff In Attendance

Mr SP Gollan	Chief Executive Officer
Mr SK Marshall	Deputy Chief Executive Officer
Ms A Lewis	Executive Assistant

2.3 Observers And Visitors

2.4 Apologies and Approved Leave of Absence

Mr SP Vincent	Manager of Works
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3. DECLARATIONS OF INTEREST

4. CONFIRMATION OF MINUTES

4.1 Minutes of the Corporate Strategy Committee Meeting 13 July 2021

OFFICER'S RECOMMENDATION

That the Minutes of the Corporate Strategy Committee Meeting held on Tuesday 13 July 2021 be confirmed.

(Provided under separate cover)

5. OFFICER REPORTS

5.1 2022/23 Budget – Fair Work Commission Salary Increase Consideration

Submission To:	Corporate Strategy Meeting 19 July 2022
Report Date:	30 June 2022
Applicant:	N/A
File Reference:	ADM 0092
Author and Position:	Simon Marshall, Deputy Chief Executive Officer
Previously Before Council:	N/A
Disclosure(s) Of Interest:	Executive Contract Staff Member paid by Shire of Beverley
Attachments:	Nil

SUMMARY

That the Corporate Strategy Committee consider recommending to Council that an across the board 4.6% salary increase be approved for all Shire Staff, excluding Executive Contract Staff as discussed at the 28 June 2022 Council Briefing Session.

BACKGROUND

Council is required under the Local Government Industry Award 2020 to pass on minimum wage increases to base salaries as outlined in the Award.

Historically, the minimum wage increase has been applied to all Award employees current wage, including wages over Award.

Executive Staff under contract, including the CEO, DCEO , Manager of Works, Manager of Development Services and CESM are treated in line with their negotiated contracts.

COMMENT

The decision of the Fair Work Commission (FWC) Expert Panel for annual wage reviews has increased the national minimum wage by 5.2% and the minimum rates of pay in modern awards by 4.6% subject to a minimum increase for adult award classifications of \$40 per week.

For modern awards, this means wage rates above \$869.60 per week will receive a 4.6% adjustment whereas wage rates below \$869.60 per week will receive a \$40 adjustment.

The increase to the minimum rates of pay in the Federal Local Government Industry Award 2020 (Award) will come into effect from the first full pay period on or after 1 July 2022.

This increase will need to be passed on by Local Governments operating in the Federal industrial relations system that:

- pay the minimum wage rates in the Award, and
- have federal enterprise agreements that incorporate increases to modern award wage rates.

The Fair Work Commission Expert Panel advises “*If you apply the Award but pay wage rates higher than the minimum Award rates, you will need to review your internal policies and procedures and contracts of employment to determine when and how your Local Government usually provides wage increases.*

Employers that have federal enterprise agreements containing set increases to pay rates (and exclude Award increases) will not need to apply this increase. However, as per section 206 of the Fair Work Act 2009 (Cth), Local Governments that have a federal enterprise agreement must ensure their enterprise agreement base wage rates are not less than the relevant Award minimum wage rates”.

Council in general pays above the LGIA 2020 Award levels, however it is intended to pass on the 4.6% wage increase in full to all current Award based wage amounts.

Contract rates will be treated in line with the individual Contract agreements.

At the 28 June 2022 Council Briefing Session, Council instructed management to prepare the draft 22/23 Budget with the increase applied and a formal decision to come through the July meetings.

STATUTORY ENVIRONMENT

Fair Work Act 2009 s.285 Annual wage review

CONSULTATION

Council

FINANCIAL IMPLICATIONS

2022/23 Budget

STRATEGIC IMPLICATIONS

Goal 12 – Council leads the organisation and engages with community in an accountable and professional manner.

POLICY IMPLICATIONS

Nil

RISK IMPLICATIONS

Medium - If not applied Staff satisfaction may decrease and the ability to attract suitable new employees may become difficult.

Consequence	Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood					
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
Low	Monitor for ongoing improvement.
Medium	Comply with risk reduction measures to keep risk as low as reasonably practical.
High	Review the risk and take additional measures to ensure risk is low as reasonably achievable.
Severe	Unacceptable risk level, reduction measures must be introduced before proceeding.

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION

That the Corporate Strategy Committee recommend to Council that a 4.6% salary increase be applied to all Shire Staff wages, excluding Executive Contract Staff, and be included in the 2022/23 Budget.

5.2 2022/23 Material Variances

Submission To:	Corporate Strategy Meeting 19 July 2022
Report Date:	30 June 2022
Applicant:	N/A
File Reference:	ADM 0092
Author and Position:	Simon Marshall, Deputy Chief Executive Officer
Previously Before Council:	Annually
Disclosure(s) Of Interest:	Nil
Attachments:	Nil

SUMMARY

That the Corporate Strategy Committee consider recommending to Council the material variance reporting parameters for 2022/23.

BACKGROUND

Council is required under the *Local Government (Financial Management) Regulations 1996* to set material variance (Budget versus Actual) reporting parameters for the forthcoming financial year.

Council adopted a budget variance reporting parameter of 10% on budgeted items of \$10,000 or greater for the 2021/22 financial year at the July 2021 Ordinary Meeting.

COMMENT

It is believed that the Committee is satisfied with the current level of reporting and there is no reason to recommend that Council change the reporting parameters for the 2022/23 financial year.

STATUTORY ENVIRONMENT

Regulation 34 (5) of the *Local Government (Financial Management) Regulations 1996* provides that each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.

CONSULTATION

N/A

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Goal 12 – Council leads the organisation and engages with community in an accountable and professional manner.

POLICY IMPLICATIONS

Nil

RISK IMPLICATIONS

It is a requirement under the *Local Government (Financial Management) Regulations 1996* to set material variance (Budget versus Actual) reporting parameters for the forthcoming financial year. This report and adoption mitigates the risk of non-compliance.

Consequence	Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood					
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
Low	Monitor for ongoing improvement.
Medium	Comply with risk reduction measures to keep risk as low as reasonably practical.
High	Review the risk and take additional measures to ensure risk is low as reasonably achievable.
Severe	Unacceptable risk level, reduction measures must be introduced before proceeding.

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION

That the Corporate Strategy Committee recommend to Council that a budget variance reporting parameter of 10% on budgeted items of \$10,000 or greater for the 2022/23 financial year be adopted.

5.3 2022/23 Budget – Rates

Submission To:	Corporate Strategy Meeting 19 July 2022
Report Date:	5 July 2022
Applicant:	N/A
File Reference:	ADM 0092
Author and Position:	Simon Marshall, Deputy Chief Executive Officer
Previously Before Council:	N/A
Disclosure(s) Of Interest:	Nil
Attachments:	Rate Models

SUMMARY

That the Corporate Strategy Committee consider recommending to Council that rate revenue be raised by 5% for the 2022/23 financial year.

BACKGROUND

When adopting the 2021/22 Budget, Council increased the rates by 5% after the 20/21 COVID year where rate levels were maintained at 0%.

Rate revenue has increased on average by 2.5% per year for the 2019/20, 2020/21 and 2021/22 financial years.

An increase of 5% in 2022/23 will increase this average to 3.1%.

COMMENT

The proposed 5% increase in Rate Revenue translates to an increase in Rate funding of \$146,806 (net of expected discount expense) in the 2022/23 financial year.

With Local Government sustainability being a continued focus, a strong Rate revenue base will enhance Council's ability to continue providing quality services to the Beverley community into the future.

2022/23 Operational considerations taken into account in recommending this rate increase include the March Quarter CPI (Perth) increase of 7.6%, an increase in staff costs of 5.1% (4.6% wage increase and 0.5% in Super Guarantee) in line with the national minimum wage increase, overall insurance premium expense increase of 10.7% due mainly to unfavourable local and global risk conditions and fuel expense allowance increasing by 23.5%.

When setting the Rate increase for 2022/23, consideration has been given to Rate payers' general ability to pay. Broadacre farming enterprises make up the largest pool of Rate payers' in the Shire of Beverley; this industry remains volatile with many external factors affecting commodity yields and prices, although recent years have been fruitful. A 5% Rate increase takes these factors into account.

Inflationary pressures, rising interest rates and Other Federal and State budgetary measures may also put some added pressure on general household budgets and their ability to pay Rates. These factors have also been considered when setting the increase.

Additionally, the 10% discount period is reduced from 35 to 21 days as advertised.

UV land valuations as set by the Valuer General (State Government) has increased by an average overall of 15.28% across the district reflecting the increased cost of land following recent sales, particularly in the east of the Shire.

The proposed Rate in the Dollar values and minimums (with a comparison to 2021/22 rates) are as follows:

	<u>2021/22</u>	<u>2022/23</u>
Gross Rental Value	\$0.115782	\$0.120700
Gross Rental Value Minimum	\$896.00	\$941.00
Unimproved Value	\$0.008237	\$0.007443
Unimproved Value Minimum	\$896.00	\$941.00

The average rate charges per property as per the rate in the dollar proposal above are as follows:

GRV	\$1,297
UV	\$3,385
UV Mining	\$941

STATUTORY ENVIRONMENT

Section 6.32 of the *Local Government Act 1995*, in reference to Rates and service charges, provides that:

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

* *Absolute majority required.*

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

Section 6.34 of the Act provides that unless the Minister otherwise approves, the amount shown in the annual budget as being the amount it is estimated will be yielded by the general rate is not to —

- (a) be more than 110% of the amount of the budget deficiency; or
- (b) be less than 90% of the amount of the budget deficiency.

Section 6.35 of the Act provides:

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

Section 6.45 of the Act provides options for payment of rates or service charges (instalments) as follows:

- (1) A rate or service charge is ordinarily payable to a local government by a single payment but the person liable for the payment of a rate or service charge may elect to make that payment to a local government, subject to subsection (3), by —
 - (a) 4 equal or nearly equal instalments; or
 - (b) such other method of payment by instalments as is set forth in the local government's annual budget.
- (2) Where, during a financial year, a rate notice is given after a reassessment of rates under section 6.40 the person to whom the notice is given may pay the rate or service charge —
 - (a) by a single payment; or
 - (b) by such instalments as are remaining under subsection (1)(a) or (b) for the remainder of that financial year.
- (3) A local government may impose an additional charge (including an amount by way of interest) where payment of a rate or service charge is made by instalments and that additional charge is, for the purpose of its recovery, taken to be a rate or service charge, as the case requires, that is due and payable.
- (4) Regulations may —
 - (a) provide for the manner of making an election to pay by instalments under subsection (1) or (2); and

- (b) prescribe circumstances in which payments may or may not be made by instalments; and
- (c) prohibit or regulate any matters relating to payments by instalments; and
- (d) provide for the time when, and manner in which, instalments are to be paid; and
- (e) prescribe the maximum amount (including the maximum interest component) which may be imposed under subsection (3) by way of an additional charge; and
- (f) provide for any other matter relating to the payment of rates or service charges.

Section 6.46 of the Act allows for the discounting of rates providing, subject to the *Rates and Charges (Rebates and Deferments) Act 1992*, a local government may, when imposing a rate or service charge, resolve* to grant a discount or other incentive for the early payment of any rate or service charge.

* *Absolute majority required.*

Section 6.47 of the Act provides that subject to the *Rates and Charges (Rebates and Deferments) Act*, a local government may 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 other concessions in relation to a rate or service charge.

Section 6.51 of the Act provides that interest on overdue rates or service charges may be applied to rates as follows;

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

* *Absolute majority required.*

Regulation 19A of the Local Government (Financial Management) Regulations 1996 prescribes that the maximum rate of interest to be imposed under section 6.13(1) is 11%.

Overriding this, Local Government (COVID-19 Response) Amendment Order 2022 clause 14(3) dictates that penalty interest for the 2022/23 financial year is not to exceed 7%.

CONSULTATION

N/A

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Goal 12 – Council leads the organisation and engages with community in an accountable and professional manner.

RISK IMPLICATIONS

Rate setting is part of 2022/23 budget requirements.

Consequence	Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood					
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
Low	Monitor for ongoing improvement.
Medium	Comply with risk reduction measures to keep risk as low as reasonably practical.
High	Review the risk and take additional measures to ensure risk is low as reasonably achievable.
Severe	Unacceptable risk level, reduction measures must be introduced before proceeding.

POLICY IMPLICATIONS

Nil

VOTING REQUIREMENTS

Absolute Majority

OFFICER'S RECOMMENDATION

That the Corporate Strategy Committee recommends to Council:

- In accordance with s6.32 of the *Local Government Act 1995* the rates and minimums to be levied on all rateable property within the Shire of Beverley for the financial year ending 30 June 2023 be as follows:

Gross Rental Value	\$0.120700
Gross Rental Value Minimum	\$941.00
Unimproved Value	\$0.007443
Unimproved Value Minimum	\$941.00
- The service of rates notice date be 8 August 2022.
- In accordance with s6.46 of the *Local Government Act 1995*, a 10% rate discount be allowed for rates paid in full within twenty one (21) days of the service of rates notice being applicable up to close of business on 29 August 2022.
- In accordance with s6.51 of the *Local Government Act 1995*, an 7% interest charge be levied on all overdue rate instalments and on rates outstanding whether subject to either a formal or informal instalment program or not, excluding deferred pensioner rates.
- In accordance with s6.45 of the *Local Government Act 1995*, an administration charge of \$10 and an interest component of 5.50% per annum calculated daily, for the second and each of the subsequent rates instalments be levied in connection with each formal rate instalment program.
- That in accordance with s6.50 of the *Local Government Act 1995*, the due dates of instalments under the formal rate instalment program be;

1 st Instalment	12 September 2022
2 nd Instalment	14 November 2022
3 rd Instalment	16 January 2023
4 th Instalment	16 March 2023

All groups CPI, All groups index numbers and percentage changes

	Index	Percentage change	
	number(a)	Dec Qtr 2021 to Mar Qtr 2022	Mar Qtr 2021 to Mar Qtr 2022
	Mar Qtr 2022		
Sydney	123.7	1.7	4.4
Melbourne	124.2	2.3	4.5
Brisbane	125.3	2.2	6.0
Adelaide	122.7	1.9	4.7
Perth	123.3	3.3	7.6
Hobart	125.4	2.0	5.8
Darwin	120.7	2.1	5.5
Canberra	123.6	2.2	5.4
Weighted average of eight capital cities	123.9	2.1	5.1

a. Index reference period: 2011-12 = 100.0.

Source: Australian Bureau of Statistics, Consumer Price Index, Australia March 2022

5.4 Draft 2022/23 Budget

Submission To:	Corporate Strategy Meeting 19 July 2022
Report Date:	6 July 2022
Applicant:	N/A
File Reference:	ADM 0092
Author and Position:	Simon Marshall, Deputy Chief Executive Officer
Previously Before Council:	N/A
Disclosure(s) Of Interest:	Nil
Attachments:	Draft 2022/23 Budget Documentation

SUMMARY

The Corporate Strategy Committee to consider recommending to Council that the draft 2022/23 Budget be adopted.

BACKGROUND

The *Local Government Act 1995*, provides that a local government must, not later than 31 August in each financial year, or such extended time as the Minister allows, prepare and adopt, in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next following 30 June.

2022/23 Budget preparation has been underway since March 2022, with review of the 10 Year Road Program, 10 Year Plant Replacement Program, the Long Term Financial Plan Capital Program and proposed 2022/23 Fees and Charges items presented to Council for consideration.

COMMENT

The draft 2022/23 Budget as presented shows the detailed workings of Council's Operational and Capital programmes incorporating a rate increase of 5%.

The documents presented include:

- Budget Detailed Line Item Breakdown;
- Capital Projects;
- Property Maintenance Schedule;
- Loan Maintenance Summary;
- Reserve Fund Summary;
- Rate Models; and
- Budget Balancing Cut List.

As presented the draft 2022/23 Budget is in deficit by ~\$(TBC at Meeting).

Please note that 2021/22 Carried Forward balances may change as a result of End of Financial Year processing and Final Audit which may impact on the 2022/23 budgeted closing position.

Consequently, to balance the bottom line an increase in revenue (through a further Reserve fund transfer, increased loan funding or further Rate increase) or a decrease in expenditure (cut to discretionary spending) or a mixture of both is required.

A “*Cut List*” outlining cash items that can be easily carried over to subsequent years is provided to simplify this process.

STATUTORY ENVIRONMENT

Section 6.2 of the *Local Government Act* provides that:

- (1) Not later than 31 August in each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt, in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next following 30 June.
- (2) In the preparation of the annual budget the local government is to have regard to the contents of the plan for principal activities accepted by a local government under section 5.58 and to prepare a detailed estimate for the current year of –
 - a. the expenditure by the local government;
 - b. the revenue and income, independent of general rates, of the local government; and
 - c. the amount required to make up the deficiency, if any, shown by comparing the estimated expenditure with the estimated revenue and income.
- (3) For the purposes of subsections (2) (a) and (b) all expenditure, revenue and income of the local government is to be taken into account unless otherwise prescribed.
- (4) The annual budget is to incorporate –
 - a. Particulars of the estimated expenditure proposed to be incurred by the local government
 - b. Detailed information relating to the rates and service charges which will apply to land within the district including –
 - i. the amount it is estimated will be yielded by the general rate; and
 - ii. the rate of interest (if any) to be charged by the local government on unpaid rates and service charges;
 - c. the fees and charges proposed to be imposed by the local government;
 - d. the particulars of borrowings and other financial accommodation proposed to be entered into by the local government;
 - e. details of the amounts to be set aside in, or used from, reserve accounts and of the purpose for which they are to be set aside or used;
 - f. particulars of proposed land transactions and trading undertakings (as those terms are defined in and for the purpose of section 3.59) of the local government; and
 - g. such other matters as are prescribed.
- (5) Regulations may provide for –
 - a. The form of the annual budget;
 - b. The contents of the annual budget; and
 - c. The information to be contained in or to accompany the annual budget.

Section 6.11 of the Act provides:

- (1) Subject to subsection (5), where a local government wishes to set aside money for use for a purpose in a future financial year, it is to establish and maintain a reserve account for each such purpose.
- (2) Subject to subsection (3), before a local government —
 - (a) changes the purpose of a reserve account; or
 - (b) uses the money in a reserve account for another purpose, it must give one month's local public notice of the proposed change of purpose or proposed use.
- (3) A local government is not required to give local public notice under subsection (2) —
 - (a) where the change of purpose or of proposed use of money has been disclosed in the annual budget of the local government for that financial year; or
 - (b) in such other circumstances as are prescribed.
- (4) A change of purpose of, or use of money in, a reserve account is to be disclosed in the annual financial report for the year in which the change occurs.
- (5) Regulations may prescribe the circumstances and the manner in which a local government may set aside money for use for a purpose in a future financial year without the requirement to establish and maintain a reserve account.

Section 6.32. of the Act in reference to Rates and service charges, provides that:

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

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

Section 6.34 of the Act provides that unless the Minister otherwise approves, the amount shown in the annual budget as being the amount it is estimated will be yielded by the general rate is not to —

- (a) be more than 110% of the amount of the budget deficiency; or
- (b) be less than 90% of the amount of the budget deficiency.

Regulation 32 of the *Local Government (Financial Management) Regulations* provides that a local government may exclude from the calculation of the budget deficiency (6.2(3)) —

- (a) money borrowed or to be borrowed, to the extent that it is proposed in the annual budget to remain unspent at the end of the financial year;

- (b) reserves, to the extent that they are proposed in the annual budget to remain unspent at the end of the financial year;
- (c) in relation to a land transaction or trading undertaking, assets and liabilities, to the extent to which they are proposed in the annual budget to remain restricted to the purposes of the land transaction or trading undertaking at the end of the financial year;
- (d) any proposed amounts of depreciation of non-current assets;
- (e) assets from grants or gifts or non-cash revenue or expenditure;
- (f) current liabilities which, by their nature, are restricted, to the extent that they are proposed in the annual budget to remain uncleared at the end of the financial year; and
- (g) any other current assets which, by their nature, are restricted, to the extent that they are proposed in the annual budget to remain unused at the end of the financial year.

Section 6.35 of the Act provides:

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

CONSULTATION

N/A

FINANCIAL IMPLICATIONS

2022/23 Budget

STRATEGIC IMPLICATIONS

Goal 12 – Council leads the organisation and engages with community in an accountable and professional manner.

RISK IMPLICATIONS

It is a requirement under the *Local Government Act 1995*, provides that a local government must, not later than 31 August in each financial year, or such extended time as the Minister allows, prepare and adopt, in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next following 30 June. This report and adoption mitigates the risk of non-compliance.

Consequence	Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood					
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
Low	Monitor for ongoing improvement.
Medium	Comply with risk reduction measures to keep risk as low as reasonably practical.
High	Review the risk and take additional measures to ensure risk is low as reasonably achievable.
Severe	Unacceptable risk level, reduction measures must be introduced before proceeding.

POLICY IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION

That the Corporate Strategy Committee recommend to Council that the balanced draft 2022/23 Budget be adopted.

6. NEW BUSINESS ARISING BY ORDER OF THE MEETING

New Business of an urgent matter only arising by order of the meeting.

7. CLOSURE

The Chairman to declare the meeting closed.