SHIRE OF MENZIES

Agenda

NOTICE OF MEETING

A Special Meeting of the Council will be held in the Council Chambers, 124 Shenton Street, Menzies on Friday 3 July 2026 commencing at 4.00PM to consider the following Special Business item:

- Adoption of the 2026/2027 Financial Year Budget

Rob Stewart
Acting Chief Executive Officer

DISCLAIMER

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In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a license, any statement or limitation of approval made by a member or officer of the Shire of Menzies during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Menzies. The Shire of Menzies warns that anyone who has an application lodged with the Shire of Menzies must obtain and only should rely on written confirmation of the outcome of the application, and any conditions attaching to the decision made by the Shire of Menzies in respect of the application.

DECLARATIONS OF INTEREST

A member who has an Impartiality, Proximity or Financial interest in any matter to be discussed at this meeting must disclose the nature of the interest either in a written notice, given to the Chief Executive Officer, prior to the meeting, or at the meeting immediately before the matter is discussed.

A member who makes a disclosure in respect to a Proximity or Financial interest must not preside at the part of the meeting which deals with the matter, or participate in, or be present during any discussion or decision-making process relative to the matter, unless the disclosing member is permitted to do so under Section 5.68 or Section 5.69 of the *Local Government Act 1995*.

RECORDING OF MEETINGS

- All Council Meetings are digitally recorded, for audio only, except for Confidential Agenda Items (in accordance with Section 5.23(2) of the Local Government Act 1995) during which time recording ceases.
- Following publication and distribution of the meeting minutes to Council Members the digital audio recording will be available on the Shire's website.

Defamation – cl 14K Local Government (Administration) Regulations 1996

(1) A local government is not liable to an action for defamation in relation to any of the following done by the local government as required or authorised under this Part —

(a) publicly broadcasting a meeting;
(b) making a recording of a meeting;
(c) making a recording of a meeting publicly available;
(d) retaining a recording of a meeting or a copy of a recording;
(e) providing a copy of a recording of a meeting to the Departmental CEO.

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1 DECLARATION OF OPENING

The Shire President, as Presiding Member, declared the meeting open at ______pm.

2 ANNOUNCEMENT OF VISITORS

Nil

3 RECORD OF ATTENDANCE

Councillors:	Cr P Warner, Shire President Cr S Sudhir, Deputy Shire President Cr I Baird Cr K Tucker Cr J Dwyer Cr S Wessely
Staff	Mr R Stewart, Acting Chief Executive Officer Ms K Van Kuyl, Chief Financial Officer Mr G Marland, Works Manager Mr S McGay, Community Development Manager Ms T Tran, Finance Team Leader Ms M Yulo-Uy, Executive Officer (Minutes)

4 PUBLIC QUESTION TIME

5 APPLICATION FOR LEAVE OF ABSENCE BY MEMBERS

Cr A Tucker – from 30 June 2026 to 30 September 2026 (Previously approved, pursuant to Council Resolution 070/26)

6 DISCLOSURES OF INTEREST

Nil

7 NOTICE OF ITEMS TO BE DISCUSSED BEHIND CLOSED DOORS

Nil

8 PETITIONS/DEPUTATIONS/PRESENTATIONS

Nil

9 REPORTS OF OFFICERS

9.1 Finance Reports

9.1.1	Adoption of the 2026/2027 Annual Budget
LOCATION	**Not Applicable**
APPLICANT	**Internal**
DOCUMENT REF	**NAM1679**
DATE OF REPORT	**29 June 2026**
AUTHOR	**Chief Financial Officer, Kristy Van Kuyl**
RESPONSIBLE OFFICER	**Acting Chief Executive Officer, Rob Stewart**
OFFICER DISCLOSURE OF INTEREST	**Nil**
ATTACHMENT	1. Statutory Annual Budget for year ended 30 June 2027 v 2 [**9.1.1.1** - 24 pages] 2. Cash Budget 2026-27 - V 32 Capital [**9.1.1.2** - 4 pages] 3. 2026-27 Fees and Charges [**9.1.1.3** - 5 pages]

SUMMARY:

To recommend that the Draft Annual Budget for the 2026/2027 financial year, along with the budget schedules for the year ending 30 June 2027, be adopted.

BACKGROUND:

A workshop has been conducted involving Council members and Executive Officers, focusing on the review of Capital and Operational programs. The 2026/2027 Draft Annual Budget has been prepared in alignment with the Council Plan 2025–2035, which was adopted at the Ordinary Council Meeting held on Thursday, 26 June 2025. A desktop review was adopted at the Ordinary Council Meeting held on Thursday, 18 June 2026.

In addition, the proposed differential rates were adopted at the Ordinary Council Meeting held on 27 May 2026. In accordance with Section 6.36 of the *Local Government Act 1995*, local public notice was given on 30 May 2026, inviting submissions over a 21 day period. The public submission period closed on 23 June 2026, with no submissions received.

COMMENT:

The 2026/2027 Draft Annual Budget has been prepared to support the continued delivery of outcomes aligned with the community’s vision. The key features of the 2026/2027 Draft Annual Budget include the following highlights:

Rates

An overall increase in rates is considered unnecessary for the 2026/27 financial year. The 2026/2027 Draft Annual Budget has been prepared by maintaining the same minimum payment and rate in the dollar as the previous year for both Gross Rental Value (GRV) and Unimproved Value (UV) categories. However, a reduction has been applied to the Unimproved Value (UV) Mining Mperations category, which accounts for the majority of revenue. This approach has been adopted to to support the ongoing delivery of community services while maintaining operational capacity.

The following table outlines the rates in the dollar and minimum payments applied for the 2026/2027 financial year:

Rate Category	Proposed rate in the Dollar $	Proposed Minimum Payment $
GRV	0.0894	200.00
UV - Pastoral / Other	0.0853	328.00
UV - Mining Operations	0.15296	328.00
UV - Mining Exploration	0.14754	328.00
UV - Mining Prospecting	0.14754	328.00

The 2026/2027 revenue yield is derived from the above rating categories as detailed in the table below:

Rate Category	**Total Properties**	**Total Revenue 2025/2026**	**Estimated Rates Revenue 2026/2027**	**% Revenue**
Gross Rental Revenue (GRV)	247	$232,791.26	$233,434.00	0.28%
Unimproved Value (UV)	1220	$4,955,803.30	$4,955,176.66	-0.01%
Total	**1467**	**$5,188,594.56**	**$5,188,610.66**	**0.26%**

The table represents an overall increase in rate revenue of 0.26%, comprising a 0.28% increase in revenue in Gross Rental Revenue (GRV) and a 0.01% decrease in Unimproved Value (UV) revenue.

Instalments

It is recommended that the following two payment options be offered as in previous years.

1. To pay the total rates and charges included in the rate notice in full by the 35^{th} day after the date of issue of the rates notice; or

2. Payment in four instalments after the date of issue of rates notice to be applied:

   a. First instalment 18 September 2026
   b. Second instalment 20 November 2026
   c. Third instalment 29 January 2027
   d. Fourth instalment 02 April 2027

Instalment Fee

It is recommended that an instalment fee of $10 be charged for each instalment reminder after the first instalment is paid. This is the same as that charged in recent years.

Interest on Instalment

It is recommended that the maximum interest rate of 5.5% per annum be applied to instalment payments. This is the same as that charged in recent years.

Late Payment Penalty Interest

It is recommended that late payment penalty interest be charged at 7% per annum in accordance with section 6.51(1) of the *Local Government Act 1995*.

It is proposed that the late payment penalty interest will apply to rates that remain unpaid, where no election was made to pay rates by instalments and on overdue instalment payments where an election was made to pay by instalments.

Fees and Charges

The Schedule of Fees and Charges for all services has been comprehensively reviewed as part of the annual budget deliberation process. A number of fees and charges have been revised and an average increase of 3.5% over the 2025/2026 Schedule of Fees and Charges has been incorporated into the 2026/2027 Annual Budget for adoption.
The 2026/2027 Schedule of Fees and Charges is included in the attached document.

2026/2027 Statutory Budget

The 2026/2027 Statutory Budget has been prepared in accordance with legislative requirements and includes all mandatory financial statements and supporting schedules. The statutory components included in the budget are as follows:

- Statement of Comprehensive Income
- Statement of Cash Flows

- Statement of Financial Activity
- Notes to and forming part of the Budget

The 2026/2027 Annual Budget continues to deliver a broad range of services and facilities across all operational programs, with a particular focus on road renewals, building maintenance, and improvement of community assets.

Operating Revenue
The operating revenue for 2026/2027 is primarily driven to the following:

- A minor increase in rates revenue, resulting in an overall 0.26% increase in the rates yield. This has been achieved while maintaining the same minimum payment and rate in the dollar across categories, with the exception of the mining operations category.
- The Financial Assistance Grant 80% advance payment received prior to 30 June 2026, which has impacted the current year cash flow position.
- $138,162.00 arising from net movements across the fees and charges, interest revenue, and other revenue.

Capital Work Program
The 2026/2027 Capital Works Program, totalling of $4.5 million, includes several key projects aimed at improving community infrastructure and operational capacity. Major initiatives include:

- Upgrades to several Shire-owned residential properties and heritage assets, including the Menzies Town Hall, Goongarrie cottages, and the Menzies War Memorial.
- Improvements and new installations of community amenities, including the Menzies effluent pond, Kookynie waste site infrastructure, and public toilet facilities at Kookynie, Niagara Dam, and Lake Ballard
- Continued development of recreational facilities, including upgrades to the Menzies Playground, installation of an outdoor gym, and enhancements to the recreational precinct as a central hub for community events
- Replacement of some major plant and vehicles to support service delivery
- Continuation of Town Improvement Project.
- Upgrade facility and fencing at the Menzies Caravan Park
- Ongoing improvements to the Astrotourism site.
- Construction of footpaths within the Menzies townsite to improve accessibility and pedestrian safety
- Continued installation of security infrastructure at the Menzies Depot Workshop
- Upgrades to surrounding infrastructure at the Menzies and Kookynie airstrips
- Finalisation of the Kookynie streetlight installation project

Capital roadworks and infrastructure projects totalling $4.2 million are proposed for the 2026/2027 financial year, an estimated $2.6 million is expected to be funded through State and Federal Government grants. Key funding allocations include:

- Roads to Recovery (RTR) program funding for the Kookynie–Mt Remarkable Road and Mount Ida Road, totalling $2,250,000.00, with $970,172.00 fully funded by the grant provider.
- Regional Road Group (RRG) funding allocation of $918,000.00 for the Evanston Menzies Road.

- $1,050,596.00 from carried forward funding and allocations under the Financial Assistance Grant (Special Access Roads)

The detail of the 2026/2027 Capital Works Program is provided in the attached document.

Operating Expenditure
The operating budget for 2026/2027 remains closely aligned with the previous financial year, maintaining a strong focus on essential service delivery. Key areas include road infrastructure maintenance, tourism development and events, community services, and general building maintenance.

Operating expenditure key factors:
- $319,337.00 attributable to a 4.75% salary increase under the Local Government Award (LGA) and Municipal Employees Award (MEA), along with a 3.5% increase to CEO remuneration as determined by the Salaries and Allowances Tribunal
- $950,850.00 increase in materials, contracts, and service delivery costs to support daily operations.
- $42,750.00 due to rising utility costs, reflecting increase of electricity, water, and other service charges
- $12,000.00 decrease in finance-related costs, primarily due to reduced borrowing expenses associated with the completion of the Government Regional Officer Housing (GROH) project, as well as adjustments in insurance premiums
- $67,000.00 increase in elected member fees and allowances, including a 3.5% increase and associated 12% superannuation contributions, as well as provisions for the Audit and Risk Committee (AuRIC) Independent Chair and Deputy Chair roles
- $370,000.00 increase related to anticipated rates write-offs, land acquisition costs, and operational impacts of asset depreciation.

No new borrowing has been proposed in the preparation of the 2026/2027 Draft Annual Budget.

The Annual Community Grants Program was advertised in February 2026, providing an opportunity for not-for-profit organisations within the Shire of Menzies to apply for funding support for the 2026/2027 financial year. The program is designed to encourage community participation, support local initiatives, and strengthen the delivery of services and activities that benefit community members and visitors.

Eligible organisations were invited to submit applications outlining their proposed projects, activities, and funding requirements. The 2026/2027 Annual Budget support selected applicants and continue contributions to established community groups, reflecting the Shire’s commitment to a strong and connected community.

The following 2026/2027 annual contributions have been included as part of the budget deliberation process:

Organisation	Purpose	Annual Contribution	Account Number

Menzies Aboriginal Corporation	2026 Annual Christmas Tree	$ 1,500.00	2110718
Goldfields Community Legal Centre	Gold sponsorship by providing free legal advice and support to disadvantaged individuals and families	$ 5,000.00	2110718
Leonora Art Prize	2026/2027 Annual Art Prize contribution	$ 5,000.00	EV006
Outback Graves	2026/2027 Annual contribution	$ 50,000.00	2110723
Royal Flying Doctor Service	2026/2027 Annual contribution	$ 11,100.00	2070741

Ongoing contributions continue to be provided to the Menzies and Tjuntjuntjara Remote Community School to support the delivery of school holiday programs 2026/2027. To ensure transparency and accountability, the organisation is required to submit audited acquittal reports detailing the use of funds and outcomes achieved, demonstrating that funding has been applied in accordance with its intended purpose.

Organisation	Purpose	Annual Contribution	Account Number
Menzies Remote Community School	Menzies School Holiday Program 2026/2027	$ 30,000.00	2110719
Tjuntjuntjara Remote Community School	Tjuntjuntjara School Holiday Program 2026/2027	$ 30,000.00	TJ002

<u>Reserve</u>

The 2026/2027 reserve movements have been structured to support major capital works, funded project commitments, and the allocation of budget surpluses for future priorities. These transfers are outlined below:

- $795,000.00 transferred from reserves to fund capital and carry-forward projects, including:
    - $200,000.00 allocated for building upgrades and general infrastructure maintenance
    - $445,000.00 allocated for the replacement and upgrade of plant and equipment
    - $50,000.00 allocated for improvements to the Caravan Park
    - $100,000.00 allocated for road infrastructure upgrades

- $2,209,126.00 transferred to reserves to support future financial sustainability and planned infrastructure investment, including:
    - $200,000.00 allocated to interest-earning reserves
    - $600,000.00 surplus allocation to the Building Reserve to support future acquisitions and upgrades of Shire facilities

- $500,000.00 surplus allocation to the Caravan Park Reserve for future development and improvements.
- $300,000.00 surplus allocation to the Waste Reserve to fund future waste management infrastructure.
- $609,126.00 surplus allocation to the Road Infrastructure Reserve to support major road projects in future years

Material Variance

Pursuant to regulation 34(5) of the *Local Government (Financial Management) Regulations 1996*, each financial year a local government is to adopt a percentage or value, calculated in accordance with the Australian Accounting Standard (AAS), to be used in Statement of Financial Activity for reporting material variances.

A variance of 10% is recommended to be adopted, and a minimum of $25,000.00 be used in the Statement of Financial Activity and Annual Budget Review for the 2026/2027 financial year.

CONSULTATION:

A budget workshop has occurred during the preparation of this report. Moore Australia has assisted with preparing the statutory budget report.

STATUTORY AUTHORITY:

Local Government Act 1995 provides at Section 6.2 that Local Governments are to prepare an annual budget.

POLICY IMPLICATIONS:

Policy – 4.1 – Budget Preparation Timetable.

FINANCIAL IMPLICATIONS:

The Budget for the 2026/2027 financial year incorporates a 0.26% increase to Rates Revenue and 3.5% increase to the Schedule Fees and Charges.

RISK ASSESSMENT:

Risk Statement	Level of Risk	Risk Mitigation Strategy
The Council's budget provides the mechanism to raise revenue and undertake works.	Low	Adopt budget.

STRATEGIC IMPLICATIONS:

The Shire of Menzies Council Plan 2025-2035 outlines the following Outcome, Strategies and Activity:

Outcome:
8. An efficient and effective organisation.

Strategies:
8.1 Maintain a high level of corporate governance, responsibility and accountability.
8.2 Provide appropriate services to the community in a professional and efficient manner.

Activity:
8.1.2 Demonstrate sound financial planning and management, seeking a high level of legislative compliance and effective internal controls.
8.2.1 Provide quality regulatory services.

Accordingly, the officer's recommendation aligns with the Shire of Menzies Council Plan.

VOTING REQUIREMENTS:

Recommendation 1 - Absolute Majority Required
Recommendation 2 - Absolute Majority Required
Recommendation 3 - Absolute Majority Required
Recommendation 4 - Simple Majority Required

OFFICER RECOMMENDATION 1 – 2026/2027 General Rates, Instalment, Fees, Interest

That:

1. For the purpose of yielding the deficiency disclosed by the 2026/2027 Municipal Fund Budget, pursuant to sections 6.32, 6.33, 6.34, and 6.35 of the *Local Government Act 1995*, the following general and minimum rates be imposed on Gross Rental and Unimproved Values.

Rate Category	Proposed rate in the Dollar $	Proposed Minimum Payment $
GRV	0.0894	200.00
UV - Pastoral / Other	0.0853	328.00
UV - Mining Operations	0.15296	328.00
UV - Mining Exploration	0.14754	328.00
UV - Mining Prospecting	0.14754	328.00

2. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, the following due dates be nominated for the payment in full or by instalments:

   Issue Date 14 August 2026
   Payment in Full 18 September 2026

   Payment in Four Instalments

   d) First instalment 18 September 2026
   d) Second instalment 20 November 2026
   d) Third instalment 29 January 2027
   d) Fourth instalment 02 April 2027

3. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 67 of the *Local Government (Financial Management) Regulations 1996*, an instalment fee of $10.00 be adopted where the owner has elected to pay rates through an instalment option for each instalment after the initial instalment payment.

4. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 68 of the *Local Government (Financial Management) Regulations 1996*, an interest rate of 5.5% be adopted where the owner has elected to pay rates through an instalment option.

5. Pursuant to section 6.51(1) and subject to section 6.51(4) of the *Local Government Act 1995* and regulation 70 of the *Local Government (Financial Management) Regulations 1996*, an interest rate of 7% be adopted for rates that remain unpaid after becoming due and payable.

COUNCIL DECISION:

Council Resolution Number	

Moved		**Seconded**	

Carried by Absolute Majority	

OFFICER RECOMMENDATION 2 – 2026/2027 Annual Budget

Pursuant to the provision of section 6.2 of the *Local Government Act 1995* and part 3 of the *Local Government (Financial Management) Regulations 1996*, the Budget as attached for the 2026/2027 financial year which includes the following:

- Statement of Comprehensive Income
- Statement of Cash Flows
- Statement of Financial Activity
- Notes to and forming part of the Budget

be adopted.

COUNCIL DECISION:

Council Resolution Number	

Moved		**Seconded**	

Carried by Absolute Majority	

OFFICER RECOMMENDATION 3 – 2026/2027 Schedule Fees and Charges

Pursuant to section 6.16 of the *Local Government Act 1995* and other relevant legislation, the 2026/2027 Schedule of Fees and Charges included as attachment to the statutory document, be adopted.

COUNCIL DECISION:

Council Resolution Number	

Moved		**Seconded**	

Carried by Absolute Majority	

OFFICER RECOMMENDATION 4 – 2026/2027 Material Variance Reporting

Pursuant to regulation 34(5) of the *Local Government (Financial Management) Regulations 1996*, a variance of 10% be adopted and a minimum of $25,000.00 be used in the Statement of Financial Activity and Annual Budget Review for the 2026/2027 financial year.

COUNCIL DECISION:

Council Resolution Number	

Moved		**Seconded**	

Carried	

9.2 Administration Reports

Nil

10 BEHIND CLOSED DOORS - CONFIDENTIAL REPORTS

Nil

11 CLOSURE OF MEETING

The Shire President, as Presiding Member, declared the meeting closed at _____pm.