

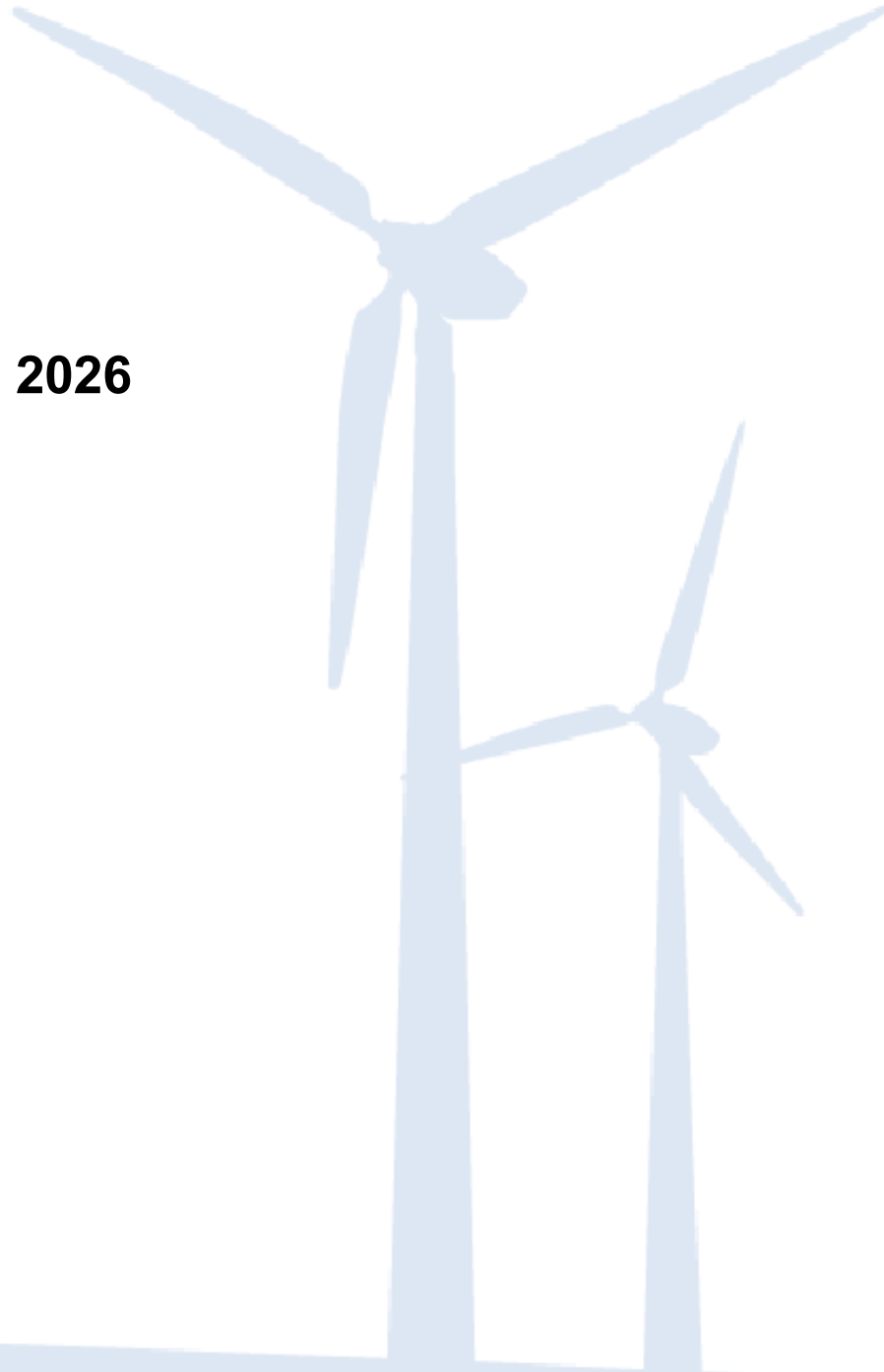


Shire of Esperance

SPECIAL COUNCIL

TUESDAY 4 AUGUST 2026

MINUTES



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ETHICAL DECISION MAKING AND CONFLICTS OF INTEREST

Council is committed to a code of conduct and all decisions are based on an honest assessment of the issue, ethical decision-making and personal integrity. Councillors and staff adhere to the statutory requirements to declare financial, proximity and impartiality interests and once declared follow the legislation as required.

ATTACHMENTS

Please be advised that in order to save printing and paper costs, all attachments referenced in this paper are available in the original Agenda document for this meeting.

RECORDINGS

The Meeting will be live streamed. The recording will be made publicly available as soon as practical following the meeting.

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SHIRE OF ESPERANCE
MINUTES
OF THE SPECIAL COUNCIL MEETING
HELD IN COUNCIL CHAMBERS ON 4 AUGUST 2026.

1. OFFICIAL OPENING

The Shire President declared the meeting open at 11:00am and did an acknowledgement to country.

The Shire of Esperance acknowledges the Nyungar and Ngadju people who are the Traditional Custodians of this land and their continuing connection to land, waters and community. We pay our respects to Elders past, present and emerging and we extend that respect to other aboriginal Australians today.

2. ATTENDANCE

Members

Pres. R Chambers	President	
Cr G Johnston – via Teams		Town Ward
Cr L de Haas		Town Ward
Cr W Graham		Rural Ward
Cr S Starcevich		Rural Ward
Cr G Harp		Town Ward
Cr C Davies		Town Ward

Shire Officers

Mr S Burge	Chief Executive Officer
Mr M Walker	Director Asset Management
Mr R Greive	Director External Services
Mrs F Baxter	Director Corporate & Community Services
Mrs R Hamilton	Manager Financial Services
Mrs M Bidstrup	Media and Communications Officer
Miss E Godwin	Administration Assistant

3. APOLOGIES & NOTIFICATION OF GRANTED LEAVE OF ABSENCE

Previously Granted Leave of Absence

A leave of absence was previously granted to Cr McWilliam for the period 29 July 2026 to 13 October 2026

Apology

Cr J Obourne	Deputy President	Town Ward
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4. DECLARATIONS OF INTERESTS:

4.1 Declarations of Financial Interests – Local Government Act Section 5.60a

Nil

4.2 Declarations of Proximity Interests – Local Government Act Section 5.60b

Nil

4.3 Declarations of Impartiality Interests – Admin Regulations Section 34c

Nil

4.4 Declarations of Behavioural Breach Interests – Local Government Act Section 5.105(4)

Nil

5. PUBLIC QUESTION TIME

Nil Questions

6. PURPOSE OF MEETING

Item: 6.1

Adoption of 2026/2027 Annual Budget

Author/s	Roselyn Hamilton	Manager Financial Services
Authoriser/s	Felicity Baxter	Director Corporate & Community Services

File Ref: D26/20536

Applicant

Corporate and Community Services

Location/Address

Internal

Executive Summary

To present to Council the FY2026/27 Annual Budget for adoption.

Recommendation in Brief

That Council adopt the Statutory Budget and supporting documents along with rate parameters, fees and charges, reserve movements, proposed borrowings and waste rate for the FY2026/2027 financial year (FY).

Background

A series of Integrated Planning and Budget Workshops were held with Council Members, which focused on reviewing and developing the FY2026/27 Budget. The outcomes of these recommendations to fine tune the projects have been discussed and included in the formal budget prepared for adoption.

The statutory format required by the *Local Government Act 1995* and the *Local Government and Financial Management Regulations 1996* is included in this report. The proposed budget as discussed and considered during the draft budget workshops resulted in a deficit of \$102,479.

During the Budget Workshops with Councillors, considerable effort was made to keep any Rate increase to a minimum and in line with the Long-Term Financial Plan. The FY2026/27 Statutory Budget is developed from the strategic direction embedded in the Council Plan taking into consideration operational capabilities, asset renewal commitments and community need in the current economic conditions.

Key local, state-wide and global issues have influenced the budget proposed. In particular, the continuing pressure on material and employment costs. The challenge to availability of contractors and the cost increases for those services. Global events have also had a significant effect on transport costs. At the time of developing this budget, the Local Government Cost Index (LGCI) for June 2026 was predicted at 3.3%, and WA CPI rose 4% by May driven by a strong housing market and global effects to the transport industry.

The Shire's Industrial Agreement provided for an uplift of 3.5% in 2026/27 unless the March quarter CPI rose above this. As the March quarter CPI was 4.6%, this is the salary uplift for employees covered under this agreement. With contingency for the pressures of inflation and the result of the Industrial Agreement, Council have agreed to a 6% increase in Shire Rates for both Gross Rental Value (GRV) and Unimproved Capital Value (UV).

Fees and Charges were also considered by the Council on the 26 May 2026 at the Ordinary Council Meeting (OCM) with the draft fees and charges to be included with the budget adoption.

The fees and charges will become effective with the adoption of the budget except for Bay of Isles Leisure Centre and Esperance Home Care, where the fees will be effective from 1 September 2026.

Officers have finalised the accounts for the end of the previous financial year and now present the budget in the official statutory format ready for adoption.

After completing all the necessary adjustments as of 30th June and completing reserve transfers, the predicted closing position for the FY2025/2026 year is a net \$5,852,150 which covers carryover projects which have consequently been re-budgeted into the FY2026/2027.

Officer's Comment

The preparation of this budget commenced with the FY2025/2026 Revised Budget adjusted for one off revenues and expenses, with the key project and asset service delivery as determined in the Shire's Long Term Financial Plan. The annual budget is constructed using "Zero Based Budgeting". In doing so, the Operational budgets are already limited in capacity for further reductions without alterations to the service levels or program outcomes.

In reaching the end of year position the annual reserve movement reconciliations have been performed. A complete list of the Shire's Reserve Account balances as of 30 June 2026 is provided within the Statutory Budget document. The opening "cash" position (net of unexpended grants) carried forward into the FY2026/2027 budget is a surplus of \$5,852,150. In adopting the budget, there remains the possibility that the opening balance may need adjusting, if end of year calculations, or external audit review identifies an adjustment prior to finalising the FY2025/26 financial statements. If this occurs, corrections will be reported during the Budget Review process or an additional agenda item to Council if required.

Council will notice that Financial Assistance Grants (FAG) of \$6.29m was received prior to the 30th of June 2026. Although this is a good result for the FY2025/2026 operating position it means that the FAG money that is relevant to the FY2026/2027 year will not be recognised during the FY2026/2027 year. These funds will be fully applied to the FY2026/2027 Budget by way of recognising unspent grants.

The Rate base increase is 1.5% higher than predicted in the Long-Term Financial Plan that was adopted by Council in April 2025. This is mainly due to increasing construction and transportation costs particularly as a result of global events leading to uncertainty and increased fuel prices which affect all industries. With the commencement of significant Building projects, including the Myrup Transfer Station; The James Street Colocation and Cultural Hub, and Airport upgrades, Council have supported a strategy to minimise the impact on Rates. Over the next three years, the current Municipal contribution to Road Upgrade Projects of \$2.5M per annum, will be diverted to support the completion of these projects.

The Rate in the dollar has been adjusted to maintain a total yield increase of 6%, however depending on the property values, some properties may be more or less of the yield variance. The Shire does not have a role in determining the rental valuation of properties or the ability to appeal a valuation provided by the Valuer General. However, if a property owner does not agree with the GRV change they may lodge an objection directly with Landgate. These are updated by the Valuer General every five years, with each property subject to a different GRV outcome.

For FY2026/2027, there has been an increase of 4.6% to the Emergency Service Levy (ESL) which is imposed by the State Government but included on the Rates Notices for both GRV and UV properties.

Council has no decision-making authority for the ESL levied but provide the service of collecting the levy on behalf of the State Government and Department of Fire and Emergency Services (DFES).

A penalty interest rate of 11% is proposed and the Rates Notice instalment interest is 4%. These are within the regulations from the State Government requiring penalty interest to not exceed 11% and instalment interest not exceeding 5.5%.

Depreciation continues to be monitored with the ongoing fair value revaluation of the Shire's assets. Depreciation significantly impacts the operational loss reported on the Statement of Comprehensive Income which the Shire will continue to address through asset renewal management strategies that aim to meet sustainability into the future.

The Statutory Budget as presented has been prepared within the parameters that were set at the Draft Budget workshops that were held in June. Several of the estimates that were presented at the Workshops have been updated to reflect the known carryovers and unspent grants being recognised within the FY2026/2027 budget. The Shire's capital program was developed with a key focus this year on maintaining, renewing and replacing existing assets and infrastructure.

An indication of the capital works program for the FY2025/2026 budget includes the following projects:

• Myrup Waste Management Facility	\$11,200,000
• James Street Colocation Cultural Hub Project Stage 1a	\$2,500,000
• Building maintenance program	\$691,500
• Road upgrades and improvements	\$18,821,000

Local Government (Financial Management) Regulation 34 (5) requires that each financial year a local government adopts a percentage or value, calculated in accordance with AAS5 (Australian Accounting Standards 5), to be used in the monthly statement of financial activity for reporting material variances. AAS5 provides some guidance as to what may be regarded as a material amount when dealing with the balance sheet, operating statement and statement of cash flow when it states an amount which is equal to or greater than 10% of the base amount may be considered to be material while an amount less than or equal to 5% may not be material, unless in both cases there is a convincing argument to the contrary.

Based on this guidance, historical reference and having regard to the fact that the users of this financial information are management and Council requiring assistance with making management decisions, an amount of \$100,000 for operating and investing activities and an amount of \$200,000 for non-operating activities has been deemed to be reasonable for highlighting material variances, however this limit could be adjusted in the future if necessary. The use of this limit also does not preclude reporting lesser variances if it is considered their disclosure would be of benefit to the user of the monthly financial report. The proposed material reporting variance has changed from previous years considering the volume and usefulness of material variance explanations in preceding years.

Consultation

Management Draft Budget Workshops throughout May 2026

Council Draft Budget Workshops held throughout June 2026.

Financial Implications

Integrated planning and reporting documents such as the Council Plan, Long Term Financial Plan, and Asset Management Plan have all been referenced and utilised in the preparation of the FY2026/2027 Budget.

Asset Management Implications

A significant amount of the budget is directed towards addressing asset management issues. Road and infrastructure construction program are predominantly focused on asset renewal / improvements and improving road safety.

Statutory Implications

The statutory implications associated with this item are the *Local Government Act 1995* Section 6.2 and the *Local Government (Financial Management) Regulations 1996* Part 3 prescribes the requirement of the annual budget.

A 4.6% increase to salaries and wages has been included for staff within the FY2026/2027 in line with Australian CPI in the 2025-26 March quarter.

Policy Implications

Industrial Agreement 2025 and Council Policies that relate to staff entitlements.

Strategic Implications

Council Plan 2022-2032

Outcome 15. Operational excellence and financial sustainability

Environmental Considerations

The budget items that deal with environmental issues to either improve the environmental outcomes or seek approvals to reduce the Shire's risk with environmental issues.

Attachments

[A⇒](#). 2026-27 Statutory Budget - *Under Separate Cover*

Item: 6.1 Adoption of 2026/2027 Annual Budget

Moved: Cr Starceвич

Seconded: Cr de Haas

S0826-112

Council Resolution

That Council

- 1. AUTHORISE, by absolute majority, the income and expenditure contained within the Municipal Fund Budget pursuant to the provisions of Section 6.2 of the *Local Government Act (1995)* and Part 3 of the *Local Government (Financial Management) Regulations 1996* and adopt the Statutory Budget FY2026/2027.**
- 2. IMPOSE for the purpose of yielding the deficiency disclosed by the Municipal Fund Budget that Council pursuant to Sections 6.32 and 6.35 of the *Local Government Act (1995)* the following general and minimum rates on Gross Rental and Unimproved Values**

General Rates

Residential (GRV)	10.4762 rate in the dollar (cents)
Commercial / Industrial (GRV)	10.4762 rate in the dollar (cents)
Vacant Land (GRV)	10.4762 rate in the dollar (cents)
Rural (UV)	0.2805 rate in the dollar (cents)

Minimum Rates

Residential (GRV)	\$1,585.00
Commercial / Industrial (GRV)	\$1,585.00
Vacant Land (GRV)	\$1,585.00
Rural (UV)	\$1,622.00

- 3. IMPOSES, by absolute majority, in accordance with section 6.51(1) of the Local Government Act 1995 an interest rate of 11% applicable to overdue and unpaid rate and service charges.**
- 4. IMPOSES, in accordance with section 6.45(3) of the Local Government Act 1995 an interest rate of 4% applicable to rate and service charge instalment arrangements.**
- 5. That for those ratepayers not paying by instalments, the penalty interest will commence to be calculated no earlier than 35 days after the rates notice issue date.**
- 6. Pursuant to Section 6.45 of the Local Government Act (1995) and Regulation 64(2) of the Local Government (Financial Management) Regulations 1996, Council nominates the following due dates for the payment in full or by instalment:**

Full payment and 1st Instalment due date	23rd September 2026
2nd Instalment due date	18th November 2026
3rd Instalment due date	13th January 2027
4th and final instalment due date	10th March 2027
- 7. Pursuant to Section 66 of the Waste Avoidance and Resource Recovery Act (2007), Council adopt a Waste Rate of 0.000001 cents in the dollar for both GRV and UV property categories, with a minimum of \$115 for all GRV and UV rateable properties.**

8. Pursuant to Section 67 of the Waste Avoidance and Resource Recovery Act (2007), and section 6.16 of the *Local Government Act 1995* Council adopts the following charges for the removal and deposit of domestic and commercial waste:

140ltr bin waste collection	\$220.00
240ltr bin waste collection	\$326.00
360ltr bin waste collection	\$454.00
140ltr recycling collection- Domestic Fortnightly	\$168.00
240ltr recycling collection- Domestic Fortnightly	\$215.00
360ltr recycling collection- Domestic Fortnightly	\$222.00
240ltr recycling collection- Commercial Fortnightly	\$216.00
360ltr recycling collection- Commercial Fortnightly	\$286.00
240ltr recycling collection- Commercial Weekly	\$400.00
360ltr recycling collection- Commercial Weekly	\$541.00

Residential and Commercial Premises

Additional waste bin collection (140, 240 & 360ltr bins)	\$40.00
Additional recycling bin collection (140, 240 & 360ltr bins)	\$40.00

9. Every rateable assessment be issued with 4 free, up to 1m³ domestic waste vouchers.
10. Authorise the transfers/movements to and from the Reserve Accounts, as detailed within the Statutory Budget document.
11. ADOPT, pursuant to Section 6.16 of the Local Government Act (1995), the Fees and Charges, as included in the Statutory Budget for the FY2026/2027 year with all fees and charges becoming effective immediately except those for the BOILC and Esperance Home Care which will become effective from 1 September 2026.
12. Pursuant to section 5.99 of the *Local Government Act 1995* and regulation 34 of the *Local Government (Administration) Regulations 1996*, council adopts the following annual fees for payment of elected members in lieu of individual meeting attendance fees:

President	\$26,675
Councillors	\$22,085

Pursuant to section 5.99A of the *Local Government Act 1995* and regulations 34A and 34AA of the *Local Government (Administration) Regulations 1996*, council adopts the following annual allowances for elected members:

Telecommunications Allowance	\$1,700
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Pursuant to section 5.98(5) of the *Local Government Act 1995* and regulation 33 of the *Local Government (Administration) Regulations 1996*, council adopts the following annual local government allowance to be paid in addition to the annual meeting allowance:

President	\$45,630
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Pursuant to section 5.98A of the *Local Government Act 1995* and regulations 33A of the *Local Government (Administration) Regulations 1996*, council adopts the following annual local government allowance to be paid in addition

of the annual meeting allowance:

Deputy President

\$11,408

- 13. ADOPT, for the FY2026/2027 financial year a variance in the Statement of Financial Activity of \$100,000 for operating and investing activities and \$200,000 for non-operating activities for the reporting of material variances between the year-to-date budget and year to date actual information for disclosure purposes.**

CARRIED

F7 - A0

For: Cr Johnston, Cr Davies, Cr de Haas, Cr Starcevich, Cr Harp, Cr Graham, Pres Chambers

Item: 6.2

Rates Concession for 2026/2027

Author/s	Vicki Thomson Roselyn Hamilton	Coordinator Revenue Manager Financial Services
Authorisior/s	Felicity Baxter	Director Corporate & Community Services

File Ref: D26/20562

Applicant

Shire of Esperance

Location/Address

Various locations around the Shire.

Executive Summary

For Council to consider offering a rates concession equivalent to half of the minimum rates to those properties considered to be provided with no services.

Recommendation in Brief

That Council grant a concession of \$792.50 under GRV and \$811 under UV to the properties as attached to be included within their 2026/27 rate notice.

Background

There are a small number of properties including Development Area 3 which have no infrastructure services such as roads, paths and drains to the property. Similarly, there is a property at Israelite Bay. Since 2018/19, Council has granted a concession to these properties to ensure fairness and equity to these property owners.

The Israelite Bay property has historically received a concession as it is leased crown land with a heritage building on it of whom the lessee has the responsibility to maintain. It is also located at least 40km beyond the last farming property in the area.

The Development Area 3 property owners have the option to sell their property to the Shire. For year ending 30 June 2026 there were three properties sold to the Shire. Attached is a list of properties that received the concession last year and the proposed list for 2026/27 year.

Officer's Comment

To ensure fairness and equity to these property owners, it is requested that Council offer a rates concession as per the previous year.

The concession has been calculated based on the projected minimum rate of \$1,585 for GRV and \$1,622 for UV. This will result in a total waiver of \$15,076.00.

Consultation

Nil

Financial Implications

The financial implications arising from this report is \$15,076.00 and this has been allowed for within the draft budget.

Asset Management Implications

Nil

Statutory Implications

Section 6.47 *Local Government Act 1995*

Policy Implications

Nil

Strategic Implications

Council Plan 2022 – 2032

Leadership

A financially sustainable and supportive organisation achieving operational excellence

Environmental Considerations

Nil

Attachments

A. [4](#). Concession Rates 2026/2027

Item: 6.2 Rates Concession for 2026/2027

Moved: Cr Harp
Seconded: Cr Davies

S0826-113

Council Resolution

That Council grant a concession of \$792.50 for GRV and \$811 UV to the properties as attached to be included within their 2026/27 rate notice.

CARRIED
F7 - A0

For: Cr Johnston, Cr Davies, Cr de Haas, Cr Starcevich, Cr Harp, Cr Graham, Pres Chambers

Assessment Number	Lot #	Street	Suburb	2026 Concession	2027 Proposed Concession
GRV Vacant Unserved					
16527	62	Parsons	SINCLAIR	\$747.50	\$792.50
16535	61	Parsons	SINCLAIR	\$747.50	\$792.50
16543	64	Parsons	SINCLAIR	\$747.50	\$792.50
30585	26	Gladstone	SINCLAIR	\$747.50	\$792.50
30593	27	Gladstone	SINCLAIR	\$747.50	\$792.50
30601	33	Gladstone	SINCLAIR	\$747.50	\$792.50
32896	17	Gibson	SINCLAIR	\$747.50	\$792.50
32920	21	Gibson	SINCLAIR	\$747.50	\$792.50
32938	22	Gibson	SINCLAIR	\$747.50	SOLD
33001	34	Bay View	SINCLAIR	\$747.50	SOLD
33019	35	Bay View	SINCLAIR	\$747.50	\$792.50
33027	36	Bay View	SINCLAIR	\$747.50	\$792.50
33175	51	Bay View	SINCLAIR	\$747.50	\$792.50
33266	60	Gladstone	SINCLAIR	\$747.50	\$792.50
33274	61	Moir	SINCLAIR	\$747.50	\$792.50
33282	62	Moir	SINCLAIR	\$747.50	\$792.50
33332	68	Moir	SINCLAIR	\$747.50	\$792.50
33399	75	Synnot	SINCLAIR	\$747.50	\$792.50
33431	79	Synnot	SINCLAIR	\$747.50	SOLD
57091	6	Parsons	SINCLAIR	\$747.50	\$792.50
57109	68	Parsons	SINCLAIR	\$747.50	\$792.50
UV Rural Unserved					
76919	11	Balladonia	ISRAELITE BAY	\$765.00	\$811.00
				\$16,462.50	\$15,076.00

7. CLOSURE

The President declared the meeting closed at 11:18am.

These Minutes were confirmed at a meeting held on _____

Signed _____

Presiding Member at the meeting at which the Minutes were confirmed.

Dated _____