SPECIAL COUNCIL MEETING

AGENDA

NOTICE IS HEREBY GIVEN that the Public Agenda Briefing will be held in the Council Chambers, Welcome Road, Karratha, on Monday, 20 July 2026 at 5:30pm

VMiltrup

VIRGINIA MILTRUP
CHIEF EXECUTIVE OFFICER

These minutes were confirmed by Council as a true and accurate record of proceedings at the Special Council Meeting held on Monday, 20 July 2026.

Presiding Member ______________________________

Date: ______________________________

Signed: VMiltrup

Virginia Miltrup - Chief Executive Officer

DECLARATION OF INTERESTS (NOTES FOR YOUR GUIDANCE) ***(updated 13 March 2000)***

A member who has a **Financial Interest** in any matter to be discussed at a Council or Committee Meeting, which will be attended by the member, must disclose the nature of the interest:
(a) In a written notice given to the Chief Executive Officer before the Meeting or;
(b) At the Meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest, must not:
(c) Preside at the part of the Meeting, relating to the matter or;
(d) Participate in, or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under Section 5.68 or Section 5.69 of the *Local Government Act 1995*.

NOTES ON FINANCIAL INTEREST (FOR YOUR GUIDANCE)
The following notes are a basic guide for Councillors when they are considering whether they have a **Financial Interes**t in a matter. I intend to include these notes in each agenda for the time being so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor or a person closely associated with the Councillor and is capable of being measure in money terms. There are exceptions in the *Local Government Act 1995* but they should not be relied on without advice, unless the situation is very clear.

2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.

3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.

4. If in doubt declare.

5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.

6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:

   6.1 Where the Councillor discloses the **extent** of the interest, and Council carries a motion under s.5.68(1)(b)(ii) or the *Local Government Act*; or

   6.2 Where the Minister allows the Councillor to participate under s5.69 (3) of the *Local Government Act*, with or without conditions.

INTERESTS AFFECTING IMPARTIALITY
DEFINITION: *An interest that would give rise to a reasonable belief that the impartiality of the person having the interest would be adversely affected, but does not include an interest as referred to in Section 5.60 of the 'Act'.*

A member who has an **Interest Affecting Impartiality** in any matter to be discussed at a Council or Committee Meeting, which will be attended by the member, must disclose the nature of the interest;
(a) in a written notice given to the Chief Executive Officer before the Meeting; or
(b) at the Meeting, immediately before the matter is discussed.

IMPACT OF AN IMPARTIALITY CLOSURE
There are very different outcomes resulting from disclosing an interest affecting impartiality compared to that of a financial interest. With the declaration of a financial interest, an elected member leaves the room and does not vote.

With the declaration of this new type of interest, the elected member stays in the room, participates in the debate and votes. In effect then, following disclosure of an interest affecting impartiality, the member's involvement in the Meeting continues as if no interest existed.

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ITEM	SUBJECT	PAGE NO

SPECIAL COUNCIL MEETING AGENDA

1 OFFICIAL OPENING

Mayor Scott acknowledges the traditions of the Ngarluma people, on whose land we are gathered here today.

Mayor Scott notifies all attendees that this meeting will be live streamed and a recording of the meeting will be made.

2 RECORD OF ATTENDANCE / APOLOGIES

Councillors:

Cr Daniel Scott [Mayor]
Cr Jodie Swaffer [Deputy Mayor]
Cr Gillian Furlong
Cr Brenton Johannsen
Cr Sarah Roots
Cr Tony Simpson
Cr Daiva Gillam
Cr Martin Byrne
Cr Geoff Harris

Staff:

Virginia Miltrup	Chief Executive Officer
Emma Landers	Director Community Experience
Chloe Morris	Director Corporate Services
Lee Reddell	Director Development Services
Simon Kot	Director Strategic Projects & Business
Michael Bunting	Director Infrastructure Services
Christine Palmer	Chief Financial Officer
Jasmine Bray	Manager Governance
Pieta Bloxsom	Minute Secretary

Apologies:

Absent:

Leave of Absence:

Members of Public:

Members of Media:

3 PUBLIC QUESTION TIME

Mayor Scott provides the following introduction to Public Question Time.

Public questions at this meeting must relate to an item on the Agenda.

You are required to provide your name, address and question in writing on arrival and the Mayor will invite you to ask your question.

Questions are to be directed to the Presiding Member and shall be asked politely, in good faith, and are not to be framed in such a way as to reflect adversely or be defamatory to particular Elected Members or City employees.

Verbal questions are limited to two minutes per person, with a limit of two verbal questions per person and may be responded to at the meeting or taken on notice.

4 PETITIONS/DEPUTATIONS/PRESENTATIONS

5 DECLARATIONS OF INTEREST

Mayor Scott will invite Councillors to declare Financial, Impartiality and Proximity Interests relevant to this meeting.

6 CORPORATE SERVICES REPORTS

6.1 2026/27 ANNUAL BUDGET

File No: FM.1

Responsible Executive Officer: Director Corporate Services

Reporting Author: Chief Financial Officer

Date of Report: 15 July 2026

Applicant/Proponent: Nil

Disclosure of Interest: Nil

Attachment(s):
1. Draft 2026/27 Budget
2. Ministerial Approval - City of Karratha Differential rating 2026-27
3. 2026/27 Concessions and Waivers
4. 2026/27 Rate Exemptions

PURPOSE

For Council to consider the adoption of the Annual Budget for the 2026/27 financial year together with supporting schedules and other consequential matters arising from the budget papers.

OFFICER'S RECOMMENDATION 1

That Council:

1. **IMPOSE the following differential general and minimum rates on Gross Rental and Unimproved Values;**

Differential Rates Categories	2025/26 Rate in the $	2026/27 Proposed Rate in $	Multiplier Lowest Rate in $	Minimum Rate
GRV Residential	0.055795	0.057469	Lowest GRV	$1,750
GRV Commercial/Industrial	0.091110	0.093800	1.63	$1,750
GRV Airport/Strategic Industry	0.111589	0.114937	2.00	$1,750
GRV Transient Workforce Accommodation/ Workforce Accommodation	0.223179	0.229874	4.00	$1,750
UV Pastoral	0.130035	0.137837	Lowest GRV	$367
UV Mining/Other	0.145248	0.154000	1.12	$367
UV Strategic Industry	0.219248	0.235692	1.71	$367

2. **APPROVE the following due dates for payment of rates in full or by instalments:**

• **Full payment and 1st instalment due date**	**11 September 2026**
• **2nd instalment due date**	**13 November 2026**
• **3rd instalment due date**	**15 January 2027**
• **4th and final instalment due date**	**19 March 2027**

3. **GRANT the concessions and waivers included in attachment 3.**

4. **NOTE rates exemptions included in attachment 4.**

5. **ADOPT the following rates payment incentives including a contribution of $1,500 from municipal funds towards 2nd and 3rd prizes:**

1st Prize:	**$2,000 sponsored by Westpac**
2nd Prize:	**$1,000 sponsored by the City of Karratha**
3rd Prize:	**$500 sponsored by the City of Karratha**

OFFICER'S RECOMMENDATION 2

ELECTED MEMBERS' FEES AND ALLOWANCES FOR 2026/27

That Council ADOPT the following annual fees and allowances for payment of elected members:

Statutory Fees and Allowances

Annual Attendance Fee - Mayor $55,078
Annual Attendance Fee - Deputy Mayor and Councillors $36,722
Annual Allowance for the Mayor.. ......$104,032
Deputy Mayor Annual Allowance (25% of Annual Allowance for the Mayor).....$26,008
ICT Annual Allowance – Mayor, Deputy Mayor and Councillors.......................... $3,500
Meeting Fee - Independent Audit, Risk and Improvement Committee member…$1,215

Other Expenses

Maximum Travelling Expenses per Councillor... $6,000
Maximum Travelling Expenses for the Mayor $20,000
Maximum Travelling Expenses for the Deputy Mayor..$15,000
Professional Development Allowance per Councillor $5,000
Mayor's discretionary fund – Council related expenses....................................... $2,000

OFFICER'S RECOMMENDATION 3

ANNUAL BUDGET FOR 2026/27

That Council ADOPT the Annual Budget as contained in Attachment 1 for the 2026/27 financial year which includes the following:

1. **Statement of Comprehensive Income by Nature and Type on page 2 showing a net result for that year of $7,673,762;**

2. **Statement of Cash Flows on page 3.**

3. **Statement of Financial Activity on page 4 showing the amount required to be raised from rates of $69,859,012.**

4. **Notes to and forming part of the Budget on pages 6 onwards; and**

OFFICER'S RECOMMENDATION 4

MATERIAL VARIANCE REPORTING FOR 2026/27

That Council ADOPT the level to be used in the statements of financial activity in 2026/27 for reporting material variances being 10% or $100,000, whichever is the greater amount.

BACKGROUND

The 2026/27 Annual Budget and supporting documentation were prepared by the Administration in consultation with all departments across the organisation and reviewed by Executive and Council through a series of budget workshops and councillor briefing sessions.

A key component of the budget process is determining the budget deficiency to be funded through the levying of council rates. At the Ordinary Council Meeting held on 28 April 2026, Council determined an estimated budget deficiency and approved the advertising of the proposed rates in the dollar for 2026/27. The City subsequently gave local public notice of its intention to levy differential rates.

On the 2nd of June, when approval was sought to apply for Ministerial application, 2 alternative motions were put forward, and the model was amended based on public submissions. The Ministerial approval application was lodged on the 3rd of June 2026.

DISCUSSION

Strategic Focus Areas for 2026/27

The budget reflects the priorities of Council and the City of Karratha Community, while also delivering quality community and regulatory services, business improvements and the management of organisational risk.

In collaboration with Councillors, the following Strategic Focus Areas have been identified and resourced in the 2026/27 Budget:

- Progression of the Water Park
- Advocate on issues important to our community, through our Advocacy Plan and Karratha 2050.
- Progress key infrastructure projects;
    - Wickham undercover courts
    - KRMO outdoor courts and lighting
    - Bathgate Road Upgrade
    - Karratha Bike Park

  - Wickham South Park Upgrade
  - Wickham Bike Park
  - Baynton and Bulgarra Housing Projects
  - Conzinc Bay Road
- Implementation of the following key strategies:
  - Community Infrastructure Plan
  - Waste & Resource Recovery Strategy
  - Economic Development and Tourism Strategy
  - Environment Sustainability Strategy
- Remain agile to new external funding for Housing Action Plan and continue with advocacy for affordable housing models:
  - Further development of Mulataga
  - Affordable housing models
  - Progress Wickham consequential lots
  - Progress the Quarter Hotel EOI
- International flight status opportunities and complete Airport Management Review.
- Finalise and implement Place Plans for Wickham, Roebourne and Point Samson.
- Progress the Dampier Land Transfer with Rio Tinto and the Department of Planning, Lands and Heritage.
- Progress our plans for Future Land Use & Development:
  - Finalise Karratha City Centre Precinct Structure Plan.
  - Finalise Coastal Hazard Risk Management and Adaptation Plan.
  - Undertake Land Supply and Demand analysis for future requirements.
  - Explore options for Nickol Bay Hospital Site
- Develop a Reconciliation Action Plan.
- Explore new revenue streams
- Develop an Arts & Culture Strategy
- Continue to deliver a Business Transformation Plan to improve organisational culture, workplace safety, processes and systems, for the benefit of our customers and our employees.

Revenue

The City aims to reduce its reliance on rate income by maintaining a diverse range of revenue sources, including fees & charges, grants and investment income. With the benefit of 67% of operating income coming from external sources other than rates, the 2026/27 Budget will ensure both the immediate needs of current residents are met while at the same time providing the required services and infrastructure developments to meet future requirements.

The budget provides for a 3.6% increase in fees and charges revenue and a 4.4% increase in rate yield compared with the Quarter 2 budget review.

Transfers from City reserves will fund $61.5m in capital projects inclusive of capital carryovers from 2025/26 projects.

Differential Rates

At the Special Council Meeting held on 2 June 2026, the projected rates revenue was presented as $69.43m. Following this meeting, UV valuation rolls were updated and re-calculated, resulting in an increased rates revenue value of $70.03. Once concessions were applied, the net amount of rates income is $69.86m.

Rates waivers

Applications for rate waivers from not-for-profit community groups have been assessed in accordance with the City's CF-11 Rating Exemption Policy and pursuant to section 6.47 of the Local Government Act 1995.

Rates Payment Options
Ratepayers are provided various payment options, enabling payment in full, payment by two instalments and payment by four instalments. These involve an instalment administration charge of $10 per instalment after the first instalment, and instalment interest of 4.5% per annum. The City also offers direct debit payment plans to those who apply over the course of the rates period.

Financial Hardship (Rates)
Under CF-10 Rating Policy, there is the opportunity for ratepayers to request flexible payment arrangements with a suspension of debt recovery while the payment plan is in place. Residential property owners experiencing financial hardship can apply for an interest waiver up to $1,000 as per the hardship section of the policy.

Rates Incentive Scheme
The rate payment incentive scheme is undertaken by the City each year, the terms and conditions of which are available on the City's website and are reviewed and updated annually.

Penalty interest on rates
Penalty interest on rates and service charges remains at 7% pursuant to Regulation 70 of the *Local Government (Financial Management) Regulations 1996* (where the maximum allowable penalty interest rate is 11%).

<u>Expenditure</u>

The City's total operating expenditure of $201m includes recurring and non-recurring project expenditure as listed below:

Project expenditure (not recurring):

- Mulataga land development expense contribution $18.9m (offset totally by federal grant funding).
- Windy Ridge expenses of $2.5m (offset totally by funding contributions)
- Wickham Recreation Precinct - Multi Purpose Covered Courts expense of $6m (offset totally by funding contributions)

Business as Usual (recurring):

- A CPI increase of 3.5% is budgeted on all materials and contract expenses. Out of cycle expenses for IT and the ERP contribute to additional operating expenses on top of this increase. This also includes costs associated with delivering the Business Transformation Plan, which will enable the City to improve its systems and efficiencies.
- $1.1m increase in depreciation to reflect updated asset valuations and increase in replacement costs.
- 8% increase in insurance, based on advice from the insurer on insurance premiums.
- Finance costs have increased $2.2m from the 26FY budget due to the interest of the Bulgarra Development loan.
- Other expenditure has increased by $1.8m due to the bank charges on the Bulgarra Development Loan.

Employment Costs

Employment costs are tracking at 34% of operating expenditure. This compares favourably to other large regional local governments where employment costs range between 35% to 43% from their 2025/26 budgets. Employment costs include training, occupational health & safety, recruitment related expenses, workers compensation insurance and housing as well as salaries and wages.

Employment increases are required to support the delivery of community expectations, address areas of risk and maintain market competitive wages. These increases include:

- An assumed increase of 4% under the Enterprise Agreement whilst in negotiations
- Permanent increases to staffing levels to strengthen governance, safety and risk management, aligned with staffing benchmarks for comparable local governments
- Additional staffing to support delivery of the City's capital works program;
- Temporary increases to staffing levels during a period of business transformation to support the implementation of IT systems.
- A temporary increase in recruitment resourcing during a period of high growth; and
- Increased training requirements associated with higher staffing levels

Capital Works

The Capital Works Program for 2026/27 totals $77.85 million, including projects carried forward from 2025/26. The major capital projects for 2026/27 are:

Project	**$**
Housing Development - Baynton Apartments - Bajamalu	10.46m
7 Mile Waste Cell Development - Construct	5.18m
Karratha Airport - Capital	4.43m
KRMO Multi-Use Hardcourts and Lighting	4.05m
Bathgate Road Upgrade	4.00m
Murujuga Nat. Park Access Road (Conzinc Bay)	2.48m
Roebourne Recreation Precinct Master Plan-Capital	2.33m
Airport Runway Extension RESA	2.16m
Karratha Airport Airfield Cable & Lighting Upgrade	2.09m
Wickham Boat Beach Ramp and Jetty	1.85m
Bayview Road Culvert Replacement	1.75m
Purchase Equipment-Airport	1.72m
Information Technology - Hardware Refresh	1.59m
Road Reseal Program	1.59m
Footpaths Major Replace/Renewals	1.59m
Purchase Plant - Landfill Operations	1.54m
Karratha Leisureplex - Capital	1.50m
Airside Upgrade	1.47m
Kerb Renewals	1.46m
Wickham South Youth Recreation Area	1.44m
Ten Year Footpath Program	1.22m
Purchase Plant - Parks & Gardens	1.20m
Airport - Norman Rd Reconstruction	1.11m
Effluent Reuse Scheme Upgrade	1.05m

The Capital Works Program is funded through a combination of external funding, reserve funds, and the balance from municipal funds. The program also includes carryover projects from 2025/26 that were incomplete at year end.

Program	Amount	Funded by Municipal Funds	External Funding	Funded by Reserve Funds
Infrastructure	$18.52m	$1.75m	$3.87m	$12.90m
Building	$19.56m	$0.89m	$0.00m	$18.66m
Parks	$12.35m	$1.57m	$0.75m	$10.03m
Roads	$10.55m	$0.92m	$2.48m	$7.16m
Aerodromes	$4.29m	$0.00m	$0.00m	$4.29m
Footpaths	$4.31m	$0.40m	$0.00m	$3.91m
Plant	$4.71m	$1.89m	$0.00m	$2.83m
Equipment	$1.79m	$0.07m	$0.00m	$1.72m
Furniture	$1.77m	$1.77m	$0.00m	$0.00m
TOTAL	**$77.85m**	**$9.26m**	**$7.10m**	**$61.5m**

Reserve Funds

The following is a summary of budgeted reserve movements for 2026/27:

Budgeted Opening Balance 2026/27	Transfers to Reserve	Transfers from Reserve	Budgeted Closing Balance 2026/27
$144.37m	$29.63m	($74.68m)	$99.3m

Councillor and Independent Committee Member Allowances

It is proposed that Councillor Fees and Allowances increase, based on the 7 April 2026 determination by the Salaries and Allowances Tribunal for 2026/27, which saw a 3.5% increase applied. The allowance ranges are from $28,525 to $36,722 for Councillors and $28,525 to $55,078 for the Mayor, with the decision up to Council to determine the percentage of this band. Council has traditionally determined that they will receive 100% of the SAT range as it reflects the complexity and demands of being a Councillor/Mayor in a Band 1 Local Government. Should this be the case for 2026/27, the impact will result in sitting fees of $36,722 per Councillor and $55,078 for the Mayor.

An annual professional development allowance, per Councillor, of $5,000 is included in the budget.

An allocation for travel expenses, per Councillor, for City business requirements and attending meetings and professional development, of actual expenses of up to $6,000, is included in the budget. The Mayor and Deputy Mayor have increased limits due to advocacy obligations.

An Independent Committee Member meeting fee of $1,215 per meeting has been included, to remunerate independent members appointed by Council to the Audit, Risk, and Improvement Committee (ARIC).

Variance Reporting

The City reviewed the materiality variance threshold to '10% or $100,000, whichever is the greater' for 2025/26. This threshold also remains appropriate for the 2026/27 reporting year.

LEVEL OF SIGNIFICANCE
In accordance with Council policy CG-8 Significant Decision Making policy, this matter is considered to be of high significance in terms of Council's ability to perform its role.

STATUTORY IMPLICATIONS
Section 6.2 of the *Local Government Act 1995* requires that 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 (by Absolute Majority), in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next following 30 June.

Divisions 5 and 6 of Part 6 of the *Local Government Act 1995* refer to the setting of budgets and raising of rates and charges. The *Local Government (Financial Management) Regulations 1996* details the form and content of the budget. The draft budget has been prepared to include information required by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards.

Section 6.12 of the *Local Government Act 1995* refers to the power to defer, grant discounts, waive or write off debts.

COUNCILLOR/OFFICER CONSULTATION
Extensive consultation has occurred with all departments, Executive leadership team and through briefings and workshops with elected members on a regular basis since January 2026.

COMMUNITY CONSULTATION
Fees and charges were advertised to the Community prior to the adoption of these at the Ordinary Council Meeting on the 25th May 2026.

The proposed differential rates model was advertised, and submissions were invited from ratepayers. Appropriate responses and information pages on the What we Make It website page also provided consultation on the proposed rates modelling. These were presented to Council at the Special Council Meeting on the 2 June 2026.

POLICY IMPLICATIONS
CF-10 Rating Policy
CF-11 Rating Exemption Policy
CG-06 Councillor Fees, Allowances & Reimbursements
CG-19 Councillor Travel and Accommodation expenses

The Draft Budget 2026/27 applies the principles of the Department of Local Government, Sport and Cultural Industries rating equity in the setting of Council's differential rates and the provision of rating exemptions.

FINANCIAL IMPLICATIONS
The Draft 2026/27 Budget provides for the following income and expenditure:

Operating Revenue	$208m
Operating Expenditure	$201m
Capital Expenditure	$148m includes transfers to reserves & loans
Capital Revenue	$156m includes transfers from reserves & loans
Surplus	$13k

The draft budget document details these items in Attachment 1.

STRATEGIC IMPLICATIONS
The Council's Long Term Financial Plan (2026–2036) projects a CPI of 3.2% for 2026/27. For comparison, the YoY annualised Perth CPI for the March 2026 quarter was 4.6%. The WA Local Government Cost Index, published by WALGA, is forecast to drop to 3.0% in 2026/27 and 2.9% in 2027/28.

Despite the cost pressures currently being experienced and expected to continue into 2026/27 and beyond, sound financial management has made it possible to adopt a balanced budget with a 4.4% increase in the rate yield across all categories.

The budget will provide the necessary resources to plan and implement the Council Plan 2025-2035.

RISK MANAGEMENT CONSIDERATIONS
The level of risk to the City is considered to be as follows:

Category	Risk level	Comments
Health	N/A	Nil
Financial	Moderate	Delays in the adoption of the Budget may impact on the timing of cashflows from rates and other funding sources.
Service Interruption	Low	Delays in the adoption of the Budget may impact on the commencement of new projects and services.
Environment	N/A	Nil
Reputation	Low	The draft budget is expected to maintain the City's strong reputation for sound financial management.
Compliance	Moderate	The Budget has been developed in accordance with state government legislation and associated regulations.

IMPACT ON CAPACITY
There is no impact on capacity or resourcing to carry out the Officer's recommendation.

RELEVANT PRECEDENTS
The 2025/26 Budget was adopted by Council on 28 July 2025.

VOTING REQUIREMENTS
Absolute Majority.

CONCLUSION

The 2026/27 Annual Budget continues a balanced approach to meeting community expectations, while providing relief in the cost of living by keeping the GRV categories to a 3% increase, obtaining the required rates yield from the UV categories. With the benefit of 67% of operating income coming from external sources other than rates, the 2026/27 Budget will ensure both the immediate needs of current residents are met while at the same time providing the required services and infrastructure developments to meet future requirements.

7 CLOSURE & DATE OF NEXT MEETING

The meeting closed at _______.

The Ordinary Council Meeting is to be held on Monday, 27 July 2026 at 6pm at Council Chambers - Welcome Road, Karratha.