

## **Questions and ordinary resolution to be put at the GM - April 12 2025**

### **Ordinary Resolution Proposal**

To approve \$300,000 as a provisional amount for the NRS3 project budget.

**Proposer:** Wayne Skinner

**Seconder:** Natalie Lawler

### **Rationale**

The NRS3 budget is calculated at \$50,000 per 100 metres with 600 metres remaining. This is derived from costs associated with the previous two Nevertire Road Sealing projects

Funds will be accumulated over the coming years.

A detailed project plan will be provided at a later date.

The funds will not be utilised until after the detailed project plan, section 138 approval, Contractor price and community approval.

### **June GM approval date for Budget and Levies**

**Question:** If the budget and Levies are not agreed at the June GM should we rollover the levies from the previous year until the community agrees to the new budget and levies and adjust the levies to meet the agreed budget?

**rationale:** Last year there was a late significant change to the budget at the GM. Significant changes need time to discuss and agree. At the moment the agreed time for Budget approval is June. If a significant change is required, this might mean that the budgets need approval later to give the team sufficient time to adjust and represent to the community, eg. A SGM in two weeks or in August. The consequence of this is that invoices will need to be sent on 1 July but may not be sufficient to meet the expenses for the year.

### **Membership levy and Work levy contribute to Admin Budget.**

**Question:** Do you agree that the Membership Levy and Work Levy both contribute to the expenses in the Admin Budget.

**Rationale:** Currently, the combined income from ML and WL is utilised to pay expenses. As seen last June, WL was increased which unbalanced the Admin Budget where member paid more than was required. To balance the budget an item Capital reserve was created.

## **Work Levy**

**Question :** Do you agree that Work levy is constrained to \$300 per member and that Exceptions are for office holders only and must be agreed (by the board or at a GM) prior to the work being performed. Office holders being, Secretary, Treasurer and others such as Project managers, Coordinators.

**Rationale:** Work Levy has been regarded as an incentive. However, a financial risk exists in the budget when members other than a know number claim Work Levy against their Membership Levy. Last June a resolution to increase the WL was passed however it was assumed in the budget that claims were limited to \$300 for WL other than the few exceptions for office holders. This limits the financial risk should members claim more than their Work Levy. The major area of risk is the Administration item as most other areas of claim are limited by their individual budget item amounts.

## **Capital reserve.**

**Question :** Should we continue to include a Capital reserve (Surplus) in the Admin Budget.

**Rationale:** Capital reserves is surplus money left in the bank after all expenses are paid or allocated. Generally, Goolawah obtains surplus from Joining fees and bank interest. However, last year because of the WL increase we ended up with an Admin Budget called Capital reserve.

Surplus is beneficial, such that when something occurs which limits cashflow, the surplus will tied us through until invoices are paid. The Budget document suggests at least 3 months surplus but the more surplus the less financial risk to the Cooperative.

Surplus can be utilised across any other budget needs.

## **Projects**

**Question:** Should we postpone all projects that impact finances until after NT road is completed, ie. until 2028 and stop placing funds into the sinking fund.

Or should we increase funds into the Sinking fund to accomodate for future projects.

**Rationale:** At the moment the budgets are set to not put too much financial stress on members. Goolawah has a large expense expected in 2027/28 for the last stage of Nevertire Road. The cost of this project is expected to be approximately \$300K. Although the Infrastructure Shares and Levy will accumulate this amount by that point in time, we could never be sure of the final costs.

As Projects expenses impact either levies or surplus as does placing funds into the Sinking Fund component of the Infrastructure budget reducing this funding reduces levies.

However, inversely, reducing these levies also reduces the Surplus available for future infrastructure upgrades and unknown events.

**Question:** Do you agree with the DRAFT budgets for ADMIN and Infrastructure so far.

Rationale: Last year the budgets were agreed at the June GM. By gaining some agreement at a Draft stage there is less likelihood of significant changes in June.