



Ordinary Council Meeting

# Minutes

Wednesday 20 March 2024

**CONFIRMED**

## MINUTES

**Minutes of a meeting of the Busselton City Council held in the Council Chambers, Administration Building, Southern Drive, Busselton, on Wednesday 20 March 2024 at 5:30pm.**

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## 1. OFFICIAL OPENING

The meeting opened at 5:33pm

The Presiding Member welcomed Councillors, staff, guests and members of the public to the Ordinary Council Meeting of 20 March 2024.

The Presiding Member acknowledged the Wadandi and Bibbulmun people as the traditional custodians of this region and paid respects to Elders past and present.

This meeting was audio recorded for minute taking purposes. The meeting was also live streamed on the City of Busselton YouTube channel.

Pastor Simon Holmes from Busselton Baptist Church read out a prayer as part of the opening of this meeting.

## 2. ATTENDANCE

PRESIDING MEMBER	MEMBERS
Mayor Phill Cronin	Cr Anne Ryan
	Cr Val Kaigg
	Cr Jodie Richards
	Cr Kate Cox
	Cr Andrew Macnish
	Cr Richard Beecroft
	Cr Mikayla Love
	Cr Jarrod Kennedy

OFFICERS	
Mr Tony Nottle	Chief Executive Officer
Mr Oliver Darby	Director Infrastructure and Environment
Mr Gary Barbour	Director Community Planning
Ms Maxine Palmer	Director Economic and Business Development
Ms Sarah Pierson	Director Corporate Strategy and Performance
Ms Tegan Robertson	Governance and Risk Coordinator
Ms Jo Barrett-Lennard	Governance Officer

APOLOGIES	
Nil	

<b>LEAVE OF ABSENCE</b>	
Nil	

<b>APPLICATION FOR LEAVE OF ABSENCE</b>	
Nil	

<b>MEDIA</b>	
Nil	

<b>PUBLIC</b>	
17	

**3. ANNOUNCEMENTS BY THE PRESIDING MEMBER (WITHOUT DISCUSSION)**

Nil

**4. DISCLOSURES OF INTEREST**

**DISCLOSURES OF FINANCIAL INTEREST**

Nil

**DISCLOSURES OF IMPARTIALITY INTEREST**

The Presiding Member noted that a disclosure of impartiality interest has been recieved from Cr Val Kaigg in relation to item 11.1 'Community Sport Recreation Facilities Fund - Application'.

The Presiding Member noted that a disclosure of impartiality interest has been received from Cr Jodie Richards in relation to item 11.1 'Community Sport Recreation Facilities Fund - Application'.

The Presiding Member advised that, in accordance with regulation 22(2)(b) of the *Local Government (Model Code of Conduct) Regulations 2021*, these disclosures would be read out immediately before this item was discussed.

## 5. CONFIRMATION AND RECEIPT OF MINUTES

### 5.1. Ordinary Council Meeting held 21 February 2024

#### COUNCIL DECISION

**C2403/44** Moved Cr Mikayla Love, seconded Cr Jodie Richards

That the minutes of the Ordinary Council Meeting held 21 February 2024 be confirmed as a true and correct record.

**CARRIED 9 / 0**

**FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish,  
Cr Mikayla Love, Cr Kate Cox, Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Nil**

## 6. PUBLIC QUESTION TIME

### 6.1. RESPONSES TO PREVIOUS QUESTIONS TAKEN ON NOTICE

The following questions were taken on notice at the 21 February 2024 ordinary Council meeting.

Below is a summary of the question and response provided by the CEO.

#### Dr Andrew Dickie

##### **Question**

My question taken on notice at the January Ordinary Council Meeting was not answered in my opinion. The answer I received did not answer the question. My question was *"has any elected member or officer viewed the most recent Department of Water and Environmental Regulation (DWER) phytoplankton water test results from the Lower Vasse River, particularly from the Peel Terrace section that has been dredged and phoslock applied?"*

The answer that I received included the statement *"...the City of Busselton is included in on correspondence summarising microalgal observation"*. I did not ask if the City was on emailing lists for the results, I asked if anyone had viewed the results.

Has any Councillor or officer of the Council actually viewed the results?

##### **Response**

City officers have viewed the results.

##### **Question**

The answer I received for the question asked at the January Ordinary Council meeting went on to say that *"the City takes advice from the Department of Health and DWER, in relation to any resulting waterways management decisions such as the erection of warning signs"*.

Although there are permanent and temporary signs alongside the River at certain sections, why does the City of Busselton not follow all the advice of the Department on Health, particularly the advice *"...Issue community/social media health messaging to advise of the increase in cyanobacterial levels above National Health and Medical Research Council (NHMRC) Recreational Water Guideline levels in the Lower Vasse River."*

Further, the Department of Health draft statement which is supposed to be issued by the City of Busselton on social media or by community messaging commences by saying *"The City of Busselton in conjunction with the Department of Health are warning of a potentially toxic blue-green algal bloom that recently formed in the Lower Vasse River in Busselton. This is a mixed species bloom dominated by the species Dolichospermum circinale and is concentrated around Strelly Street downstream to the footbridge area at Peel Terrace/Stanley Place."*

Why then have I never seen any public health warning about toxic cyanobacterial blooms on social media, on the City of Busselton's website, the City of Busselton's Facebook page or in local community newspapers?

### Response

The City assesses the need for public messaging based on the location of identified public health risk, proximity to access points and adequacy of permanent and temporary signage at these locations.

The City last put a social media message out in relation to algal blooms in the Lower Vasse River on Facebook in December 2022. Typically, public health warnings in relation to water quality will only be heavily promoted by the City where the concerns are related to popular recreational waters that are used by members of the community for water sports, fishing or swimming. As the Lower Vasse River is not easily accessible to members of the public from public land, except through established access points, at which signage is implemented, the need for promotion through social media messaging in relation to water quality is considered lower. The City confirms its approach with the Department of Health when warnings are received.

### Question

The advice that is emailed by the Department of Health to a council officer concludes with the statement *"It would be appreciated if the City of Busselton confirm these recommended actions and provide DOH with a final copy and web-link of relevant community/social media health messaging in due course."*

Has the council officer who receives the advice from the Department of Health ever complied with this request to confirm that the Department of Health's recommended actions have been acted upon, and if not, why not?

### Response

City officers responsible for enacting any actions liaise with the Department of Health (DoH) directly in relation to any recommendations received. Where actions or responses are agreed to be required, confirmation is provided from City officers to the relevant DoH officer, including photos as applicable.

### Question

Has the City conducted any testing of the air conditioning system in the City Administration building ever been carried out for the presence of any of the cyanotoxins, and who is responsible for ensuring that City employees working on the river bank are not exposed to cyanotoxins? Is the wearing of masks by these workers recommended?

### Response

The City has not tested the air conditioning system in the City Administration building for the presence of cyanotoxins. The CEO is responsible for ensuring the health and safety of employees. Employees working on the Lower Vasse River bank are not currently required, nor is it recommended currently, that they wear masks. As outlined in the Department of Health's information flyer on the Lower Vasse River and blue-green algae and human health, *"BGA toxins are not easily transported by air. Transportation by air may only occur when spray drift is caused by wind and wave action or where sprays and mists are created by waterfalls, fountains or high-pressure irrigation systems."*



## 6.2. QUESTION TIME FOR PUBLIC

### **Mr Keith Sims**

#### **Question**

How many approvals are required to excavate dry sediment in the Lower Vasse River where water has receded?

#### **Response**

##### **(Mayor Phill Cronin)**

The City of Busselton has approvals for the current endorsed methodology of dredge and dewatering. Alternative methods for sediment removal, such as dry sediment removal, require the City to follow advice and guidance from a range of state and federal government agencies. Until we go through that process we don't know the number of approvals that will be required.

#### **Question**

Who are the approvals [for dry sediment excavation in the Lower Vasse River] from?

#### **Response**

##### **(Mayor Phill Cronin)**

State and Federal government agencies including Department of Water and Environmental Regulation (DWER) and the Department of Climate Change, Energy, Environment and Water.

#### **Question**

How long does it normally take for such approvals?

#### **Response**

##### **(Mayor Phill Cronin)**

The required time to receive approvals is largely dependent on the amendment of management plans, and the processing time required by state and federal approving bodies which the City cannot determine.

### **Dr Andrew Dickie**

#### **Question**

What is the name of the DWER employee to whom Mayor Cronin spoke on 21 February 2024, prior to the regular council meeting?

#### **Response**

##### **(Mayor Phill Cronin)**

I spoke to Dr Kath Lynch from DWER prior to the previous ordinary Council meeting.

#### **Question**

What did DWER and/or Geocatch say to Mayor Cronin the following day at his scheduled meeting with them on 22 February 2024?

**Response**

**(Mayor Phill Cronin)**

They confirmed weekly testing is currently undertaken, and there is an established process for communicating health warnings.

**Question**

Who at the Department of Health did city officers speak to, to discuss the decision not to issue any public warnings despite the recommendations of the Department of Health sent to the City on 28 December 2023, and on what date were those discussions held?

**Response**

**(Mayor Phill Cronin)**

City staff provided email confirmation of actions taken, together with photographic evidence of signage installed, to the Department of Health on 5 January 2024. The City did not receive a request for any additional action to be taken from the Department of Health following this confirmation.

**Ms Jill Walsh**

**Question**

Why is the public not receiving those warnings as per [Department of Health] guidelines? Can the public get public health alerts reinstated when the test results from the Lower Vasse River are at red alert level?

**Response**

**(Mayor Phill Cronin)**

The City will seek additional clarity from the Department of Health on the recommended extent of signage and public messaging specifically relating to the Lower Vasse River should a future alert be required.

**Mr Rob Mildwaters**

**Question**

Does the City view the Lower Vasse River as a recreational river or a drain?

**Response**

**(Mayor Phill Cronin)**

It is my understanding that the river acts as a drain.

**Question**

We see people using the [Lower Vasse] River as a recreational waterway. If the river is a recreational waterway there is inadequate warning signage [about the toxic algal blooms] erected. What will the City do about signage?

**Response**

**(Mr Tony Nottle, Chief Executive Officer)**

The City is seeking additional clarity from the Department of Health and will look at the issue moving forward.

**Mr Keith Sims**

**Question**

There is now an ideal opportunity, so why doesn't the City of Busselton, DWER and Department of Fisheries combine to take advantage of the low levels of water in the Vasse River and attempt to eradicate feral fish that now have restricted movement, especially gold fish?

**Response**

**(Mayor Phill Cronin)**

Feral fish control in the Lower Vasse River is the responsibility of the Department of Primary Industry and Regional Development (DPRID). There is a feral fish control program for the Lower Vasse River being lead in April 2024 by Oz Fish.

## **7. RECEIVING OF PETITIONS, PRESENTATIONS AND DEPUTATIONS**

### **7.1. PETITIONS**

Nil

### **7.2. PRESENTATIONS BY PARTIES WITH AN INTEREST**

Ms Natasha Blefari spoke in relation to item 11.2 'Dunsborough Lakes Sporting Precinct Pavilion'. Ms Blefari was in support of Cr Anne Ryan's alternative recommendation.

Mr Mark Delane spoke in relation to item 11.2 'Dunsborough Lakes Sporting Precinct Pavilion'. Mr Delane was in support of the officer recommendation.

### **7.3. DEPUTATIONS**

Nil

## **8. QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN (WITHOUT DISCUSSION)**

Nil

## 9. ITEMS BROUGHT FORWARD FOR THE CONVENIENCE OF THOSE IN THE PUBLIC GALLERY

### ADOPTION BY EXCEPTION RESOLUTION EN BLOC

#### COUNCIL DECISION

**C2403/45 Moved Cr Jarrod Kennedy, seconded Cr Val Kaigg**

**That the committee recommendations for items 10.2, 10.3, 10.6, 10.7 and 10.8 and the officer recommendations for items 13.2, 15.1 and 15.2 be carried en bloc.**

Item	Report
10.2	Finance Committee - 6 March 2024 - Monthly Financial Report
10.3	Finance Committee - 6 March 2024 - List of Payments Made - January 2024
10.6	Audit and Risk Committee - 13 March 2024 - Capability development: risk management and internal audit
10.7	Audit and Risk Committee - 13 March 2024 - 2023 Compliance Audit Return
10.8	Audit and Risk Committee - 13 March 2024 - CEO Review of Systems and Procedures Recommendations - Implementation status
13.2	Jetty Reserve Fund
15.1	Elected Members Information Bulletin
15.2	You Choose

**CARRIED 9 / 0**

**FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish,  
Cr Mikayla Love, Cr Kate Cox, Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Nil**

## 10. REPORTS OF COMMITTEE

### 10.1 2023/24 Mid-Year Budget Review

<b>Strategic Theme:</b>	Key Theme 4: Leadership 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making. 4.5 Responsibly manage ratepayer funds to provide for community needs now and in the future.
<b>Directorate:</b>	Corporate Strategy and Performance
<b>Reporting Officer:</b>	Manager Financial Services - Paul Sheridan
<b>Authorised By:</b>	Director Corporate Strategy and Performance - Sarah Pierson
<b>Nature of Decision:</b>	Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee recommendations.
<b>Voting Requirements:</b>	Absolute Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	<ol style="list-style-type: none"> <li>23-24 Detailed Mid Year Budget Review by N&amp;T [6.1.1 - 6 pages]</li> <li>Capital Acquisitions &amp; Constructions 23-24 Mid Year Budget Review [6.1.2 - 3 pages]</li> <li>Statement of Financial Activity 23-24 Mid Year Budget Review [6.1.3 - 1 page]</li> </ol>

This item was considered by the Finance Committee at its meeting on 6 March 2024, the recommendations of which have been included in this report.

The committee recommendation was moved and carried.

#### COUNCIL DECISION

**C2403/46** Moved Cr Andrew Macnish, seconded Cr Richard Beecroft

That the Council, pursuant to Regulation 33A of the Local Government (*Financial Management*) Regulations, adopts the 2023/2024 Annual Mid-Year Budget Review as presented within this report.

**CARRIED 9 / 0**

**FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish, Cr Mikayla Love, Cr Kate Cox, Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Nil**

**BY ABSOLUTE MAJORITY**

#### OFFICER RECOMMENDATION

That the Council, pursuant to Regulation 33A of the Local Government (*Financial Management*) Regulations, adopts the 2023/2024 Annual Mid-Year Budget Review as presented within this report.

## EXECUTIVE SUMMARY

Between January and February in each financial year, a local government, in accordance with Regulation 33A of the *Local Government (Financial Management) Regulations*, is to carry out a review of its annual budget for that year. The Council is required to consider the review submitted, and determine (by absolute majority) whether to adopt the review or any recommendations made by 31 March of that financial year.

## BACKGROUND

The purpose of an annual budget review is to ensure that a local government conducts a review of its financial performance at an appropriate time in the financial year. This is to identify significant budget variances and recommend remedial action as necessary, prior to the end of the financial year.

This report, based on the City's financial performance for the financial year to date as of 31 December 2023, has been compiled to fulfil the statutory reporting requirements.

## OFFICER COMMENT


The budget review process was conducted throughout January and February 2024, via a series of workshop meetings with each of the functional management groups across the organisation.

This review considers several factors including what has occurred during the first six months of the financial year, the likely operating environment over the remaining six months, and the most likely impact on the City's net current position.

The attached Detailed Budget Review Schedule by Nature outlines the estimated variations from the existing amended budget position on a line-by-line basis, showing an estimated total positive net variance to the budgeted net current position of approximately \$1.4M.

A copy of the Financial Activity Statement YTD December 2023 ("FAS"), extracted from the statutory Monthly Financial report as of 31 December 2023, has also been attached. It includes columns that show the summarised net surplus / (deficit) variance totals for each Nature category.

For ease of reference, the net surplus / (deficit) variance totals for each of the affected Nature categories from the FAS are summarised in the table below.

Affected FAS Categories by Nature		Forecast Surplus / (Deficit) Variances to Amended Budget at Year End		Net Impacts Via Reserve	Net Direct Muni Impacts
		\$	%	\$	\$
<b>Year End Net Current Position Per Amended Budget</b>		<b>(0)</b>			
<b>Operating Activities</b>					
<b>Revenue from Operating Activities</b>					
Rates		20,000	0.03%	-	20,000
Grants, Subsidies and Contributions		(873,365)	(16.40%)	102,196	(975,560)
Fees & Charges		2,003,506	8.94%	2,271,089	(267,584)
Other Revenue		176,448	52.68%	203,000	(26,552)
Interest Earnings		1,500,000	34.84%	800,000	700,000
Profit on Asset Disposals		-	Non cash, no net impact on NCP		
		<b>2,826,589</b>			
<b>Expenses from Ordinary Activities</b>					
Employee Costs		664,849	1.75%	(49,206)	714,055
Materials & Contracts		1,803,799	6.20%	287,280	1,516,519
Utilities (Gas, Electricity, Water etc)		(594,536)	(19.95%)	-	(594,536)
Depreciation on non current assets		-	Non cash, no net impact on NCP		
Finance Costs		15,909	0.91%	-	15,909
Insurance Expenses		(17,098)	(1.91%)	-	(17,098)
Other Expenditure		382,415	5.60%	141,501	240,914
Allocations		-	Non cash, no net impact on NCP		
Loss on Asset Disposals		-	Non cash, no net impact on NCP		
		<b>2,255,339</b>			
Non-Cash Amounts Excluded from Operating Activities		-	Non cash, no net impact on NCP		
<b>Amount Attributable to Operating Activities</b>		<b>5,081,928</b>			
<b>Investing Activities</b>					
Capital Grants, Subsidies and Contributions		100,000	0.51%	(20,000)	120,000
Land & Buildings	 Per attached Capital Acquisitions & Constructions Report	23,185,876	38.93%	23,185,876	-
Plant & Equipment					
Furniture & Equipment					
Infrastructure					
Proceeds from Sale of Assets		-	-	-	-
Self Supporting Loans - Repayment of Principal		-	-	-	-



Affected FAS Categories by Nature		Forecast Surplus / (Deficit) Variances to Amended Budget at Year End		Net Impacts Via Reserve	Net Direct Muni Impacts
<b>Amount Attributable to Investing Activities</b>		<b>23,285,876</b>			
<b>Financing Activities</b>					
Repayment of Borrowings		-	-	-	-
Principal Elements of Finance Lease Payments		-	-	-	-
Proceeds from New Loans		(250,000)	(100.00%)	-	(250,000)
Advances to Community Groups		250,000	100.00%	-	250,000
Transfer to Restricted Assets	Combined net impact on reserves & restricted transfers	(26,961,735)	(10.93%)	(26,941,735)	(20,000)
Transfer from Restricted Assets					
Transfer to Reserves					
Transfer from Reserves					
<b>Amount Attributable to Financing Activities</b>		<b>(26,961,735)</b>			
<b>Amount Attributable to Operating Activities</b>		<b>5,081,928</b>			
<b>Amount Attributable to Investing Activities</b>		<b>23,285,876</b>			
<b>Amount Attributable to Financing Activities</b>		<b>(26,961,735)</b>			
<b>Forecast Year End Net Current Position - Surplus / (Deficit)</b>		<b>1,406,069</b>		<b>(20,000)</b>	<b>1,426,069</b>

The attached Detailed Mid-Year Budget Review by Nature Report lists the details that make up each of the lines in the table above, however some high-level commentary around the most significant factors contributing to the more material variances in the table above is provided below.

#### Operating Activities:

##### **Grants, Subsidies and Contributions**

The overall forecast negative variance to budget of \$873K mainly relates to:

- Operating Grants & Subsidies **(\$628K)** (reserve impact negative \$219K);
- Prepaid Contributions Utilised **(\$315K)** (reserve impact positive \$315K);
- New contributions \$94K (reserve impact positive \$6K);

- Various Reimbursements (utilities, legal fees, workers comp, insurance) **(\$24K)** (reserve impact positive \$2K);

Variances generally relate to grant funded activities that will not be fully completed in the financial year.

### Fees & Charges

Of the \$2M forecast net surplus to budget in Fees and Charges, a net of \$2.3M extra will need to be transferred to reserves (associated with Airport, Waste and Busselton Jetty Tourist Park fees and charges), leaving a negative impact on the municipal account in those areas that are not reserve affected of approximately **(\$268K)**. Identified major variances in this category relate to the following;

- Commercial & Property Leases **(\$92K)**, with a partial offsetting reserve impact of \$7K;
- Planning, development, various compliance and building fees & charges \$324K (included estimated loss of holiday home registration fees of \$300K);
- Cemetery Fees \$100K;
- Leisure Centers \$86K;
- Busselton Jetty Tourist Park \$180K, with an offsetting corresponding reserve impact of \$180K;
- Airport \$1.3M, with an offsetting corresponding reserve impact of \$1.3M;
- Cultural Precinct **(\$45K)**;
- Waste Services \$767K, with an offsetting corresponding reserve impact of \$767K.

### Interest Earnings

The rapid increases in interest rates over 2022 and into 2023 were forecast to ease somewhat into the 23/24 financial year. Although they have not risen further, interest rates have remained high, and it is this plus the early draw down and restriction of the borrowings associated with the Saltwater project (to avoid fixing the loans at higher rates), which has resulted in the return on City term deposits to be significantly higher than predicted.

This situation is expected to remain as such for the remainder of the financial year. Current projections are as follows, with the muni impact \$700k positive:

	Budgeted June '24	Projected June '24	Surplus / (Deficit)	Reserve Impact
<b>Total</b>	<b>4,305,492</b>	<b>5,805,492</b>	<b>1,500,000</b>	<b>800,000</b>

### Employee Costs

There is an estimated net savings against budget to 30 June of approximately \$665K, with a net negative impact on reserves in certain areas totalling **(\$49K)** i.e. additional drawn from reserve into muni required brings the underlying net muni impact up to \$714K.

This has been caused predominantly by employment vacancies taking longer to fill in the prevailing strong employment market. Additionally, some budgeted Saltwater and Rural Verge Maintenance positions have not yet been created.

### Materials & Contracts

Although this category indicates a potential cost savings to budget in the vicinity of \$1.8M, due to the interaction of various reserves where there would be a resulting lower draw down (e.g. Waste, Airport), this is reduced by \$287K, to a \$1.5M net impact.

There are a range of factors impacting, with some elements also linked to grant funding. In the main, spend is being impacted by workforce and contractor availability.

### Utilities

Cost overruns of approximately **(\$595K)** are expected by year-end that will directly affect the municipal account. The table below outlines the specific areas of utility:

	2023/2024 Budget	2023/2024 Forecast Actual	Forecast Municipal Impact
	\$	\$	\$
Electricity	2,039,814	2,587,900	(548,086)
Gas – Reticulated	1,692	12,932	(11,239)
Gas – LPG Bottled	23,750	37,056	(13,306)
Gas – Alinta Boiler Gas (BJTP)	4,000	-	4,000
Water Consumption	510,527	488,462	22,066
Water Meter Rental & Supply Charge	90,241	7,782	82,459
Water Rates	-	3,700	(3,700)
Sewerage Volume Charges	32,459	82,820	(50,360)
Sewerage Charge (Rates)	78,305	85,481	(7,176)
Office Telephones, Faxes & Internet	100,095	130,826	(30,732)
Public WIFI	46,200	101,130	(54,930)
Mobile Devices Costs	105,731	81,386	24,345
Other Telecommunication & Network Costs	90,255	98,130	(7,875)
			(594,536)

Inflationary factors, particularly in the energy sector, driven by adverse global conditions such as the wars in Ukraine and the Middle East, have continued to have a significant impact.

### Other Expenses

There is an estimated net savings against budget to 30 June 2024 of approximately \$382K, with the net positive impact on reserves in certain areas totalling \$141K i.e. amounts not needed to be drawn from reserve into muni, bringing the underlying net muni impact back to \$241K.

The main contributors to the cost savings/underspends in this area are in sponsorships, marketing & promotions for various events related activities of approximately \$332K.

## Investing Activities:

### Capital Expenditure

The attached schedule of Capital Acquisitions & Construction YTD as of December 2023 has been reviewed in conjunction with officers.

Of the total annual amended budget of \$59.6M, it is estimated that approximately \$22.4M will still be in progress come 30 June 2024, and will need to be carried forward to be re-listed (and/or re-scoped), in the 2024/25 budget.

A summary of the detailed listing of the attached Capital Acquisitions & Constructions Budget Review Report is shown below:

Actual YTD \$	Full Year Budget \$	Full Year Budget Variance YTD \$	Estimated Under / (Over) Spend by YE
<b>Land</b>			
454,545	3,900,000	3,445,455	3,445,455
<b>Buildings</b>			
7,973,247	26,076,325	18,103,078	8,358,155
<b>Plant and Equipment</b>			
547,953	6,078,421	5,530,468	3,000,000
<b>Furniture and Equipment</b>			
135,028	1,510,209	1,375,181	432,267
<b>Roads Infrastructure</b>			
2,760,051	10,093,354	7,326,193	3,000,000
<b>Car Parks Infrastructure</b>			
147,101	534,885	387,784	200,000
<b>Footpaths Infrastructure</b>			
196,735	1,929,587	1,732,852	1,000,000
<b>Parks, Gardens and Reserves</b>			
718,381	7,043,950	6,325,569	3,000,000
<b>Drainage Infrastructure</b>			
100,251	1,104,476	1,004,225	250,000
<b>Regional Airport and Industrial Park</b>			
(5,107)	1,288,278	1,293,385	500,000
<b>Infrastructure Total:</b>			
3,917,412	21,994,529	18,070,008	7,950,000
<b>Grand Total:</b>			
<b>13,028,186</b>	<b>59,559,485</b>	<b>46,524,189</b>	<b>23,185,876</b>

## General Commentary

Supply chain factors and the general economic climate both in Australia and internationally has impacted on the City's operations and ability to complete its capital works programs. For example, the continued tightening of the employment market has resulted in difficulties in some areas with staff attraction and retention, also resulting in savings on salaries and wages, and in the ability also to engage contractors. Conversely, supply chain issues and rising fuel and energy prices are increasing costs.

There is no impact on the end of year municipal position as a result of the projected underspends with the capital works program funded from reserves. Components of the unspent capital and operating expenditure budgets are currently being assessed for re-listing in the Council's 2024/25 draft budget, if required.

## Statutory Environment

Regulation 33A of the *Local Government (Financial Management) Regulations* is set out below:

### **Regulation 33A.            Review of budget**

- (1) *Between 1 January and the last day of February in each financial year a local government is to carry out a review of its annual budget for that year.*
- (2A) *the review of an annual budget for a financial year must —*
  - (a) *Consider the local government's financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and*
  - (b) *Consider the local government's financial position as at the date of the review; and*
  - (c) *Review the outcomes for the end of that financial year that are forecast in the budget; and*
  - (d) *Include the following –*
    - (i) *The annual budget adopted by the local government;*
    - (ii) *An update of each of the estimates included in the annual budget;*
    - (iii) *The actual amounts of expenditure, revenue and income as at the date of the review;*
    - (iv) *Adjacent to each item in the annual budget adopted by the local government that states an amount, the estimated end-of-year amount for the item.*
- (2) *The review of an annual budget for a financial year must be submitted to the council on or before 31 March in that year.*
- (3) *A council is to consider a review submitted to it and is to determine\* whether or not to adopt the review, any parts of the review or any recommendations made in the review.*
- (4) *Within 14 days after a council has made a determination, a copy of the review and determination is to be provided to the Department.*

*\*Absolute majority required.*

### **Relevant Plans and Policies**

There are no relevant plans or policies to consider in relation to this matter.

### **Financial Implications**

Any financial implications are detailed within the context of this report.

### **External Stakeholder Consultation**

No external stakeholder consultation was required or undertaken in relation to this matter.

### **Risk Assessment**

Risk assessments have been previously completed in relation to several 'higher level' financial matters, including timely and accurate financial reporting to enable the Council to make fully informed financial decisions. The completion of the Monthly Financial Report and this annual mid-year budget review are controls that assist in addressing this risk. No risks of a medium or greater level have been identified associated with the officer recommendation.

### **Options**

As an alternative to the proposed recommendation, the Council could not adopt the budget review report. If Council intends to consider this option, officers can assist in the drafting of a suitable alternative motion for adoption before the statutory due date of 31 March 2024.

### **CONCLUSION**

Despite uncertainty in the current economic climate and the impacts on planned and budgeted works and activities, as of 31 December 2023 the City's overall financial performance is considered satisfactory. Projections resulting from the budget review process indicate a potential positive impact on closing net current position as of 30 June 2024, in the order of approximately \$1.4M, largely a result of higher-than-expected interest earnings and underspends in salaries and wages and materials and contracts.

### **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Officers will inform the Department of the Council's consideration by 31 March 2024.

## 10.2 Monthly Financial Report - Year to Date 31 January 2024

<b>Strategic Theme:</b>	Key Theme 4: Leadership 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making. 4.5 Responsibly manage ratepayer funds to provide for community needs now and in the future.
<b>Directorate:</b>	Corporate Strategy and Performance
<b>Reporting Officer:</b>	Manager Financial Services - Paul Sheridan
<b>Authorised By:</b>	Director Corporate Strategy and Performance – Sarah Pierson
<b>Nature of Decision:</b>	Legislative: adoption of “legislative documents” such as local laws, local planning schemes and local planning policies. Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee recommendations.
<b>Voting Requirements:</b>	Simple Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	1. Monthly Financial Report - January 2024 [6.2.1 - 26 pages] 2. Investment Report - January 2024 [6.2.2 - 1 page] 3. Loan Schedule - January 2024 [6.2.3 - 1 page]

This item was considered by the Finance Committee at its meeting on 6 March 2024, the recommendations of which have been included in this report.

The committee recommendation was moved and carried.

### COUNCIL DECISION

**C2403/48** Moved Cr Jarrod Kennedy, seconded Cr Val Kaigg

**That the Council receives the statutory monthly financial report for the period ending 31 January 2024, pursuant to Regulation 34(4) of the *Local Government (Financial Management) Regulations 1996*.**

**CARRIED 9 / 0**

**FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish, Cr Mikayla Love, Cr Kate Cox, Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Nil**

**EN BLOC**

### OFFICER RECOMMENDATION

That the Council receives the statutory monthly financial report for the period ending 31 January 2024, pursuant to Regulation 34(4) of the *Local Government (Financial Management) Regulations 1996*.

## EXECUTIVE SUMMARY

Pursuant to Section 6.4 of the *Local Government Act 1995* (the Act) and Regulation 34(4) of the *Local Government (Financial Management) Regulations 1996* (the Regulations), a local government is to prepare, on a monthly basis, a monthly financial report that reports on the City's Statement of Financial Activity, Statement of Financial Position, and its performance in relation to its adopted / amended budget.

This report has been compiled to fulfil the statutory reporting requirements of the Act and associated Regulations, whilst also providing the Council with an overview of the City's financial performance on a year-to-date basis, for the period ending 31 January 2024.

## STRATEGIC CONTEXT

Provision of the monthly financial report, while a statutory requirement, also supports open and accountable governance.

## BACKGROUND

The Regulations detail the form and manner in which the monthly financial report is to be presented to the Council, and is to include the following:

- Annual budget estimates;
- Budget estimates to the end of the month in which the statement relates;
- Actual amounts of revenue and expenditure to the end of the month in which the statement relates;
- Material variances between budget estimates and actual revenue/expenditure (including an explanation of any material variances);
- The net current assets at the end of the month to which the statement relates (including an explanation of the composition of the net current position); and
- Statement of Financial Position

Additionally, and pursuant to Regulation 34(5) of the Regulations, a local government is required to adopt a material variance reporting threshold in each financial year.

At its meeting on 26 July 2023, the Council adopted (C2305/57) the following material variance reporting thresholds for the 2023/24 financial year:

*That pursuant to Regulation 34(5) of the Local Government (Financial Management) Regulations, the Council adopts a material variance reporting threshold with respect to financial activity statement reporting for the 2023/24 financial year as follows:*

- *Variances equal to or greater than 10% of the year-to-date budget amount as detailed in the Income Statement by Nature and Type/Statement of Financial Activity report, however variances due to timing differences and/or seasonal adjustments are to be reported only if not to do so would present an incomplete picture of the financial performance for a particular period; and*
- *Reporting of variances only applies for amounts greater than \$50,000.*



## OFFICER COMMENT

To fulfil statutory reporting requirements and to provide the Council with a synopsis of the City's overall financial performance on a year-to-date basis, the following financial reports are attached hereto (Attachment 1):

### Statement of Financial Activity

This report provides details of the City's operating revenues and expenditures on a year-to-date basis, by nature (i.e. description). The report has been further extrapolated to include details of non-cash adjustments and capital revenues and expenditures, to identify the City's net current position; which reconciles with that reflected in the associated Net Current Position report.

### Statement of Financial Position

A statement of financial position is a financial statement that summarises the reporting entities assets (what it owns), liabilities (what it owes), and equity (assets less liabilities) on a particular date.

### Basis of Preparation Note (Note 1)

Explains the regulatory framework upon which the financial statements have been prepared.

### Statement of Financial Activity Note (Note 2)

Explains the non-cash items that have been excluded from the calculation of the Net Current Position in the Statement of Financial Activity.

### Explanation of Material Variances Note (Note 3)

Provides a breakdown by directorate and cost centre of each of the variances on the face of the Statement of Financial Activity that meet Councils adopted material variance threshold for 2023/24.

### Net Current Position Summary Report

This report provides details of the composition of the net current asset position on a year-to-date basis and reconciles with the net current position as per the Statement of Financial Activity.

### Capital Acquisition & Construction Report

This report provides full year budget performance (by line item) in respect of the following capital expenditure activities:

- Land and Buildings
- Plant and Equipment
- Furniture and Equipment
- Infrastructure

This report outlines the actual and budgeted movement from the start of the financial year to date, that result in the balances listed in the Statement of Financial Position for Property, Plant & Equipment.

## Reserve Movements Report

This report provides summary details of transfers to and from reserve funds, and associated interest earnings on reserve funds, on a full year basis.

Additional reports and/or charts can be provided as required to further supplement the information comprised within the statutory financial reports.

## Net Current Position Chart

Tracks the net Current Position over the year in comparison to previous 4 years.

## Comments on Financial Activity to 31 January 2024

The Statement of Financial Activity (FAS) for the year to date (YTD) shows an overall Net Current Position (NCP) of \$24.8M as opposed to the YTD budget of \$2.8M. The following table summarises the major YTD variances that appear on the face of the FAS, which, in accordance with Council's adopted material variance reporting threshold, collectively make up the above difference.

Each numbered item in this lead table is explained further in note 3 of the attached Monthly Financial Report.

Description	2023/24 Actual YTD \$	2023/24 Budget YTD \$	2023/24 Budget \$	2023/24 YTD Bud Variance %	2023/24 YTD Bud Variance \$	Change in Variance Current Month \$
<b>Amount Attributable to Operating Activities</b>				<b>10.77%</b>	<b>3,979,721</b>	<b>(3,252,430)</b>
<b>Revenue from Operating Activities</b>				<b>4.58%</b>	<b>3,708,618</b>	<b>357,059</b>
1. Grants, Subsidies and Contributions	2,280,728	1,375,701	5,325,685	65.79%	905,027	35,586
2. Other Revenue	351,337	119,468	334,932	194.08%	231,868	101,698
3. Interest Earnings	3,894,515	2,827,113	4,305,492	37.76%	1,067,402	274,781
<b>Expenses from Operating Activities</b>				<b>8.22%</b>	<b>4,865,308</b>	<b>93,885</b>
4. Materials & Contracts	(12,217,594)	(16,840,406)	(29,072,925)	27.45%	4,622,812	386,729
5. Other Expenditure	(2,189,037)	(3,417,761)	(6,823,844)	35.95%	1,228,725	(197,643)
<b>Amount Attributable to Investing Activities</b>				<b>64.78%</b>	<b>12,931,253</b>	<b>(5,366,153)</b>
6. Capital Grants, Subsidies and Contributions	2,726,549	256,211	19,724,075	964.18%	2,470,338	1,251,934
7. Land & Buildings	(9,055,561)	(19,025,575)	(29,976,325)	52.40%	9,970,013	1,313,150
8. Plant & Equipment	(734,989)	(1,808,511)	(6,078,421)	59.36%	1,073,522	304,397

Description	2023/24 Actual YTD \$	2023/24 Budget YTD \$	2023/24 Budget \$	2023/24 YTD Bud Variance %	2023/24 YTD Bud Variance \$	Change in Variance Current Month \$
9. Furniture & Equipment	(166,464)	(925,446)	(1,488,909)	82.01%	758,982	83,712
10. Infrastructure	(5,152,164)	(12,893,341)	(22,015,829)	60.04%	7,741,177	800,549
<b>Amount Attributable to Financing Activities</b>				<b>395.33%</b>	<b>(7,277,041)</b>	<b>(2,150,148)</b>
11. Proceeds from New Loans	0	2,000,000	2,000,000	(100.00%)	(2,000,000)	(250,000)
12. Advances to Community Groups	0	(250,000)	(250,000)	100.00%	250,000	0
13. Transfer to Restricted Assets	(17,992,012)	(8,815,858)	(9,200,455)	(104.09%)	(9,176,154)	(962,673)
14. Transfer from Reserves	27,497,617	23,805,333	60,071,435	15.51%	3,692,284	(82,528)

### Investment Report

Pursuant to the Council's Investment Policy, a report is to be provided to the Council monthly, detailing the investment portfolio in terms of performance and counterparty percentage exposure of total portfolio. The report (see attached) is also to provide details of investment income earned against budget, whilst confirming compliance of the portfolio with legislative and policy.

A brief summary of the details contained in the report are as follows:

As at 31 January, the value of the City's invested funds decreased to \$123M from \$125M as at 31 December 2023. The decrease is a result of two term deposits being closed and funds used for standard operational needs.

As at 31 January 2024, the 11am account balance increased to \$10.0M from \$5.0M as funds were transferred from the term deposits.

During the month of January 2024 four term deposits matured. Two were closed with a total of \$7.0M and two were re-invested for a further 173 days at 5.01%.

The official cash rate during the month of January 2024 was 4.35%. Further movement in the cash rate is currently uncertain, although it is expected to stay steady.

### Borrowings Update

During the month no new loans were drawn, with \$101K paid off the principal and \$2.7K in interest on existing loans. The attached Loan Schedule outlines the status of all existing loans YTD.

### **Chief Executive Officer – Corporate Credit Card**

Details of transactions made on the Chief Executive Officer's corporate credit card during January 2024 are provided below to ensure there is appropriate oversight and awareness.

Date	Payee	Description	\$ Amount
4/01/2024	SAI GLOBAL	DIGITAL DOWLOAD OF RISK MANAGEMENT GUIDELINES	178.25
9/01/2024	GREEN DEPOT	STAFF BABY CONGRATULATIONS FLOWERS	103.00
9/01/2024	THE EA INSTITUTE	ONLINE TRAINING AI FOR EA'S	597.00
10/01/2024	LAMY SHOP	CEO FOUNTAIN PEN INK CARTRIGES	39.96
16/01/2024	QANTAS	CANBERRA RCA MEETING FEB 2024-MAYOR FLIGHT BOOKING	1,340.44
16/01/2024	QANTAS	CANBERRA RCA MEETING FEB 2024-MAYOR SEAT BOOKING IN	70.00
16/01/2024	QANTAS	CANBERRA RCA MEETING FEB 2024-MAYOR SEAT BOOKING OUT	70.00
16/01/2024	QANTAS	CANBERRA RCA MEETING FEB 2024-CEO FLIGHT BOOKING	1,340.44
16/01/2024	QANTAS	CANBERRA RCA MEETING FEB 2024-CEO SEAT BOOKING IN	70.00
16/01/2024	QANTAS	CANBERRA RCA MEETING FEB 2024-CEO SEAT BOOKING OUT	70.00
18/01/2024	WEST AUSTRALIAN	DIGITAL SUBSCRIPTION-PR	28.00
		<b>TOTAL</b>	<b>4,329.48</b>

### **Donations & Contributions Received**

During the month no non-infrastructure asset (bridges, roads, POS etc), donations or contributions were received.

### **Statutory Environment**

Section 6.4 of the Act and Regulation 34 of the Regulations detail the form and manner in which a local government is to prepare financial activity statements.

### **Relevant Plans and Policies**

The officer recommendation aligns to the following adopted plan or policy:

Plan:

Annual Adopted Budget 2022-2023

[Strategic Community Plan 2021-2031](#)

[Corporate Business Plan 2022-2026](#)

[Long Term Financial Plan 2022/23 - 2031/32](#)

Policy:

There are no relevant policies for this report.

### **Financial Implications**

Any financial implications are detailed within the context of this report.

### **External Stakeholder Consultation**

Not applicable.

### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

### **Options**

The Statements of Financial Activity are presented in accordance with Section 6.4 of the Act and Regulation 34 of the Regulations and are to be received by Council. Council may wish to make additional resolutions as a result of having received these reports.

### **CONCLUSION**

As at 31 January 2024, the City's net current position stands at \$24.8M, and cash reserve balances remain sufficient for their purposes.

### **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Not Applicable.

### 10.3 List of Payments Made - January 2024

<b>Strategic Theme:</b>	Key Theme 4: Leadership 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making. 4.5 Responsibly manage ratepayer funds to provide for community needs now and in the future.
<b>Directorate:</b>	Corporate Strategy and Performance
<b>Reporting Officer:</b>	Manager Financial Services - Paul Sheridan
<b>Authorised By:</b>	Director Corporate Strategy and Performance - Sarah Pierson
<b>Nature of Decision:</b>	Noting: The item is simply for information purposes and noting.
<b>Voting Requirements:</b>	Simple Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	1. List of Payments for Council January 2024 [6.3.1 - 12 pages]

This item was considered by the Finance Committee at its meeting on 6 March 2024, the recommendations of which have been included in this report.

The committee recommendation was moved and carried.

#### COUNCIL DECISION

**C2403/47** Moved Cr Jarrod Kennedy, seconded Cr Val Kaigg

That the Council notes payment of voucher numbers for the month of January 2024 as follows:

CHEQUE PAYMENTS	119854 - 119888	42,259.34
ELECTRONIC FUNDS TRANSFER PAYMENTS	100371 - 101050	5,804,414.61
TRUST ACCOUNT PAYMENTS	No payments made	-
PAYROLL PAYMENTS	01.01.2024 - 31.01.2024	1,808,289.54
INTERNAL PAYMENT VOUCHERS	DD #5563 - 5595	78,123.68
<b>TOTAL PAYMENTS</b>		<b>7,733,087.17</b>

**CARRIED 9 / 0**

**FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish,  
Cr Mikayla Love, Cr Kate Cox, Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: NIL**

**EN BLOC**

## **OFFICER RECOMMENDATION**

That the Council notes payment of voucher numbers for the month of January 2024 as follows:

CHEQUE PAYMENTS	119854 - 119888	42,259.34
ELECTRONIC FUNDS TRANSFER PAYMENTS	100371 - 101050	5,804,414.61
TRUST ACCOUNT PAYMENTS	No payments made	-
PAYROLL PAYMENTS	01.01.2024 - 31.01.2024	1,808,289.54
INTERNAL PAYMENT VOUCHERS	DD #5563 - 5595	78,123.68
TOTAL PAYMENTS		7,733,087.17

## **EXECUTIVE SUMMARY**

This report provides details of payments made from the City's bank accounts for the month of January 2024 for noting by the Council and recording in the Council Minutes.

## **STRATEGIC CONTEXT**

Provision of the list of payments, while a statutory requirement, also supports open and accountable governance.

## **BACKGROUND**

The *Local Government (Financial Management) Regulations 1996* (the Regulations) requires that, when the Council has delegated authority to the CEO to make payments from the City's bank accounts, a list of payments made is prepared each month for presentation to, and noting by, the Council.

## **OFFICER COMMENT**

In accordance with regular custom, the list of payments made for the month of January 2024 is presented for information.

## **Statutory Environment**

Section 6.10 of the Act, and more specifically Regulation 13 of the Regulations, refer to the requirement for a listing of payments made each month to be presented to the Council.

## **Relevant Plans and Policies**

Not applicable.

## **Financial Implications**

Not applicable.

## **External Stakeholder Consultation**

Not applicable.

### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

### **Options**

Not applicable.

### **CONCLUSION**

The list of payments made for the month of January 2024 is presented for information.

### **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Not applicable.



## 10.4 Infrastructure and Environment Budget Amendments

<b>Strategic Theme:</b>	Key Theme 4: Leadership 4.5 Responsibly manage ratepayer funds to provide for community needs now and in the future.
<b>Directorate:</b>	Infrastructure and Environment
<b>Reporting Officer:</b>	A/Engineering Management Accountant - Ella McAlister
<b>Authorised By:</b>	Director Infrastructure and Environment - Oliver Darby
<b>Nature of Decision:</b>	Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee recommendations.
<b>Voting Requirements:</b>	Absolute Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	Nil

This item was considered by the Finance Committee at its meeting on 6 March 2024, the recommendations of which have been included in this report.

The committee recommendation was moved and carried.

### COUNCIL DECISION

**C2403/49** Moved Cr Val Kaigg, seconded Cr Kate Cox

**That the Council endorses the following requested budget amendments:**

Amendment Description					
Project Description					
Item #	Budgeted Municipal Net Current Position	Operational Expenditure Budget	Capital Expenditure Budget	Grant	Reserves or Restricted Assets
	Increase / (Decrease)	Increase / (Decrease)	Increase / (Decrease)	(Increase) / Decrease	Increase / (Decrease)
1	Add Grant Revenue to Existing Capital Project				
	Project 14943 – Changing Places Accessible Ablutions (C)				
	-	-	150,000	(150,000)	-
2	Remove Capital Project				
	Project 12331 - Smiths Beach New Public Toilet (C)				
	-	-	(250,000)	-	250,000
3	New Capital Project				
	Project West Busselton Coastal Stabilisation CERMP2223-010				
	-		160,000	(120,000)	(40,000)
4	New Capital Project				
	State Blackspot Program – Chapman Hill Road (C)				
	-	-	48,000	(32,000)	(16,000)

5	Increase Budget to Existing Capital Project				
	Project 12821 - Churchill Park Main Oval Redevelopment (C)				
	-	-	40,880	-	(40,880)
6	Add Budget to Existing Project (C)				
	Project 11034 - Dunsborough Non-Potable Water Network				
	-	-	29,183	-	(29,183)
Totals	-		178,063	(302,000)	123,937

**CARRIED 9 / 0**

**FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish,  
Cr Mikayla Love, Cr Kate Cox, Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Nil**

**BY ABSOLUTE MAJORITY**

#### OFFICER RECOMMENDATION

That the Council endorses the following requested budget amendments:

Amendment Description					
Project Description					
Item #	Budgeted Municipal Net Current Position	Operational Expenditure Budget	Capital Expenditure Budget	Grant	Reserves or Restricted Assets
	Increase / (Decrease)	Increase / (Decrease)	Increase / (Decrease)	(Increase) / Decrease	Increase / (Decrease)
1	Add Grant Revenue to Existing Capital Project				
	Project 14943 – Changing Places Accessible Ablutions (C)				
	-	-	150,000	(150,000)	-
2	Remove Capital Project				
	Project 12331 - Smiths Beach New Public Toilet (C)				
	-	-	(250,000)	-	250,000
3	New Capital Project				
	Project West Busselton Coastal Stabilisation CERMP2223-010				
	-		160,000	(120,000)	(40,000)
4	New Capital Project				
	State Blackspot Program – Chapman Hill Road (C)				
	-	-	48,000	(32,000)	(16,000)
5	Increase Budget to Existing Capital Project				
	Project 12821 - Churchill Park Main Oval Redevelopment (C)				
	-	-	40,880	-	(40,880)

Amendment Description					
Project Description					
Item #	Budgeted Municipal Net Current Position	Operational Expenditure Budget	Capital Expenditure Budget	Grant	Reserves or Restricted Assets
	Increase / (Decrease)	Increase / (Decrease)	Increase / (Decrease)	(Increase) / Decrease	Increase / (Decrease)
6	Add Budget to Existing Project (C)				
	Project 11034 - Dunsborough Non-Potable Water Network				
	-	-	29,183	-	(29,183)
Totals	-		178,063	(302,000)	123,937

## EXECUTIVE SUMMARY

This report seeks the Council's approval of budget amendments for items within the Infrastructure and Environment Directorate, as detailed in this report. Adoption of this officer recommendation will have no impact on the City's budgeted net current position.

## STRATEGIC CONTEXT

The nature of these works is attributed to responsibly managing ratepayer funds to provide for community needs now and in the future, in alignment with Key Theme 4 of the City's Strategic Community Plan – Leadership.

## BACKGROUND

In accordance with section 6.8(1) of the *Local Government Act 1995* (the Act), a local government is not to incur expenditure from its Municipal fund for an additional purpose except where the expenditure:

- Is incurred in a financial year before the adoption of the annual budget by the local government; and
- Is authorised in advance by Council resolution – absolute majority required; or
- Is authorised in advance by the Mayor in an emergency.

## OFFICER COMMENT

The Council adopted its 2023/24 Municipal budget on 26 July 2023 and since then, officers have identified the following budget items that require adjustments within the Infrastructure and Environment Directorate. It is good management practice to revise the adopted budget when it is known that circumstances have changed. In keeping with this practice, budgets are reviewed on a regular basis.

Amendments to the budget are categorised into the three key types as listed below:

1. Adjustments impacting the budget balance or net position of the City: **Nil**
2. Adjustments with no impact on the budget balance: **Items # 1, 2, 3, 4, 5 and 6**
3. Adjustment to transfer budget between capital and operating undertakings: **Nil**

**Item 1 – Changing Places Accessible Ablutions (14943)**

The City has been successful in obtaining a Department of Communities Grant of \$150,000 for the above project. The project is to improve access and inclusion for people with disability who require high support and are living in, visiting, or passing through the Busselton area. The notification of the successful grant application was only received at the end of the prior financial year and was therefore not included in the budget process. The Council's approval is sought to incorporate \$150,000 of grant funding revenue which is unaccounted for in the current budget.

With the inclusion of the \$150,000 grant funding, the total project budget will increase to \$250,000, which will enable the City to deliver the required Changing Places Facility according to the Changing Places Design Specifications.

**Item 2 – Smiths Beach New Public Toilet (12331)**

The Council's approval is sought to remove this project from the 2023/24 budget.

The Smiths Beach New Public Toilet project is included in the current budget with an allocation of \$250,000. Following preliminary scoping of the project and a feasibility study to construct a new toilet block, several site constraints were identified, with adequate water supply being the main hindrance.

The current water supply is at its maximum capacity and until adequate water supply is identified to accommodate the increasing demand and the larger toilet block, the project should not be undertaken. Officers are currently investigating possible solutions to the water supply issue.

Therefore, it is recommended to remove this project from the 2023/24 budget with funds to be returned to the Building Asset Renewal Reserve (1006).

**Item 3 – New Project; West Busselton Coastal Stabilisation CERP2223-010**

The City was successful in securing grant funding valued at \$1,070,500 (excluding GST) from the Department of Fire and Emergency Services via the Coastal and Estuarine Risk Mitigation Funding Program (CERP), necessitating a City contribution of \$373,500. The project total is valued at \$1,444,000. The program's aim is to assist communities to mitigate disasters relating to coastal hazards.

The objective of this infrastructure project is to provide longer term coastal protection to mitigate the impacts of coastal hazards along the coast between King Street and Gale Street in Busselton. This is to be completed by constructing a series of new Geotextile Sand Container (GSC) groynes and sand nourishment. The low-profile groynes will provide stabilisation to the West Busselton coastline and limit the erosion of the established vegetation and potential loss of the coastal road, 10m behind the beach, over 900m of coastline. This technique is widely used by the City along the Geographe Bay foreshore.

The notification of the successful grant application and the finalised project implementation plan was only received at the end of the prior financial year and was therefore not included in the budget process. The project implementation plan outlines delivery milestone with project closure being July 2026.

The Council's approval is sought to incorporate \$120,000 of grant funding revenue and \$40,000 from the Coastal and Climate Adaption Reserve (1016) to commence project planning for design and investigation, an agreed delivery milestone due in July 2024.

**Item 4 – 30002068 LRSBS-23-BUS-Chapman Hill Road SLK 0**

The City has been successful in obtaining a 2023/24 State Blackspot Grant of \$32,000 for the above Blackspot project, requiring a \$16,000 City contribution. The total project value is \$48,000. The objective of the project is for the installation of an audible edge line to Chapman Hill Road between the Busselton Bypass and Ambergate Road. These works were identified as a cost-effective treatment to address the number of off-carriageway crashes and deliver overall road safety benefits.

Notification of the successful grant application was only received after the 2023/24 budget was adopted. The \$16,000 City contribution is to be sourced through the Road Asset Renewal Reserve (1058).

**Item 5 – Churchill Park Main Oval Redevelopment (12821)**

This amendment seeks to add \$40,880 to the existing budget of Churchill Park Main Oval Redevelopment Project, to cover additional costs attributed to unforeseen lighting improvements. The required funds can be drawn from the Parks and Gardens Reserve (1049).

Following a lighting assessment in 2020, it was determined that the then existing lighting to the trotting track was at its end of life. A design was undertaken to ensure a minimum of two playing fields were able to be floodlighted to provide training space for grass sports within the Busselton Sub-District, as well as replace the trotting lights with modern LED fittings, to provide a lux level of 50lux to the trotting club. The project was successfully delivered during the 2022/23 financial year.

Subsequently, City officers were approached by the Busselton Trotting Club raising concerns that the respective lighting design was inadequate, providing insufficient lux levels for their requirements. Additional lighting was requested by Busselton Trotting Club to enable the annual races to be televised. Due to the community and club's concerns the request was accommodated, and the lighting lux levels were upgraded to the community and club's satisfaction prior to last year's race meeting.

**Item 6 – Dunsborough Non-Potable Water Network**

The Stage 1 – Dunsborough Non-Potable Water Network project was completed during the 2022/23 financial year. This amendment seeks to add project budget valued at \$29,183 for an additional licencing condition from the Department of Water and Environment Regulations (DWER), requiring the City to install permanent bore monitoring equipment.

Following successful delivery of the project, DWER amended the licencing agreement which outlined a new legislative requirement to continuously monitor the equipment. Consequently, the bores had to be fitted to include continuous monitoring equipment prior the ability to draw water.

The additional budget can be drawn from the City's Parks and Garden Reserve (1049).

### **Statutory Environment**

Section 6.8 of the Act refers to expenditure from the Municipal fund that is not included in the annual budget. In the context of this report, where no budget allocation exists, expenditure is not to be incurred until such time as it is authorised in advance, by an absolute majority decision of the Council.

### **Relevant Plans and Policies**

The officer recommendation aligns to the following adopted plan or policy:

Plan:

[Asset Management Plan](#)

Policy:

[Asset Management](#)

### **Financial Implications**

The following table outlines the financial implications.

Item #	(Increase) / Decrease in Operational Revenue	Increase / (Decrease) in Operational Expenditure	(Increase) / Decrease in Capital Revenue	Increase / (Decrease) in Capital Expenditure	Increase / (Decrease) in Reserves and/or Restricted Assets	Increase / (Decrease) in Net Current Position
Item 1	-	-	(150,000)	150,000	-	-
Item 2	-	-		(250,000)	250,000	-
Item 3	-	-	(120,000)	160,000	(40,000)	-
Item 4	-	-	(32,000)	48,000	(16,000)	-
Item 5	-	-	-	40,880	(40,880)	-
Item 6	-	-	-	29,183	(29,183)	-
<b>TOTALS</b>	-	-	<b>(302,000)</b>	<b>178,063</b>	<b>123,937</b>	-

### **External Stakeholder Consultation**

Nil Required

### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

**Options**

The Council could decide not to proceed with any or all the proposed budget amendments requests.

**CONCLUSION**

The Council's approval is sought to amend the budget as outlined in this report.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The officer recommendation will be implemented in full, or in stages as per the following table:

Milestone	Completion Date
Budget amendments processed	Within one month of the Council's decision

## 10.5 Busselton Margaret River Airport Budget Amendment

<b>Strategic Theme:</b>	Key Theme 3: Opportunity 3.4 Develop aviation opportunities at the Busselton Margaret River Airport.
<b>Directorate:</b>	Economic and Business Development
<b>Reporting Officer:</b>	Manager Airport - Jennifer May
<b>Authorised By:</b>	Director Economic and Business Development - Maxine Palmer
<b>Nature of Decision:</b>	Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee recommendations.
<b>Voting Requirements:</b>	Absolute Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	Nil

This item was considered by the Finance Committee at its meeting on 6 March 2024, the recommendations of which have been included in this report.

The committee recommendation was moved and carried.

### COUNCIL DECISION

**C2403/50** Moved Cr Anne Ryan, seconded Cr Jarrod Kennedy

That the Council endorse the following requested budget amendment:

Item #	Budgeted Municipal Net Current Position	Operational Expenditure Budget	Capital Expenditure Budget	Grant	Reserves or Restricted Assets
	Increase / (Decrease)	Increase / (Decrease)	Increase / (Decrease)	(Increase) / Decrease	Increase / (Decrease)
1	From the Airport Infrastructure Reserve				
	To new capital project code to be created				
	-	-	40,000	-	(40,000)
2	To SWDC Airport Development Business Case (O) project # 15086				
	-	160,000	-	(127,000)	(33,000)
TOTALS	-	160,000	40,000	(127,000)	(73,000)

**CARRIED 9 / 0**

**FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish,  
Cr Mikayla Love, Cr Kate Cox, Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Nil**

**BY ABSOLUTE MAJORITY**



## **OFFICER RECOMMENDATION**

That the Council endorse the following requested budget amendment:

Item #	Budgeted Municipal Net Current Position	Operational Expenditure Budget	Capital Expenditure Budget	Grant	Reserves or Restricted Assets
	Increase / (Decrease)	Increase / (Decrease)	Increase / (Decrease)	(Increase) / Decrease	Increase / (Decrease)
1	From the Airport Infrastructure Reserve				
	To new capital project code to be created				
	-	-	40,000	-	(40,000)
2	To SWDC Airport Development Business Case (O) project # 15086				
	-	160,000	-	(127,000)	(33,000)
TOTALS	-	160,000	40,000	(127,000)	(73,000)

## **EXECUTIVE SUMMARY**

This report seeks the Council's approval of a budget amendment for an item within the Economic and Business Development directorate as detailed in this report. Adoption of the officer recommendation will result in a nil impact on the City's budgeted net current position and will be funded from the Airport Reserve.

## **STRATEGIC CONTEXT**

Sound financial management through considered budgeting supports the responsible management of ratepayer funds to provide for community needs now and in the future.

## **BACKGROUND**

In accordance with section 6.8(1) of the *Local Government Act 1995* (the Act), a local government is not to incur expenditure from its Municipal fund for an additional purpose except where the expenditure:

- Is incurred in a financial year before the adoption of the annual budget by the local government; and
- Is authorised in advance by Council resolution - absolute majority required; or
- Is authorised in advance by the Mayor in an emergency.

## **OFFICER COMMENT**

Council adopted its 2023/2024 Municipal budget on 26 July 2023 with a budget surplus position. Since then, officers have identified budgets that require adjustment within the Airport Services business unit. It is good management practice to revise the adopted budget when it is known that circumstances have changed. In keeping with this practice, budgets are reviewed on a regular basis.

Amendments to the budget are categorised into the three key types as listed below:

1. Adjustments impacting the budget balance or net position of the City; relatively uncommon type.
2. Adjustments with no impact on the budget balance; most common amendment type.
3. Adjustments to transfer budget between capital and operating undertakings; relatively uncommon type.

**Item 1 – Set up of new capital account string for purchase of security screening equipment**

This amendment seeks the set-up of a new capital project code for the purchase of a single Explosive Trace Detection (ETD) machine.

Currently the City owns two ETD machines, which were purchased December 2019 in preparation for the commencement of regular public transport services. The machines are under service agreements and undergo regular maintenance, however one of the machines located in the checked baggage security (CBS) area can be unreliable, particularly during the winter months when subjected to cold and damp conditions. As an ETD machine is required in the CBS and passenger screening lane for screening activities in accordance with the Aviation Transport Security Regulations (ATSR) and Aviation Screening Notice (ASN), it is proposed to purchase a new ETD machine and maintain one of the existing machines as a contingency machine.

Funds for the purchase of the ETD equipment can be transferred from the Airport Infrastructure Reserve which has a forecast closing balance \$8,688,366.

This amendment requests that \$40,000 be transferred from the Airport Infrastructure reserve to a new capital project code to be created.

**Item 2 – Airport Development Business Case (15086)**

In early 2023, the City in partnership with the South West Development Commission (SWDC) undertook to prepare a business case to construct a new terminal building at the Busselton Margaret River Airport (BMRA) to be submitted to State and Federal Governments for funding consideration.

In doing so, an expense of \$100,000 was included in the SWDC Business Case project consultancy code (15086-3260) to cover the costs of preparing new Terminal concept designs and quantity surveyor costs. This was funded through a transfer from the Airport Reserve for \$67,000 and an allocation of \$33,000 (15086-1300 Contributions – operating activities) reflecting contributions from surrounding Local Governments.

In parallel, the City was successful in an application for grant funding to the value of \$127,000 to assist with the preparation of the Business Case. The City was notified of the successful application on 1 August 2023 and executed the grant agreement with the Department of Primary Industries and Regional Development on 22 August 2023. As this notification was post the budget adoption, the grant funding of \$127,000 exclusive GST was not included in the 2023/2024 budget.

Further, the total consultancy costs for the business case and the terminal concept design and QS cost estimates were not known at the time of adopting the budget and therefore were not reflected in 2023/2024 budget with a shortfall of \$33,000.

This amendment requests that \$127,000 (operating grant revenue), a credit of \$33,000 transferred from the Airport Reserve and an expense allocation of \$160,000 (consultancy) be listed in SWDC Airport Development Business Case Project code (15086-1007) to reflect the following obligations:

	Revenue	Expenses	Description
1300 – Contributions – Operating Activities	\$33,000		LG contributions
Transfer from Airport Reserve	\$67,000		Included in the 2023/24 Budget
3260 – Consultancy		\$100,000	City contribution to Terminal Design costs and QS cost estimates
Total	\$100,000	\$100,000	
Requesting the following as part of this budget amendment report:			
Operating Grants	\$127,000		DPIRD Grant
Transfer from Airport Reserve	\$33,000		Shortfall for Business case
3260 - Consultancy		\$160,000	Expenditure item for Business Case
Total	\$160,000	\$160,000	

### Statutory Environment

Section 6.8 of the Act refers to expenditure from the Municipal fund that is not included in the annual budget. In the context of this report, where no budget allocation exists, expenditure is not to be incurred until such time as it is authorised in advance, by an absolute majority decision of the Council.

### Relevant Plans and Policies

The officer recommendation aligns to the following adopted plan or policy:

Plan:  
BMRA Master Plan 2016-2036

Policy:  
Not applicable.

### Financial Implications

The table in the officer's recommendation summarises the financial implications:

	(Increase) / Decrease in Operational Revenue	Increase / (Decrease) in Operational Expenditure	(Increase) / Decrease in Capital Revenue	Increase / (Decrease) in Capital Expenditure	Increase / (Decrease) in Reserves and/or Restricted Assets	Increase / (Decrease) in Net Current Position
Item 1	-	-	-	40,000	(40,000)	-
Item 2	(127,000)	160,000	-	-	(33,000)	-
TOTALS	(127,000)	160,000	-	40,000	(73,000)	-

**External Stakeholder Consultation**

Not Applicable

**Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

**Options**

As an alternative to the proposed recommendation the Council could decide not to proceed with the proposed budget amendment request.

**CONCLUSION**

The Council's approval is sought to amend the budget as outlined in this report.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The officer recommendation will be implemented in full, or in stages as per the following table:

Milestone	Completion Date
Budget amendments processed	Within one month of the Council's decision

## 10.6 Capability development: risk management and internal audit

<b>Strategic Theme:</b>	Key Theme 4: Leadership 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making. 4.3 Make decisions that respect our strategic vision for the District.
<b>Directorate:</b>	Corporate Strategy and Performance
<b>Reporting Officer:</b>	Manager Legal and Governance - Ben Whitehill Governance and Risk Coordinator - Tegan Robertson
<b>Authorised By:</b>	Director Corporate Strategy and Performance - Sarah Pierson
<b>Nature of Decision:</b>	Noting: The item is simply for information purposes and noting.
<b>Voting Requirements:</b>	Simple Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	Nil

This item was considered by the Audit and Risk Committee at its meeting on 13 March 2024, the recommendations of which have been included in this report.

The committee recommendation was moved and carried.

### COUNCIL DECISION

**C2403/51** Moved Cr Jarrod Kennedy, seconded Cr Val Kaigg

**That the Council:**

- 1. Pursuant to the Terms of Reference of the Audit and Risk Committee, supports the proposed implementation program for the improvement of the City's risk management capabilities and the introduction of an internal audit function.**
- 2. Approve the allocation of \$110,000 in the draft 2024/2025 budget for a new risk officer plus \$35,000 consultancy to fund the engagement of a consultant to undertake the internal audit function.**

**CARRIED 9 / 0**

**FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish, Cr Mikayla Love, Cr Kate Cox, Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Nil**

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## **OFFICER RECOMMENDATION**

That the Council:

1. Note the proposed implementation program for the improvement of the City's risk management capabilities and the introduction of an internal audit function.
2. Approve the allocation of \$110,000 in the draft 2024/2025 budget for a new risk officer plus \$35,000 consultancy to fund the engagement of a consultant to undertake the internal audit function.

## **EXECUTIVE SUMMARY**

This report informs the Council on an implementation program for the improvement of the City's risk management capability, and the introduction of an internal audit function. The report also seeks Council's approval of additional resourcing to support the program.

## **STRATEGIC CONTEXT**

Implementing and maintaining an appropriate risk management model, including internal audit assurance, enables the City to achieve its long-term strategic objectives by effectively managing risk and reward.

## **BACKGROUND**

The City has a Risk Management Policy which outlines the City's commitment to ensuring that effective risk management, aligned to the Australian Standard for Risk Management (AS ISO 31000:2018), remains central to its operations. As required by the Policy, the City also has an established Risk Management Framework which reflects good practice and sound corporate governance principles.

The City currently has 100 risks captured in its corporate risk register as either approved or under review, with risks generally identified as part of annual business planning activities. In accordance with the City's current Risk Management Framework, risks are reviewed periodically based on their risk rating. The risk rating and the adequacy of controls determine risk tolerance and acceptance criteria. Risk identification is currently a component of the City's annual business planning, and this annual process will be further facilitated as part of embedding risk management into business process.

The City has found in successive Regulation 17 reviews that its risk management processes are at a basic level of maturity and has identified that there remains scope for the City to further integrate and mature its risk management model, subject to resourcing.

The City has historically employed a risk and workplace health and safety officer to coordinate delivery of both corporate and workplace safety risk management processes. Since 2020, in the context of changes to legislation and noting that the City has only two workplace health and safety positions, the focus of this position has shifted to workplace health and safety. This has impacted the ongoing management of corporate risk. A desktop review has identified inconsistencies across activity areas in how risks have been captured and assessed (consistent with AMD's observations in the Regulation 17 Review detailed below). Additionally, the timely review of risks has been impacted.

The City has not historically had an internal audit capability.

### **2023 Regulation 17 Review**

Regulation 17 of the *Local Government (Audit) Regulations 1996* (the Audit Regulations) requires the Chief Executive Officer to review the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal control and legislative compliance, and report the results of the review to the Audit and Risk Committee.

The City engaged AMD Chartered Accountants (AMD) to undertake this review on behalf of the CEO in May 2023 (the Regulation 17 Review). AMD's findings and recommendations were accepted by the Council in June 2023 (C2306/111).

The Regulation 17 Review made several findings regarding the operationalisation of the Risk Management Framework and the City's internal audit capability.

#### **Finding 2.2.1 Risk Management Framework and Risk Reporting**

Through the Regulation 17 Review, AMD considered the Risk Management Policy and Framework, and the effectiveness of the City's risk management systems and internal processes for determining and managing material operating risks. Following this review, AMD made the following recommendations:

*"We recommend the Risk Management Framework:*

- *Be reviewed and updated on a periodic basis. A comprehensive risk identification process may be required to be completed across all departments;*
- *Clear reporting requirements be documented within the Risk Framework and these reporting requirements be complied with. Ideally this would involve risk reports being presented to the Audit and Risk Committee on a quarterly basis to report emerging risks and ensure management / Council are notified of how risks are being managed;*
- *WHS risk management be matured through the implementation of an online centralised system;*
- *Corporate risk be managed by a dedicated risk officer; and*
- *The re-established Risk Management Committee undertake the annual evaluation as required by the Terms of Reference."*

In this context, AMD made one high finding with respect to the City's existing Risk Management capability noting that:

*"Without updated policies and procedures and a centralised system to monitor organisation risks, staff may be unaware of Council and management's expectations regarding how to manage City risks."*

The City accepted these findings, and acknowledged its risk management capability is at a basic level of maturity. Management comments noted that additional resourcing is required to implement the recommendations.

The first step towards addressing the Regulation 17 Review findings was the alignment of the risk function with governance and legal, and the appointment of a Governance and Risk Coordinator in

late 2023 (with the risk function being included into the existing Governance Coordinator role, with no additional resource allocation). This has enabled the City to define a recommended program of works and resource requirements to deliver a more robust corporate risk management culture and capability at the City.

#### **Finding 4.2.3 Internal Audit**

The Regulation 17 Review also noted that:

*“The City does not currently have a formal documented internal audit program in place.”*

AMD recommended that the City consider establishing an internal audit function, consistent with the Department of Local Government, Sport and Cultural Industries (the Department) guidelines, which suggest an internal audit function be established with a program that is reassessed annually.

#### **OFFICER COMMENT**

In response to the Regulation 17 review findings, officers have reviewed the City’s existing Risk Management Policy, Framework, systems and processes in the context of a number of resources to identify best practice and develop a program of works to improve the City’s risk management capability.

The City’s best practice review considered the Australian Standard for Risk Management (AS ISO 31000:2018); the Department’s *Audit in Local Government – Local Government Operational Guidelines, Risk Management Resources, Model Risk Management Policy, and Integrated Planning and Reporting Framework and Guidelines*; the *Western Australian Public Sector Audit Committees – Better Practice Guide* published by the Office of the Auditor General, and various other risk management resources produced for state, federal and interstate local governments.

Information sharing has also been undertaken with peer Western Australian local governments identified as having a greater maturity in risk management and internal audit.

#### **Best Practice Risk Management**

The Australian Standard for Risk Management (AS ISO 31000:2018) broadly defines risk as the effect of uncertainty on objectives. Organisational risk can be categorised as strategic, operational or project risk.

#### **Strategic Risks**

Strategic risks are macro-level risks that threaten the City’s ability to meet its long-term strategic objectives. If strategic risks were to eventuate, the City may be required to change strategic direction. While strategic risks can be internal or external, they usually arise in the context of the external regulatory, political, technological, natural, economic or social environment.

In the Local Government context, the Council is accountable for the management of strategic risks, in conjunction with the CEO and Executive Leadership Team. Following review in January 2024, the Audit and Risk Committee Terms of Reference has been updated to reflect the important role the Audit and Risk Committee has in assisting the Council to manage the City’s strategic risk.



### **Operational Risks**

Operational risks are associated with developing or delivering operational plans, functions or the day-to-day activities of the City. If operational risks were to eventuate, they may impact the City's ability to deliver on its current informing strategies and operational plans (for example, the Corporate Business Plan, Asset Management Plan or Workforce Plan), potentially resulting in a failure to deliver services to community expectations, or cause a financial loss. In the Local Government context the CEO is accountable for the management of operational risks.

### **Project Risks**

Project risks are associated with delivering projects or discrete activities. If project risks were to eventuate, that project may be unable to deliver to agreed quality, cost or schedule parameters. The CEO is accountable for the management of project risks.

Integration of risk management into an organisation's culture is a dynamic and iterative process, which is supported by the development of policy, framework, procedures and practices specific to an organisation's context and appetite for risk. The objective of risk management is not to eliminate risk, but to ensure the City is able to direct resources toward the greatest threats to its ability to function effectively in the interests of its community.

### **Maturing Risk Management in the City of Busselton Context**

For risk management to be successfully embedded into the City's organisational culture, it is critical that the risk management context is clearly understood and the risk management model well defined. This enables officers, management and Elected Members alike to understand their role and accountability for the management and / or oversight of risk as a part of (rather than apart from) strategic planning activities, operational functions and services.

Following review, officers have identified a program of works to deliver improvements to the City's risk management capability, with following objectives:

1. Formalise the City's risk management model with clear lines of defence;
2. Roles, accountabilities and responsibilities within each line of defence are clearly defined and well understood;
3. The Risk Management Policy, Framework and governance structures are up to date and fit for purpose to effectively manage risk within the City's risk appetite;
4. Risk management activities are embedded across the organisation, using clearly defined processes and systems;
5. Strategic, operational and project risks are appropriately identified, assessed, monitored and reported to inform decision making by the Council and the administration; and
6. Risk culture and the maturity of the City's risk management capability is regularly evaluated and subject to continuous improvement.

While embedding a risk-focussed culture at the City will be a long-term and ongoing activity, Officers have identified a series of critical deliverables, which are to be implemented in phases over the next 18 months – 2 years, subject to the recommended resourcing being supported.

**Phase 1: Design**

*Estimated time to complete: 3 – 6 months*

The risk management model comprises of the Policy, Framework, governance structures, processes and systems the City uses to manage risk. It is critical that the organisational risk management model is well defined, with consideration to integration across activity areas. The completion of the Design phase will see the following delivered:

**1. Formalise the lines of defence model**

Good corporate governance typically adopts a three lines of defence model to ensure effective management of risk:

1. The first line of defence is formed by managers and staff who are responsible for identifying assessing, evaluating and treating risk as part of their accountability for achieving objectives;
2. The second line of defence is formed by functions that oversee or who specialise in compliance or the management of risk. The second line owns the risk management framework and practices, and provide tools, support, oversight and monitoring; and
3. The third line of defence provides independent assurance, through functions such as internal and external audit, to ensure that risk management governance and internal control processes are adequate and effective.

The purpose of this model is to distribute responsibilities across different lines of defence, establish effective risk management and governance practices, and enhance the organisation's ability to identify, assess and mitigate risks.

Risk management has historically aligned to the three lines of defence model at the City. Officers, coordinators and managers are responsible for the management of risk within their activity area (line 1). Centralised work health and safety, and corporate risk officers provide frameworks, tools and support, and an internal Risk Management Committee provides monitoring and oversight (line 2). External audits are conducted annually by the Office of the Auditor General in line with section 7.9 of the *Local Government Act 1995* (the Act), and the Audit and Risk Committee has oversight of audit outcomes (line 3).

It is proposed that this model is formalised, with the roles, accountabilities and responsibilities of each line of defence clearly documented to ensure all officers have a consistent understanding of their specific role in managing risk.

**2. Refresh the Risk Management Policy, Framework and Governance Structures**

The City's existing Risk Management Policy and Framework were both last reviewed in 2021. They are due for review in 2024 as per the City's ongoing policy review cycle. Both the Risk Management Policy and Framework are aligned to the Australian Standard for Risk Management (AS ISO 31000:2018), however a review is required to ensure these are fit for purpose in the context of a formalised lines of defence model and the City's appetite for risk.

It is important that the Risk Management Policy and Framework are reviewed and adopted prior to the delivery of any subsequent implementation activities (including officer training, risk identification and reporting) as the Policy and Framework will define:

- The oversight role of the Council and the Audit and Risk Committee;
- The role of the CEO and officers to identify, assess, monitor and report on risk;
- The Line 1, 2 and 3 governance structure supporting effective risk management;
- Risk assessment metrics including risk cause and impact, likelihood and consequence;
- Risk tolerance and acceptance criteria; and
- Risk monitoring and reporting requirements.

Expected timelines for completion of the Design phase include time for review of the updated Risk Management Policy and Framework by the Audit and Risk Committee, and adoption of the Risk Management Policy by the Council.

### ***3. Develop risk reporting***

To achieve risk informed decision-making, and appropriate oversight of risk management, fit for purpose risk reporting is essential.

Requirements for risk reporting will be defined in the Design phase and will consider the different information needs of line management, the Executive Leadership Team, the Audit and Risk Committee and the Council. When requirements have been defined, the development of risk reporting will commence.

### ***4. Risk systems and processes reviewed and documented***

The City currently uses Tech1's risk management module which is generally aligned to the City's current Risk Management Framework.

Following completion of the review of the City's Risk Management Policy and Framework, and the definition of risk reporting requirements, officers will assess whether the Tech1 risk management module meets future requirements determine what further configuration is required.

Concurrently, officers will ensure processes for risk management are developed and documented in the centralised Process Manager system, in accordance with the City's Process Management Framework (adopted in 2023).

### ***5. Define implementation approach and supporting change management requirements***

A thoughtful and targeted approach to implementation is required to achieve cross-organisational support and uptake of the refreshed risk management model. In the Design phase, implementation and change management requirements will be assessed.

This will likely include basic communications and training around risk management expectations for all officers, and opportunities for additional targeted education for line management, the Executive Leadership Team, Risk Management Committee members and Elected Members to ensure they are equipped to undertake their specific roles in regard to the implementation and oversight of risk management practices.

Communications and the training plan and materials, including supporting induction and intranet content, will be developed in this phase, ahead of Implementation.

**Phase 2: Implementation**

*Estimated time to complete: 3 months*

In Implementation phase the deliverables defined in the Design phase will be rolled out to officers across the City. The Implementation phase will see the following delivered:

**1. Refreshed Risk Management model implemented; Change management activities delivered**

The refreshed Risk Management model (comprising the Policy and Framework, governance structures, systems and processes) will be implemented together. Taking an 'all at once' approach to the roll out of the risk management model has been assessed as most likely to deliver the best outcome in terms of officer understanding of the overarching model and the City's expectation that all officers are responsible for the management of risk. The 'all at once' approach is expected to deliver higher engagement and better utilisation of the Risk Management Framework and supporting systems, processes and reporting in day-to-day activities than a piecemeal approach to implementation.

**2. Risk identification completed**

Following the implementation of the risk management model, a comprehensive risk identification and assessment exercise will be undertaken with all directorates, to ensure that all strategic and operational risks have been adequately captured. This comprehensive process will include a review of existing risks documented in the City's risk register, and will ensure all risks have been assessed, treated, monitored and reported in accordance with the refreshed Risk Management Framework. The identification and assessment of strategic risks with the Council will be considered through the development of the City's Council Plan.

**3. Risk reporting to the Audit and Risk Committee commences**

Following the completion of risk identification, strategic risk reporting will be provided to the Audit and Risk Committee on an ongoing basis.

Acknowledging that the Council has requested regular risk reporting be provided to the Audit and Risk Committee (now reflected in the Audit and Risk Committee Terms of Reference), officers recommend the implementation of strategic risk profile reporting to the Audit and Risk Committee only after the completion of the review of the Risk Framework and risk identification.

Although risk data is currently captured in the City's risk register, this will require a review against the updated Risk Management Framework. It is unlikely that reporting on the data available today, which has been observed to be inconsistent as a result of the current decentralised approach, will provide meaningful insight to inform decision-making.

Officers recommend against a piecemeal approach to implementation. The roll out of a holistic risk management model prior to risk identification and reporting deliverables is expected to deliver the greatest success in terms of achieving the overall objective: improving the maturity of the risk management capability of the City over the long-term.

**Phase 3: Embed**

*Estimated time to complete: 6 – 12 months*

Following Implementation, the program enters an Embed phase where the changes introduced become current state. In this phase the refreshed Risk Management Policy and Framework are in force, and the risk management governance structures, systems, processes and reporting delivered in Implementation phase become day-to-day 'business as usual'.

To embed a risk-focussed culture across the organisation, a period of sustained leadership will be required to consistently communicate expectations and ensure risk management behaviours and processes are integrated into the day-to-day operations of the City.

In this phase, the City's line 2 risk functions will provide ongoing training and support for officers, and may adjust some processes and tools as 'pain points' are identified. Additionally, the requested risk resource will play a key role in championing and facilitating risk management.

**Phase 4: Evaluate and Improve**

*Estimated time to complete: 3 months*

To support the continuous improvement of the City's risk management model, consistent, timely, and holistic reviews are required to provide insights into where things are working well and where things could be improved.

Following the Embed phase, a review of the success of the operationalisation of the City's refreshed risk management model will be undertaken. The efficacy of the three lines of defence, application of the Risk Management Policy and Framework, and associated systems and processes will be evaluated. The outcomes of this review will identify ongoing opportunities for improvement.

**Internal Audit function**

Internal audit is a key component of the third line of defence in the lines of defence model. It is defined as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

In the local government context, the role of the Audit and Risk Committee is to oversee and advise the Council on matters of internal audit, internal controls, risk management and legislative compliance.

To date, the City has not had a formal internal audit function. This report recommends that an internal audit function be introduced. The internal audit function should generally be independent of management and can be undertaken by an employee or externally by a consultant. To maintain this independence the internal auditor reports administratively to the CEO and functionally to the Audit and Risk Committee. The Audit and Risk Committee does not undertake audits themselves.

Due to the City's lower level of maturity in risk management and internal audit, officers are recommending that the internal audit function be provided by a consultant. This will ensure that the development and commencement of an appropriate internal audit plan can be expedited. This approach is widely used by other Western Australian local governments and will ensure

independence. Once the organisation has matured it may be appropriate to consider employing an internal auditor.

It is recommended that the 2024/25 financial year budget include a consultancy allocation for the engagement of an internal auditor.

Officers have identified the critical deliverables, which are to be implemented in phases over the next 15 – 18 months as outlined below.

***Phase 1 – Identify and Engage Consultant for Internal Audit Function***

*Estimated time to complete: 3 months*

Officers will prepare a request for quotation for the provision of an internal audit function. Officers have undertaken research into other local government internal audit arrangements (using consultancy). In the first year this will include the development of an internal audit charter and internal audit plan (three-year plan) in addition to the requirement to undertake the internal audits. The internal audit function is not funded in the current budget. Officers therefore intend to engage the internal auditor early in the 2024/25 financial year.

***Phase 2 – Develop Internal Audit Charter and Internal Audit Plan***

*Estimated time to complete: 1 month*

The appointed internal auditor will, in conjunction with the Audit and Risk Committee, develop the internal audit charter and internal audit plan. The internal audit plan will be for a three-year period, with the internal audit priorities determined by the Council on recommendation by the Audit and Risk Committee.

***Phase 3 – Embed***

*Estimated time to complete: 12 months*

It is anticipated that early in the 2024/2025 financial year the City's internal auditor will be able to commence the internal audit function, undertaking internal audits in accordance with the internal audit plan. Once the individual audits are completed the internal auditor will report the outcomes to the Audit and Risk Committee, with any recommendations. Where there are recommendations, the CEO will provide a management comment and regular reporting to the Audit and Risk Committee on the implementation status.

***Phase 4 – Evaluate and Improve***

*Estimated time to complete: 1 month*

Following the embed phase, a review of the internal audit function will be undertaken. The outcomes of this review will identify any opportunities for improvement, which will be undertaken in line with the City's ongoing commitment to continuous improvement.

## **Statutory Environment**

The Act requires that all local governments establish an audit committee. Audit committees play a key role in assisting the local government to fulfil its governance and oversight responsibilities in relation to financial reporting, risk management systems, legislative compliance and the internal and external audit functions. An external audit of the City's financial reporting is carried out annually by the OAG. The OAG also currently completes an annual information systems audit.

While an internal audit function is not a requirement under the Act, the Department of Local Government, Sport and Cultural Industries note that many local governments have recognised the value in implementing an internal audit function – either internally or by contracting out – to improve the effectiveness of risk management, control and governance processes.

The Audit Regulations require that the CEO review the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal control and legislative compliance not less than once in every 3 financial years.

The *Local Government (Financial Management) Regulations 1996* also require that the CEO undertake a review of the appropriateness and effectiveness of the financial management systems and procedures not less than once in every 3 financial years.

## **Relevant Plans and Policies**

The officer recommendation aligns to the following adopted plan or policy:

Plan:

[Corporate Business Plan 2022-2026](#)

Policy:

[Risk Management](#)

## **Financial Implications**

There are expected resource, consultant and technology costs associated with delivering improvements to the City's risk management maturity and establishing an internal audit function.

An additional full-time resource, a dedicated and experienced risk officer, is required to deliver the risk management program of works, with support from existing Governance resources. The City is currently dependent on the recruitment of this resource to commence and continue the work outlined.

Additionally, there are expected external consultant costs to support internal audit delivery. The risk officer may assist in coordinating delivery of the audit plan with the consultant and regular reporting on recommendations.

It is recommended that funding is allocated in the 2024/2025 budget for risk management and internal audit as follows:

- Risk Officer – 1 FTE - \$110,000
- Consultancy - \$35,000

### **External Stakeholder Consultation**

Not Applicable

### **Risk Assessment**

If the allocation of funding outlined above is not supported in the 2024/2025 budget, the City will be unable to mitigate the risks identified in the Regulation 17 Review pertaining to risk management and internal audit.

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, no risks of a medium or greater level have been identified.

### **Options**

As an alternative to the proposed recommendation the Council could:

1. Resolve not to support the proposed resourcing. This will impact on the ability of officers to mature the City's risk management approach.
2. Request the CEO include additional risk management or internal audit deliverables in the above program of works.

### **CONCLUSION**

Further integration and embedding of risk management systems and processes, including an internal audit function, is required across the City's activity areas. Additional resourcing is required to achieve this.

### **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Further updates on the status of risk management and internal audit deliverables will be provided to the Audit and Risk Committee in regular reporting.



## 10.7 2023 Compliance Audit Return

<b>Strategic Theme:</b>	Key Theme 4: Leadership 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making.
<b>Directorate:</b>	Corporate Strategy and Performance
<b>Reporting Officer:</b>	Manager Legal and Governance - Ben Whitehill
<b>Authorised By:</b>	Director Corporate Strategy and Performance - Sarah Pierson
<b>Nature of Decision:</b>	Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee recommendations.
<b>Voting Requirements:</b>	Simple Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	1. ATTACHMENT 1 City of Busselton Compliance Audit Return (1) [7.2.1 - 12 pages]

This item was considered by the Audit and Risk Committee at its meeting held 13 March 2024, the recommendations of which have been included in this report.

The committee recommendation was moved and carried.

### COUNCIL DECISION

**C2403/52** Moved Cr Jarrod Kennedy, seconded Cr Val Kaigg

**That the Council adopts the Compliance Audit Return for the period 1 January 2023 to 31 December 2023, as per Attachment 1.**

**CARRIED 9 / 0**

**FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish, Cr Mikayla Love, Cr Kate Cox, Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Nil**

**EN BLOC**

### OFFICER RECOMMENDATION

That the Council adopts the Compliance Audit Return for the period 1 January 2023 to 31 December 2023, as per Attachment 1.

### EXECUTIVE SUMMARY

The Compliance Audit Return is a statutory reporting tool that evaluates the City's compliance with specific sections of the *Local Government Act 1995* (the Act) during the period 1 January 2023 to 31 December 2023. The City has completed the 2023 Compliance Audit Return and the outcomes are attached to this report for the Council's consideration.

The Council is required to adopt the Compliance Audit Return, after which it is lodged with the Department of Local Government, Sport and Cultural Industries (the Department). Lodgement with the Department is required by 31 March 2024.

## STRATEGIC CONTEXT

The 2023 Compliance Audit Return helps deliver governance systems that facilitate open, ethical and transparent decision making.

## BACKGROUND

In accordance with Regulation 14 of the *Local Government (Audit) Regulations 1996* (Audit Regulations), the City is required to carry out an annual audit of statutory compliance in the form determined by the Department.

The 2023 Compliance Audit Return deals with the period 1 January 2023 to 31 December 2023 and evaluates the City's compliance with specific sections of the Act and associated regulations.

Regulation 14 of the Audit Regulations, and the Audit and Risk Committee's Terms of Reference specifies the Committee's role to review the annual Compliance Audit Return, consider the report from the CEO and recommend to the Council the results of that review.

## OFFICER COMMENT

The 2023 Compliance Audit Return contains 94 questions (including nine optional questions) relating to the prescribed statutory requirements in Regulation 13 of the Audit Regulations.

There were 6 areas of non-compliance identified in the 2023 Compliance Audit Return. Each non-compliance is set out below, with a management comment outlining remediation actions identified and additional controls to mitigate the risk of any future non-compliance.

Details of non-compliance	Management comment and action
<p>Delegations to some committees were not recorded in the register of delegations.</p> <p>Specifically, delegations for the Airport Advisory Committee, Finance Committee and Policy and Legislation Committee to either note or refer items back to the CEO for amendment, as stated in their terms of reference, were not recorded in the register of delegations.</p>	<p>The current Airport Advisory Committee and Finance Committee Terms of Reference refer to a 'delegation' to note items that do not require a recommendation to Council or further action of Council. The Policy and Legislation Committee Terms of Reference refers to a 'delegation' to refer items back to the CEO for further information or amendments.</p> <p>While the City's delegation register does include other committee delegations, these specific delegations were not captured in the register, as they were not considered substantive delegations of authority or specific powers or functions of the local government. However, for completeness, this question is answered as no, with officers intending to both add all 'delegations' documented in Committee Terms of Reference documentation to the delegations register and complete a further review Committee Terms of Reference to consider removing reference to these functions as delegations.</p>

Details of non-compliance	Management comment and action
<p>Annual and primary returns were not removed from the register of financial interests when that person ceased to be a person required to lodge a return.</p> <p>The primary and annual returns records for some people who had ceased to be a person required to lodge a return under section 5.75 and 5.76 were retained in the redacted register published on the City's website.</p>	<p>Users who ceased to be a person required to lodge a return under sections 5.75 and 5.76 were marked as 'inactive' in the City's Attain system, however in some instances they were not excluded from the redacted list of primary and annual returns which is published on the City's website. This was a process failure, due to staff turnover and resourcing shortfalls in Governance over the course of the year. The register will be corrected, and a process for removing returns from the register will be developed and documented.</p>
<p>Records were not removed from the register of financial interests when that person ceased to be a person required to make a gift disclosure.</p> <p>There were 6 historical entries maintained on the City's gift register which should have been removed when that person ceased to be a person required to make a gift disclosure.</p>	<p>Users who ceased to be a person required to lodge a disclosure under sections 5.87A and 5.87B were marked as 'inactive' in the City's Attain system, however in some instances they were not excluded from gifts register published on the City's website. This was a process failure, due to staff turnover and resourcing shortfalls in Governance over the course of the year. The register will be corrected, and a process for removing relevant disclosures from the register will be developed and documented.</p>
<p>Records were not removed from the electoral gift register of a disclosure of gifts by an unsuccessful candidate, or a successful candidate that completed their term of office.</p> <p>One electoral gift from the 2019 ordinary election was not removed from the electoral gift register following the completion of that Elected Member's term.</p>	<p>The electoral gift register will be corrected to remove the record from the 2019 ordinary election. A task will be added to the compliance calendar following the next ordinary election to review the electoral gift register, to identify those records required to be removed.</p>
<p>Disclosures made under sections 5.87A or 5.87B of the Local Government Act 1995 were not made within 10 days after the receipt of the gift.</p> <p>Three gift disclosures by Elected Members were not made within 10 days after the receipt of the gift.</p>	<p>Officers acknowledge that a lack of familiarity with the online portal system for gift disclosures may have caused some delays to disclosures.</p> <p>Going forward, the Friday Fact Sheet will include a standing reminder to Elected Members to disclose gifts and provide a link to the online portal.</p>
<p>The local government did prepare a report on the training completed by council members in the 2022/2023 financial year but did not publish it on the local government's official website by 31 July 2023.</p> <p>The training report was published on the City's website in November 2023.</p>	<p>The Elected Member training report was published in November 2023, with the delay due to staff turnover and resourcing shortfalls in Governance around the end of financial year period. The City is implementing the compliance calendar function in Attain. The compliance calendar sends officers annual reminders prior to the due date for compliance tasks.</p>

### **Statutory Environment**

In accordance with Regulation 14 of the Audit Regulations, the Audit Committee must review the completed 2023 Compliance Audit Return and report the results to Council. Following Council's adoption, the 2023 Compliance Audit Return must be submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2024.

### **Relevant Plans and Policies**

The officer recommendation aligns to the following adopted plan or policy:

Plan:

Not applicable.

Policy:  
Not applicable.

### **Financial Implications**

Not Applicable

### **External Stakeholder Consultation**

Not Applicable

### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified, with the reported non-compliances assessed as representing a low-level risk overall.

### **Options**

As an alternative to the proposed recommendation the Council may choose not to adopt the 2023 Compliance Audit Return. It is however a statutory requirement that the 2023 Compliance Audit Return is adopted by Council and submitted to the Department prior to 31 March 2024.

### **CONCLUSION**

The 2023 Compliance Audit Return is complete and is now required to be adopted by Council prior to being submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2024.

### **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The officer recommendation will be implemented in full, or in stages as per the following table:

Milestone	Completion Date
Compliance Audit Return submitted to the Department of Local Government, Sport and Cultural Industries	31 March 2024

## 10.8 CEO Review of Systems and Procedures Recommendations - Implementation status

<b>Strategic Theme:</b>	Key Theme 4: Leadership 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making.
<b>Directorate:</b>	Corporate Strategy and Performance
<b>Reporting Officer:</b>	Manager Legal and Governance - Ben Whitehill
<b>Authorised By:</b>	Director Corporate Strategy and Performance - Sarah Pierson
<b>Nature of Decision:</b>	Noting: The item is simply for information purposes and noting.
<b>Voting Requirements:</b>	Simple Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	1. 2023 Reg 17 Review AMD report [7.3.1 - 23 pages] 2. Reg 17 Audit Recommendations Status March 23 [7.3.2 - 2 pages]

This items was considered by the Audit and Risk Committee at its meeting held 13 March 2024, the recommendations of which have been included in this report.

The committee recommendation was moved and carried.

### COUNCIL DECISION

**C2403/53** Moved Cr Jarrod Kennedy, seconded Cr Val Kaigg

**That the Council acknowledge the status update in relation to the recommendations of the Regulation 17 Review (as at the end of February 2024) and note that the next update will be provided to the Audit and Risk Committee at the meeting on 24 July 2024.**

**CARRIED 9 / 0**

**FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish, Cr Mikayla Love, Cr Kate Cox, Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Nil**

**EN BLOC**

### OFFICER RECOMMENDATION

That the Council acknowledge the status update in relation to the recommendations of the Regulation 17 Review (as at the end of February 2024) and note that the next update will be provided to the Audit and Risk Committee at the meeting on 24 July 2024.

### EXECUTIVE SUMMARY

Regulation 17 of the *Local Government (Audit) Regulations* (the Audit Regulations) requires the Chief Executive Officer to review the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal control and legislative compliance.

The City engaged AMD Chartered Accountants (AMD) to undertake this review on behalf of the CEO, with findings and recommendations presented to the Audit and Risk Committee and then to Council on 21 June 2023. This report presents a status update in relation to the recommendations.

## STRATEGIC CONTEXT

Appropriate and effective systems and procedures for risk management, internal control and legislative compliance provides for the good governance of the City and appropriate levels of risk and risk management activity.

## BACKGROUND

In May 2023, the City engaged AMD, a local government audit, accounting and advisory firm in Western Australia, to undertake the Regulation 17 review on behalf of the CEO. The CEO presented a report on the findings of that review to the Audit and Risk Committee on 7 June 2023 (endorsed by Council on 21 June 2023), which included management comments in relation to the findings (Attachment 1).

Council resolved (C2306/111):

*That the Council*

- 1. Accept the CEO's Regulation 17 review of the appropriateness and effectiveness of the City of Busselton systems and procedures in relation to risk management, internal control and legislative compliance; and*
- 2. Request that the Chief Executive Officer provide quarterly updates to the Audit and Risk Committee on the progress of the recommendations for improvement identified as part of the review.*

An update on the status of the recommendations was last presented to the Audit and Risk Committee in September 2023.

## OFFICER COMMENT

Of the twelve recommendations, two have been completed and the remainder are in progress. The completed items are items 2.2.5 (Tender Management) and 2.2.8 (Lease Management).

The three items concerning risk management and internal audit being Items 2.2.1 (Risk Management Framework and Risk Reporting), 4.2.2 (Audit and Risk Committee) and 4.2.3 (Internal Audit), are substantively dealt with in Item 6.1 of this Audit and Risk Committee agenda. As noted in that report, implementation of the recommendations is subject to additional resourcing.

Items 2.2.2 (Emergency Risks and Response Management), 2.2.7 (IT Strategic Plan and Business Continuity Plan Testing) and 4.2.1 (Compliance Calendar) have been partially implemented and are on track for implementation by the relevant target dates.

Item 2.2.4 (Contract Management) is partially implemented with further implementation contingent on resourcing to centralise the contract management function and systems. Officers are looking to quantify resourcing impacts and determine what can be implemented using existing resources. The target date for this item has therefore been revised.

Items 2.2.3 (Misconduct, Fraud and Corruption Policy) and 3.2.1 (BAS Activity Statement Lodgement Relief) are yet to be commenced but are expected to be implemented by the relevant target dates.

Further information on the implementation status for each of the recommendations is provided in Attachment 2.

### **Statutory Environment**

Regulation 17 of the Audit Regulations requires the Chief Executive Officer to review the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal control and legislative compliance once every 3 financial years and report the results of that review to the Audit and Risk Committee.

### **Relevant Plans and Policies**

The officer recommendation aligns to the following adopted plan or policy:

Plan:

Not applicable.

Policy:

Not applicable.

### **Financial Implications**

There are no financial implications associated with the officer recommendation. Progression of the recommendations in full, however, is likely to have financial implications, with additional resourcing required to improve overall coordination of risk management, and to implement an internal audit function.

Additionally, if the City was to further centralise coordination of its procurement and contract management functions, additional resourcing is likely to be required. Further information and proposals will be presented as part of the regular updates on the recommendations.

### **External Stakeholder Consultation**

Not Applicable

### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

### **Options**

The Council could choose not to accept the officer recommendation.

**CONCLUSION**

This report provides a status update in relation to the recommendations of the City's most recent Regulation 17 Review.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The officer recommendation will be implemented in full or in stages as per the following table:

Milestone	Completion Date
Status report to Audit and Risk Committee	24 July 2024



## 11. COMMUNITY PLANNING REPORTS

### 11.1. Community Sport Recreation Facilities Fund - Application

<b>Strategic Theme:</b>	Key Theme 2: Lifestyle 2.3 Provide well planned sport and recreation facilities to support healthy and active lifestyles. Key Theme 3: Opportunity 3.3 Continue to promote the District as the destination of choice for events and unique tourism experiences.
<b>Directorate</b>	Community Planning
<b>Author</b>	Melissa Egan – Community Development Officer – Sport and Recreation
<b>Authorised By:</b>	Director Community Planning – Gary Barbour
<b>Nature of Decision:</b>	Advocacy: to advocate on its own behalf or on behalf of its community to another level of government/body/agency.
<b>Voting Requirements:</b>	Simple Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	Nil

DISCLOSURE OF INTEREST	
Date	20 March 2024
Meeting	Ordinary Council
Name/ Position	Cr Val Kaigg
Item No./ Subject	11.1 Community Sport Recreation Facilities Fund - Application
Type of Interest	Impartiality Interest
Nature of Interest	I am a social member of the Geographe Bay Yacht Club

DISCLOSURE OF INTEREST	
Date	20 March 2024
Meeting	Ordinary Council
Name/ Position	Cr Jodie Richards
Item No./ Subject	11.1 Community Sport Recreation Facilities Fund - Application
Type of Interest	Impartiality Interest
Nature of Interest	I am a social member of the Geographe Bay Yacht Club.

The officer recommendation was moved and carried.

### **COUNCIL DECISION**

**C2403/54** Moved Cr Kate Cox, seconded Cr Jarrod Kennedy

**That the Council:**

- 1. Endorses the priority rankings of the application to the Department of Local Government Sport and Cultural Industries' Community Sport and Recreation Facilities Fund as ranking 1 of 1, priority rating B, Geographe Bay Yacht Club – Male and Female Change Room Upgrades.**
- 2. Endorses an application to the Department of Local Government Sport and Cultural Industries' Community Sport and Recreation Facilities Fund for Geographe Bay Yacht Club – Male and Female Change Room Upgrades.**

**CARRIED 9 / 0**

**FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish, Cr Mikayla Love, Cr Kate Cox, Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Nil**

### **OFFICER RECOMMENDATION**

**That the Council:**

- 1. Endorses the priority rankings of the application to the Department of Local Government Sport and Cultural Industries' Community Sport and Recreation Facilities Fund as ranking 1 of 1, priority rating B, Geographe Bay Yacht Club – Male and Female Change Room Upgrades.**
- 2. Endorses an application to the Department of Local Government Sport and Cultural Industries' Community Sport and Recreation Facilities Fund for Geographe Bay Yacht Club – Male and Female Change Room Upgrades.**

### **EXECUTIVE SUMMARY**

The Community Sport and Recreation Facilities Fund (CSRFF) is a State Government funding program which provides financial assistance to community groups and local governments to develop basic infrastructure for sport and recreation to encourage greater participation in physical activity.

The local government is required to rate and prioritise CSRFF submissions received within their municipality. The 2024/25 February Small Grants Round of CSRFF applications closes on 28 March 2024. This purpose of this report is to request the Council endorse the rating of the application received from Geographe Bay Yacht Club (the Club) and endorse submission of the application to the Department of Local Government, Sport and Cultural Industries (DLGSC). The Club is not seeking a financial contribution from the City of Busselton.

## STRATEGIC CONTEXT

Under the City's Strategic Plan, the Council has the objective to provide well planned sport and recreation facilities to support healthy and active lifestyles.

## BACKGROUND

The CSRFF program provides up to 50% of the total estimated project cost, to well-planned sport and recreation facility projects that will maintain or increase physical activity or result in a more rational use of facilities.

To assist with the evaluation of submissions to ensure projects are viable and appropriate, DLGSC has developed an assessment criteria. Each submission is to be assessed against those criteria and local government authorities are required to rate and prioritise local submissions using the following guide:

RATE	DESCRIPTION
A	Well planned and needed by the municipality
B	Well planned and needed by the applicant
C	Needed by the municipality, more planning required
D	Needed by the applicant, more planning required
E	Idea has merit, more preliminary work needed
F	Not recommended

Applications for the current funding round must be assessed and submitted to the South West Office of DLGSC by no later than 28 March 2024.

From April to June 2024, the application, along with others received throughout the State, will be evaluated and ranked by relevant State Sporting Associations and the CSRFF Assessment Panel. Successful applications are announced following this assessment with funding expected to be available around July 2024.

There is one (1) application in the municipality of City of Busselton for this round of funding:

1. Geographe Bay Yacht Club – Male and Female Changeroom Upgrades

## OFFICER COMMENT

One CSRFF application has been received for consideration in the current round of Small Grants funding from Geographe Bay Yacht Club (the Club).

The Club holds a lease over Crown land which the City manages (and is the landlord) under a Management Order from the State Government. The Club's junior program has grown significantly over the last few years, with over 300 participants taking part in the Club's 'Learn to Sail' programs and free 'Discover Days' since October 2022. The Club has purchased a further 8 dinghies and 4 larger training dinghies to accommodate and encourage the growth in new and junior memberships, ranging from 7 years to 60 years old.

The Club is obliged to ensure the health and safety of its junior members in accordance with the Child Safeguarding Principles. The current access to, and layout of, the change rooms does not provide the required privacy and protection of children using the change rooms. There are often occasions when children and adult sailing programs and social events will be held at the same times and there is not currently sufficient privacy for all users to comfortably share the change rooms. There are also other clubs based at the Club including the Geographe Outrigger Canoe Club, Busselton Masters Swimming Club and the Naturaliste Game Fishing Club. The upgrade of the change rooms will provide greater protection of the various clubs' members, but also provide greater access for people of all abilities, with the works including secure access doors and levelling and making the tiling slip-resistant.

The upgrade to the change rooms will provide increased amenity for the Club's members and visitors, and other users of the facility, ultimately resulting in an increased participation in the Club and an increase in physical activity.

The upgrade has been identified as a priority by the Club's committee and its members at an Annual General Meeting. It also aligns with the Club's Strategic Plan which includes:

- To grow our membership and develop new sailors. Junior development as coaches and instructors.
- To provide quality facilities and equipment for sailing and a safe and social club environment.

The project will involve the replacement of ceiling battens, ceilings and cornices in both the male and female change rooms. Upgrades will be made to cubicle privacy panels to ensure accessibility for all users with individual cubicles to be installed in the men's to replace the open shower area. Repairs to be made to all seating, doors and hinges. Floor tiling in the female change rooms will be replaced with tiling in the men's to be treated and scoured with the addition of non-slip sealant. Flume vents will be installed with general repainting of all areas. Keypad access will be installed for external doors for member access.

The total cost of the upgrade project is \$86,327.75 with funding breakdown of:

- CSRFF grant \$43,164.00
- Applicant Geographe Yacht Club \$28,963.75
- Volunteer labour \$14,200.00
- City of Busselton \$0

The upgrade to the change rooms is also expected to contribute to the overall comfort of the facility, where members and social members will want to stay for longer periods of time, engaging more with the Club's activities and potentially an increase of income to the Club.

### **Statutory Environment**

Not Applicable

### **Relevant Plans and Policies**

The officer recommendation aligns to the following adopted plan or policy:

Plan:

[City of Busselton Community Infrastructure Plan 2022-2035](#)

[City of Busselton Community Development Plan 2022-2027](#)

Policy:

Not applicable.

### **Financial Implications**

Not Applicable

### **External Stakeholder Consultation**

The Club has consulted with the DLGSC in accordance with the CSRFF Guidelines and has regularly liaised with City officers with respect to the merits and contents of the application. The Club has obtained the support from other user groups of the facility to make an application for funding to upgrade the change rooms. Letters of support have been provided by Australian Sailing, Busselton Masters Swimming Club with support also from Member for Vasse, Libby Mettam MLA.

### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place.

No risks of a medium or greater level have been identified.

### **Options**

As an alternative to the proposed recommendation the Council could not endorse the priority ranking and rating of the Club's application.

### **CONCLUSION**

The CSRFF application submitted by the Club has sound merits and aligns with its own priorities and increasing Child Safeguarding responsibilities. The Club has demonstrated it has sufficient capacity to complete the project within the CSRFF milestones and has included cost escalations in its project estimated budget. There is no required contribution from the City.

It is recommended that the application be ranked 1 of 1 application and rated as a priority B, a project that is well planned and needed by the applicant.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The officer recommendation will be implemented in full, or in stages as per the following table:

Milestone	Completion Date
CSRFF Application Submitted to DLGSC South West Office	28 March 2024

6:15pm: At this time, Cr Andrew Macnish left the meeting.

6:17pm: At this time, Cr Andrew Macnish returned to the meeting.

## 11.2. Dunsborough Lakes Sports Precinct Pavilion

<b>Strategic Theme:</b>	Key Theme 2: Lifestyle 2.3 Provide well planned sport and recreation facilities to support healthy and active lifestyles. Key Theme 4: Leadership 4.1 Provide opportunities for the community to engage with Council and contribute to decision making.
<b>Directorate:</b>	Community Planning
<b>Reporting Officer:</b>	Manager Community and Recreation – Dave Goodwin
<b>Authorised By:</b>	Director Community Planning – Gary Barbour
<b>Nature of Decision:</b>	Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee recommendations.
<b>Voting Requirements:</b>	Simple Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	1. Attachment 1 - Option 1 concept [ <b>11.2.1</b> - 3 pages] 2. Attachment 2 - Option 2 concept [ <b>11.2.2</b> - 5 pages] 3. Attachment 3 - Option 3 concept [ <b>11.2.3</b> - 1 page] 4. Attachment 4 - Stakeholder Feedback [ <b>11.2.4</b> - 22 pages]

Prior to the meeting, Cr Anne Ryan foreshadowed an alternative that was different to the officer recommendation. In accordance with 10.18(6) of the City of Busselton *Standing Orders Local Law 2018*, it was taken to be an alternative and considered first.

There was opposition and debate ensued.

### SUBSTANTIVE MOTION

Moved Cr Anne Ryan, seconded Cr Jodie Richards

#### **That the Council:**

1. Requires the CEO to schedule the hosting of a summit (including but not limited to all presidents of sport and recreation groups within the District) as soon as practicable. This will be externally facilitated and used to inform (amongst other things) the City of Busselton Sport and Recreation Facilities Strategy (SRFS) for the District. It will also include addressing facility leases (including rents, insurance, and any other lease anomalies).
2. Prior to the commencement of this summit, there will be;
  - a. An elected member workshop supported by the CEO with invited guests to include (but not be limited to) representatives from Soccer, Cricket, Basketball, and Netball Clubs of Dunsborough; and

- b. A briefing session conducted by the CEO for elected members prior to a) above.**
- 3. The project management of the Dunsborough Lakes Sports Precinct (DLSP) project be referred to the review exercise approved by the Council Resolution C2402/39 Clause 3.**

During debate, Cr Andrew Macnish moved an amendment to part 1 of the substantive motion.

**AMENDMENT**

**C2403/56** Moved Cr Andrew Macnish, seconded Cr Anne Ryan

**That the Council:**

1. Requires the CEO to schedule the hosting of a
  - a) Dunsborough catchment specific summit as soon as practicable; and
  - b) district-wide summit (including but not limited to all presidents of sport and recreation groups within the District) at a date to be determined by the CEO.

**This will be externally facilitated and used to inform (amongst other things) the City of Busselton Sport and Recreation Facilities Strategy (SRFS) for the District. It will also include addressing facility leases (including rents, insurance, and any other lease anomalies).**

LOST 4 / 5

**FOR: Cr Anne Ryan, Cr Jodie Richards, Cr Andrew Macnish and Cr Richard Beecroft**

**AGAINST: Mayor Phill Cronin, Cr Val Kaigg, Cr Mikayla Love, Cr Kate Cox and Cr Jarrod Kennedy**

With the amendment lost, debate resumed on the substantive motion.

The substantive motion was lost.

## SUBSTANTIVE MOTION

**C2403/57** Moved Cr Anne Ryan, seconded Cr Jodie Richards

**That the Council:**

1. Requires the CEO to schedule the hosting of a summit (including but not limited to all presidents of sport and recreation groups within the District) as soon as practicable. This will be externally facilitated and used to inform (amongst other things) the City of Busselton Sport and Recreation Facilities Strategy (SRFS) for the District. It will also include addressing facility leases (including rents, insurance, and any other lease anomalies).
2. Prior to the commencement of this summit, there will be;
  - a. An elected member workshop supported by the CEO with invited guests to include (but not be limited to) representatives from Soccer, Cricket, Basketball, and



**Netball Clubs of Dunsborough; and**

- b. A briefing session conducted by the CEO for elected members prior to a) above.
3. The project management of the Dunsborough Lakes Sports Precinct (DLSP) project be referred to the review exercise approved by the Council Resolution C2402/39 Clause 3.

**LOST 4 / 5**

**FOR: Cr Anne Ryan, Cr Jodie Richards, Cr Andrew Macnish and Cr Richard Beecroft**

**AGAINST: Mayor Phill Cronin, Cr Val Kaigg, Cr Mikayla Love, Cr Kate Cox and Cr Jarrod Kennedy**

With the substantive motion being lost, the officer recommendation was moved and carried.

**COUNCIL DECISION**

**C2403/58** Moved Cr Val Kaigg, seconded Cr Jarrod Kennedy

**That the Council:**

1. Endorse the northern perimeter location (Option 1) as the preferred location to build the Dunsborough Lakes Sporting Precinct Pavilion.
2. Authorise the CEO to proceed to detailed design for the pavilion, in conjunction with the sporting groups, and to final costing.

**CARRIED 8 / 1**

**FOR: Mayor Phill Cronin, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish,  
Cr Mikayla Love, Cr Kate Cox, Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Cr Anne Ryan**

**OFFICER RECOMMENDATION**

**That the Council:**

1. Endorse the northern perimeter location (Option 1) as the preferred location to build the Dunsborough Lakes Sporting Precinct Pavilion.
2. Authorise the CEO to proceed to detailed design for the pavilion, in conjunction with the sporting groups, and to final costing.

**EXECUTIVE SUMMARY**

This report seeks the Council's endorsement of the preferred location for the construction of the pavilion at the Dunsborough Lakes Sports Precinct (DLSP), and authorisation to proceed to detailed design, in conjunction with the sporting groups, and to final costing.

## STRATEGIC CONTEXT

Provision of sport and recreation facilities, and specifically the provision of additional green space in Dunsborough is aligned directly to the Council's strategic priority to provide well planned sport and recreation facilities, to support healthy and active lifestyles. This supports the aspirations of Key Theme 2, Lifestyle, within the City's Strategic Community Plan.

The recommendations contained in this report aligns to the City's Sport and Recreation Facilities Strategy, an important strategic document that seeks to responsibly guide the City's investment in sport and recreation, with the responsible management of ratepayer funds to provide for community needs now and, in the future, also a key strategic priority of the City's Strategic Community Plan.

## BACKGROUND

On 13 May 2020, Council adopted the City of Busselton Sport and Recreation Facilities Strategy (2020-2030) (SRFS) as a guide for future planning (C2005/130). The SRFS provides a long-term strategy to inform, guide and underpin the planning and provision of indoor and outdoor community sporting and recreation facilities to meet existing and future needs of the City district and subdistricts. It is the result of a comprehensive analysis incorporating demographic data, industry trends, review of relevant policies, plans and strategies, extensive community consultation, and stakeholder engagement and feedback.

The SRFS is an important connector between the City's Strategic Community Plan and the allocation of City funding and resources within its long-term financial plan to achieve the strategic objective of improved sport and recreation services and facilities. With limited resources (municipal funds, land, external funding) the City cannot deliver all the desired community infrastructure immediately. The SRFS aims to balance the sport and recreation needs throughout the City to achieve facilities that are required by the broader community rather than the wants of any one club.

### Recommended Priority 1

Recommended Priority 1 in the SRFS is the development of a new sporting precinct – the Dunsborough Lakes Sporting Precinct (DLSP) – with fit for purpose district facilities to accommodate a mix of senior and junior participants from the Dunsborough sub-district cricket, soccer, netball and basketball, including:

- Grass playing surfaces that are broad, expansive, and multi-use with lighting
- 4 multipurpose outdoor courts with lighting
- Cricket practice nets and
- 174 car parking bays

Construction of DLSP as rectangular playing fields and cricket wickets aligns to industry standards that are shifting away from the traditional Aussie Rules field with a cricket wicket in the middle. With soccer and cricket relying on a similar playing surface, the DLSP design ensures cricket facilities are located outside the soccer playing surface. The design also allows for consideration of additional outdoor multi-use courts, basketball training and netball training/competitions, with space and opportunity for the growth of outdoor and potential future indoor court provision if required.

The site is also strategically positioned with a view to value add to the Department of Education WA (Western Australia) and future primary school site as well as provision of community open space.

In September 2020, the Council endorsed (C2009/107) an application for funding to construct stages 1 and 2 of the DLSP to the Department of Local Government Sport and Cultural Industries (DLGSC), Community Sport and Recreation Facilities Fund (CSRFF). This application was based on the SRFS design for the precinct, with the pavilion in the northern location.

With grant assistance from the State and Federal Government, stages 1 and 2 of the development is now almost complete, with a suite of dedicated playing fields for soccer/cricket and multi-use courts. The pavilion and playing field lighting is outstanding from Stages 1 and 2, with Stage 3 (additional green space to the East) scheduled for upcoming years in collaboration with the school.

Delivery of the pavilion was scheduled for delivery in 2022/23. During 2021/22 the project was progressed to a design and costing stage with the pavilion to be located (as per the SRFS) on the Northern perimeter of the playing fields and adjacent to the multi-purpose courts. In August 2022, due to significant cost escalations, two further CSRFF grant applications were endorsed by Council (C2208/213).

The application for the lighting project was successful for the sum of \$169,796. In February 2023, the City was informed that the funding application for the pavilion was unsuccessful. As a result, the project to build the pavilion was put on hold. The installation of the light poles for the green space has also been delayed pending a decision on the progression of the pavilion.

### **Recommended Priority 2**

Recommended Priority 2 of the SRFS is for master planning of the Dunsborough Playing Fields and Naturaliste Community Centre (NCC).

Prior to 2022 the Dunsborough Playing Fields were the only public playing fields within the Dunsborough sub-district; home to Aussie Rules, football (soccer), cricket, an outdoor training venue for netball and basketball and is the location of a stake park and youth hub.

Consultants have completed a masterplan of the NCC and Dunsborough Playing Fields and recommend that population growth of the Dunsborough subdistrict justifies multipurpose sporting grounds for development in the Dunsborough sub district to 2051 detailed as follows:

- Football Ovals – up to 3 ovals (plus access to school oval space)
- Diamond Sports – Up to 2 ovals
- Soccer – up to 5 pitches
- Cricket Ovals – up to 3 ovals
- Hockey – local need (integrating with existing infrastructure)
- Netball Courts – up to 4 courts
- Basketball Courts – up to 7 outdoor / 4 indoor courts
- Volleyball / Badminton / Futsal – incorporated within an indoor facility
- Four court multipurpose facility and
- Tennis – 1 x 8 court facility

This supports the development of the DLSP, with the realisation and future development of the Dunsborough Playing Fields sites to accommodate current and future community facility requirements relying on the activation of the DLSP into a hub for soccer, cricket, basketball, and netball.

With the green space complete, and funding for lighting obtained, this report seeks a final decision from Council as to the progression of the pavilion, particularly with respect to location, which, as outlined below, has been an issue of some contention.

## OFFICER COMMENT

As endorsed in the SRFS, the City's objective is for strategic co-location, joint provision and shared use of sport and recreation facilities, to achieve the best outcomes for the community in the most sustainable manner.

With respect to a pavilion, the primary strategic purpose of a sports pavilion is to maintain or increase participation in multiple sport and recreation activities with an emphasis on physical activity, through rational development of high quality, well-designed and well-utilised, universally accessible facilities. Multi-purpose facilities reduce additional infrastructure required to meet similar needs and increases the sustainability of community infrastructure.

A local district facility such as that proposed at the DLSP should include as a minimum change rooms, ablutions and sports storage for season usage for multiple sports. A local district pavilion which includes large areas allocated to social space, kitchen, administration areas and viewing areas, whilst potentially useful, has minimal impact on a district's physical activity levels, and therefore are considered as having lower strategic importance when assessing affordability and grant funding.

Further, the WA Department of Local Government Sport and Cultural Industries (DLGSC) guidelines and industry best practice indicates that the strategic development of a pavilion should not be designed to primarily provide facilities to meet any club's ambitions to compete in a higher grade or specifically for viewing or socialisation purposes.

### Pavilion Options

In October 2023, Councillors were briefed on options regarding progression of the sports pavilion at the DLSP, with indicative concepts presented that considered location, scope and cost. Following that, in November 2023, officers met with stakeholders to present two options for further discussion and feedback:

Option 1 - Northern pavilion (original concept)  
Option 2 - Central pavilion

#### ***Option 1***

Option 1 is the original concept as discussed by the stakeholder working group during 2021/22. This option includes the following features and requirements at a revised cost estimate of \$4,030,000. (Note; Increase from \$2.3m since 2022):

- Accommodates all clubs
- Close to basketball & netball courts. Short walking distance of 15 metres to main fields
- 4 change rooms including ablutions (2 toilets & 2 showers in each change room)
- 1 Referee room including ablution
- 1 First aid room
- 18sqm Storeroom
- Common Area approximately 100 sqm
- 15 sqm bar area
- 30sqm commercial kitchen, and
- Universally accessible public toilets.

### **Option 2**

Option 2, situated in the middle of the ovals development, was developed in response to a position that Dunsborough Town Football Club (Soccer) have in that they have steadfastly defended their position not to use the Dunsborough Lakes Sporting precinct unless the pavilion is located towards the halfway line of the soccer pitch. Noting the primacy of green space as per the SRFS and the fact that funding was provided by the DLGSC for the current quantum of green space, it would require an extension of the greenfield space and relocation of services and lights to accommodate the pavilion.

This option includes the following features and requirements at a cost estimate of \$5,805,000:

- Accommodates all clubs
- Situated between the 2 ovals. Distance to multi-purpose courts is approx. 60m.
- 4 change rooms including ablutions
- 2 Referee rooms each including ablution (2 toilets & 2 showers in each change room)
- 1 First aid room
- 2 Office spaces
- 15 sqm bar
- 30sqm Commercial Kitchen
- 285 sqm social space
- Public toilets at ground floor and at First floor
- 2 tunnels for players accessing the middle of the fields
- Grandstands on both sides of the building in the middle of the fields
- Modification required to Grass Area & cricket wickets (shift into adjacent lot); and
- Modification required to lights, services and access due to changes to accommodate the building.

### **Option 3**

Following consultation with the sporting clubs the Dunsborough Town Football Club submitted an alternate option for consideration. Located between locations 1 and 2, the option features an L-shaped pavilion.

The proposal as submitted does not include an extension of the greenfield space to accommodate the pavilion in the middle of the 2 ovals, however again noting the primacy of green space as discussed above, it would be necessary to extend the greenfield area and make adjustments to lighting and services. These associated costs have been incorporated into the overall estimate, with an estimated total cost of \$6,245,500.

This option includes the following features:

- Simple design and layout
- Located between option 1 and 2 sites
- Raised 600mm for viewing and seating option right around building
- 2 separate indoor social spaces allowing for 2 users in each season. Option to add a second kitchen if financially viable (not costed)
- Toilets centralised for entire site and public access
- Dedicated storage space with options for each club to have dedicated space
- 3 Large covered areas for weather protection of spectators
- Modification required to grass area & cricket wickets (shift into adjacent lot)
- Modification required to lights, services and access due to changes to accommodate the building included by City officers.

Additionally, the following would need to be included in a redesign of Option 3 and costed:

- Office space for Clubs
- Bar area for courts sports
- Canteen area for court sports
- First aid room

It should be noted that all options are indicative concepts only with further engagement regarding detailed design and orientation are to be further progressed with clubs once a concept and location has been endorsed.

### **Comment on Options**

Feedback from Dunsborough sporting clubs indicates that the northern perimeter location (option 1) is favored by cricket, basketball, and netball stakeholders. Netball and basketball prefer this location as it is close to the courts and will service their needs both from a social aspect and child safety aspect, with young children walking 60m to the change rooms and ablutions at the option 2 location a concern. Option 1 location will enable the clubs to hold fundraisers, carnivals etc and have a home for the first time in Dunsborough. Cricket favors this location as it provides visibility to both wickets and, from a collegiate perspective, is the best outcome for netball and basketball and the broader sporting community.

Option 2 and 3 both have significant impact to inground service infrastructure of both drainage and irrigation mainlines that run adjacent to the northern car park and court boundary, therefore adding to the cost of design and causing a delay to relocate infrastructure. This delay will reduce usage, particularly during the coming winter months when lights are required to maximise usage and would put more pressure in the short term on the Dunsborough Playing Fields. Officers are also mindful of the risk of loss of the state government grant funding for the lighting (of \$169,796) if option 2 or 3 were to be pursued.

Feedback includes suggestions to incorporate certain elements from the indicative design concepts of Option 2 and Option 3 into Option 1, if affordable. This would significantly enhance its suitability for all clubs in line with the original intent of the development, with the feedback asserting that the location of the northern perimeter coupled with a revised layout and orientation could effectively cater to the needs of all sports clubs. Consideration could be given during the detailed design phase to a similar design pavilion to that in Option 2 with a smaller social space and change rooms more aligned to the size of a local level facility if affordable.

Option 3, as presented by Soccer, is not supported by the other clubs. The indoor social space will not meet netballs or basketballs requirements as it does not provide the kitchen / canteen facilities to hold fundraisers, functions, grading days and club carnivals. The Dunsborough Cricket Club asserts that among the available options at the DLSP, option 3 is considered the least appropriate, imposing a greater burden on cricket operations and further exacerbating divisions within the clubs.

It is acknowledged that soccer is not in favour of option 1, having indicated they would have significant objections to relocating to DLSP should this option be progressed. Their concerns relate the location of the pavilion in option 1 which they believe significantly limits spectator visibility of the pitch, hindering engagement, growth, and potential revenue generation. They also believe it is an unsafe location for spectators to gather behind the goals.

It is not unusual to have a soccer stand behind a goal at all levels of ability including at local, regional, national, and international grounds and stadiums. In an effort to alleviate some of these

concerns officers note that a soccer pitch can be configured east west in front of the pavilion location in option 1, thereby accommodating soccer's request to view the game from the halfway line of the pitch on matchdays. Further, if any user group requires viewing from the sideline in another location, there are several mobile sports viewing shelters available for this purpose.

Despite proposing option 3, soccer have recently stated that they do not wish to relocate to DLSP, given their concerns around the shared pavilion, possible location, and a belief that field/pitch space presented is insufficient and is smaller than their current pitch space.

The DLSP provides more space for soccer than their current location and provides opportunity for further future expansion. The total bookable area for soccer activities rises from 27,300 m<sup>2</sup> at Dunsborough Playing Fields to 37,800 m<sup>2</sup> at the DLSP, with opportunity to expand on this provision in Stage 3 by another 15,000 m<sup>2</sup>.

The basis of shared provision and use is to broaden access, maximise usage and rationalise costs to get the best possible value from the facility, and from ratepayer funding overall. This was the basis on which this development was initiated and funded. This was also the basis on which the City was able to source external grant funding, and was communicated to all stakeholders at the beginning, clarifying that the aim of the facility was to service a growing sporting participation rate in Dunsborough. There are many benefits to joint provision and shared use of sport and recreation facilities including:

- Less duplication and maximum use of community facilities and services;
- Creation of a community hub - a focal point for community activity;
- Shared costs, services, resources, and expertise;
- Improved relationships between organisations;
- Reduced operating costs;
- Increased community ownership of facilities;
- Access to a broader range of services and expertise;
- Reduced vandalism; and
- Opportunity to source additional external funding in the future based on a shared model.

Importantly, the shared use of sport and recreation facilities is financially sustainable. The ability of the City to fund the construction, maintenance and asset management costs of stand-alone pavilions is not sustainable.

### **Statutory Environment**

Not Applicable

### **Relevant Plans and Policies**

The recommendation aligns to the following adopted City plan or policy:

Plan:

Sport and Recreation Facilities Strategy (SRFS)

This project aligns with Recommended Priority 1 of the City's SRFS - Increase sports space within the Dunsborough Sub District- Stage 1 – pavilion (including unisex change room, storage, shade, kiosk).



As outlined in the SRFs, justification for the priority is:

- Community consultation identified that grass sports space should be one of the City's main priorities and Club consultation identified that the existing facilities do not provide sufficient space to meet current demand;
- Facilities should aim to cater for people of all abilities and the City should provide unisex facilities to cater for the growth in female participation in sports such as soccer, netball, basketball, and cricket. This will allow for the growth of grass and court-based sports within the sub-district as well as being able in future to accommodate other grass and court-based activities;
- Current sub-district usage ratios for grass sports (club players/teams per sports space) are between 1.5 to 2 times more players per grass space than the Busselton sub-district. Overuse of sports space within the sub-district (Dunsborough Playing fields) is reflected in the post season condition of these playing fields, and has resulted in numerous complaints
- The current development, as planned, is also supported by national industry benchmarking that shows that a precinct of this size (~4 x rectangular senior fields) is suitable for a soccer club of 500 members. Membership of the Dunsborough soccer clubs is currently approximately 300 members.

Policy:

[Community Engagement](#)

### **Financial Implications**

Financial implications are detailed below for each of the options discussed in the officer comment.

High-level cost estimates indicate that the indicative design concept for Option 1 can be fully funded over two budget years. For option 2 there is a funding gap of approximately \$816,960. Option 3, with the required extension of green space but without additional office space, a first aid room, kitchen, and bar, presents with a funding gap of approximately \$1,257,460. It is noted that these are estimate costs only, with final costs determined when the project goes to the market.

### **Option 1 funding scenario**

Carried over 2024/2025 Budget				
Expenditure	Value	Funding source	Value	Comment
Buildings	\$1,620,434	Grant	\$1,131,784	
Parks and Gardens and POS	\$730,000	Community Facilities reserve account	\$859,872	
		NID reserve	\$358,788	
<b>TOTAL</b>	<b>\$2,350,434</b>		<b>\$2,350,434</b>	
Additional 2024/2025 Budget				
Buildings	\$1,679,566	Grant	\$0	
Parks and Gardens and POS	\$0	Community Facilities reserve account	\$1,576,701	Exp Duns lakes and City District
Infrastructure other	\$0	NID reserve	\$102,865	
<b>TOTAL</b>	<b>\$1,679,566</b>		<b>\$1,679,566</b>	
<b>GRAND TOTAL</b>	<b>\$4,030,000</b>		<b>\$4,030,000</b>	
<b>FUNDING GAP</b>			<b>\$0</b>	



### Option 2 funding scenario

Carried Over 2024/2025 Budget				
Expenditure	Value	Funding source	Value	Comment
Buildings	\$1,620,434	Grant	\$1,131,784	
Parks and Gardens and POS	\$730,000	Community Facilities reserve account	\$859,872	
		NID reserve	\$358,788	
<b>TOTAL</b>	<b>\$2,350,434</b>		<b>\$2,350,434</b>	
Additional 2024/2025 Budget				
Buildings	\$3,219,566	Grant	\$500,000	Additional LCIRP
Parks and Gardens and POS	\$220,000	Community Facilities reserve account	\$1,576,701	Exp Duns lakes and City District
Infrastructure other	\$15,000	NID reserve	\$560,905	Retains approx \$800k in NID
<b>TOTAL</b>	<b>\$3,454,566</b>		<b>\$2,637,606</b>	
<b>GRAND TOTAL</b>	<b>\$5,805,000</b>		<b>\$4,988,040</b>	
<b>FUNDING GAP</b>			<b>\$816,960</b>	<b>Funding could come from building reserve, or additional NID draw noting this will impact the future use of those reserves</b>

### Option 3 funding scenario

Carried Over 2024/2025 Budget				
Expenditure	Value	Funding source	Value	Comment
Buildings	\$1,620,434	Grant	\$1,131,784	
Parks and Gardens and POS	\$730,000	Community Facilities reserve account	\$859,872	
		NID reserve	\$358,788	
<b>TOTAL</b>	<b>\$2,350,434</b>		<b>\$2,350,434</b>	
Additional 2024/2025 Budget				
Buildings	\$3,632,066	Grant	\$500,000	Additional LCIRP
Parks and Gardens and POS	\$248,000	Community Facilities reserve account	\$1,576,701	Exp Duns lakes and City District
Infrastructure other	\$15,000	NID reserve	\$560,905	Retains approx \$800k in NID
<b>TOTAL</b>	<b>\$3,895,066</b>		<b>\$2,637,606</b>	
<b>GRAND TOTAL</b>	<b>\$6,245,500*</b>		<b>\$4,988,040</b>	
<b>FUNDING GAP</b>			<b>\$1,257,460</b>	<b>Funding could come from building reserve, and additional NID draw noting this will impact the future use of those reserves</b>

\* Note this cost does not include excluded elements - office space, bar area for courts sports, canteen area for court sports, first aid room

Options 2 and 3 are unlikely to attract State Government grant funding as pavilions including large social spaces, kitchens, administration areas and viewing areas are considered a lower priority given their minimal impact on physical activity.

In terms of more indirect implications, maintenance costs are likely to continue to increase at Dunsborough Playing Fields if further activation of the DLSP is not achieved as soon as possible.

### **External Stakeholder Consultation**

Comprehensive engagement in relation to the pavilion has been undertaken with Dunsborough sports clubs over several years. As part of this engagement process, concept plans have been distributed to stakeholders and shared during working group meetings. The feedback from clubs has been summarised and discussed in the officer comment and all feedback is attached at Appendix 4

The focus throughout engagement has been on achieving the best possible outcome for the broader Dunsborough sports community.

### **Risk Assessment**

An assessment of the potential implications of implementing the recommendation has been undertaken using the City's risk management framework, with risks assessed considering any controls already in place. No risks of a medium or greater level are identified, noting the report presents several identified high risks with location option 2 and location option 3 as detailed above

### **Options**

As an alternative to the proposed recommendation the Council could:

1. Endorse progression of Option 2 and instruct the CEO to proceed to detailed design, costing, funding, management model and delivery.
2. Endorse progression of Option 3 and instruct the CEO to proceed to detailed design, costing, funding, management model and delivery.
3. Request the CEO to continue to work towards a solution that is agreed by all clubs.

### **CONCLUSION**

It is recommended that the Council proceed with the development of a pavilion as per option 1 presented. This is aligned to the SRFS and provides a facility at DLSP that meets existing and future needs of all user groups.

This recommendation is also made considering factors such as the City's limited resources, municipal funds, available land, existing external funding arrangements and potential to attract additional external funds if necessary.

Discussions are entering a fourth year and have allowed for extended consultation with all sporting clubs. In line with the precincts initial objective to increase green space it is important that the precinct is activated as soon as possible to its full potential. In this way it will also reduce the burden on the other playing fields in Dunsborough.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Should the Council resolve to adopt the recommendation the next steps will be as follows:

Finalise detailed design elements	June 2024
Construction tender advertised	August 2024

7:00pm: At this time, in accordance with clause 9.6(1) of the City of Busselton *Standing Orders Local Law 2018*, the Mayor adjourned the meeting.

7:06pm: At this time, the meeting resumed.

**11.3. DA23/0565 Single House (Outbuilding) - Special Control Area at Lot 5 (No. 60) Adelaide Street, Busselton**

<b>Strategic Theme:</b>	Key Theme 4: Leadership 4.1 Provide opportunities for the community to engage with Council and contribute to decision making.
<b>Directorate:</b>	Community Planning
<b>Reporting Officer:</b>	Devin Moltoni - Planning Officer
<b>Authorised By:</b>	Director Community Planning - Gary Barbour
<b>Nature of Decision:</b>	Regulatory: To determine an application/matter that directly affects a person's right and interests e.g. development applications, applications for other permits/licences, and other decisions that may be reviewable by the State Administrative Tribunal.
<b>Voting Requirements:</b>	Simple Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	1. Attachment 1- Location Plan 2. Attachment 2- Development Plans

Prior to the meeting, Cr Kate Cox foreshadowed a motion that was different to the officer recommendation. In accordance with clause 10.18(6) of the City of Busselton *Standing Orders Local Law 2018*, it was taken to be an alternative recommendation and was moved first.

There was opposition and debate ensued.

The alternative recommendation was carried.

**COUNCIL DECISION**

**C2403/59** Moved Cr Kate Cox, seconded Cr Andrew Macnish

**That the Council resolve to grant approval for DA23/0565 Single House (Outbuilding) - Special Control Area at Lot 5 (No. 60) Adelaide Street, Busselton subject to the following conditions:**

**GENERAL CONDITIONS:**

- 1. The development hereby approved shall be substantially commenced within two years of the date of this decision notice.**
- 2. The development hereby approved shall be undertaken in accordance with the signed and stamped, Approved Development Plan(s) (enclosed), including any notes placed thereon in red by the City.**

**PRIOR TO COMMENCEMENT OF ANY WORKS CONDITIONS:**

- 3. The development hereby approved, or any works required to implement the development, shall not commence until the following plans or details have been submitted to the City and approved in writing:**

**3.1 Details of stormwater and surface water drainage. Stormwater to be retained for use and/or infiltration within the lot at a rate of 1m<sup>3</sup> per 65m<sup>2</sup> of impervious area.**

**ONGOING CONDITIONS:**

- 4. The works undertaken to satisfy Condition 2 and 3 shall be subsequently maintained for the life of the development.**

**CARRIED 8 / 1**

**FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish, Cr Mikayla Love, Cr Kate Cox and Cr Richard Beecroft**

**AGAINST: Cr Jarrod Kennedy**

Reasons: Council resolved that it can be demonstrated that the application satisfies a number of the matters specified in the Design Principles of the Deemed Provisions (clause 67 – Schedule 2) and therefore it is considered appropriate to approve the variation sought in this application, an outbuilding with an allowance for additional wall height of 3.45m.

**OFFICER RECOMMENDATION**

That the Council resolve:

1. That application DA23/0565 submitted for development approval for Single House (Outbuilding) - Special Control Area on Lot 5 (No. 60) Adelaide Street, Busselton, is considered by the Council to be in conflict with the *Local Planning Scheme No. 21* and the objectives of the zone in which it is located.
2. To refuse to grant development approval for application DA23/0565 for the following reasons:

**Reasons for Refusal**

1. The proposed development is contrary to Schedule 2 Part 9 of the *Planning and Development (Local Planning Schemes) Regulations 2015* Clause 62 (2) (a) due to conflict with *Local Planning Scheme No. 21* Clause 4.3.1 (f) and *Local Planning Policy 4.10 Outbuildings and Other Non-Habitable Buildings* Appendix 1 and Clause 4.4.
2. The proposed development is contrary to Schedule 2 Part 9 of the *Planning and Development (Local Planning Schemes) Regulations 2015* Clause 62 (2) (c) *State Planning Policy 7.3 Residential Design Codes* Clause 5.4.3.
3. The proposed development is contrary to Schedule 2 Part 9 of the *Planning and Development (Local Planning Schemes) Regulations 2015* Clause 62 (2) (g) due to conflict with *Local Planning Policy 4.10 Outbuildings and Other Non-Habitable Buildings* Appendix 1 and Clause 4.4.
4. The proposed development is contrary to Schedule 2 Part 9 of the *Planning and Development (Local Planning Schemes) Regulations 2015* Clause 62 (2) (m) (i) and (ii) due to the proposed

3.45m wall height and 92m<sup>2</sup> floor area resulting in excessive building bulk and scale that is significantly beyond that which is permitted by the applicable town planning framework development standards and objectives.

5. The proposed development is contrary to Schedule 2 Part 9 of the *Planning and Development (Local Planning Schemes) Regulations 2015* Clause 62 (n) (ii) due to conflict with the desired character of the area as outlined through *Local Planning Scheme No. 21* Clause 4.3.1 (f) and *Local Planning Policy 4.10 Outbuildings and Other Non-Habitable Buildings* Appendix 1 and Clause 4.4 Objectives for the Assessment of Outbuildings.

## EXECUTIVE SUMMARY

The City has received an application for a proposed outbuilding addition to the existing single house at Lot 5 (No.60) Adelaide Street (the Site). The application is being brought to the Council for determination.

Having considered the application, City officers consider that the proposed development is in conflict with the City of Busselton *Local Planning Scheme No.21 (LPS 21 or the Scheme)* and the broader, relevant planning framework.

The application is recommended for refusal.

## STRATEGIC CONTEXT

This development application is considered in the context of the City's *Strategic Community Plan*, and in particular the objective to provide opportunities for the community to engage with Council and contribute to decision making.

## BACKGROUND

Key Information regarding the application is set out below:

1. **Landowners:** David Turner and Shiralee Donaldson
2. **Applicant:** Shedforce
3. **General description of the site:**

The site is 1020.2m<sup>2</sup> and has a single road frontage to Adelaide Street on the northwestern lot boundary. The site is situated on flat ground.

A location plan is provided in Attachment 1.

4. **Current development/use:**

Existing development on the site includes a single house and an existing outbuilding that is proposed to be removed to accommodate the proposed outbuilding.

**5. Applicable zoning and special control area designations:**

- The site is zoned Regional Centre with a density coding of R-AC3. *State Planning Policy 7.3 Residential Design Codes (R-Codes)* R80 density code development standards are applicable to single house development on the site, where the *R-Codes* area applicable. Adjoining and surrounding properties are under the same zoning, with the exception of the properties to the north on the opposite side of Adelaide Street which includes reserves under Tourism zoning developed with a caravan park and a reserve for public purposes containing a cemetery.
- The site is within the Drive Through Facility Control Special Control Area.

**6. Land use permissibility:**

Outbuilding additions to existing single house are proposed, which Pursuant to the *Scheme*, is a discretionary ('D') use meaning the use is not permitted unless the local government has exercised its discretion by granting development approval.

**7. Brief description of the proposal:**

On 14 August 2023, the applicant lodged a development application with the City comprising the following:

- Removal of existing outbuilding; and
- Construction of new outbuilding

**OFFICER COMMENT**

The Site is subject to Regional Centre zoning, with outbuildings associated with single house development being subject to the *R-Codes*, the *LPS 21* Clause 4.3 Modification of *R-Codes* subclause (f) and *Local Planning Policy 4.10 Outbuildings and Other Non-Habitable Buildings (LPP 4.10)*. *LPS 21* Clause 4.3 (f) is read as though it is part of the *R-Codes*. The *R-Codes* provide 'deemed-to-comply' standards that outline acceptable outcomes and design principles. Proposals that do not meet the deemed-to-comply standards must demonstrate consistency with the design principles to merit approval, as outlined in Part 2 of the *R-Codes*. Proposals that are not consistent with the design principles do not merit approval.

*LPP 4.10* outlines the City's position on the outbuilding specifications that are considered to meet the *R-Codes* design principles. In doing this, *LPP 4.10* provides criteria specific to lot sizes and zoning, thereby considering the desired character of areas accordingly. *LPP 4.10* does not provide development standards that override the *R-Codes* deemed-to-comply standard, it outlines the City's application of discretion to approve outbuildings that are non-compliant with the *R-Codes* deemed-to-comply standards. *LPP 4.10* defines what is considered to meet the design principles. Proposals that are outside of the *R-Codes* deemed-to-comply standards and that are also outside of the *LPP 4.10* acceptable criteria are therefore not considered to meet the *R-Codes* design principles and not to merit approval.

The *Scheme* provides a modification to the *R-Codes* to permit 2.7m outbuilding wall heights in response to local demand for sheds that are larger than the standard *R-Codes* permitted 2.4m. *LPP 4.10* aligns with this 2.7m limit. Therefore, an allowance beyond the *R-Codes* standard is already granted through the *Scheme* and *LPP 4.10*. There are also no approvals for equal or similar size

sheds in the surrounding context of the site and accordingly the proposal is not considered consistent with an established character.

### Non-Compliance with Local Planning Policy

The proposal does not comply with the acceptable standards and is also outside of the scale considered acceptable under the *R-Codes* and *LPP 4.10*. The assessment is included below:

OUTBUILDING ASSESSMENT				
REGIONAL CENTRE R-AC3 ZONE				
R30 AND ABOVE (INCLUDING R-AC) AND/OR LOTS LESS THAN 300M <sup>2</sup>				
	DEEMED-TO-COMPLY	POLICY ALLOWANCE	PROPOSED	COMPLIANCE
<b>WALL HEIGHT</b>	2.7m- LPS 21 clause 4.3 (f) (modified from R-Codes 2.4m standard)	2.7m	3.45m	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 0.75m (27.7%) variation
<b>RIDGE HEIGHT</b>	4.5m	4.262m		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>FLOOR AREA</b>	60 m <sup>2</sup> or 10% (whichever is lesser)	60 m <sup>2</sup> or 10% (whichever is lesser)	92m <sup>2</sup>	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No 32m <sup>2</sup> (53.3%) variation

*LPP 4.10* includes objectives which are included below:

*Where development does not meet the standards of the LPP, it will be considered and required to satisfy the following objectives (in addition to any other relevant 'matters to be considered', as per clause 67 of Schedule 2 of the Planning and Development (Local Planning Schemes) Regulations 2015);*

- (a) *Outbuildings and other Non-habitable Buildings are to be of a scale that will not unreasonably detract from the streetscape and/or the visual amenity of residents or neighbouring properties.*
- (b) *Outbuildings and other Non-habitable Buildings are to be of a form and scale consistent with the Objectives of the Zone in which they are located.*
- (c) *Outbuildings and other Non-habitable Buildings are to be suitably located on a site with adequate setbacks and located within a Building Envelope (where applicable). Where a lot does not have a designated Building Envelope but one is applicable under the Scheme, Outbuildings and other Non-habitable Buildings should be located in proximity to, or clustered with, other development (including the dwelling) on the site.*
- (d) *Outbuildings and other Non-habitable Buildings are to be located with consideration given to the retention of native vegetation and/or remnant vegetation on site.*
- (e) *Outbuildings and other Non-habitable Buildings are to be located such that they do not increase the threat of bushfire to habitable buildings on the site.*



The proposal fails to comply with the policy and its objectives. Alternative designs and compromises were discussed with the applicant by City planning staff in a meeting that were considered to be in keeping with the objectives of the policy. However, no modifications were made in response.

### **Compromises and Alternatives Discussed**

Through a meeting with the applicant held on 9 February 2024, City planning officers provided support for comprises and alternative options. Planning officers provided support for modifications to reduce the wall height to 3.1m, or for a compliant shed with an attached carport. This notes that carports are unenclosed structures that do not present the building bulk of solid walls and are not subject to the development standards that are applicable to outbuildings. Therefore carports are permitted to have a wall height reaching the 3.45m height desired by the applicant.

Due to the size of the Site, a wall height of 3.1m would be considered acceptable under *LPP 4.10* if the zoning was residential rather than Regional Centre. On this basis, City planning officers provided support for a 3.1m wall height as a compromise, considering this to meet the policy objectives. The applicant rejected this compromise. The applicant indicated an initial agreement to amend the proposal to include a compliant shed with an attached car port that provided the desired clearance for caravan storage. This was later rejected after the initial indication of agreement. No modifications to the proposal have been made since the initial application lodgement.

### **Objectives of the Zone**

The Site is zoned Regional Centre. The objectives of the Regional Centre are:

- a. *To provide a genuine centre of community life, socially, culturally and economically.*
- b. *To provide a basis for future detailed planning in accordance with the structure planning provisions of this Scheme or the Activity Centres State Planning Policy.*
- c. *To ensure that development provides for activation of the street and public spaces, high quality design and a variety of land uses.*
- d. *To provide for medium to high density residential development.*

The objectives of the zone are concerned with facilitating and encouraging a transition of the area from the existing low density residential land uses to commercial, high-density residential and mixed use development. The proposal does not contribute to achieving the objectives given it is incidental to the continued single house use of the site. However, the single house land use is not being altered and is permitted to remain regardless of the whether additions to the use are approved. Therefore, the land use itself and its relationship to the objectives do not warrant further consideration.

### **Planning and Development (Local Planning Schemes) Regulations 2015**

Clause 67 (2) of the *Planning and Development (Local Planning Schemes) Regulations 2015* (the *Regulations 2015*) provides the relevant matters to be considered in the assessment of development applications. This is a high order document in the framework that sits directly below the *Planning and Development Act 2005*, and above the *Rcodes*, the *Scheme* and local planning policies. The *Regulations 2015* do not provide specific development standards, but rather provides the head of statutory power for the planning framework documents below it as well as the themes the documents beneath it must address through clause 67 (2).

In summary, the standards of the *R-Codes*, the *Scheme* and *LPP 4.10* are the vehicle for addressing the relevant matters for consideration under clause 67 (2) of the *Regulations 2015*. The subclauses of 67 (2) relevant to the consideration of the proposal with respect to head of power and development outcomes are:

- a. *the aims and provisions of this Scheme and any other local planning scheme operating within the Scheme area;*
- c. *any approved State planning policy;*
- g. *any local planning policy for the Scheme area;*
- m. *the compatibility of the development with its setting, including —*
  - (i) *the compatibility of the development with the desired future character of its setting; and*
  - (ii) *the relationship of the development to development on adjoining land or on other land in the locality including, but not limited to, the likely effect of the height, bulk, scale, orientation and appearance of the development;*
- n. *the amenity of the locality including the following —*
  - (i) *environmental impacts of the development;*
  - (ii) *the character of the locality;*
  - (iii) *social impacts of the development;*

The proposal is in conflict with the above subclauses of 67 (2) given the non-compliance of the proposal with the *R-Codes*, *Scheme* and *LPP 4.10* standards. Therefore, refusal is recommended.

### **Statutory Environment**

#### **Legislation**

*Planning and Development Act 2005*  
*Planning and Development (Local Planning Schemes) Regulations 2015*  
*Local Planning Scheme No. 21*

#### **State Government Policies**

*State Planning Policy 7.3 Residential Design Codes*

#### **Relevant Plans and Policies**

*Local Planning Policy 4.10 Outbuildings and Other Non-Habitable Buildings* provides guidelines for the acceptable building bulk and scale of outbuildings.

#### **Financial Implications**

Not applicable.

### **External Stakeholder Consultation**

Consultation on the proposed development was undertaken by mailing letters to one potentially impacted nearby landowner. No submissions were received in response.

### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. The key risks are considered to be reputational.

No risks of a medium or greater level have been identified.

### **Options**

As an alternative to the proposed recommendation the Council could:

1. Approve the proposal, and providing conditions; or
2. Apply additional or different reasons for refusal.

### **CONCLUSION**

The proposal fails to demonstrate consistency with the relevant planning framework, policy development standards and objectives and is recommended for refusal accordingly.

### **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The officer recommendation will be implemented in full, or in stages as per the following table:

Milestone	Completion Date
Applicant advised of the Council's Decision	Within 2 weeks of the Council's Decision

## 12. INFRASTRUCTURE AND ENVIRONMENT REPORTS

### 12.1. RFT01/24 Coastal Shared Path Construction

<b>Strategic Theme:</b>	Key Theme 2: Lifestyle 2.9 Provide accessible and connective pathways and cycleways. 2.12 Provide well maintained community assets through robust asset management practices.
<b>Directorate:</b>	Infrastructure and Environment
<b>Reporting Officer:</b>	Manager Civil Infrastructure - Matthew Twyman
<b>Authorised By:</b>	Director Infrastructure and Environment - Oliver Darby
<b>Nature of Decision:</b>	Contractual: To enter into a contract e.g. a lease or the award of a tender etc.
<b>Voting Requirements:</b>	Absolute Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	1. CONFIDENTIAL REDACTED - RFT 01-24 Evaluation Report [12.1.1 - 21 pages]

The officer recommendation was moved and carried.

#### COUNCIL DECISION

**C2403/60** Moved Cr Val Kaigg, seconded Cr Richard Beecroft

- That the Council endorse the outcome of the evaluation panel's assessment of the tender submissions received in response to RFT 01/24 Coastal Shared Path Construction and accept the tender submission from ES100 Pty Ltd as trustee for the ES100 Trust t/a Earth and Stone WA for separable portions 1, 2 and 3, for a total of \$1,090,773 (exclusive of GST) as the most advantageous to the City.
- That the Council endorse the following requested budget amendments:

Amendment Description					
Project Description					
Item #	Budgeted Municipal Net Current Position	Operational Expenditure Budget	Capital Expenditure Budget	Grant	Reserves or Restricted Assets
	Increase / (Decrease)	Increase / (Decrease)	Increase / (Decrease)	(Increase) / Decrease	Increase / (Decrease)
1	Increase capital project				
	Project 14887 Coastal Shared Path - Forth St to Holgate (C)				
	-	-	344,633	-	(344,633)
2	Reduce capital project				
	Project 14895 Vincent Street to Geographe Bay Road (Reserve 44343) (C)				
	-	-	(32,272)	-	32,272
3	Reduce capital project				
	Project 14893 Bay View Crescent - Curtis Bay Lot 62 to Lot 4 (C)				

			(13,433)		13,433
4	Reduce capital project				
	Project 14891 Adelaide Street - Lot 11 to Stanley St (C)				
			(51,838)		51,838
5	Withdraw from reserve				
	Footpath and Cycleway Reserve [1035]				
					(247,090)
TOTALS	-	-	247,090	-	(247,090)

**CARRIED 9 / 0**

**FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish, Cr Mikayla Love, Cr Kate Cox, Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Nil**

**BY ABSOLUTE MAJORITY**

#### OFFICER RECOMMENDATION

1. That the Council endorse the outcome of the evaluation panel's assessment of the tender submissions received in response to RFT 01/24 Coastal Shared Path Construction and accept the tender submission from ES100 Pty Ltd as trustee for the ES100 Trust t/a Earth and Stone WA for separable portions 1, 2 and 3, for a total of \$1,090,773 (exclusive of GST) as the most advantageous to the City.
2. That the Council endorse the following requested budget amendments:

Amendment Description					
Project Description					
Item #	Budgeted Municipal Net Current Position	Operational Expenditure Budget	Capital Expenditure Budget	Grant	Reserves or Restricted Assets
	Increase / (Decrease)	Increase / (Decrease)	Increase / (Decrease)	(Increase) / Decrease	Increase / (Decrease)
1	Increase capital project				
	Project 14887 Coastal Shared Path - Forth St to Holgate (C)				
	-	-	344,633	-	(344,633)
2	Reduce capital project				
	Project 14895 Vincent Street to Geographe Bay Road (Reserve 44343) (C)				
	-	-	(32,272)	-	32,272

3	Reduce capital project				
	Project 14893 Bay View Crescent - Curtis Bay Lot 62 to Lot 4 (C)				
			(13,433)		13,433
4	Reduce capital project				
	Project 14891 Adelaide Street - Lot 11 to Stanley St (C)				
			(51,838)		51,838
5	Withdraw from reserve				
	Footpath and Cycleway Reserve [1035]				
					(247,090)
TOTALS	-	-	247,090	-	(247,090)

## EXECUTIVE SUMMARY

The City invited tenders under RFT01/24 Coastal Shared Path Construction (the RFT) for the construction of the following coastal shared cycle/ pedestrian paths during the Autumn of 2024:

- Geographe Bay Road to Vincent Street, Dunsborough (separable portion 1)
- Forth Street to Holgate Road, Busselton (separable portion 2)
- Bayview Crescent, Dunsborough (separable portion 3)

This report recommends that the Council endorse the outcome of the evaluation panel's assessment and accept the tender submission from ES100 Pty Ltd as trustee for the ES100 Trust t/a Earth and Stone WA for separable portions 1, 2 and 3, for a total of \$1,090,773 (exclusive of GST) as the most advantageous to the City.

This report also seeks Council approval for budget amendments for items within the Infrastructure and Environment Directorate, as detailed in this report. Adoption of the officer recommendation will have no impact on the City's budgeted municipal net current position.

## STRATEGIC CONTEXT

The nature of the works supports the provision of accessible and connective pathways and cycleways, in alignment with Key Theme 2 of the City's Strategic Community Plan – Lifestyle and is also in support of Key Theme 3 – Opportunity.



## BACKGROUND

Three sections of shared cycle/ pedestrian path are to be upgraded during the 2023/24 financial year as follows:

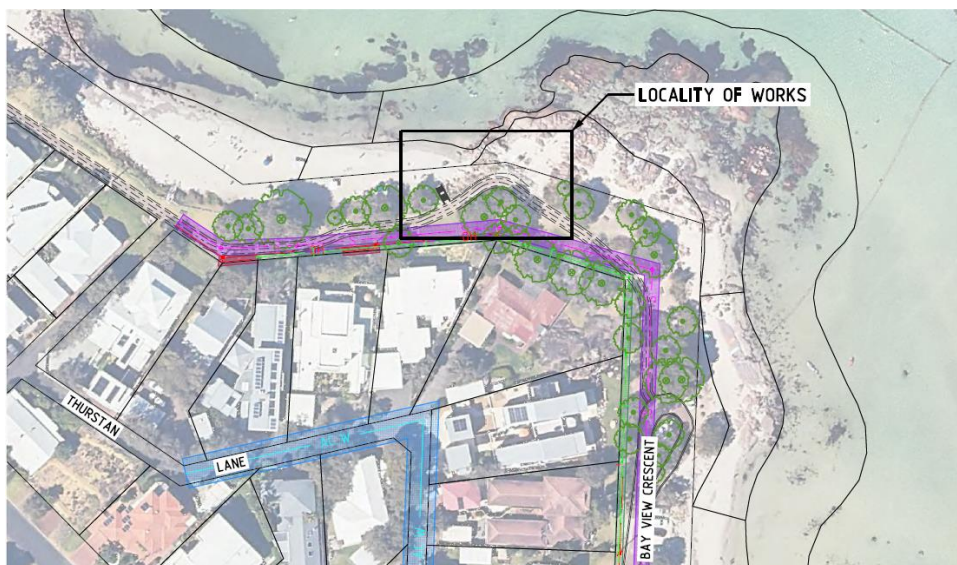
- Geographe Bay Road to Vincent Street, Dunsborough (separable portion 1)



- Forth Street to Holgate Road, Busselton (separable portion 2)



- Bayview Crescent, Dunsborough (separable portion 3)



The projects consist of realignment, widening and line marking of the existing shared paths, including the installation of furniture for path users. The projects will improve asset condition and the path users experience and safety.

The City invited tenders for the projects that are listed within the 2023/24 endorsed Budget as:

- 14895 Vincent Street to Geographe Bay Road (Reserve 44343)(C);
- 14887 Coastal Shared Path - Forth St to Holgate(C); and
- 14893 Bay View Crescent - Curtis Bay Lot 62 to Lot 4(C)

#### OFFICER COMMENT

On 20 January 2024, tenders were invited via VendorPanel and advertised in The West Australian newspaper and on the City of Busselton website. A total of 87 potential respondents viewed the proposed request for tender which closed at 2.00pm (AWST) on Wednesday 14 February 2024. The City received six compliant tender submissions from:

- Carbone Bros Pty Ltd;
- Downer EDI Works Pty Ltd;
- ES100 Pty Ltd as Trustee for ES100 Trust trading as Earth and Stone WA;
- Forge Civil Pty Ltd;
- Fulton Hogan Industries Pty Ltd; and
- PJ & NA Strahan as trustees for PJ & NA Strahan Family Trust trading as Busselton Bitumen.

#### Assessment Process

In accordance with the City's procurement practices and procedures, tender assessments were carried out by a tender evaluation panel comprising City officers with relevant skills and experience.

The tender assessment process included:

- Assessing tenders received against relevant compliance criteria. The compliance criteria were not point scored. Each submission was assessed on a Yes / No basis as to whether each criterion was satisfactorily met. The only tender submitted was deemed compliant.
- Assessing tenders against the following qualitative criteria (weighted as indicated in the table below)

	Criteria	Weighting
(a)	Relevant Experience	15%
(b)	Local Benefit	5%
(c)	Demonstrated Understanding and Resources	20%

The qualitative criteria were scored depending on the extent to which the respondent was able to appropriately satisfy each criterion and the tenders scored and ranked to determine the most advantageous outcome to the City, based on principles of best value for money. That is, although price was a consideration, the tender containing the lowest price will not necessarily be accepted by the City and nor will the tender rank the highest on the qualitative criteria.



## Summary of Assessment Outcomes

As shown in the Tender Evaluation Report (see confidential attachment) City officers are satisfied that ES100 Pty Ltd as Trustee for ES100 Trust t/a Earth and Stone WA demonstrated:

- A good range of relevant experience and ability to deliver projects of a similar nature and complexity in terms of the project scope of works.
- The contractor is based in Dunsborough, employs local workers and plans to use a number of local subcontractors, that in turn provides work and investment into the local community.
- A strong understanding of the project requirements and ability to deliver, including site specific construction methodology.

## Statutory Environment

In accordance with section 3.57 of the Act, a local government is required to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods and service. Part 4 of the Local Government (Functions and General) Regulations 1996:

- requires that tenders be publicly invited for such contracts where the estimated cost of providing the required goods and/or service exceeds \$250,000; and
- under Regulations 11, 14, 18, 20 and 21A, provides the statutory framework for inviting and assessing tenders and awarding contracts pursuant to this process.

With regard to the RFT, City officers have complied with abovementioned legislative requirements.

As the contract value is greater than \$500,000, and in accordance with section 5.43(b) of the Act and Council delegation DA 1-07, Council endorsement of the successful tenderer is required.

## Relevant Plans and Policies

The City's purchasing policies, regional price preference, work health and safety, asset management, engineering technical standards and specifications were all relevant to the RFT, and have been adhered to in the process of requesting and evaluating tenders.

The officer recommendation aligns to the following adopted plan or policy:

Plan:

[Asset Management Plan](#)

Policy:

[Asset Management](#)  
[Purchasing](#)

## Financial Implications

The 2023/24 endorsed budget includes provision for the projects as follows:

- *Project 14895 Vincent Street to Geographie Bay Road (Reserve 44343)(C)*  
Footpath and Cycleway Reserve (1035)                      \$ 400,000

- *Project 14887 Coastal Shared Path - Forth St to Holgate(C)*  
PTA Perth Bicycle Network Grant                      \$ 230,000  
Footpath and Cycleway Reserve (1035)                \$ 230,000  
**Total Budget**    **\$ 460,000**
  
- *Project 14893 Bay View Crescent - Curtis Bay Lot 62 to Lot 4(C)*  
Footpath and Cycleway Reserve (1035)                \$ 55,000

Project 14887 Coastal Shared Path - Forth St to Holgate(C) has a shortfall of \$263,856.00.

Council approval is sought to increase the budget for the Forth to Holgate project (14887) by \$344,633. This increase allows for the identified contract award shortfall, expenditure outside of tender scope and a 10% contingency. This budget increase could be offset by;

- reducing Project 14895 Vincent Street to Geographe Bay Road budget by \$32,272
  - contract award surplus
  
- reducing Project 14893 Bay View Crescent budget by \$13,433
  - contract award surplus
  
- reducing Project 14891 Adelaide Street by \$51,838
  - project requires relisting due to asbestos watermain replacement requirement
  
- withdrawing \$247,090 from the Footpath and Cycleway Reserve [1035].

All budget allocations highlighted above have been funded from the Footpath and Cycleway Reserve [1035] and any unspent contingency will be returned to this reserve upon project completion.

#### **External Stakeholder Consultation**

No external stakeholder consultation was required or undertaken in relation to the matter.

#### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed considering any controls already in place. There are no such risks identified, with the successful tenderer assessed as being capable of delivering the services to a suitable service level.

#### **Options**

The Council may consider the following alternate options:

1. Decline to accept any tender. This would mean going back out to tender, resulting in significant delays to the contract award, delivery of the project and potential withdrawal of State Government funding.
  
2. Award different separable portions to alternate tenderers. This would result in increased budget requirements and would not be the most advantageous to the City.

## **CONCLUSION**

It is recommended that the Council accept the tender submission from ES100 Pty Ltd as Trustee for ES100 Trust t/a Earth and Stone WA.

## **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Should Council adopt the officer recommendation, it is anticipated that construction of the coastal shared paths will commence mid-April 2024 and be completed by early July 2024, weather permitting.

## 12.2. Review of infrastructure asset renewal requirements

<b>Strategic Theme:</b>	Key Theme 2: Lifestyle 2.12 Provide well maintained community assets through robust asset management practices. Key Theme 4: Leadership 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making.
<b>Directorate:</b>	Infrastructure and Environment
<b>Reporting Officer:</b>	Asset Planning Coordinator - Trent van Beem
<b>Authorised By:</b>	Director Infrastructure and Environment - Oliver Darby
<b>Nature of Decision:</b>	Noting: The item is simply for information purposes and noting.
<b>Voting Requirements:</b>	Simple Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	Nil

Prior to the meeting, Cr Andrew Macnish foreshadowed a motion that was different to the officer recommendation. In accordance with clause 10.18(6) of the City of Busselton *Standing Orders Local Law 2018*, it was taken to be an alternative recommendation and was moved first.

There was opposition and debate ensued.

The alternative recommendation was carried.

### COUNCIL DECISION

**C2403/61** Moved Cr Andrew Macnish, seconded Cr Anne Ryan

**That the Council:**

- 1. Requires the CEO to incorporate the outcomes of the review of infrastructure asset renewal funding as reported in the Asset Classes of Table 3 in the Summary of this report based on up-to-date (unit) construction rates, into the City's draft LTFP.**
- 2. Refers the matter of consideration of the CEO KPI #4 to its CEO Performance Review Committee for assessment consideration and subsequent recommendation to the Council.**

**CARRIED 5 / 4**

**FOR: Cr Anne Ryan, Cr Jodie Richards, Cr Andrew Macnish,  
Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Mayor Phill Cronin, Cr Val Kaigg, Cr Mikayla Love and Cr Kate Cox**

**Reasons:** The Council sought to provide a clear direction to the CEO through the motion, to ensure that up to date known data and reasonably expected projection factors inform strategic decisions about future services. Additionally Council sought to refer the consideration of the matter to the CEO Performance Review Committee for recommendation to the Council.

## **OFFICER RECOMMENDATION**

That the Council:

1. Acknowledge the outcomes of the review of asset renewal funding;
2. Notes the outcomes will inform the review and development of the City's Long Term Financial Plan with consideration to be given to the recommendations for LTFP review contained in Table 3 in the summary of the report.
3. Acknowledge that this item meets the requirements of CEO Performance Criterion #4.

## **EXECUTIVE SUMMARY**

This report responds to the CEO Performance Criterion #4 – *'Ensure the level of reserve funding is commensurate with asset management planning, providing a report to Council outlining clear recommendations for funding.'*

Funding recommendations are made in relation to the following asset classes:

- Sealed and Unsealed Roads;
- Carparks;
- Drainage;
- Paths and Cycleways;
- Buildings (excluding Saltwater)
- Parks and Gardens.

## **STRATEGIC CONTEXT**

The provision of sufficient asset renewal funding supports the achievement of the strategic priorities relating to the provision of well-maintained community assets and ensuring that ratepayer funds provide for community needs now and in the future.

## **BACKGROUND**

The adequacy of infrastructure asset funding has been discussed at a Council level as far back as 2007 when Price Waterhouse Coopers' report into local government financing indicated there was a national infrastructure funding backlog of \$14.5 billion.

In accordance with the introduction of integrated planning and reporting requirements, the City adopted its first asset management plans in 2013, being for Roads, Buildings, and Parks and Gardens, an Overall Asset Management Plan was also developed. In 2014 plans were developed, for Footpaths and Cycleways and Drainage. In 2016 a plan for Car Parks and Signs was completed.

As a result of this planning Council agreed to include a 1% rate rise per year in the Long Term Financial Plan (LTFP) for a 6-year period, with the aim of increasing the funding value for road renewal to 7% of rate revenue; this ceased in 2018/19. While this only provided additional funding for road renewal, the 2013 Asset Management Plan more generally noted the need to increase the levels of renewal expenditure, to support improved funding for asset renewal.

From 2016 further work was undertaken by the City to refine, update and review the asset management plans. Updated plans were presented to Council in 2021 as supporting documents for the City's Overall Asset Management Plan 2021/22 to 2031/32 (AMP); endorsed by Council at its Ordinary Council Meeting 22 September 2021 (C2109/040).

The AMP summarised the funds planned to be transferred to reserves for the purpose of renewing the various infrastructure assets over a ten-year period. The use of these funds is then prioritised by the individual asset management plans and allocated through each year's annual budget.

Asset management planning is a continual improvement process, and the City continues to refine its understanding of the nature and condition of its infrastructure assets. Capital works plan development is guided by asset management planning with the AMP and individual asset management plans guiding the development of the City's LTFF. Being an iterative process, the LTFF has also informed asset management planning, with the funding capacity of the City a key factor in the development of programs of works and annual budget planning.

In December 2023 Council endorsed the Capital Program of Works for the period 2024/25 to 2028/29 (C2312/205). This met the CEO's Additional Performance Criteria #6 *'In conjunction with Council, review planned capital expenditure items and develop a five-year capital works plan that prioritises and costs capital expenditure over the period.'*

Table 1 provides a summary of the adopted allocations, noting the variance to values forecast at the time in the adopted 2022-2032 Long Term Financial Plan.

*Table 1 – Program of Works (PoW) Funding*

Asset Class	PoW Total Budget Amount	LTFF Allocation (2022-2032)	Funded from Reserves	Variance to LTFF
Buildings	\$4,627,452	\$5,041,076	\$4,627,452	-\$413,624
Car Parks	\$1,209,930	\$1,000,262	\$1,209,930	\$209,669
Drainage	\$3,214,810	\$3,359,521	\$3,214,810	-\$144,711
Footpaths & Cycleways	\$2,728,786	\$2,429,621	\$2,559,748	\$130,127
Parks & Gardens	\$8,294,005	\$8,282,114	\$8,294,005	\$11,891
Roads	\$34,028,677	\$22,505,889	\$22,895,533	\$389,644
<b>Totals</b>	<b>\$54,103,660</b>	<b>\$42,618,483</b>	<b>\$42,801,478</b>	<b>\$182,995</b>

Note that the Capital Program of Works included external grant funding for roads of an anticipated \$8,983,999 over the 5-year period.

This report addresses the high-level strategic review of the funding requirements for each asset class over the 10-year period of the LTFF to guide the optimised use of reserves for asset management, while ensuring future financial sustainability.

**OFFICER COMMENT**

Whole of life infrastructure asset management incorporates the following key elements:

1. Planning, design and procurement - incorporating the decisions on asset requirements (including replacement) that are aligned to Council's strategic objectives, feasibility/cost benefit analysis and concept design followed by detailed specification, design & costing.
2. Construction or acquisition - at which point an asset is either built or acquired.
3. Operation and maintenance - the majority of the asset lifecycle during which the asset is used, maintained (through scheduled preventative and reactive maintenance) and, where necessary upgraded to improve performance and/or extend useful life. Performance and condition monitoring throughout an asset's useful life informs allocations to fund operation and maintenance activities.
4. Renewal, replacement or disposal - at the end of an asset's useful life it may be renewed on a like for like basis, replaced with an asset to meet changing performance requirements or be disposed of. Asset renewal includes major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Within the City's LTFP, funding is allocated on an annual basis towards the renewal of infrastructure assets.

In undertaking the review and forecasting of renewal requirements officers have reviewed and updated methodologies, unit rates and sought to update condition information where time and resources permitted.

Forecast renewal funding is based on (but not limited to) a combination of factors such as construction date, condition, and expected useful life; therefore, there can be variability in the funding requirements. For this reason, the renewal forecasts are averaged over a ten-year period to align with LTFP reporting. City reserves provide flexibility to manage the variability in funding requirements and provide the ability to undertake opportunistic renewal or upgrade works where co-funding opportunities become available.

Renewal forecasting based on remaining useful lives identifies the requirement for the allocation of \$138,946,307 from City funds for the 10-year period 2024/25 to 2033/34, as shown in Table 2 below.

Officers are in the process of reviewing the City's adopted LTFP, with the Draft LTFP scheduled to be workshopped with Councillors later this month (March). The Draft LTFP incorporates the reserve consolidation undertaken since the current LTFP adoption. Renewal forecasts are provided with comparison to the Draft LTFP figures using the consolidated reserve figures.

Table 2 compares:

- the previous funding recommendations from the 2021 Asset Management Plan;
- the new forecast renewal requirements; and
- the current level of transfers to relevant reserves in the Draft LTFP.

Table 2 – Forecast Renewal Funding

Asset Class	2021 Overall AMP Funding Recommendations	24/25 - 31/32 Forecast Asset Renewal Requirement	(Draft LTFP) Transfers to Reserve	Variance to Draft LTFP Reserve Transfers
Roads	\$57,351,497	\$60,101,526*	\$61,979,486	\$1,877,960**
Car Parks	\$2,710,453	\$2,897,961	\$2,150,572	-\$747,389
Footpaths and Cycleways	\$16,489,939	\$5,119,500	\$16,538,610	\$11,419,110
Drainage	\$8,765,508	\$9,638,865	\$20,067,468	\$10,428,603***
Buildings	\$39,684,252	\$33,558,634	\$46,186,243	\$12,627,609
Parks and Gardens	\$27,430,227	\$27,129,821	\$21,760,447	-\$5,369,374
<b>Total</b>	<b>\$152,431,876</b>	<b>\$138,446,307</b>	<b>\$168,682,826</b>	<b>\$30,236,519</b>

\* Assumes additional roads grant funding as per historical average of \$3.2m pa.

\*\* Note commentary below re major traffic upgrades and use of reserve.

\*\*\* Note commentary below re other uses of the Other Infrastructure Reserve.

Further discussion by asset class is set out below.

## Roads

Officers have a high level of confidence in the asset register for roads. The City has applied a model that considers both the condition of the sealed road pavement and the trafficable surface (bitumen or asphalt) to forecast a treatment type, with treatment type categories being re-seal of the existing surface, rehabilitation (reseal with pavement and kerbing repairs) and reconstruction.

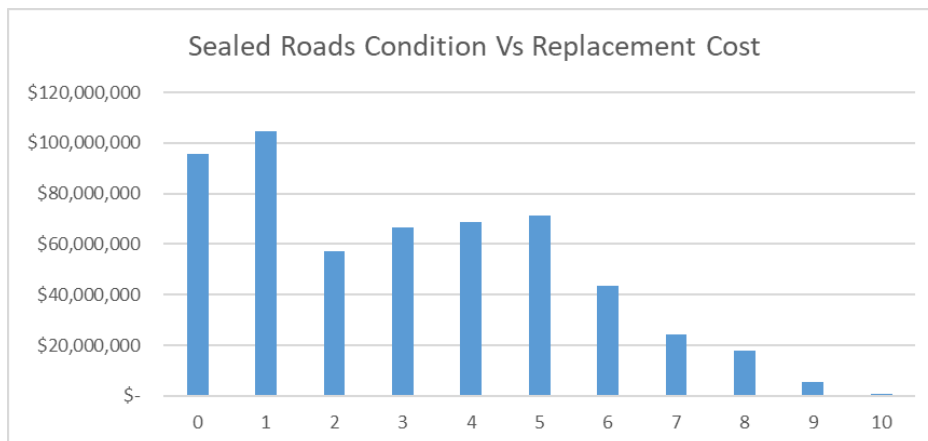
The total forecast renewal requirement for the City's sealed and unsealed roads is \$92,560,097. The forecast renewal requirement is based on City funding being augmented by external funding from State and Federal funding programs such as Regional Road Group, Blackspot and Roads to Recovery, in the order of \$32.5 million (\$3.2 million per annum on average). This reflects the City's past success in obtaining external funding, which is expected to continue. Therefore, City funding is estimated at \$60,101,526.

The City's forecast renewal is based on a defined intervention level of condition 8 (out of 10). Sealed roads at or above the City's defined intervention level currently represent 5.53% of the total network sealed area. This has reduced from 12.3% in 2013 and 6.58% in 2021. The forecast renewal cost of roads at intervention level total approximately \$26.5m of the total \$92.5m forecast renewal requirement and represent a "renewal backlog". These roads require additional monitoring and maintenance to extend the assets life until funding for the renewal project is available and the project can be physically undertaken.

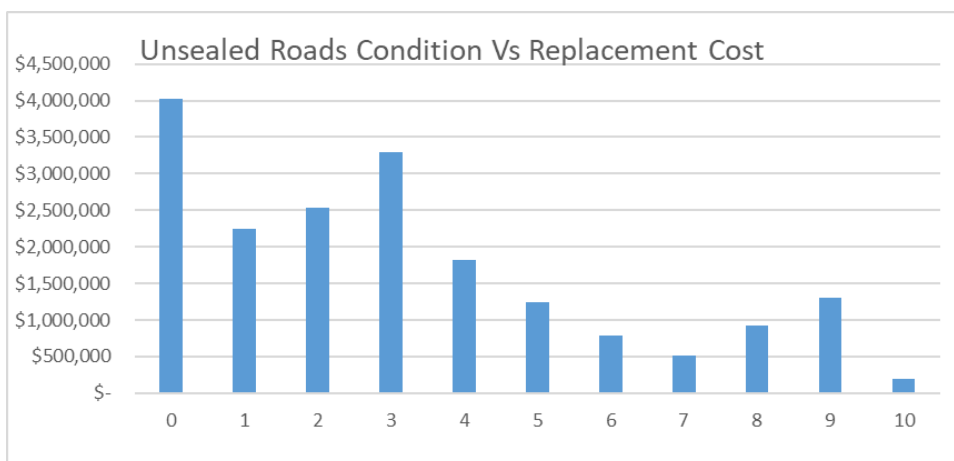
Council could opt to increase the annual renewal funding to address the backlog (after having considered the impact through review of the LTFP), noting however that increased project expenditure will likely require additional resources also to plan, manage or execute the works. A summary of sealed and unsealed road condition is shown in the graph 1 and 2 below.



*Graph 1 Sealed Road Condition Vs Replacement Cost*



*Graph 2 Unsealed Roads Condition Vs Replacement Cost*



Through the review of renewal funding requirements and methodologies, officers have identified that improved efficiencies and levels of service can be provided through the re-sheeting program by increasing the gravel quantities estimated. Previously, to match the re-sheeting program to grant funding, gravel quantities applied for re-sheets were reduced (thereby increasing the length of re-sheeting). Increased gravel quantities have therefore been included in the estimated renewal requirements for unsealed roads in line with industry standard.

Additionally, there are opportunities to better manage road assets by allocation of specific maintenance funding for planned and reactive maintenance works such as crack sealing and pavement repairs.

Assuming the roads reserve is fully available for renewal purposes, based on the current rate of transfer to reserves, and the updated renewal funding requirements, the City is generally putting aside sufficient funds to cover future asset renewal. There is a positive variance after 10 years of \$1,877,960.

It is important to recognise however that, through recent reserve consolidation, funding previously set aside for the upgrade of major new roads (Major Traffic Improvements Reserve) was added to the roads reserve; over 10 years this was forecast to be \$12.9M. Therefore, there is a need for the Council to consider through upcoming LTFP discussions whether it has the capacity to transfer more

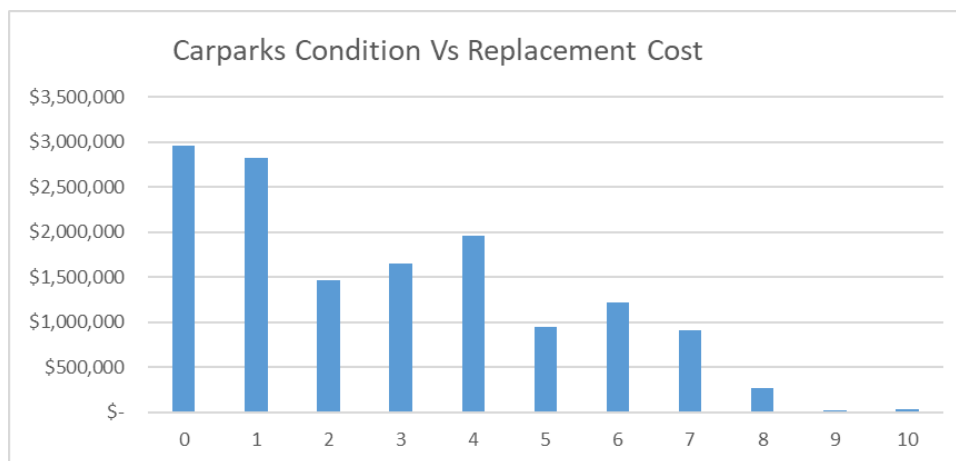
funding to reserve to ensure that funding is available from the reserve for major network upgrades in addition to this forecast renewal amount.

### Carparks

The total forecast renewal requirements for City carparks are \$2,897,961, with officers having a high level of confidence in the asset register data.

The forecast renewal funding requirements are relatively low over the 10-year planning period due to approximately 50% of the carparks (by replacement value) being constructed or renewed within the previous 10 years. Current transfers to reserve are therefore sufficient. It is expected that in the 10-to-20-year planning period an increase in funding may be required; this will need to be assessed however through future iterative asset management and long term financial planning process.

*Graph 3 Carparks Condition Vs Replacement Cost*



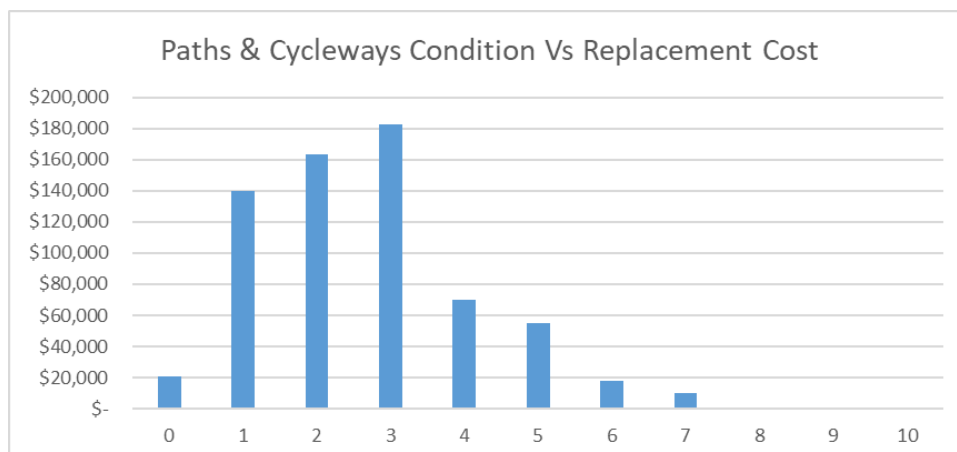
### Footpaths and Cycleways

The Footpaths and Cycleway asset register contains a good representation of the quantum of assets under the City's management. Update of the condition data is however required, and this is underway. In conjunction with review and update of the condition data, improvements are being made to the asset register to enable spatial representation and analysis of the information.

The total forecast renewal requirement is \$5,119,500 over the ten years 2024 to 2033. The renewal requirements are expected to increase in years 10 to 20 because of the high rate of network expansion through subdivision, developments and the City's own network upgrades. Similar to carparks, adjustments will need to be assessed through future iterative asset management and long-term financial planning process.

The Draft LTFP transfers to reserves exceed the forecast renewal funding, due to the Council Policy – Footpaths and Cycleways Funding, which sets a funding split of 70% new path construction and 30% renewal of existing paths. 30% of the \$16,489,939 planned for transfer to the Reserve totals \$4,961,583, \$157,917 less than the forecast renewal funding requirement over the 10 years. Council could consider amending the policy and adjusting the quantum of funding allocations to new paths, should it be required through review of the LTFP.

*Graph 4 Paths and Cycleways Condition Vs Replacement Cost*



## Drainage

Amendments to the renewal allocations for drainage in the LTFP where previously made as an outcome of the 2021 Overall Asset Management Plan (C2109/040). An increased allocation of funds for drainage renewal of \$8,765,508 was recommended with the increased funding offset by reducing the allocation to Carparks.

The total forecast renewal requirement for the City's drainage network is \$9,638,865, or an average of \$963,886 per annum. The City's Draft LTFP transfers \$20,067,468 to an 'Other Infrastructure Reserve' over the 10 years, with \$9,892,633 provisionally allocated to drainage asset renewal in the Draft LTFP. Additionally, there is funding for other asset renewal, upgrade and replacement of infrastructure assets not provided for in other reserves, such as CBD enhancements, cemetery assets and streetlight upgrades.

The review and prioritisation of drainage renewal works, along with development of asset plans for other smaller asset classes, will be ongoing. Forecasts for drainage assets are subject to further inspection of the pipe network, to better understand condition. To this end the City is currently undertaking remote CCTV inspection to complete gaps in the data and investigate suspected issues. Purchase of a Differential GPS (high accuracy) will also enable officers to collect pit and pipe levels to allow updates to the drainage network datasets.

Exploring the opportunity to undertake relining of stormwater pipes through more detailed investigations provides a low risk and cost-effective alternative to excavating, removal and replacement of concrete pipes.

In addition, it should be noted that undertaking drainage replacement works often requires replacement of Busselton Water old asbestos water mains located adjacent to City drainage assets. This is due to the high risk of damage to these water mains when undertaking excavation in close proximity. Although the forecasting of these costs is not within the City's current capabilities, the City has in the past funded or co-contributed to the replacement/upgrade of these old water mains.

The City continues to work with Busselton Water to coordinate the two organisations works programs where possible to improve efficiencies, reduce cost and mitigate disruption to the community.

The renewal forecast is higher than the funding identified through the adopted program of works, however it is anticipated that with the additional data collection the programmed works will increase to meet the recommended funding allocation. The current funding in reserve appears sufficient for now.

## Buildings

The City has previously undertaken significant work to review renewal requirements for buildings under its management. As per the Buildings Asset Management Plan the buildings funding methodology allocates between 1.5% and 2.5% of replacement cost per annum for asset renewal based on Service Level Hierarchy (SLH) as identified in the AMP.

A review of the methodology was undertaken to inform this report, with the building funding methodology considered acceptable to meet the existing levels of service.

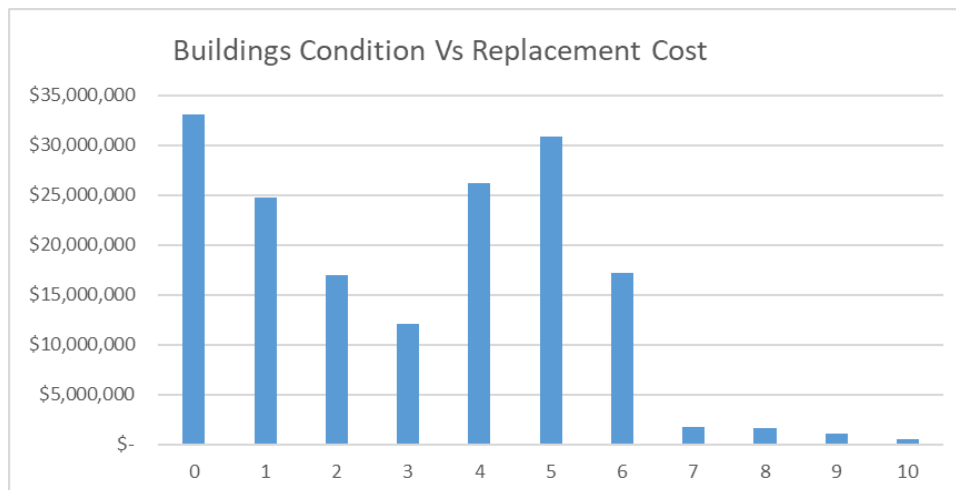
The total forecast renewal requirement for the City's building portfolio is \$33,558,634. The forecast funding is for existing buildings listed within the asset register. Forecast renewal funding requirements by Service Level Hierarchy (SLH) are provided in the table below.

*Table 3 - Buildings Forecast Renewal Funding by Service Level*

SLH	Forecast Renewal Requirement 24/25 - 31/32	Estimated Replacement Cost *
1	\$18,485,480	\$61,635,000
2	\$3,059,718	\$11,819,781
3	\$1,832,835	\$8,375,316
4	\$643,987	\$2,679,400
5	\$17,242	\$299,500
6	\$9,519,374	\$64,509,600
<b>Total</b>	<b>\$33,558,634</b>	<b>\$149,318,596</b>

\*Replacement costs based on 2021 revaluation

*Graph 5 Buildings Condition Vs Replacement Cost*



Additional capital renewal funding for construction of new buildings or significant upgrades needs to be considered through development of each project. Of note, Saltwater is not currently included in the asset register and is subject to a specific asset management plan, with funding identified and set aside in the Draft LTFP independent of the Buildings Reserve.

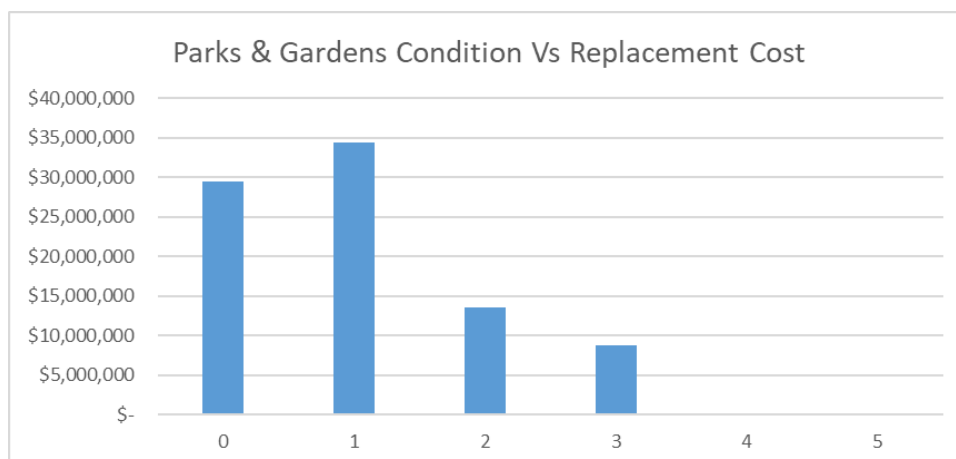
Based on the current rate of transfer to reserves, the forecast capital works program, and the updated renewal funding requirements, there is currently sufficient funding being transferred to the reserve for the forecast renewal funding for general buildings. It is recognised that the purpose of the buildings reserve does allow for its use for other major maintenance purposes, and that this can impact on the reserve balances. Given the variance however this is not considered a significant risk.

### **Open Space (Parks and Gardens)**

The total forecast renewal requirement for the City's Open Space portfolio is \$27,129,821.

The Open Space portfolio has an estimated replacement cost of approximately \$86.3m, an increase of \$57.96m since 2013. The asset base comprises approximately 218ha of sports grounds, fine cut park and rough-cut mowing areas and 6,626 individual components.

*Graph 6 Parks and Gardens Condition Vs Replacement Cost*



The Parks and Gardens assets have a very low proportion of components currently rated at a condition of lower than 3. Renewal funding allocated in the Draft LTFP will generally meet the renewal requirements. The City is in the process of reinspection and update of condition data for more complex parks and gardens assets such as timber beach access structures and shade sails, to continue improving renewal forecasting.

### Summary

When considering the significant growth of the City of Busselton, its population, and the size and complexity of the asset base, the City has a low level of existing “renewal backlog”.

The review has identified a backlog of renewal works in the roads asset class, primarily due to previous years focus on upgrades to the network to meet safety improvements of rural roads and increased traffic demands in urban areas.

Overall, the reserve transfers projected in the draft LTFP stand the Council in good stead for its ongoing management of the asset base. Table 3 summarises the current status and recommendations for funding review.

*Table 3 – Current Status and Recommendations*

Asset Class	Variance to Draft LTFP Reserve Transfers	Status	Recommendation for LTFP review
Roads	\$1,877,960	Sufficient transfers to reserves however impacts Major Traffic Upgrade funding	Consider the capacity to increase transfers to reserve for road assets noting funding in the reserve is also intended to cover major traffic upgrades.
Car Parks	-\$747,389	Sufficient funding, expected increase required in future LTFP reviews	Maintain funding levels for now. Renewal funding adjustments can be made through future AMP / LTFP updates as required.
Footpaths & Cycleways	\$11,419,110	Sufficient Funding noting the reserve caters for a 30% renewal / 70% new split	Maintain funding levels for now subject to outcomes of the LTFP review and noting the current footpath and cycleway funding policy (renewal / new split) could be reviewed.
Drainage	\$10,428,603	Sufficient Funding however future adjustment may be required with improved data and programming	Maintain funding levels for now. Undertake further review of the condition of drainage assets and make further adjustments as required through future AMP / LTFP updates.
Buildings	\$12,627,609	Sufficient funding for renewal of existing building assets	Consider the level of reserve funding for buildings as part of the LTFP review, noting planned new buildings are not currently included in forecast.

Asset Class	Variance to Draft LTFP Reserve Transfers	Status	Recommendation for LTFP review
Open Space	-\$5,369,374	Sufficient Funding. May be an increase required in future LTFP reviews	Maintain funding levels for now.
<b>Total</b>	<b>\$30,236,519</b>		

\*Assumes additional grant funding as per historical average of \$3.2m pa.

In terms of the review of funding within the LTFP, it is noted that adjustments to both revenue and expenditure affect the available funding for renewal of infrastructure. IPWEA's International Infrastructure Financial Management Manual identifies several expenditure related initiatives in asset management planning that influence forecast lifecycle costs, these include:

- Improvements to service delivery efficiency.
- Reducing service levels in areas that may be over serviced or have lower levels of demand.
- Delaying the construction of new assets that will enhance service.
- Delaying or reducing the scope of proposals that may increase levels of service.
- Eliminating some services that are either in low demand, no longer required or may be provided by others.
- Disposing assets that are not required to achieve agreed service levels.

The above options all focus implementing adjustments to forecast expenditure; Council may also consider options to increase revenue to meet service level demand and fund the requirement for renewal. This can be achieved through adjustments to rate revenue increases that may include specific allocations to asset renewal funding, as has been done by the City in the past, as well as seeking opportunities to increase levels of external funding through eligible State and Federal Government infrastructure funding programs to compliment the City's own source funding.

Additionally, good maintenance practices can extend asset lives, support improved asset renewal planning, reduce capital renewal intervention costs and improve intergenerational financial risk management. Consideration should be given to balancing performance, risk and cost when determining funding allocations for asset maintenance (as well as renewal), with the aim of setting levels of service that balance risk consequences whilst ensuring financial sustainability.

Risk consequences will vary depending on the asset type and the community's service level expectations. For example, risk consequences relating to roads and drainage are more likely to be severe and, as a result, are likely to have higher community service level expectations than asset classes with lower risk consequences such as carpark or specific parks and gardens assets. When balancing performance, risk and cost for different asset classes, Council may consider higher allocations for higher risk consequence assets and may accept service level adjustments for lower risk consequence assets to support financial sustainability.

Accordingly, in addition to the recommendations of this review in relation to renewal funding, Council may also consider through future LTFP and budget reviews the levels of funding required to adequately maintain assets throughout their useful lives.

### **Statutory Environment**

Section 5.56 of the *Local Government Act 1995* states that:

- (1) A local government is to plan for the future of the district.
- (2) A local government is to ensure that plans made under subsection (1) are in accordance with any regulations made about planning for the future of the district.

Asset Management and the integration of asset management into financial planning and works programming is a key feature of the Integrated Planning and Reporting Framework under which local governments are required to plan for the future.

### **Relevant Plans and Policies**

The officer recommendation aligns to the following adopted plan or policy:

Plan:

[Corporate Business Plan 2022-2026](#)  
[Asset Management Plan](#)

Policy:

[Asset Management](#)

### **Financial Implications**

There are no immediate financial implications associated with the officer recommendation, with current renewal funding considered to be adequate to plan for and manage the forecast program of works (previously adopted by Council). However, the outcomes of the review will inform the pending review of the LTFP and further discussions in relation to reserve funding levels may have financial implications over the longer term.

### **External Stakeholder Consultation**

Not applicable.

### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed, taking into account any controls already in place. No risks of a medium or greater level are identified, with sufficient funding across the asset base and reserves, noting adjustments can be made through LTFP reviews.

### **Options**

Council could consider various funding strategies through the Long Term Financial Plan review.

### **CONCLUSION**

The Council has demonstrated its goal to plan for and effectively manage infrastructure assets by identifying the required renewal funding for the 10-year planning period. The funding requirements should be reviewed through the long term financial plan.



**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The officer recommendation will be implemented in full, or in stages as per the following table:

Milestone	Completion Date
Recommendation resolved	20 March 2024

### 13. ECONOMIC AND BUSINESS DEVELOPMENT REPORTS

#### 13.1. Review of Airport Advisory Committee

<b>Strategic Theme:</b>	Key Theme 3: Opportunity 3.4 Develop aviation opportunities at the Busselton Margaret River Airport. Key Theme 4: Leadership 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making.
<b>Directorate:</b>	Economic and Business Development
<b>Reporting Officer:</b>	Manager Airport – Jennifer May
<b>Authorised By:</b>	Director Economic and Business Development – Maxine Palmer
<b>Nature of Decision:</b>	Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee recommendations.
<b>Voting Requirements:</b>	Absolute Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	1. Airport Working Group Draft Terms of Reference [ <b>13.1.1</b> - 2 pages]

The Presiding Member noted the officer recommendation was being split into two parts, with part 1 to be considered first.

The Presiding Member noted that part 1 of the motion required an absolute majority.

The officer recommendation was moved and lost.

#### COUNCIL DECISION

**C2403/62** Moved Cr Mikayla Love, seconded Cr Kate Cox

**That the Council:**

- Disband the Airport Advisory Committee.**

**ABSOLUTE MAJORITY REQUIRED**

**LOST 4 / 5**

**FOR: Mayor Phill Cronin, Cr Mikayla Love, Cr Kate Cox and Cr Jarrod Kennedy**

**AGAINST: Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg,  
Cr Andrew Macnish and Cr Richard Beecroft**

With part 1 being lost, part 2 and 3 of the officer recommendation were not put.

## **OFFICER RECOMMENDATION**

That the Council:

1. Disband the Airport Advisory Committee.

ABSOLUTE MAJORITY REQUIRED

2. Establish the Airport Working Group with a terms of reference as attached in Attachment 1.
3. That the following elected members be appointed to the Airport Working Group...  
*[Appointments to be confirmed via a nomination process]*

## **EXECUTIVE SUMMARY**

This report considers the terms of reference for the Airport Advisory Committee (AAC) to clarify and evaluate the purpose and function of the committee. It recommends the AAC be disbanded and that an Airport Working Group be established.

## **STRATEGIC CONTEXT**

The management of formal committees, reference groups and working groups aligns with delivering governance systems that facilitate open, ethical and transparent decision making.

## **BACKGROUND**

At the 31 January 2024 ordinary Council meeting the Council resolved (C2401/7):

*“Requests the CEO undertake a broader review of the terms of reference of the AAC to clarify the purpose and function of the committee, and meeting frequency and processes, to provide a report to Council at the March 2024 Ordinary Council meeting.”*

Officers have undertaken a review of the AAC terms of reference and its operation, the details of which have been set out in this report.

## **OFFICER COMMENT**

The AAC is a committee established under section 5.8 of the *Local Government Act 1995* (Act). Section 5.8 of the Act states that a local government may establish committees to assist the council and to exercise the powers and discharge the duties of the local government that can be delegated to committees.

The objectives of the AAC as stated in the terms of reference are:

- a. To foster liaison and cooperation between the City of Busselton and all stakeholders associated with the Busselton Margaret River Airport (Airport);
- b. To provide a forum for the discussion of issues and the formulation of suggestions and recommendations on issues associated with the Airport;
- c. To make recommendations to the Council on matters associated with the future development of the Airport; and
- d. Consult with the community, aviation, tourism, business and government organisations about the project, operations and potential impacts of the Airport.

While conducting this review officers have observed that the AAC has primarily been used as a vehicle for receiving status update reports which are then recommended to be noted by the Council. It has been rare for the AAC to consider and make recommendations on matters requiring a decision of the Council (for example commercial transactions, leases or tenders relating to the airport). These types of matters have typically been considered directly by the Council rather than the AAC. Primarily, this has been due to the need for timely decision making. If these matters were instead sent to the Council via the AAC there would be a one-to-two-month delay in decision making.

Other activities undertaken by members of the AAC have typically occurred outside of the formal AAC meeting where presentations have been made by third parties to members on various issues or proposals. These activities align more closely with the objectives set out in the AAC terms of reference but are not undertaken by members as part of a formal committee meeting nor do they require recommendations to the Council.

Given that the AAC is serving merely as a vehicle to receive status update reports, officers recommend that the AAC be disbanded and that the Airport Working Group be established in its place. The informality and flexibility of a working group is preferred based on the activities the AAC has been undertaking and would like to undertake. It is proposed that the new Airport Working Group will be more fit for purpose for delivering the stated objectives.

A proposed terms of reference for the Airport Working Group are attached to this report as Attachment 1.

To meet the previous reporting provided to the AAC (and the Council) via the status update reports it is instead proposed to include standardised quarterly business updates in the Elected Member Information Bulletin (CIB) in the months of February, May, September, and November.

The quarterly business updates will contain brief key highlights and operations updates along with the key statistical and financial information (passenger numbers, aircraft movements etc.). Revenue and expenditure of note can also be captured in the report. Financial performance against budget is already captured in Finance Committee reporting. The objective of these reports will be to provide Elected Members and the community with a concise and informative snapshot of the Airport's operations and projects.

### **Statutory Environment**

Section 5.8 of the Act states that a committee of the Council can only be established by absolute majority. Paragraph 9.1 of the AAC terms of reference state that the termination of the committee shall be by an absolute majority decision of the Council.

### **Relevant Plans and Policies**

The officer recommendation aligns to the following adopted plan or policy:

Plan:

Not applicable.

Policy:

Not applicable.

**Financial Implications**

Not Applicable

**External Stakeholder Consultation**

Not Applicable

**Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place.

No risks of a medium or greater level have been identified.

**Options**

As an alternative to the proposed recommendation the Council could retain the AAC and not establish the Airport Working Group.

**CONCLUSION**

The disbanding of the Airport Advisory Committee in favour of the Airport Working Group will facilitate more detailed discussion on airport related activities, operations and strategic matters and allow for invited Airport users and stakeholders to participate in discussions where appropriate. The inclusion of business update reports in the Elected Member Information Bulletin ensures that performance related information for the Airport is still provided to the Council on a regular basis.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The officer recommendation will be implemented in full, or in stages as per the following table:

Milestone	Completion Date
Establish Airport Working Group	March 2024
Commence standardised quarterly business update reporting to the Council	May 2024

### 13.2. Jetty Reserve Fund

<b>Strategic Theme:</b>	Key Theme 2: Lifestyle 2.12 Provide well maintained community assets through robust asset management practices.
<b>Directorate:</b>	Economic and Business Development
<b>Reporting Officer:</b>	Director Economic and Business Development – Maxine Palmer
<b>Authorised By:</b>	Director Economic and Business Development – Maxine Palmer
<b>Nature of Decision:</b>	Noting: The item is simply for information purposes and noting.
<b>Voting Requirements:</b>	Simple Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	1. Jetty Maintenance Reserve Movements [ <b>13.2.1</b> - 7 pages] 2. July 2019 Council Report: Self Insurance Reserve [ <b>13.2.2</b> - 4 pages]

The officer recommendation was moved and carried.

#### COUNCIL DECISION

**C2403/63** Moved Cr Jarrod Kennedy, seconded Cr Val Kaigg

**That the Council notes this report and the information received regarding the Busselton Jetty Maintenance Plan.**

**CARRIED 9 / 0**

**FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Jarrod Kennedy, Cr Jodie Richards, Cr Andrew Macnish, Cr Val Kaigg, Cr Mikayla Love, Cr Kate Cox and Cr Richard Beecroft**

**AGAINST: NIL**

**EN BLOC**

#### OFFICER RECOMMENDATION

That the Council notes this report and the information received regarding the Busselton Jetty Maintenance Plan.

#### **EXECUTIVE SUMMARY**

Following the refurbishment of the Busselton Jetty, a 50-year Jetty Maintenance Plan was prepared to guide the asset maintenance and replacement requirements of the asset. This report responds to a Notice of Motion from the 31 January 2024 ordinary Council meeting and Council resolution C2401/18, and brings a report to the Council as a brief on the current status of the Busselton Jetty Maintenance Plan.

## STRATEGIC CONTEXT

This proposal aligns with and supports the Council's Key Theme 2 – 'Lifestyle' and more specifically Community Objective 2.12 – Provide well maintained community assets through robust asset management practices.

## BACKGROUND

In 2008, the City obtained grant funding of \$24 million from the State Government administered by the South West Development Commission (SWDC) for purposes of refurbishing the Busselton Jetty. In accordance with the grant agreement the City and Busselton Jetty Inc. (formerly Busselton Jetty Environment and Conservation Association) (BJI) entered into a licence agreement on 30 October 2009, which has since been amended (Busselton Jetty Licence).

Under the Busselton Jetty Licence, BJI was granted the right to conduct certain commercial activities at/on the Busselton Jetty in consideration for payment of an annual licence fee, which includes collecting entrance fees from persons entering the Busselton Jetty from its land side and operating the Busselton Jetty train, the Underwater Observatory (UWO) towards the northern end of the Busselton Jetty and the Interpretive Centre.

These licensed activities constitute BJI's main business and main source of revenue, of which 25% of gross revenue is paid to the City as a contribution to the annual maintenance of the Jetty. In addition to this, rent received from Busselton foreshore leases and municipal revenue fund the balance of the annual annuity required to meet the Jetty's maintenance requirements, as per the 50-year Jetty Maintenance Plan.

Following the refurbishment of the Busselton Jetty, a 50-year Jetty Maintenance Plan (the Plan) was prepared to guide the asset maintenance and replacement requirements of the asset. The Plan is also a requirement of the City's License Agreement with the Department of Transport. A structural review of the Jetty takes place every 5 years. The last review was in 2019 and the Plan is now due for review again in 2024.

The Plan identifies scheduled and reactive maintenance, structural upgrades and replacements to the Busselton Jetty and associated infrastructure (i.e. the IC and the UWO) on an annual basis. The scope of maintenance works includes all structural works above and below the water line. The Plan is based on the following assumptions:

1. Inflation rate: 3%
2. Interest rate: 3%.
3. Spikes in 2035, 2055, and 2060 to be funded by external agencies to the value of 50% of the estimated cost
4. Annual annuity (in 2022/23) calculated on the last detailed structural assessment was \$1,455,858.

The 2022/23 annual annuity does not include what are considered to be non-structural items such as air conditioning units and their replacement. The inclusion of these items would require an increase to the annual annuity and would be subject to further negotiations of the Busselton Jetty License Agreement with BJI.

On 9 March 2022, a report was presented to the Council with details of the structural assessment and changes to the Plan. The Council resolved (C2203/45):

*That the Council:*

- 1. Notes the review of the 50-year Busselton Jetty Maintenance Plan and the underlying assumptions as outlined in this report.*
- 2. Notes the next review of the 50-year Busselton Jetty Maintenance Plan will be undertaken in 2024 and every five years thereafter.*
- 3. Notes Councillors to be briefed on the current status of the Busselton Jetty Maintenance Plan every 2 years following Council Elections.*

At the 31 January 2024 ordinary Council meeting, a Notice of Motion was put forward in relation to the previous Council resolution C2203/045. The motion was carried (C2401/18), and resolved (in part):

*That the CEO bring a report to the Council on or before the last scheduled meeting in March 2024, noting Resolution C2203/045 of 9 March 2022 “(3) Notes Councillors to be briefed on the current status of the Busselton Jetty Maintenance Plan every 2 years following Council Elections”.*

The resolution went on to list fourteen questions, the responses to which are contained within this report.

#### **OFFICER COMMENT**

In response to the questions raised in Council Resolution C2401/18, officers provide the following comment:

**1. The purpose of the Jetty Maintenance Reserve and Jetty Self Insurance Reserve and what funds have been expended over the last 2 years**

The purpose of the Reserves are outlined in the adopted budget as follows:

Jetty Maintenance Reserve: To provide funding for the maintenance, insurance, renewal, replacement, upgrading and future capital works requirements for the asset and associated infrastructure, including plant and equipment to achieve these purposes.

Jetty Self Insurance Reserve: As a contingency fund to rectify damage caused to the demise of the Busselton Jetty or part of the jetty or as a result of an extraordinary event.

Actual spend from the reserves is shown in the adopted annual financials and latest monthly reports on the Finance Committee agenda. The following tables shows the transactions to and from the Jetty Maintenance Reserve over the past two years:



	Budget	Actual
<b>2022-23 Reserve Movements</b>		
<b>1038 - Jetty Maintenance Reserve</b>		
Opening Balance	6,320,301	6,320,301
Interest Earned	136,007	232,024
<u>Transfer to Reserves</u>		
Asset Management Administration(O)	343,064	343,064
Busselton Jetty(O)	826,541	826,541
Equinox Cafe(O)	92,327	95,630
Goose Café(O)	51,178	8,424
Micro Brewery Building(O)	93,085	94,562
Busselton Tennis Club Building (Old)(O)	25,000	0
<u>Transfer from Reserves</u>		
Busselton Jetty(O)	(509,398)	(612,312)
Busselton Jetty - Capital Expenditure(C)	(280,632)	0
Busselton Jetty - Replacement Stihl MS381 Chainsaw(C)	(1,891)	0
Busselton Jetty - Replacement Honda EU20 Generator (Jetty)(C)	(2,827)	0
<b>Closing Balance</b>	<b>7,129,229</b>	<b>7,345,735</b>

<b>2021-22 Reserve Movements</b>		
<b>110 - Jetty Maintenance Reserve</b>		
Opening Balance	5,682,364	5,682,364
Interest Earned	11,305	22,581
<u>Transfer to Reserves</u>		
BJECA Contribution 500-11160-1300-0000	876,600	727,173
Transfer to Reserves 338-B1501-1705-0000 Com Lease Equinox	91,150	88,288
Transfer to Reserves 338-B1517-1705-0000 Com Lease Goose	49,000	14,743
338-B1521-1705 Micro Brewery Lease Income	71,585	65,793
528.11160.- Kawasaki mule - 3870	3,870	0
Adjust from muni to balance to \$1,348,301 (LY \$1,325,111) as per Jetty reserve asset management plan (indexed to inflation) - 10YFP	256,096	452,304
<u>Transfer from Reserves</u>		
301.11160.3640 Busselton Jetty AUDC Const Contribution - Contingency	(3,000,000)	0
522-C3497 Busselton Jetty Capital Expenditure	(817,550)	(99,110)
522-11160-Var Busselton Jetty Maintenance	(345,500)	(599,905)
522-11161-Var Busselton Jetty Interpretive Centre	(11,600)	(2,934)
522-11162- Var Busselton Jetty Underwater Observatory	(33,350)	(22,336)
522-B1454 Jetty Maintenance Compound	(13,890)	(8,660)
<b>Closing Balance</b>	<b>2,820,080</b>	<b>6,320,301</b>

The Jetty Self Insurance Reserve was established by Council resolution C1306/158 at the 26 June 2013 ordinary Council meeting:

*That the Council:*

1. *Seeks approval for self-insurance of the Jetty from the Department of Transport that includes an annual contribution to the Jetty Maintenance Reserve for that purpose.*
2. *Includes in the 2023/14 budget an allocation of \$60,000 to the Jetty Maintenance Reserve with an annual CPI incremental increase for the purposes of self insuring the Jetty.*
3. *Adds the Busselton Jetty to the City's insurance scheme and seeks a formal valuation of the structure in the event that the Department of Transport rejects the City's proposal for self insurance and uses the budget allocation for self insurance for insurance premiums.*

The Department of Transport approved the Reserve. \$60,000 per annum has been transferred annually into the reserve, the equivalent of what was then the quoted annual insurance premium from LGIS to insure the Jetty (with notable exclusions). There have not been any transfers from the Reserve.

The last two years of Jetty insurance reserve movements, and opening and closing balances are shown below:

Project Number	Transaction Type	Project Description	YTD Actual	YTD Budget	Budget Original	YTD BudgetA	Budget Amended
<b>1039 - Jetty Self Insurance Reserve</b>							
10904	Opening Balance 1/7/2022	Other General Purpose Funding(O)	(573,410.47)	(573,410.47)	(573,410.47)	(573,410.47)	(573,410.47)
10904	Interest Earned	Other General Purpose Funding(O)	(21,050.36)	(13,376.05)	(13,376.05)	(13,376.05)	(13,376.05)
10048	Transfer To Reserve	Busselton Jetty(O)	(78,297.00)	(78,297.00)	(78,297.00)	(78,297.00)	(78,297.00)
			0.00	0.00	0.00	0.00	0.00
<i>Jetty Self Insurance Reserve Closing Balance</i>			<b>(672,757.83)</b>	<b>(665,083.52)</b>	<b>(665,083.52)</b>	<b>(665,083.52)</b>	<b>(665,083.52)</b>
Project Number	Transaction Type	Project Description	YTD Actual	YTD Budget	Budget Original	YTD BudgetA	Budget Amended
<b>1039 - Jetty Self Insurance Reserve</b>							
10904	Opening Balance 1/7/2023	Other General Purpose Funding(O)	(672,757.83)	(672,757.83)	(672,757.83)	(672,757.83)	(672,757.83)
10904	Interest Earned	Other General Purpose Funding(O)	(19,767.58)	(17,847.13)	(30,595.12)	(17,847.13)	(30,595.12)
10048	Transfer To Reserve	Busselton Jetty(O)	(47,500.18)	(47,500.18)	(81,428.88)	(47,500.18)	(81,428.88)
			0.00	0.00	0.00	0.00	0.00
<i>Jetty Self Insurance Reserve Closing Balance</i>			<b>(740,025.59)</b>	<b>(738,105.14)</b>	<b>(784,781.83)</b>	<b>(738,105.14)</b>	<b>(784,781.83)</b>

## 2. What funds are currently being put aside annually and the individual source/s of those funds

Net amounts transferred to the maintenance Reserve match asset management requirements as per the 50-year Jetty Maintenance Plan. Since 2008/09, BJI have contributed \$8,409,869, foreshore commercial fees and charges have contributed \$1,734,398 and a total of \$3,449,086 has come from municipal funding (see attachment 1).

3. **With reference to Resolution C2203/045 and the comment in relation to the spikes at 2035, 2055, and 2060, "The basis of this assumption was that grant funding would be obtained given the status of the Busselton Jetty being a State significant asset", what certainty is there in this statement given the original Grant Agreement on receipt of the \$24m; what if no funding was forthcoming and what measures could the Council take to alleviate this shortfall if and when required**

The forecast spikes are outlined below:

Item	Value (\$2021)	Year
Replacement of Interpretive Centre	\$21,023,638	2035
Replace Section 1 East		
Replace timber to section 1 West		
Blast & Recoat steelwork to section 2/3, 5 & 6		
Replace timber, blast & recoat steelwork to HIN 4		
Replace Allies Landing		
Replace piers, superstructure and deck to section 4		
Replace swim platforms 5A & 5B		
Refurbish piers & Superstructure steelwork to section 4	\$1,007,842	2055
Replace timber to section 1 West	\$28,12,629	2060
Replace section 1 West		
Replace section 2/3		
Replace HIN 4		
Replace section 5 deck and superstructure		
Replace swim platforms 5A & 5B		
Refurbish piers & Superstructure steelwork to section 6		
Refurbish section 7		
Demolish and replace UWO with equivalent		

The 50-year Jetty Maintenance Plan is due for review in 2024, this process will establish if there is any opportunity to reforecast any works to remove or reduce these spikes in the maintenance plan. Transfers to the reserve will also be reforecast as part of the Council's review of the Long Term Financial Plan to include any new commercial lease revenues expected at the foreshore.

**4. Further to Resolution C2203/045 and the statements:**

- a. "The majority of capital works planned for 2020 could be delayed until 2030". Why and what specifically does this comment refer to and what benefits/negatives does this achieve**

The works referred to are based on advice from BG&E received as a result of the 2019 review. Specifically the replacement of piers 371 & 373 in section 7 – BG&E's advice reads "*Replacement works can be delayed until 2030. Elements above the water line are in good condition.*"

The benefit is that by delaying the works there will be an additional 10 years of contributions to the Jetty Maintenance Reserve.

- b. "Capital works planned for 2030 can be pushed back to 2035". Why and what specifically does this comment refer to and what benefits/negatives does this achieve**

As above, the works referred to are based on advice from BG&E received as a result of the 2019 review. Specifically the replacement of piers, superstructure and deck to section 4 – BG&E's advice

reads “Section 4 is generally in a good condition. It does exhibit more deterioration than other timber sections, but its current condition suggests that replacement could be pushed out to 2035.”

The benefit is that by delaying the works there will be an additional 5 years of contributions to the Jetty Maintenance Reserve.

- c. “Replacement of decking and refurbishment of steelwork to HIN 4 can be brought forward from 2035 to either 2025 or 2030 (to be confirmed during the next 5 yearly assessment in 2024)”. Why and what specifically does this comment refer to and what benefits/negatives does this achieve**

As above, the works referred to are based on advice from BG&E received as a result of the 2019 review. Specifically the replacement of piers, superstructure and deck to section 4 – BG&E’s advice reads “Bring forward to 2025 - 30. Timber decking is starting to weather and unlikely to last until 2035. Timber walers and bracing including steelwork is generally in good condition but cost effective to do all works as a single package.”

The negative to this is there will be proportionally less contributions paid to the Jetty Maintenance Reserve to cover these works, however this negative is more than offset by a) and b). As stated this will be determined in the upcoming review to be carried out later this year.

## **5. What strategy is in place should a catastrophic event occur at any point in the future**

The purpose of establishing the Jetty Self Insurance Reserve was to support the mitigation of this risk. The risks assessed and considered are captured in reports supporting Council resolutions C1306/158 (above) and C1908/146 from the 14 August 2019 Council meeting where the Council resolved:

*“That the Council notes this report and information received regarding the potential insurance policy for the Busselton Jetty and continues to “self-insure” the Busselton Jetty as per Council resolution C1306/158.”*

## **6. What risk assessments are in place covering a minor event or a major catastrophic event.**

The 14 August 2019 Council report is attached (Attachment 2) which comprehensively outlines the risks considered by the Council in making this decision.

## **7. What specific infrastructure does the Jetty Maintenance Reserve and the Jetty Self Insurance Reserve cover.**

Aside from the reserve purpose, the specific infrastructure covered by the Jetty Maintenance Reserve is detailed in the 50-year asset management plan. In terms of the Jetty Self Insurance Reserve, the IC & UWO are protected for the standard perils e.g. fire/storm/earthquake/impact but not ‘normal actions of the sea’.

The City’s insurance policy does not cover acts of sea which are the normal 24/7 wave motions or abnormal high tidal levels (unless wind related damage Force 9 – as per below snippet of exclusion wording). The exclusion normal action of sea, does not apply, whereby damage is caused by earthquake or seismological disturbance.

3. **This Policy excludes Loss or Damage** to the Property protected due to the normal action of the sea in its usual state or level at any time of the year which however shall not be held to include Loss or Damage arising out of Cyclones or tempest or storm forced winds exceeding Force 9 on the Beaufort Wind scale.
- Provided that this perils exclusion 3 and any corresponding sub-limit(s) shall not apply if Damage is caused by or arises out of an earthquake or seismological disturbance.

**8. What specific infrastructure doesn't the Jetty Maintenance Reserve and the Jetty Self Insurance Reserve cover.**

Clause 8 of the License Agreement with BJI outlines maintenance required by BJI:

*8. Maintenance and Restoration*

*8.1 Maintenance*

- (a) The City will prepare and implement a maintenance plan in relation the Jetty.*
- (b) The City acknowledges that the Licensee is not responsible for the repair or maintenance of the Jetty save and except for as specified in sub-clauses (c), (d) and (e).*
- (c) The Licensee: (i) Shall be wholly and solely responsible for any/all costs and/or expenses and assumes all risk in relation to the Train and the Licensee Improvements, disregarding the nature or origin thereof; and (ii) Must at all times keep the Train and the Licensee Improvements clean, tidy, unobstructed, free from dirt and rubbish and good repair and working order, fair wear and tear excepted. For purposes of clarity the City has no obligation whatsoever to repair, clean or maintain the Train and the Licensee Improvements.*
- (d) The Licensee shall, in relation to the UWO and the Interpretive Centre, at its cost be responsible for:*
  - (i) Non-structural, internal repair and maintenance, including but not limited to repairing non-structural electrical, water, plumbing and gas defects, internal painting, replacement of carpets or other floor coverings, replacement of light bulbs and internal and external cleaning and nonstructural maintenance of windows; and*
  - (ii) Keeping the UWO and the Interpretive Centre clean, tidy, unobstructed and free from dirt and rubbish. For purposes of clarity the City will, subject to clause 14.1(o) be responsible for maintenance of the structural integrity of the UWO and Interpretive Centre.*

City Officers have a detailed maintenance plan agreed with BJI which allocates by agreement the responsible party for each item, regime, frequency and annual budget forecasts.

The License Agreement with BJI and the City, clause 5.2 Insurance of Jetty states the following:

- (c) The Licensee acknowledges and agrees that the City is not required to take out and maintain a policy of insurance that would provide insurance coverage for acts of the sea or other similar severe weather events.*
- (d) The Licensee further acknowledges and agrees that it shall have no claim against the City for a failure to insure the Jetty or any part of it.*



Clause 5.3 states BJI's insurance requirements are:

**5.3 Insurance of Licensee Improvements and Train**

*The Licensee must at all times until Termination at its cost effect and maintain insurance for the full insurable value on a replacement or re-instatement basis and with insurers approved by the City to cover against all risk:*

- (a) *The Licensee's fixtures, fittings, equipment, other moveable assets and stock;*
- (b) *The Train; and*
- (c) *The Licensee Improvements.*

**9. What specifically does LGIS cover the IC and UWO for (i.e. what constitutes an act of the sea, what is claimable and what isn't under this insurance cover)**

See response under 7 above.

**10. What salaries and/or wages and any other costs are paid/deducted from the Jetty Maintenance Reserve and Jetty Self Insurance Reserve**

Nothing has been deducted from the Jetty Self Insurance Reserve, and only those wages included as part of timesheet allocations on jetty maintenance projects are included in transfers from the Jetty Maintenance Reserve.

**11. What was the rationale for reducing the amount paid into the Reserve Funds in 2012**

Below is an extract of the Jetty Maintenance Reserve movements in 2012/13. The amount paid into the Reserve was \$1,400,913. This was significantly more than in previous years which did not include the foreshore leases.

**2012-13 Reserve Movements**

**110 - Jetty Maintenance Reserve**

Opening Balance	14,227	14,227
Interest Earned	708	693
Transfer to Reserves		
Transfer to Reserves 338-B1501-1705-0000 Com Lease Equinox	59,800	59,939
Transfer to Reserves 338-10610-1705-0000 Com Lease Goose	44,514	44,697
Transfer to Reserves 338-10610-1705-0000 Com Lease Nautical Lady	29,336	8,400
Transfer to Reserves 500-11160-1300-0000 BEJECA Annual Contribution	650,000	650,000
Transfer to Reserves C3500 transfer funds from RA to Reserve	616,329	637,877
Transfer from Reserves		
Jetty Mtce 11160	(224,008)	(118,272)
Jetty Mtce 11160 - Craig	(2,188)	(3,429)
Interpretive Centre - Building Insurance only 11161	(1,563)	(1,299)
Under Water Observatory - Building Insurance Only 11162	(13,598)	(14,674)
500-C3500-3280-0000 Jetty Refurbishment C1211/336	(536,455)	0
500-C3500-3280-0000 Jetty Refurbishment C1211/336 See asset dep reserve	(419,384)	0
<b>Closing Balance</b>	<b>217,718</b>	<b>1,278,159</b>

**12. What was the reason for the \$3.66m underspend from the 50 Year Maintenance Plan between 2013-2022**

The 50-year Jetty Maintenance Plan is a long term forecast which is subject to a complete review every 5 years. However each year as improvements are made with things such as new technologies and treatment methods we see items that were notionally planned to be upgraded or replaced having their life extended. Priorities are reviewed each year in the development of the annual budget. Regularly assets that were planned for maintenance are re-prioritised.

**13. Can the City and BJI work more collaboratively with regards to the Maintenance Schedule**

City officers do work collaboratively with BJI planning priorities and works for the annual maintenance schedule.

**14. Given the Cruise Ship Tender Platform was 50% funded from the Jetty Maintenance Reserve, are the City charging the same as other WA Cruise Ship Ports that have Cruise Ships berthing?**

Council first adopted fees for the commercial use of the marine berthing platforms for whale watching, tour vessels and cruise ships in the 2017/18 budget. The fees were established by desktop research, consultation with whale commercial tour vessels, a cruise ship company, Tourism Western Australia, other cruise ship port authorities and Busselton Jetty Environment and Conservation Association Inc. (BJECA).

Fees and charges vary at destinations and are generally determined by the size of the vessel and duration of visit. In making decisions on the choice of destination to berth, shipping companies consider profit maximization (which is based to some extent on port fees and charges along with other factors such as safety and passenger experiences at the destination).

There are many variables that need to be considered in fee setting. The ability to recover annual costs associated with servicing the berthing platforms will be influenced by the number of vessels who dock, their size and passenger numbers. Price sensitivity will be reviewed now Busselton has established a strong reputation within the industry.

The Jetty Maintenance Plan forecast \$25,000 per annum to maintain each of the two berthing platforms. In reviewing the Plan this year, Officers will evaluate the accuracy of this forecast against actual expenditure. The budget forecast to service the nine vessels anticipated during 2023/24 is \$16,000. This budget is based on the Visitor Servicing Agreement the City has with MRBTA and includes road closures. Therefore, if a cost recovery approach were to be taken approximately \$66,000 of expenses would need to be offset by revenue.

In 2022/23, \$38,705 in revenue was generated from the 11 Cruise Ships that berthed and \$3,769 in other berthing fees.

Throughout 2020 and 2021 COVID-19 put a halt to cruise ships and other vessels that had commenced berthing in Busselton. Cruise ships started visiting again in 2022/23 with a surprising number of 11 visits. In 2023/24 we expect to host nine cruise ships, 12 in 2024/25 and 22 in 2025/26.

It is timely given the somewhat unexpected COVID recovery of the industry and the demand for berthings in 2024/25 to undertake a review of the fees and make a recommendation to the Council through this year's budget adoption process.

## **Statutory Environment**

### **Jetties Act 1926**

Pursuant to Section 7 of the *Jetties Act 1926* the Department of Transport granted the City a licence to construct, maintain and use the Busselton Jetty as a private jetty for purposes of recreation, tourism and heritage.

### **Busselton Jetty Licence Agreement**

The City of Busselton has the control and management of Reserve 46715 (Lot 350 Queen Street, Busselton) through a Management Order and a Licence to use and maintain the Busselton Jetty through a Licence Agreement with the Department of Transport. The Licence Agreement states that, among other things, the City of Busselton must maintain the Jetty in accordance with the Jetty Maintenance Plan and must establish and maintain a Jetty Maintenance Reserve to provide for the ongoing maintenance of the Jetty into the future.

### **Busselton Jetty Licence and Management Agreement**

BJI operates the Busselton Jetty under a Licence and Management Agreement with the City of Busselton, dated October 2009. The City and BJI are currently working with an unofficial working version of the original Busselton Jetty Licence as amended by Deed of Variation executed 24 March 2017 and Deed of Variation dated 14 February 2018. This consolidated all the changes made to that date. The official version of the original Deed of Variation dated 24 March 2017 and the Deed of Variation dated 14 February 2018 are filed in the City of Busselton Legal Register. This unofficial working version may be referred to as 'Version 3' and was prepared on 17 August 2018.

### **Heritage of Western Australia Act 1990**

The Busselton Jetty was entered on the State Register of Heritage Places on 30 June 2009 (Interim Entry). The progression from interim to permanent registration was delayed for a number of years to allow for the completion of the 2009-12 refurbishment works. Following the practical completion of that work on 18 June 2012, the Heritage Council of Western Australia (HCWA), on 31 August 2012, resolved that Busselton Jetty should be progressed to permanent registration.

On 26 September 2012 the State Heritage Office on behalf of HCWA wrote to the City of Busselton seeking further written comments on the proposed permanent entry. On 21 February 2014, the Jetty was officially placed on the state heritage list.

## **Relevant Plans and Policies**

The officer recommendation aligns to the following adopted plan or policy:

Plan:

[Asset Management Plan](#)

Policy:

[Asset Management](#)

The 50-year Jetty Maintenance Plan identifies scheduled and reactive maintenance, structural upgrades and replacements to the Busselton Jetty and associated infrastructure (i.e. the Interpretive Centre (IC) and the Under Water Observatory (UWO) on an annual basis.



## Financial Implications

The 2023/24 opening balance of the Jetty Reserve was \$7,345,734.

The 2023/24 annual maintenance budget to be transferred from the reserve at year end is \$1,828,444.

A deficit of \$343,234 has been forecast to come from municipal funding.

Due to record visitation at the Jetty last year, BJI are due to contribute \$1.33million into the Reserve fund this year. Depending on the actual maintenance spend this year, this additional contribution may result in a credit to municipal funding.

2023/24 Jetty Reserve Fund budget table:

Project Number	Transaction Type	Project Description	YTD Actual	YTD Budget	Budget Original	YTD BudgetA	Budget Amended
10904	Opening Balance	Other General Purpose Funding(O)	(7,345,734.77)	(7,345,734.77)	(7,345,734.77)	(7,345,734.77)	(7,345,734.77)
10904	Interest Earned	Other General Purpose Funding(O)	(220,824.29)	(185,942.05)	(318,757.80)	(185,942.05)	(318,757.80)
10027	Transfer To Reserve	Asset Management Administration(O)	(200,219.81)	(200,219.81)	(343,234.00)	(200,219.81)	(343,234.00)
10048	Transfer To Reserve	Busselton Jetty(O)	(500,952.62)	(500,952.62)	(858,776.00)	(500,952.62)	(858,776.00)
10160	Transfer To Reserve	Equinox Cafe(O)	(55,957.86)	(55,957.86)	(95,927.79)	(55,957.86)	(95,927.79)
10161	Transfer To Reserve	Goose Café(O)	(31,018.12)	(31,018.12)	(53,173.90)	(31,018.12)	(53,173.90)
10162	Transfer To Reserve	Micro Brewery Building(O)	(56,417.27)	(56,417.27)	(96,715.27)	(56,417.27)	(96,715.27)
11704	Transfer To Reserve	Busselton Tennis Club Building (Old)(O)	(15,152.06)	(15,152.06)	(25,974.96)	(15,152.06)	(25,974.96)
11798	Transfer To Reserve	Hotel Site 2(O)	(22,106.28)	(22,106.28)	(37,896.49)	(22,106.28)	(37,896.49)
10048	Transfer From Reserve	Busselton Jetty(O)	0.00	0.00	1,828,444.00	0.00	1,828,444.00
Jetty Maintenance Reserve Closing Balance			(8,448,383.08)	(8,413,500.84)	(7,347,746.98)	(8,413,500.84)	(7,347,746.98)

## External Stakeholder Consultation

Correspondence with LGIS in relation to insurance cover has taken place over a period of time and most recently in January 2024.

Annual maintenance priorities and programming of works are discussed with BJI, to help inform priorities and to plan works, where possible, to minimise disruption to their operations.

## Risk Assessment

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified in Council noting this report.

## Options

Not applicable.

## CONCLUSION

At the 31 January 2024 ordinary Council meeting, the Council resolved that the CEO provide this report to the Council by March 2024 to inform all Elected Members (and specifically newly elected Members), of the Busselton Jetty Maintenance Plan, future funding spikes and strategies.

The requested report provides the Council with an up to date overview of the Jetty and helps to highlight issues for consideration during the 2024 structural assessment and review of the 50-year Busselton Jetty Maintenance Plan and strategies for the Jetty's ongoing maintenance and development.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Not applicable.

### 13.3. Business Development, Events and Marketing Program Outcomes - February 2024

<b>Strategic Theme:</b>	Key Theme 2: Lifestyle 2.5 Facilitate events and cultural experiences that provide social connection. Key Theme 3: Opportunity 3.3 Continue to promote the District as the destination of choice for events and unique tourism experiences.
<b>Directorate:</b>	Economic and Business Development
<b>Reporting Officer:</b>	Events Coordinator - Peta Pulford
<b>Authorised By:</b>	Director Economic and Business Development - Maxine Palmer
<b>Nature of Decision:</b>	Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee recommendations.
<b>Voting Requirements:</b>	Absolute Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	Nil

The officer recommendation was moved and carried.

#### COUNCIL DECISION

**C2403/64** Moved Cr Jodie Richards, seconded Cr Val Kaigg

That the Council:

1. Endorses the following multi-year funding allocations towards the following economic focused events, to be funded from the 2023/2024 – 2025/2026 Events Budgets:

Event Name	Officer Recommendation (cash)
Yallingup Shred Fest 25-28 April 2024	2023/2024 \$10,000 2024/2025 \$10,000 2025/2026 \$10,000
<b>TOTALS</b>	<b>2023/2024 \$10,000</b> <b>2024/2025 \$10,000</b> <b>2025/2026 \$10,000</b>

2. Endorses the following single year funding allocations towards the following community focused events, to be funded from the 2023/2024 Events Budget:

Event Name	Officer Recommendation (cash)	Officer Recommendation (in-kind)
Busselton Women's Triathlon 14 April 2024	\$5,000	Approx. \$1,000 (ground hire, event fees, billboard hire)

Australian National Police Bowls Championships 17-25 April 2024	\$2,000	\$0
<b>TOTALS</b>	<b>\$7,000</b>	<b>Approx \$1,000</b>
<p style="text-align: right;"><b>CARRIED 9 / 0</b></p> <p style="text-align: center;"><b>FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish, Cr Mikayla Love, Cr Kate Cox, Cr Jarrod Kennedy and Cr Richard Beecroft</b></p> <p style="text-align: right;"><b>AGAINST: Nil</b></p> <p style="text-align: right;"><b>BY ABSOLUTE MAJORITY</b></p>		

### OFFICER RECOMMENDATION

That the Council:

- Endorses the following multi-year funding allocations towards the following economic focused events, to be funded from the 2023/2024 – 2025/2026 Events Budgets:

Event Name	Officer Recommendation (cash)
Yallingup Shred Fest 25-28 April 2024	2023/2024 \$10,000 2024/2025 \$10,000 2025/2026 \$10,000
<b>TOTALS</b>	2023/2024 \$10,000 2024/2025 \$10,000 2025/2026 \$10,000

- Endorses the following single year funding allocations towards the following community focused events, to be funded from the 2023/2024 Events Budget:

Event Name	Officer Recommendation (cash)	Officer Recommendation (in-kind)
Busselton Women's Triathlon 14 April 2024	\$5,000	Approx. \$1,000 (ground hire, event fees, billboard hire)
Australian National Police Bowls Championships 17-25 April 2024	\$2,000	\$0
<b>TOTALS</b>	<b>\$7,000</b>	<b>Approx \$1,000</b>

## EXECUTIVE SUMMARY

A meeting of the Business Development, Events and Marketing Program (BDEMP) was held on Wednesday 14 February 2024. This report presents the recommendations from this meeting.

## STRATEGIC CONTEXT

Recommendations of this report furthers achievement of the City's strategic community plan aspirations and priorities, through continuing to facilitate events and cultural experiences that provide social connection, and promoting the District as the destination of choice for events and unique tourism experiences.

## BACKGROUND

At the Ordinary Meeting of Council held 13 April 2011, Council resolved (C1104/114) to endorse the implementation of a differential rating system whereby properties rated industrial and commercial across the City would directly contribute toward the City's continued support of tourism, marketing, and event activities. The City also established a key stakeholders reference group, now known as the 'Business Development, Events and Marketing Program' (BDEMP) – formerly 'Marketing and Events Reference Group' (MERG), to make recommendations to Council with respect to the marketing and events budget allocations.

At its meeting of 22 June 2011, Council resolved (C1106/201) to introduce a 3% differential rate on industrial and commercial rated properties which has increased over time to 10%. The proceeds from the differential rate are allocated towards funding events and marketing.

With approved carry overs, the total budget is as follows:

\$983,018 – Adopted Events budget  
\$20,979 – Carry over from 2022/2023  
\$1,003,997 – 2023/2024 Events budget TOTAL

\$273,564 – Adopted Marketing and Economic Development initiatives budget  
\$97,229 – Carry over from 2022/2023  
\$370,793 - Marketing and Economic Development initiatives budget TOTAL

## OFFICER COMMENT

A BDEMP meeting was held on Wednesday 14 February 2024, with the following key matters presented;

- update on events held since the last meeting on 18 October 2023 and upcoming major events;
- update of funding awarded through the Economic Development and Marketing funding rounds 1 and 2; and
- consideration of funding applications for the 2023/24 – 2025/26 events budgets.

## **Events Update**

Supporting the development and attraction of new events throughout the year, the City's Events Sponsorship Programme promotes the City of Busselton as an attractive event tourism destination. At the BDMP meeting held 14 February 2024 a range of requests for funding were considered as outlined below:

### **Requests for Funding –**

Following the allocation of funds through Round 2 of the Event Sponsorship Program, there is a current balance of \$17,637 remaining in the 2023/2024 Events Budget.

There have been three (3) applications received for funding outside of the funding rounds, details of which are outlined below. These events were unable to meet the timeframe for the Round 2 Event Sponsorship Program funding round, due to timing constraints. Due to event cancellations, all the event budget has not been expended. It is recommended that these applications be considered, and recommendations are made to Council for funding.

Applications are separated into funding streams for the purpose of evaluation:

- Economic focused events – aim to attract visitation to the region, bring economic return in the form of visitor and event spend with local business, attract significant media exposure, attract funding from other sources.
- Community focused events - Provide social benefit and promote community connection, promote cultural diversity and inclusion, provide place making adding vibrancy and activation.

The Events team evaluated all funding applications against criteria derived from the identified Diversity, Localise, Hallmark and Venues strategies. An overall score was allocated, and funding recommendations based on this.

Funding was allocated on the following basis:

### **Economic Focused events**

Events that score:

- 13 or more are to be considered for event sponsorship funding
- 8 - 12 funding to be considered if funds available in that round, potential partial funding
- 7 or less are not to be considered at all.

### **Community focused events**

Events that score:

- 11 or more are to be considered for event sponsorship funding
- 6 - 10 funding to be considered if funds available in that round, potential partial funding
- 5 or less are not to be considered at all.

Applicants that have held their event for two or more years and been funded by the City, have demonstrated that they meet requested KPI's, and have indicated that they intend to continue

holding the event in future years, may request or be offered a multiyear agreement. This allows them to plan effectively for future events and reduces administration for both the event organiser and City staff. They will however still be required to meet KPI's and provide a post event report for each year of the event before any further funding is released in future years.

Applications for funding increases of more than 25% on previous funding levels will not be considered, unless it is demonstrated that the event will substantially diversify their event offerings to meet the City's strategic outcomes or dramatically increase their event attendance or economic outcomes as a result of increased funding.

**The following requests have been received for multi-year funding for economic focused events from the 2023/2024 Events Budget:**

**Yallingup Shred Fest – 25-28 April 2024**

Shred Fest 2024 is the 4<sup>th</sup> edition of this annual elite Level public junior surfing event, held in the Yallingup area, which is organised by the local Yallingup Boardriders. Annually it attracts a crowd of 100+ young surfers aged between 12-21 from around the country, with approximately 800 spectators, officials, and volunteers also in attendance.

In 2024 this event has been selected by World Surf League (WSL) to include a nationally accredited U/21 Pro Junior title, the only event in WA to secure this licence. This is expected to increase demand for places and attract competitors from further afield.

This event has previously received funding of \$7k from the City. They have requested funding in 2024 of \$14,600, to be used for official's fees, water safety and social media and promotion of the event. Under the evaluation criteria, the event achieved a score of 12.

Given the addition of the Pro Junior title adding to the national and potential international appeal of the event, officer recommendation is to increase their annual funding to \$10k per year, and to offer them a multi-year funding agreement of 3 years.

Event Name	Requested Funding	Officer Recommendation (cash)
Yallingup Shred Fest	2023/2024 \$14,600	2023/2024 \$10,000
	2024/2025 \$14,600	2024/2025 \$10,000
	2025/2026 \$14,600	2025/2026 \$10,000
<b>TOTALS</b>		<b>2023/2024 \$10,000</b> <b>2024/2025 \$10,000</b> <b>2025/2026 \$10,000</b>

**The following requests have been received for single year funding for community focused events from the 2023/2024 Events Budget:**

**Busselton Women's Triathlon – 14 April 2024**

This new event is being run at the Busselton Foreshore by the Busselton Triathlon Club, appealing to women wanting to have a try at triathlon in a safe and inclusive environment. Women's-only triathlons have been held previously in other locations such as Bunbury and Perth, with locals travelling to take part.

They have requested funding of \$18k, which comprises their entire event budget. They scored 7 on their evaluation. Given that it is a first time event, officer recommendation is for \$5k for a single year agreement. Additionally, in-kind support of approximately \$1k is recommended, to assist with event costs such as ground hire, event fees and billboard hire.

#### **Australian National Police Bowls Championship – 17-25 April 2024**

This is the pinnacle event on the Australian Police bowling calendar, The championship is held over 10 days, with 5 states and 1 territory represented by over 160 visiting bowlers, with partners also in attendance. There are also over 65 officials and volunteers involved in the event.

This event has been hosted twice previously at the Busselton Bowling Club, in 2015 and 2019.

The Busselton Bowling Club have requested funding of \$2k to assist with hiring of additional equipment for the event. They achieved an evaluation score of 12, officer recommendation is for a single year agreement for the requested funding amount of \$2k.

<b>Event Name</b>	<b>Requested Funding</b>	<b>Officer Recommendation (cash)</b>	<b>Officer Recommendation (in-kind)</b>
Busselton Women's Triathlon	\$18,000	\$5,000	Approx. \$1,000 (ground hire, event fees, billboard hire)
Australian National Police Bowls Championships	\$2,000	\$2,000	\$0
<b>TOTALS</b>		<b>\$7,000</b>	<b>Approx \$1,000</b>

#### **ECONOMIC DEVELOPMENT UPDATE**

The Economic Development and Marketing Stream supports and facilitates programs, services and projects that align to the City of Busselton Economic Development Strategy 2022-2027 and contribute to the City of Busselton's economic, social, environmental, and cultural development.

The following information was provided to the BDEMP Committee for noting:

1. Project Updates for funding allocations from Round 1, BDEMP Economic Development and Marketing Grants
2. Funding allocations for projects as described below from Round 2, BDEMP Economic Development and Marketing Grants

#### **Update on BDEMP Economic Development and Marketing Grants Projects Funded Under Round 1 (September 2023):**

##### **MRBTA Walking Map**

Approved funding - \$9,550

Purpose - production and printing of a walking map of Busselton town centre to service cruise passengers and other visitors to Busselton.



Update - Maps have been well received, with 11,700 maps printed and around 2,000 distributed. MRBTA did a short initial run for the first cruise ship and then updated the artwork based on feedback received from local businesses. Based on final printing costs, they will be able to print a total of 20,000 maps with the BDEMP funding, rather than the 15,000 copies estimated in the original BDEMP application. This is expected to be sufficient stock to last until Spring 2024.

### **SW Angels Youth Entrepreneur Scholarship**

Approved funding - \$15,000

Purpose - program to work with up to 10 youth entrepreneurs to mentor and guide through a series of workshops and targeted learning.

Update - SW Angels are pleased to have received 15 applications for the Future Founders program and have selected 10 to participate. The program kicked off mid Feb 2024 and will have regular sessions between then and April 2024. SW Angels will also schedule a program celebration event in April (date TBC) where City of Busselton will be invited to present.

### **Quick Response Grants (ongoing):**

#### **BCCI Verified Local - Online Business Directory – promotion**

Approved funding - \$ 1,000

Purpose – Promotion of a member based online local business directory.

Update – Directory is now live and continues to be marketed by BCCI with the objective to create and disseminate advertisement featuring local business and raise awareness of local businesses.

#### **Vasse Lions Twilight Markets**

Approved funding - \$1,000

Purpose – Contribution towards costs of traffic management to facilitate a new initiative to run four (4) twilight market events in the Vasse township over the summer period, held monthly from December 2023 – March 2024.

Update - To date markets have been well attended and have contributed to activation and vibrancy of the Vasse business precinct.

### **Applications for Economic Development and Marketing Grants Funding Round 2 (December 2023):**

Round 2 of BDEMP Economic Development and Marketing Grants closed on 21 December 2023, with four (4) qualified applications being received for projects that demonstrate alignment to the City's Economic Development Strategy 2022-27 and support City of Busselton business sector.

As per Council Resolution 26 July 2023 (C2307/67) that the Council:

*“Delegates authority to the Chief Executive Officer to approve applications for the Economic Development and Marketing Grants and the Quick Response Grants Funding Streams”*

these projects have been approved for funding.

## **Project One**

### **Margaret River Regional Producers Association (MRRPA) - Regional Produce Hub at Origins Market, Busselton.**

Approved Funding: \$10,000

Purpose: Regional produce showcase hub at Origins Market to increase market exposure and profile the number of local businesses of this type in the Busselton and Dunsborough area. This is anticipated to drive an increase in sales, leading to increased production. It will also further strengthen the reputation of the region as an excellent quality and sustainable food and beverage producing region.

## **Project Two**

### **VAULT HQ (on behalf of Prince St business cluster) - *#PrinceStreetBusselton***

Approved Funding: \$6,825.18

Purpose: A marketing campaign designed to highlight the attraction of the Prince Street boutique shopping precinct in Busselton. Using the power of social media to create awareness of *#PrinceStreetBusselton*, businesses on Prince St will be encouraged to decorate windows in colourful *#PrinceStreetBusselton* advertising and decals, supplied by local printer business, will include a radio campaign commencing from Monday 19 February 2024. Main activation was held on Friday 23 February 2024, further details on the success of the program will be communicated once grant is acquitted.

## **Project Three**

### **South West Brewers Alliance (SWBA) auspiced by MRBTA - *Regional Craft Beer Trail***

Approved Funding: \$ 9,900

Purpose: Trail will showcase the South West and encourage more visitors to enjoy new experiences focused on sustainability, world class beer and food. Trail videos will be created by a local videographer and launched in the lead up to the South West Craft Beer Festival which is being held in Signal Park, Busselton on 16 March 2024.

## **Project Four**

### **Margaret River Wine Association - *Sustainability Program 2024***

Approved Funding: \$ 10,000

Purpose: A program to support local growers within the City of Busselton to complete a Sustainability and Organic Certification Training Program as part of the national program, Sustainable Winegrowing Australia. This program aims to support the local wine industry to enhance economic benefits, while also actively reducing its environmental impact. Longer term, the program is geared towards ensuring the longevity of the industry by increasing the capacity of wine growers and wineries within the City of Busselton to continuously improve their sustainability credentials, both in their vineyards and in their wineries.

This is a continuation of the initial program that was launched in 2022/2023, which was funded \$10k in the 2022/2023 Economic Development Initiatives budget.

### **Statutory Environment**

Not Applicable.

### **Relevant Plans and Policies**

The officer recommendation aligns to the following adopted plan or policy:

Plan:

Not applicable.

Policy:

[Events](#)

The Officer Recommendation aligns with the City's Events Policy which provides event organisers with information on the event application and approval process and event sponsorship guidelines.

### **Financial Implications**

The adopted 2023/2024 budget for marketing and events totals \$1,256,582. With approved carry overs, the total budget is as follows:

- \$983,018 – 2023/2024 Events budget
- \$20,979 – Carry over from 2022/2023
- \$1,003,997 – 2023/2024 Events budget TOTAL
  
- \$273,564 – 2023/2024 Marketing and Economic Development initiatives budget
- \$97,229 – Carry over from 2022/2023
- \$370,793 – 2023/2024 Marketing and Economic Development initiatives budget TOTAL

The adopted budget allocated \$983,018 towards the 2023/2024 Events Budget. Additionally, an amount of \$20,979 was rolled over from unspent events funding from the previous financial year, resulting in a total of \$1,003,997 in the 2023/2024 Events Budget.

Funds currently committed from the 2023/2024 Events Budget through multi-year sponsorships and round 1 of the Events Sponsorship Program totals \$986,360, leaving a balance of \$17,637 for any further event sponsorships or other initiatives. If all recommendations within this report are supported, this will leave a balance of \$637. There are no further funding rounds for the 2023/24 financial year.

The adopted budget allocated \$273,564 towards the 2023/2024 Marketing and Economic Development Initiatives Budget. Additionally, an amount of \$97,229 was rolled over from the 2022/2023 financial year, bringing the total of the 2023/2024 Marketing and Economic Development Initiatives Budget to \$370,793.

Funds currently committed totals \$209,425, leaving a balance of \$161,368 for the further two funding rounds of the Economic Development and Marketing Grants Program, which open in March 2024 and June 2024.

### **External Stakeholder Consultation**

Consultation has been undertaken with BDEMP members with representatives comprising the Busselton and Dunsborough Yallingup Chambers of Commerce and Industry, Margaret River Busselton Tourism Association, and the City of Busselton.

### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place.

No risks of a medium or greater level have been identified.

### **Options**

As an alternative to the proposed recommendation the Council could choose not to support the recommendations made by BDEMP and resolve not to endorse part or all of the recommendations.

### **CONCLUSION**

The BDEMP has been established by Council to make recommendations on the way in which funds raised through the industrial and commercial differential rate for the purposes of events and marketing are allocated. This report contains the recommendations made at the 14 February 2024 BDEMP meeting, which if endorsed by Council, will result in the continuation of high-quality events being held within the region, supported by successful marketing promotions. All recommendations support Council's vision of being recognised as the 'Events Capital WA.'

### **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The officer recommendation will be implemented in full, or in stages as per the following table:

Milestone	Completion Date
All applicants advised of outcome of funding decision	21 March 2024
Fully executed grant funding agreements completed	6 April 2024

#### 13.4. Hireable e-Scooter Trial Results

<b>Strategic Theme:</b>	Key Theme 2: Lifestyle 2.11 Advocate for improved public transport services that allow for the convenient movement of people to and from local destinations. Key Theme 4: Leadership 4.1 Provide opportunities for the community to engage with Council and contribute to decision making.
<b>Directorate:</b>	Economic and Business Development
<b>Reporting Officer:</b>	Economic Development Coordinator – Tracey Whyte
<b>Authorised By:</b>	Director Economic and Business Development – Maxine Palmer
<b>Nature of Decision:</b>	Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee recommendations.
<b>Voting Requirements:</b>	Simple Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	1. E-scooter Hire Trial Total Survey Responses Report [13.4.1 - 233 pages]

Prior to the meeting, Cr Kennedy foreshadowed a recommendation that was different to the officer recommendation. In accordance with clause 10.18(6) of the City of Busselton *Standing Orders Local Law 2018*, it was taken to be an alternative and considered first.

The alternative recommendation was moved and carried.

#### COUNCIL DECISION

**C2403/65** Moved Cr Jarrod Kennedy, seconded Cr Mikayla Love

**That the Council:**

1. Extends the current trial agreement with Neuron Mobility (Australia) Pty Ltd to 30 November 2024 subject to:
  - a) the provision of optimal designated parking locations across the City that do not block thoroughfares and are not of a visual nuisance;
  - b) the identification of single use, narrow paths adjacent to the coast and the appropriate application of speed restrictions to these areas.
2. Notes the results of the community survey undertaken through Your Say, “Hireable e- scooters in the City of Busselton”, that 62.4% of local residents to the Your Say survey are opposed to continuing the trial of hireable e-scooters in the City of Busselton and that approximately 50% of those opposing would change their mind if improvements were made, potentially shifting the results to approximately 65% in favour.
3. Require the CEO to gauge the effectiveness of the improvement measures to address matters of concern raised by the community as a result of the survey, and provide a report to the Council reassessing the trial agreement prior to the peak summer season November 2024 to April 2025.

**CARRIED 6 / 3**

**FOR: Mayor Phill Cronin, Cr Jodie Richards, Cr Val Kaigg,  
Cr Mikayla Love, Cr Kate Cox and Cr Jarrod Kennedy**

**AGAINST: Cr Anne Ryan, Cr Andrew Macnish and Cr Richard Beecroft**

Reasons: Noting the Your Say survey results, the Council resolved to extend the current trial agreement with Neuron Mobility (Australia) Pty Ltd. Hireable decentralised e-scooters represent an alternative transport option for the community which may ease traffic congestion and parking issues and improve social connectivity. The extension is subject to improvements addressing issues raised through community consultation and reassessment of the arrangement prior to the next peak season.

### **OFFICER RECOMMENDATION**

That the Council:

1. Notes the results of the community survey undertaken through Your Say, "Hireable e-scooters in the City of Busselton", that 62.4% of local residents to the Your Say survey are opposed to continuing the trial of hireable e-scooters in the City of Busselton and;
2. Resolves to bring to an end the current agreement with Neuron Mobility (Australia) Pty Ltd to supply hireable e-scooters within the district.

### **EXECUTIVE SUMMARY**

This report provides Council with a summary of community consultation and feedback received during the trial period of hireable e-scooters within the Busselton and Dunsborough CBDs.

With the initial one-year trial period ending in December 2023, the City has exercised its option to extend the trial on a month by month basis so that this service is not interrupted while the future of e-scooter hire within the City is considered.

Without further approval to operate, Neuron Mobility (Neuron) will be required to remove their e-scooters and cease hireable e-scooter services within Busselton and Dunsborough.

As an operational matter, the decision not to renew a contract such as this would not normally require a decision of Council. The CEO has chosen to bring this report to Council due to the level of interest from the community.

### **STRATEGIC CONTEXT**

This report is consistent with the City's Economic Development Strategy 2022-2027 key objectives to advance transport connectivity and activate the town centres. It aligns to themes and priorities Leadership 4.1, Environment 1.6, Opportunity 3.1 and Lifestyle 2.11 as outlined in the Strategic Community Plan 2021-2031.

The decision to report on the outcomes of the recent community survey aligns with community sentiment as expressed in the Strategic Community Plan 2021-2031, to improve communication, listen to views and increase attention to resident and ratepayer needs across the whole District.

## BACKGROUND

In October 2021, the Road Safety Commission and Department of Transport delivered a presentation relating to planned regulatory changes, to make e-rideables legal on public roads in Western Australia, and on e-scooter share schemes.

WALGA worked with the Department of Transport and Local Governments to review all relevant legislative and regulatory requirements for these services to operate in Western Australia. From this consultation, a [discussion paper was released](#) which provided local government with a reference point for implementation of hireable e-ridables in their communities.

Changes to Legislation to allow the use of e-rideables in Western Australia were introduced by the State Government on 4 December 2021. Since that time, regional and metro local governments across the State have commenced trials with a variety of operators hiring e-scooters.

In January 2022, expressions of interest for a hireable e-scooter businesses to operate within the City of Busselton was advertised, consistent with the City's Economic Development Strategy and key objectives to advance transport connectivity and activate the town centres.

In March 2022, officers presented the outcomes of the expression of interest process to Elected Members in an information briefing. Elected Members expressed concerns around safety and management of littering/vandalism of e-scooters and requested further information and clarification on these matters. A follow up information briefing with Elected Members was conducted in June 2022 which focussed on the preferred proponent and the controls required to be in place to mitigate the risks and concerns identified.

In December 2022, the City of Busselton commenced a 12-month trial with Neuron for hireable e-scooters within agreed upon designated zones of the Busselton and Dunsborough CBDs. The initial one-year trial period ended December 2023, and in order to consult with the community on the matter, the City has exercised its option to extend the trial on a month-by-month basis to allow for the service to be continued while the future of e-scooter hire within the City is considered.

A community survey via the Your Say platform was conducted between 30 November 2023 until 31 January 2024 to gauge community feedback and sentiment on the provision of a hireable e-scooter service in the City of Busselton. Results of this survey were provided to Elected Members in an information briefing on 14 February 2024.

## OFFICER COMMENT

In December 2022, the City of Busselton commenced a 12-month trial with Neuron for hireable e-scooters within designated zones of the Busselton and Dunsborough CBDs, consistent with the City's Economic Development Strategy 2022-2027 and key objectives to advance transport connectivity and activate the town centres.

### Hireable e-scooter Trial – Community Survey

To provide the community with an opportunity to comment on the hireable e-scooter trial, a survey was conducted through Your Say which concluded 31 January 2024. The survey was advertised in the local paper from 8 December 2023 until 10 January 2024; City of Busselton Facebook, Instagram and website; Bay to Bay Newsletter December 2023; and flyers emailed directly to the Chambers of Commerce and the Margaret River Busselton Tourism Association (MRBTA) for distribution to their

members. Flyers were also supplied to the Youth Development Team for distribution out of the Busselton Youth Centre. Neuron also provided a link to the survey through their app.

There were a total of 1,226 responses to the survey. The Your Say platform provides the ability to filter responses, for example, to local residents, visitors, those that own businesses in the City, specific respondent demographics, and to filter text in open ended questions.

The results of the survey are attached and an overview of data collected is provided below. Where respondents have opted to skip a question, responses do not always add up to the total.

Of the 1,226 responses:

- 1,118 (91.3%) were from local residents and 106 (8.7%) from visitors (2 skipped the question).
- 172 were from business owners; of those business owners, 4 identified as visitors to the City.
- The most engaged group were aged 65-74, with a total of 273 (23%) responses. Of those responses all but one were local.
- The next most engaged group was aged 55-64 with a total of 244 (20.6%). Of those responses, all but 12 were local.
- A total of 106 visitors responded, with the most responses coming from the 25-55 age group. (72 responses)
- 393 of total respondents (32.4%) had hired a Neuron e-scooter, and 821 (67.6%) had not.
- 310 of those users who had hired e-scooters were locals and 83 were visitors.
- The age bracket of the most users was 45-54 year olds (96 users), closely followed by 35-44 year olds (88 users).
- Those users most commonly lived in West Busselton (262), Broadwater (156), Dunsborough (149), and Geographe (120).

The suburbs most represented in the responses are from the outer lying areas to the CBD. The purpose of the trip for most of the users (314) was for recreation; 168 for a trip to specific destination and 58 people were hiring them to get to work.

When asked to select from options to the question *“What is the main benefit of hireable e-scooters”*, the majority of responses chose the option to *“Get around more easily for local trips”* (518). When asked to select from options to the question *“What is the main drawback of hireable e-scooters”* the largest number of responses chose *“Scooters are inappropriately parked”* (876).

**Survey participants were asked to answer “Yes” or “No” to the question: “Do you support e-scooter hire within the City?”**

Results are categorised as per Table 1 below:

Table 1

Category of Respondent	Number of responses	No	Yes
<b>Total</b>	1226	719 (58.6%)	507 (41.4%)
<b>Local Resident</b>	1118	698 (62.4%)	420 (37.6%)
<b>Visitor</b>	106	19 (17.9%)	87 (82.1%)
<b>Business Owner</b>	172	88 (51.2%)	84 (48.8%)



The percentage of local residents who are not in favour of hireable e-scooters is greater than those who are. Business owners are slightly less in favour, and visitors more in favour of hireable e-scooters.

Respondents were then asked an open ended follow up question: ***“Are there any improvements that could be made to e-scooter hire that would change your mind?”*** There were 631 responses, a large portion (filtered to be over 300) stating there is no mitigation measure that would change their minds to support hireable e-scooters in Busselton and Dunsborough.

Comments from the community that did identify improvement measures were predominantly categorised with themes of tidying up parking stations, improvements to rider behaviour including restricting speed on e-scooters, rider education, installing warning devices, making riders wear helmets and restricting drink riding.

### **Community Feedback**

Since commencement of hireable e-scooter trial, City officers have recorded 49 comments received regarding the trial. Parking, helmet litter, abandoned e-scooters and rider behaviour being the concerns raised most followed by speed on dual use paths. Comments from community members to improve the offering included alternative parking locations and restricting the hire service over Leavers Week.

Other concerns raised were around fire hazards of lithium batteries, used by e-scooters. A spokesperson from Neuron has confirmed that their e-scooters do use lithium batteries and that Neuron has strict procedures and training when it comes to battery safety. Neuron also commented that nearly all reported e-bike and e-scooter fires across the country are a result of privately owned devices using a faulty or incompatible charger bought online and/or not having appropriate procedures or methods, and an unsafe environment to deal with this sort of thermal event. Neuron e-scooter battery charging is conducted in an industrial location, with staff fully trained in safety and hazard management onsite.

### **Neuron Mobility and Stats**

Neuron operates under terms and conditions set out in a service agreement with the City of Busselton and as per the terms of that agreement, provides the City with data they collect on an as requested basis.

Data provided by Neuron in February 2024 shows that from commencement of the trial in December 2022 until February 2024:

- 133,004 trips were taken
- 430,010km travelled
- 35,269 unique hirers
- 57% were local to Busselton and Dunsborough, 30% were visitors from Perth, 13% from other locations.

The most trips taken was 26,792 in the month of January 2023 immediately after commencement of the trial. Usage decreased across winter months, peaking again during Spring / Summer. Given the variable usage, Neuron has indicated a willingness to explore a seasonal operation from November to April each year to capture the peak six months and pause or reduce operations during the quieter months.

The agreement between Neuron and the City details level of service expected from Neuron as the operator, with response and resolution timeframes ranging from one hour for dangerously located e-scooters, to within twelve hours for toppled e-scooters. As has been experienced by other local governments, it has taken time over the course of the trial for Neuron to establish a local workforce. Neuron now employs a dedicated team of six FTE local employees trained in responding to and maintaining the e-scooters. Over the course of the trial, Neuron and their local team have built an awareness of peaks and troughs of e-scooter hire, enabling them to plan for periods of peak use if necessary.

### **Economic Impact**

Neuron conducted a rider survey in mid 2023. Based on economic research from their rider survey, it found that 66% of e-scooter riders in Busselton made a purchase at a local business either immediately before or after their e-scooter journey, with an average spend of \$52. This equates to an estimated \$4.6 million in local economic impact.

### **Environmental Benefits**

Neuron is a certified carbon neutral service, and environmental benefits of Neuron e-scooters are outlined in Neuron's impact Report: [2022-NM-Impact-Report-Sept7.pdf \(rideneuron.com\)](https://rideneuron.com/2022-NM-Impact-Report-Sept7.pdf). At a City of Busselton level, the local user survey conducted by Neuron of its Busselton riders found that if e-scooters were not available, 36% of users would have used a personal car for the journey and 24% of users would have used a Taxi or Uber/Rideshare vehicle. This equates to an estimated 50% of e-scooter journeys in Busselton replacing what would have otherwise been a car trip if e-scooters were not available. With 430,010km of distance travelled on Neuron e-scooters in Busselton, this equates to 215,005km of car replaced by e-scooter travel, and over 42 tonnes of CO2 emissions have been avoided through mode shift from car journeys to e-scooter journeys in Busselton since December 2022.

### **Designated Parking Stations**

Parking areas for e-scooters would be a major improvement. This concurs with 876 of respondents identifying inappropriate parking as the number one drawback of hireable e-scooters in the community. Throughout the course of the trial, Neuron received 371 reports of e-scooters parked outside of a designated parking zone, which they responded to, on average, within 2.09 hours; 12,706 reports of toppled e-scooters, responded to within 6.15 hours; and 125 reports of a damaged / faulty e-scooter, responded to within 7.61 hours.

Neuron now have the benefit of understanding community concerns, rider behaviour and peak periods of use after operating in Busselton over the course of the trial period. An example of further parking improvements which could be implemented is shown in Figure 1 below. This designated parking network means that users must end their e-scooter journey at a parking station. If the user leaves the e-scooter outside of a parking station, they will receive a financial penalty and corrective education and if the action is repeated their account will be suspended or banned. Most of these parking stations are situated within proximity to local businesses, particularly accommodation venues, retail stores and hospitality venues.

Figure 1



### **Incidents and Safety**

Respondents to the survey were asked if any improvements could be made to the e-scooter hire that would change their minds. Over half the respondents commented on a number of improvement measures that Neuron have either implemented, are capable of enhancing or are already in place. These includes safety workshops, geo fencing to restrict speed that could apply to wider areas, cognitive tests to eliminate riding under the influence and helmet use.

These restrictions are unfortunately not able to be readily applied to private e-scooters.

### **Statutory Environment**

To keep eRiders and other Western Australian road users safe, the WA Road Safety Commission introduced a new eRideables legislation 4 December 2021. The Road Safety Commission publish guidelines on the use of e-scooters which are regularly updated.

<https://www.wa.gov.au/organisation/road-safety-commission/erideables>

### **Relevant Plans and Policies**

Not Applicable.

### **Financial Implications**

All costs associated with the e-scooter program are borne by the operator and no fee was levied for the City of Busselton trial.

Other local governments consulted throughout the trial that have commercial agreements with e-scooter hire companies generating income between \$1,000 to \$3,000 per annum.

## **External Stakeholder Consultation**

Both Busselton and Dunsborough Police Stations were contacted throughout the consultation process. Neither had reported accidents or incidents involving hireable e-scooters but are aware of non-reported incidents whereby riders have fallen from e-scooters and sometimes sustained fairly serious injuries. Police are also anecdotally aware of non-compliance including wearing of helmets, more than one rider on a device, underage usage and use on roads, but noted policing and enforcement of e-scooters is very difficult and they only tend to be involved in the more serious incidents. They commented on the positive impact of the community having access to another means of transport, reduction in reliance on taxis and other ridesharing services.

The Busselton Health Campus was unable to supply feedback or information, as they enter people into their system based on injury rather than cause, so do not have any statistics that point specifically to e-scooters.

The MRBTA provided feedback on behalf of some of their member accommodation operators, which produced inconclusive evidence regarding the volume of tourists using the service. In general, operators felt that it was positive that the hireable e-scooters were available for both locals and guests to venture into the CBD. The operators appreciated the potential of the scooters to help alleviate congestion at Busselton foreshore, especially given the lack of other transport options available.

The MRBTA also noted that there had previously been a bike hire company operating outside of the Busselton Visitor Centre, but the bikes were not regularly serviced, and it was a challenge to engage with the operator, resulting in the service being discontinued. Comparatively, the MRBTA noted complimentary feedback of the high level of service, engagement and responsiveness of Neuron as operators of the hireable e-scooters.

## **Peer Local Governments**

Several Local Governments who have or are currently undertaking a hireable e-scooter trial have been contacted about their experience and resultant decision around the provision of hireable e-scooters in their communities.

Local Govt	Trial period	Trial Conclude/s	Community Consultation	Outcome Post-Trial
Albany	12 month trial	Feb-24	Survey until 1 Feb 2024.	TBA - Council Report March 2024
Broome	12 month trial	May-24	Not out for consultation as yet	TBA - Council in April 2024
Bunbury	Mar-20 - Dec 21	Sep-22	No. Just ad hoc feedback responded to by staff and with operator to resolve.	Trading permit issued under delegated authority, on an annual basis, \$1122. Did not go to Council
City of Perth	March 2023- 2025 2 years	Mar-25	24 Jan 2024 - 14 Feb 2024	TBA
Denmark	12 month trial	Dec-23	No community consultation.	Two year extension of operating Permit

Local Govt	Trial period	Trial Conclude/s	Community Consultation	Outcome Post-Trial
Esperance	12 month trial	Dec-23	Informal feedback from community throughout course of trial. Feedback requested through social media etc.	Five year permit as of 28.11.22 Traders Permit of \$816 p/a (to be reviewed)
Geraldton	15 month trial	Dec-23	Survey consisted of one question: if respondents agreed with Council allowing Hire eRideables or not. 1,976 responses. 67 percent agreed to keep e-scooters	Two year permit issued to Beam to continue operations.
Kalgoorlie Boulder	12 Month trial	Mar-24	Report to Council in March 2024	Permit to Operate \$3000 application fee trading local law.
Margaret River				Trial cancelled after 3 months - operator failed to meet standards
Rockingham	12 month trial	Jun-23	No community consultation. <i>"The trial has clearly established the nature and implications of commercial operation and there is sufficient basis upon which Council can proceed to reaching a decision"</i>	Traders Permit issued - continue operations for twelve months at a time
Stirling	12 month trial	Feb-23	Via Survey- 1201 responses. 949 supported e-scooters to continue, 230 no.	Agreement with Neuron extended for another year

Some of the local governments contacted discussed experiencing issues at the commencement of their trials of untidy parking, abandoned e-scooters and community concerns about safety. It was not always clear if the community was differentiating between private e-scooters that have no inbuilt restrictions, or hireable e-scooters that can operate within regulations as they are restricted by technology.

Among the benefits cited by the consulted local governments was hireable e-scooters are a way for people to learn safer, more considerate rider behaviour, with inbuilt speed limit control, drink riding tests and geofencing technology limiting where the e-scooters can be ridden and at what speed, as opposed to privately owned e-scooters which do not have any of these inbuilt safety mechanisms.

### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place.

No risks of a medium or greater level have been identified.

### **Options**

As an alternative the Council could decide to extend the trial with Neuron for a further 12 month period.

Since closure of the Your Say survey, some members of the business community have expressed concern at the prospect of hireable e-scooters not being available. They consider the positive impact

on parking in peak season, reduction in congestion and the environmentally sustainable mode of public transport important to the economic development and commerciality of the district.

The MRBTA reported on positive feedback from operators, and a local holiday resort submitted a testimonial pointing out the ease and affordability of transport for their guests. It is also noted that consultation can elicit a tendency for contributors to lean towards expressing negative sentiments. This inclination can stem from a number of factors, including a desire to voice dissatisfaction or frustration, a perception that negative feedback may spur more significant changes or improvements, or simply the ease with which negative experiences can be recalled and articulated compared to positive ones.

The community consultation undertaken on the Neuron trial demonstrates that whilst e-scooters face opposition from some members of the community, they also bring benefits. These include an environmentally friendly mode of transportation; economic impacts in the creation of jobs and stimulating local economies by increasing foot traffic to businesses; health benefits in the promotion of physical activity and accessibility, being easy to use and accessible to a wide range of people including those who may not have access to personal vehicles or public transport.

Should the Council opt to extend the trial, it should be on condition that Neuron continue to implement, monitor and report on improvements to their service to address community concerns. This in turn would allow the Council to establish whether those concerns can be appropriately and satisfactorily addressed.

## CONCLUSION

A decision is required by the Council to continue or discontinue the current arrangement with Neuron, following consideration of the results of community consultation outcomes which indicated that 62.4% of local residents to the Your Say survey are opposed to continuing the trial of hireable e-scooters in the City of Busselton.

## TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The officer recommendation will be implemented in full, or in stages as per the following table:

Milestone	Completion Date
The current Agreement with Neuron requires the provision of no less than one month's notice period for removal of hireable e-scooters in the City of Busselton.	20 April 2024

## 14. CORPORATE STRATEGY AND PERFORMANCE REPORTS

### 14.1. Asset Management Funding and Depreciation - Response to Council Decision

<b>Strategic Theme:</b>	Key Theme 2: Lifestyle 2.12 Provide well maintained community assets through robust asset management practices. Key Theme 4: Leadership 4.5 Responsibly manage ratepayer funds to provide for community needs now and in the future.
<b>Directorate:</b>	Corporate Strategy and Performance
<b>Reporting Officer:</b>	Director Corporate Strategy and Performance - Sarah Pierson
<b>Authorised By:</b>	Director Corporate Strategy and Performance - Sarah Pierson
<b>Nature of Decision:</b>	Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee recommendations.
<b>Voting Requirements:</b>	Simple Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	Nil

Prior to the meeting, Cr Andrew Macnish foreshadowed a motion that was different to the officer recommendation. In accordance with clause 10.18(6) of the City of Busselton *Standing Orders Local Law 2018*, it was taken to be an alternative and considered first.

The alternative recommendation was moved and carried.

#### COUNCIL DECISION

**C2403/66** Moved Cr Andrew Macnish, seconded Cr Anne Ryan

That given the OAG is not prepared to prepare a report as outlined, the CEO to distil the following figures from the 2022/3 Annual Financial Audit and report these to the first workshop of the review of the LTFP:

- The total value of the City's assets;
- The total accumulated depreciation booked for all assets;
- The total funds held in Reserve for the capital improvement of all assets;
- The total funds held in Reserve for the maintenance of all assets (if different from the above);
- The total contribution of funds to such Reserves in 2022/3;
- The total expenditure of funds from such Reserves in 2022/3;
- The total depreciation cost for 2022/3; and
- The total asset management upgrade/maintenance expenditure for 2022/3.

**CARRIED 7 / 2**



**FOR: Mayor Phill Cronin, Cr Andrew Macnish, Cr Anne Ryan, Cr Jodie Richards,  
Cr Val Kaigg, Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Cr Mikayla Love and Cr Kate Cox**

Reasons: The Council determined that the information is required to ensure the Elected Members are clear (as the Council approaches a review of the City's LTFP) on how to gauge/approach the consideration of strategic future asset management plan expenditure as it applies to the entire breadth of assets owned/controlled by the City.

### **OFFICER RECOMMENDATION**

That the Council acknowledge the implementation of recommendation 1 of C2312/202 (resolved on 23 December 2023) as complete, as officers have sought advice of a special report from the Auditor and have explained why that is not appropriate.

### **EXECUTIVE SUMMARY**

This report responds to a Council decision seeking a special audit report in relation to the City's total assets, their written down value, the City's reserves to replace assets, and the ability of the City to annually cashback its depreciation.

### **STRATEGIC CONTEXT**

Ensuring the provision of sufficient asset renewal funding to maintain and renew the City's assets supports achievement of Key Theme 2 - Lifestyle and Key Theme 4 - Leadership of the Strategic Community Plan.

### **BACKGROUND**

At Council's ordinary meeting on 21 December 2023 Council considered its Annual Financial Report and resolved (C2312/202)

- 1. That the Council highlights the difficulty in discerning the actual real, up to date measure of the gap between the current replacement value of the City's total assets and their written down value and the City's reserves to replace them and the ability of the City to annually cashback its depreciation. Accordingly, the ARC requests the Auditor to make a special report of this as soon as possible.*
- 2. That the Council acknowledges receipt of the 2022/23 Annual Financial Statements including Auditors Opinion and Audit Management Letter as per the attached documentation, per section 7.12A(3)(aa) of the Local Government Act 1995.*
- 3. That the Council notes that it has met with the requirements of section 7.12A(2) of the Local Government Act 1995 with the Audit and Risk Committee, on behalf of the Council, having met with a representative of the Office of the Auditor General on 29 November 2023.*

This report responds to part 1 of that decision.



**OFFICER COMMENT**

Officers have contacted the City's Auditor, the Office of the Auditor General (OAG), to ask if they would undertake a special report as requested by Council. Their response is below:

*The OAG is not in a position to provide a special report. Under the legislation, we are required to perform the financial audit to audit your financial statements to ensure that they are presented fairly. We do not perform special reports for specific Councils. The Auditor General may decide to perform a performance or compliance audit in a certain area, but this is at her discretion and will usually involve a range of agencies rather than just 1 specific issue at 1 local government.*

*Also, please note that depreciation is not in any way linked to the asset management planning and asset replacement. Depreciation is a book entry whereby you are reducing the value of the asset over its useful life. It is not in any way linked to the replacement cost of the asset if you were required to replace that asset at any point.*

*Asset management planning is a separate process that is linked to your Asset Management Plan signed off by Council*

To further expand on the Auditor's comments, the [Guide to Valuation and Depreciation for Public and Not-for-profit sectors under AASB Accounting Standards](#) (the Guide) also supports the view that there is no link between depreciation and future funding requirements. Below is the excerpt from the relevant heading of the Guide:

***No link between depreciation and future funding requirements***

*The introductory paragraph of this section of the guide notes that there are three different financial aspects of public sector assets. These are:*

- *the cost to provide the service;*
- *sources of funding; and*
- *accountability and performance measurement.*

*It should be noted that there is no direct relationship between the depreciation expense and either the costs of providing the service or the source of funding to cover those costs.*

*To provide good governance an asset intensive organisation should develop an asset management plan that addresses a number of key aspects such as Level of Service, Risk and Performance. This includes determining the most cost-effective way of delivering the service at an acceptable level and determining how best to fund those costs.*

*It is important to note that "depreciation" is a non-cash accounting estimate of the amount of future economic benefit estimated to be consumed over a 12-month period. It is not an actual cost of delivering a service, neither is it a source of revenue. Accordingly, the use of depreciation as a proxy estimate of future funding needs should be discouraged in favour of the development of robust asset management plans and their associated budget.*

*Intergenerational equity (each generation paying its fair share of the cost to deliver a service) should be based on calculating the long-term lifecycle costs (such as 20 years) to deliver the service and then converting that cost to an Average Annualised Cost. The actual short-term*

*projections as well as the long-term average cost are then used to feed directly into budgets and cash flow projections to ensure rates or fees and charges are set appropriately and intergenerational equity is preserved. In some circumstances the depreciation expense calculation may be similar to the average annualised cost. However, in other circumstances there may be large differences in the amounts. Accordingly, given the significant costs involved, care needs to be taken to ensure budgets and cash flow projections are based on and support the asset management framework.*

As noted by both the Auditor and the Guide depreciation is a non-cash accounting estimate reducing the value of an asset over its useful life. Asset management planning should be guided by asset management processes and plans.

The City has asset management processes to guide the management of its asset base, which it seeks to continuously improve. A separate item on this agenda details the outcomes of a recent review of infrastructure asset planning and the estimated funding required to renew current assets to meet desired service levels. This information, along with broader financial planning considerations, is what guides the City's long term and integrated planning, and how much funding should be put to reserves for the purposes of asset management.

Noting this, officers recommend that Councillors acknowledge recommendation 1 resolved on 23 December 2023 as complete, in that officers have sought advice of a special report from the Auditor and have explained why that is not appropriate.

#### **Statutory Environment**

Not Applicable

#### **Relevant Plans and Policies**

The officer recommendation aligns to the following adopted plan or policy:

Plan:

Not applicable.

Policy:

[Asset Management](#)

#### **Financial Implications**

Not Applicable

#### **External Stakeholder Consultation**

Not Applicable

#### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

## Options

As an alternative to the proposed recommendation the Council could request the CEO to seek further advice in relation to the implementation of the resolution from a relevant specialist consultancy. However Councillors should refer to the response from the Auditor and the Guide, which explains there is no link between depreciation and funding requirements for asset management.

## CONCLUSION

Officers have sought advice from the City's Auditor as to whether they would make a special report of the matters raised in Council's resolution (C2312/202). The OAG, as the City's Auditor, have indicated they will not provide a special report, and that depreciation is not linked to asset management planning and asset replacement. On that basis officers seek Council's support to close off the resolution.

## TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The officer recommendation will be implemented in full, or in stages as per the following table:

Milestone	Completion Date
Council Decision	20 March 2024

## 15. CHIEF EXECUTIVE OFFICER REPORTS

### 15.1. Elected Member Information Bulletin

<b>Strategic Theme:</b>	Key Theme 4: Leadership 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making.
<b>Directorate:</b>	Corporate Strategy and Performance
<b>Reporting Officer:</b>	Executive Assistant to Council - Katie Banks
<b>Authorised By:</b>	Director of Corporate Strategy and Performance - Sarah Pierson
<b>Nature of Decision:</b>	Noting: The item is simply for information purposes and noting.
<b>Voting Requirements:</b>	Simple Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	<ol style="list-style-type: none"> <li>1. Current Active Tender Report: February 2024 [<b>15.1.1</b> - 1 page]</li> <li>2. Current Running SAT Reviews: February 2024 [<b>15.1.2</b> - 2 pages]</li> <li>3. Resolution Status Update as at 7 March 2024 [<b>15.1.3</b> - 43 pages]</li> <li>4. Planning Reform Update - City of Busselton [<b>15.1.4</b> - 2 pages]</li> <li>5. DPLH Planning Reform - Stakeholder Kit [<b>15.1.5</b> - 5 pages]</li> <li>6. BJRG Minutes 16 Feb 24 [<b>15.1.6</b> - 4 pages]</li> <li>7. Attachment B Co B Jetty YTD Maintenance report 23 24 [<b>15.1.7</b> - 2 pages]</li> <li>8. Attachment C Jetty Maintenance Reserve Movements [<b>15.1.8</b> - 7 pages]</li> <li>9. BJI Operational Report - Lisa Shreeve updated fields 13-2-2024 [<b>15.1.9</b> - 4 pages]</li> </ol>

The officer recommendation was moved and carried.

### COUNCIL DECISION

**C2403/67** Moved Cr Jarrod Kennedy, seconded Cr Val Kaigg

That the items from the Elected Member Information Bulletin be noted:

- Minutes of Committee Meetings
- Minor Donations Program
- Current Active Tenders
- State Administrative Tribunal Reviews Update
- Council Resolution Status Update
- Busselton Jetty Reference Group Update

**CARRIED 9 / 0**

**FOR:** Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish,  
Cr Mikayla Love, Cr Kate Cox, Cr Jarrod Kennedy and Cr Richard Beecroft

**EN BLOC**

**AGAINST: Nil**

**OFFICER RECOMMENDATION**

That the items from the Elected Member Information Bulletin be noted:

- Minutes of Committee Meetings
- Minor Donations Program
- Current Active Tenders
- State Administrative Tribunal Reviews Update
- Council Resolution Status Update
- Busselton Jetty Reference Group Update

**EXECUTIVE SUMMARY**

This report provides an overview of a range of information that is considered appropriate to be formally presented to the Council for its receipt and noting. The information is provided in order to ensure that each Councillor, and the Council, is being kept fully informed, while also acknowledging that these are matters that will also be of interest to the community.

Any matter that is raised in this report as a result of incoming correspondence is to be dealt with as normal business correspondence, but is presented in this bulletin for the information of the Council and the community.

**INFORMATION BULLETIN****Minutes of Committee Meetings**

Minutes of the following Committee Meetings listed in the table below are to be noted as received:

Committee	Meeting Date
Finance Committee	6 March 2024

**Minor Donations Program – February 2024**

The Minor Donations Program is currently on hold and scheduled for review. Therefore, no applications were approved in February.

**Current Active Tenders**

The Tender update for February 2024 is provided at Attachment 1

**State Administrative Tribunal Reviews Update**

The Current State Administrative Tribunal Reviews is at Attachment 2

**Council Resolution Status Update**

The Council Resolution Status update is at Attachment 3.

**Correspondence: Office of the Director General**

A Planning Reform update from the Office of the Director General is at Attachments 4 and 5.

**Busselton Jetty Reference Group Update**

Minutes and related documents from the Busselton Jetty Reference Group meeting held 16 February 2024 are at Attachments 6 through 9.

## 15.2. You Choose

<b>Strategic Theme:</b>	Key Theme 4: Leadership 4.1 Provide opportunities for the community to engage with Council and contribute to decision making.
<b>Directorate:</b>	Office of the CEO
<b>Reporting Officer:</b>	Manager PR and Stakeholder Relations - Stephanie Addison-Brown
<b>Authorised By:</b>	Chief Executive Officer - Tony Nottle
<b>Nature of Decision:</b>	Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee recommendations.
<b>Voting Requirements:</b>	Simple Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	Nil

The officer recommendation was moved and carried.

### COUNCIL DECISION

**C2403/68** Moved Cr Jarrod Kennedy, seconded Cr Val Kaigg

That the Council:

1. Endorses the funding distribution of \$96,272 to the following preferred projects as chosen by the community through the You Choose community funding program:

1	Please Help Pets of Older Persons (POOPS) Support Vet Care for Beloved Pets	\$8,500
2	Save our Snake-Neck Turtles! Citizen Science Busselton Turtle Tracker Team	\$11,000
3	Radiance Network's Outreach 1:1 In-Home Support (Pilot Project)	\$13,800
4	Dunsborough Community Repair CoOp	\$2,660
5	Underwater Observatory Evacuation Wheelchair	\$8,802
6	St Mary's Anglican Church Footpath Gardens - A beautiful introduction to the City of Busselton	\$12,410
7	Vasse Community Garden	\$20,000
8	FireWise Garden Demonstration – Are you bushfire ready?	\$19,100

2. Endorses the return of the remaining unallocated funds of \$3,728 to the Community Assistance Program budget;
3. Confirms its commitment to delivery of a third You Choose community funding program in 2025/26.

**CARRIED 9 / 0**

**FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish, Cr Mikayla Love, Cr Kate Cox, Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Nil**

**EN BLOC**

### **OFFICER RECOMMENDATION**

That the Council:

1. Endorses the funding distribution of \$96,272 to the following preferred projects as chosen by the community through the You Choose community funding program:

1	Please Help Pets of Older Persons (POOPS) Support Vet Care for Beloved Pets	\$8,500
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6	St Mary's Anglican Church Footpath Gardens - A beautiful introduction to the City of Busselton	\$12,410
7	Vasse Community Garden	\$20,000
8	FireWise Garden Demonstration – Are you bushfire ready?	\$19,100

2. Endorses the return of the remaining unallocated funds of \$3,728 to the Community Assistance Program budget;
3. Confirms its commitment to delivery of a third You Choose community funding program in 2025/26.

### **EXECUTIVE SUMMARY**

In 2021/2022, a pilot participatory budgeting style program titled “You Choose” was delivered to provide opportunity for the community to have more involvement and input into the way in which a portion of Council funds is allocated. The first program was successfully delivered in early 2022, with a second program scheduled two years later in the 2023/24 financial year. This report details the outcomes of the second program and seeks Council’s endorsement of the 2023/24 You Choose program funding allocations, as voted by the community.

### **STRATEGIC CONTEXT**

Participatory budgeting is a process of democratic deliberation and decision-making. It can take many forms but is based around the principles of local ownership and involvement in setting budget priorities and identifying projects for public spend.



Although Council cannot devolve its decision-making responsibilities under the *Local Government Act 1995*, it can create opportunities for greater community ownership over portions of its budget. The decision to explore how, and to what extent, a participatory budgeting approach could be implemented at the City of Busselton was largely focused around this objective, as well as improving community engagement, increasing transparency and accountability, and providing an opportunity for community capacity building.

In addition to being centred around participatory budgeting, the intent of the You Choose program is about the community developing their capacity to deliver projects and initiatives, with support from the City, as opposed to the City driving delivery. This increases community ownership, which in turn contributes to the building of community resilience, capacity and cooperation.

## BACKGROUND

In 2020/21, the CEO was given a KPI relating to participatory budgeting:

*Develop and provide to Council a participatory budget methodology report in readiness for implementation of a pilot program in 2021/2022 for the 2022/2023 budget.*

Officers subsequently researched participatory budgeting approaches implemented at a number of other local governments across Australia and it was agreed with Councillors that a pilot program should focus on a clearly defined portion of the City's budget. The You Choose program was developed and endorsed by Council on 28 April 2021. The program was then launched in September 2021. At its meeting on 9 March 2022 Council resolved (C2203/0047) to endorse a funding distribution of \$96,304 to six projects as chosen by the community.

Following a review of the pilot program in early 2023, a second You Choose program was planned for 2023/24. Applications were invited in late 2023, and 10 projects were made available for the community to vote on from 15 January 2024 until 12 February 2024.

## OFFICER COMMENT

The 2023/24 You Choose program was well supported with 1044 residents and ratepayers embracing the opportunity to have more involvement in allocating a portion of Council funds. Multiple promotional activities were carried out to support the success of the program, as detailed in the External Stakeholder Consultation section below.

All applications received were reviewed by a panel of City staff against a set of criteria. These criteria were designed to ensure that the proposals were in keeping with the program's ethos, safe, legal, and broadly achievable. The panel's role was not to determine if something was a good idea, but to ensure that the core criteria were met and/or to offer suggestions about how the proposal could be adjusted to suit. Following the review, ten submissions were deemed suitable to be put to the community to deliberate on, with three proposals determined not to meet the criteria.

From 15 January 2024 until 12 February 2024, the community were invited to take part in allocating the \$100,000 budget using a Prioritise Budget tool available through the City's Your Say site. This tool allowed people to choose how they would like to spend the budget by selecting which of the 10 eligible projects they would like to see funded. They could then prioritise the projects they had selected in order of preference. Participants could allocate up to a total of \$100,000 towards their preferred projects but could not allocate more than \$100,000. At the close of voting, 1044 eligible

votes had been received. The top eight projects voted on by the community are all able to be funded within the \$100,000 You Choose program budget allocation.

The ten eligible projects are summarised in order of preference in the table below, with the top eight budget requests totalling \$96,272.

Rank	Project Name	Project Summary	You Choose Budget Request
1	Please Help Pets of Older Persons (POOPS) Support Vet Care for Beloved Pets	A program to help older people access subsidised vet services with Heritage Vets to ensure no pet suffers unnecessarily. Heritage Vets will provide their services discounted at 20%.	\$8,500
2	Save our Snake-Neck Turtles! Citizen Science Busselton Turtle Tracker Team	Geocatch are seeking funds to offer educational programs and citizen science opportunities to safeguard the Snake-Neck Turtle and their habitats. The project will include educational workshops, interactive field trips, and training in the use of the SOSNT Application that allows community members to participate in citizen science initiatives. These efforts will enable Geocatch to monitor turtle populations and the condition of their nesting areas. This project aims to educate community, promote conservation of the Snake-Neck Turtle and their ecosystems.	\$11,000
3	Radiance Network's Outreach 1:1 In-Home Support (Pilot Project)	The Radiance Network is seeking funding to establish and provide an in-home support service to women experiencing or at risk of perinatal depression and anxiety, which effects up to 1 in 5 women during pregnancy and/or following birth. The project aims to strengthen clients' resilience and self-esteem, increase self-motivation and joy in life, boost confidence and loving bonds between mum and baby, strengthen family and other important relationships, improve engagement in social activities, employment, and education, connect mothers with community services, helpful lifestyle choices and self-care.	\$13,800
4	Dunsborough Community Repair CoOp	A community repair co-op, staffer with volunteer carpenters, seamstresses and handy people who can show community how to repair their belongings instead of replacing them. This project aims to reduce landfill waste, promote sustainable living and build social ties.	\$2,660

Rank	Project Name	Project Summary	You Choose Budget Request
5	Underwater Observatory Evacuation Wheelchair	Busselton Jetty has investigated how to evacuate people with a disability or restricted mobility from the Under Water Observatory in the event of an emergency or power outage and are requesting funds for a Power Motorised Stairclimber & Evacuation Chair that can carry up to 250kg load & uses a sophisticated electronic motor control device & a direct drive transmission, powered by a rechargeable lithium battery. This project aims to ensure that Jetty volunteers have a safe means to evacuate people with a disability or restricted mobility, which has been identified as an issue in the case of emergency or power outage.	\$8,802
6	St Mary's Anglican Church Footpath Gardens - A beautiful introduction to the City of Busselton	St Mary's Anglican Church are seeking funds to complete attractive native garden landscaping on the grounds of the historic church. The landscaping will be water-wise and fertiliser-wise and include interpretive signage. This project aims to involve community in installation, beautify the site which sits at the entrance to town.	\$12,410
7	Vasse Community Garden	Vasse Community Garden Inc. are seeking funding to establish a community garden along the Wadandi Track in Vasse. Applicant is seeking funding to fit out a shed for a community space, fencing, irrigation and building garden beds. This project aims to encourage community and neighbourhood connection, provide an accessible space for food and seed sharing and run educational workshops.	\$20,000
8	FireWise Garden Demonstration – Are you bushfire ready?	Establish a FireWise demonstration garden at the Dunsborough Volunteer Fire and Rescue Service. FireWise gardens can resist ember attack and are waterwise. Community will be invited to help establish the garden through a workshop. This project aims to help community to fireproof their gardens and will promote fire safety in general.	\$19,100

Rank	Project Name	Project Summary	You Choose Budget Request
9	Local Eats	Local Eats is a collaboration with ECU, supported by the Stephanie Alexander Kitchen Garden Foundation, Nutrition Australia, and Town Teams Movement. Volunteers will support delivery of the project in three NFP services. The funding will be used to develop child-friendly, water wise vegetable gardens and supply equipment and materials. This project aims to promote healthy eating patterns early in life for children attending early childhood education centres.	\$19,683 <i>(no funding allocation proposed)</i>
10	Samuel Isaacs and the Dramatic Rescue of the SS Georgette	Acting Up are seeking funds to research, engage script writers and deliver a performance re-telling the story of Samuel Isaacs and the dramatic rescue of the SS Georgette. This project aims to bring new life to local history and provide entertainment to the City of Busselton and surrounds.	\$20,000 <i>(no funding allocation proposed)</i>
<b>Total value of proposed funding allocations within \$100,000 budget</b>			<b>\$96,272</b>

The successful applicants under the program will be given to the end of June 2025 to complete their projects, with acquittals required shortly after.

In addition to voting for their preferred projects, each of the 1044 voters was also asked if they thought the program should continue by indicating Yes, No or Undecided.

- 1,000 voted yes to support the continuation of the program
- 37 indicated that they were undecided
- 7 voted no

It is clear that the majority (95.8%) of voters supported the continuation of the You Choose program.

#### Statutory Environment

Not applicable

#### Relevant Plans and Policies

The Officer Recommendations aligns to the City's Sponsorship Arrangements Policy which outlines the framework under which the City will enter into Sponsorship Arrangements for the purposes of facilitating the provision of a service, program, event, activity or endeavour that may contribute to the economic, social, environmental or cultural development of the City. The campaign was also run in alignment with the City's Community Engagement Framework which was endorsed by Council in 2021.

### **Financial Implications**

The City of Busselton has an annual budget allocation through its Community Assistance Program of 0.5% of rate revenue, of which \$100,000 is used for the You Choose program. In 2023/24, the total amount of funding allocated for the Community Assistance Program (including the \$100,000 allocation for You Choose) was \$318,539.

### **External Stakeholder Consultation**

This second You Choose program was initially announced in late 2023. Initial communications advising the community that the program would be launching soon were issued to generate community interest in the program and attract prospective applicants. Following this, the program was officially launched and open for applications. Following assessment by Officers, the ten eligible projects were loaded into the City's Your Say website to enable the community to vote. In early 2024, the City promoted the opportunity for community members to vote with a 4 week voting period. Various communication channels were used for each stage:

- Social media posts (Facebook, Linked In, Instagram)
- Bay to Bay e-newsletter articles
- City Connect advertising in local newspapers
- City website
- Your Say website
- Posters in City facilities
- Adverts on staff signature blocks
- Information sessions for applicants were held in both Busselton and Dunsborough

### **Risk Assessment**

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified, with only the following low-level risk identified:

<b>Risk: Funded projects don't go ahead or project outcomes are limited</b>			
<b>Category</b>	<b>Consequence</b>	<b>Likelihood</b>	<b>Rating</b>
Financial	Minor	Possible	Low
Reputation	Minor	Possible	Low
<b>Context</b>			
Each of the proposed projects will add value to the community, but none are essential core services upon which the community relies. The budget allocated for the You Choose program is already allocated as a portion of the Community Assistance Program, so this program does not require additional allocations of funds. Should a project not go ahead, the funding will be returned. The criteria for applicants are determined by the City, so only suitable/eligible projects are presented to the community for voting. This means the program is conducted with a low risk level.			

### **Options**

As an alternative to the proposed recommendation the Council could amend the proposed 2023/24 funding allocations (but noting the integrity of the program relies on the community's votes being the basis for the recommendation).

### **CONCLUSION**

The 2023/24 You Choose program was well supported by the community and provided a unique way for the City to provide community ownership over a portion of its community funding budget. Implementation of the program generated opportunities for positive engagement with the community, both online and in person, and resulted in the City providing financial support for a range of community-led projects which clearly have strong community support.

### **TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The Officer Recommendation is proposed to be implemented as per the following timeline:

<b>Milestone</b>	<b>Completion Date</b>
Council Decision	March 2024
Funding agreements issued to successful applicants and formal announcements made	April 2024
Project implementation period	April 2024 to June 2025
Acquittals due	July 2025

## 16. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

### 16.1. **Notice of Motion - Dogs on leads, Elijah Circle Park, Vasse**

The motion was not moved by Cr Anne Ryan and lapsed under clause 5.8(5) of the City of Busselton *Standing Orders Local Law 2018*.

## 16.2. Notice of Motion - Council Meeting Schedule

Cr Anne Ryan, having given notice, moved the below motion.

There was opposition and debate ensued.

### SUBSTANTIVE MOTION

Moved Cr Anne Ryan, seconded Cr Andrew Macnish

**That the Council adopts the following schedule for Ordinary Meetings of Council and Committees of Council in the 2024 calendar year, with the Ordinary Council meeting dates returning to a fortnightly schedule:**

	Ordinary Meeting of Council	Finance Committee	Airport Advisory Committee	Audit and Risk Committee	Policy & Legislation Committee	CEO Performance Review Committee	Meelup Regional Park Committee
<b>Apr</b>	24-Apr-24	03-Apr-24	03-Apr-24			10-Apr-24	
	8-May-24	01-May-24		08-May-24			
<b>May</b>	22-May-24				15-May-24		
<b>June</b>	12-Jun-24	05-Jun-24	05-Jun-24				
<b>Council recess: 13 June 2024 – 14 July 2024</b>							
<b>July</b>	24-Jul-24	24-Jul-24		24-Jul-24	31-Jul-24	31-Jul-24	
<b>Aug</b>	14-Aug-24 28-Aug-24	07-Aug-24	07-Aug-24				
	11-Sep-24	04-Sep-24					
<b>Sept</b>	25-Sep-24				18-Sep-24		
	9-Oct-24	02-Oct-24	02-Oct-24			09-Oct-24	
<b>Oct</b>	23-Oct-24						
	13-Nov-24	06-Nov-24		13-Nov-24			
<b>Nov</b>	27-Nov-24				20-Nov-24		25-Nov-24
<b>Dec</b>	11-Dec-24	04-Dec-24	04-Dec-24				
<b>Council recess: 12 December 2024 – 19 January 2025</b>							

During debate, Cr Andrew Macnish foreshadowed an alternative to the substantive motion.

During debate, Cr Richard Beecroft moved an amendment to the substantive motion.



## **AMENDMENT**

**C2403/71** Moved Cr Richard Beecroft, seconded Cr Anne Ryan

That the Council adopts the following schedule for Ordinary Meetings of Council and Committees of Council in the 2024 calendar year, with the Ordinary Council meeting dates returning to a fortnightly schedule [on the first and third Wednesdays of the month]:

	Ordinary Meeting of Council	Finance Committee	Airport Advisory Committee	Audit and Risk Committee	Policy & Legislation Committee	CEO Performance Review Committee	Meelup Regional Park Committee
<b>Apr</b>	17-Apr-24	03-Apr-24	03-Apr-24			10-Apr-24	
<b>May</b>	1-May-24	01-May-24		08-May-24			
	15-May-24				15-May-24		
<b>June</b>	5-Jun-24	05-Jun-24	05-Jun-24				
	19-June-24						
<b>Council recess: 20 June 2024 – 21 July 2024</b>							
<b>July</b>	31-Jul-24	24-Jul-24		24-Jul-24	31-Jul-24	31-Jul-24	
<b>Aug</b>	21-Aug-24	07-Aug-24	07-Aug-24				
	4-Sep-24	04-Sep-24					
<b>Sept</b>	18-Sep-24				18-Sep-24		
	2-Oct-24	02-Oct-24	02-Oct-24			09-Oct-24	
<b>Oct</b>	16-Oct-24						
	6-Nov-24	06-Nov-24		13-Nov-24			
<b>Nov</b>	20-Nov-24				20-Nov-24		25-Nov-24
	11-Dec-24	04-Dec-24	04-Dec-24				
<b>Dec</b>							
<b>Council recess: 12 December 2024 – 19 January 2025</b>							

**CARRIED 5 / 4**

**FOR: Cr Anne Ryan, Cr Jodie Richards, Cr Andrew Macnish,  
Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Mayor Phill Cronin, Cr Val Kaigg, Cr Mikayla Love and Cr Kate Cox**

The amendment was carried.

Debate resumed on the amended substantive motion.

The substantive motion was lost.

## **SUBSTANTIVE MOTION**

**C2403/72** Moved Cr Anne Ryan, seconded Cr Andrew Macnish

**That the Council adopts the following schedule for Ordinary Meetings of Council and Committees of Council in the 2024 calendar year, with the Ordinary Council meeting dates returning to a fortnightly schedule:**

	Ordinary Meeting of Council	Finance Committee	Airport Advisory Committee	Audit and Risk Committee	Policy & Legislation Committee	CEO Performance Review Committee	Meelup Regional Park Committee
<b>Apr</b>	17-Apr-24	03-Apr-24	03-Apr-24			10-Apr-24	
	1-May-24	01-May-24		08-May-24			
<b>May</b>	15-May-24				15-May-24		
	5-Jun-24	05-Jun-24	05-Jun-24				
<b>June</b>	19-June-24						
<b>Council recess: 20 June 2024 – 21 July 2024</b>							
<b>July</b>	31-Jul-24	24-Jul-24		24-Jul-24	31-Jul-24	31-Jul-24	
<b>Aug</b>	21-Aug-24	07-Aug-24	07-Aug-24				
	4-Sep-24	04-Sep-24					
<b>Sept</b>	18-Sep-24				18-Sep-24		
	2-Oct-24	02-Oct-24	02-Oct-24			09-Oct-24	
<b>Oct</b>	16-Oct-24						
	6-Nov-24	06-Nov-24		13-Nov-24			
<b>Nov</b>	20-Nov-24				20-Nov-24		25-Nov-24
<b>Dec</b>	11-Dec-24	04-Dec-24	04-Dec-24				
<b>Council recess: 12 December 2024 – 19 January 2025</b>							

**LOST 0 / 9**

**FOR: Nil**

**AGAINST: Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish, Cr Mikayla Love, Cr Kate Cox, Cr Jarrod Kennedy and Cr Richard Beecroft**

8:00pm: At this time, in accordance with clause 9.6(1) of the City of Busselton Standing Orders Local Law 2018, the Mayor adjourned the meeting.

8:08pm: At this time the meeting resumed.

With the substantive motion being lost, Cr Andrew Macnish moved his alternative motion.

The foreshadowed alternative lapsed for want of a seconder.

## **SUBSTANTIVE MOTION**

**C2403/70** Moved Cr Andrew Macnish

### **PART 1**

1. Adopts the following schedule for Ordinary Meetings of Council and Committees of Council in the 2024 calendar year, with the Ordinary Council meeting dates returning to a fortnightly schedule, noting Finance Committee meeting dates will stay as per previously resolved:

	Ordinary Meeting of Council	Airport Advisory Committee	Audit and Risk Committee	Policy & Legislation Committee	CEO Performance Review Committee	Meelup Regional Park Committee
<b>Apr</b>	17-Apr-24	03-Apr-24			10-Apr-24	
	1-May-24		08-May-24			
<b>May</b>	15-May-24			15-May-24		
	5-Jun-24	05-Jun-24				
<b>June</b>	19-June-24					
<b>Council recess: 20 June 2024 – 21 July 2024</b>						
<b>July</b>	31-Jul-24		24-Jul-24	31-Jul-24	31-Jul-24	
<b>Aug</b>	21-Aug-24	07-Aug-24				
	4-Sep-24					
<b>Sept</b>	18-Sep-24			18-Sep-24		
	2-Oct-24	02-Oct-24			09-Oct-24	
<b>Oct</b>	16-Oct-24					
	6-Nov-24		13-Nov-24			
<b>Nov</b>	20-Nov-24			20-Nov-24		25-Nov-24
<b>Dec</b>	11-Dec-24	04-Dec-24				
<b>Council recess: 12 December 2024 – 19 January 2025</b>						

### **PART 2**

1. Disband the Finance Committee

**(Absolute Majority)**

**LAPSED FOR WANT OF A SECONDER**

## **NOTICE OF MOTION**

Cr. Anne Ryan has given notice that at the meeting on 20 March 2024, she will move the above stated motion.

## REASONS

It was my understanding that the monthly meetings were a trial. Since the inception of the monthly meetings, it has become apparent that there are more late items of business and Special Council Meetings that have been scheduled compared to when we had fortnightly meetings.

Councillors are having to deal with a great deal of documentation at the monthly meetings and it is onerous to say the least not only for Councillors but staff also.

The suggestion that change will be confusing for the public is also not a valid argument and the constructed PAP can be reverted to a simple CAS as previously held.

## OFFICER COMMENT

In 2021 and for the first half of 2022, the Council held its Ordinary Council meetings on the second and fourth Wednesday of each month, with Community Access Sessions (CAS) held on the first and third Wednesday. Agenda briefing sessions were held each Wednesday, immediately preceding the CAS or ordinary Council meeting.

On 27 April 2022, the Council resolved to trial a new meeting schedule for the second half of 2022, with ordinary Council meetings to be held monthly on the third Wednesday of the month, CAS to be held on the first Wednesday and Public Agenda Presentations (PAP) introduced on the second Wednesday (C2204/084).

The objectives of the revised schedule were to reduce the administrative overhead associated with fortnightly meeting processes, to reduce the in person demands on Elected Members, and to streamline decision making practices with the introduction of the PAP and the return of the CAS to a more informal engagement mechanism.

The outcomes of the trial were reviewed in a briefing session with Elected Members in November 2022, and in December 2022 the Council resolved to continue with the monthly ordinary Council meeting cadence in 2023 (C2212/310).

With respect to the number of Special Council Meetings or urgent items, there was an unusually high number of Special Council Meetings in 2023, in particular in the last quarter, with 5 special Council meetings held over a period of 6 weeks in October and November 2023. It is unlikely that a schedule of fortnightly Ordinary Council meetings would have substantially reduced the requirement for these Special meetings in 2023, given the time critical nature of the swearing in of the new Council, committee appointments, and the City's commercial negotiations at that time.

Monthly ordinary Council meetings also do not appear to have resulted in a higher number of items of urgent business over the course of the year, with 2 urgent items being considered by the Council in 2023 (compared to 3 items in 2021 when ordinary Council meetings were held fortnightly).

Agendas are generally larger with only one meeting per month, which officers recognise can create an impost on Elected Members who have a fortnight to review all items. While ultimately being a decision for the Council, on balance officers favour a monthly meeting schedule from an efficiency and planning viewpoint. Two meetings per month adds an administrative overhead with respect to

the preparation of agendas and minutes, in the order of 27 hours of additional Governance Officer effort and 16 hours of additional Executive effort. While this would be absorbed by existing Administration resources, it is capacity that would otherwise be utilised on the delivery of various other priorities and services.

Should Ordinary Council meetings move to a fortnightly cadence, it is anticipated that most Community Planning reports would be reserved for one meeting in the month, to balance the demands on this Directorate.

If the Council choose to move forward with fortnightly Ordinary Council meetings, it is proposed that Council meetings are scheduled for the second and fourth Wednesdays of the month with a combined CAS / PAP held on the first and third Wednesdays.

It is not possible to hold a meeting on the second Wednesday of April as there is insufficient time to publish an agenda prior to the meeting. As such, only one meeting is recommended in April, on the fourth Wednesday of the month.

Only one meeting is possible in the months of June and July, due to the mid-year Council recess, which is moved forward to commence the 13 June 2024 and conclude the week ending 14 July 2024. Similarly, only one meeting is possible in the month of December due to the end of year Council recess.

### 16.3. Notice of Motion - Model Litigant Policy

Cr Anne Ryan, having given notice, moved the below motion.

Pursuant to clause 10.8 of the City of Busselton *Standing Orders Local Law 2018*, Cr Anne Ryan altered the wording of the motion with the consent of seconder, Cr Andrew Macnish.

#### COUNCIL DECISION

**C2403/73** Moved Cr Anne Ryan, seconded Cr Andrew Macnish

1. That the CEO draft a Council “Model Litigant Policy”.
2. The “Model Litigant Policy” be referred to the subsequent Policy & Legislation Committee meeting in May 2024.
3. All civil litigation undertaken (or proposed) or responded to, together with financial implications, to be reported to the Councillors via the Elected Members Bulletin commencing April 2024.

**CARRIED 9 / 0**

**FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish,  
Cr Mikayla Love, Cr Kate Cox, Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Nil**

#### **NOTICE OF MOTION**

Cr Anne Ryan has given notice that at the meeting on 20 March 2024 she will move the above stated motion.

#### **REASONS**

##### **Why should the Council develop a Model Litigant Policy?**

To assist in maintaining proper standards in civil litigation.

To provide clear transparent and accountable Council policy for all employees to act as model litigants and in line with community expectations.

##### **Why should Council be provided with a report each month regarding the conduct of any civil litigation undertaken or responded to and the legal costs incurred?**

To implement initiatives that strengthen governance skills, transparency and knowledge along with the risk to the City.

##### **What are the obligations of a Model Litigant?**

Government bodies may have access to substantial resources, powers to investigate and compel people to provide information, and more experience and specialist expertise in dealing with complex and contentious legal matters. As a result, governments at a State and Federal level across Australia have produced a range of guidelines known as model litigant rules.

The obligation to act as a model litigant requires more than merely acting honestly and in accordance with the law and court rules. It also goes beyond the requirement for lawyers to act in accordance with their ethical obligations. It is generally considered to encompass a range of specific duties, including dealing with claims promptly, minimising delay in proceedings, acting consistently in the handling of claims and litigation, minimising costs in proceedings and not taking technical points unless the agencies' interests would be compromised. Behind each of the duties is an overarching duty to act honestly, fairly, with complete propriety and in accordance with the highest professional standards.

The model litigant obligation does not prevent the local government from acting firmly and properly to protect its interests. It does not prevent all legitimate steps being taken in pursuing litigation or from testing or defending claims made.

#### **What do the model litigant principles mean in practice?**

- (a) Act fairly
  - An overriding obligation that applies at all stages of the litigation process.
- (b) Act consistently
  - Do not treat citizens arbitrarily - you should not settle one claim and fight an identical claim. Similar claims must be treated similarly.
  - The local government should distinguish between different plaintiffs in class action or multiple plaintiff litigation, if proper basis for distinction exists e.g. different causes of action, different wrongdoers, different damage suffered by plaintiffs, differing degree of involvement by plaintiffs in underlying facts, etc.
- (c) Avoid litigation
  - Where it is relevant, always be open to Alternative Dispute Resolution at all stages of the litigious process.
  - However, some cases involving the local government often cannot be settled e.g. contempt of court or judicial review.
  - Be clear on reasons for not wanting to settle claims.
- (d) Pay legitimate claims
  - Where liability is clear and no defences are available the local government should pay.
  - The guidelines do not require the local government to accede to spurious, vexatious or dubious claims. The local government should properly defend such claims.
- (e) Minimise costs
  - Truth in pleadings.
  - Admit liability where appropriate.
  - Deal with matters in a timely fashion.
- (f) Do not take technical defences

- Nevertheless, the local government can and should plead defences properly open to it.
- The obligation arguably extends to technical points of litigation practice and procedure e.g. late service of documents where no prejudice will be suffered.

(g) Do not take advantage of claimant who lacks resources

- Do not issue applications without a proper purpose just to increase costs
- Avoid litigation by paper warfare.

Nevertheless, the local government should seek to strike out unmeritorious claims. If the local government fails to do so, the local government may be embroiled in lengthy litigation over a number of years, culminating in a potentially lengthy and expensive trial.

(h) Do not appeal unless reasonable prospects for success or in public interest behaviour not expected of a model litigant. As a result of the model litigant principles, there are a number of things the local government should avoid in conducting its litigation

- The local government should not play litigation "fast and loose" nor adopt a "win-at-all costs" strategy.
- The local government should not use delaying tactics to extract a litigation advantage. Whilst experience suggests that certain time limits and orders are occasionally not complied with due to workload or oversight, such non-compliance should never be a deliberate strategy designed to frustrate an opponent or to secure a practical advantage.
- The local government should not commence any legal proceedings for any ulterior or improper purpose.
- Maintain objectivity and professional independence. The right advice should always be given from a whole of Government perspective even if that is not what the client was hoping to hear. The client should be constructively assisted to understand why the advice was necessary.
- Avoid personality-driven litigation.
- Avoid oppression in litigation.
- Avoid flurries of interlocutory applications to scare plaintiffs into submission.

**This policy position is supported as follows:**

1. Making policy is how Councillors bring the aspirations of the people of their Local Government District in the public interest to their Local Government decision making via 3.1. (1) "The general function of a local government is to provide for the good government of persons in its district" which is not a CEO or any other employee function, power, or role.
2. The Local Government Act 2.7 – "Role of council"
  - (1) The council —
    - (a) governs the local government's affairs; and
    - (b) is responsible for the performance of the local government's functions.
  - (2) Without limiting subsection (1), the council is to —
    - (a) oversee the allocation of the local government's finances and resources; and
    - (b) determine the local government's policies"
3. The Local Government Act states
  - 1.3 (2) "This Act is intended to result in —



- (a) better decision-making by local governments; and
  - (b) greater community participation in the decisions and affairs of local governments; and
  - (c) greater accountability of local governments to their communities; and
  - (d) more efficient and effective local government”.
- 4 2.7 (2) (b) The Council is to “determine the local government’s policies”.
- Noting the administration and employees have no statutory role in policy making or setting Council’s policy agenda other than as directed by Council.
- 5 The general function of a local government must be performed having regard to 3.1 (3) “A liberal approach is to be taken to the construction of the scope of the general function of a local government”.
- 6 This motion also meets Strategic Community plan -Aspiration 4 – Leadership.
- 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making.
  - 4.3 Make decisions that respect our strategic vision for the District.
  - 4.4 Govern a professional organisation that is healthy, capable and engaged.
  - 4.5 Responsibly manage ratepayer funds to provide for community needs now and in the future.

#### Model Litigant Rules/Examples

<https://www.ruleoflaw.org.au/wp-content/uploads/2020/05/Analysis-of-Model-Litigant-Rules.pdf>  
<https://www.austlii.edu.au/au/journals/AJAdminLawF/2010/28.pdf>

#### OFFICER COMMENT

The City’s conduct of legal proceedings already aligns with model litigant principles. In this context the need for a Council policy on this subject matter is likely superfluous. However if the Council wishes to have a Council policy then officers do not oppose the principles being documented in that way.

Officers can provide monthly updates to Councillors on current civil litigation. Civil litigation is proceedings before a court to resolve a dispute over a civil matter generally where a party is seeking damages or specific performance. Civil litigation is typically heard in the Magistrates Court, District Court or Supreme Court and in the local government context usually relates to claims in tort or contract. Most of the civil litigation the City has been involved in over the previous five years has been for claims made against the City where the City’s insurance policy has responded and provided legal representation.

For clarity civil litigation, as a branch of law, excludes criminal litigation and administrative law matters. Criminal matters are dealt with in the City’s Compliance and Enforcement policy which states that when the City has determined that it is in the public interest to take prosecution action in any matter, the Chief Executive Officer is to inform the Council of that decision at the next reasonable opportunity. Councillors are not notified of proposed prosecutions to ensure there is no political influence and to protect the Council from any perception of political influence. Updates on administrative law matters are provided to Councillors via the monthly SAT update included in the elected member’s information bulletin.

#### **16.4. Notice of Motion - Peak Periods Policy**

Cr Andrew Macnish, having given notice, moved the below motion.

There was opposition and debate ensued.

The motion was carried.

#### **COUNCIL DECISION**

**C2403/74** Moved Cr Andrew Macnish, seconded Cr Jodie Richards

##### **That the Council**

- 1. Commence a process for the drafting of a Peak Periods Policy (or other name to be determined) to be relied upon for future considerations of resourcing, service delivery, education and enforcement.**
- 2. As a first step, request the CEO to schedule a workshop for a Wednesday (date to be determined) to discuss the following (and related) matters:**
  - The definition of 'Peak Periods',
  - Car Parking capacity, access/egress and temporary overflow provisions, fencing, fines.
  - Pre-period and during-period education (including signs) and enforcement,
  - Locations and timing for policy application,
  - Ranger functions generally and ensuring compliance in peak periods,
  - Soliciting and recruiting volunteer (Ranger) resources to assist,
  - Legal obligations pertaining to the implications from matters above; including but not limited to street closures, Reserve use (management orders), volunteer insurance cover, appropriate fines process).
  - Promotion of the City's proactivity with respect to this policy development (including possible public advertising).
- 3. Request the CEO to efficiently and effectively resource the workshop referred to in point 2 with relevant staff and other persons they feel will make contributions to the workshop (either prior to or during).**
- 4. Request the CEO to select a facilitator for the workshop and establish an agenda to ensure adequate topic coverage in the time allocated.**
- 5. Request the CEO to present the outcomes of the workshop to be converted into an item/report for the next scheduled Policy Committee meeting after the workshop.**
- 6. Notes the above process shall not preclude discussion on possible future permanent arrangements (simply because they arise from a discussion on peak period servicing). Such would be provided to the respective City department for comment and processing in due course.**

- 7. Commends Mr and Mrs Muir for their continuing volunteer service to the community and suggestion for establishing volunteer City Rangers (conveyed via outgoing (former) Cr Sue Riccelli).**

**CARRIED 5 / 4**

**FOR: Cr Anne Ryan, Cr Jodie Richards, Cr Andrew Macnish,  
Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Mayor Phill Cronin, Cr Val Kaigg, Cr Mikayla Love and Cr Kate Cox**

## NOTICE OF MOTION

Councillor Macnish has given notice that at the meeting on 20 March 2024 he will move the above stated motion.

## REASONS

- There has been general acknowledgement the City is challenged when responding to and meeting community expected standards during peak periods. A formal high level (Policy) response is overdue. It is simply Good Governance.
- There must be a suitable balance between funding 'normal' operations with the ability to step up in times of (known and regular) need.
- Whilst utilising volunteers draws on the community (as does increasing the general Rate revenue), establishing a peak period (response) service policy will facilitate a quantification of what is required and this data will feed into the Rating and Fees and Charges aspects of annual budgeting.
- A kick off open yet structured workshop would seem a logical mechanism to encourage buy-in. Processing the outcome through the Council's Policy Committee would then seem a logical step (thus attracting a full comment/report from the CEO).
- A NoM for the above course of action was suggested as an appropriate mechanism.
- The content builds on some considerations already identified within the Ranger's area of the City.
- The suggested mechanism would seem to be an efficient way to synergise inputs from a broad number of stakeholders.
- A workshop on a Wednesday with the Council's imprimatur is an appropriate use of the time previously set aside for other matters not before the Council.

## OFFICER COMMENT

Relevant staff provided an information brief to the Councillors on Wednesday 6 March 2024, overviewing the 2023/24 summer period in relation to Ranger Services with consideration to community feedback and expectations, areas of focus and prioritisation, resourcing, priorities, along with potential strategies and solutions to address issues with parking and camping in coastal nodes, management of dogs and balancing increased population impacts from events; ahead of the summer of 2024/25.

A further workshop is therefore not considered necessary by officers at this time, with sufficient discussion on this matter with Councillors. Staff are committed to expanding the details in relation to each of the potential strategies discussed. Staff will provide a report back in due course on each of the relevant components and may initiate a further workshop if further direction from Council is required.

The purpose of a Council policy is to set and adopt the strategic direction of a local government. This aligns with the role of the Council under the Local Government Act 1995 which is to govern the local government's affairs through determination of the local government's policies. The role of the CEO is to manage the day-to-day operations of the local government. Within this the CEO has the capacity within the budgeted employee costs to address peak or other demands across the organisation as a whole as part of his day-to-day management function. Processes also exist to review the future allocation of resources, through annual service planning and workforce planning.

For these reasons officers do not support the proposed notice of motion. Although officers acknowledge the essential role and contribution that key community volunteers make in relation to improving and enhancing our community and commend Mr and Mrs Muir for their ongoing contributions as volunteers across so many areas.

As an alternative to the proposed motion, officers would suggest the following:

That the Council:

1. Request the CEO to consider resourcing requirements for the Rangers service to cover peak periods as part of the budget; and
2. Request the CEO to arrange a workshop with Councillors ahead of the 2024/2025 summer period to discuss the intended approach in relation to issues with parking and camping in coastal nodes, management of dogs and balancing increased population impacts from events.

## 16.5. Notice of Motion - Long Term Financial Plan Review

Cr Andrew Macnish, having given notice, moved the below motion.

The motion was carried.

### COUNCIL DECISION

**C2403/75** Moved Cr Andrew Macnish, seconded Cr Anne Ryan

The Council resolves to:

1. **Workshop the draft LTFP as soon as practicable before it is presented to the Council for adoption.**
2. **The draft LTFP clearly outlines the assumptions used to model the LTFP including consideration of:**
  - a wage price index as part of predicting future employee costs,
  - a construction price index for capital and maintenance works,
  - any other specialised (WA) indices applicable for (LG) cost classes,
  - the effects of under and over predictions made in 2022-3 (Year 1) and 2023-4 (Year 2) of the currently adopted LTFP to the future predicted net financial position.
3. **It forms part of the City's policy the LTFP be reviewed at least once each year and for the applicable workshop to be included in an appropriate place within the Corporate Calendar.**

**CARRIED 7 / 2**

**FOR: Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish,  
Cr Mikayla Love, Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Mayor Phill Cronin and Cr Kate Cox**

### **NOTICE OF MOTION**

Cr Andrew Macnish has given notice that at the meeting on 20 March 2024 he will move the above stated motion.

### **REASONS**

The LTFP frames the Corporate Plan and then Annual Budget. It is a vital financial and sustainability tool. The impact of significant decisions cannot be known unless they are made within the context of all other matters/drivers shaping the City's (financial) future. Where assumptions are necessarily required, they should be as accurate/targeted as possible with the information available. Inflation is a known cost driver but it has a different effect on different elements of the economy (eg: labour costs have not increased much in the last five years but construction costs have).

The effects of decisions made within the LTFP structure can have a marked impact upon the future. For example, a one-time 1% decrease in rates could amount to \$7m over the life of the Plan. To highlight the significance of assumptions/decisions, I have included the fourth dot point (which information should form part of any comprehensive 'review').

Whilst the draft LTFP might ordinarily have tracked through the Council's Finance Committee, it would seem more efficient to open the review to all elected members, allow more session time and save process time to enable an earlier adoption.

#### **OFFICER COMMENT**

The Long Term Financial Plan (LTFP) is a resourcing document within the integrated planning and reporting framework. In accordance with that framework the City develops its Strategic Community Plan and its Corporate Business Plan (moving forward to be referred to as a combined Council Plan), with the LTFP (along with asset management planning and workforce planning) helping to iteratively shape the City's planning.

It is the previous practice of the administration to undertake its long term financial planning in conjunction with Council members through a series of workshops, prior to presenting a final revised LTFP for adoption by the Council. The LTFP has not in the past been workshopped or presented to Council via the Finance Committee. Officers are currently reviewing the City's LTFP in preparation for workshops with Council at the end of March 2024. Therefore, officers are comfortable with part 1 of the proposed motion; it reflects current and planned practice.

In reviewing the LTFP, officers consider historical, current and forecast economic conditions and indicators available from sources such as the Federal government, State Government, WALGA, and the Chamber of Commerce and Industry; and use these to inform the underlying assumptions for the plan. Necessarily the Council's own priorities and financial capacity also informs the final assumptions used in the adopted LTFP; which are outlined in the plan. Therefore, officers are comfortable with the first 3 bullet points of part 2 of the motion.

With respect to the 4<sup>th</sup> bullet point of part 2 of the motion, in reviewing the LTFP the base year is re-set to the currently adopted budget and new assumptions applied to extrapolate costs (and revenues) off that base year. Noting that the LTFP is a plan and not a budget, any effects from historical under and over predictions come from the adopted budget. Further, as the LTFP is reviewed it can significantly change – particularly in years where there is a major review linked to changing strategic direction or external conditions (such as the review currently being undertaken). Any comparison is therefore not likely to be relevant in guiding future decision making. While officers can seek to outline for Council members through workshops any significant impacts of previous budget decisions, particularly in relation to rates (such as the 0% COVID impact), officers do not support the 4<sup>th</sup> bullet point.

The LTFP has typically been reviewed on an annual basis, acknowledging that the last review has been delayed. Officers are therefore comfortable with an annual review. Officers are developing an Integrated Planning, Budgeting and Reporting Cycle / Calendar into which that can be incorporated. That is discussed in response to a separate Notice of Motion on this agenda.

## 16.6. Notice of Motion - Draft Corporate Calendar

Cr Andrew Macnish, having given notice, moved the below motion.

### SUBSTANTIVE MOTION

Moved Cr Andrew Macnish, seconded Cr Jodie Richards

**That the Council require the CEO to produce a draft summary visual document listing in logical sequence the elements contributing to the City's (annual) Integrated Planning and Governance requirements. Initially in pictorial form with significant activities listed in a functionally logical order down the left-hand side of the matrix and a twelve-month timeframe/timing along the horizontal/top of the chart.**

**Activities to include (but not be limited to):**

- **Budget development process,**
- **Local Laws Review**
- **Policy Review**
- **Delegations Review**
- **LTFP Review**
- **Over-arching Integrated Planning and supporting plans review (cognisant of new legislation)**
- **Town Planning Scheme Review milestones**
- **Annual Financial Audit**
- **Compliance Audit Return**
- **AGM**

**Where activities span a range of times/stages or only occur once per two or three (or more) years, then such shall be specified. Where some activities (commencement) depend on outcomes of other activities, this shall be so indicated (Gantt Chart style). Importantly, where activities are progressed internally there shall be a notation where the progressed activity is due to come to the Council for (staged) determination.**

Pursuant to clause 10.8 of the City of Busselton *Standing Orders Local Law 2018*, Cr Andrew Macnish altered the wording of the motion with the consent of seconder, Cr Jodie Richards.

There was opposition to the motion and debate ensued.

The motion was carried.

### **COUNCIL DECISION**

**C2403/76** Moved Cr Andrew Macnish, seconded Cr Jodie Richards

That the Council require the CEO to produce a draft summary visual document listing in logical sequence the elements contributing to the City's (annual) Integrated Planning and Governance requirements. Initially in pictorial form with significant activities listed in a functionally logical order down the left-hand side of the matrix and a twelve-month timeframe/timing along the horizontal/top of the chart.

Activities to include (but not be limited to):

- Budget development process,
- Local Laws Review
- Policy Review
- Delegations Review
- LTFP Review
- Over-arching Integrated Planning and supporting plans review (cognisant of new legislation)
- Annual Financial Audit
- Compliance Audit Return
- AGM

Where activities span a range of times/stages or only occur once per two or three (or more) years, then such shall be specified. Where some activities (commencement) depend on outcomes of other activities, this shall be so indicated (Gantt Chart style). Importantly, where activities are progressed internally there shall be a notation where the progressed activity is due to come to the Council for (staged) determination.

**CARRIED 6 / 3**

**FOR: Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish,  
Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Mayor Phill Cronin, Cr Mikayla Love and Cr Kate Cox**

### **NOTICE OF MOTION**

Councillor Macnish has given notice that at the meeting on 20 March 2024 he will move the above stated motion.

### **REASONS**

Visually and functionally assisting the effective and efficient planning of combined activities comprising corporate governance.

To facilitate the prediction and smoothing of simultaneous significant events.

To allow elected members and staff alike to prepare for critical activities throughout the year with ease of reference.



Serves as a (public) reminder for the many matters that combine to underpin the governance function.

To better utilise what has previously been used as time set aside for briefing sessions.

#### **OFFICER COMMENT**

Officers are currently developing an Integrated Planning, Budgeting and Reporting (IPBR) Cycle to be incorporated into a Council policy, the purpose of which would be to guide the integrated and properly resourced development of the City's strategic and corporate planning (council planning), and to ensure visibility for the Council and the community as to the Council's planning and budgeting cycle and timeframes.

The IPBR cycle captures the following elements:

- Strategic Community Planning – to be termed Council Planning moving forward (major review every 4 years currently)
- Service Planning activities
- Workforce Planning
- Long Term Financial Planning
- Budgeting
- Corporate Business Planning (yearly – to be done as a review of Council Plan moving forward)
- Corporate Reporting (Annual Reporting and AGM)

While the IPBR cycle appears to align broadly with the intent of the proposed motion, the proposed motion seeks for Council to adopt a much more detailed operational level calendar. While officers would be supportive of providing Councillors with visibility of a more operational calendar, officers do not believe Council should adopt such a calendar. It is the role of the CEO to manage the day-to-day operations of the local government and to ensure that advice and information is available to the Council so that informed decisions can be made. It is the role of Council to govern the local government's affairs through determination of the local government's policies.

Officers also note that the proposed motion captures governance and other elements outside of the intended scope of the IPBR cycle; listed as (but also not limited to) Local Laws, Policy Review, Delegations, Annual Financial Reporting, Compliance Audit Return, and also Town Planning Scheme review milestones.

With respect to governance matters, officers are currently in the process of setting up the compliance calendar function within its corporate governance system – Attain. This will capture a lot of these elements. The introduction of specific projects however, such as the Town Planning Scheme review, should be managed as a stand-alone distinct project.

In summary, while understanding and supportive of the overall intent of the proposed motion, officers are not supportive of the proposed motion as it is too operational in its focus. Officers believe the work being done to develop and present an IPBR Cycle for Council's consideration, and implement the Governance Calendar is the best approach.

In the event that Councillors were of a mind to support the proposed motion, officers would request removal of the Town Planning Scheme element from any resolution.

## 17. URGENT BUSINESS

Nil

## 18. CONFIDENTIAL MATTERS

The Presiding Member called on a Councillor to move a motion to close the meeting to the public.

The motion was moved and carried.

### **COUNCIL DECISION**

**C2403/77** Moved Cr Jodie Richards, seconded Cr Jarrod Kennedy

**That the meeting be closed to the public to consider the report items as listed below.**

**CARRIED 9 / 0**

**FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish,  
Cr Mikayla Love, Cr Kate Cox, Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Nil**

8:53pm: At this time, the meeting was closed to the public and the livestream of the meeting ceased.

## 18.1 OAG Information Security Audit 2023

<b>Strategic Theme:</b>	Key Theme 4: Leadership 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making. 4.5 Responsibly manage ratepayer funds to provide for community needs now and in the future.
<b>Directorate:</b>	Corporate Strategy and Performance
<b>Reporting Officer:</b>	Manager Systems and Information – Tim Allingham
<b>Authorised By:</b>	Director Corporate Strategy and Performance – Sarah Pierson
<b>Nature of Decision:</b>	Noting: The item is simply for information purposes and noting.
<b>Voting Requirements:</b>	Simple Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	Section 5.23(2)(f) This attachment contains information relating to a matter that if disclosed, could be reasonably expected to - (ii) endanger the security of the local governments property Attachment 1 - D 23 20820 2023 - City of Busselton - IS GCC Audit management letter - 30 June 2023 <b>[8.1.1 - 20 Pages]</b>

Section 5.23(2)(f)(ii)

This report contains information relating to a matter that if disclosed, could be reasonably expected to endanger the security of the local government's property

This item was considered by the Audit and Risk Committee at its meeting held 13 March 2024, the recommendations of which have been included in this report.

The committee recommendation was moved and carried.

### COUNCIL DECISION

**C2403/78** Moved Cr Jarrod Kennedy, seconded Cr Val Kaigg

**That the Council:**

1. Notes the findings of the Office of the Auditor General (OAG) General Computer Controls (GCC) Audit for 2023;
2. Acknowledges the progress of the actions taken to-date to address the findings identified in the audit report; and
3. Acknowledges that the CEO will provide the next progress update to the November 2024 Audit and Risk Committee.

**CARRIED 9 / 0**

**FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Richards, Cr Val Kaigg, Cr Andrew Macnish, Cr Mikayla Love, Cr Kate Cox, Cr Jarrod Kennedy and Cr Richard Beecroft**

**AGAINST: Nil**

The Presiding Member called on a member to move a motion to reopen the meeting to the public.

The motion was moved and carried.

**COUNCIL DECISION**

**C2403/79** Moved Cr Jarrod Kennedy, seconded Cr Jodie Richards

**That the meeting be reopened to the public.**

**CARRIED 9 / 0**

**FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Val Kaigg, Cr Andrew Macnish, Cr Jarrod Kennedy  
Cr Mikayla Love, Cr Jodie Richards Cr Kate Cox and Cr Richard Beecroft**

**AGAINST: Nil**

8:54pm: At this time, the meeting was reopened to the public and the livestream recommenced. The Presiding Member read out the decision to the gallery.

## 19. CLOSURE

The Presiding Member closed the meeting at 8:55pm.

These minutes for the Ordinary Council Meeting held 20 March 2024 were confirmed as a true and correct record on 17 April 2024.

Date: 17 April 2024

Presiding Member:

