



Ordinary Council Meeting

# Supplementary Agenda

17 April 2024

## CITY OF BUSSELTON

Supplementary Agenda for the Council Meeting to be held on Wednesday 17 April 2024

### TABLE OF CONTENTS

<b>10 REPORTS OF COMMITTEE .....</b>	<b>3</b>
10.4 MONTHLY FINANCIAL REPORT - YEAR TO DATE 29 FEBRUARY 2024 .....	3
10.5 LIST OF PAYMENTS MADE - FEBRUARY 2024 .....	10
10.6 BUDGET AMENDMENTS - INFRASTRUCTURE AND ENVIRONMENT .....	12
<b>13 ECONOMIC AND BUSINESS DEVELOPMENT REPORTS .....</b>	<b>21</b>
13.3 PROPOSED HANGAR LEASE AT BUSSELTON MARGARET RIVER AIRPORT .....	21
<b>15 CHIEF EXECUTIVE OFFICERS REPORTS .....</b>	<b>25</b>
15.1 ELECTED MEMBER INFORMATION BULLETIN .....	25

## 10 REPORTS OF COMMITTEE

### 10.4 Finance Committee – 3 April 2024 - Monthly Financial Report - Year to Date 29 February 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 - February 2024 [6.1.1 - 28 pages] 2. Investment Report - February 2024 [6.1.2 - 1 page] 3. Loan Schedule - February 2024 [6.1.3 - 1 page]

This item was considered by the Finance Committee at its meeting on 3 April 2024, the recommendations of which have been included in this report.

#### **COMMITTEE RECOMMENDATION**

**That the Council receives the statutory monthly financial report for the period ending 29 February 2024, pursuant to Regulation 34(4) of the *Local Government (Financial Management) Regulations 1996*.**

#### **OFFICER RECOMMENDATION**

That the Council receives the statutory monthly financial report for the period ending 29 February 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 29 February 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 the Council's 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 29 February 2024

The Statement of Financial Activity (FAS) for the year to date (YTD) shows an overall Net Current Position (NCP) of \$18.3M as opposed to the YTD budget of \$511K. 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>14.31%</b>	<b>4,657,538</b>	<b>677,817</b>
<b>Revenue from Operating Activities</b>				<b>5.39%</b>	<b>4,452,395</b>	<b>743,777</b>
1. Grants, Subsidies and Contributions	2,390,169	1,440,387	5,325,685	65.94%	949,781	44,754
2. Other Revenue	416,148	141,809	334,932	193.46%	274,339	42,471
3. Interest Earnings	4,371,723	3,017,446	4,305,492	44.88%	1,354,276	286,874
<b>Expenses from Operating Activities</b>				<b>6.69%</b>	<b>4,493,308</b>	<b>(372,000)</b>
4. Materials & Contracts	(14,278,048)	(19,083,870)	(29,072,925)	25.18%	4,805,822	183,009
5. Other Expenditure	(3,009,998)	(4,001,802)	(6,823,844)	24.78%	991,804	(236,921)
<b>Amount Attributable to Investing Activities</b>				<b>71.33%</b>	<b>14,619,359</b>	<b>1,528,324</b>
6. Capital Grants, Subsidies and Contributions	3,153,352	1,323,956	19,724,075	138.18%	1,829,396	(640,942)
7. Land & Buildings	(9,398,900)	(21,214,043)	(29,976,325)	55.69%	11,815,143	1,845,129
8. Plant & Equipment	(811,577)	(2,204,284)	(6,078,421)	63.18%	1,392,707	319,185
9. Furniture & Equipment	(359,402)	(1,051,243)	(1,488,909)	65.81%	691,841	(67,141)
10. Infrastructure	(6,548,397)	(14,612,248)	(22,015,829)	55.19%	8,063,851	322,674

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 \$
11. Proceeds from Sale of Assets	347,120	400,800	863,800	(13.39%)	(53,680)	(90,799)
<b>Amount Attributable to Financing Activities</b>				<b>(386.78%)</b>	<b>(13,586,447)</b>	<b>(6,309,407)</b>
12. Proceeds from New Loans	0	2,000,000	2,000,000	(100.00%)	(2,000,000)	0
13. Advances to Community Groups	0	(250,000)	(250,000)	100.00%	250,000	0
14. Transfer to Restricted Assets	(18,484,594)	(8,888,798)	(9,200,455)	(107.95%)	(9,595,796)	(419,642)

### 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 29 February 2024 the value of the City's invested funds decreased to \$120M from \$123M as at 31 January 2024. The decrease is a result of one term deposit being closed, with the funds used for standard operational needs.

As at 29 February 2024 the 11am account balance remained the same at \$10.0M.

During the month of February 2024, four term deposits matured. One was closed with a total of \$3.5M and three were re-invested for a further 152 days at 4.99%.

The official cash rate remained steady during the month of February 2024 at 4.35%. Timing of further movements of the cash rate are currently uncertain, although it is expected to stay steady in the short term and then begin to drop later in the year.

### Borrowings Update

During the month no new loans were drawn, and nothing was paid off the principal and 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 February 2024 are provided below to ensure there is appropriate oversight and awareness.

Date	Payee	Description	\$ Amount
19/02/2024	WEST AUSTRALIAN DIGITAL	DIGITAL SUBSCRIPTION-PR	28.00
22/02/2024	BENESSE BUSSELTON	MEETING CATERING-CEO & MAYOR	41.97
26/02/2024	QANTAS AIRWAYS LTD	ITINERY CHANGES FEES RCA MEETING CANBERRA- MAYOR	531.68
26/02/2024	QANTAS AIRWAYS LTD	ITINERY CHANGES FEES RCA MEETING CANBERRA- MAYOR	99.00
28/02/2024	QANTAS AIRWAYS LTD	PARTIAL REFUND OF CANCELLED FLIGHT- CEO	-108.92
29/02/2024	MAILCHIMP	ELECTRONIC NEWSLETTER PR	425.24
		<b>TOTAL</b>	<b>1,016.97</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 29 February 2024, the City's net current position stands at \$18.3M, and cash reserve balances remain sufficient for their purposes.

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

Not Applicable.

## 10.5 Finance Committee – 3 April 2024 - List of Payments Made - February 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 February 2024 [6.2.1 - 10 pages]

This item was considered by the Finance Committee at its meeting held 3 April 2024, the recommendations of which have been included in this report.

### COMMITTEE RECOMMENDATION

**That the Council receives the statutory monthly financial report for the period ending 29 February 2024, pursuant to Regulation 34(4) of the *Local Government (Financial Management) Regulations 1996*.**

### OFFICER RECOMMENDATION

That the Council receives the statutory monthly financial report for the period ending 29 February 2024, pursuant to Regulation 34(4) of the *Local Government (Financial Management) Regulations 1996*.

### **EXECUTIVE SUMMARY**

This report provides details of payments made from the City's bank accounts for the month of February 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 February 2024 is presented for information.

### **Statutory Environment**

Section 6.10 of the *Local Government Act 1995* (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 February 2024 is presented for information.

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

Not applicable.

## 10.6 Budget Amendments - Infrastructure and Environment

<b>Strategic Theme:</b>	Key Theme 2: Lifestyle 2.10 Provide local road networks that allow for the safe movement of people through the District. 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 held 3 April 2024, the recommendations of which have been included in this report.

### COMMITTEE RECOMMENDATION

That the Council:

1. 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 Budget of Existing Capital Project to be funded from the Other Infrastructure Reserve				
	Project 12815 - North Street Drainage Works (C)				
	-	-	80,176	-	(80,176)
2	Reduce Budget of Existing Capital Project from the Other Infrastructure Reserve				
	Project 14884 - Depuch Close - Eagle Bay (C)				
	-	-	(7,617)	-	7,617
3	Reduce Budget of Existing Capital Project from the Other Infrastructure Reserve				
	Project 14885 - Heppingstone & Hale Street Intersection (C)				
	-	-	(26,068)	-	26,068

4	<b>Reduce Budget of Existing Capital Project from the Other Infrastructure Reserve</b>				
	<b>Project 14886 Hester Street Drainage Renewal SLK 0.33 (C)</b>				
	-	-	(8,737)	-	8,737
5	<b>Increase Budget of Existing Capital Project from the Road Reserve</b>				
	<b>Project 12827 - Commonage Road (C)</b>				
	-	-	830,500	-	(830,500)
6	<b>Remove Capital Project which was to be funded from the Road Reserve</b>				
	<b>Project 14864 - Sugarloaf Road - Second Coat Seal (C)</b>				
	-	-	(66,521)	-	66,521
7	<b>Reduce Budget of Existing Capital Project from the Road Reserve</b>				
	<b>Project 14850 Cook Street Asphalt Overlay SLK 0.39 to 1.25 (C)</b>				
	-	-	(109,082)	-	109,082
8	<b>Reduce Budget of Existing Capital Project from the Road Reserve</b>				
	<b>Project 12005 – Payne Road (C)</b>				
	-	-	(161,374)	-	161,374
9	<b>Reduce Budget of Existing Capital Project from the Road Reserve</b>				
	<b>Project 12611 – North Jindong Road (C)</b>				
	-	-	(268,637)	-	268,637
10	<b>Reduce Budget of Existing Capital Project from the Road Reserve</b>				
	<b>Project 14854 – Boallia Road (C)</b>				
			(85,819)		85,819
11	<b>Reduce Budget of Existing Capital Project from the Road Reserve</b>				
	<b>Project 14858 - Artisan Street Asphalt Overlay SLK 0.02 to 0.16 (C)</b>				
			(11,075)		11,075
12	<b>Reduce Budget of Existing Capital Project from the Road Reserve</b>				
	<b>Project 14865 - Yallingup Beach Road Reseal SLK 0 to 0.19 (C)</b>				
			(5,894)		5,894
13	<b>Reduce Budget of Existing Capital Project from the Road Reserve</b>				
	<b>Project 12842 – Nuttman Road (C)</b>				
			(4,298)		4,298
14	<b>Reduce Budget of Existing Capital Project from the Road Reserve</b>				
	<b>Project 15108 - Bussell Highway Resurfacing SLK 0 to 3.8 (C)</b>				
			(2,232)		2,232
15	<b>New Capital Project to be funded from the Road Reserve</b>				
	<b>Metricup-Yelverton Road</b>				
			138,134		(138,134)
<b>Totals</b>	-	-	<b>291,456</b>	-	<b>(291,456)</b>

2. Note these amendments will completed by the end of the financial year.

Reasons: The Committee was requested by officers to note in its recommendations the relevant reserve and that the budget amendments would not be completed in full until the end of the financial year.

**OFFICER RECOMMENDATION**

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 Budget of Existing Capital Project				
	Project 12815 - North Street Drainage Works (C)				
	-	-	80,176	-	(80,176)
2	Reduce Budget of Existing Capital Project				
	Project 14884 - Depuch Close - Eagle Bay (C)				
	-	-	(7,617)	-	7,617
3	Reduce Budget of Existing Capital Project				
	Project 14885 - Heppingstone & Hale Street Intersection (C)				
	-	-	(26,068)	-	26,068
4	Reduce Budget of Existing Capital Project				
	Project 14886 Hester Street Drainage Renewal SLK 0.33 (C)				
	-	-	(8,737)	-	8,737
5	Increase Budget of Existing Capital Project				
	Project 12827 - Commonage Road (C)				
	-	-	830,500	-	(830,500)
6	Remove Capital Project				
	Project 14864 - Sugarloaf Road - Second Coat Seal (C)				
	-	-	(66,521)	-	66,521
7	Reduce Budget of Existing Capital Project				
	Project 14850 Cook Street Asphalt Overlay SLK 0.39 to 1.25 (C)				
	-	-	(109,082)	-	109,082
8	Reduce Budget of Existing Capital Project				
	Project 12005 – Payne Road (C)				
	-	-	(161,374)	-	161,374
9	Reduce Budget of Existing Capital Project				
	Project 12611 – North Jindong Road (C)				
	-	-	(268,637)	-	268,637

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)
10	Reduce Budget of Existing Capital Project				
	Project 14854 – Boallia Road (C)				
			(85,819)		85,819
11	Reduce Budget of Existing Capital Project				
	Project 14858 - Artisan Street Asphalt Overlay SLK 0.02 to 0.16 (C)				
			(11,075)		11,075
12	Reduce Budget of Existing Capital Project				
	Project 14865 - Yallingup Beach Road Reseal SLK 0 to 0.19 (C)				
			(5,894)		5,894
13	Reduce Budget of Existing Capital Project				
	Project 12842 – Nuttman Road (C)				
			(4,298)		4,298
14	Reduce Budget of Existing Capital Project				
	Project 15108 - Bussell Highway Resurfacing SLK 0 to 3.8 (C)				
			(2,232)		2,232
15	New Capital Project				
	Metricup-Yelverton Road				
			138,134		(138,134)
Totals	-	-	291,456	-	(291,456)

## EXECUTIVE SUMMARY

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

## STRATEGIC CONTEXT

The nature of these works supports the provision of a local road network that allows for the safe movement of people through the district, in alignment with Key Theme 2 of the City’s Strategic Community Plan – Lifestyle, and is also in support of Key Theme 4 – Leadership in terms of the responsible management of ratepayer funds.

## BACKGROUND

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

Approval is therefore sought for budget amendments as outlined in the officer comment below.

## 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; and  
**Items: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 & 15**
3. Adjustments to transfer budget between capital and operational undertakings.  
**Nil**

### Item 1 – North Street Drainage Works (12815)

The Council's approval is sought to add budget to existing project 12815 – North Street Drainage Works for the value of \$80,176. The funds are to cover the cost for additional scope and changes to construction methodology discovered during the construction process.

Changes to the original design include installation of additional drainage pits and realignment of drainage due to encountering subsurface rock. Modified construction methodology requirements were imposed by Water Corporation due the proximity of construction to existing asbestos cement watermain assets.

\$37,754 of additional funds can be sourced from the City Other Infrastructure Reserve [1048], where the existing project is funded from. It is proposed that the remaining funds of \$42,422 required, will be offset with budget savings from already successfully delivered projects; Depuch Close, Heppingstone & Hale Street Intersection and Hester Street Drainage Renewal.

### Item 2 – Depuch Close - Eagle Bay (14884)

This amendment seeks to reduce the 2023/24 budget allocation for Project 14884 – Depuch Close Eagle Bay by \$7,617. The project scope was delivered under budget. This budget saving is suggested to offset the North Street Drainage Works project (12815), with funds to be returned to the Other Infrastructure Reserve [1048].



### **Item 3 – Heppingstone & Hale Street intersection (14885)**

This amendment seeks to reduce the 2023/24 budget allocation for Project 14885 – Heppingstone & Hale Street intersection by \$26,068. The project scope was delivered under budget. This budget saving is suggested to offset the North Street Drainage Works project (12815), with funds to be returned to the Other Infrastructure Reserve [1048].

### **Item 4 – Hester Street Drainage Renewal SLK 0.33 (14886)**

This amendment seeks to reduce the 2023/24 budget allocation for Project 14886 – Hester Street Drainage Renewal SLK 0.33 by \$8,737. The project scope was delivered under budget. This budget saving is proposed to offset the North Street Drainage Works project (12815), with funds to be returned to the Other Infrastructure Reserve [1048].

### **Item 5 – Commonage Road (12827)**

The Council's approval is sought to increase the budget of existing project 12827 – Commonage Road by 830,500. The additional funds required are to cover the construction of an amended road pavement, including materials, plant and labour, which were not identified during the detailed design phase.

The original pavement design process for this project included onsite geotechnical investigation and testing to determine the pavement composition, based on the observed strength of subgrade material. During construction, the subgrade encountered was weaker and more extensive than the investigation indicated and required a further revised pavement design. The amended road pavement comprises; rock stabilised subgrade, revised subbase, two layers of geogrid and gravel basecourse. With the overall pavement thickness increasing from 500mm to 750mm (excluding asphalt wearing course).

To mitigate cost and time escalation as much as possible the following measures have been implemented:

- Permanent 24/7 road closure to increase daily construction;
- Additional construction crew to increase overall productivity; and
- Application to Main Road WA to secure additional Regional Road Group funding. This application is currently underway, and if successful, the overall funding contribution from the City will be reduced.

Part funding to the value of \$115,568 can be sourced from the Road Asset Renewal Reserve [1058], where the project is currently funded. Additionally, it is proposed that the balance of \$714,932 required, will be offset with budget savings from already successfully completed projects as outlined within budget amendment items 6 to item 14.

### **Item 6 – Sugarloaf Road - Second Coat Seal (14864)**

Council approval is sought to remove this project from the 2023/24 budget. The condition of the road surface constructed during the 2022/23 financial year has been assessed and does not require intervention at this time.

It is proposed that this budget saving will offset the Commonage Road project (12827), with funds to be returned to the Road Asset Renewal Reserve [1058].

**Item 7 – Cook Street Asphalt Overlay SLK 0.39 to 1.25 (14850)**

This amendment seeks to reduce the 2023/24 budget allocation for Project 14850 – Cook Street Asphalt Overlay SLK 0.39 to 1.25 by \$109,082. The project scope was delivered under budget. It is proposed that the budget saving will offset the Commonage Road project (12827), with funds to be returned to the Road Asset Renewal Reserve [1058].

**Item 8 – Payne Road (12005)**

This amendment seeks to reduce the 2023/24 budget allocation for Project 12005 – Payne Road by \$161,374. The project scope was delivered under budget. This budget saving is suggested to offset the Commonage Road project (12827), with funds to be returned to the Road Asset Renewal Reserve [1058].

**Item 9 – North Jindong Road (12611)**

This amendment seeks to reduce the 2023/24 budget allocation for Project 12611 – North Jindong Road by \$268,637. The project scope was delivered under budget. This budget saving is proposed to offset the Commonage Road project (12827), with funds to be returned to the Road Asset Renewal Reserve [1058].

**Item 10 – Boallia Road Reconstruction and Widening SLK 1.5 to 2.3 (14854)**

This amendment seeks to reduce the 2023/24 budget allocation for Project 14854 – Boallia Road Recon and Widening SLK 1.5 to 2.3 by \$85,819. The project scope was delivered under budget. This budget is suggested to offset the Commonage Road project (12827), with funds to be returned to the Road Asset Renewal Reserve [1058].

**Item 11 – Artisan Street Asphalt Overlay SLK 0.02 to 0.16 (14858)**

This amendment seeks to reduce the 2023/24 budget allocation for Project 14858 – Artisan Street Asphalt Overlay SLK 0.02 to 0.16 by \$11,075. The project scope was delivered under budget. This budget is suggested to offset the Commonage Road project (12827), with funds to be returned to the Road Asset Renewal Reserve [1058].

**Item 12 – Yallingup Beach Road Reseal SLK 0 to 0.19 (14865)**

This amendment seeks to reduce the 2023/24 budget allocation for Project 14865 – Yallingup Beach Road Reseal SLK 0 to 0.19 by \$5,894. The project scope was successfully delivered under budget. This budget saving is suggested to offset the Commonage Road project (12827), with funds to be returned to the Road Asset Renewal Reserve [1058].

**Item 13 – Nuttman Road (12842)**

This amendment seeks to reduce the 2023/24 budget allocation for Project 12842 – Nuttman Road by \$4,298. The project scope was successfully completed under budget. This budget saving is suggested to offset the Commonage Road project (12827), with funds to be returned to the Road Asset Renewal Reserve [1058].

**Item 14 – Bussell Highway Resurfacing SLK 0 to 3.8 (15108)**

This amendment seeks to reduce the 2023/24 budget allocation for Project 15108 – Bussell Highway Resurfacing SLK 0 to 3.8 by \$2,232. The project scope was delivered under budget. This budget saving is proposed to offset the Commonage Road project (12827), with funds to be returned to the Road Asset Renewal Reserve [1058].

**Item 15 – Metricup-Yelverton Road (NEW)**

The Council’s approval is sought to add a new project to the 2023/24 Budget valued at \$138,134 to complete gravel resheeting on Metricup-Yelverton Road. This project is listed in the draft 2024/25 Budget but the road surface is deteriorating quickly due to forestry activities in the area. Bringing this project forward will reduce ongoing maintenance of this road during the winter period.

The City is currently awaiting heritage approval for the Forrest Beach Road project and is therefore requesting to bring this project forward on the basis that approvals are not received in a timely manner. This will ensure that the City’s labour force and equipment are utilised effectively.

**Statutory Environment**

Section 6.8 of the *Local Government Act 1995* 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**

There are multiple plans and policies that support the proposed budget amendments, in particular, the Asset Management Plan and Long Term Financial Plan.

Plan:

[Asset Management Plan](#)

Policy:

[Asset Management](#)

**Financial Implications**

Item #	(Increase) / Decrease in Operational Revenue	(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	-	-	-	80,176	(80,176)	-
Item 2	-	-	(7,617)	-	7,617	-
Item 3	-	-	(26,068)	-	26,068	-
Item 4	-	-	(8,737)	-	8,737	-
Item 5	-	-	-	830,500	(830,500)	-
Item 6	-	-	(66,521)	-	66,521	-

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 7	-	-	(109,082)	-	109,082	-
Item 8	-	-	(161,374)	-	161,374	-
Item 9	-	-	(268,637)	-	268,637	-
Item 10	-	-	(85,819)	-	85,819	-
Item 11	-	-	(11,075)	-	11,075	-
Item 12	-	-	(5,894)	-	5,894	-
Item 13	-	-	(4,298)	-	4,298	-
Item 14	-	-	(2,232)	-	2,232	-
Item 15	-	-	-	138,134	(138,134)	-
<b>TOTALS</b>	-	-	<b>(757,354)</b>	<b>1,048,810</b>	<b>(291,456)</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 amendment 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 Council resolution

## 13 ECONOMIC AND BUSINESS DEVELOPMENT REPORTS

### 13.3 Proposed Hangar Lease at Busselton Margaret River Airport

<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>	Director Economic and Business Development - Maxine Palmer
<b>Authorised By:</b>	Director Economic and Business Development - Maxine Palmer
<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>	Absolute Majority
<b>Disclosures of Interest:</b>	No officers preparing this item have an interest to declare.
<b>Attachments:</b>	1. General Aviation Precinct Site Plan [13.1.1 - 1 page] 2. Approval from WAPC for 42 year leases [13.1.2 - 2 pages]

#### OFFICER RECOMMENDATION

That the Council resolves to advertise the proposed disposition of property in accordance with section 3.58 of the *Local Government Act 1995* for the terms and conditions outlined in this report and, if there are no objections, delegates power and authority to the Chief Executive Officer, to negotiate and enter into a lease with Mader Valley Investments Pty Ltd as trustee for Helo Trust for the occupation of a portion of Lot 1974, Deposited Plan 411016, Volume 2931, Folio 507, 86 Neville Hyder Drive, Yalyalup as referred to as D4 on Attachment 1, on the following terms and conditions:

1. The term of the lease to be 21 years commencing on 14 May 2024 and expiring on 13 May 2045 with a further 21 year option.
2. The annual rent to commence at \$20,790 plus GST with a rent free period from the date of commencement of the Term until the date of Practical Completion or 18 months from the date of commencement of the Term, whichever is earlier.
3. Rent to be reviewed annually on each anniversary in accordance with CPI, with market rent reviews to be undertaken every 5 years.
4. Permitted purpose aircraft storage and maintenance.
5. Such further terms and conditions as determined by the CEO.

#### EXECUTIVE SUMMARY

The City has received interest in the lease of a vacant hangar lot within the General Aviation (GA) precinct at Busselton Margaret River Airport (BMRA). This report makes a recommendation to enter into a lease agreement with Mader Valley Investments Pty Ltd for a portion of Lot 1974, 86 Neville Hyder Drive being approximately 1,485 m<sup>2</sup> for the purpose of aircraft storage and maintenance.

## STRATEGIC CONTEXT

The establishment of commercial aviation related opportunities at Busselton Margaret River Airport is a strategic priority of the Council.

## BACKGROUND

The lots within the GA precinct are fully serviced and available for recreational and commercial pilots and/or aviation related businesses to construct private hangars. All lots are serviced with water, power, sewer and telecommunications.

The GA Precinct is incorporated in the BMRA Masterplan adopted by the Council resolution C2401/7, in January 2024. The City has approval from the Western Australian Planning Commission (Attachment B) to grant lease terms of 21 years with an option for an additional 21 years.

The City obtained an independent market valuation for the general aviation precinct on 18 January 2024. The subject site was valued at \$22,300 exclusive of GST with a range presented from \$20,790 to \$23,700.

## OFFICER COMMENT

The GA Precinct has engaged interest from several parties, including Mader Valley Investments Pty Ltd, in ground lease arrangements, for the purpose of aviation storage and maintenance.

Mader Valley Investments Pty Ltd would be the first commercial tenant within the GA Precinct in vacant lot D4 on the site plan shown in Attachment A. A lease term of 21 years with a further 21 year option is proposed with an initial rent of \$14 per m<sup>2</sup> per annum, being \$20,790 exclusive of GST per annum. A rent free period has been requested from the date of commencement of the Term of the Lease until the date of Practical Completion of the hangar or 18 months from the date of commencement of the Term, whichever is earlier.

Rent will be reviewed annually on each anniversary in accordance with CPI, with market rent reviews to be undertaken every 5 years.

## Statutory Environment

When disposing of property whether by sale, lease or other means, a Local Government is bound by procedural requirements of section 3.58 of the Local Government Act. Section 3.58(3) of the *Local Government Act 1995*, states that before agreeing to dispose of property, the local government is required to give local public notice of the proposed disposition and consider any submissions made to it before the date specified in the notice.

Lot 1974 on Deposited Plan 411016, Volume 2931 Folio 507, 86 Neville Hyder Drive, Yalyalup is owned freehold by the City and is the site of Busselton Margaret River Airport.

## Relevant Plans and Policies

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

Plan:  
Busselton Margaret River Airport Master Plan 2023

Policy:  
Not applicable.

### **Financial Implications**

The rental of hangar site D4 in the GA Precinct will see an additional \$20,790 per annum (after the rent free period) in revenue transferred to the airport reserve towards future infrastructure development and maintenance. This will increase by CPI annually and be subject to regular market rent reviews.

### **External Stakeholder Consultation**

Officers have consulted with recreational and commercial aviation operators and the Busselton Aeroclub and are seeking to provide public notice to advertise the proposed disposition to seek any public comment.

### **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:

1. Choose not to enter into the proposed lease with Mader Valley Investments Pty Ltd; or
2. Choose to vary the terms and conditions of the proposed lease for negotiation with Mader Valley Investments Pty Ltd.

### **CONCLUSION**

In recent months, the City has started to receive significantly more interest in ground leases for the vacant hangar lots in the BMRA GA Precinct. The establishment of commercial aviation opportunities at the Busselton Margaret River Airport aligns with the BMRA Masterplan and strategic priorities to attract business investment into the airport.

Officers recommend the Council endorse advertising of the proposed disposition of vacant hangar D4 to Mader Valley Investments Pty Ltd, and, if there are no objections, authorise the CEO to enter into a lease in accordance with the report recommendation.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

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

<b>Milestone</b>	<b>Completion Date</b>
Statutory Advertising sublease	22 April 2024 (estimated)
Commencement date of lease	14 May 2024



## 15 CHIEF EXECUTIVE OFFICERS 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>	Chief Executive Officer - Tony Nottle
<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: March 2024 [<b>15.1.1</b> - 1 page]</li> <li>2. Current Running SAT Reviews: March 2024 [<b>15.1.2</b> - 2 pages]</li> <li>3. Council Resolution Status Update [<b>15.1.3</b> - 39 pages]</li> <li>4. Correspondence: Minister for Communications [<b>15.1.4</b> - 3 pages]</li> <li>5. Civil Litigation Update: March 2024 [<b>15.1.5</b> - 1 page]</li> </ol>

### OFFICER RECOMMENDATION

That the items from the Councillors Information Bulletin be noted:

- Minutes of Committee Meetings
- Minor Donations Program
- Current Active Tenders
- State Administrative Tribunal Reviews Update
- Council Resolution Status Update
- Civil Litigation Update

### EXECUTIVE SUMMARY

**The report has been amended and republished since its original publication in the agenda for the 17 April 2024 Ordinary Council meeting to include the minutes of the Finance Committee Meeting held 3 April 2024 and the Civil Litigation Update at Attachment 5.**

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	Minutes
Audit and Risk Committee	13 March 2024	<a href="#">Minutes</a>
Policy and Legislation Committee	20 March 2024	<a href="#">Minutes</a>
Meelup Regional Park Committee	25 March 2024	<a href="#">Minutes</a>
Finance Committee	3 April 2024	<a href="#">Minutes</a>

#### **Minor Donations Program – March 2024**

The Minor Donations Program is currently on hold and scheduled for review. Therefore, no applications were approved in March.

#### **Current Active Tenders**

The Tender update for March 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.

#### **Civil Litigation Update**

The Civil Litigation Update is at Attachment 5.

#### **Correspondence: Minister for Communications – Telecommunications network across the City of Busselton's District**

Correspondence from the Office of the Hon Michelle Rowland MP, Minister for Communications is at Attachment 4.