



Special Council Meeting

# Minutes

Wednesday 31 July 2024

**MINUTES**

**Minutes of a meeting of the Busselton City Council held in the Council Chambers, Administration Building, Southern Drive, Busselton, on Wednesday 31 July 2024 at 3:30pm.**

**TABLE OF CONTENTS**

<b>1. OFFICIAL OPENING.....</b>	<b>3</b>
<b>2. ATTENDANCE.....</b>	<b>3</b>
<b>3. PURPOSE OF MEETING.....</b>	<b>4</b>
<b>4. DISCLOSURES OF INTEREST .....</b>	<b>4</b>
<b>5. PUBLIC QUESTION TIME.....</b>	<b>4</b>
<b>6. PRESENTATIONS BY PARTIES WITH AN INTEREST .....</b>	<b>4</b>
<b>7. CORPORATE STRATEGY AND PERFORMANCE REPORTS .....</b>	<b>5</b>
7.1. ADOPTION OF 2024/25 ANNUAL BUDGET .....	5
<b>8. CONFIDENTIAL MATTERS .....</b>	<b>29</b>
<b>9. CLOSURE.....</b>	<b>29</b>

## 1. OFFICIAL OPENING

The meeting opened at 3:30pm.

The Presiding Member welcomed Councillors, staff, guests and members of the public to the Special Council Meeting of 31 July 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 and was live streamed on the City of Busselton YouTube channel.

## 2. ATTENDANCE

PRESIDING MEMBER	MEMBERS
Mayor Phill Cronin	Cr Anne Ryan (Deputy Mayor)
	Cr Val Kaigg
	Cr Jodie Lee
	Cr Jarrod Kennedy
	Cr Andrew Macnish
	Cr Mikayla Love
	Cr Richard Beecroft (via remote attendance)

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
Cr Kate Cox

PUBLIC
1

### **3. PURPOSE OF MEETING**

The purpose of this meeting is to of adopt the 2024/2025 City of Busselton Annual Budget and reaffirm the Fees and Charges for the 2024/2025 Financial Year.

### **4. DISCLOSURES OF INTEREST**

#### **DISCLOSURES OF FINANCIAL INTEREST**

Nil

#### **DISCLOSURES OF IMPARTIALITY INTEREST**

Nil

### **5. PUBLIC QUESTION TIME**

Nil

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

Nil

## 7. CORPORATE STRATEGY AND PERFORMANCE REPORTS

### 7.1. ADOPTION OF 2024/25 ANNUAL BUDGET

<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>1. Combined Rate Increase Submissions personal info redacted [7.1.1 - 50 pages]</li> <li>2. 2024-25 ANNUAL BUDGET [7.1.2 - 119 pages]</li> <li>3. Schedule Submissions Rate Increases by Submitter [7.1.3 - 13 pages]</li> </ol>

Officer recommendation 1 was moved, there was opposition and debate ensued.

The motion was carried.

#### COUNCIL DECISION

**C2407/203** Moved Cr Val Kaigg, seconded Cr Mikayla Love

1. That the Council, in accordance with section 6.36 (4) of the *Local Government Act 1995*, receives and acknowledges the 32 formal submissions received (listed at attachment 1) in response to the local public notice of the proposed differential rates to apply for the 2024/25 financial year.
2. That the Council, pursuant to the provisions of section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*, adopts the following components of the 2024/25 Annual Budget included within Attachment 2 for the City of Busselton:
  - Statement of Comprehensive Income by Nature or Type
  - Statement of Financial Position
  - Statement of Changes in Equity
  - Statement of Cash Flows
  - Statement of Financial Activity (Rate Setting Statement by Nature or Type)
  - Notes to and Forming Part of the Budget

- **Schedule of Capital Acquisition & Construction Projects and Initiatives**

**CARRIED 5 / 3**

**FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Val Kaigg, Cr Andrew Macnish and Cr Richard Beecroft**

**AGAINST: Cr Jodie Lee, Cr Mikayla Love and Cr Jarrod Kennedy**

**BY ABSOLUTE MAJORITY**

Prior to considering officer recommendation 2, a member requested it be broken down and put in the form of two parts, pursuant to 10.5 of the City of Busselton *Standing Orders Local Law 2018*.

Part 1 of officer recommendation 2 (comprising of points 1, 2, 3, 4, 6, 7 and 8) was moved and carried.

**COUNCIL DECISION**

**C2407/204** Moved Cr Andrew Macnish, seconded Cr Anne Ryan

**That the Council:**

1. **For the purpose of yielding the rates revenue in the 2024/25 Annual Budget per the Memo of Imposing Rates contained within attachment 2, pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995*, impose the following differential, specified area, general and minimum rates on Gross Rental and Unimproved Values.**

Description	Rate in the \$	Minimum Payment \$
<b><u>Zone Groups (GRV)</u></b>		
Residential (Improved/Vacant)	0.091301	1,623
Industrial (Improved/Vacant)	0.127838	1,623
Commercial (Improved/Vacant)	0.120076	1,623
GRV Holiday Homes	0.109168	1,814
<b><u>Land Use Groups (UV)</u></b>		
Primary Production	0.003252	1,623
UV Rural	0.003058	1,771
UV Commercial	0.005941	1,623
UV Holiday Home	0.003241	2,097
<b><u>Specified Area Rates</u></b>		
Port Geographe	0.014439	Nil
Provence GRV	0.013172	Nil
Provence UV	0.000139	Nil

Vasse GRV	0.016340	Nil
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2. Acknowledges in accordance with Regulation 23(b) of the *Local Government (Financial Management) Regulations 1996* that the rate in the dollar figures above differ from the advertised rates due to required rating adjustments to maintain the average 7.00% and 15.14% increases as follows:

	ADVERTISED	BUDGET	VARIATION
Differential Rating Category	Rate in the \$	Rate in the \$	Rate in the \$
Residential – Improved & Vacant	\$0.091300	\$0.091301	\$0.000001
Commercial - Improved & Vacant	\$0.120076	\$0.120076	\$0.00
Industrial - Improved & Vacant	\$0.127838	\$0.127838	\$0.00
GRV Holiday Homes	\$0.109149	\$0.109168	\$0.000019
UV Primary Production	\$0.003252	\$0.003252	\$0.00
UV Rural	\$0.003058	\$0.003058	\$0.00
UV Commercial	\$0.005941	\$0.005941	\$0.00
UV Holiday Home	\$0.003235	\$0.003241	\$0.000006

3. Adopt the rate payment instalment options and associated annual fees in accordance with section 6.45 (3) of the *Local Government Act 1995*, as follows:

- a) 4 Instalments \$21.00;
- b) EasyRates Monthly \$23.00;
- c) EasyRates Fortnightly \$29.00;
- d) EasyRates Weekly \$34.00

4. Adopts a per annum interest rate on rates paid by instalments in accordance with section 6.45 (3) of the *Local Government Act 1995*:

- a) 4 Instalments 5.5%;
- b) EasyRates Monthly 5.5%;
- c) EasyRates Fortnightly 5.5%;
- d) EasyRates Weekly 5.5%

6. In accordance with regulation 64 (2) of the *Local Government (Financial Management) Regulations 1996*, adopts the following Instalment options to be available:

Full payment or 1 <sup>st</sup> instalment due date	20 <sup>th</sup> September 2024
2 <sup>nd</sup> instalment due date	20 <sup>th</sup> November 2024
3 <sup>rd</sup> instalment due date	20 <sup>th</sup> January 2025
4 <sup>th</sup> instalment due date	20 <sup>th</sup> March 2025
Weekly direct debit first and last instalment dates	20 <sup>th</sup> September 2024 to 13 <sup>th</sup> June 2025

Fortnightly direct debit first and last instalment dates	20 <sup>th</sup> September 2024 to 13 <sup>th</sup> June 2025
Monthly direct debit first and last instalment dates	20 <sup>th</sup> September 2024 to 20 <sup>th</sup> June 2025

7. Adopts the following annual Refuse Collection and Recycling charges for the City of Busselton for the 2024/2025 financial year:

a) Commercial Waste Charge	\$190.55
b) Domestic Waste Charge	\$190.55
c) Recycling Collection Charge - Domestic	\$92.90
d) Commercial Recycling Collection Charge	\$92.90

8. In accordance with section 66 (1) and section 66 (3) of the *Waste Avoidance and Resource Recovery Act 2007*, applies the minimum payment provisions of section 6.35 of the *Local Government Act 1995*, and adopts a Waste Infrastructure Rate:

a) GRV General Properties – Rate in the dollar: 0.000010, minimum \$100.00
b) UV General Properties – Rate in the dollar: 0.000004, minimum \$100.00

**CARRIED 8 / 0**

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

**AGAINST: Nil**

**BY ABSOLUTE MAJORITY**

Part 2 of officer recommendation 2 (comprising of point 5) was moved and carried.

<p><b><u>COUNCIL DECISION</u></b></p> <p><b>C2407/205</b> Moved Cr Andrew Macnish, seconded Cr Val Kaigg</p> <p><b>That the Council</b></p> <p>5. Adopts an interest rate of 7.0% per annum on all outstanding rating balances (excluding Emergency Services Levy) in accordance with section 6.51 (1) of the <i>Local Government Act 1995</i>.</p> <p style="text-align: right;"><b>CARRIED 8 / 0</b></p> <p style="text-align: center;"><b>FOR: Mayor Phill Cronin, Cr Anne Ryan, Cr Jodie Lee, Cr Val Kaigg, Cr Andrew Macnish, Cr Mikayla Love, 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>
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Officer recommendation 3 was moved and carried.

**COUNCIL DECISION**

**C2407/206** Moved Cr Jarrod Kennedy, seconded Cr Andrew Macnish

**That the Council:**

- 1. Adopts the Councillors fees and allowances as follows:**
  - a) Councillor Annual Sitting Fees \$34,278**
  - b) Mayor Annual Sitting Fee \$51,412**
  - c) Mayor's Annual Allowance \$97,115**
  - d) Deputy Mayor's Annual Allowance \$24,279**
  - e) Annual Telecommunications and Information Technology Allowance \$3,500 per member**
- 2. Reaffirms the adoption of its Schedule of Fees and Charges for the 2024/2025 financial year, as amended, included within attachment 2.**
- 3. 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 2024/2025 financial year as follows:**
  - a) 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**
  - b) Reporting of variances only applies for amounts greater than \$50,000.**

**CARRIED 8 / 0**

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

**AGAINST: Nil**

**BY ABSOLUTE MAJORITY**

Officer recommendation 4 was moved and carried.

**COUNCIL DECISION**

**C2407/207** Moved Cr Jodie Lee, seconded Cr Andrew Macnish

1. That Council, pursuant to section 6.11 of the *Local Government Act 1995*, adopts the reserves and reserve fund budget contained at note 9 of the budget (included within attachment 2), including the following new reserve:

***New Sport and Recreation Facilities and Infrastructure Development Reserve***

***To set aside, accumulate and provide (co-)funding to facilitate the identification, location/siting, design, development and construction of new sporting and recreation infrastructure.***

**CARRIED 8 / 0**

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

**AGAINST: Nil**

**BY ABSOLUTE MAJORITY**

**OFFICER RECOMMENDATION 1**

**ABSOLUTE MAJORITY REQUIRED**

1. That the Council, in accordance with section 6.36 (4) of the *Local Government Act 1995*, receives and acknowledges the 32 formal submissions received (listed at attachment 1) in response to the local public notice of the proposed differential rates to apply for the 2024/25 financial year.
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  - Notes to and Forming Part of the Budget
  - Schedule of Capital Acquisition & Construction Projects and Initiatives

**OFFICER RECOMMENDATION 2**

**ABSOLUTE MAJORITY REQUIRED**

That the Council:

- For the purpose of yielding the rates revenue in the 2024/25 Annual Budget per the Memo of Imposing Rates contained within attachment 2, pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995*, impose the following differential, specified area, general and minimum rates on Gross Rental and Unimproved Values.

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	ADVERTISED	BUDGET	VARIATION
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5. Adopts an interest rate of 7.0% per annum on all outstanding rating balances (Excluding Emergency Services Levy) in accordance with section 6.51 (1) of the *Local Government Act 1995*.

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- a) GRV General Properties – Rate in the dollar: 0.000010, minimum \$100.00
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**OFFICER RECOMMENDATION 3**

**ABSOLUTE MAJORITY REQUIRED**

That the Council:

1. Adopts the Councillors fees and allowances as follows:
  - a) Councillor Annual Sitting Fees \$34,278
  - b) Mayor Annual Sitting Fee \$51,412
  - c) Mayor's Annual Allowance \$97,115
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2. Reaffirms the adoption of its Schedule of Fees and Charges for the 2024/2025 financial year, as amended, included within attachment 2.
3. 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 2024/2025 financial year as follows:
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  - b) Reporting of variances only applies for amounts greater than \$50,000.

**OFFICER RECOMMENDATION 4**

**ABSOLUTE MAJORITY REQUIRED**

1. That Council, pursuant to section 6.11 of the *Local Government Act 1995*, adopts the reserves and reserve fund budget contained at note 9 of the budget (included within attachment 2), including the following new reserve:

*New Sport and Recreation Facilities and Infrastructure Development Reserve*

*To set aside, accumulate and provide (co-)funding to facilitate the identification, location/siting, design, development and construction of new sporting and recreation infrastructure.*

**EXECUTIVE SUMMARY**

This report requests the Council to formally consider the attached budget papers in order to adopt the 2024/2025 Municipal Budget (the Budget).

**STRATEGIC CONTEXT**

Adoption of the Budget delivers on the Council’s strategic priority for the responsible management of ratepayer funds and the provision of community services and infrastructure to meet needs now and into the future.

**BACKGROUND**

Pursuant to section 6.2 of the *Local Government Act 1995* (the Act), a local government is to prepare and adopt an annual budget between 1 June and 31 August each year, or such extended time as the Minister allows.

Officers commenced preparation of the Budget in January 2024 informed by the Council’s strategic planning documents. Input from across the organisation was gathered and verified through various workshops with the Executive Leadership Team, and with guidance from Elected Members via workshops in May and June 2024, with a final briefing in July 2024.

**OFFICER COMMENT**

The Budget is reflective of the documents workshopped with Elected Members and incorporates any amendments determined during that process including final amendments following confirmation of grant funding (with \$2.82M in financial assistance grants received in advance), consideration of carryover projects and resulting adjustments to reserve movements (totalling \$22.2M inclusive of Saltwater and funding for Dunsborough Lakes Sporting Precinct), additional insurance and Fringe Benefits Tax costs in employee costs (\$620k), and the inclusion of the unaudited surplus amount from 2023/2024 (as outlined below).

**Municipal Fund Net Surplus Position 2023/24**

The City finished the 2023/2024 financial year with an unaudited budget surplus figure of \$2,175,107 representing 1.60% of total operating and capital expenditure.

This surplus is predominately a reflection of higher than expected revenues and cost savings against budget realised throughout a range of operational areas, summarised as follows:

Nature Category	2023/2024 Actual	2023/2024 Amended Budget	2023/24 Budget Variance	2023/24 Budget Variance	Municipal Impact 000's	Comments
	\$	\$	%	\$		
<b>Operating Activities</b>						
<b>Revenue from Operating Activities</b>						
Rates	60,898,902	60,395,882	0.83%	503,020	503	Additional interims including interim ratings for two new larger commercial properties.

Grants, Subsidies and Contributions	7,467,241	5,452,685	36.95%	2,014,556	(74)	Net underbudget for multiple new external grant funded activities
Fees & Charges	25,543,544	22,404,393	14.01%	3,139,151	335	Mainly due to higher revenues at the leisure centres, some commercial leases, and venue hires.
Other Revenue	605,373	334,933	80.74%	270,440	105	Higher than expected revenues from standpipe water sales and memorialisation stock, salary packaging credits from previous packaging administrator, and additional ESL admin fees
Interest Earnings	6,390,122	4,305,492	48.42%	2,084,630	941	Higher than expected interest rates and cash on hand position earlier in the year, with the roll over of invested funds from last financial year also coming to fruition and overlapping into this financial year.
<b>Expenses from Operating Activities</b>						
Employee Costs	(37,655,643)	(37,929,304)	0.72%	273,661	274	Associated with vacancies
Materials & Contracts	(24,670,529)	(29,232,925)	15.61%	4,562,396	1,659	A wide variety of underspends in a multitude of operating activities and projects, caused by continued supply chain shortages and delays, plus availability of contractor and consulting resources.
Utilities (Gas, Electricity, Water etc)	(3,164,518)	(2,980,399)	(6.18%)	(184,119)	(184)	Higher than expected energy prices
Finance Costs	(1,716,476)	(1,749,875)	1.91%	33,399	33	Slightly lower than forecast interest and bank charges
Insurance Expenses	(911,491)	(894,395)	(1.91%)	(17,096)	(17)	Slightly higher than expected premiums from LGIS

Other Expenditure	(6,048,079)	(6,823,844)	11.37%	775,765	341	A wide variety of underspends in a multitude of operating activities and projects, caused by continued supply chain shortages and delays, plus availability of contractor and consulting resources.
<b>Investing Activities</b>						
Land & Buildings	(17,503,503)	(29,876,325)	41.41%	12,372,822	84	Municipal impact from the underspend in capital projects and activities, with almost all capital expenditure funded via reserves
<b>Financing Activities</b>						
Transfer to Restricted Assets	(25,868,051)	(9,200,455)	(181.16%)	(16,667,596)	} (1,825)	Net result of all the multitude of transfers to, from and between reserves and RA accounts, resulting from unders and overs in all the lines above that are funded via these reserves and RA's
Transfer from Restricted Assets	31,372,425	22,096,170	41.98%	9,276,255		
Transfer to Reserves	(42,576,297)	(39,002,735)	(9.16%)	(3,573,562)		
Transfer from Reserves	46,288,590	60,739,045	(23.79%)	(14,450,455)		
					<b>2,175</b>	

Per council resolution C2406/174, resolved as Council’s ordinary meeting 19 June 2024, \$500,000 of the surplus has been transferred in the 24/25 budget to the new infrastructure development reserve with the balance transferred to the new Sport and Recreation facilities infrastructure reserve.

As such, the 2024/25 budget is presented with a balanced position at the end of 2024/2025 year.

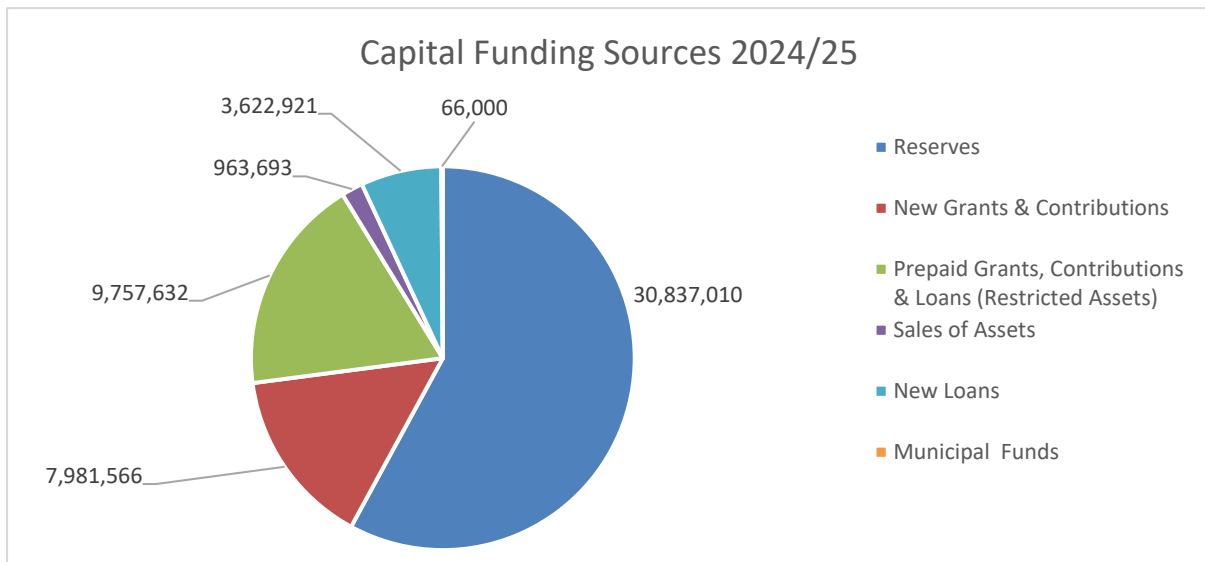
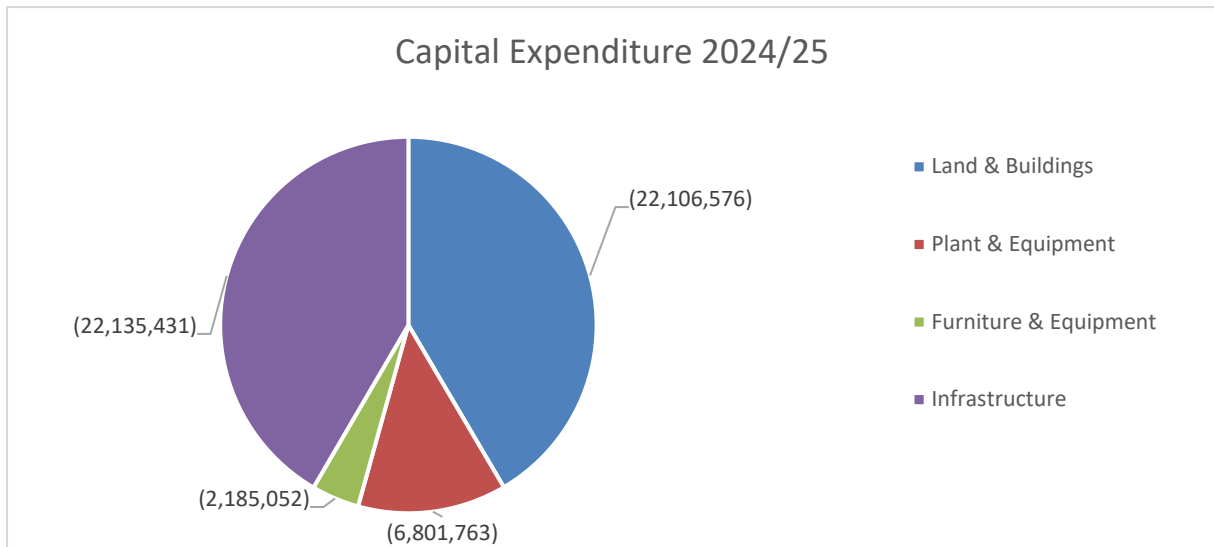
**2024/2025 Annual Budget**

The Budget includes a wide range of capital improvement projects, in addition to recurrent operational funding allocations to support the provision of services, facilities and initiatives that will benefit the City’s growing and diverse community, providing for environmental, economic and social advancement opportunities across the district.

Total expenditure (excluding depreciation) is in the order of \$135.2M including approximately \$53.2M in capital expenditure.

The graphs below depict capital expenditure by category and the capital funding sources.





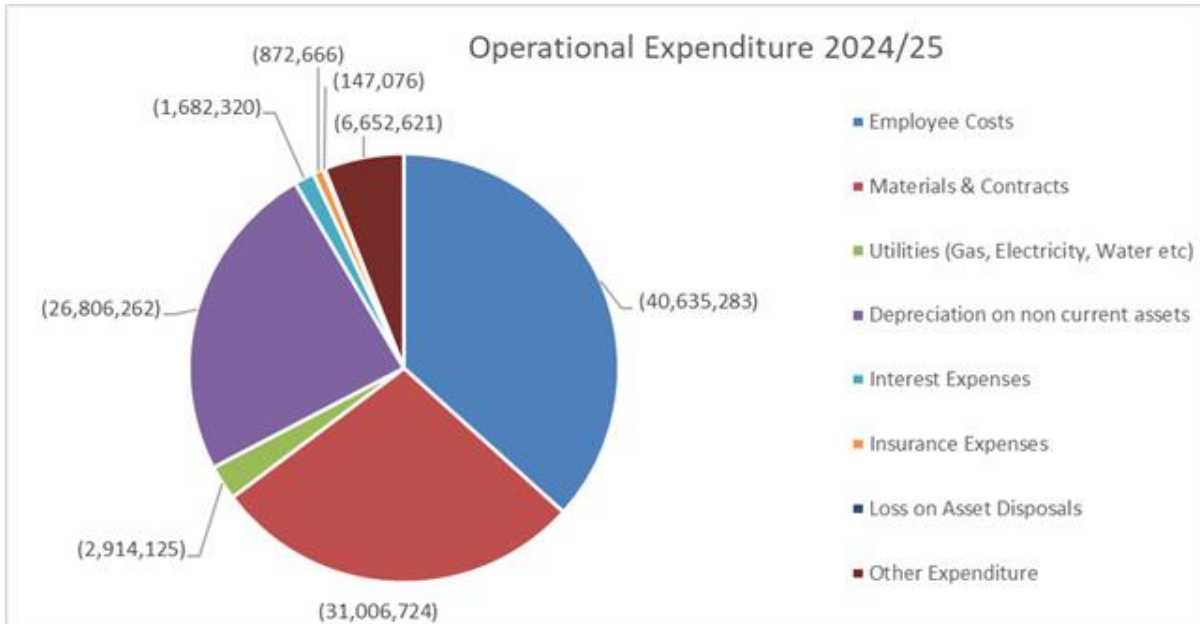
Buildings includes the current Saltwater construction, with a carry-over of the unspent portion of the 23/24 budget (totalling \$7.58M) into the 24/25 budget. This is funded by existing grant and loan funding. The City is currently reviewing the Saltwater project requirements, with a separate budget amendment to be presented encapsulating the balance of the project budget and any additional funding requirements. It also includes funding for the building of a new Pavilion at Dunsborough Lakes Sporting Precinct.

Other capital expenditure allocations of note include:

- \$10.2M in respect of the City's road network including renewal works on Commonage Road Dunsborough, and the reconstruction and widening of North Jindong Road.
- \$5.1M in parks, gardens and reserves work including replacing playground equipment at various playgrounds, lighting renewal at Dunsborough Oval skate park, and coastal stabilisation works.
- \$3M in footpath and cycleway construction
- \$5.8M to renew City plant and equipment
- \$7.8M for the acquisition of strategic land in accordance with previous Council decisions

- \$3.3M in Busselton Regional Airport works including \$1.2M to expand the public car park

Operating expenditure (inclusive of depreciation) totals \$110.7M, and is shown by nature and type below:



Employee costs represent the City’s largest operating cost, with increases experienced due to labour market conditions and the need to attract and retain quality staff. Additional resourcing in relation to the delivery of ranger services and to improve organisational governance and risk management has also been included, along with increases to the superannuation guarantee charge (by 0.5%) and employee related insurances. Employee training, recruitment costs, personal protective equipment clothing and uniform costs are also included under employee costs.

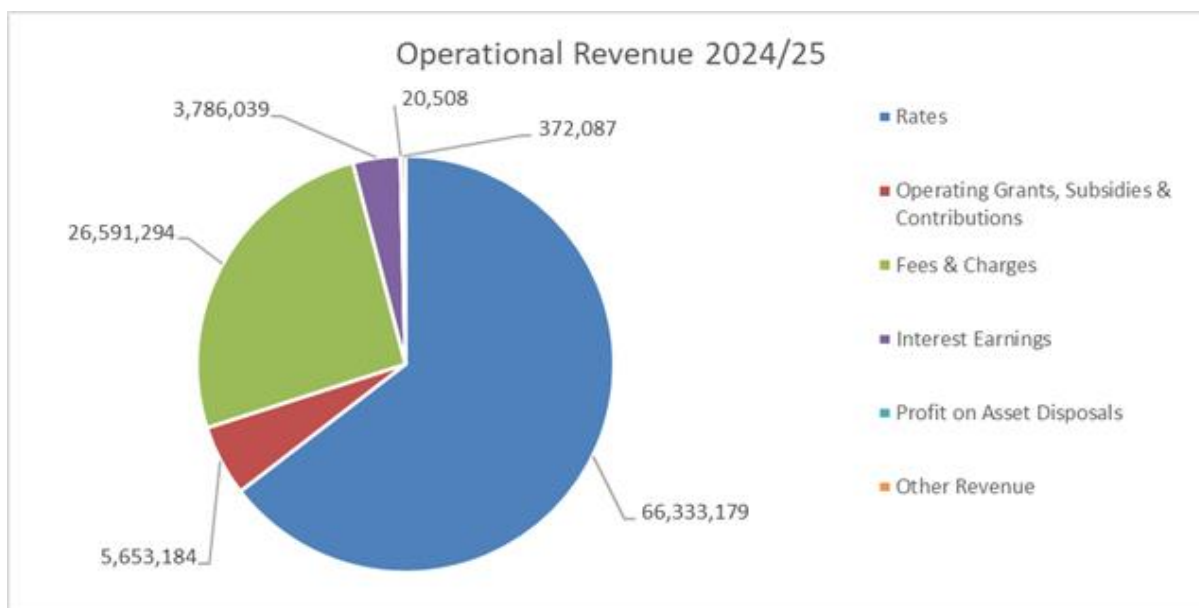
Materials and contracts expenditure provides for the operational maintenance and functioning of a broad range of services including airport operations, civil construction and maintenance, parks and gardens, building facilities maintenance, maintenance of coastal reserves, plant and equipment, information technology, and waste management and recycling services. The majority of the City’s material and contract costs are subject to competitive procurement processes, with cost impacts resulting from economic and labour market conditions.

Operating expenditure is shown grouped by statutory program in the table below:

Statutory Program Area	2024/2025 Budget	Program Overview
Governance	\$7,462,566	Members of Council, direct and allocated administration support including, public relations, legal and governance, human resources, work health safety
General Purpose Funding	\$1,601,852	Rates and other general purpose funding
Law, Order & Public Safety	\$3,986,809	Fire prevention Animal control, other law, order, public safety (rangers)

Statutory Program Area	2024/2025 Budget	Program Overview
Health	\$1,567,940	Management of food safety, health inspections, approvals, mosquito control, prevention activities, water quality testing and effluent disposal.
Education and Welfare	\$795,084	Activities to support children and the youth, support for seniors and disadvantaged members of the community.
Housing	\$449,221	Management of community housing.
Community Amenities	\$18,976,669	Sanitation — Household refuse, Other Sewerage, Urban stormwater drainage, Protection of environment including coastal, town planning and regional development, toilets, gravel pits
Recreation and Culture	\$35,518,910	Parks, Public Halls, Estates, Boat Ramps, Recreation and Sporting Facilities, Arts, Oher Culture, Community Development, Libraries
Transport	\$32,232,879	Maintenance and construction of rural and urban local road network, bridges, footpaths, cycle-ways, parking facilities, road drainage, street lighting and operation of the airport.
Economic Services	\$5,631,315	The development, promotion, support of events, jetty tourist park, tourism area promotion, and tourist park information bays, street decorations and property administration.
Other Property and Services	\$2,493,830	Plant operations and public works overheads

Operating income has been budgeted at \$102.7M with the sources of income displayed below. The primary source of income for the City is rates, with the \$66.3M representing 64.5% of operating income. Fees and charges are the other main source of income contributing 25.8% of operating income. It is noted that fees and charges in relation to waste services, the Busselton Margaret River Airport and the Busselton Jetty Tourist Park are netted off with expenditure to financial reserves dedicated to the future funding and operation of these facilities.



In summary it is considered that the Budget reflects value for money and is attentive to the desires and aspirations of the community, advancing initiatives important to our natural environment, lifestyle and the creation of opportunities across the City. It maintains our commitment to the delivery of improved infrastructure and continues investment in planning for the future priorities and desires of residents, including through the allocation of 1% of rates to a new reserve fund for future sporting and recreation infrastructure.

## Rates

The amount of \$66,333,179 is to be raised via rates and charges, with an average rate increase of 7% proposed for all differential rating categories, except Holiday Homes, where an average 15.14% rate increase is proposed.

This is higher than the forecast 3.5% contained within the City's adopted LTFP 2022 – 2032, adopted in April 2022. Economic conditions have changed significantly since then and the increase reflects the current cost pressures facing the City in delivery of its services, with the following factors impacting:

- Persistently high CPI wage price index resulting in increases to materials, contracts, labour and insurances.
- The compounding adverse effect on the rates base of the 0% increase in the COVID year of 2020, plus the subsequent years of smaller increases than the prevailing CPI rates and wage increases. Rate increases for the previous 3 years as compared to CPI are shown below:

Financial Year	Rate Increase	Perth CPI
2023/2024	3.9%	4.9%
2022/2023	3.5%	7.4%
2021/2022	2.5%	4.2%

- Growth in the City's asset base with asset management planning indicating the continued need to set aside funding into reserves for these purposes;
- The introduction of a new reserve, with 1% of the rates increase set aside for the development of new sport and recreation infrastructure and facilities, something the community has highlighted as a key priority.

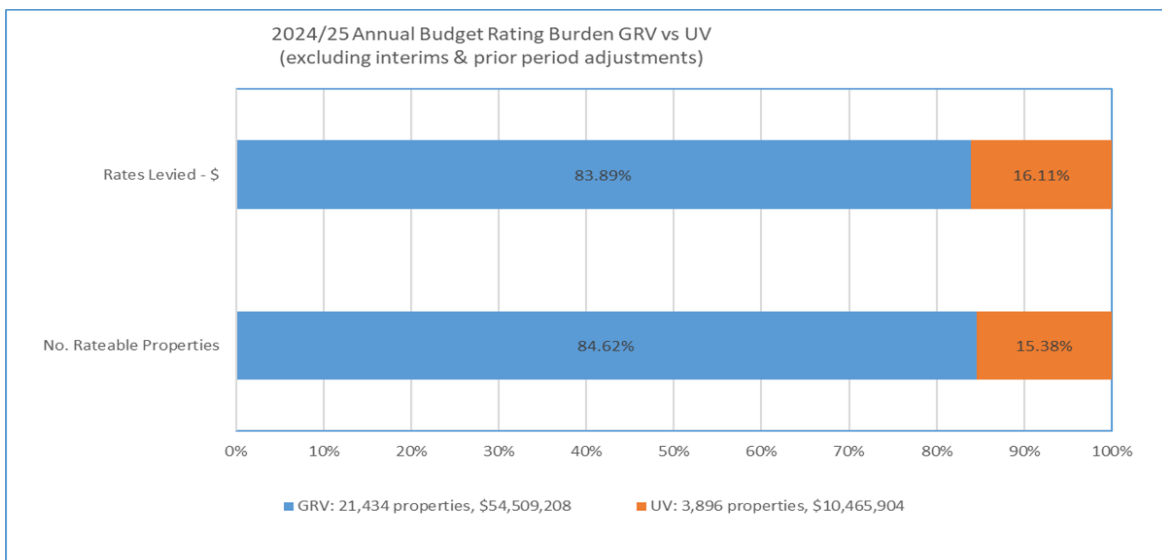
Public notice with respect to the Notice of Intention to Levy Differential Rates for the 2024/2025 financial year was given with Ratepayers and Electors invited to make a submission to Council in relation to the proposal. Submissions closed 4:30pm Wednesday 10th July 2024. In accordance with section 6.36 of the Act, Council is required to consider any submissions received before imposing the proposed rate or minimum payment with or without modification. 32 formal submissions were received by the closure date, listed in Attachment 1 with personal information having been redacted and with a summary schedule inclusive of officer comment against each submission provided at Attachment 2.

Officers acknowledge that the submissions received in relation to the advertising of the differential rates (discussed below) reflect some ratepayer concerns regarding the proposed rate increases and cost of living pressures. Developing a balanced budget is always complicated, with many competing demands and increases in the cost-of-service delivery due to current market conditions. With a

growing and increasingly diverse community, the City seeks to provide through its budget a broad range of services and facilities to meet community demand. Additionally, the City has a large number of community assets to continually maintain – buildings, parks, reserves, ovals, playgrounds, roads, footpaths, drainage, coastal infrastructure and more – and there is a continued need to provision for future renewal of assets as per asset management planning.

**UV & GRV Revaluations**

During the last financial year only the annual revaluation of Unimproved Values (UV) by the Valuer Generals Office (VGO), effective from 1 July 2024, was received. While Council sets the rate in the dollar, it has no input into what an individual property’s valuation will be. A property’s valuation as per the most recent revaluation, along with the rate in the dollar is used to calculate a property’s rates. Where a property’s valuation has increased or decreased beyond either the GRV or UV total average, then the overall rate increase will generally be higher or lower than the average increase.



**Waste Charges**

Increases in waste charges have been kept to a minimal amount. Below are details of this increase:

Charge Type	2023/2024	2024/2025	Increment
Refuse Removal Commercial	\$183.40	\$190.55	\$7.15
Refuse Removal Domestic	\$183.40	\$190.55	\$7.15
Recycling Fees - Domestic	\$89.40	\$92.90	\$3.50
Recycling Fees - Commercial	\$89.40	\$92.90	\$3.50

**Waste Avoidance and Resource Recovery Act Charges (WARR Act)**

There has been an increase in the WARR Act minimum payment from \$87.50 to \$100 to provide for waste management plant, equipment, and infrastructure, as well as the construction and remediation of current and former landfill sites.

## Loan Borrowings

The 2024/25 annual budget includes \$2M in proposed new borrowing, for the following purposes:

⇒ Community Groups Self Supporting Loans (\$250K)

\$250k has been included in the budget for provision of loan funding to other community groups, enabling them to borrow funds at lower interest rates through support of the City. Liability for the repayment of the loans remains with the community group. These loans are considered on request.

⇒ Strategic Land Purchases (\$3.62M)

Strategic land purchases partly funded by loan borrowings, with \$1.75M carried over from the 2023/2024 financial year budget, as the final settlement for the purchase of the land was delayed until the 2024/2025 financial year.

## Changes to Reserves

Council resolved at its 19 June Ordinary Council meeting to the creation of a new reserve:

Name: New Sport & Recreation Infrastructure & Facilities Development Reserve

Purpose: To set aside funds to contribute towards the future development of New Sport & Recreation Infrastructure & Facilities within the Busselton District.

Council further resolved (C2406/174) to allocate 1% of rates raised in 2024/25 plus any surplus from the 2023/24 year in excess of \$500K.

## Fees and Charges

To enable the Council's Schedule of Fees and Charges to become effective from the commencement of the financial year, the Schedule is required to be adopted in advance of 30 June each year. At its ordinary meeting of 15 May 2024, the Council adopted its Schedule of Fees and Charges for the 2024/2025 financial year.

Pursuant to Section 6.19 of the Act, local public notice was given, and the Schedule of Fees and Charges came into effect from 1 July 2024.

Since this time several minor changes / additions are proposed to the Schedule of Fees and Charges as follows:

- The statutory charge amount for the "Pool Certification Inspection Fee" for new pools has been increased effective June 2024. To enable the City to charge the higher fee, and to cater for any future changes outside the City's schedule adoption timeline; the wording of the charge has been altered to read "As per the maximum fee listed in Regulation 53A. (2) of the Building Regulations 2012".
- The "Application for Transfer of Traders permit" fee is to be deleted as it is not considered required.

- The “Itinerant Trader Permit” fee to be amended to note that it is for a 12-month period, and that pro rata applies for shorter periods.
- A fee to Transfer a Caravan Park License to be introduced in accordance with the Caravan Parks and Camping Regulations 1997.
- The wording and GST related charges for the Noise Regulation Fees to be altered to correct typographical errors. Some charge amounts have been reduced to the amount set by the appropriate Regulation, having been increased last year in error.
- The wording for the half yearly Cat and Dog registration fees has been altered to clarify that it only applies to registrations post 31 May annually.
- The individual Fees applicable to a Cat Surrender / Disposal (in the amount of \$65) and Dog Surrender / Disposal (in the amount of \$125) are to be deleted as they are duplicated by the “Dog/cat disposal / rehousing fee: voluntary surrender by owner: fee per dog/cat” fee in the amount of \$155. The inclusion of the individual fees is erroneous.
- The charges for Reinstatements/ Private Works have been amended to only charge Community Groups at Cost, with no profit margin levied.
- Wording that states “Promotions for car parking are at the discretion of the Chief Executive Officer” is proposed to be added to the Car Park section of the Busselton Margaret River Airport list. Officers would like to be able to offer promotions or specials for car parking rates with the CEO approval. This is to provide an incentive for traveling from the BMRA for RPT passengers (Sydney and Melbourne services) during low season periods or in response to competitive campaigns at other Airports.
- Saltwater Fees for Dance Floor Hire and Administrative Fee have previously been adopted as a percentage rather than a dollar amount. This is to be corrected.
- New charges are proposed for School Groups Guided and Extended Tours of the Old Courthouse, of \$240 and \$320 (incl. GST) respectively. These prices have been developed in consultation with local schools to allow for historic reenactments in the courtroom, guided tours and educational activities related to early settlement history. The package includes a curriculum linked education pack included in the tour price. This expands the educational offerings at the Cultural Precinct, in line with the council endorsed Cultural Precinct Strategy.
- The wording of the “Library Bags” charge has been altered to remove the word “Red”, as the colour restriction is no longer applicable. It is proposed to increase the fee, from \$1.50 per bag to \$5; as it is no longer possible to replace the bags for the current advertised price.
- The fee for Meelup Regional Park Wildflower Brochures is to be deleted as it is no longer in production and any remaining copies are now outdated.
- The charge for “Beach Volleyball – set up and dismantle” is proposed to rise to \$2,500 per annum, up from a previously adopted \$1,511 per annum. Historical financial expenditure shows approximately 30 hours of machine use @ \$120 p/hour is required to prepare the surface, although this can change from year to year, depending on seasonal weather conditions. Although \$3,600 is the average annual expenditure, in consultation with the clubs \$2,500 is considered an appropriate charge considering ability to pay. The proposed

fee of \$2,500 is equivalent to a hire rate of \$7.50/hour for the Beach Volleyball area for the season.

- The “Annual Jetty Pass - Resident & Ratepayers - Single Adult (17 years +)” charge is proposed to be removed. At the 17 May 2024 Busselton Jetty Reference Group (BJRG) meeting, the merits of removing the \$4 annual charge for a pass for residents to walk the Busselton Jetty was discussed. Busselton Jetty Inc. (BJI) receives regular complaints that the jetty, viewed as a community asset, requires local residents and ratepayers to pay a fee to access it during the hours of BJI’s operations. Last year there were 2,333 annual walk passes sold to residents with a total revenue of \$9,332. In the same year BJI reported an annual turnover of \$6,231,557 and contributed \$1,333,010 to the Jetty Maintenance Reserve. BJI suggested that in percentage terms the loss of this revenue was negligible in return for the value residents would place on being able to access the jetty free of charge whenever they wanted for their enjoyment. The BJRG agreed with this sentiment and supported the proposal to remove the local walk pass fee for Council’s consideration.
- The “Additional and/or Replacement Key / Access Card” and “Key Issue Fee” charges, as part of the Hire Facilities” section were incorrectly listed as being Bonds. The actual dollar amount has not changed; however, the fees have been moved from the Facility Hire Bond section to the Miscellaneous Facility fees section of the Schedule.
- Undalup Function Room After Hours / Weekend charges are proposed to increase by \$50 per 4-hour block. The increase is due to the requirement for City Venue’s staff to be present, who will be paid overtime rates.
- Busselton Jetty Tourist Park charges for the Nautilus and Olive Shell cabins have been reviewed to consider that linen has now been provided to all beds.
- The charge for electricity use for caravan air-conditioners is to be removed as it is no longer considered appropriate.

### **Variance Reporting Threshold – 2024/2025 Financial Year**

Whilst not directly relevant to the Budget adoption, regulation 34(5) of the *Local Government (Financial Management) Regulations* requires that in each year, a local government adopts a percentage or value, calculated in accordance with Accounting Standard AASB 1031 - Materiality, to be used for reporting material variances.

It is preferable that the Council determines this percentage or value as part of its annual budget adoption process, such that this reporting threshold is known prior to the compilation of the initial Statement of Financial Activity report each financial year.

Accounting Standard AASB 1031 states that:

*general purpose financial reporting involves making decisions about the information to be included in general purpose financial reports and how it is presented. In making these judgements, considerations of materiality play an essential part. This is because the inclusion of information which is not material or the exclusion of information which is material may impair the usefulness of the information provided to users.*



The Standard also suggests quantitative thresholds in the consideration of the materiality of variances, as follows:

- a) *An amount which is equal to or greater than ten percent (10%) of the appropriate base amount may be presumed to be material unless there is evidence or convincing argument to the contrary; and*
- b) *An amount which is equal to or less than five percent (5%) of the appropriate base amount may be presumed not to be material unless there is evidence or convincing argument to the contrary.*

It is proposed that the existing combined [ $\pm$  10%] and [ $\pm$  \$25K] variance reporting threshold be retained unchanged for the 2024/2025 year, with reportable variances resulting from timing differences and/or seasonal adjustments to be reported only if it is required in order to present a complete picture of the financial performance for a particular period.

### **Statutory Environment**

As part of the annual budget development process, a local government must have regard for numerous requirements under the Act and associated Regulations. These include, but are not limited to, the following provisions:

- **Adoption of Annual Budget**  
Section 6.2 of the Act and Part 3 of the Local Government (Financial Management) Regulations detail the form and way an annual budget is to be presented to the Council for formal consideration.
- **Reserve Accounts**  
Section 6.11 of the Act provides guidance in respect of reserve accounts and outlines the processes to amend a reserve's purpose.
- **Power to Borrow**  
Sections 6.20 and 6.21 of the Act refer to a local government's power to borrow and the administrative requirements associated therewith.
- **Notice of Imposing Differential Rates**  
Section 6.36 of the Act details the requirement for a local government to give local public notice of its intention to impose differential rates in the dollar and associated minimum payments in any year. The local public notice is to provide details of each differential rate in the dollar and associated minimum payment and must also invite public submissions to the proposal, for at least 21 days.
- **Limit on revenue and income from general rates**  
Section 6.34 prescribes the limits on which the Council can yield in relation to its annual rates income. The Budget falls within the threshold.
- **Adoption of Fees and Charges**  
Sections 6.16 – 6.19 of the Act refer to the imposition, setting the level of, and associated administrative matters pertaining to fees and charges. The requirement to review fees and charges annually is detailed within Regulation 5 of the Local Government (Financial

Management) Regulations. The Fees and Chargers were adopted by the Council in May 2024 and advertised to enable them to apply from 1 July 2024.

### **Relevant Plans and Policies**

The Budget has been guided by the Council's strategic planning documents.

### **Financial Implications**

The Budget adopted by the Council will determine the financial operations of the City of Busselton for the 2024/2025 financial year.

### **External Stakeholder Consultation**

Public notice with respect to the Notice of Intention to Levy Differential Rates for the 2024/2025 financial year was placed in the Busselton Dunsborough Times on the 19 June 2024 and the West Australian on the 28 June 2024. Copies were also placed on the City's public noticeboards at the City's Administration Centre, Southern Drive, Busselton and both the Public Libraries (Busselton and Dunsborough). The proposed rate increase advertised for 2024/2025 financial year was 7% for all Differential Rating Categories except Holiday Homes, which was advertised at 15.12%. As discussed in the officer comment above, 32 submissions were received.

### **Risk Assessment**

The Budget supports the delivery of the City's Strategic Community Plan and provides the financial capacity to deliver the programs, projects and ongoing services as identified in the budget papers aligned to the strategic goals and objectives set by Council.

### **Options**

As an alternative to the proposed recommendations the Council could decide to amend the rates in the dollar and the Budget to rebalance it. Any amendment to the proposed rate increase will require officers to remodel the impact on the rates in the dollar within the recommendation. Elected members are asked to provide advance notice to officers of any alternative motion.

The Council may also decide to amend the recommended variance reporting threshold in respect of the statutory Statement of Financial Activity Statement reporting.

### **CONCLUSION**

The Budget has been drafted with a long-term view of the needs of the City and its residents in mind. As illustrated in this report, the Budget provide the investment required to continue to deliver a wide range of projects and services for residents, supporting achievement the community aspirations outlined in the Council's Strategic Community Plan. Critically, we are also planning for future infrastructure development to support our growing population by putting money aside to ensure we can meet future needs while ensuring we maintain a high standard of daily service delivery. It is therefore recommended that the Council adopts the Budget as presented.

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

The Budget will become effective immediately consequent to adoption by the Council.

## 8. CONFIDENTIAL MATTERS

Nil

## 9. CLOSURE

The meeting closed at 3:58pm.

These minutes for the Special Council Meeting 31 July 2024 were confirmed as a true and correct record on

Date: 21 AUGUST 2024

Presiding Member:

