



Finance Committee

Minutes

Wednesday 4 December 2024



Our Vision

Where environment, lifestyle and opportunity meet

Community Aspirations



KEY THEME 1

Environment

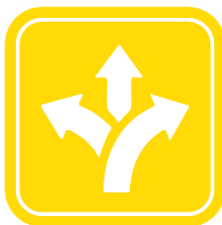
An environment that is valued, conserved and enjoyed by current and future generations.



KEY THEME 2

Lifestyle

A place that is relaxed, safe and friendly, with services and facilities that support positive lifestyles and wellbeing.



KEY THEME 3

Opportunity

A vibrant City with diverse opportunities and a prosperous economy.



KEY THEME 4

Leadership

A Council that connects with the community and is accountable in its decision making.

MINUTES

Minutes of a meeting of the Finance Committee held in the Council Chambers, Administration Building, Southern Drive, Busselton, on Wednesday 4 December 2024 at 11.00am.

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1 OFFICIAL OPENING

The meeting opened at 11.03am.

The Presiding Member welcomed Councillors, staff, guests and members of the public to the Finance Committee Meeting of 4 December 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.

2 ATTENDANCE

PRESIDING MEMBER	MEMBERS
Cr Kate Cox	Mayor Phill Cronin
	Cr Jodie Lee
	Cr Jarrod Kennedy
	Cr Val Kaigg

OFFICERS	
Mr Gary Barbour	Acting Chief Executive Officer
Ms Sarah Pierson	Director Corporate Strategy and Performance
Mr Paul Sheridan	Manager Financial Services
Ms Tegan Robertson	Governance and Risk Coordinator

APOLOGIES	
Nil	

PUBLIC	
Nil	

3 DISCLOSURES OF INTEREST

Nil

4 PUBLIC QUESTION TIME

Nil

5 CONFIRMATION AND RECEIPT OF MINUTES

5.1 Finance Committee 6 November 2024

COMMITTEE DECISION

F2412/42 Moved Cr Jarrod Kennedy, seconded Cr Val Kaigg

That the minutes of the Finance Committee 6 November 2024 meeting be confirmed as a true and correct record (as published at 4 December 2024 on the City of Busselton's [website](#) inclusive of any confidential material published on the restricted internal Docs on Tap application).

CARRIED 5 / 0

FOR: Mayor Phill Cronin, Cr Jodie Lee, Cr Val Kaigg, Cr Kate Cox and Cr Jarrod Kennedy

AGAINST: Nil

6 REPORTS

6.1 List of Payments Made - October 2024

Strategic Theme:	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.
Directorate:	Corporate Strategy and Performance
Reporting Officer:	Manager Financial Services – Paul Sheridan
Authorised By:	Director Corporate Strategy and Performance – Sarah Pierson
Nature of Decision:	Noting: The item is simply for information purposes and noting.
Voting Requirements:	Simple Majority
Disclosures of Interest:	No officers preparing this item have an interest to declare.
Attachments:	1. List of Payments for Council October 2024 [6.1.1 - 15 pages]

COUNCIL DECISION

F2412/43 Moved Mayor Phill Cronin, seconded Cr Val Kaigg

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

CHEQUE PAYMENTS	120087 - 120104	45,139.57
ELECTRONIC TRANSFER PAYMENTS	106155 - 107043	9,929,909.04
TRUST ACCOUNT	EFT# TR000068 - TR000070	39,505.38
PAYROLL	01.10.2024 - 31.10.24	2,940,895.87
INTERNAL PAYMENT VOUCHERS - DIRECT DEBITS	DD #5909 - 5950	25,231,260.32
SYSTEM GENERATED PAYMENTS - BOOKABLE	REF# 3 - 5	108.00
TOTAL PAYMENTS		38,186,818.18

CARRIED 5 / 0

FOR: Mayor Phill Cronin, Cr Jodie Lee, Cr Val Kaigg, Cr Kate Cox and Cr Jarrod Kennedy

AGAINST: Nil

OFFICER RECOMMENDATION

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

CHEQUE PAYMENTS	120087 - 120104	45,139.57
ELECTRONIC TRANSFER PAYMENTS	106155 - 107043	9,929,909.04
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SYSTEM GENERATED PAYMENTS - BOOKABLE	REF# 3 - 5	108.00
TOTAL PAYMENTS		38,186,818.18

EXECUTIVE SUMMARY

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

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not applicable.

6.2 Monthly Financial Report - Year to Date 31 October 2024

Strategic Theme:	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.
Directorate:	Corporate Strategy and Performance
Reporting Officer:	Manager Financial Services – Paul Sheridan
Authorised By:	Director Corporate Strategy and Performance – Sarah Pierson
Nature of Decision:	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.
Voting Requirements:	Simple Majority
Disclosures of Interest:	No officers preparing this item have an interest to declare.
Attachments:	<ol style="list-style-type: none"> 1. Monthly Financial Report - October 2024 [6.2.1 - 21 pages] 2. Investment Report - October 2024 [6.2.2 - 1 page] 3. Loan Schedule - October 2024 [6.2.3 - 1 page]

COUNCIL DECISION

F2412/44 Moved Cr Jodie Lee, seconded Cr Jarrod Kennedy

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

CARRIED 5 / 0

FOR: Mayor Phill Cronin, Cr Jodie Lee, Cr Val Kaigg, Cr Kate Cox and Cr Jarrod Kennedy

AGAINST: Nil

OFFICER RECOMMENDATION

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

EXECUTIVE SUMMARY

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

This report has been compiled to fulfil the statutory reporting requirements of the Act and associated Regulations, whilst also providing the Council with an overview of the City's financial performance on a year-to-date basis, for the period ending 31 October 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 31 July 2024, the Council adopted (C2407/206) the following material variance reporting thresholds for the 2024/25 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 2024/25 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 2024/25.

Net Current Position Summary Report

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

Capital Acquisition & Construction Report

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

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

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

Reserve Movements Report

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

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

Net Current Position Chart

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

Comments on Financial Activity to 31 October 2024

The Statement of Financial Activity (FAS) for the year to date (YTD) shows an overall Net Current Position (NCP) of \$45.7M as opposed to the YTD budget of \$48.2M. The following table summarises the major YTD cash 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	2024/25 Actual YTD \$	2024/25 Budget YTD \$	2024/25 Budget \$	2024/25 YTD Bud Variance %	2024/25 YTD Bud Variance \$	Change in Variance Current Month \$
Amount Attributable to Operating Activities (excluding non-cash items)				(2.68%)	(1,585,643)	(1,153,596)
Revenue from Operating Activities				1.39%	1,161,279	648,146
1. Interest Earnings	2,130,271	1,473,733	3,786,039	44.55%	656,539	207,134
Amount Attributable to Financing Activities (excluding non-cash items)				(98.75%)	(1,286,997)	(467,753)
2. Proceeds from New Loans	-	1,872,921	3,872,921	(100.00%)	(1,872,921)	-
3. Advances to Community Groups	-	(83,333)	(250,000)	100.00%	83,333	20,833
4. Transfer to Restricted Assets	(7,282,127)	-	-	(100.00%)	(7,282,127)	(1,874,429)
5. Transfer from Restricted Assets	6,154,244	3,252,544	9,757,632	89.21%	2,901,700	797,983
6. Transfer from Reserves	5,912,330	5,074,143	44,643,311	16.52%	838,188	(85,877)

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 of 31 October 2024, the value of the City’s invested funds increased to \$119.79M from \$109.29M as of 30 September 2024. The increase is due to rates funds received.

As of 31 October 2024, the 11am account balance is \$7.5M, being a decrease from \$22.0M from 30 September 2024. The decrease of \$14.5M to the 11am account is due to the opening of new term deposits.

During the month of October, no term deposits matured. However, six new deposits were opened for a further 217 days at 5.02% on average

The official cash rate remained steady during the month of October 2024 at 4.35%. The timing and nature of further movements of the cash rate are currently uncertain.

Borrowings Update

During the month no new loans were drawn, with \$470K of principal and \$51K of interest repaid 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 October 2024 are provided below to ensure there is appropriate oversight and awareness.

Date	Payee	Description	\$ Amount
4/10/2024	THE GOOSE	CEO/MAYOR BREAKFAST WITH SHIRE OF CAPEL	100.68
4/10/2024	THE GOOSE	CEO/MAYOR BREAKFAST WITH SHIRE OF CAPEL	11.00
14/10/2024	BAKED BUSSELTON	ELT LUNCH SESSION	123.70
15/10/2024	LG PROFESSIONALS	TRAINING -C. BROWN	460.00
16/10/2024	HILTON HOTELS SOUTH PERTH	ACCOMMODATION FOR D. PRICE-COUNCIL	306.00
17/10/2024	HOTEL LORD FORREST BUNBURY	ACCOMMODATION FOR MAYOR - RCAWA MEETING IN BUNBURY	220.00
17/10/2024	HOTEL LORD FORREST BUNBURY	ACCOMMODATION FOR CEO - RCAWA MEETING IN BUNBURY	220.00
17/10/2024	HOTEL LORD FORREST BUNBURY	ACCOMMODATION FOR CEO - RCAWA MEETING IN BUNBURY	20.81
21/10/2024	HILTON HOTELS SOUTH PERTH	ACCOMMODATION FOR D. PRICE-COUNCIL	379.95
22/10/2024	WEST AUSTRALIAN	MONTHLY DIGITAL SUBSCRIPTION	32.00
23/10/2024	CROWN PROMENADE	ACCOMMODATION FOR C. BROWN 11/11/24	289.95
30/10/2024	RESIDENCE ON LANGLEY MELBOURNE	ACCOMMODATION FOR E. PICKERILL	257.81
31/10/2024	MAILCHIMP	BAY TO BAY NEWSLETTER	423.94
		TOTAL	2,845.84

Donations & Contributions Received

To the best of officer's knowledge, during the month no non-infrastructure assets (bridges, roads, POS etc), donations or contributions were received by the City or its key management personnel.

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 2024-2025 (and subsequent adopted amendments)

[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 of 31 October 2024, the City's net current position stands at \$45.7M, and cash reserve balances remain sufficient for their purposes.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Not Applicable.

7 CONFIDENTIAL MATTERS

Nil

8 NEXT MEETING DATE

Wednesday 12 February 2025

9 CLOSURE

The meeting closed at 11.21am.

These minutes for the Finance Committee were confirmed as a true and correct record on

Date:

Presiding Member: