



Ordinary Council Meeting

Supplementary Agenda

11 December 2024

CITY OF BUSSELTON

Agenda for the Council Meeting to be held on Wednesday 11 December 2024

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10 REPORTS OF COMMITTEE

10.8 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 [10.1.1 - 15 pages]

This item was considered by the Finance Committee at its meeting held on 4 December 2024, the recommendations of which have been included in this report.

COMMITTEE 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
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

OFFICER RECOMMENDATION

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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.

10.9 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:	1. Monthly Financial Report - October 2024 [10.2.1 - 21 pages] 2. Investment Report - October 2024 [10.2.2 - 1 page] 3. Loan Schedule - October 2024 [10.2.3 - 1 page]

This item was considered by the Finance Committee at its meeting held on 4 December 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 31 October 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 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.

14 CORPORATE STRATEGY AND PERFORMANCE REPORTS

14.2 Long Term Financial Plan 2025/26 to 2034/35

Strategic Theme:	Key Theme 4: Leadership 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making. 4.3 Make decisions that respect our strategic vision for the District. 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:	1. City of Busselton Long Term Financial Plan 2025-2035 FINAL [14.1.1 - 42 pages]

OFFICER RECOMMENDATION

That the Council adopts the Long-Term Financial Plan 2025/26 to 2034/35 as provided at Attachment 1 as a strategic guiding document for future planning.

EXECUTIVE SUMMARY

The Long-Term Financial Plan 2025/26 to 2034/35 (Draft LTFP) has been prepared over the course of 2024 in consultation with Elected Members and is now presented for the Council’s adoption.

Formulation of the Draft LTFP has taken into consideration several factors including other informing strategies and plans, economic factors and trends and is underpinned by a range of assumptions including rates growth, interest rates, environmental factors and community needs.

STRATEGIC CONTEXT

The City of Busselton’s Long Term Financial Plan (LTFP) is an important component of the City’s integrated strategic planning and has been developed to assist the City to meet its strategic outcomes and objectives set out in the City of Busselton Council Plan 2024-2034 (Council Plan), while maintaining a focus on sound financial management.

BACKGROUND

Local governments are required to plan for the future of their districts in accordance with the *Local Government Act 1995*. This is achieved by adhering to the Integrated Planning and Reporting

Framework developed by the Department of Local Government, Sport and Cultural Industries and incorporates the development and adoption of several key documents, including a Strategic Community Plan, Corporate Business Plan (or moving forward a combined Council Plan) and resourcing documents such as the LTFP.

The LTFP component is required to demonstrate a local government's financial capacity to resource its identified Council Plan actions, including its ability to resource its asset management plan obligations and projected workforce growth requirements. The LTFP identifies major areas of income and expenditure anticipated over the balance of the 10-year time frame.

Preparation of the Draft LTFP has taken place over the course of 2024, alongside the development of the City's new Council Plan, which was adopted by the Council at its October meeting. The Draft LTFP seeks to support delivery of the Council Plan objectives and incorporates inputs from asset management planning, sport and recreation infrastructure planning, workforce plans, facility master planning (e.g. airport) and financial modelling.

Information and workshop sessions were held with Elected Members on 15 February, 3 and 17 April and the 23 October. These workshops focused on the following key elements:

- Strategic context of the LTFP;
- Historic and future LTFP analysis;
- Key drivers and assumptions;
- Asset management allocations;
- Rates, levies and employee costs;
- Loans and interest rates;
- Reserves;
- Major future capital projects under consideration;
- Workforce planning and growth; and
- Ratios.

Typically, the timeframe for review of the LTFP would be from post budget adoption through to just prior to commencement of the following years budget development process. In the City of Busselton's case, with the prevailing annual budget development timeframes, that would be from around late August through to council adoption in November or December. The timeframes and development approach for this iteration of the LTFP has been lengthier due to "resetting" the LTFP model to a new templated model (procured from Moore Australia), and the development of the City's new Council Plan.

The benefits of the new model include that it balances through to and produces the suite of statutory financial reports, as well as linking in more efficiently with our system-based budgeting software, providing for a much better correlation between year 1 of the Draft LTFP and next year's draft budget.

It is important to note that the LTFP is used predominately as a planning tool. Ten years is a substantial period to provide definitive and accurate financial forecasts. It must be acknowledged that the Draft LTFP strives to achieve a higher level of accuracy (based on the identified assumptions) in years 1 to 5, however years 6 - 10 have a much more moderate level of accuracy.

The Draft LTFP at attachment 1, if endorsed, will inform the underlying drivers and assumptions for development of the 2025/26 annual budget. Beyond that it is a guide for future planning only and is subject to change at each review.

OFFICER COMMENT

Draft LTFP Development

The Draft LTFP uses the 2024/25 annual budget as the base year. The plan then applies a number of assumptions which are used to extrapolate financial forecasts over a 10-year period. The table below outlines the key assumptions applied throughout the plan to assist in forecasting expenditure, income and timing.

Conservative estimates of these factors were arrived at after careful consideration of the WALGA local government price index, Consumer Price Index data, reserve bank commentary, and various discussions with internal stakeholders. Prudent fiscal management would suggest that the LTFP should plan for a scenario with a less than optimistic outcome; in the case that performance exceeds expectations, adjustments can be made at that time, but not before. As the LTFP is subject to a holistic review on an annual basis, assumptions are updated with each revision.

City of Busselton Draft Base Scenario										
	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
Nature or Type	1	2	3	4	5	6	7	8	9	10
Rates	8.00%	7.00%	5.00%	4.00%	4.00%	4.00%	5.00%	5.00%	4.00%	4.00%
Grants, subsidies and contributions	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Fees and charges	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Service charges	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Interest Earnings	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Other revenue	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Employee costs	3.50%	3.50%	3.50%	3.50%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%
Materials and contracts	3.50%	3.25%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Utility charges	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Insurance	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Other expenditure	3.50%	3.25%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

The table below provides additional commentary to explain each section and the scenarios considered during the development of the LTFP.

Description	Commentary
Rates	<p>Governs the increase to rates revenue each year. A figure for natural growth, or interims, is included in the base 2024/25 annual budget, and is incremented using the inflation factor.</p> <p>Aside from ensuring enough funds are available to cover Business-As-Usual in what has been a highly inflationary economic environment, the rates increase in the model also represent the community and Council’s desire to set aside sufficient funds for future sport and recreation infrastructure, as well as for asset management.</p>
Operating Grants, Subsidies & Contributions	<p>Relates to external funding received which is used for ongoing operating expenditure. This funding is relatively consistent each year.</p>
Fees and Charges	<p>Forecasts a small increase to fees charged for use of City facilities and provision of related services across the district. Significant increases relate mainly to the increased activity at the airport (forecast through an airport model), noting that this is set aside in the airport reserve for future new infrastructure and asset management requirements at the airport</p>
Interest on Investments	<p>Forecasts a softening and stabilization at a steady rate. This has been kept at a conservative rate.</p>
Other Revenue	<p>Largely related to the sale of scrap materials, fines paid and reimbursements for things like long service leave accrued by employees whilst at other Local Government Authorities as well as for insurance claims.</p>
Consumer Price Index Perth (CPI), Local Government Cost Index (LGCI)	<p>These indexes, as well as Reserve Bank of Australia (RBA) forecasts, inform the global increment factors outlined in the table above.</p>
Employee Costs	<p>This is broadly in line with the forecast trends in wages growth, with attraction and retention of employees critical to the successful delivery of the City’s objectives. Current Industrial Agreement negotiations may impact on this element, and additional costs have been factored into year one. There is also the potential for increases in the workforce plan to cater for increased asset management scope of works and overall governance and service level improvements, however this plan is under review. Currently therefore annual growth of approximately (on average) 3 to 3.5 FTE per annum is included.</p>

Materials and Contracts	This factor has been based more around the LGCI, with some conservatism for regional variances. Materials and Contracts is expected to stabilize in the medium to long term due to the expected softening in underlying inflation. Real increases are based on growth in facility service levels expected over the ten-year period.
Utility Charges	Moderate increases are forecast because of energy tariffs that could outpace CPI by a margin of 0.50 - 1.00%. This is an overly conservative approach to ensure utility costs are not under-represented in the later years of the LTFP.
Insurance Expenses	Based on historical expectations of contractual increases.
Interest on Borrowings	Based on the forecast 10-year Western Australian Treasury Corporation (WATC) Indicative Rates.
Other Expenditure	Other Expenditure is expected to stabilize in the medium to long term due to the expected softening in underlying inflation. This area includes expenditure relating to donations/contributions, elected members' expenses, lease liabilities, rating valuations, indicative guarantee expenditure, marketing, advertising, sponsorships, catering and other miscellaneous categories.

The Draft LTFP has been developed based on current service provision, with no substantive changes to the mix of services offered to the community. In terms of key projects, the plan includes several projects and/or proposals that have either:

- have been approved by the Council and are in progress (contained in the base);
- have been considered by the Council but are yet to receive final approval; and
- have only been considered by Elected Members on a strategic level.

Draft LTFP Overview

The Draft LTFP seeks to balance the funding needs of asset renewal, new infrastructure assets and existing services against rating expectations, reasonable fees and charges, and the use of accumulated funds held in reserve accounts. The plan shows a balanced budget for each financial year as per the Statement of Financial Activity.

The continued provision of community sport and recreation infrastructure remains a key strategic focus for the City, and a key community priority. \$111 million of capital expenditure associated with sport and recreation infrastructure is forecast over the ten years, with \$38.4 million in funding generated through transfers of rate income to a dedicated sport and recreation facilities reserve.

The following new sport & recreation infrastructure facilities have been provisioned in the Draft LTFP, noting that they are planning provisions only and are subject to change based on further assessment of the City's Sport and Recreation Facilities Strategy, and current feasibility undertakings in relation to a District Sport and Leisure Centre:

- Year 1 – Squash facility (final location, costing and timing are yet to be determined);
- Years 2-3 – Vasse Sports Field Pavilion;
- Year 3 – Purchase of land for a new district recreation centre;
- Years 9-10 – Commencement of construction of the new district recreation centre.

Provisioning has also been provided for the development of a new airport terminal in years 2, 3 and 4, funded from the City's Airport Reserve, loan borrowings and projected government grant funding.

Existing asset management and renewal also remains a high priority for the City, with an increase in funds applied to asset management, following further modelling by the asset planning team. Transfers to asset renewal reserves provide funds to increase investment in the City's assets. Funds are also allocated to ensure that new assets received from developers and the community are adequately funded and maintained. This is a continuation of the Council's long-term strategy for its asset management. Over the life of the plan \$214 million is being invested in capital asset renewal.

Rating Levels

To meet community expectations for new sport and recreation investment and maintain sufficient funding for on-going asset management, rate revenue is forecast to increase above CPI in 2025/26 and 2026/27. Rate revenue is then forecast to increase at more moderate levels for the remainder of the plan, with an average annual rate increase of 5% over the forward 10 years.

The previous 15 years, leading up to and including the 24/25 budget, rate increases have averaged 3.89%. This however includes the COVID year of zero % rate increase, followed by three years in 2021/22 and 2022/23 of below CPI increases, with rates having increased 9.9% since 2020/2021 against Perth CPI increase of 16.5%.

The Draft LTFP proposes increases which provide for the ongoing provision of quality service to the community, as well as cater for the construction, operation and asset management costs of new facilities and infrastructure.

Cash Reserves

Reserve funds are forecast to be utilised to fund asset renewals and to fund through savings expenditure in sport and recreation and airport development. Over the life of the plan \$438 million is being transferred to reserves, with \$38.4 million being transferred into the sport and recreation facilities reserve. The majority of this will be utilised by the end of the plan, with the remaining forecast for expenditure in year 11.

Transfers from the operations of the Busselton Margaret River Airport total \$80.5 million (with \$27.9 million being drawn on).

In total \$339 million is being drawn from City reserves.

Loan Borrowings

The City has the capacity to use debt funding for future capital projects that will deliver benefit to future generations. The Draft LTFP sees borrowings reduce from \$42 million to \$29.8 million in year 8 and then increase in the back end of the plan to \$62.6 million, associated with provision of the new

District Sport and Leisure Centre. Debt funding is forecast for the following projects over the course of the LTFP:

- Airport Development (\$20M starting 2026);
- Vasse Pavilion (\$1.7M starting 2026);
- District Sport & Recreation Facility (\$42M starting 2033)

Summary

Overall the Draft LTFP provides a sound framework that will allow the Council to consider future priorities within its resourcing capabilities, and to sustainably deliver the services including new infrastructure required by the community. Within the Draft LTFP there are some identified risks for monitoring and further consideration at the next review, however it is important to 'draw a line in the sand' with respect to this iteration of the LTFP such that there is guidance for the 2025/2026 budget development process.

Statutory Environment

The *Local Government Act 1995*, section 5.56 - plan for the future - and section 6.2 - preparation of the annual budget with regard to the plan for the future – are applicable.

Relevant Plans and Policies

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

Plan:

[Asset Management Plan](#)

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

BMRA Master Plan 2016-2036

Policy:

[Asset Management](#)

Financial Implications

The Draft LTFP was developed in house with some minor costs for the Moore template and support.

External Stakeholder Consultation

Not Applicable

Risk Assessment

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified with the Draft LTFP adopted as a guide for future planning and reviewed annually.

Options

As an alternative to the proposed recommendation the Council could:

1. Not endorse the updated Draft LTFP as presented
2. Further amend the Draft LTFP

As the Draft LTFP has the most up to date information at this point in time and is a guide for future planning, the options above are not recommended.

CONCLUSION

The Draft LTFP has been updated to reflect the outcomes of numerous internal leadership meetings and Elected Member workshops and is now presented for the Council's consideration and is recommended for adoption as a guide for future planning.

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
Used to inform the initial stages of the 2025/26 draft budget development process	January to March 2025