

Please note: These minutes are yet to be confirmed as a true record of proceedings

**CITY OF BUSSELTON**

**MINUTES FOR THE FINANCE COMMITTEE MEETING HELD ON 18 APRIL 2019**

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## MINUTES

MINUTES OF FINANCE COMMITTEE HELD IN THE COMMITTEE ROOM, ADMINISTRATION BUILDING, SOUTHERN DRIVE, BUSSELTON, ON 18 APRIL 2019 AT 9.30AM.

### 1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 9.30am.

### 2. ATTENDANCE

Presiding Member:

Cr Robert Reekie

Members:

Cr Grant Henley  
Cr Coralie Tarbotton  
Cr Lyndon Miles Deputy Member  
Cr Ross Paine Deputy Member

Officers:

Mr Tony Nottle, Director, Finance and Corporate Services  
Mr Oliver Darby, Director, Engineering and Works Services  
Mr Jeffery Corker, Acting Manager, Finance Services  
Miss Kate Dudley, Administration Officer, Governance

Apologies:

Cr John McCallum  
Cr Paul Carter

### 3. PUBLIC QUESTION TIME

Nil

### 4. DISCLOSURE OF INTERESTS

Nil

### 5. CONFIRMATION OF MINUTES

#### 5.1 Minutes of the Finance Committee Meeting held 21 March 2019

#### COMMITTEE DECISION

**F1904/018**






Moved Councillor G Henley, seconded Councillor C Tarbotton

That the Minutes of the Finance Committee Meeting held 21 March 2019 be confirmed as a true and correct record.

**CARRIED 5/0**

## 6. REPORTS

### 6.1 APPLICATION FOR RATE EXEMPTION - RELATIONSHIPS AUSTRALIA (WA) INC

<b>SUBJECT INDEX:</b>	Exemptions and Appeals (Rates)
<b>STRATEGIC OBJECTIVE:</b>	Governance systems, process and practices are responsible, ethical and transparent.
<b>BUSINESS UNIT:</b>	Rates
<b>ACTIVITY UNIT:</b>	Rates
<b>REPORTING OFFICER:</b>	Rates Coordinator - David Nicholson
<b>AUTHORISING OFFICER:</b>	Director Finance and Corporate Services - Tony Nottle
<b>VOTING REQUIREMENT:</b>	Absolute Majority
<b>ATTACHMENTS:</b>	Attachment A Rate Exemption Application - Statutory Declaration & Covering Letter 
	Attachment B Certificate of Incorporation 
	Attachment C Constitution 
	Attachment D Financial 2017-2018 Report 
	Attachment E Lease For Unit 3 71 Kent Street Busselton 

### PRÉCIS

An application has been received from Relationships Australia (WA) Inc. ("RAWA") for rate exemption on 3/71 Kent Street Busselton, Yoonderup House. This is a commercial property that RAWA have leased from 1<sup>st</sup> March 2018 for 9 years. The current rent is \$52,500 increasing almost annually thereafter. (see attachment E) On the basis of the application and previously sought legal opinions, this report recommends that the application for exemption be granted.

### BACKGROUND

RAWA is a not for profit Benevolent Institution with Deductible Gift Receipt (DGR) status. The vast majority of RAWA income is from Commonwealth and State grants so as to provide community services. Services delivered from 3/71 Kent Street Busselton are:

- Headspace Busselton;
- 4Families Support Services; and
- Bunbury Family Relationship Centre outreach services.

RAWA does not charge for Headspace or 4Families Services with only a small charge for the Bunbury Family Relationship Centre outreach service.

The purposes of these service as per the rate exemption application are:

#### Headspace Busselton

RAWA is the lead agency for Headspace Busselton. Headspace is an organisation that operates across Australia, providing support, information and services to people aged 12-25.

Headspace Busselton offer anyone aged 12-25 free access to social workers, counsellors, mental health workers and psychologists. Headspace also has an extensive website where young people and their carers can read information on a wide range of issues including depression, bullying and relationship issues.

#### 4Families Support

Is a free service that provides whatever support families and carers need, linking them to a variety of services to reduce family stress and enable children and young people to reach their full potential.

Services provided are:

- counselling and emotional support
- information and referrals
- home based family support
- workshops, seminars and groups
- community development activities
- support for grandparents and carers

Focus is on prevention and early intervention by addressing issues that affect the mental and emotional well-being of children and young people.

Where families and carers need more assistance, RAWA will actively work with other services including schools, community organisations, Centrelink and mental health services.

### **Bunbury Family Relationship Centre**

- The Busselton service is the outreach service for Bunbury Family Relationships Centre.
- It provides information about family relationships at all stages – forming new relationships, overcoming relationship difficulties or dealing with separation and also referring other services that can help.
- For parents experiencing separation, the centre helps the parents to focus on the children's needs and help decide what to do next. RAWA can also provide Family Dispute Resolution sessions with the other parent or family members to help with parenting arrangements.
- RAWA can also provide joint sessions with the other parent or family members to help on parenting arrangements.

Information, referral and individual sessions are free of charge. RAWA provides one hour family dispute resolution sessions free of charge (up to four hours where interpreters are used) and may charge fees after this depending on the circumstances. Everyone is welcome to drop in or phone the Centre for information about programs and services available in the local area that can help strengthen family relationships.

According to RAWA constitution the objects are to prevent and relieve the suffering, distress, vulnerability and disadvantage of people in our community by –

- a) providing services and programs which prevent and alleviate their distress and suffering, particularly for those with complex needs to build stronger relationships and increase resilience. This includes support and advocacy for persons from indigenous or culturally diverse communities, persons with disabilities and mental health issues, and persons affected by domestic violence, child abuse and neglect, trauma, dislocation, social isolation or anyone in need of benevolent relief;
  - b) providing education, mediation services and trauma, abuse and relationships counselling;
  - c) addressing the incidence of abuse by providing programs to assist, encourage and support change in those who exhibit antisocial behaviour including perpetrators of abuse or violence as well as support and advocacy to victims of violence;
  - d) taking initiatives and making representation in matters of social and family policy relevant to the work of the Association; and
- e) doing anything ancillary to the Objects referred to in clauses (a) to (d).

Under this constitution income or property shall be applied solely to or towards the promotion of RAWA objects and no part thereof shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise by way of pecuniary profit to members of the association.

It is known that a legal opinion obtained by the City of Fremantle on services provided by RAWA Fremantle being anger management for men, communication and relationships and rebuilding after separation and divorce were “educational” in the relevant sense required by the law of charities, and furthermore, would satisfy the “public benefit” test required in order for an educational use to be considered charitable for the purposes of the law of charities. It was considered that the Fremantle premises would appear to be wholly charitable in the required sense, and thus the land used exclusively used for charitable purposes and is appropriately subject to rate exemption.

### **STATUTORY ENVIRONMENT**

Section 6.26 of the *Local Government Act 1995* (the Act) provides broad definitions for rateable and non-rateable land. Moreover, Section 6.26 (2) (g) states that land is not rateable if it is “used exclusively for charitable purposes”.

### **RELEVANT PLANS AND POLICIES**

There are no plans or policies relevant to this matter.

### **FINANCIAL IMPLICATIONS**

The rates levied on 3/71 Kent Street Busselton will be \$4,835 for the 2018/2019 financial year. Therefore rate exemption, if granted effective 1<sup>st</sup> July 2018, will result in a \$4,835 reduction to the 2018/2019 rating income and similar amounts for the ensuing years.

### **LONG-TERM FINANCIAL PLAN IMPLICATIONS**

The amount of the rate exemption for the 2018/2019 financial year whilst not being considered large when compared to the annual overall rating income will over the term of the lease amount to a substantial loss of rating incoming for the City overall.

This loss is part of a broader local government issue where there are concerns that a large number of organisations claiming charitable status could result in a long term effect on the City’s rate base into the future. This matter was raised at the South West WALGA Zone (SWZ) meeting in Capel on the 23 November 2018. The SWZ has since advocated for clarity and consideration of the impacts of rates exempt properties within the current Local Government Act Review (Phase 2).

### **STRATEGIC COMMUNITY OBJECTIVES**

This matter principally aligns with Key Goal Area 6 of the Strategic Community Plan 2017 and more specifically Community Objective 6.1 - ‘Governance systems, process and practices are responsible, ethical and transparent’.

### **RISK ASSESSMENT**

There are no risks identified of a medium or greater level associated with the Officers recommendation. Having said that, if Council choses to not approve the application for rate exemption then staffing and/or legal costs may be incurred if the applicant refers the matter to the State Administrative Tribunal for a review of the decision.

### **CONSULTATION**

No consultation was considered necessary in relation to this matter.

**OFFICER COMMENT**

In accordance with Section 6.26(2)(g) of the Act, land is not rateable if it is used exclusively for charitable purposes. Rate exemption applications need only be considered in two parts – being firstly is the use itself “charitable” and secondly if the use is considered to be charitable, then is the property being used “exclusively” for such use.

In considering the first part, that is, ‘are the operations of RAWA considered to be a charitable use’; legal opinions have been consistent in defining a charitable purpose as land used for:

1. The relief of poverty;
2. The advancement of education;
3. The advancement of religion; and
4. Other purposes beneficial to the community.”

The use of the leased property by RAWA as Headspace Busselton, 4Families Support services and Bunbury Family Relationship Centre outreach services are considered to meet both the “advancement of education” and “other purposes beneficial to the community” charitable definition.

In considering the second part, that is, ‘is the property being exclusively used for a charitable purpose’; this criteria is being met by RAWA as they are the sole lessee of the property and due to the services that they provide from the property.

No physical inspection of the property has been undertaken as it is not considered that this would alter eligibility for rate exemption. This because the RAWA statutory declaration clearly states the purposes of the property, other Council legal opinion concluding that services provided by RAWA are considered charitable in nature and other Councils approving rate exemption.

In terms of the current usage of the properties there are no known planning, health or building compliance issues. The use by RAWA meets the properties “Business” zoning.

If rate exemption is approved then the applicant will be instructed to confirm by the 30<sup>th</sup> April annually that they continue to lease the property and that its use remains as per the application. If a change has occurred and the new use is not eligible for rate exemption then the property will become rateable.

**CONCLUSION**

It is considered based on the application and associated documentation provided by RAWA, as well as the legal opinions on charitable purposes, that 3/71 Kent Street Busselton is eligible for rate exemption whilst it is being leased and used by RAWA exclusively for such charitable purposes.

**OPTIONS**

Council may decline the rate exemption application on the basis that it considers that RAWA is not providing charitable services from the property to the community or that any charitable use is not considered an exclusive use of the property.

Should the application be declined for either of the above reasons then RAWA will have the option to refer the matter to the State Administrative Tribunal for a review of the decision. Such referral will see Council needing to defend its decision and thereby incurring staffing and/or legal costs.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

The proposed effective date for rate exemption if approved would be the 1<sup>st</sup> July 2018 as the application was lodged on the 14<sup>th</sup> November 2018, after the issuance of the 2018/2019 annual rate notice.

**OFFICE RECOMMENDATION**

That the Council:

1. Approve Relationships Australia (WA) Inc. application for rate exemption under section 6.26 (2)(g) of the Local Government Act 1995, "land used exclusively for charitable purposes", for 3/71 Kent Street Busselton effective from the 1st July 2018; and
2. Agree that this rate exemption is to continue where Relationships Australia (WA) Inc. confirm in writing by the 30<sup>th</sup> April of each year that it remains the lessee of the property and that the properties use is the same as stated in the rate exemption application.

**COMMITTEE RECOMMENDATION****F1904/019**

Moved Councillor G Henley, seconded Councillor C Tarbotton



That the Council:

1. Approve Relationships Australia (WA) Inc. application for rate exemption under section 6.26 (2)(g) of the *Local Government Act 1995*, "land used exclusively for charitable purposes", for 3/71 Kent Street Busselton effective from the 1<sup>st</sup> July 2018;
2. Agree that this rate exemption is to continue where Relationships Australia (WA) Inc. confirm in writing by the 30<sup>th</sup> April of each year that it remains the lessee of the property and that the properties use is the same as stated in the rate exemption application;
3. Move a motion through SW zone to WALGA for work to be undertaken to remove rate exemptions or changed to rating discounts and that the state and government make the shortfall; and
4. Move a motion go to ALGA for work to be undertaken to remove rate exemptions or changed to rating discounts and that the federal government make the shortfall.

**CARRIED 5/0**

*Reason: The committee felt that the additional points should be added due to increased pressure on rate payers.*

## 6.2 FINANCIAL ACTIVITY STATEMENTS - PERIOD ENDING 31 MARCH 2019

<b>SUBJECT INDEX:</b>	Budget Planning and Reporting
<b>STRATEGIC OBJECTIVE:</b>	Governance systems, process and practices are responsible, ethical and transparent.
<b>BUSINESS UNIT:</b>	Finance and Corporate Services
<b>ACTIVITY UNIT:</b>	Financial Services
<b>REPORTING OFFICER:</b>	Acting Manager Financial Services - Jeffrey Corker
<b>AUTHORISING OFFICER:</b>	Director Finance and Corporate Services - Tony Nottle
<b>VOTING REQUIREMENT:</b>	Absolute Majority
<b>ATTACHMENTS:</b>	Attachment A Statement of Financial Activity - Period Ended 31 March 2019 
	Attachment B Investment Report for the month ending 31st March 2019 

### PRÉCIS

Pursuant to Section 6.4 of the Local Government Act ('the Act') and Regulation 34(4) of the Local Government (Financial Management) Regulations ('the Regulations'), a local government is to prepare, on a monthly basis, a statement of financial activity that reports on the City's financial 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 March 2019.

### BACKGROUND

The Regulations detail the form and manner in which financial activity statements are to be presented to the Council on a monthly basis; and are 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)

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 of 25 July 2018, the Council adopted (C1807/138) the following material variance reporting threshold for the 2018/19 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 2018/19 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 on a quarterly basis; and*
- *Reporting of variances only applies for amounts greater than \$25,000."*



## **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**

There are no plans or policies directly relevant to this matter.

## **FINANCIAL IMPLICATIONS**

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

## **LONG-TERM FINANCIAL PLAN IMPLICATIONS**

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

## **STRATEGIC COMMUNITY OBJECTIVES**

This matter principally aligns with Key Goal Area 6 – ‘Leadership’ and more specifically Community Objective 6.1 - ‘Governance systems, process and practices are responsible, ethical and transparent’. The achievement of the above is underpinned by the Council strategy to ‘ensure the long term financial sustainability of Council through effective financial management’.

## **RISK ASSESSMENT**

Risk assessments have been previously completed in relation to a number of ‘higher level’ financial matters, including timely and accurate financial reporting to enable the Council to make fully informed financial decisions. The completion of the monthly Financial Activity Statement report is a control that assists in addressing this risk.

## **CONSULTATION**

Consultation is not applicable in relation to this matter.

## **OFFICER COMMENT**

In order to fulfil statutory reporting requirements, and to provide the Council with a synopsis of the City’s overall financial performance on a full year basis, the following financial reports are attached here to:

- Statement of Financial Activity

This report provides details of the City’s operating revenues and expenditures on a year to date basis, by nature and type (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.

- Net Current Position

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

▪ Capital Acquisition 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

▪ Reserve Movements Report

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

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

### COMMENTS ON FINANCIAL ACTIVITY TO 31 MARCH 2019

The Statement of Financial Activity for the period ending 31 March 2019 shows a better than expected Net Current Position "Surplus" of \$8.9M being \$7.8M higher than year to date amended budget of \$1.1M.

The following summarises the major variances in accordance with *Council's adopted material variance reporting threshold* that collectively make up the above difference:

Description	2018/2019 Actual	2018/2019 Amended Budget YTD	2018/2019 Amended Budget	2018/19 YTD Bud Variance	2018/19 YTD Bud Variance
	\$	\$	\$	%	\$
<b>Revenue from Ordinary Activities</b>					
Operating Grants and Subsidies	3,312,266	2,711,926	5,032,780	22.14%	600,340
Other Revenue	1,018,147	279,006	362,981	264.92%	739,141
Profit on Asset Disposal	96,576	54,037	82,137	78.72%	42,539
<b>Expenses from Ordinary Activities</b>					
Materials & Contracts	(11,497,571)	(13,919,221)	(19,850,500)	17.40%	2,421,650
Depreciation	(16,590,838)	(14,354,856)	(19,070,922)	-15.58%	(2,235,982)
Insurance Expenses	(713,980)	(587,512)	(698,808)	-21.53%	(126,468)
Other Expenditure	(2,167,016)	(3,534,131)	(4,791,109)	38.68%	1,367,115
Allocations	1,416,524	1,278,329	1,723,162	-10.81%	138,195
<b>Non-Operating Grants, Subsidies and Contributions</b>					
	2,724,882	15,250,586	32,443,772	-82.13%	(12,525,704)
<b>Capital Revenue &amp; (Expenditure)</b>					
Land & Buildings	(899,956)	(13,678,993)	(17,902,816)	93.42%	12,779,037
Plant & Equipment	(1,866,828)	(4,737,300)	(6,880,100)	60.59%	2,870,472
Furniture & Equipment	(254,493)	(691,676)	(883,640)	63.21%	437,183
Infrastructure	(15,892,560)	(27,695,311)	(37,380,261)	42.62%	11,802,751
Proceeds from Sale of Assets	660,750	835,950	1,045,950	-20.96%	(175,200)
Proceeds from New Loans	0	3,150,000	3,150,000	-100.00%	(3,150,000)
Advances to Com. Groups	0	150,000	-150,000	100.00%	150,000
Transfer to Restricted Assets	(921,343)	(413,994)	(551,000)	-122.55%	(507,349)
Transfer from Restricted Assets	7,098,045	9,092,600	14,423,922	-21.94%	(1,994,555)
Transfer from Reserves	2,066,023	8,838,113	26,769,361	-76.62%	(6,772,090)

**Revenue from Ordinary Activities:**

YTD actual income from ordinary activities is \$1.4M more than expected when compared to YTD budget with the three items meeting the material variance reporting threshold being;

1. Operating Grants, subsidies and Contributions is \$600k over YTD budget due to timing differences associated with funds being received from DFES for fire prevention and bushfire risk management \$98k, Contributions received within the waste services business unit associated with the appointment of a regional project officer position, and funds recovered from the City's insurance the old butter factory \$413k,
2. Other Revenue is \$739k better than YTD budget. In part this variance is due to better than expected returns on the sale of scrap metal by \$244k. IT lease buybacks reflect additional income of \$544k which is offset by additional expenses in the IT leasing account 3381.
3. Profit on asset disposal is \$43k better than YTD budget due to schedule of purchase/ sale of asset timing variances. This line item is an accounting book entry to recognise profit on asset disposal and as a consequence will not affect the City's "cash" position.

**Expenses from Ordinary Activities**

Expenditure from ordinary activities, excluding depreciation, is \$4.7M less than expected when compared to YTD budget with the following items meeting the material variance reporting threshold.

**Materials and Contracts:**

The main items affected are listed below:

Cost Code	Cost Code Description / GL Activity	Variance YTD \$
<b><u>Finance and Corporate Services</u></b>		
10250	Information & Communication Technology Services	(462,424)
10000	Members of Council	(15,800)
10251	Business Systems	31,574
10500	Legal and Compliance Services	82,053
<b><u>Community and Commercial Services</u></b>		
10590	Naturaliste Community Centre	59,079
10591	Geographe Leisure Centre	64,505
10380	Busselton Library	77,215
10600	Busselton Jetty Tourist Park	90,322
<b><u>Planning and Development Services</u></b>		
10931	Protective Burning & Firebreaks-Reserves	42,090
10820	Strategic Planning	58,889
11170	Meelup Regional Park	98,473
10830	Environmental Management Administration	107,620

Cost Code	Cost Code Description / GL Activity	Variance YTD \$
<b><u>Engineering and Works Services</u></b>		
B1401	Old Butter Factory	(85,219)
12620	Rural-Tree Pruning	(83,489)
M9996	Roads Sundry Overhead/Consumables	(70,745)
M9995	Roller & Grader Hire	(45,064)
G0030	Busselton Transfer Station	(40,442)
11162	Busselton Jetty - Underwater Observatory	26,482
R0821	Avignon Park (Provence)	26,753
R0750	Barnard Park Ovals	26,917
R0700	Dunsborough Oval and Skate Park	27,779
G0033	Green Waste	30,703
F9999	Footpaths Maintenance	32,812
11108	Rural Intersection (Lighting) Compliance	34,075
G0010	Domestic Recycling Collections	35,122
R0820	Almond Green Park (Provence)	35,381
G0034	External Waste Disposal	37,767
11106	Street Lighting Installations	41,692
R2001	Tree Planting - Urban	45,769
A6004	Pedestrian Bridge (Port Geographe)	47,997
B1000	Administration Building- 2-16 Southern Drive	52,860
12600	Street & Drain Cleaning	53,500
B1514	Asbestos Removal & Replacement	61,245
G0032	Rubbish Sites Development	74,997
11301	Regional Waste Management Administration	90,000
A9999	Miscellaneous Bridge Maintenance	97,476
R0004	Busselton Foreshore Precinct (not including Skate Park)	99,484
11101	Engineering Services Administration	131,788
M9999	Road Maintenance Bal Of Budget	288,251
11160	Busselton Jetty	584,040

**Depreciation:**

There is an overall variance in depreciation of \$2.2M, however it should be noted that this is a non-cash item and does not impact on the City's surplus position. The variance can be attributed to Fair Valuation of infrastructure assets being completed post budget adoption and the increase in valuation was unable to be included in the 2018/2019 budget.

**Insurance:**

There is an YTD variance in insurance costs of \$126K. This is a timing issue only which mainly relates to the fleet management insurance budget being projected to occur in period 12.

**Other Expenditure:**

There is an YTD variance in other costs of \$1.4M. The main items affected are listed below:

Cost Code	Cost Code Description / GL Activity	Variance YTD
<b><u>Finance and Corporate Services</u></b>		
10618	Winderlup Court Aged Housing	40,094
10151	Rates Administration	52,209
10700	Public Relations	52,708
10000	Members of Council	68,237
<b><u>Community and Commercial Services</u></b>		
10547	Iron Man	(63,336)
12631	Peel Terrace Building & Surrounds	(35,287)
10567	Cinefest Oz	(31,664)
10548	Half Iron	30,800
10530	Community Services Administration	103,569
11156	Airport Development Operations	1,000,000
<b><u>Planning and Development Services</u></b>		
10942	Bushfire Risk Management Planning - DFES	(39,283)
10805	Planning Administration	33,399
<b><u>Engineering and Works Services</u></b>		
G0042	BTS External Restoration Works	(172,636)
11160	Busselton Jetty	25,000.00
B1223	Micro Brewery - Public Ablution	80,000.00

With regard to the \$1M variance associated with the Airport marketing incentive, it is not anticipated that this expense will be incurred this year. However this will not constitute a saving as this cost is reserve backed, hence if expenditure is not incurred then then it follows that the transfer from reserve will also not be processed. All other items above have been classified as timing differences.

**Non-Operating Grants, Subsidies and Contributions:**

Non-Operating Grants, Subsidies and Contributions are less than YTD budget by \$12.5M with the main items impacting on the above result being the timing of the receipt of funding which is also offset with less than anticipated expenditure at this time:

Cost Code	Cost Code Description	Variance YTD
<b><u>Finance and Corporate Services</u></b>		
10250	IT Capital Grant - CCTV at NCC	140,044
10240	Contributions to Works	(123,102)
10239	Contributions Community Facilities	(876,218)
10239	Contribution Public Art	(74,977)
<b><u>Community and Commercial Services</u></b>		
10900	Cultural Planning - Donated Assets	37,000
C6099	Airport Development - Project Expenses	(8,946,609)

Cost Code	Cost Code Description	Variance YTD
<b>Planning and Development Services</b>		
B9109	Hithergreen Building Renovations	(68,886)
B9112	Ambergate Bushfire Brigade Shed	(290,484)
B1015	Hithergreen District Bushfire Brigade	(465,200)
B1026	Yallingup Rural Bushfire Brigade	(597,600)
<b>Engineering and Works Services</b>		
D0017	Chain Avenue - Drainage Works	(31,500)
S0069	Peel Terrace (Brown Street Intersection Upgrades)	(58,334)
C2523	Broadwater Beach Coastal Protection Stage 1 of 4	(75,000)
C3150	Busselton Foreshore Stage 3: Toddler's Playground	(86,547)
S0035	Strelly Street / Barlee Street Roundabout	(105,000)
S0064	Peel Terrace (Stanley Pl/Cammilleri St Intersection Upgrade)	(116,669)
C2528	Craig Street Groyne and Sea Wall	(125,000)
C0049	Port Geographe Marina Car Parking	(128,817)
F1018	Dunsborough Cycleway CBD to Our Lady of the Cape School	(151,253)
S0051	Causeway Road / Rosemary Drive Roundabout	(175,003)
C3168	Busselton Foreshore Jetty Precinct	(308,221)

### Capital Expenditure

As at 31 March 2019, there is a variance of -60% or -\$27.9M in total capital expenditure with YTD actual at -\$18.9M against YTD budget of -\$46.8M.

The airport development makes up for \$11.5M (main variance relates to the Airport Terminal \$9.7M), Busselton Tennis Club – Infrastructure \$1.5M, Plant and Equipment \$2.88M, Council Roads Initiative projects \$776K, Eastern Link - Busselton Traffic Study \$2M, Dunsborough Land Purchase Parking \$1.3M, Main Roads projects \$1.4M, Parks, Gardens and Reserves \$650K, Sanitation Infrastructure \$934K, Beach Restoration \$972K, Busselton Senior Citizens \$553K, Dunsborough Cycleway CBD to Our Lady of the Cape School \$372K, Furniture and Equipment \$437K, Busselton Jetty Tourist Park Upgrade \$214K, Beach Front Infrastructure \$72K, GLC - Pool Relining \$50K, Energy Efficiency Initiatives (Various Buildings) \$70K, Boat Ramp Construction \$155K, and Major Projects Lou Weston Oval \$509K and Busselton Foreshore \$1.5M.

These items of under expenditure also assists in explaining the above current YTD shortfall in Non-Operating Grants.

The attachments to this report include detailed listings of the following capital expenditure (project) items, to assist in reviewing specific variances.

**Proceeds from Loans/ Advances to Community Groups**

As at 31 March 2019, there is a variance of \$3.15M which relates to the budgeted drawdown of loans that as at this time is yet to occur. The two main loans to be raised are as follow;

- Busselton Tennis Club \$1.5M; and
- Air Freight Hub Stage 1 \$1.5M;

At this time it is anticipated that an application will be submitted to draw down these loans within the next four weeks. To this end this variance is a timing difference that will be resolved shortly.

With regard to the self-supporting loan for community groups, it is not expected that this will occur, hence the contra entry “advances to community groups” as a consequence will also not be required. The transactions associated with self-supporting loans is cost neutral to the City, therefore will have no effect on the net current position.

**Investment Report**

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

As at 31st March 2019 the value of the City’s invested funds totalled \$74.40M, down from \$75.44M as at 28th February. The decrease is due to the withdrawal of funds from the 11am account to meet standard operating costs.

During the month of March seven term deposits held with four different institutions totalling \$22.0M matured. All were renewed for a further 112 days at 2.52% (on average).

The balance of the 11am account (an intermediary account which offers immediate access to the funds compared to the term deposits and a higher rate of return compared to the cheque account) decreased by \$1.0M with funds being withdrawn to meet standard operating costs.

The balance of the Airport Development ANZ cash account remained steady.

The RBA left official rates on hold during March and April. Future movements remain uncertain at this point, however as an indication of current sentiment financial markets have priced in a rate decrease at some stage in the coming months.

**Chief Executive Officer – Corporate Credit Card**

Details of monthly (February to March) transactions made on the Chief Executive Officer's corporate credit card are provided below to ensure there is appropriate oversight and awareness of credit card transactions made.

<b>Date</b>	<b>Amount</b>	<b>Payee</b>	<b>Description</b>
04-Mar-19	121.45	Crown Perth Silks Restaurant	* LGCOG Conference Dinner
04-Mar-19	595.00	Australian Institute of Company Directors	* AICD Membership Renewal
04-Mar-19	25.00	Crown Perth Atrium	* LGCOG Conference Breakfast
04-Mar-19	5.06	Crown Towers Perth	Unknown Charge - reimbursed by CEO
08-Mar-19	507.00	Kiama Shores Pty Ltd	Accommodation Cr MCallum
08-Mar-19	215.00	The Grove Experience	Beverages for Civic Reception Showcase
11-Mar-19	17.00	Equinox Café	+ Coffee - Meeting with Dennis Gee & Mayor
11-Mar-19	57.99	Dan Murphy's Online	Refreshments for Civic Reception Room
15-Mar-19	662.86	Crown Towers Perth	* Accommodation Package
18-Mar-19	166.78	Esplanade Hotel Fremantle	Accommodation
19-Mar-19	25.27	Esplanade Hotel Fremantle	Marine Lounge Bar Dinner
28-Mar-19	425.00	Trybooking	LG COG EAA Meeting Fraser Coast 15/08/19

*\*Funds debited against CEO Annual Professional Development Allowance as per employment Contract Agreement*

*+ Allocated against CEO Hospitality Expenses Allowance*

**CONCLUSION**

As at 31 March 2019, the financial performance for the City of Busselton is considered satisfactory based on the information received from directorates and the recent budget review.

**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. Council may wish to make additional resolutions as a result of having received these reports.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Not Applicable

**COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION**


**F1904/020** Moved Councillor G Henley, seconded Councillor C Tarbotton

That the Council receives the statutory financial activity statement reports for the period ending 31 March 2019, pursuant to Regulation 34(4) of the Local Government (Financial Management) Regulations.

**CARRIED 5/0**



### 6.3 LIST OF PAYMENTS MADE MARCH 2019

<b>SUBJECT INDEX:</b>	Financial Operations
<b>STRATEGIC OBJECTIVE:</b>	Governance systems, process and practices are responsible, ethical and transparent.
<b>BUSINESS UNIT:</b>	Finance and Corporate Services
<b>ACTIVITY UNIT:</b>	Financial Services
<b>REPORTING OFFICER:</b>	Acting Manager Financial Services - Jeffrey Corker
<b>AUTHORISING OFFICER:</b>	Director Finance and Corporate Services - Tony Nottle
<b>VOTING REQUIREMENT:</b>	Simple Majority
<b>ATTACHMENTS:</b>	Attachment A List of Payments Made - March 2019 

#### **PRÉCIS**

This report provides details of payments made from the City's bank accounts for the month of March 2019, for noting by the Council and recording in the Council Minutes.

#### **BACKGROUND**

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

#### **STATUTORY ENVIRONMENT**

Section 6.10 of the Local Government 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.

#### **LONG-TERM FINANCIAL PLAN IMPLICATIONS**

Not Applicable.

#### **STRATEGIC COMMUNITY OBJECTIVES**

This matter principally aligns with Key Goal Area 6 – 'Leadership' and more specifically Community Objective 6.1 - 'Governance systems, process and practices are responsible, ethical and transparent'.

#### **RISK ASSESSMENT**

Not Applicable.

#### **CONSULTATION**

Not Applicable.

**OFFICER COMMENT**

In accordance with regular custom, the list of payments made for the month of March 2019 is presented for information.

**CONCLUSION**

The list of payments made for the month of March 2019 is presented for information.

**OPTIONS**

Not Applicable.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Not Applicable.

**COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION**

**F1904/021** Moved Councillor L Miles, seconded Councillor G Henley

That the Council notes payment of voucher numbers M116723 – M116779, EF063322 – EF064338, T007437 – T007440, and DD003718 – DD003739 together totalling \$8,492,845.35.

**CARRIED 5/0**

#### 6.4 BUDGET AMENDMENT REQUEST / REVIEW

<b>SUBJECT INDEX:</b>	Budget Planning and Reporting
<b>STRATEGIC OBJECTIVE:</b>	Governance systems, process and practices are responsible, ethical and transparent.
<b>BUSINESS UNIT:</b>	Finance and Corporate Services
<b>ACTIVITY UNIT:</b>	Finance and Corporate Services
<b>REPORTING OFFICER:</b>	Acting Manager Financial Services - Jeffrey Corker
<b>AUTHORISING OFFICER:</b>	Director Finance and Corporate Services - Tony Nottle
<b>VOTING REQUIREMENT:</b>	Absolute Majority
<b>ATTACHMENTS:</b>	Nil

#### **PRÉCIS**

This report seeks recommendation of the Finance Committee to Council for the approval of budget amendments as detailed in this report. Adoption of the Officers recommendation will result in no change to the City's current amended budgeted surplus position of \$0.

#### **BACKGROUND**

Council adopted its 2018/2019 municipal budget on Wednesday, 25 July 2018 with a balanced budget position.

Since this time Council has been advised of certain funding changes that have positively impacted the original budget and Council is now being asked to consider budget amendments for the following key areas/projects:

1. Storm Damage Reimbursement
2. Queen to Strelly Street

#### **STATUTORY ENVIRONMENT**

Section 6.8 of the *Local Government Act 1995* refers to expenditure from the municipal fund that is not included in the annual budget. In the context of this report, where no budget allocation exists, expenditure is not to be incurred until such time as it is authorised in advance, by an absolute majority decision of the Council.

#### **RELEVANT PLANS AND POLICIES**

There are multiple plans and policies that support the proposed budget amendments.

#### **FINANCIAL IMPLICATIONS**

Budget amendments being sought will result in no change to Council's budget surplus position of \$0.

#### **LONG-TERM FINANCIAL PLAN IMPLICATIONS**

There are no Long Term Financial Plan implications in relation to this item.

#### **STRATEGIC COMMUNITY OBJECTIVES**

This matter principally aligns with Key Goal Area 6 – 'Leadership' and more specifically Community Objective 6.1 - 'Governance systems, process and practices are responsible, ethical and transparent'.

**RISK ASSESSMENT**

There is a risk to the City, as there is with all projects undertaken, that the final cost could exceed budget. If this looks to be the case Council will be notified so a suitable offset / project scope back can be identified.

**CONSULTATION**

No external consultation was considered necessary in relation to the budget amendments.

**OFFICER COMMENT**

The Officer recommends the following requested budget amendments to the Finance Committee for consideration and recommendation to Council.

**1. “Storm Damage Reimbursement**

On the 5-6th June 2018 the City experienced a severe weather event causing extensive damage throughout the City.

Financial assistance was sought via the Western Australian Natural Disaster Relief and Recovery Arrangements (WANDRRA) to assist with the clean-up.

Unfortunately damage caused by the high-tide and coastal inundation were deemed ineligible for assistance under the program.

City Officers did however seek to have the event declared for the collection and disposal of the many hundreds of trees that fell on or near the City’s rural road network. In prior years this activity has been funded under this program however the rules and guidelines have changed significantly since a Federal Government Productivity Review.

After having submissions rejected multiple times the State Government, on behalf of the City; sought a determination from the Federal Governments Auditor General’s office as to the following;

1. What constitutes adequate evidence to support a claim of this nature?
2. What part of a road is deemed to be an essential public asset eligible for funding?

Additional evidence was submitted which ultimately resulted in the event being declared in December 2018. A revised estimate, comprising quotes for the clean-up; has since been submitted and approval for 75% or \$391,500 of the total \$522,000 in estimated costs are eligible to be reimbursed to the City. It should be noted that trees that fell exclusively within the City’s road reserves, where the majority of the tree did not impact on the road surface; were ineligible for funding assistance.

A budget amendment is now requested to bring both the extra expenditure to budget and the corresponding reimbursable amount. The 25% of the total cost required to be funded by the City (\$522,000 @ 25% = \$130,500) will be drawn from the existing Rural Tree Pruning budget which forms part of the larger Road Maintenance Budget

**Planned Expenditure Item**

Officers propose that the 2018/2019 adopted budget be amended to reflect the following funding changes, shown in Table 1.

**Table 1:**

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Resulting Proposed Amended Budget</i>
<b>Expenditure</b>				
541.M9971.3280.0000	WANDRRA Storm Claim	0	391,000	391,000
<b>Income</b>				
541.M9971.1520.0000	WANDRRA Storm Claim - Reimbursement	0	-391,000	-391,000
	<b>Net Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2. "Queen to Strelly Street"

The Queen Street Road Project (S0066) has budget totalling \$52,846 that represents budget carried over from previous year works. \$18,469 of this is Municipal funds while the balancing amount of \$34,377 represents Main Roads Grant monies under the Regional Road Group program.

In January, City Officers sought and have subsequently have been approved by SWRRG / Main Roads WA; to transfer these remaining monies against the Strelly Street Road Project (S0035) for the construction of the roundabout on the corner of Strelly and Barlee Street. These additional funds will be used to relocate the NBN infrastructure that was overlooked when the Telstra communication infrastructure was relocated last year.

### Planned Expenditure Items

Officers propose that the 2018/2019 adopted budget be amended to reflect the following funding changes, shown in Table 2.

**Table 2:**

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Resulting Proposed Amended Budget</i>
<b>Expenditure</b>				
541.S0066.3280.0000	Contractors	52,846	-52,846	0
541.S0035.3280.0000	Contractors	450,000	52,846	502,846
<b>Income</b>				
541.S0066.1210.0000	Capital Grants – Main Roads	-10,000	10,000	0
541.S0035.1210.0000	Capital Grants – Main Roads	-300,000	-10,000	-310,000

Restricted grant collected from S0066	grant unspent	Restricted Monies	-24,377	24,377	0
Restricted grant collected from S0035	grant unspent	Restricted Monies	0	-24,377	-24,377
<b>Net Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

## CONCLUSION

Council's approval is sought to amend the budget as per the details contained in this report. Upon approval the proposed works will be planned, organised and completed.

## OPTIONS

The Council could decide not to go ahead with any or all of the proposed budget amendment requests.

## TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Should the Officer Recommendation be endorsed, the associated budget amendment will be processed within a month of being approved.

10.10am At this time the Director of Engineering and Works Services entered the meeting.

## COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION

**F1904/022**

Moved Councillor C Tarbotton , seconded Councillor G Henley

## ABSOLUTE MAJORITY DECISION OF COUNCIL REQUIRED

That Council endorse the requested budget amendments outlined in tables 1 to 2 below, resulting in no change to an amended budgeted surplus position of \$0.

**Table 1:**


<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Resulting Proposed Amended Budget</i>
<b>Expenditure</b>				
541.M9971.3280.0000	WANDRRA Storm Claim	0	391,000	391,000
<b>Income</b>				
541.M9971.1520.0000	WANDRRA Storm Claim - Reimbursement	0	-391,000	-391,000
<b>Net Total</b>		<b>0</b>	<b>0</b>	<b>0</b>

**Table 2:**

<i>Cost Code</i>	<i>Description</i>	<i>Current Budget</i>	<i>Change</i>	<i>Resulting Proposed Amended Budget</i>
<b>Expenditure</b>				
541.S0066.3280.0000	Contractors	52,846	-52,846	0
541.S0035.3280.0000	Contractors	450,000	52,846	502,846
<b>Income</b>				
541.S0066.1210.0000	Capital Grants – Main Roads	-10,000	10,000	0
541.S0035.1210.0000	Capital Grants – Main Roads	-300,000	-10,000	-310,000
Restricted grant collected from S0066	Restricted Monies	-24,377	24,377	0
Restricted grant collected from S0035	Restricted Monies	0	-24,377	-24,377
	<b>Net Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

CARRIED 5/0

## 6.5 2019/20 DRAFT LIST OF FEES AND CHARGES

<b>SUBJECT INDEX:</b>	Financial Management: Financial Operations
<b>STRATEGIC OBJECTIVE:</b>	Governance systems, process and practices are responsible, ethical and transparent.
<b>BUSINESS UNIT:</b>	Finance and Corporate Services
<b>ACTIVITY UNIT:</b>	Financial Services
<b>REPORTING OFFICER:</b>	Acting Manager Financial Services - Jeffrey Corker
<b>AUTHORISING OFFICER:</b>	Director Finance and Corporate Services - Tony Nottle
<b>VOTING REQUIREMENT:</b>	Absolute Majority
<b>ATTACHMENTS:</b>	Attachment A Draft Schedule of Fees and Charges - 2019/20 

### PRÉCIS

In accordance with Regulation 5(2) of the Local Government (Financial Management) Regulations, a local government is to undertake a review of its fees and charges regularly; and not less than once in every financial year. This report provides the Finance Committee with a recommended Schedule of Fees and Charges to apply for the financial year commencing on 01 July 2019, for its consideration and consequent recommendation to the Council.

### BACKGROUND

Section 6.16 of the Local Government Act (the “Act”) states that a local government may impose and recover a fee or charge for any goods or services it provides or proposes to provide, other than a service for which a service charge is imposed.

Section 6.17 of the Act further states that in determining the amount of a fee or charge for goods and services, a local government is to take in to consideration the following factors:

- a) The cost to the local government of providing the service or goods;
- b) The importance of the service or goods to the community; and
- c) The price at which the service or goods could be provided by an alternative provider.

Section 6.18 of the Act clarifies that if the amount of any fee or charge is determined under another written law, then a local government may not charge a fee that is inconsistent with that law.

The above matters have been considered as part of the annual fees and charges review and the fees and charges recommended are in accordance with recent planning and discussions relating to the City’s Long Term Financial Plan.

Finally, whilst Section 6.16(3) of the Act states that a schedule of fees and charges is to be adopted by the Council when adopting the annual budget, fees and charges may also be imposed during a financial year. In order for the 2019/20 schedule of fees and charges to be effective from the commencement of the new financial year, the Council is required to adopt its schedule in advance of 30 June 2019, such that any statutory public notice periods (including gazettal’s where required) can be complied with.

### STATUTORY ENVIRONMENT

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 on an annual basis is detailed within Regulation 5 of the Local Government (Financial Management) Regulations.



## **RELEVANT PLANS AND POLICIES**

The Council's Draft Long Term Financial Plan, which will be subject to Workshops with SMG and Councillors in April 2019, reflects an annual increase in Fees and Charges revenue of 2.5%. This matter has been considered as part of the review process. In some cases, market analysis was undertaken to determine if an increase in the coming year would be viable, potentially impacting on business units within the City of Busselton.

## **FINANCIAL IMPLICATIONS**

Whilst fees and charges revenue includes items that the Council has no authority to amend, it is important that, where possible, controllable fees and charges are appropriately indexed on an annual basis, to assist in offsetting the increasing costs of providing associated services. This may include increases beyond normal indexation in particular cases in line with Section 6.17 of the Act.

## **LONG-TERM FINANCIAL PLAN IMPLICATIONS**

In terms of the Council's currently adopted budget, revenue from fees and charges (excluding waste collection charges) equates to approximately 20.4% of budgeted rates revenue and 14% of total operating revenue (excluding non-operating grants). As such, fees and charges form an integral and important component of the City's overall revenue base in relation to the Long Term Financial Plan.

## **STRATEGIC COMMUNITY OBJECTIVES**

The schedule of fees and charges adopted by the Council encompasses 'whole of organisation' activities. As such, all Key Goal Areas within the Council's Strategic Community Plan 2017 are in some way impacted. More specifically however, this matter aligns with Key Goal Area 6 – 'Leadership' and particularly Community Objective 6.1 - 'Governance system, process and practices are responsible, ethical and transparent'.

## **RISK ASSESSMENT**

There are several risks that the Council needs to be mindful of when reviewing its schedule of fees and charges. Firstly, in an effort to assist in recovering costs associated with the provision of services, it is important that, where applicable, fees and charges are increased on an annual basis in line with relevant economic indicators. Should this not occur the provision of services is required to be increasingly subsidised by other funding sources. Conversely however, a balance is also required to ensure that fees and charges are maintained at levels so as not to adversely impact on the financial ability for ratepayers to utilise those services, which may otherwise result in a net reduction in revenue.

## **CONSULTATION**

Business Unit Managers are responsible for reviewing fees and charges associated with activities under their control. As part of the review process, consultation may occur with other local government authorities, in addition to a review of prices offered by alternate service providers (pursuant to Section 6.17 of the Act).

## **OFFICER COMMENT**

The 2019/20 Draft Schedule of Fees and Charges has been guided by a general escalation of 2.5% over currently adopted fees and charges. This methodology is consistent with the Fees and Charges revenue extrapolation as comprised within the Council's current Draft Long Term Financial Plan.

Notwithstanding this however, in numerous instances this principle is not appropriate, with other factors also requiring consideration. The following provides an overview, by Directorate, of noteworthy instances where the extrapolation has not been utilised, whilst also discussing, where relevant, newly proposed fees and charges.

### Planning and Development Services

#### Building Related Fees

- General  
A number of fees have been deleted as they are no longer applicable due to a change to procedures such as the provision of information electronically or on the Council's website.
- Building Inspection and Reports  
Two Inspections fees have been merged into one. One fee has now been deleted, with the second reflecting the higher original fee;

#### Health Related Fees

- General  
A number of fee categories have been included in the provision for a 50% concession for incorporated not for profit organisations and groups where profits raised from the associated activity are to be donated to a local cause or charity. Additionally, a number of fees have been identified to allow a pro rata charge to be levied for part years.
- Food Premises Fees  
Fee structure has been rationalised.
- Holiday Homes  
Registration fee has been restructured to allow for an initial Application Fee.
- Noise Regulation Fees  
New fees have been added for Regulation 14 (Waste Collection and Other Works) and 16 (Motor Sports Venues, Shooting Venues) fees under the Environmental Protection (Noise) Regulations 1997.

#### Town Planning Related Fees

- General  
A number of fees have been deleted as they are no longer applicable due to a change to procedures such as the provision of information electronically or on the Council's website.

### Engineering Works & Services

#### Miscellaneous

- Outstanding Works Bond determined by the Chief Executive Officer  
The Bonds have been removed from the list as they are now included in associated policies as reviewed earlier in the year.

#### Waste Disposal and Sanitation Fees

- General  
A number of fees have been increased above the guidelines so as to reflect the actual cost of the service. A number of fees have been increased by \$0.50 so as to facilitate change handling at the gatehouse. A number of Commercial Waste fees have been adjusted to be the same as the equivalent Domestic charges as the vehicles delivering the waste are often indistinguishable at the gatehouse. The Building and construction waste fee has been increased as per Council briefing discussions to maximise cell longevity.

### Finance & Corporate Services

#### Administration / Miscellaneous Fees

- Council Minutes  
Annual subscription fee not increased as already considered cost prohibitive.
- Publications  
Fee not increased as old stocks remain.
- City of Busselton License Plates  
Fee not increased due to low sales.

#### Rates & Finance Charges

- Rates / Property Related Matters  
The General Enquiry fee has been altered from a flat rate fee to an hourly charge to better reflect work involved. The Provision of Rate Notices fee has been reduced to reflect that the majority are now supplied electronically rather than on paper, which reduces time and cost. The ownership Statement Fee has been increased to better reflect the work involved. New fees have been added with regard to legal fees to recover the City's costs.
- Financial Transactions  
A new fee has been introduced to recover the costs involved when a payment from a customer is rejected. These costs, excluding actual bank fees; are incurred in the reversing of a receipt, contacting the payee, and processing the second payment.  
A new fee has been introduced to replace a payment to a customer (on the first occasion) where it can be shown it is the customers fault. These costs, excluding actual bank fees; are incurred in reversing the initial payment, processing a second, and posting it to the customer.  
A new fee has been introduced to replace a payment to a customer (on the second or subsequent reissue) where it can be shown that the customer is at fault. Although uncommon, there are occasions where the City has sent three or more payments to the customer for a single event. Each incurs additional costs to the City.

#### Cemetery Fees

- General  
Fee reforms in 2009-2015 brought the City to parity with similar facilities within the state. A number of fees are not proposed to be increased this year as previous annual price increases have now made Busselton's fees higher, so further increases at this time are considered cost prohibitive.

#### Hire Facilities

- General  
A number of fees and bond amounts have not been increased as the current values are considered sufficient.
- Facility Hire Bonds  
Bond levels have not been increased as current values are consider sufficient. The "Low Risk Function" Bond (Office hours – no alcohol) has been deleted as it is considered unnecessary.

#### Churchill Park Hall, High Street Hall, Rural Halls (Yallingup, Yoongarillup)

- Comparable venues in other Council's charge significantly less. Feedback from customers indicates the City is over-charging which has resulted in reduced booking numbers. Accordingly fees have been reduced.

#### Undalup Function Room

- Existing fees are sufficient to cover costs. Increasing fees would be prohibitive of bookings so no increases proposed.

#### Community & Commercial Services

##### Events & Casual Ground Hire

- Use of Busselton Foreshore Stage  
A new fee has been introduced for the placement of a bond for the use of the foreshore stage curtain. Operators using the stage can hire the stage curtain and are responsible for installing the curtain so it is necessary to have a bond in the event of any damage.

##### Commercial Hire Site Traders (Non Foods)

- There have been some changes to the wording for the Commercial Hire Sites fees to provide clarity only. There have been no changes to the fees or the structure of fees.

##### Commercial Activity Permit (Non Food)

- A new set of fees and charges have been introduced to allow for commercial operators wanting to use City of Busselton managed/owned land for their operations. These type of commercial operations are not daily operations or continued use of a single site as with commercial hire site operators and examples include tour operators based outside the City conducting snorkelling, walking or whale sight-seeing tours. The fees have been split into three classes of fees to represent the location, use and impact that the commercial operations will have on the specific area (environment) and surrounds.

##### Foreshore Kiosk Permit – Busselton Foreshore

- Kiosk structures are expected to be constructed on the foreshore and available for hire in the second half of 2019. City Officers will conduct an expression of interest and advertise the kiosks however an annual fee that can then be applied on a pro rata basis will be charged. A bond fee has also been introduced to ensure any damage can be rectified if needed

##### Commercial Use of marine Berthing Platforms – Whale Watching / Tour Vessels – Per Vessel

- General  
A new set of daily fees has been introduced for the commercial use of the marine berthing platforms on the Busselton Jetty by whale watching and tour vessels. A daily fee has been introduced to allow operators that use these facilities on an infrequent basis to operate without having to pay a monthly fee which was considered too high and commercial unviable for some operators. An application fee for a marine berthing permit and renewal fee has also been introduced.

##### Naturaliste Community Centre

- General  
A clause worded “Promotions at the discretion of the Chief Executive Officer” has been inserted. The Leisure Centres run advertised promotions at times during the year to drive new memberships. Such promotions may include reduced membership charges. As the fee must normally be in accordance with the advertised list, provision is being made for the CEO to sign off approval for an alteration during the promotion period only.
- Stadium  
Association fee per Hour amended to align with GLC Fees.

- **Community Office Space**  
The NCC Community Office currently has low usage during weekday working hours. Consequently the commercial hourly hire rate has been reduced in order to appeal to potential commercial users as a casual business office. The Community rate has been reduced accordingly.
- **Group Fitness**  
The fees for group fitness memberships have been amended to align with GLC fees in order to ensure equity for residents across the City to access these services. The 6 month, and 3 month memberships are rarely sold with most patrons purchasing 12 month memberships for cost effectiveness. The Remote shift worker membership has been aligned with the GLC Pricing to attract FIFO community and to reflect their reduced ability to access programs.
- **Seniors Programs**  
The pricing of the Book of 10 discount tickets has been removed and replaced with a percentage discount to ease administration.

#### Geographe Leisure Centre

- **General**  
A clause worded “Promotions at the discretion of the Chief Executive Officer” has been inserted. The Leisure Centres run advertised promotions at times during the year to drive new memberships. Such promotions may include reduced membership charges. As the fee must normally be in accordance with the advertised list, provision is being made for the CEO to sign off approval for an alteration during the promotion period only.
- **Swimming Pool**  
All pool entry fees with the exception of commercial lane hire have been not been increased this year as a result of feedback from School Principals and the community about their affordability and from benchmarking against other similar aquatic facilities. Whilst there is a slight revenue impact, Officers believe this will be offset by other areas over the course of the financial year.  
Commercial lane hire has increased by 5.49% due to lane space for community access being at capacity most days. Community use of the pool is heavily subsidised and therefore if opportunity arises to hire out to commercial operators it should be at a premium to recover some cost.
- **Fitness Centre**  
The gym concession fee of \$13 has been reinstated to be in-line with the current concession fee for Group Fitness entry. The ‘Appraisal and programme and group fitness Assessment Fee’ is for non-members. The price increase is to make membership a better option
- **Crèche/Activity Room**  
Per child per session book of 10 has increased by 8% to align better with the discount for 5 passes.
- **Gym/Swim/Spa/Sauna: [per person per annum]**  
The remote worker annual membership fee has been reduced to \$500. Previously this type of membership had several price options available, relevant to shift rosters. Last financial year these options were removed and replaced with one fee of \$694. The reduced price reflects shift workers reduced ability to access programs.

- Corporate Packages

The Corporate Packages for swim clubs and member's gym/swim/spa/sauna per person per annum Individual prices for corporate packages have been replaced with a 20% discount to bring them into line with other current discounts and make them easier to administer.

The individual price for City of Busselton Staff Members has been deleted and changed to a discount of 30% discount off a full membership to bring it in line with current discounts. This will assist attract City staff to use the GLC and advocate for the service rather than joining other commercial gymnasiums.

- Health Suites

No change proposed as benchmarking has been undertaken and it has been identified that there is a glut of rental suites and offices on the market currently.

#### Busselton Jetty Tourist Park

- General

A clause worded "Promotions at the discretion of the Chief Executive Officer" has been inserted. The Park may run advertised promotions at times during the year to drive new bookings, potentially at short notice during periods of low bookings as an example. Such promotions may include reduced booking charge rates. As the fee must normally be in accordance with the advertised list, provision is being made for the CEO to sign off approval for an alteration during the promotion period only.

The high season pensioner rate of overnight and weekly powered sites has been removed as this fee is not offered during the high tourism seasons only in the mid and low seasons.

Weekly rates for both powered sites and cabins for mid and high season rates have been adjusted. The rates (powered sites and all cabins other than the basic cabins) have been increased to reflect that a discount that was previously applied to the seventh day/night for mid and high seasons to encourage patrons to stay longer however as policies have been introduced a minimum stay of seven nights is now required for mid and high seasons. In most cases the increases are larger than if the prescribed rate had been applied despite the prescribed rate not being applied to the daily (overnight rates).

Semi-Permanent fees have been increased (less than the prescribed rate) however reflect the increase in power and water service charges.

#### ArtGeo Cultural Complex

- Courtyard Hire (4 Queen Street)

No change proposed due to very limited use of the facilities.

- Terrace Garden

No change proposed due to very limited use of the facilities.

#### Busselton-Margaret River Airport

- General

It is regular practice in the aviation industry to have a number of fees and charges which can be commercially negotiated by agreement, hence the following statement has been included in the 2019/20 schedule:

"The City of Busselton reserves the right to establish Pricing Arrangements, incorporating elements of the standard fees and charges listed below with partners (including RPT and Open & Closed Charters) based on commercial arrangements."

- Landing Fees and General Aviation Charges  
New landing fees have been introduced or replaced for the following aircraft weight categories:
  - Fixed and rotary aircraft 5,700kg-19,999kg MTOW per part 1000kg
  - Fixed and Rotary wing Aircraft greater than 20,000kg MTOW per part 1000kg

The new fees have been introduced to differentiate between aircraft weight categories further allowing for more affordable landing fees for general aviation and smaller charter aircraft.

The annual landing fees for both private operators and commercial operators have been extended to include aircraft with MTOW less than 3000kgs.

- Other Fees  
New fees have been introduced regarding Hangar Hire Parking Fees as per council decision C1811/2433.

#### Library Charges

- General  
No changes proposed as fees generally small and change would necessitate handling small change coins.

#### **CONCLUSION**

As part of the annual fees and charges review, the currently adopted fees and charges have been reviewed in line with the requirements of the Local Government Act and other relevant legislation as applicable. Where considered relevant, fees and charges have been increased by, or above, LGCI estimates in recognition of increased costs associated with the provision of services. In other instances, the prevailing fees and charges are considered adequate (and as such, no changes are recommended). Furthermore, a number of new fees and charges have been proposed, or amendments to existing fees structures recommended. Consequently, it is recommended that the Finance Committee endorses the draft Schedule of Fees and Charges for 2019/20 as recommended, for subsequent consideration by the Council.

#### **OPTIONS**

The Finance Committee may determine to recommend amendments to the Draft Schedule of Fees and Charges as it deems appropriate

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

Consequent to adoption by the Council, the Schedule of Fees and Charges for 2019/20 will become effective from and including 01 July 2019.

#### **COMMITTEE RECOMMENDATION AND OFFICER RECOMMENDATION**

**F1904/023** Moved Councillor C Tarbotton , seconded Councillor L Miles

That the Council endorses the Fees and Charges as detailed in the “Draft List of Fees and Charges 2019/20” as per Attachment A - Schedule of Fees and Charges, effective from and including 01 July 2019.

**CARRIED 5/0**

## 7. GENERAL DISCUSSION ITEMS

7.1 The Director of Engineering and Works Services provided an update on Gale Road.

10.47am

*At this time the Director of Engineering in Works Services left the meeting.*

## 7.2 IDENTIFICATION OF PAYMENTS BY PRIMARY INDUSTRY AND REGION

<b>SUBJECT INDEX:</b>	Financial Operations
<b>STRATEGIC OBJECTIVE:</b>	Governance systems, process and practices are responsible, ethical and transparent.
<b>BUSINESS UNIT:</b>	Finance and Corporate Services
<b>ACTIVITY UNIT:</b>	Financial Services
<b>REPORTING OFFICER:</b>	Acting Manager Financial Services - Jeffrey Corker
<b>AUTHORISING OFFICER:</b>	Director Finance and Corporate Services - Tony Nottle
<b>VOTING REQUIREMENT:</b>	Simple Majority
<b>ATTACHMENTS:</b>	Nil

### PRÉCIS

Guidance from Council is sought as to whether the information provided in the List of Payments Made for March 2019 meets its expectations with regard to the reporting of the “origin of invoices”.

### BACKGROUND

Council has previously discussed the “origin of invoices” to assist with determining local spending habits within the organisation.

Subsequently, an internal action commenced to provide a report to Council/Committee to inform Councillors of the spending within the organisation. This required a review of our supplier list and monthly payment schedules and an assessment of each supplier.

A determination had to be made about what is deemed local, regional etc. As such, businesses such as Bunnings, Kmart, Coles etc. were deemed to be local as they pay rates to the City, employ local people and contribute to the economic viability of the City of Busselton.

What is also captured within our monthly payment listings is payments to staff, reimbursements, wages, bond administration etc. All of these were deemed to be “not a local supplier.”

As such, staff are able to provide 2 alternatives to be included on the report each month to indicate the expenditure origins. These can then be tracked over time.

### STATUTORY ENVIRONMENT

Section 6.10 of the Local Government 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.

**LONG-TERM FINANCIAL PLAN IMPLICATIONS**

Not Applicable.

**STRATEGIC COMMUNITY OBJECTIVES**

This matter principally aligns with Key Goal Area 6 – ‘Leadership’ and more specifically Community Objective 6.1 - ‘Governance systems, process and practices are responsible, ethical and transparent’.

**RISK ASSESSMENT**

Not Applicable.

**CONSULTATION**

Not Applicable.

**OFFICER COMMENT**

In accordance with the background, the List of Payments made for March 2019 has been modified to include the additional information. Two additional tables have been added to the end of the listing to provide summarised totals as follows:

- The “All Payments” table breaks up the total payments made for the month by Primary Industry. The total of this breakup will match the total of the payments made.
- The “Goods and Services” table relates to only those payments identified under the Primary Industry classification, and in turn then further classifies them by Region.

<b>MUNICIPAL ACCOUNT</b>	CHEQUE # 116723-116779	\$ 297,076.84
<b>ELECTRONIC TRANSFER PAYMENTS</b>	EF063822-64338	\$ 6,546,235.85
<b>TRUST ACCOUNT</b>	7437-7440	\$ 24,098.70
<b>INTERNAL PAYMENT VOUCHERS</b>	DD3718-3739	\$ 1,625,433.96
		<b>\$ 8,492,845.35</b>

<b>ALL PAYMENTS MARCH 2019</b>		
Row Labels	Sum of AMOUNT	%
Bond and Sundry Refunds	\$ 5,981.57	0.07%
Government Institutions	\$ 1,057,359.26	12.45%
Staff & Councillor Payments	\$ 2,164,219.45	25.48%
Staff Refund	\$ 7,392.15	0.09%
Sundry Payments and Refunds	\$ 78,159.63	0.92%
Supplier of Goods and Services	\$ 5,179,733.29	61.00%
Grand Total	\$ 8,492,845.35	100.00%

<b>GOODS AND SERVICES MARCH 2019</b>		
Row Labels	Sum of AMOUNT	%
Busselton	\$ 1,756,159.86	33.90%
Other Region	\$ 2,802,946.80	54.12%
Southwest	\$ 620,626.63	11.98%
Grand Total	\$ 5,179,733.29	100%

It is suggested that this information will be included upon each monthly List of Payments made. Periodic summaries can also be provided, say quarterly; and in time comparisons can be made and trends tracked.

**CONCLUSION**

Guidance from Council is sought as to whether the information provided in the March Listing meets the expectations. The current format is in summarised form only. As an alternative example, the Primary Industry and Region (as applicable) could be included on a payment by payment basis.

It is recommended that the most relevant way of reporting would be to include (with explanation) the "Goods and Services" table be used to illustrate the origin of spend within the City of Busselton.

**OPTIONS**

Council may advise that the information is to be presented in an alternative format.

**TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION**

Council’s recommended option in presenting the information will be included as part of the List of Payments Made for April as presented to the Finance Committee in May.

*The committee was in general agreement that the data be provided in a quarterly report to council.*

**8. NEXT MEETING DATE**

Thursday, 16 May 2019

**9. CLOSURE**

The meeting closed at 11.05am.

THESE MINUTES CONSISTING OF PAGES 1 TO 35 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON THURSDAY, 16 MAY 2019.

DATE: \_\_\_\_\_ PRESIDING MEMBER \_\_\_\_\_